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COVER



Africa COVERed

INAUGURAL RESEARCH PROJECT

INSIGHTS FROM KENYA AND RWANDA



IN ASSOCIATION WITH THE IIWC

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INTRODUCTION

In March 2024, COVER, in collaboration with The Insurance Institute of the Western Cape, arranged an exploratory trip to Kenya and Nairobi, with the aim of getting a better understanding of the respective insurance industries, building relationships, exploring potential opportunities for collaboration, and learning from innovations already in operation.

Following the trip, we put together an overview of the two industries to share with interested parties in South Africa, Kenya and Rwanda. This document contains facts, figures and some conclusions, with the aim of stimulating interest from readers in doing further research suited to their own company and position.

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We would also like to thank all the companies, associations and institutes for the warm welcome and hospitality and would particularly like to thank Dr. Ben Kajwang, Director of the College of Insurance, who hosted us and provided a meeting venue at the stunning premises of The Insurance College.

In this research I share multiple examples of innovations and companies doing exceptional things in the Kenya and Rwanda insurance markets. Examples used in this overview are those I have come across and read about. Space limitations made it impossible to list all those I would have liked to.



Names of all the Africa Explorers Left to right:

Kyle Kloppe, Account Executive at Intasure; **Hassan Adam**, COO and co-founder of Holistic Financial Services; **Dale Abrahams**, Marketer at Mirabilis Engineering Underwriting Specialists; **Tony van Niekerk**, Owner and editor of COVER Publications; **Khalil Sungay**, CEO-Randsure Insurance & Financial Solutions; **Robyn Carter**, IIWC President and Regional Manager, Coastal Regions, Lombard Broker Partners; **Cerisse Goliath**, Head: Business Development (Binder Brokers) Hollard Insurance; **Terrence Nyoni**, Account Executive at Price Forbes, South Africa; **Brent Munnik**, Digital strategy and Marketing Director, COVER Publications.

KENYA LANDSCAPE OVERVIEW



EXECUTIVE SUMMARY

Kenya's insurance sector is witnessing a significant transformation, driven by digital innovation, financial inclusion, and the emergence of insurtech solutions.

This document provides a comprehensive analysis of the key trends, challenges, and opportunities within the market, focusing on how technology, policy reforms, and market dynamics are shaping the future of insurance in Kenya.

KEY HIGHLIGHTS

1 Demographics and Economic Landscape

Kenya's population of over 54 million is predominantly young, with urbanisation on the rise. The country's GDP is approximately R1 980 billion with agriculture, services, and industry as the primary contributors. While economic growth has improved living standards, significant challenges like poverty and income inequality remain prevalent.

2 Digital Transformation in Insurance

Kenya is a leader in mobile-driven insurance solutions. The rise of mobile money services like M-Pesa has paved the way for digital insurance platforms such as M-TIBA and Pula, allowing seamless access to insurance products via mobile devices. The adoption of insurtech has accelerated financial inclusion, especially among underserved populations.

3 Microinsurance and Financial Inclusion

Microinsurance has emerged as a critical tool for expanding coverage to low-income and informal sector workers. Companies like Turaco and Bluewave Insurance have introduced affordable, flexible insurance solutions accessible through mobile channels, targeting segments previously excluded from formal financial systems.

4 Challenges and Barriers

Despite these advancements, the industry faces obstacles such as low financial literacy, regulatory gaps, and the complexities of product design. Additionally, mistrust towards insurers due to delayed claims settlements and fraudulent activities remains a significant barrier to wider adoption.

5 Regulatory Environment and Innovations

The Insurance Regulatory Authority (IRA) has introduced sandbox environments and supportive regulations to foster innovation in the insurtech space. Collaborative efforts between the government, private sector, and international organisations are key to scaling innovative insurance solutions across Kenya.

6 Opportunities in Agricultural Insurance

With agriculture being a vital part of Kenya's economy, agricultural insurance solutions are crucial for protecting farmers from climate risks. Index-based insurance products and bundled offerings are growing, with companies like Acre Africa and Pula leading the way.

7 Strategic Growth Areas

The market's future growth lies in expanding health insurance, embedded insurance models, and products designed for the digital economy. Cyber insurance and SME-targeted solutions are emerging as key focus areas for insurers looking to tap into new segments.

IN SUMMARY

Kenya's insurance landscape is characterised by rapid digitalisation, innovative microinsurance models, and a strong focus on financial inclusion. As the market continues to evolve, strategic partnerships, regulatory support, and technology-driven approaches will be essential in driving sustainable growth and increasing insurance penetration across all demographic segments.

I DEMOGRAPHICS AND ECONOMIC OVERVIEW

DEMOGRAPHICS

Kenya's population has seen rapid growth, reaching approximately 54 million by 2023. The population is youthful, with around 75% below the age of 35. Urbanisation is on the rise, with Nairobi, Mombasa, and Kisumu being key cities. However, rural areas still host a significant portion of the population.

Ethnic Composition

Kenya is ethnically diverse, with over 40 ethnic groups. The major ethnic communities include Kikuyu, Luhya, Luo, Kalenjin, and Kamba. Each group has its distinct language and cultural practices. While Swahili and English are the official languages, many communities use their native tongues in daily communication.

Religion

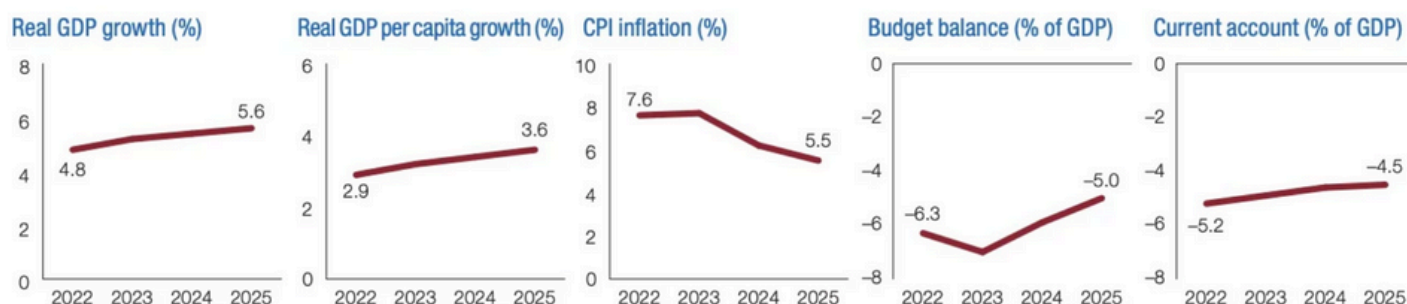
Christianity is the dominant religion, accounting for about 85% of the population, followed by Islam, predominantly practiced along the coast. Traditional African beliefs and secular practices also persist in various parts of the country.

Education and Literacy

Kenya has made significant strides in education, with free primary education being introduced in 2003. Literacy rates are above 80%, but challenges remain, particularly in marginalised areas where access to education is limited. The government continues to emphasise secondary and tertiary education to prepare the youthful population for the job market.

ECONOMICS

GDP and Economic Structure - Kenya is classified as a lower-middle-income country, with a GDP of around \$110 billion in 2023. The economy is diverse, driven by agriculture, services, and industry. The services sector, especially ICT and financial services, contributes the largest share to GDP, while agriculture remains critical for employment.



Source: Data are as of April 2024 and are from domestic authorities; figures for 2023 are estimates and figures for 2024 and 2025 are projections by the African Economic Outlook team. Data on the budget balance correspond to Kenya's fiscal year, which runs from July 1 to June 30.

KEY ECONOMIC SECTORS

AGRICULTURE

Accounts for about 30% of GDP and employs nearly 75% of the labor force. Major exports include tea, coffee, horticulture, and livestock products. However, the sector is vulnerable to climate change, with frequent droughts affecting production.



TOURISM

Kenya is famous for its wildlife, beaches, and cultural heritage. Tourism is a major foreign exchange earner, attracting visitors to national parks like Maasai Mara and coastal resorts in Mombasa. The sector was severely impacted by the COVID-19 pandemic but is gradually recovering.



MANUFACTURING AND INDUSTRY

The manufacturing sector is growing, driven by the production of consumer goods, construction materials, and chemicals. Nairobi is also becoming a hub for regional and international businesses, benefiting from improved infrastructure like the Standard Gauge Railway.



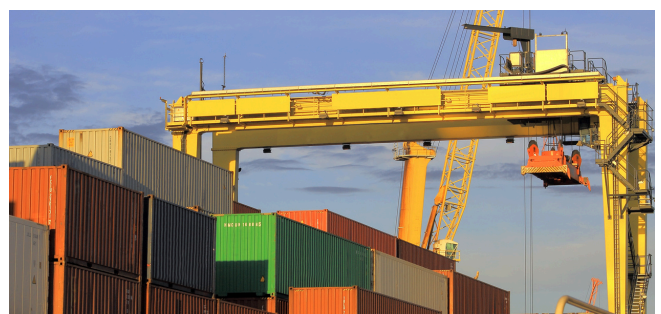
INFRASTRUCTURE AND ICT

Kenya has positioned itself as a regional leader in technology, earning the nickname "Silicon Savannah." Mobile money services like M-Pesa have revolutionised financial inclusion. Infrastructure development, including roads, ports, and energy, is central to Vision 2030, the long-term development plan aimed at transforming Kenya into a middle-income country.



TRADE AND INVESTMENT

Kenya is a leading exporter in East Africa, with major trade partners including the United States, China, and the European Union. The country has benefited from initiatives like the African Growth and Opportunity Act (AGOA), allowing duty-free access to the U.S. market for certain goods. Foreign direct investment is concentrated in technology, real estate, and infrastructure.



POVERTY AND INEQUALITY

Despite economic growth, poverty and income inequality remain significant challenges. Nearly 33% of the population lives below the poverty line, especially in rural areas and informal urban settlements. The government is pursuing programs under the Big Four Agenda (manufacturing, affordable housing, healthcare, and food security) to address these issues.

2 FINANCIAL POSITION AND SPENDING HABITS OF THE KENYAN POPULATION

INCOME DISTRIBUTION AND FINANCIAL POSITION

Income Levels

Kenya's income distribution is highly unequal, with significant disparities between urban and rural populations. According to the Kenya National Bureau of Statistics (KNBS), about 40% of households earn less than KES 10,000 (approximately USD 70) per month. The wealthier segments are concentrated in urban areas, while rural regions are characterised by subsistence living.

Savings and Investments

Despite the low-income levels for a significant portion of the population, the culture of savings is growing, facilitated by mobile banking and microfinance institutions. However, savings rates remain low overall, with many households struggling to save after meeting basic needs.

SPENDING HABITS

Basic Needs

A large portion of household income is spent on basic needs such as food, housing, and transport. In low-income households, food accounts for nearly 50% of total spending, with healthcare and education taking up a significant share of the remaining budget.

Urban vs. Rural Spending

In urban areas, the spending patterns are more diversified, with more disposable income allocated to non-essential goods and services such as entertainment, fashion, and technology. Rural spending is more conservative and primarily focused on agriculture, healthcare, and household essentials.

Consumer Debt and Credit

There is a growing reliance on credit, especially among young professionals and small business owners. Digital lending platforms have proliferated, offering quick loans, but often at high interest rates, leading to a cycle of debt for many users. According to reports, nearly 1 in 10 Kenyans are listed on credit reference bureaus for defaulting on loans.

FINANCIAL MANAGEMENT PRACTICES

Mobile Money and Digital Banking

Mobile money platforms like M-Pesa have transformed financial management in Kenya. Over 80% of adults use mobile money for transactions, savings, and even accessing credit. This has promoted financial inclusion, particularly among those previously unbanked.

Budgeting and Financial Literacy

While financial literacy levels are improving, many households still operate without formal budgets. Impulse buying and poor debt management are common, particularly among low- and middle-income earners. Various government and NGO initiatives are promoting financial literacy, focusing on savings, debt management, and investment strategies.

ACCESS TO FINANCE

Banking and Financial Institutions

Kenya has a well-developed financial sector, with numerous commercial banks, microfinance institutions, and SACCOs (Savings and Credit Cooperative Organisations). However, access to these services remains skewed toward urban populations. Rural and marginalised communities rely more on informal savings groups and microfinance institutions.

Credit Access and Borrowing

Access to formal credit is limited, especially for small-scale farmers and entrepreneurs. While large businesses and employed individuals have better access to loans, the informal sector relies heavily on digital lending platforms and microcredit. High interest rates and collateral requirements are barriers to accessing affordable credit.

Financial Inclusion

Kenya has one of the highest financial inclusion rates in Africa, with about 83% of adults having access to formal financial services. This is largely due to mobile money penetration, which has bridged the gap between the unbanked and financial institutions. The government, in collaboration with financial service providers, continues to roll out initiatives aimed at enhancing access to affordable credit and insurance products.

INVESTMENT AND SAVINGS VEHICLES

Chamas (Investment Groups)

Informal investment groups known as "chamas" are popular among Kenyans. They operate as pooled savings and investment groups, allowing members to invest in assets such as land, real estate, and businesses. These groups play a crucial role in financial management, especially for women and low-income earners.

Insurance and Pensions

Uptake of insurance products remains low, especially among low-income groups. However, there is a growing awareness of the need for health, life, and asset insurance. Pension schemes, including the National Social Security Fund (NSSF) and private plans, are also growing, though coverage is mostly limited to the formal sector.

ACCESS TO FINANCE

Over-Indebtedness

The rise of mobile lending platforms has led to a debt crisis for many Kenyans, especially due to high interest rates and short repayment periods.

Financial Literacy

Although improving, many Kenyans still lack adequate knowledge about effective financial management, investment options, and debt management.

Access to Affordable Credit

High interest rates and lack of collateral exclude many small-scale entrepreneurs and rural dwellers from accessing formal credit facilities.

IN SUMMARY

Kenya's financial landscape is marked by a dual reality. On one hand, financial inclusion is high, driven by innovative mobile money platforms, while on the other, income disparities and access to affordable credit continue to pose challenges.

Improving financial literacy, expanding access to affordable financial products, and enhancing regulatory frameworks for digital lending are essential for promoting better financial health across all segments of the population.



3 INTERNET USE, SOCIAL MEDIA CHANNELS, AND ONLINE BEHAVIOUR IN KENYA

INTERNET PENETRATION AND CONNECTIVITY

Internet Penetration

As of 2023, internet penetration in Kenya stands at around 42%, representing nearly 23 million users. The country has one of the highest internet usage rates in East Africa, driven largely by mobile internet. The expansion of 3G and 4G networks, coupled with the increasing affordability of smartphones, has enabled widespread access across urban and rural areas.

Mobile Data Dominance

Over 90% of internet users access the web via mobile devices. Safaricom, Airtel, and Telkom are the leading providers, offering affordable data bundles that cater to diverse demographics. Despite this growth, there are connectivity gaps, particularly in remote areas where infrastructure is less developed.

Broadband and Fiber Optics

Urban centers like Nairobi and Mombasa have seen a rise in fiber optic connections, offering high-speed internet for businesses and households. Providers like Zuku, Safaricom, and Faiba lead in delivering fixed broadband services. However, these services remain concentrated in major towns, with limited availability in rural areas.

SOCIAL MEDIA USAGE

Popular Platforms

Social media is deeply ingrained in Kenyan society, with platforms like WhatsApp, Facebook, YouTube, Instagram, and Twitter being the most

popular. As of 2023, over 12 million Kenyans actively use social media. WhatsApp is the most widely used, primarily for communication and sharing multimedia content. Facebook remains popular across different age groups, serving both social and business purposes.

Content Consumption and Sharing

Kenyans are highly active on social media, using these platforms for news, entertainment, education, and business. Video content is particularly popular, with platforms like YouTube and TikTok seeing rapid growth. Influencer marketing is also thriving, with brands leveraging social media personalities to reach diverse audiences.

Trends in Social Media Behaviour

Younger users dominate social media platforms, driving trends such as meme culture, digital activism, and e-commerce. Political discourse is also vibrant online, with social media often shaping public opinion. However, issues like misinformation, cyberbullying, and data privacy remain challenges within the digital landscape.

E-COMMERCE AND ONLINE TRANSACTIONS

Growth of E-commerce

E-commerce in Kenya has grown significantly, fueled by improved connectivity and the convenience of mobile money platforms like M-Pesa. Online shopping platforms like Jumia, Kilimall, and local businesses using social media as sales channels have gained popularity. Social commerce, where businesses sell directly through platforms like Instagram and Facebook, is also on the rise.

Payment Solutions

Mobile money remains the dominant payment method for online transactions, accounting for over 70% of payments in e-commerce. The seamless integration of mobile wallets with online stores has made digital transactions easy and secure for both businesses and consumers.

Challenges in E-commerce

Despite growth, e-commerce faces challenges such as trust issues due to fraud, logistics hurdles, and a preference for cash on delivery in some regions. Nevertheless, the sector is expected to continue growing as internet access improves.

DIGITAL LITERACY AND ONLINE BEHAVIOR

Digital Literacy Levels

Digital literacy is relatively high in urban areas, particularly among younger populations. In schools and colleges, ICT integration has been prioritised, leading to greater familiarity with online tools and platforms. However, in rural areas and among older demographics, digital literacy is lower, limiting effective use of the internet beyond basic communication and transactions.

Online Behaviour

Kenyans are heavy consumers of digital content, including news, entertainment, and educational resources. Streaming services like Netflix, YouTube, and local platforms like Showmax are widely used. Online gaming is also gaining popularity, especially among younger users. However, time spent online is largely influenced by access to affordable data bundles and reliable connectivity.

CHALLENGES AND OPPORTUNITIES

Affordability and Access

While internet access is widespread, data costs remain a concern for low-income households. The government and service providers are

working to make connectivity more affordable, with initiatives aimed at expanding coverage in underserved areas.

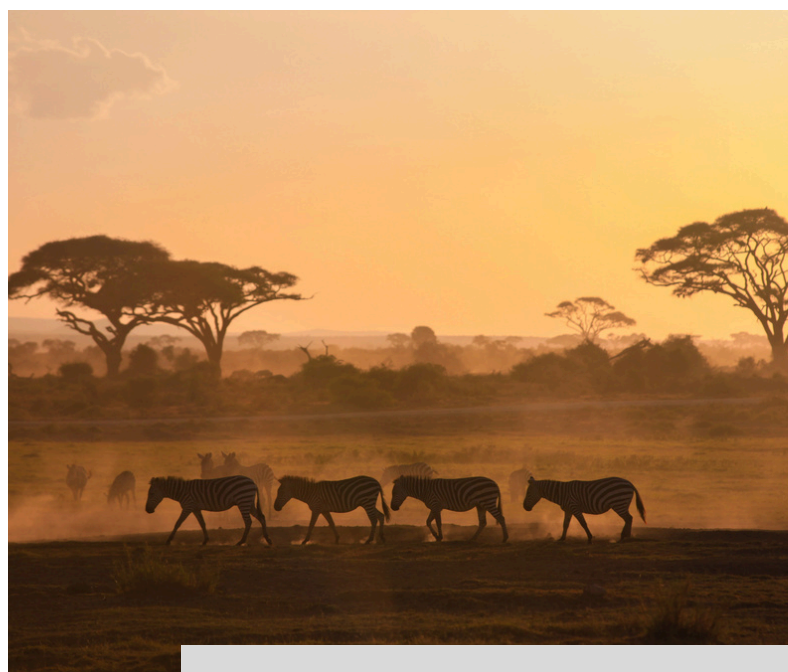
Cybersecurity and Privacy

As more Kenyans go online, cyber threats have increased. Phishing scams, data breaches, and cyberbullying are growing concerns. The government has enacted laws like the Computer Misuse and Cybercrimes Act to address these issues, but enforcement remains a challenge.

Opportunities in Digital Entrepreneurship

The rise in internet access has opened opportunities for digital entrepreneurship. Young Kenyans are leveraging social media, e-commerce platforms, and content creation to generate income. Tech hubs like Nairobi's Silicon Savannah are also nurturing innovation in fintech, e-health, and agritech, contributing to the digital economy.

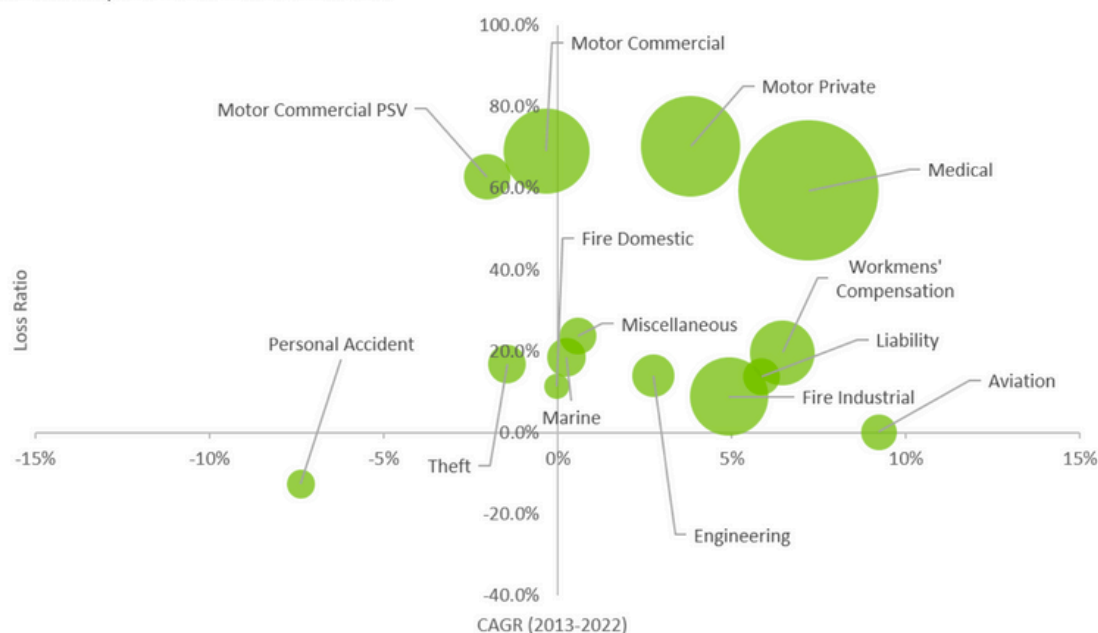
Kenya's digital landscape is rapidly evolving, driven by high mobile internet penetration and widespread use of social media. The population's engagement online ranges from communication and entertainment to business and education. With continued investment in connectivity and digital literacy, the country is poised to unlock even greater potential in its digital economy.



4 INSURANCE

4.1 OVERVIEW OF THE SHORT-TERM INSURANCE MARKET IN KENYA

Business class performance in General Insurance



Source: IRA Kenya Industry reports 2015 – 2022
The size of the bubble represents the gross written premiums for the year 2022.

NUMBER OF INSURERS AND MARKET STRUCTURE

- As of 2023, there are approximately 40 licensed general insurance companies operating in Kenya. The market is relatively competitive, with a few dominant players holding significant market share, while many smaller firms focus on niche products or specific regions.
- The market is highly fragmented, with motor and medical insurance accounting for over 60% of the gross written premiums in the short-term segment. Some of the leading insurers include CIC Insurance, Jubilee Insurance, Britam, ICEA Lion, and APA Insurance.

DISTRIBUTION CHANNELS

Agents and Brokers

The traditional distribution of short-term insurance in Kenya is heavily reliant on brokers and agents. There are over 200 licensed insurance brokers and more than 10 000 insurance agents nationwide. Brokers generally handle corporate and complex risks, while agents primarily target individuals and small businesses.

Direct Sales

Insurance companies also employ direct sales strategies, including in-house sales teams, telemarketing, and partnerships with banks (bancassurance). Bancassurance is becoming increasingly popular, allowing banks to distribute insurance products to their clients, leveraging existing relationships and trust.

Digital Insurance (Insurtech)

The digital insurance landscape is growing rapidly in Kenya. Insurtech companies and traditional insurers alike are adopting online platforms and mobile apps to sell policies, especially microinsurance and low-cost products. Digital distribution is particularly effective in reaching younger, tech-savvy consumers and those in remote areas.

DIGITAL INSURANCE AND INNOVATION

Mobile-Driven Insurance

Mobile technology is at the core of digital insurance growth in Kenya. Platforms like M-TIBA and Pula offer digital health and agricultural insurance solutions, respectively. Through mobile wallets like M-Pesa, customers can pay premiums, receive claims, and manage their policies entirely via their phones.

Microinsurance

Digital channels are particularly effective for distributing microinsurance, which provides low-cost coverage for events like hospitalisation, crop failure, and funeral expenses. Companies like Britam, Airtel, and Safaricom have developed microinsurance products targeting low-income earners, with premiums as low as KES 20 (USD 0.14) per day.

Insurtech Startups

Startups are driving innovation in Kenya's insurance space. Companies like Turaco, a microinsurance platform, and Lami, an API-based insurance distribution platform, are simplifying insurance purchase processes and making products more accessible to underserved markets.

INSURANCE PRODUCTS

Motor Insurance

Motor insurance is the largest segment in the general insurance market, driven by mandatory third-party insurance requirements. Both comprehensive and third-party covers are widely available, and digital platforms have made it

easier to compare prices and purchase policies online.

Health Insurance

Private health insurance complements the National Hospital Insurance Fund (NHIF), providing coverage for inpatient and outpatient services. Insurers like Jubilee and UAP Old Mutual offer tailored products targeting individuals, families, and corporate clients.

Property and Fire Insurance

Coverage for residential, commercial, and industrial properties is growing, especially in urban areas. Insurers offer packages that cover fire, burglary, and related risks, with corporate clients being the main purchasers.

Agricultural Insurance

Given the importance of agriculture in Kenya's economy, there is a growing demand for agricultural insurance. Insurers, often in partnership with the government and international organisations, offer products that cover risks like drought, pest infestations, and livestock diseases.

CHALLENGES AND OPPORTUNITIES

Low Penetration Rates

Insurance penetration in Kenya remains low, at about 2.3% of GDP. This is primarily due to affordability issues, limited awareness, and mistrust of insurance products. However, the rise of microinsurance and digital solutions is gradually expanding coverage, especially among low-income and rural populations.

Claims Processing and Fraud

Fraudulent claims are a significant challenge in the Kenyan insurance market, particularly in motor and medical insurance. Insurers are investing in technology, such as AI and blockchain, to streamline claims processing and detect fraud.

Regulatory Environment

The IRA continues to update regulations to improve market efficiency and protect consumers. Recent guidelines emphasise consumer education, transparency in pricing, and capital adequacy for insurers.

Challenges in the Commercial Sector

Commercial property insurance has seen some growth, especially in urban areas, but it is still constrained by factors like high premiums and a lack of customised products. The adoption is higher in organised sectors like banking and real estate, but small businesses and individual landlords often forgo coverage due to cost concerns and lack of awareness.

Residential Building Insurance

The uptake of residential building insurance is particularly low. Many homeowners view it as a non-essential expense, prioritising daily needs over long-term risk management. Additionally, informal housing and construction practices lead to many properties being uninsurable, further limiting the market.

FUTURE TRENDS

Growth in Digital Channels

As more consumers adopt digital financial services, digital insurance is expected to become a primary distribution channel. Insurers are likely to invest more in AI-driven underwriting, customer service chatbots, and digital claims processing.

Embedded Insurance

Embedded insurance, where coverage is included as part of a broader service (e.g., purchasing a vehicle or traveling), is likely to grow. This model simplifies the insurance buying process and increases uptake, especially in the motor and travel segments.

Focus on Financial Inclusion

The government, alongside private insurers, is pushing for more inclusive insurance products. Microinsurance, mobile-based health insurance, and agricultural insurance will be key areas of

growth as they align with national development goals.

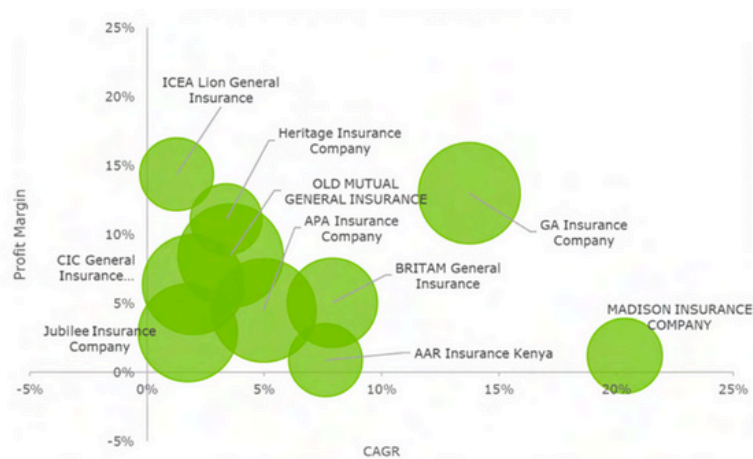
Kenya's short-term insurance market is dynamic, with growth driven by digital innovation, expanding distribution channels, and rising demand for both traditional and microinsurance products.

The general insurance market return on equity has been on a downward trend since 2015, despite the consistent year-on-year increase in gross written premium. This is exacerbated by a highly competitive general insurance market.

The main players are making strides in increasing profit margins by focusing on reducing costs and expenses.

*“The market promises considerable growth and a scope for new entrants potentially through mergers and acquisitions” -
Deloitte 2024*

Kenya top general insurers performance, CAGR (2013 - 2022)

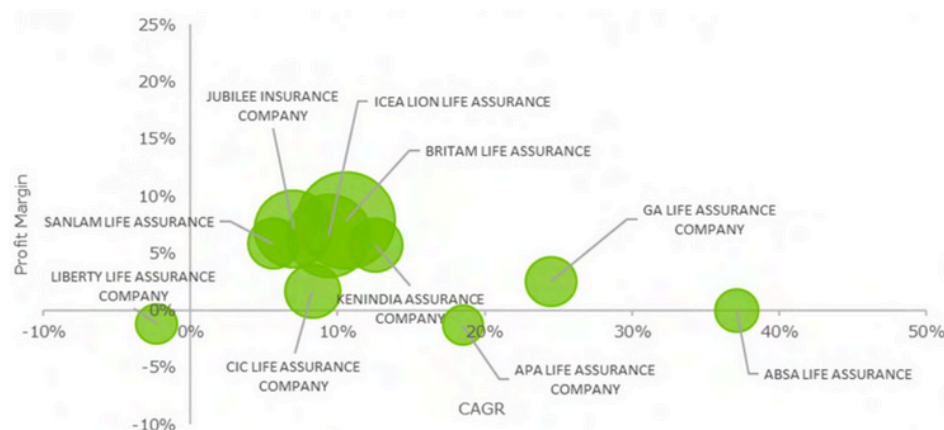


Source: IRA Kenya Industry reports 2015 – 2022. The size of the bubble represents the gross written premiums for the year 2022.

4.2 OVERVIEW OF THE LIFE INSURANCE MARKET IN KENYA

The life insurance market in Kenya has grown steadily over the years, driven by increasing awareness of financial protection, the expanding middle class, and innovations in product distribution. Despite this growth, life insurance penetration remains low, at around 1.1% of GDP, indicating significant untapped potential.

Kenya top ten life insurers performance, CAGR (2013 - 2022)



*Embedded Value (EV) is a generally accepted indicator of profitability in life insurance business. EV is not reported publicly in Kenya, and therefore we have used general profit margin to rank these insurers by profitability.

The size of the bubble represents the gross written premiums for the year 2022.

NUMBER OF INSURERS AND MARKET STRUCTURE

- As of 2023, there are approximately 25 licensed life insurance companies in Kenya. The market is competitive, with a few dominant players holding a significant market share. Leading companies include Jubilee Insurance, Britam, UAP Old Mutual, CIC Insurance, and Kenindia Assurance.
- The life insurance segment is more stable compared to general insurance, driven by long-term policies like whole life, term life, endowment plans, and unit-linked policies.

TYPES OF LIFE INSURANCE PRODUCTS

Whole Life Insurance

Provides lifelong coverage with a savings component that accumulates cash value.

Term Life Insurance

Offers protection for a specific period (e.g., 10, 20 years) with a death benefit but no savings component.

Endowment Policies

These combine savings with life cover, paying out a lump sum after a specific term or on death.

Education Policies

Designed to provide funds for children's education, these policies are popular among middle-income earners.

Unit-Linked Policies

These are investment-linked policies where part of the premium is invested in funds, offering both insurance protection and investment returns.

DISTRIBUTION CHANNELS

Agents

Agents remain the dominant distribution channel for life insurance in Kenya, responsible for over 60% of life insurance sales.

Brokers

Insurance brokers play a significant role, particularly in the corporate market and high-net-worth individual segments. Brokers assess clients' needs and recommend suitable products from various insurers, often focusing on group life insurance, employee benefits, and specialised products. Many also offer advisory services for pensions and investment-linked policies (see numbers in short-term section).

Bancassurance

The bancassurance channel, where banks distribute life insurance products, is growing rapidly. Banks like KCB, Equity Bank, and Co-operative Bank partner with insurers to sell life policies directly to their customers. Bancassurance is especially effective in reaching urban and middle-income customers, leveraging existing relationships between banks and their clients.

Digital Channels and Insurtech

Digital distribution is an emerging channel, particularly among tech-savvy young adults. Insurers are investing in mobile apps, online platforms, and digital payment solutions. Companies like Britam, Jubilee, and CIC Insurance offer digital onboarding, policy management, and claims services through mobile apps and websites.

Insurtech startups

Insurtech startups like **Lami Technologies** and **Bluewave Insurance** are also enabling digital-first life insurance products, offering micro-policies and flexible payment options through mobile platforms.

DIGITAL INSURANCE AND INNOVATION

Mobile-Based Microinsurance

Mobile platforms like M-Pesa have revolutionised life insurance distribution, enabling microinsurance products with low premiums that cater to low-income earners. Insurers partner with telecom companies to distribute affordable life covers through USSD and mobile apps.

Embedded Insurance

Some life insurance products are embedded within financial services, such as savings accounts or loan products. For example, lenders often include life cover in loan packages to ensure that the debt is repaid in case of the borrower's death.

AI and Data Analytics

Insurers are increasingly using AI and data analytics to personalise products, streamline underwriting, and enhance customer service. These technologies allow insurers to offer tailored products based on customer profiles and behaviours, improving both acquisition and retention.

MARKET CHALLENGES AND OPPORTUNITIES

Low Penetration and Awareness

Despite growth, life insurance penetration remains low. Financial literacy levels are still limited, and many potential customers are unaware of the benefits of life insurance. The perception that life insurance is only for the wealthy or employed remains a barrier.

Mistrust and Claims Issues

Mistrust of insurers due to past experiences with delayed claims and opaque processes continues to discourage potential buyers. Insurers are working to address this through better transparency and simplified claims processes.

Regulatory Support

The Insurance Regulatory Authority (IRA) has been active in promoting consumer protection and enhancing market stability. Regulations such as risk-based capital requirements and mandatory disclosures are aimed at improving industry confidence and ensuring that insurers remain financially sound.

KEY PLAYERS AND MARKET LEADERS

Jubilee Insurance

The largest life insurer in Kenya, offering a wide range of life products, including education policies, whole life, and term life insurance. Jubilee is also a leader in digital innovation, providing mobile and online services for its customers.



Britam

A significant player in the life insurance market, Britam offers both traditional and investment-linked policies. The company is also strong in bancassurance and digital channels, reaching diverse customer segments.



UAP Old Mutual

Known for its robust life insurance portfolio, UAP Old Mutual targets both individuals and corporates. It focuses on group life insurance, education policies, and retirement planning solutions.



CIC Insurance

CIC Insurance has a strong presence in the cooperative movement, offering life insurance products tailored for members of SACCOs. The company also focuses on microinsurance, targeting low-income segments with affordable life cover options.



MARKET CHALLENGES AND OPPORTUNITIES

Despite steady growth in the life insurance market in Kenya, several challenges continue to hinder wider adoption and penetration. Here are the major challenges:

LOW AWARENESS AND FINANCIAL LITERACY

> Limited Understanding of Life Insurance

A significant portion of the population has limited knowledge of life insurance products and their benefits. Many people perceive life insurance as a product only for the wealthy or those employed in the formal sector. The concept of financial protection for one's family after death is not widely understood or appreciated.

> Financial Literacy Gaps

Financial literacy levels are generally low, particularly in rural areas. Many potential customers lack basic knowledge of insurance concepts, making it difficult for insurers to sell complex products like life insurance. Misunderstandings about policy terms and conditions also contribute to reluctance in purchasing life cover.

MISTRUST AND NEGATIVE PERCEPTIONS

➤ Historical Claims Issues

There is widespread mistrust of insurance companies due to past experiences with delayed or denied claims. Lengthy claims processes, opaque conditions, and disputes over payouts have led to a negative perception of the industry. As a result, many people remain skeptical about purchasing life insurance, fearing they may never benefit from it.

➤ Mis-selling by Agents

There have been cases where agents oversell or misrepresent life insurance products, promising unrealistic returns or benefits. This has further eroded trust and contributed to a negative perception of the industry, particularly among those who have felt deceived.

AFFORDABILITY AND ECONOMIC FACTORS

➤ High Premium Costs Relative to Income

For low-income earners and those in the informal sector, the cost of life insurance premiums is perceived as high compared to their irregular income streams. Many households prioritise immediate needs like food, education, and healthcare over long-term financial protection.

➤ Economic Instability

Economic uncertainty and inflation reduce disposable income, making it difficult for many families to commit to regular premium payments. This is particularly challenging for long-term policies that require consistent payments over many years.

CULTURAL BELIEFS AND SOCIAL NORMS

➤ Reluctance to Discuss Death

In many cultures within Kenya, discussions around death and planning for it are seen as taboo. This cultural barrier makes it challenging for insurers to market life insurance products, as the concept is often met with resistance.

➤ Preference for Informal Risk-Sharing Mechanisms

Many Kenyans prefer informal savings groups, community welfare associations, or chamas to manage risks. These social safety nets are trusted and provide immediate support in times of need, reducing the perceived need for formal life insurance.

COMPLEXITY OF LIFE INSURANCE PRODUCTS

➤ Complicated Terms and Conditions

Life insurance policies often come with complex terms, jargon, and lengthy documentation that are difficult for the average consumer to understand. The complexity can lead to confusion, misinterpretation, and reluctance to purchase life cover.

➤ Lack of Product Customisation

Many life insurance products in Kenya are standardised and may not meet the specific needs of different customer segments. The one-size-fits-all approach is less effective for diverse groups such as low-income earners, informal workers, and small business owners.

LIMITED DISTRIBUTION CHANNELS IN RURAL AREAS

➤ Agent-Centric Distribution

Life insurance sales are still heavily reliant on agents, who are mostly concentrated in urban areas. This limits access to life insurance for rural populations, where financial services infrastructure is less developed.

➤ Insufficient Digital Penetration

While digital channels are growing, their adoption in life insurance remains low compared to other financial services like mobile banking. Digital literacy challenges, limited internet access, and the complexity of life insurance products make it difficult to fully transition to digital sales channels.

REGULATORY AND COMPLIANCE CHALLENGES

➤ Stringent Regulatory Requirements

While regulations are important for protecting consumers, compliance with complex regulatory frameworks can be costly for insurers. The cost of compliance, coupled with high capital requirements, limits the ability of smaller insurers to introduce innovative life insurance products or expand to underserved regions.

➤ Slow Claims Settlement Processes

Regulatory oversight has improved, but delays in claims settlements are still a major issue. Lengthy approval processes and disputes over documentation slow down the claims process, contributing to the negative perception of life insurance.

COMPETITION AND MARKET SATURATION

➤ Intense Competition Amongst Established Players

The life insurance market in Kenya is dominated by a few large players who hold significant market share. This concentration creates a highly competitive environment, where smaller or newer players struggle to gain a foothold.

➤ Price Sensitivity and Underpricing

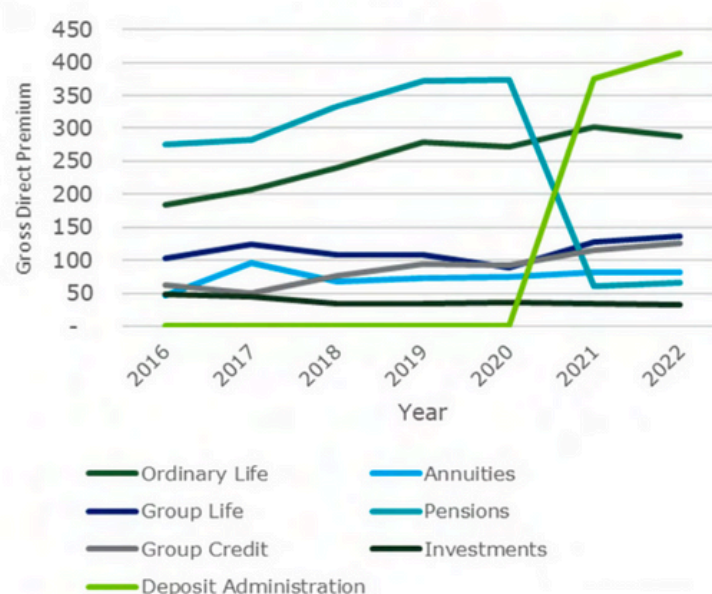
In efforts to attract more customers, insurers sometimes engage in aggressive pricing strategies, which can lead to underpricing. This may create sustainability issues in the long term, especially when claims outpace premium income.

IN SUMMARY

The life insurance market in Kenya faces several challenges, ranging from cultural barriers and mistrust to economic factors and product complexity. However, these challenges also present opportunities for growth, particularly through targeted financial literacy initiatives, innovative product designs, and digital distribution strategies.

As the market continues to evolve, insurers who can address these challenges by building trust, offering affordable and relevant products, and leveraging technology are likely to succeed in expanding life insurance penetration across the country.

Index of total direct premiums 2012-2022 (USD Millions)



Source: IRA Kenya Industry reports 2016 – 2022



5 INSURTECH

EMERGING INSURTECH

TRENDS IN KENYA

The insurtech sector in Kenya is rapidly evolving, driven by the growing adoption of technology, increasing mobile penetration, and the need for more accessible and affordable insurance products. The following are some of the key emerging insurtech trends shaping the future of the insurance industry in Kenya

MICROINSURANCE AND PAY-AS-YOU-GO MODELS

Microinsurance

Insurtech companies in Kenya are increasingly focusing on microinsurance products that cater to low-income segments. These products offer affordable premiums and cover specific risks like health, life, crop failure, and funeral expenses. Microinsurance is often distributed through mobile platforms, enabling low-income earners and informal sector workers to access insurance.

Pay-As-You-Go (PAYG) insurance

PAYG models allow users to purchase insurance in small, manageable installments based on their income patterns. For example, users can buy daily, weekly, or monthly covers, making insurance more flexible and accessible. Companies like CoverApp are leveraging this model to offer short-term motor insurance, while micro-health insurance providers use it to cover emergency healthcare costs.

EMBEDDED INSURANCE AND ECOSYSTEM INTEGRATION

Embedded insurance

Embedded insurance involves integrating insurance products into other services or products, such as e-commerce platforms, loans, or agricultural inputs. This model makes

insurance a seamless part of everyday transactions, increasing uptake without requiring customers to actively seek out coverage. For instance, agricultural insurance may be included when a farmer buys seeds, or motor insurance could be bundled with vehicle financing.

Ecosystem partnerships

Insurtech firms are increasingly collaborating with non-insurance businesses, such as banks, agribusinesses, and digital marketplaces, to distribute insurance products. This trend is driven by the need to reach customers where they already engage and reduce acquisition costs.

AI AND DATA-DRIVEN UNDERWRITING

AI-Powered underwriting

Insurers are adopting artificial intelligence (AI) and machine learning to enhance underwriting processes. AI can analyse vast amounts of data, including customer behaviour, health metrics, and environmental factors, to offer personalised insurance products and pricing. This leads to more accurate risk assessment, reduced fraud, and better customer segmentation.

Data analytics for Risk Management

Insurtechs are leveraging big data and advanced analytics to monitor risks in real-time. For example, satellite data is used in agricultural insurance to assess weather conditions and determine payouts automatically. Similarly, health insurance providers are using data from wearable devices to offer personalised health plans.

ON-DEMAND AND USAGE- BASED INSURANCE

On-Demand Insurance

On-demand insurance allows users to activate and deactivate coverage instantly, based on their needs. For example, travelers can buy travel

insurance only when they are on the move, or drivers can activate motor insurance only when they use their vehicles. This model is particularly appealing to younger consumers who prefer flexibility and control over their insurance coverage.

Usage-Based Insurance (UBI)

UBI, particularly in motor insurance, is gaining traction. Insurers use telematics and GPS data to track driving behaviour and charge premiums based on actual usage or driving habits. This rewards safe drivers with lower premiums and offers a more personalised insurance experience.

MOBILE-FIRST AND DIGITAL-ONLY INSURANCE MODELS

Mobile insurance platforms

Mobile is the primary channel for insurance distribution in Kenya. Insurtechs like Lami Technologies, Turaco, and Bluewave are leveraging mobile platforms to offer end-to-end insurance solutions, from policy purchase to claims settlement. Customers can easily compare policies, sign up, and manage their insurance via mobile apps or USSD codes.

Digital-Only insurers

Digital-only insurers, or "insurtech carriers," are thriving in Kenya. These companies operate entirely online, without physical branches, focusing on providing a seamless digital experience. They offer instant coverage, simplified claims processes, and lower operating costs, which are passed on to consumers as more affordable premiums.

BLOCKCHAIN AND SMART CONTRACTS

Blockchain for transparency and security

Although not much is available on the use of blockchain, the technology is being explored to improve transparency, security, and efficiency

insurance transactions. It can be used to store immutable records of policies, claims, and payments, reducing fraud and ensuring that all parties have access to the same information. This is particularly relevant in sectors like health insurance and agricultural insurance, where trust is crucial.

Smart contracts for automated claims

Smart contracts, which are self-executing contracts with terms directly written into code, can automate claims processing. For example, in agricultural insurance, a smart contract could automatically trigger a payout when certain weather conditions are met, based on data from weather stations or satellites.

FINANCIAL INCLUSION THROUGH INSURTECH

Focus on underserved markets

Insurtech companies in Kenya are targeting underserved segments, such as smallholder farmers, informal sector workers, and low-income earners. By leveraging mobile technology and microinsurance models, they are bringing insurance to people who previously had no access. Companies like Pula and M-TIBA are at the forefront of this movement, offering agricultural and health insurance solutions tailored for these groups.

Simplified products and user experience

To appeal to first-time insurance users, insurtechs are designing simple, easy-to-understand products with minimal paperwork. This trend is helping to break down the barriers that have traditionally kept insurance out of reach for many Kenyans.

“Insurtech companies in Kenya are targeting underserved segments, such as smallholder farmers, informal sector workers, and low-income earners”

REGULATORY SUPPORT & SANDBOX ENVIRONMENTS

Regulatory sandboxes

The Insurance Regulatory Authority (IRA) is supporting innovation through regulatory sandboxes, where insurtech startups can test new products and business models in a controlled environment before full-scale deployment. This encourages experimentation and accelerates the introduction of new, innovative products to the market.

Policy and regulatory reforms

The government is also updating policies to accommodate digital insurance solutions and protect consumers in the evolving market. This includes guidelines for mobile insurance, data protection regulations, and frameworks to support microinsurance.

IN SUMMARY

The insurtech landscape in Kenya is dynamic, with a strong focus on inclusivity, innovation, and digital transformation. As mobile technology, AI, and data analytics continue to advance, the insurance sector is expected to see rapid growth in both product offerings and market penetration.

With continued collaboration between insurers, tech startups, and regulatory bodies, insurtech is set to play a significant role in expanding financial inclusion and reshaping the insurance market in Kenya.



KEY PLAYERS IN KENYA'S INSURTECH SPACE

The insurtech sector in Kenya is growing rapidly, driven by the country's robust digital infrastructure and high mobile penetration. Several innovative startups and established insurers are leveraging technology to deliver more accessible, affordable, and efficient insurance solutions. Here's an overview of the key players in the Kenyan insurtech space:

TURACO

Overview

Turaco is one of the leading microinsurance providers in Kenya. It partners with businesses to offer affordable, embedded insurance products to low-income earners. Turaco uses mobile platforms to distribute policies that cover health, life, and accident risks. They focus on underserved segments, offering premiums as low as KES 40 (around R5,40) per week.

Unique approach

Turaco's "partner-driven distribution" model integrates insurance into everyday products and services, allowing customers to access insurance through partner companies like ride-hailing platforms, microfinance institutions, and digital lenders.

LAMI TECHNOLOGIES

Overview

Lami is an API-based insurtech company that provides digital infrastructure for insurers, brokers, and businesses to sell insurance. The company enables seamless integration of insurance products into various platforms, making it easier for businesses to offer insurance to their customers.

Products and services

Lami's technology allows customers to compare policies, get quotes, and purchase insurance online. They also offer customisable insurance products, targeting a wide range of needs from health to motor insurance.

M-TIBA

Overview

M-TIBA is a mobile-based health financing platform that allows users to save, pay, and manage health insurance. It is widely used in Kenya for accessing affordable health services. The platform partners with insurers to provide micro health insurance products tailored to low-income earners.

Key features

M-TIBA integrates with mobile wallets like M-Pesa, allowing users to make small, regular contributions towards health insurance. The platform also provides access to over 4,000 healthcare providers across Kenya.

PULA

Overview

Pula is an insurtech company specialising in agricultural insurance. It offers innovative insurance solutions that protect farmers against risks like drought, pests, and extreme weather conditions. Pula uses technology to distribute and manage insurance policies tailored to the agricultural sector.

Impact

Pula's products are distributed through mobile platforms, and their services are bundled with seeds, fertilisers, and other agricultural inputs. The company has insured millions of smallholder farmers across Africa, making it one of the most impactful agri-insurtech players.

ACRE AFRICA

Overview

Acre Africa is another leading agri-insurtech firm that provides insurance products designed for smallholder farmers. The company uses data-driven models to offer weather-indexed insurance, which automatically triggers payouts based on specific climate conditions.

Distribution model

Acre Africa partners with input providers, banks, and cooperatives to reach farmers across Kenya. The use of digital platforms and mobile payments ensures efficient distribution and claims processing.

BRITAM DIGITAL INSURANCE PRODUCTS

Overview

Britam, one of Kenya's largest insurers, has invested heavily in digital insurance solutions. The company offers a range of products through mobile and online platforms, targeting both individual and business clients. Britam's microinsurance products, like Bima ya Mwananchi, are tailored for low-income groups and are accessible via mobile devices.

Innovations

Britam has integrated digital tools like chatbots, AI-driven customer support, and online claims processing to enhance customer experience and streamline operations.

COVERAPP

Overview

The insurtech sector in Kenya is growing rapidly, driven by the country's robust digital infrastructure and high mobile penetration. Several innovative startups and established insurers are leveraging technology to deliver more accessible, affordable, and efficient insurance solutions. Here's an overview of the key players in the Kenyan insurtech space:

Ease of Use

CoverApp leverages mobile technology to make the purchase of insurance quick and flexible, catering to a market segment that traditionally finds it difficult to access conventional insurance products.

BLUEWAVE INSURANCE

Overview

Bluewave Insurance offers digital microinsurance products targeting low-income earners. They provide affordable health, life, and funeral insurance accessible via mobile phones. Bluewave's platform allows customers to sign up for coverage with premiums as low as KES 20 (USD 0.14) per day.

Partnerships

Bluewave partners with mobile network operators, microfinance institutions, and SACCOs to distribute its products, ensuring broad reach, especially in underserved areas.

“The insurtech sector in Kenya is growing rapidly, driven by the country’s robust digital infrastructure and high mobile penetration”

THREE KEY TRENDS IN KENYA'S INSURTECH SPACE

EMBEDDED INSURANCE

Insurtech companies are increasingly embedding insurance products into everyday services, such as transport apps, e-commerce platforms, and agricultural input purchases, making insurance more accessible and relevant.

DATA AND AI INTEGRATION

Use of data analytics and AI for underwriting, risk assessment, and claims management is growing. This helps insurers offer personalised products and improve fraud detection.

FOCUS ON FINANCIAL INCLUSION

The insurtech industry in Kenya is driven by the need to expand financial inclusion. By offering low-cost microinsurance and flexible payment plans, insurtech firms are reaching populations previously excluded from formal insurance markets.

IN SUMMARY

The insurtech sector in Kenya is evolving rapidly, with players ranging from innovative startups to established insurers adopting digital solutions. The emphasis is on reaching underserved markets through mobile technology, data-driven products, and flexible microinsurance options.

As the market matures, insurtech will continue to play a vital role in improving insurance penetration and enhancing financial inclusion across the country.

“The emphasis is on reaching underserved markets through mobile technology, data-driven products, and flexible microinsurance options”



6 MAIN CHALLENGES TO INCREASING INSURANCE PENETRATION IN KENYA

Insurance penetration in Kenya remains relatively low, hovering around 2.3% of GDP, despite significant efforts from both the government and private sector to increase coverage. Here are the key challenges that continue to hinder the growth of insurance penetration:

LOW FINANCIAL LITERACY AND AWARENESS

Limited Understanding of insurance

A significant portion of the population, especially in rural areas, lacks a clear understanding of how insurance works. Many people still view insurance as an unnecessary expense or are unaware of its benefits.

Cultural perceptions and mistrust

Cultural beliefs and practices can also hinder insurance adoption. Some communities prefer traditional forms of risk management, such as social support networks, over formal insurance. Additionally, mistrust of insurers, driven by past experiences of delayed or denied claims, discourages many from taking up policies.

AFFORDABILITY ISSUES

High premium costs

For low-income earners, the cost of insurance premiums remains prohibitive. Many Kenyans prioritise immediate needs such as food, shelter, and education over purchasing insurance, especially for non-mandatory covers.

Income volatility

A large segment of Kenya's population, especially those in the informal sector, has irregular income streams, making it

difficult to consistently pay insurance premiums. Traditional insurance products are often rigid in terms of payment structures, making them less accessible.

DISTRIBUTION AND ACCESSIBILITY CHALLENGES

Rural and remote areas

Reaching rural and underserved regions remains a significant challenge. Traditional distribution channels, such as agents and brokers, are concentrated in urban centers, leaving vast rural populations with limited access to insurance products.

Fragmented distribution channels

The insurance market relies heavily on intermediaries like brokers and agents, who may not always prioritise reaching low-income or remote customers. In some cases, these intermediaries focus more on high-value clients, leaving out a large segment of potential policyholders.

COMPLEXITY OF INSURANCE PRODUCTS

Product complexity

Many insurance products are seen as complex and difficult to understand. The jargon, terms, and conditions are often not explained in simple language, leading to confusion and reluctance to buy. Simplified products that cater to the needs of low-income consumers are still limited.

Limited tailored solutions

Insurance penetration in Kenya remains relatively low, hovering around 2.3% of GDP, despite significant efforts from both the government and private sector to increase coverage. Here are the key challenges that continue to hinder the growth of insurance penetration:

TRUST AND CLAIMS SETTLEMENT ISSUES

Delayed or denied claims

One of the biggest concerns among consumers is the perception that insurers are slow to pay claims or often reject them based on technicalities. This has led to widespread mistrust, deterring people from taking up insurance.

Fraud and corruption

Fraud is a significant challenge in Kenya's insurance market. Both policyholders and service providers may engage in fraudulent activities, leading insurers to tighten claims processes, which can result in genuine claims being delayed or denied.

REGULATORY AND MARKET STRUCTURE ISSUES

Digital literacy and connectivity

Although mobile and digital platforms are driving innovation in insurance, a significant portion of the population still lacks access to smartphones or reliable internet, especially in rural areas. This digital divide limits the reach of mobile insurance and other digital products.

Limited integration of technology in traditional channels

While insurtech solutions are emerging, many traditional insurers are slow in adopting technology for client onboarding, claims

technology for client onboarding, claims processing, and customer engagement, which affects efficiency and customer satisfaction.

ECONOMIC FACTORS AND MARKET VOLATILITY

Economic uncertainty

Economic instability, whether personal or structural, and inflation reduce disposable income, making insurance less of a priority for many Kenyans. When household budgets are strained, insurance is often the first expense to be cut.

High competition and price underwriting

The competitive nature of the insurance market leads to price wars, which can undermine profitability. Insurers may cut costs by compromising on service quality, leading to poor customer experiences and a negative perception of insurance.

IN SUMMARY

Increasing insurance penetration in Kenya requires addressing these multifaceted challenges through a combination of improved financial literacy, more affordable and flexible products, better regulatory frameworks, and leveraging technology to enhance accessibility and trust. Collaborations between insurers, regulators, and technology providers will be key to overcoming these barriers and expanding coverage to underserved populations.

7 CURRENT STRATEGIES TO OVERCOME CHALLENGES AND INCREASE INSURANCE PENETRATION IN KENYA

To address the challenges limiting insurance penetration in Kenya, various stakeholders, including insurers, regulators, and technology providers, are implementing targeted strategies. Here are key initiatives and approaches aimed at expanding coverage:

ENHANCING FINANCIAL LITERACY AND CONSUMER EDUCATION

Public awareness campaigns

The Insurance Regulatory Authority (IRA) and industry associations have launched consumer education programs aimed at increasing awareness of the benefits of insurance. These campaigns use radio, TV, social media, and community outreach to demystify insurance concepts.

Simplified product communication

Insurers are focusing on using clear and simple language to explain insurance products, reducing the complexity that often confuses potential clients. User-friendly brochures, infographics, and vernacular language communication are being adopted to reach diverse communities.

DEVELOPING AFFORDABLE AND FLEXIBLE PRODUCTS

Microinsurance solutions

Microinsurance products, with lower premiums and tailored coverage, are being rolled out to

cater to low-income earners. These products often cover specific risks like hospitalisation, funeral expenses, and crop failure, making them relevant to the daily needs of underserved populations.

Pay-As-You-Go Insurance

Flexible payment models, such as pay-as-you-go (PAYG) insurance, are gaining popularity. For example, platforms like CoverApp and microinsurance providers allow clients to pay daily, weekly, or monthly premiums according to their income flows. This model aligns with the irregular earnings typical in the informal sector.

EXPANDING DIGITAL AND MOBILE INSURANCE SOLUTIONS

Mobile-Driven insurance platforms

Mobile insurance platforms like M-TIBA, Britam, and Pula are enabling seamless access to insurance products via mobile phones. Customers can sign up, pay premiums, and make claims using mobile wallets like M-Pesa. This has greatly improved accessibility, particularly in rural and low-income areas.

Insurtech innovations

Startups like Lami Technologies and Bluewave are providing digital infrastructure that allows businesses to embed insurance into their offerings. These platforms integrate insurance into apps, websites, and even e-commerce checkouts, expanding distribution and reaching customers where they already engage online.

IMPROVING CLAIMS PROCESSES AND BUILDING TRUST

Streamlining claims with technology

Insurers are adopting AI, data analytics, and automated claims processing systems to reduce turnaround times and improve accuracy in assessing claims. This helps address the common complaint of delayed or unfair claim settlements.

Blockchain for transparency

Some insurtech firms are exploring blockchain technology to enhance transparency in claims and reduce fraud. Blockchain can securely record and verify transactions, ensuring both insurers and clients have a clear and immutable record of claims.

DEVELOPING AFFORDABLE AND FLEXIBLE PRODUCTS

Bancassurance and partnerships

Bancassurance is growing as a key channel, especially for health and life insurance. Banks already have trusted relationships with clients, making them effective distribution partners.

Embedded insurance models

Embedded insurance, where coverage is bundled with other services, is gaining traction. For example, agricultural insurance may be included with the purchase of seeds or fertiliser, while motor insurance is embedded when purchasing a vehicle. This model simplifies the buying process and boosts uptake.

TARGETED INSURANCE PRODUCTS FOR SPECIFIC SEGMENTS

Agricultural insurance

Given the importance of agriculture in Kenya, insurers like Pula and Acre Africa are offering

crop and livestock insurance tailored to smallholder farmers. These products are often indexed to weather patterns or crop yields, making them more relevant and affordable.

SME and informal sector insurance

The informal sector represents a huge market opportunity. Insurers are developing products that cater specifically to micro-enterprises and small businesses, covering risks like theft, fire, and liability, with flexible premiums that match business income cycles.

ENHANCING REGULATION AND CONSUMER PROTECTION

Regulatory reforms

The IRA continues to introduce reforms aimed at improving industry transparency, enhancing consumer protection, and promoting financial inclusion. Recent efforts focus on standardising policy documents, enforcing timely claims payments, and regulating digital insurance practices.

Supporting innovation

The government and regulatory bodies are creating sandbox environments for insurtech startups to test and scale new products without full regulatory obligations. This encourages innovation while ensuring consumer protection.

COLLABORATIONS AND PUBLIC-PRIVATE PARTNERSHIPS (PPPS)

Government - Backed Insurance Programs

The Kenyan government is partnering with insurers to roll out programs like the NHIF (National Hospital Insurance Fund), which is expanding to cover informal workers. These initiatives aim to provide basic health coverage to all Kenyans.

Donor and NGO Partnerships

International organisations and NGOs are working with local insurers to offer subsidised insurance products. For example, donor-supported agricultural insurance schemes help smallholder farmers access coverage they might not afford on their own.



IN SUMMARY

With these strategies, insurance penetration in Kenya is expected to improve steadily. As digital adoption rises and more tailored, affordable products enter the market, insurance will become more accessible to all segments of the population.

Additionally, ongoing regulatory improvements and the growing insurtech ecosystem provide a solid foundation for future growth.



8 MAJOR INSURANCE OPPORTUNITIES IN KENYA BASED ON KEY PLAYER FOCUS AREAS

The insurance market in Kenya is evolving rapidly, with both traditional insurers and insurtech companies identifying key growth opportunities. Here are suggested insurance opportunities in Kenya where key players are focusing their strategies:

MICROINSURANCE FOR LOW-INCOME AND INFORMAL SECTOR WORKERS

Opportunity

Most Kenya's population operates within the informal economy, and many low-income earners remain uninsured. Microinsurance offers affordable coverage for specific risks like health, life, and funeral expenses. With flexible payment options and low premiums, this segment has significant growth potential.

Key player focus

Companies like **Turaco**, **Britam**, and **CIC Insurance** are focusing on microinsurance solutions. These products are typically distributed through mobile platforms and partnerships with microfinance institutions, SACCOs, and community-based organisations. The aim is to tap into a large market of previously underserved customers.

Why it's attractive

The large, untapped market of low-income earners presents a high-volume business opportunity. Additionally, as digital infrastructure improves, distribution costs are decreasing, making it easier to reach this segment.

AGRICULTURAL INSURANCE AND CLIMATE RISK SOLUTIONS

Opportunity

Agriculture remains the backbone of Kenya's economy, yet farmers face high risks from unpredictable weather and climate change. Agricultural insurance, including index-based crop and livestock insurance, is critical for protecting smallholder farmers from crop failures, droughts, and other climate-related risks.

Key player focus

Insurtech firms like Pula and Acre Africa are leading this space by offering innovative, satellite-driven, index-based insurance products. Traditional insurers like UAP Old Mutual and APA Insurance are also expanding their agricultural insurance offerings, often in partnership with government programs.

Why it's attractive

The government's support through subsidies and partnerships makes agricultural insurance more viable. The potential to scale these products across rural areas, combined with technological advancements like satellite data and mobile payments, creates a scalable business model.

HEALTH INSURANCE AND MOBILE-ENABLED HEALTH SOLUTIONS

Opportunity

Health insurance is one of the most in-demand segments, particularly with the growing middle class and the informal sector looking for affordable healthcare solutions. Products like micro health insurance and mobile-based health covers have high growth potential.

Key player focus

Platforms like M-TIBA offer health savings and insurance via mobile phones, enabling low-income earners to access healthcare. Major insurers like Jubilee and Britam are also expanding their health insurance portfolios, targeting both individuals and SMEs with affordable packages.

Why it's attractive

With healthcare costs rising, there is growing demand for health insurance across all income levels. Mobile technology allows for efficient premium collection and claims processing, making health insurance accessible even to low-income earners.

DIGITAL-FIRST INSURANCE PRODUCTS AND INSURTECH SOLUTIONS

Opportunity

The increasing penetration of mobile phones and internet access is driving demand for digital-first insurance products. These solutions range from fully digital platforms that allow users to buy, manage, and claim insurance online to embedded insurance models integrated into e-commerce or fintech platforms.

Key player focus

Insurtech startups like Lami Technologies and CoverApp are pioneering digital-first insurance solutions, providing customisable and flexible insurance products. Established insurers are also investing heavily in digital transformation, with companies like Britam and CIC Insurance offering mobile apps and digital platforms for their products.

Why it's attractive

The ability to scale rapidly and reduce operational costs through automation makes digital insurance highly attractive. Additionally, digital channels offer more direct and personalised customer engagement, which is increasingly demanded by tech-savvy consumers.

SME INSURANCE AND BUSINESS RISK COVERAGE

Opportunity

Small and medium-sized enterprises (SMEs) form the backbone of Kenya's economy but remain underinsured. Providing tailored insurance solutions for risks like property damage, business interruption, liability, and employee benefits is a growing opportunity.

Key player focus

Traditional insurers like UAP Old Mutual and Britam are creating products specifically for SMEs, offering packages that bundle multiple covers (e.g., fire, theft, and business interruption) at affordable rates. Digital platforms are also offering microinsurance products designed for small businesses.

Why it's attractive

As the SME sector grows, there is increasing awareness of the need to protect businesses from risks. Tailored products that offer flexibility and affordability appeal to this market segment, providing an opportunity for insurers to tap into a relatively untapped segment.

EMBEDDED INSURANCE AND ECOSYSTEM-BASED PRODUCTS

Opportunity

Embedded insurance involves integrating insurance products directly into the purchase of goods and services, such as travel, motor vehicles, or agricultural inputs. This model simplifies the insurance buying process and boosts uptake.

Key player focus

Insurtech companies like Turaco and Pula are embedding insurance in everyday products and services, such as health covers bundled with e-commerce purchases or crop insurance included with seed purchases. Larger insurers are also exploring partnerships with banks, telecom companies, and digital platforms to integrate insurance within other financial services.

Why it's attractive

Embedded insurance has the potential to reach customers who wouldn't otherwise seek out insurance. By integrating insurance into familiar transactions, this model reduces friction and increases conversion rates, making it a scalable opportunity.

CYBER INSURANCE AND EMERGING RISK COVERAGE

Opportunity

As Kenya's digital economy grows, businesses face increasing cyber risks such as data breaches, ransomware attacks, and phishing scams. Cyber insurance, which is still in its early stages, offers significant potential as awareness of digital threats grows.

Key player focus

Insurers like APA Insurance and Britam are introducing cyber risk covers tailored for businesses, particularly SMEs that are increasingly reliant on digital platforms. Insurtech firms are also exploring solutions that integrate cyber risk management tools with insurance products.

Why it's attractive

The rising digitalisation of businesses and the growing regulatory environment around data protection are driving demand for cyber insurance. As more businesses adopt digital solutions, the need for risk mitigation will continue to grow, making this a key area for future growth.

LIFE INSURANCE AND FINANCIAL INCLUSION PRODUCTS

Opportunity

Life insurance remains under-penetrated in Kenya, particularly among low-income earners and the informal sector. Affordable, mobile-based life insurance products that offer basic coverage for funerals, family protection, and savings are in demand.

Key player focus

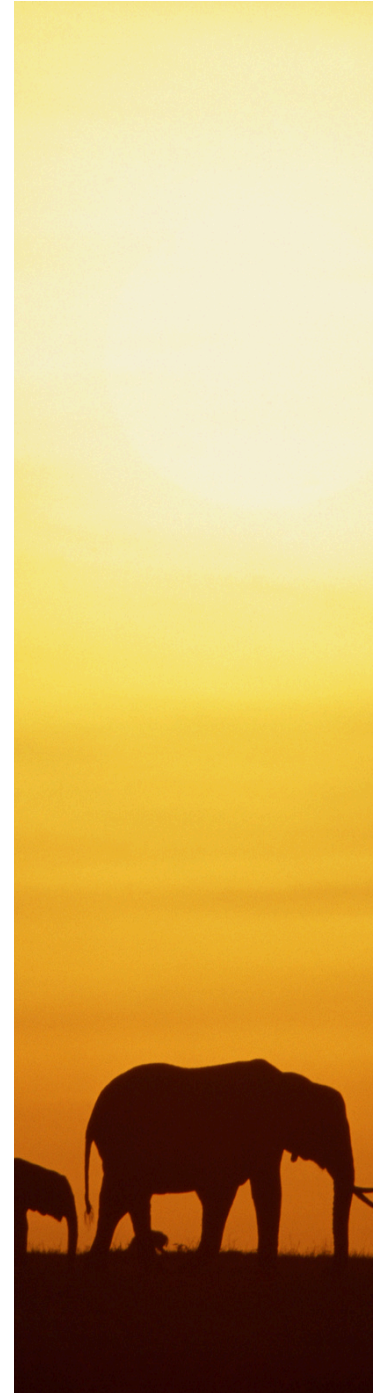
Companies like Bluewave Insurance and Lami Technologies are providing life insurance products that are accessible via mobile phones with minimal premiums. Traditional insurers are also expanding their life insurance offerings to include micro life insurance targeted at low-income households.

Why it's attractive

Life insurance products offer a stable and long-term revenue stream for insurers. Additionally, integrating life insurance with savings or investment products can appeal to a broader demographic, especially as more people seek financial security for their families.

IN SUMMARY

The insurance market in Kenya presents diverse opportunities across various segments, driven by digital innovation, financial inclusion efforts, and the growing awareness of risk management. Key players are focusing on affordable, flexible, and mobile-driven solutions to tap into previously underserved markets. As the industry continues to evolve, insurers who leverage technology, innovative partnerships, and customer-centric approaches are well-positioned to capture these emerging opportunities.



9 OVERVIEW OF THE INSURANCE BROKER AND AGENT LANDSCAPE IN KENYA

Insurance brokers and agents are critical to the distribution of insurance products in Kenya, contributing significantly to market growth and penetration. As intermediaries, they help connect insurers with customers by advising, selling policies, and providing ongoing support throughout the policy life cycle.

THE LANDSCAPE OF BROKERS AND AGENTS IN KENYA

Number of brokers and agents

Kenya has over 200 licensed insurance brokers and more than 10,000 licensed insurance agents. Brokers tend to focus more on corporate clients and high-net-worth individuals, while agents primarily serve individual customers, small businesses, and the mass market.

Roles and functions:



Insurance brokers

Brokers represent clients, advising them on the best insurance products based on their needs and negotiating terms with insurers. They typically handle complex, large-scale, and group insurance products like employee benefits, property insurance, and health covers for businesses.



Insurance agents

Agents represent insurers and are primarily involved in selling insurance products directly to customers. Agents are either tied to a specific insurance company (captive agents) or work independently (independent agents). They play a crucial role in building relationships, educating clients, and servicing policies.

ROLE OF BROKERS AND AGENTS IN INCREASING INSURANCE PENETRATION

Building trust and relationships

In a market where financial literacy and awareness are low, brokers and agents are key to building trust and confidence in insurance products. Face-to-face interactions, personalised service, and the ability to explain complex terms in simple language make them effective in convincing potential customers to buy insurance.

Market reach and accessibility

Agents are particularly important in expanding insurance access to rural and underserved areas. Their local presence allows them to reach customers who might not otherwise engage with insurance companies. Brokers, on the other hand, help penetrate the corporate segment by tailoring products for businesses and organisations.

Customer education and awareness

Brokers and agents educate clients on the importance of insurance, explain policy details, and demystify products. This is especially important in overcoming cultural barriers and misconceptions about insurance.

After-sales service and claims support

Brokers and agents provide ongoing support by assisting clients with renewals, making changes to policies, and guiding them through the claims process. This after-sales service is crucial for retaining customers and ensuring satisfaction.

CHALLENGES FACED BY BROKERS AND AGENTS

Low financial literacy and awareness

A significant challenge is the lack of financial literacy among the general population, which makes selling insurance difficult. Many people are unaware of how insurance works, view it as an unnecessary expense, or mistrust insurers due to past negative experiences.

Limited product differentiation and complexity

Many insurance products, particularly life and health insurance, are complex and not well understood by potential customers. This complexity makes it challenging for agents to explain products effectively and for clients to make informed decisions.

Regulatory and compliance requirements

Brokers and agents must navigate stringent regulatory requirements, including licensing, ongoing training, and compliance with ethical standards. Smaller agents and brokerage firms may struggle with the cost and administrative burden of maintaining compliance.

Commission structures and income instability

The commission-based compensation model creates income instability, especially for independent agents. In a competitive market, low commissions and delayed payments can demotivate agents and affect their ability to invest in marketing and customer acquisition.

Digital disruption and changing consumer behaviour

The rise of digital platforms and direct-to-consumer sales channels is challenging the traditional role of brokers and agents. Younger, tech-savvy consumers prefer to purchase insurance online, leading to reduced reliance on intermediaries.

OPPORTUNITIES FOR BROKERS AND AGENTS

Digital transformation and hybrid models

Digital tools offer brokers and agents opportunities to enhance their service delivery. By adopting customer relationship management (CRM) systems, mobile apps, and digital marketing, they can improve customer engagement, automate processes, and reach more clients. A hybrid approach that combines digital tools with personal interaction is emerging as a powerful model.

Microinsurance and financial inclusion

The growing focus on microinsurance presents opportunities for brokers and agents to expand into low-income and underserved markets. By partnering with microfinance institutions, SACCOs, and community groups, they can distribute low-cost insurance products tailored to the needs of the mass market.

Partnerships and cross-selling

Brokers and agents can explore partnerships with banks (bancassurance), fintech platforms, and telecom companies to bundle insurance with other financial products. Cross-selling opportunities, such as offering insurance alongside loans or savings accounts, can drive greater uptake.

Product customisation and advisory services

As the market matures, there is growing demand for customised insurance solutions. Brokers can differentiate themselves by offering value-added advisory services, designing bespoke solutions for businesses, and providing risk management consulting.

Specialisation in emerging segments

Specialised segments like cyber insurance, agricultural insurance, and SME coverage are emerging growth areas. Brokers and agents who develop expertise in these niche markets can capture new opportunities by addressing specific client needs.

IN SUMMARY

Brokers and agents play an indispensable role in driving insurance penetration in Kenya. They bridge the gap between insurers and customers by offering personalised service, building trust, and educating the market. While they face challenges like digital disruption, low financial literacy, and regulatory pressures, there are significant opportunities for growth through digital adoption, product innovation, and targeting underserved segments.

By adapting to changing consumer behaviours and leveraging technology, brokers and agents can continue to thrive in Kenya's evolving insurance landscape.



10 CASE STUDIES IN SUCCESSFUL INTERMEDIARY DISTRIBUTION STRATEGIES IN KENYA

The insurance distribution landscape in Kenya has seen the adoption of several innovative strategies and success stories, particularly in how intermediaries are leveraging digital tools, partnerships, and specialised market knowledge to drive insurance penetration. Below are some notable case studies and successful approaches:

CIC INSURANCE AND COOPERATIVE PARTNERSHIPS

Strategy

Kenya has over 200 licensed insurance brokers and more than 10,000 licensed insurance agents. Brokers tend to focus more on corporate clients and high-net-worth individuals, while agents primarily serve individual customers, small businesses, and the mass market.

Success factors:

➤ Trust and accessibility

SACCOs are trusted community institutions, and CIC's collaboration with them provides a reliable distribution channel for insurance products, particularly in rural areas. Agents and brokers working through SACCOs can reach members who would otherwise remain uninsured.

➤ Tailored products

CIC has developed specialised insurance products that address the needs of SACCO members, such as group life insurance and low-cost funeral covers. These products are affordable and designed to match the income patterns of members, leading to higher adoption rates.

Key takeaway

Collaborating with trusted community institutions and tailoring products to meet the specific needs of target segments can significantly boost insurance uptake in underserved markets.

BRITAM'S DIGITAL TRANSFORMATION AND HYBRID SALES MODEL

Strategy

Britam, one of Kenya's leading insurers, has embraced digital transformation to enhance the effectiveness of its large agent network. The company introduced digital tools and platforms that agents can use to onboard clients, manage policies, and process claims.

Success factors:

➤ Digital tools for agents

Britam developed a mobile app and online portal that allows agents to manage their portfolios more efficiently. These tools enable real-time policy updates, instant quotations, and digital documentation, reducing paperwork and speeding up the sales process.

➤ Blending digital and personal service

While Britam has invested heavily in digital channels, it recognises the importance of maintaining face-to-face interactions. The company uses a hybrid model where agents combine digital tools with personal consultations, providing a seamless experience for clients.

Key takeaway

Combining digital innovation with personal service delivery can enhance the productivity of agents and improve customer satisfaction, especially in a market where human interaction is still valued.

LAMI TECHNOLOGIES - ENABLING DIGITAL INSURANCE DISTRIBUTION

Strategy

Lami Technologies is a Nairobi-based insurtech company that offers an API-based platform for digital insurance distribution. Lami partners with brokers, agents, and businesses to enable them to sell customisable insurance products through digital channels.

Success factors:

➤ API integration for easy access

Lami's platform allows partners to integrate insurance products into their existing digital channels, such as e-commerce websites, mobile apps, and fintech platforms. This makes it easier for businesses to offer insurance as an add-on service, while brokers and agents can access a wider customer base.

➤ Customised microinsurance products

Lami offers flexible microinsurance products that are tailored to specific customer needs, such as short-term health cover, travel insurance, and gadget insurance. These products are easily accessible via mobile platforms, enabling reach into younger, tech-savvy demographics.

Key takeaway

Digital platforms that empower brokers and agents to distribute insurance products seamlessly and at scale are key to expanding reach, especially in emerging markets where traditional distribution channels may be limited.

JUBILEE INSURANCE AND BANCASSURANCE PARTNERSHIPS

Strategy

Jubilee Insurance has capitalised on bancassurance as a major distribution channel by partnering with leading banks like KCB, Equity Bank, and Co-operative Bank to sell life and general insurance products. Bancassurance has become a strategic growth area due to the trust that customers place in banks.

Success factors:

➤ Leveraging existing customer relationships

By working with banks, Jubilee taps into a ready customer base that is already familiar with financial products. The banks' extensive branch networks also provide a platform for educating customers about insurance, thereby increasing product uptake.

➤ Bundled products

Jubilee has developed insurance products that are bundled with bank services, such as credit life insurance (covering loan repayment in the event of death) and savings-linked life policies. These bundled products provide added value and are easily integrated into existing financial products.

Key takeaway

Bancassurance is an effective strategy for reaching a broad customer base, particularly in urban areas. It works well for cross-selling and bundling insurance with other financial services, making it convenient for clients to access multiple products in one place.

BLUEWAVE INSURANCE AGENCY - MICROINSURANCE FOR LOW-INCOME SEGMENTS

Strategy

Bluewave Insurance focuses on providing microinsurance products targeted at low-income earners. The company uses mobile platforms to distribute affordable life, health, and funeral insurance, catering to individuals in both urban and rural areas.

Success factors:

➤ Simple, flexible products

Bluewave's products are designed to be straightforward, with low premiums and flexible payment options. Customers can pay as little as KES 20 (approximately USD 0.14) per day via mobile money, making insurance accessible even to those with irregular incomes.

➤ Partnerships with digital platforms

Bluewave partners with mobile network operators, microfinance institutions, and community organisations to distribute its products. By integrating with existing digital ecosystems, Bluewave can reach a large, dispersed customer base cost-effectively.

Key takeaway

Offering simple, low-cost products through digital platforms and partnerships is a powerful way to reach low-income segments and drive insurance penetration in traditionally underserved markets.

OPPORTUNITIES FOR BROKERS AND AGENTS IN KENYA

Strategy

Jubilee Insurance has capitalised on bancassurance as a major distribution channel by partnering with leading banks like KCB, Equity Bank, and Co-operative Bank to sell life and general insurance products. Bancassurance has become a strategic growth area due to the trust that customers place in banks.

Adopting digital tools and CRM systems

Brokers and agents can enhance their efficiency by adopting digital tools for customer relationship management, sales tracking, and policy administration. Digital platforms can also help them reach a wider audience, especially tech-savvy clients.

Specialising in emerging risk areas

Specialisation in emerging areas such as cyber insurance, agricultural insurance, and SME coverage offers new growth opportunities. Brokers and agents with expertise in these niches can differentiate themselves and add value to clients.

Expanding into microinsurance and rural markets

As microinsurance gains traction, brokers and agents can tap into this market by partnering with community organisations, SACCOs, and microfinance institutions. Developing tailored solutions for rural customers presents significant growth potential.

Leveraging data and analytics

By using data analytics, brokers and agents can better understand customer needs, identify sales opportunities, and personalise their offerings. This data-driven approach can improve customer acquisition and retention.

IN SUMMARY

The insurance intermediary landscape in Kenya is evolving, with new strategies and innovations enhancing their role in the industry. From digital tools and hybrid sales models to partnerships and product customisation, successful brokers and agents are those who adapt to market changes and leverage technology to meet client needs. As the market continues to grow, opportunities abound for intermediaries who embrace digital transformation, specialise in high-demand segments, and focus on underserved markets.



11 INNOVATIONS IN THE MOTOR INSURANCE SEGMENT IN KENYA

The motor insurance sector in Kenya is undergoing significant transformation due to the integration of digital technologies, process automation, and innovative solutions aimed at enhancing customer experience and operational efficiency. Given that motor insurance is mandatory and one of the largest segments in the general insurance market, insurers are focusing on innovations to improve claims processing, fraud detection, salvage management, and customer engagement.

Here are some key innovations in the motor insurance segment:

DIGITAL CLAIMS PROCESSING AND AUTOMATION

E-Claims and mobile apps

Insurers are increasingly adopting digital platforms that allow customers to file claims via mobile apps or web portals. Companies like Britam, Jubilee Insurance, and CIC Insurance have launched mobile apps that enable customers to report accidents, upload documents, and track claim status in real-time.

➤ Automated claims assessment

Insurers are integrating AI and machine learning into claims processing. For example, some companies use AI-powered systems to analyse images of damaged vehicles and assess repair costs, reducing reliance on manual inspections and speeding up the claims process. This automation helps insurers improve accuracy, reduce processing times, and enhance customer satisfaction.

Fraud detection and prevention

Fraud is a major challenge in motor insurance, leading to inflated claims and increased costs. Insurers are deploying AI-driven tools and data analytics to detect fraudulent claims by identifying patterns, inconsistencies, and red flags. Automated checks help insurers catch suspicious claims early, leading to quicker resolutions and lower fraud-related losses.

TELEMATICS AND USAGE-BASED INSURANCE (UBI)

Telematics devices and GPS tracking

Usage-based insurance, which charges premiums based on driving behaviour, is gaining popularity in Kenya. Insurers use telematics devices or mobile apps to track driving habits such as speed, braking, and mileage. Safe drivers are rewarded with lower premiums, creating an incentive for responsible driving.

➤ Players in telematics

Insurers like UAP Old Mutual and APA Insurance have introduced telematics-based products targeting both individual drivers and fleet managers. These solutions not only help reduce premiums but also improve road safety by promoting better driving habits.

Pay-As-You-Drive (PAYD)

This model allows customers to pay insurance premiums based on the distance they drive. For infrequent drivers or those who use their vehicles occasionally, PAYD offers a more affordable alternative to traditional fixed-premium insurance.

ENHANCED SALVAGE AND ASSET RECOVERY MANAGEMENT

Digital salvage auctions

Managing salvage, such as vehicles deemed a total loss after accidents, is an area of focus for innovation. Insurers are partnering with digital platforms to conduct online salvage auctions, making the process more transparent and efficient. Companies like Copart Kenya and Salvage Cars Kenya provide platforms where insurers can list wrecked vehicles for auction, allowing buyers to bid in real-time.

➤ Improved valuation and disposal

Automated systems are being used to determine the market value of salvage vehicles quickly and accurately. This ensures that insurers can recover a fair value from the sale, minimizing losses. Digital salvage management also reduces delays in processing claims, leading to faster payouts for customers.

Blockchain for traceability

Some insurers are exploring blockchain technology for tracking salvage vehicles and ensuring that the process is tamper-proof. Blockchain can create an immutable record of the vehicle's history, ownership changes, and transaction details, reducing the risk of fraud in salvage sales.

CUSTOMER-CENTRIC INNOVATIONS AND ON-DEMAND INSURANCE

Instant insurance and self-service platforms

Insurers are introducing platforms where customers can purchase motor insurance instantly, renew policies, and access policy

documents without visiting a branch. Self-service kiosks and mobile apps offer features like instant quotes, policy comparison, and digital payment options.

On-demand and short-term cover

Products that allow customers to purchase insurance for a specific period (daily, weekly, or monthly) are becoming more popular, particularly among younger and low-income segments. These short-term covers are ideal for drivers who do not use their vehicles regularly or need temporary coverage, such as when borrowing a car.

INTEGRATION WITH ECOSYSTEMS AND PARTNERSHIPS

Bancassurance and Partnerships with Fintechs

Insurers are partnering with banks and fintech platforms to embed motor insurance products into broader financial services ecosystems. For example, banks offering car loans can bundle motor insurance with the financing, providing a one-stop solution for customers.

Integration with Vehicle Sales Platforms

Some insurers have partnered with car dealerships and online vehicle marketplaces to offer bundled insurance products at the point of sale. This makes it convenient for customers to insure their vehicles immediately upon purchase, streamlining the customer journey.

INNOVATIONS IN CLAIMS SETTLEMENT

Cashless and express repairs

Some insurers offer cashless repair services, where customers can take their vehicles to partner garages for repairs without paying out of pocket. The insurer settles the repair costs directly with the garage, simplifying the claims

process for policyholders. Express repair services ensure that minor damages are fixed quickly, reducing downtime for vehicle owners.

Smart contracts and blockchain

Blockchain-based smart contracts are being explored for automating claims settlement. Smart contracts can automatically trigger payouts when predefined conditions are met, such as receiving confirmation of vehicle damage from an approved garage. This innovation enhances transparency and reduces disputes during the claims process.

IN SUMMARY

The motor insurance segment in Kenya is undergoing significant transformation through the adoption of digital technologies, telematics, automation, and customer-centric innovations. From AI-driven claims processing and usage-based insurance models to digital salvage management and on-demand insurance, these innovations are enhancing efficiency, improving customer experience, and addressing long-standing industry challenges like fraud and delays.

As the market continues to evolve, insurers that embrace these innovations and invest in digital transformation will be better positioned to meet the changing needs of their customers, drive growth, and improve profitability in a highly competitive sector.



12 COMPARISON OF INSURTECH IN KENYA VS SOUTH AFRICA

Kenya and South Africa are leading markets in Africa's insurtech landscape, each with unique strengths and focus areas. While South Africa has a more mature and regulated insurance sector, Kenya's insurtech growth has been fueled by its vibrant mobile money ecosystem and a strong culture of digital innovation. Below is a comparison of the insurtech landscape in both countries, highlighting key differences, opportunities, and how each market can learn from the other.

MARKET MATURITY AND ECOSYSTEM DEVELOPMENT

South Africa

- South Africa's insurance market is well-developed, with a wide range of established players and a strong regulatory framework. The country has a more mature insurtech ecosystem, driven by both traditional insurers and startups focusing on digital transformation, data analytics, and AI.
- South African insurtech companies like Pineapple, Naked Insurance, and Ctrl have introduced innovative models that focus on peer-to-peer insurance, digital-first platforms, and usage-based insurance (UBI). The ecosystem is supported by a robust financial infrastructure, access to venture capital, and regulatory sandboxes that allow startups to test new products.

Kenya

- Kenya's insurtech market is younger but rapidly growing, driven by the success of mobile money platforms like M-Pesa. The market focuses heavily on financial inclusion, microinsurance, and using digital channels to reach underserved populations. The ecosystem is characterised by partnerships between insurers, mobile network operators, and fintech startups.

- Insurtech companies like Pula, Lami, and M-TIBA are leading the charge by offering mobile-based insurance, index-based agricultural insurance, and health microinsurance. Kenya's insurtech growth is fueled by its digital payment infrastructure, supportive regulation, and the country's widespread use of mobile phones.

PRODUCT INNOVATION AND TARGET SEGMENTS

South Africa

- South African insurtech focuses on personalised, data-driven products tailored to middle- and upper-income consumers. Usage-based insurance, such as pay-as-you-drive motor insurance and behaviour-linked life cover, is prominent. For instance, Discovery Insure uses telematics to reward safe driving with premium discounts.
- The market also emphasises customer experience through digital platforms. Companies like Naked Insurance offer fully digital onboarding, claims processing, and customer service, with AI-driven chatbots handling most interactions. The focus is largely on enhancing efficiency, transparency, and flexibility in traditional insurance products.

Kenya

- Kenya's insurtech innovations are focused on reaching low-income and rural populations through microinsurance, agricultural insurance, and mobile-based solutions. Products are designed to be affordable, simple, and accessible via mobile platforms. For example, Pula offers index-based crop insurance bundled with agricultural inputs like seeds and fertilizers, protecting smallholder farmers from climate risks.
- Kenya also excels in health microinsurance. Platforms like M-TIBA provide mobile health wallets that allow users to save, receive, and spend funds specifically for healthcare services. These solutions are tailored to address the needs of underserved communities, using digital payments and data to deliver relevant and affordable coverage.

DISTRIBUTION MODELS AND CHANNELS

South Africa

- South Africa's insurtech landscape is more focused on digital platforms, with products distributed via apps, online portals, and AI-driven interfaces. While traditional brokers and agents still play a role, the shift is towards direct-to-consumer models that reduce costs and improve user experience.
- Platforms like Pineapple use peer-to-peer models and community-based insurance, where customers pool premiums and share risks within a network. The integration of telematics and IoT in insurance products is also more advanced, with insurers using data from smart devices to assess risk and offer tailored premiums.

Kenya

- In Kenya, the success of mobile money has driven the adoption of mobile-first distribution channels. Most insurtech products are integrated with M-Pesa or

Airtel Money, enabling customers to buy, pay for, and claim insurance via mobile phones. The use of USSD codes and SMS makes these products accessible even to those without internet access.

- Partnerships between insurers and mobile network operators (MNOs) are central to Kenya's distribution strategy. Insurtech companies collaborate with MNOs to bundle insurance with airtime, loans, or agricultural products. This approach ensures widespread reach, particularly in rural areas where traditional distribution channels are limited.

REGULATORY ENVIRONMENT AND SUPPORT

South Africa

- South Africa has a well-established regulatory framework that governs both traditional insurers and insurtech companies. The Financial Sector Conduct Authority (FSCA) (Intergovernmental Fintech Working Group (IFWG) Innovation Hub) provides clear guidelines for licensing, compliance, and consumer protection. The country has also introduced regulatory sandboxes that allow insurtech startups to test new products under controlled conditions.
- The regulation is more stringent, which ensures market stability but can also slow down innovation. However, the emphasis on consumer protection and financial literacy is critical for maintaining trust in the sector.

Kenya

- Kenya's Insurance Regulatory Authority (IRA) is more flexible and has actively promoted insurtech growth by encouraging innovation in microinsurance, digital distribution, and financial inclusion. The regulatory environment is supportive of insurtech, allowing for the rapid introduction of new products and services.

➤ The government has promoted financial inclusion as a key pillar of its Vision 2030 strategy (www.vision2030.go.ke), which has spurred the development of inclusive insurance products. While regulation in Kenya is evolving, the focus remains on enabling innovation while managing risks, particularly for vulnerable populations.

KEY LESSONS FOR SOUTH AFRICA FROM KENYA'S INSURTECH LANDSCAPE

Financial inclusion through Mobile-first solutions

Kenya's success in reaching underserved markets through mobile technology offers valuable insights for South Africa. While South Africa has a more advanced financial system, there is still room to develop microinsurance products and simple mobile-first solutions that can reach the unbanked and underbanked populations.

Partnerships with mobile network operators (MNOs)

Kenyan insurtechs have shown the power of partnering with MNOs to distribute insurance at scale. South African insurers can explore deeper collaborations with telecom companies to bundle insurance products with airtime, data plans, or mobile loans, thereby increasing accessibility.

Simplified, low-cost products for low-income segments

Kenya's focus on affordability and simplicity has driven mass adoption of insurance among low-income earners. South African insurtechs can learn from this by designing products that cater to the specific needs of low-income consumers, offering flexible payment options and leveraging community-based distribution models.

Agility in product development and iteration

Kenya's insurtech market is characterised by rapid experimentation and iteration, driven by customer feedback and changing needs. South African insurtechs can benefit from adopting a more agile approach, testing new products quickly and refining them based on real-world usage data.

IN SUMMARY

While South Africa has a more mature and sophisticated insurtech market, Kenya's innovations in financial inclusion, mobile integration, and microinsurance offer valuable lessons. Besides Funeral and Credit Life, South Africa lacks penetration in the lower end of the market. By adopting mobile-first strategies, fostering partnerships with MNOs, and focusing on inclusive product design, South African insurers can expand their reach, particularly among underserved communities.

Motor insurance in Kenya is compulsory, leading to high penetration rates, while in South Africa it is not, resulting in a penetration rate of about 35%. It is uncertain if innovation alone can increase the penetration rate.

Both markets have unique strengths, especially in the insurtech and fintech area and cross-learning between them can drive the next wave of insurtech growth across the continent.

“Kenya's success in reaching underserved markets through mobile technology offers valuable insights for South Africa.”

13 RELEVANT BODIES IN THE KENYAN INSURANCE INDUSTRY

ASSOCIATION OF KENYA INSURERS (AKI)



Purpose:

The AKI serves as a representative body for insurance companies in Kenya, promoting industry best practices, collaboration, and growth. Its main objectives include lobbying for favorable legislation, enhancing market standards, and increasing insurance awareness among the public.

Value

AKI is vital in shaping Kenya's insurance landscape by advocating for policies that benefit both insurers and consumers. It plays a key role in industry research, capacity building, and guiding the implementation of regulations.

Website:

<https://www.akinsure.com>

ASSOCIATION OF KENYA PROFESSIONAL INSURANCE AGENTS (AKPIA)



Purpose:

The AKPIA is an umbrella body for insurance agents in Kenya. Its focus is to represent the interests of insurance agents by providing them with training, networking opportunities, and industry updates.

Value

The AKPIA adds value by ensuring that insurance agents adhere to ethical standards while offering professional services. This helps in improving the overall reputation of the insurance industry and ensures agents are well-prepared to serve clients.

Website:

<https://aibk.co.ke/new/>

ASSOCIATION OF INSURANCE BROKERS KENYA (AIBK)



Purpose:

AIBK represents insurance brokers in Kenya. It aims to protect and advocate for the interests of insurance brokers, promoting ethical standards and professionalism in brokering services.

Value

AIBK supports brokers by offering resources for continuous professional development and by lobbying for industry-friendly regulations. It serves as a bridge between insurers, brokers, and consumers to foster trust and transparency.

Website:

<https://www.aibk.co.ke>

ORGANISATION OF EASTERN AND SOUTHERN AFRICA INSURERS (OESAI)



**Organisation of Eastern &
Southern Africa Insurers**

Purpose:

OESAI represents insurers across Eastern and Southern Africa. The association focuses on regional collaboration, sharing best practices, and strengthening insurance regulations across borders.

Value

OESAI plays a critical role in fostering cross-border partnerships and advocating for the development of a robust regional insurance market. By aligning industry standards and regulations, it enhances the competitiveness of the regional insurance market.

Website:

<https://aibk.co.ke/new/>

COLLEGE OF INSURANCE KENYA



Purpose:

The College of Insurance was established to address the gap in insurance education within Kenya by offering locally relevant training. Its mission is to develop skilled professionals in insurance, risk management, and related fields, ensuring that the local industry is equipped to meet both domestic and regional market needs.

Value

The College of Insurance upholds core values of academic freedom, excellence, professionalism, innovation, participation, and empowerment. It fosters an environment where learners are encouraged to excel, contribute meaningfully to the industry, and embrace continuous professional development, while emphasizing the importance of adaptability and forward-thinking in a dynamic industry.

Website:

<https://www.coi.ac.ke/>

INSURANCE REGULATORY AUTHORITY KENYA (IRA)



Mandate

The Authority's mandate is to regulate, supervise and develop the insurance industry in Kenya

Goals

- Promote consumer education and protection
- Promote an inclusive, competitive and stable insurance industry
- Offer quality customer service

National Agenda of The Authority :

The Authority aims to assist in the promotion of the role of Kenya's National Development Agenda, provide a policy framework for the industry and ensure consumer protection.

Website

<https://ira.go.ke/>

INSURANCE INSTITUTE OF KENYA



Purpose:

The Insurance Institute of Kenya (IIK) is the umbrella body for insurance professionals in Kenya. Its mission is to enhance insurance professionalism through training, examination, certification and research.

Value

As the central hub for insurance expertise, IIK plays a crucial role in advancing the industry and supporting its members. IIK's core values are:

- Professionalism
- Integrity
- Transparency
- Accountability
- Team Work

Website

<https://iik.or.ke/>

RWANDA LANDSCAPE OVERVIEW



EXECUTIVE SUMMARY

OVERVIEW

Rwanda, known as the "Land of a Thousand Hills," is a small, landlocked country in East-Central Africa that has experienced impressive socio-economic progress since the 1994 genocide. With a population of approximately 13.3 million in 2023 that grows at a rate of 2.3%, Rwanda is emerging as one of Africa's fastest-growing economies. Its Vision 2050 plan aims to transform Rwanda into a regional hub for technology, finance, and logistics, positioning the nation for a prosperous future.

DEMOGRAPHICS

Rwanda's population is predominantly young, with over 60% under the age of 25. The capital, Kigali, is home to 1.8 million people, reflecting rapid urbanisation. The country's ethnic composition includes Hutus (84%), Tutsis (15%), and a small Twa minority (1%). Rwanda has three official languages—Kinyarwanda, French, and English—and a predominantly Christian population.

Education is a key focus for the government, with investments aimed at achieving a knowledge-based economy. The literacy rate is around 73%, and there is a strong emphasis on Science, Technology, Engineering, and Mathematics (STEM) to align with Rwanda's development goals.

ECONOMIC OVERVIEW

Rwanda's economy has grown at an average rate of 7-8% annually over the last decade, with a GDP of approximately \$13 billion in 2023. The economy is driven by three main sectors:

1 Agriculture (24% of GDP)

Agriculture remains the backbone of the economy, with coffee and tea being major exports. Despite its importance, it is still largely characterised by small-scale subsistence farming.

2 Services (53% of GDP)

The services sector is the largest, with strong contributions from finance, ICT, trade, and tourism. Kigali is increasingly recognized as a regional hub for finance and technology.

3 Industry (23% of GDP)

Industry is led by construction, manufacturing, and mining, with the government's "Made in Rwanda" initiative supporting local production.

While poverty levels have decreased significantly—from 57% in 2005 to 38% in 2023—income inequality persists, with a Gini coefficient of 0.43. The government continues to target inclusive growth through rural development and social programs.

FINANCIAL LANDSCAPE

Financial inclusion has improved considerably, with 93% of adults accessing some form of financial service, including mobile money and microfinance. However, access to formal banking remains limited in rural areas. Savings rates are growing, aided by community savings groups called "ibimina," but formal savings are concentrated among urban populations. The government is working to bridge this gap by promoting financial literacy and improving access to credit through initiatives like Umurenge SACCOs.



CHALLENGES AND OPPORTUNITIES

Rwanda faces challenges including youth unemployment, agricultural productivity, and rising public debt (currently at 60% of GDP). Climate change also threatens agricultural stability, while limited access to formal credit constrains economic participation. Despite these hurdles, opportunities lie in digital finance, microinsurance, and youth-focused financial products. Rwanda's Vision 2050 emphasises human capital development, environmental sustainability, and private sector growth, offering a roadmap for the country's future prosperity.

IN SUMMARY

Rwanda's remarkable post-genocide transformation, strong economic growth, and ambitious development agenda make it a rising star in Africa. While challenges persist, the government's commitment to innovation, technology, and financial inclusion positions Rwanda for continued progress and prosperity.



I DEMOGRAPHICS AND ECONOMIC OVERVIEW

Rwanda, a small landlocked country in East-Central Africa, has made significant socio-economic strides since the 1994 genocide. Known as the "Land of a Thousand Hills," Rwanda has transformed into one of Africa's fastest-growing economies. With ambitious development goals outlined in its Vision 2050 plan, Rwanda is positioning itself as a regional hub for technology, finance, and logistics.

DEMOGRAPHICS

POPULATION SIZE AND GROWTH

As of 2023, Rwanda's population is estimated at 13.3 million, with a growth rate of around 2.3% per year. The population is predominantly young, with more than 60% under the age of 25. [National Institute of Statistics Rwanda](#).

Urbanisation is increasing rapidly, with Kigali, the capital, being home to close to 1.8 million people. 36% of the population live in urban areas, compared to 18% in 2012.

ETHNIC COMPOSITION

Rwanda has three main ethnic groups: Hutus (84%), Tutsis (15%), and a small minority of Twa (1%), an indigenous pygmy group. The 1994 genocide, which claimed nearly 800,000 lives, was primarily rooted in ethnic divisions between Hutus and Tutsis. Post-genocide governance emphasises national unity, with the government discouraging identification by ethnicity.

LANGUAGE AND RELIGION

Rwanda is a multilingual country with Kinyarwanda, French, and English as official languages. Kinyarwanda is spoken by nearly the entire population, while English and French are commonly used in government, business, and education.

Most Rwandans (93%) are Christian, with 49% identifying as Roman Catholic, 39% as Protestant, and 5% as Seventh-day Adventist. Islam accounts for about 2% of the population.

EDUCATION AND LITERACY

Rwanda has made substantial investments in education, with free primary education contributing to a literacy rate of approximately 73%. The government emphasises STEM (Science, Technology, Engineering, and Mathematics) education to align with its vision of becoming a knowledge-based economy.

Access to secondary and tertiary education has improved, though disparities still exist between urban and rural areas. The University of Rwanda and several international institutions have established campuses in Kigali, boosting the country's academic infrastructure.

ECONOMICS

ECONOMIC GROWTH AND STRUCTURE

Rwanda's economy has grown at an average annual rate of 7-8% over the past decade, making it one of Africa's top performers. The country's GDP in 2023 is estimated at around \$13 billion with a GDP per capita of about \$950.

The economy is diversifying, with key sectors including:

➤ **Agriculture (24% of GDP)**

Despite being the backbone of the economy, agriculture is characterised by small-scale subsistence farming. Coffee and tea are major exports, alongside horticulture products.

➤ **Services (53% of GDP)**

Services dominate the economy, particularly finance, ICT, trade, and tourism. Kigali's role as a regional hub is growing, with financial services and technology sectors driving urban employment.

➤ **Industry (23% of GDP)**

The industrial sector is led by construction, manufacturing, and mining. The government's "Made in Rwanda" initiative supports local production and import substitution.

POVERTY AND INCOME INEQUALITY

Rwanda has achieved remarkable poverty reduction, with the poverty rate falling from 57% in 2005 to about 38% in 2023. However, income inequality remains a concern, with a Gini coefficient of 0.43. The government is focused on inclusive growth, targeting rural development, job creation, and social protection programs.

TRADE AND INVESTMENT

Rwanda is a member of several regional trade blocs, including the East African Community (EAC) and the African Continental Free Trade Area (AfCFTA). The country's strategic location, coupled with business-friendly policies, has attracted foreign direct investment (FDI) in sectors like construction, ICT, and finance. Major export partners include China, the European Union, and neighbouring countries like Uganda and Kenya. Coffee and tea remain primary exports, while the government is promoting diversification through value addition in mining and agriculture.

INFRASTRUCTURE AND TECHNOLOGY

➤ **Transport and logistics**

Rwanda's landlocked status makes regional connectivity crucial. The country is investing in infrastructure projects such as the Kigali Innovation City, the expansion of Kigali International Airport, and road networks connecting to Tanzania and Kenya.

➤ **ICT and digital economy**

Rwanda is positioning itself as a regional tech hub, with initiatives like Smart Rwanda and investments in broadband connectivity. Over 95% of the country is covered by 4G networks, and the government aims to achieve 100% digital literacy by 2030.

SOCIAL AND ECONOMIC CHALLENGES

Despite strong economic growth, youth unemployment and underemployment remain critical challenges. With over 60% of the population under 25, there is a pressing need for job creation, particularly in non-agricultural sectors.

AGRICULTURAL PRODUCTIVITY

Agriculture remains largely subsistence-based, and productivity is hindered by factors like land fragmentation, soil degradation, and limited access to modern farming inputs. Climate change also poses a growing threat to food security.

AGRICULTURAL

PRODUCTIVITY

Agriculture remains largely subsistence-based, and productivity is hindered by factors like land fragmentation, soil degradation, and limited access to modern farming inputs. Climate change also poses a growing threat to food security.

EXTERNAL DEBT AND

FISCAL MANAGEMENT

Rwanda's public debt has risen due to extensive infrastructure investments, currently standing at about 60% of GDP. While manageable, debt sustainability remains a concern, particularly given global economic uncertainties.

GOVERNMENT POLICIES

AND VISION 2050

Rwanda's long-term development strategy, Vision 2050, aims to transform the country into an upper-middle-income nation by 2035 and a high-income country by 2050. Key pillars include:



Human capital development

Prioritising education, healthcare, and social protection to build a skilled workforce.



Private sector growth

Encouraging entrepreneurship, innovation, and investment, with a focus on high-potential sectors like finance, ICT, and tourism.



Environmental sustainability

Balancing growth with sustainability, focusing on green energy, reforestation, and climate-resilient infrastructure.

IN SUMMARY

Rwanda's remarkable post-genocide recovery, sustained economic growth, and ambitious development agenda position it as a rising star in Africa. While challenges like poverty, inequality, and youth unemployment persist, the government's focus on growing the economy, innovation, technology, and human capital development offers promising pathways for continued progress.



2 RWANDA POPULATION FINANCIAL POSITION, SPENDING HABITS, FINANCIAL MANAGEMENT, AND ACCESS TO FINANCE

FINANCIAL POSITION AND INCOME DISTRIBUTION

Income levels and poverty

Rwanda's income levels are relatively low, with a Gross National Income (GNI) per capita of around \$850 (World Bank, 2023). Approximately 38% of the population lives below the poverty line, though this figure has improved significantly from over 57% in 2005. Most Rwandans earn their income through agriculture, small businesses, and informal work, leading to significant income disparities.

Rural vs. urban income gaps

Rwanda's population is predominantly rural (around 75%), and income disparities between urban and rural areas are stark. Urban areas like Kigali have higher-income levels and better access to economic opportunities, while rural areas remain largely dependent on subsistence farming.

AGRICULTURAL INSURANCE AND CLIMATE RISK SOLUTIONS

Expenditure priorities

The bulk of household expenditure in Rwanda is spent on basic needs. According to the National Institute of Statistics of Rwanda (NISR), the major spending categories include:

➤ Food and beverages (44%)

Food takes up the largest share of household expenditure, particularly in rural areas where agriculture dominates.

➤ Housing and utilities (16%)

Urban residents spend more on housing and utilities compared to rural populations, where informal housing is common.

➤ Education and health (15%)

As Rwanda prioritises education and healthcare in its development agenda, spending in these areas is increasing, especially among middle-income households.

➤ Transport and communication (9%)

With growing urbanisation and infrastructure development, transport and communication expenses are also rising, particularly in Kigali.

Consumer spending trends

Consumer behaviour in Rwanda is shifting due to rising incomes, urbanisation, and increased access to formal financial services. There is a growing demand for consumer goods, electronics, and services, particularly among young professionals in urban areas.

FINANCIAL MANAGEMENT PRACTICES

Savings and investment culture

Savings rates in Rwanda are low but improving. About 36% of Rwandans save regularly, mostly through informal savings groups known as "ibimina." These groups play a vital role in helping low-income individuals save and access credit. Formal savings are concentrated among urban dwellers and higher-income groups who have access to banks and microfinance institutions.

Informal financial systems

Most Rwandans rely on informal financial systems for savings, borrowing, and investment. Community savings groups are widespread, particularly in rural areas, where they serve as a trusted and accessible means of financial management. These systems are often more flexible than formal institutions and are rooted in local communities.

Microfinance institutions (MFIs)

Rwanda's microfinance sector is well-established, with over 400 licensed institutions. MFIs play a key role in offering small loans, savings accounts, and insurance products to low-income earners and micro-entrepreneurs, particularly in rural areas. However, interest rates can be high, limiting the affordability of credit.

ACCESS TO FINANCE

Banking and financial inclusion

Financial inclusion in Rwanda has improved significantly in recent years, driven by the government's efforts to enhance access to financial services. As of 2023, around 93% of adults have access to some form of financial service, including mobile money, MFIs, cooperatives, and banks. However, access to formal banking services is still limited in rural areas.

➤ Formal bank accounts

Only about 36% of adults have a formal bank account, with the remainder relying on mobile money and savings cooperatives.

Commercial banks mainly serve urban populations and higher-income groups.

➤ Mobile money

Mobile money services like MTN Mobile Money and Airtel Money are critical for financial inclusion. With over 11 million registered users, mobile money is used for transactions, savings, and accessing credit. The use of digital finance has expanded rapidly, facilitating easier access to financial services even in remote areas. Rwanda must be cashless by 2024 – that's the bold target set in the National Payment System Strategy 2018-2024(2)

Credit access and borrowing

Access to credit remains a challenge, particularly for small businesses and low-income households. Only around 23% of adults have borrowed from a financial institution, while the majority rely on informal sources like family, friends, or savings groups. High interest rates, lack of collateral, and limited financial literacy are major barriers to accessing formal credit.

➤ Microcredit and SME Financing

MFIs and Savings and Credit Cooperative Organisations (SACCOs) are the primary sources of credit for small businesses and informal sector workers. SACCOs are widespread, especially in rural areas, and have been instrumental in improving access to finance for those excluded from formal banking.

➤ Government Support and Initiatives

The government, through initiatives like Umurenge SACCOs, has played a significant role in promoting financial inclusion. These SACCOs are present in nearly every administrative sector, providing financial services to previously unbanked rural populations.

CHALLENGES IN FINANCIAL ACCESS AND MANAGEMENT

Low financial literacy

Despite improved access to financial services, financial literacy remains low, particularly in rural areas. Many people lack knowledge about formal savings, investment opportunities, and managing credit, which limits their ability to make informed financial decisions.

High cost of credit

Interest rates in both formal and informal lending institutions are often high, making borrowing expensive and inaccessible for many low-income earners. This is especially true for microcredit, where repayment periods are short, and interest accumulates quickly.

Trust in financial institutions

In rural areas, trust in formal financial institutions is still limited, leading people to prefer community-based savings groups over banks. Past experiences of bank failures or corruption have contributed to this lack of trust.

Gender disparities

Women, particularly in rural areas, face greater challenges in accessing finance due to lower levels of financial literacy, limited asset ownership, and cultural norms. While the government and NGOs have initiated programs to promote financial inclusion among women, gaps still exist.

OPPORTUNITIES AND FUTURE TRENDS

Digital financial services

The continued expansion of mobile money and fintech solutions presents a significant opportunity to improve financial access and

management in Rwanda. Digital finance has the potential to enhance savings rates, streamline credit access, and enable micro-investments.

Youth and financial inclusion

With over 60% of the population under 25, there is a growing focus on financial products and services tailored for young people. Youth-focused financial education programs and digital platforms are being developed to cater to this demographic.

Formalising informal finance

Integrating informal financial practices into the formal financial system is a key opportunity. By formalising savings groups and linking them to banks and MFIs, financial institutions can offer tailored products that bridge the gap between informal and formal finance.

Insurance and risk management

The penetration of insurance products remains low in Rwanda, particularly in rural areas. Microinsurance and digital insurance solutions present a growth opportunity, particularly in sectors like agriculture, health, and life insurance.

IN SUMMARY

Rwanda's financial landscape is marked by improving access to services, a growing mobile money sector, and strong government initiatives aimed at financial inclusion. However, challenges like low financial literacy, limited access to formal credit, and income disparities persist.

Addressing these issues while capitalising on digital finance and inclusive policies will be key to enhancing the financial well-being of the population and supporting the country's broader economic development goals.

3 OVERVIEW OF RWANDANS' USE OF THE INTERNET, SOCIAL MEDIA, AND ONLINE BEHAVIOUR

Rwanda is recognised as one of Africa's leaders in ICT development, driven by its vision to become a knowledge-based economy. The government's focus on digital transformation has significantly increased internet access, boosted social media adoption, and reshaped online behaviour in recent years.

INTERNET PENETRATION AND CONNECTIVITY

Internet penetration

As of 2023, Rwanda's internet penetration rate stands at approximately 48% of the population, translating to nearly 6.5 million users. The growth of internet access has been fueled by investments in ICT infrastructure, including the national fiber-optic backbone and expanded mobile broadband coverage.

Mobile internet dominance

Mobile internet is the primary mode of connectivity, accounting for over 90% of all internet connections. With 4G LTE covering more than 95% of the population, mobile phones are the most common devices used to access the internet, particularly among young people and rural populations.

Affordability and challenges

While connectivity is expanding, high data costs and limited digital literacy remain barriers, especially in rural areas. The government, in collaboration with service providers, is working to reduce data prices and increase access to affordable smartphones.

SOCIAL MEDIA USAGE

Popular platforms

Social media is widely used in Rwanda, especially among urban youth. The most popular platforms include:

➤ WhatsApp

The most widely used platform, primarily for messaging, voice calls, and sharing multimedia content. It is commonly used for both personal communication and business purposes.

➤ Facebook

Facebook remains popular across different demographics, with both individuals and businesses using it for social networking, marketing, and news consumption.

➤ Twitter

Twitter is influential among professionals, politicians, and activists in Rwanda. The platform is used for real-time updates, public discourse, and official government communication.

➤ Instagram

Instagram is increasingly popular among younger Rwandans, particularly for sharing photos, videos, and following influencers.

➤ YouTube

YouTube is widely used for entertainment, education, and informational content. Rwandans are increasingly consuming video content, from local creators to global channels.

Content consumption and sharing

Social media in Rwanda is used for a mix of activities, including news consumption, social interactions, business promotion, and entertainment. Video content is particularly popular, with platforms like YouTube and TikTok gaining traction. Local content, particularly in Kinyarwanda (widely spoken local language), is on the rise, driven by a growing number of content creators.

E-COMMERCE AND ONLINE TRANSACTIONS

Growth of E-commerce

E-commerce is gradually gaining momentum, especially in urban areas. Platforms like Jumia, Kasha (for health and beauty products), and local marketplaces are popular for online shopping. The growth of digital payments, especially mobile money, has made online transactions more accessible.

Payment solutions

As mentioned above, mobile money services, such as MTN Mobile Money and Airtel Money, dominate digital payments. Mobile wallets are used for everything from buying goods and services online to paying bills and transferring money. The integration of mobile money with e-commerce platforms has significantly boosted digital transactions.

Challenges and adoption barriers

While e-commerce is growing, adoption remains hindered by logistical challenges, limited trust in online shopping, and low digital literacy. There is still a preference for cash-on-delivery in many transactions.

DIGITAL LITERACY AND ONLINE BEHAVIOUR

Digital literacy programs

The Rwandan government has prioritised digital literacy as part of its Vision 2050

strategy. Initiatives like the Digital Ambassadors Program and public ICT training centers aim to equip citizens with digital skills. However, digital literacy remains uneven, with younger and urban populations being more digitally savvy compared to rural communities and older generations.

Online behaviour

Rwandans are increasingly spending time online for education, communication, and entertainment. Key trends include:

➤ Educational resources

E-learning platforms and online courses are becoming more popular, especially in urban areas. The COVID-19 pandemic accelerated the shift toward online learning.

➤ E-government services

Rwanda has made significant progress in e-governance. Services such as tax payments, business registration, and land management are now available online through platforms like Irembo, making government services more accessible and efficient.

➤ Social commerce

Many small businesses use social media platforms, especially WhatsApp, Facebook, and Instagram, to market and sell products directly to consumers. The rise of social commerce is helping businesses, particularly micro and small enterprises, reach a broader audience without the need for a physical store.

GOVERNMENT INITIATIVES AND DIGITAL INFRASTRUCTURE

Smart Rwanda master plan

The government's Smart Rwanda initiative aims to create a digital economy by focusing on areas such as e-government, e-health, and ICT in education. The strategy involves expanding broadband access, promoting ICT skills, and fostering innovation.

Kigali Innovation City

Kigali is emerging as a regional tech hub, with initiatives like Kigali Innovation City attracting startups and tech investors. The government's support for ICT businesses, including tax incentives and incubation programs, is driving digital entrepreneurship.

Public Wi-Fi and connectivity programs

The government has rolled out public Wi-Fi hotspots in major cities, including Kigali, to boost internet access. Additionally, the deployment of fiber-optic infrastructure has expanded connectivity across the country, enhancing access in remote areas.

CHALLENGES AND OPPORTUNITIES

Digital divide

Despite significant progress, a digital divide persists between urban and rural areas, as well as across income levels. Rural communities face higher data costs, limited access to devices, and lower digital literacy.

Affordability of devices and data

The cost of smartphones and data packages is still prohibitive for many low-income households. Ongoing efforts to lower these costs are crucial for further increasing internet penetration.

Cybersecurity and data privacy

As digital adoption grows, cybersecurity risks are becoming more prominent. The government has implemented data protection regulations and is strengthening cybersecurity frameworks, but public awareness remains low.

Opportunities for growth

The expanding middle class, increased digital literacy, and growing youth population present significant opportunities for the digital economy's growth. Sectors like fintech, e-commerce, and online education are poised for

expansion as more Rwandans get connected and comfortable with online transactions.

IN SUMMARY

Rwanda's internet and digital landscape is evolving rapidly, with significant progress in connectivity, social media adoption, and online engagement. While challenges like affordability and the digital divide remain, government initiatives and growing digital literacy are set to drive further growth.

As more Rwandans come online, opportunities in e-commerce, digital finance, and content creation will continue to expand, contributing to the country's digital transformation goals.

“Rwanda’s internet and digital landscape is evolving rapidly, with significant progress in connectivity, social media adoption, and online engagement.”



4 OVERVIEW OF THE SHORT-TERM INSURANCE MARKET IN RWANDA

The short-term insurance market in Rwanda has shown steady growth in recent years, driven by the country's expanding economy, increased awareness of insurance, and government initiatives aimed at enhancing financial inclusion. Short-term insurance, also known as general insurance, covers non-life policies such as motor, health, property, and liability insurance. Here's an overview of the market landscape, key players, distribution channels, challenges, and growth prospects.

MARKET STRUCTURE AND KEY PLAYERS

As of 2023, there are approximately **15 licensed insurance companies** in Rwanda, with around **10 of these** offering short-term insurance products. The market is relatively concentrated, with a few large players dominating the sector.

Major players

Leading short-term insurers include:

- **SONARWA General Insurance**
One of the largest and oldest insurers in Rwanda, offering a wide range of general insurance products.
- **Soras Group (part of Sanlam Group)**
Provides motor, property, health, and other general insurance products.
- **Radiant Insurance**
A key player known for its motor and medical insurance offerings.
- **Prime Insurance**
Offers various short-term insurance policies, including motor, property, and liability coverage.

➤ **BK General Insurance (Bank of Kigali Group)**

A newer entrant that leverages its banking network for distribution.

TYPES OF SHORT-TERM INSURANCE PRODUCTS

The short-term insurance market in Rwanda is diversified, with key products including:

Motor Insurance

Motor insurance is the largest segment, driven by mandatory third-party insurance requirements. Both comprehensive and third-party covers are widely available.

Health Insurance

Private health insurance is growing, complementing the government's community-based health insurance scheme, Mutuelle de Santé. Private covers are popular among middle-to high-income groups and companies offering employee benefits.

Property Insurance

Property insurance, including fire, theft, and business interruption covers, is widely offered to individuals, businesses, and property developers, although take-up is still low.

Liability Insurance

Includes covers like public liability, professional indemnity, and employer's liability insurance, which are increasingly demanded by businesses.

Agricultural Insurance

Agricultural insurance, though relatively new, is being promoted to support farmers against risks like drought, floods, and crop failure. The government, in partnership with insurers, is pushing for more adoption in rural areas.

DISTRIBUTION CHANNELS

Insurance agents and brokers are the dominant distribution channels, accounting for most short-term insurance sales. These intermediaries play a crucial role in advising clients, distributing policies, and assisting with claims.



There are over 30 licensed brokers in Rwanda, with some of the major ones including Minet Rwanda, Africa Reinsurance Brokers, and Trust Re.

Bancassurance is growing rapidly in Rwanda, with banks partnering with insurers to sell short-term products. Banks like Bank of Kigali, I&M Bank, and Equity Bank are key players in bancassurance, leveraging their large customer bases and extensive branch networks.

Direct sales, either through in-house sales teams or online platforms, are gaining traction as insurers invest in digital channels. Digital sales are particularly effective for motor and travel insurance, where customers prefer quick and straightforward purchases.

Digital channels

While still developing, digital platforms and mobile apps are becoming more important. Insurtech innovations are making it easier for customers to purchase policies online, file claims, and receive payouts. Mobile money integration is also enhancing accessibility, particularly for rural customers.

GROWTH PROSPECTS AND FUTURE TRENDS

Microinsurance and financial inclusion

The government and private sector are increasingly focusing on microinsurance to expand coverage among low-income and rural populations. Products like crop insurance and affordable health insurance are expected to drive growth in this segment.

Digital transformation and Insurtech

Digitisation is key to the future of the short-term insurance market. Insurers are investing in mobile apps, online portals, and automation to improve service delivery, reduce costs, and attract tech-savvy customers. Insurtech startups are emerging, providing innovative solutions for digital distribution, claims automation, and customer engagement.

Partnerships and ecosystem integration

Collaborations between insurers, fintech companies, banks, and telecom providers will be crucial in expanding reach. For example, integrating insurance products with mobile money platforms will make it easier for consumers to purchase and manage insurance, particularly in rural areas.

Product innovation and customisation

As the market matures, there is a growing demand for tailored products that address specific needs. For instance, pay-as-you-go insurance models, flexible premiums, and bundled insurance packages will likely become more popular.

Agricultural and climate risk insurance

With agriculture being a key sector in Rwanda, agricultural insurance has significant growth potential. The government is promoting partnerships between insurers and agribusinesses to offer affordable coverage to farmers, addressing risks like drought and pests.

IN SUMMARY

The short-term insurance market in Rwanda is poised for growth, supported by regulatory reforms, digital innovation, and increasing consumer awareness.

Opportunities in microinsurance, digital transformation, and product diversification offer a pathway for expansion.

5 OVERVIEW OF THE LIFE INSURANCE MARKET IN RWANDA

The life insurance market in Rwanda is relatively young but has been growing steadily in recent years due to rising awareness, improving financial literacy, and government initiatives aimed at expanding financial inclusion.

The life insurance sector covers products such as term life, whole life, endowment policies, and group life insurance, providing financial protection and savings opportunities for individuals and businesses.

MARKET STRUCTURE AND KEY PLAYERS

Rwanda's life insurance market is smaller compared to its general insurance segment but has seen consistent growth. As of 2023, around 8 out of 15 licensed insurance companies in Rwanda offer life insurance products.

Major Players:

- **Soras Vie (part of Sanlam Group)**
One of the largest life insurers in Rwanda, offering a range of life insurance products, including individual life, group life, and education policies.
- **SONARWA Life Assurance**
Another leading player with a focus on traditional life insurance products like whole life, term life, and endowment plans.
- **Radiant Life Assurance**
Known for offering life cover and savings policies, focusing on individual and group plans.
- **Prime Life Insurance**
Provides a variety of life insurance products tailored for individuals, families, and businesses.
- **BK Life Insurance (Bank of Kigali Group)**
A newer entrant in the life insurance space, leveraging its banking network for distribution.

TYPES OF LIFE INSURANCE PRODUCTS

Term Life Insurance

Provides coverage for a specific period, offering a death benefit to beneficiaries if the insured person dies within the policy term. This is a common product for families seeking affordable protection.

Whole Life Insurance

Offers lifelong coverage with a savings component, providing both death benefits and a cash value that grows over time.

Endowment Policies

These products combine savings with life cover, maturing after a specified term and offering a payout either on maturity or in the event of the policyholder's death.

Group Life Insurance

Popular among businesses, this product provides life cover for employees, often bundled with additional benefits like disability cover or funeral expenses.

Education Policies

These policies are designed to help parents save for their children's education while offering life cover.

DISTRIBUTION CHANNELS

Insurance agents and brokers

Agents and brokers are the primary distribution channels for life insurance in Rwanda, accounting for most sales. (see numbers above) Agents often focus on individual clients, while brokers tend to serve corporate clients and high-net-worth individuals.

Bancassurance

Bancassurance is rapidly growing, driven by partnerships between life insurers and commercial banks. Banks like Bank of Kigali, I&M Bank, and Equity Bank offer life insurance products through their branches, providing a convenient point of sale for customers.

Direct sales and digital channels

Direct sales through in-house teams and emerging digital platforms are increasingly important. Insurers are investing in online portals and mobile apps, allowing customers to purchase policies, manage accounts, and file claims online.

Group sales and corporate partnerships

Group life insurance is a significant segment in Rwanda, with employers providing life cover as part of employee benefit packages. Corporate partnerships, particularly with large employers and SMEs, are key drivers of group life insurance growth.

GROWTH OPPORTUNITIES AND TRENDS

Microinsurance and financial inclusion

There is growing interest in microinsurance products that offer affordable coverage to low-income and rural populations. Products like term life with low premiums, bundled with mobile money services, are gaining traction. Insurers are partnering with microfinance institutions (MFIs) and cooperatives to expand their reach.

Digital transformation and insurtech

Digital platforms are revolutionising life insurance distribution. Insurers are developing mobile apps and USSD-based solutions that allow customers to sign up for life insurance, pay premiums, and track policy details via their phones. The integration of life insurance with mobile money platforms is simplifying payments and improving access.

Bancassurance growth

Bancassurance is expected to continue growing as more banks partner with insurers. Banks provide a trusted and accessible channel for selling life insurance, particularly to middle- and high-income clients.

Corporate and SME market expansion

The group life insurance segment is set to expand as more businesses, including SMEs, adopt employee benefit programs. The growing formal sector, particularly in Kigali, presents a lucrative market for group life products.

Government support and public awareness campaigns

The government's focus on financial inclusion, coupled with public awareness campaigns, is expected to drive growth in life insurance. As more people become aware of the benefits of life cover, market penetration is likely to improve.

IN SUMMARY

The life insurance market in Rwanda is evolving, with opportunities for growth in microinsurance, digital platforms, and group life products. While the sector faces challenges such as low awareness and cultural resistance, the combined efforts of insurers, regulators, and government initiatives are paving the way for increased penetration and market development.

6 REGULATORY ENVIRONMENT

The insurance sector is regulated by the National Bank of Rwanda (BNR), which ensures compliance with financial regulations, solvency requirements, and consumer protection standards. The BNR's proactive regulatory framework encourages transparency and strengthens market stability.

The government has been promoting insurance as part of its financial inclusion strategy, aiming to increase insurance penetration from its current low levels. Initiatives include consumer education campaigns and support for microinsurance products that target low-income populations.

Setting the Long-Term Saving schemes law is a way to target individuals who are not covered by mandatory pension schemes. Law No 030-2021 of 30-06-2021 Governs the Organisation of Insurance Business, for a variety of classes of business, including short-term, long-term, micro-insurance, bancassurance, etc. There are also a variety of Laws governing bancassurance, accreditation of actuaries, registration of pension funds, etc.

While the development of a regulatory sandbox is a positive development that signals the regulator's intent to facilitate innovation and that can help to provide a pathway to entry for non-traditional market players, insurtechs have found the requirements to participate in the sandbox complex and have expressed confusion on the correct legal pathway to follow to test their products.



7 KEY CHALLENGES FACING THE SHORT-TERM AND LIFE INSURANCE MARKETS IN RWANDA

Both the short-term (general) and life insurance markets in Rwanda are experiencing growth, but they face significant challenges that hinder deeper penetration and expansion. These challenges are rooted in economic factors, cultural norms, regulatory constraints, and market dynamics. Here is an overview of the key challenges faced by each sector:

LOW INSURANCE PENETRATION AND AWARENESS

Despite growth, insurance penetration in Rwanda remains low, with overall insurance contributing less than 2% of GDP. For life insurance, penetration is even lower, estimated at less than 1%. Many Rwandans remain unaware of the benefits of insurance or do not fully understand how insurance products work.

Financial literacy is still developing in Rwanda, particularly in rural areas. Many potential customers lack knowledge about insurance products, leading to misconceptions and low uptake. For example, life insurance is often misunderstood as being only for the wealthy or as a product with no tangible short-term benefits.

CULTURAL AND SOCIAL BARRIERS

Life insurance, in particular, faces cultural resistance as discussing death is often considered taboo. This cultural barrier makes it difficult for insurers to market life insurance products effectively.

In many communities, traditional risk-sharing mechanisms, such as community savings groups (ibimina), are trusted more than formal insurance. These informal systems are familiar and provide immediate support in times of need, reducing the perceived necessity of formal insurance.

AFFORDABILITY AND ECONOMIC CONSTRAINTS

For many low- and middle-income households, insurance is perceived as expensive. The average Rwandan family prioritises immediate needs like food, education, and healthcare, leaving little room for discretionary spending on insurance. This challenge is particularly acute for life insurance products, which require long-term financial commitments.

A large portion of the population relies on subsistence agriculture and informal sector jobs, leading to irregular and unpredictable income streams. This makes it difficult for people to consistently pay insurance premiums, especially for life insurance, which requires regular contributions.

DISTRIBUTION AND ACCESSIBILITY CHALLENGES

While insurance products are more readily available in urban centers like Kigali, rural areas are underserved. The high cost of reaching rural populations, combined with logistical challenges and a lack of insurance agents in these areas, limits market expansion. In rural areas, distribution networks are underdeveloped, and digital solutions, while emerging, are not yet fully integrated.

The insurance market in Rwanda still heavily relies on agents and brokers for distribution. This model, while effective in urban areas, is less scalable in rural regions and may not be cost-effective for lower-value products like microinsurance. Additionally, digital channels are still in the early stages of adoption, limiting the potential reach of insurers.

TRUST AND MISTRUST ISSUES

Trust in insurance companies is low due to historical issues with claims settlement. Delays in claims processing, disputes over policy terms, and perceived unfair practices have created skepticism among potential customers. This mistrust is a major barrier to increasing insurance penetration.

In some cases, agents and brokers have been known to mis-sell products, offering customers unrealistic expectations or not fully disclosing terms and conditions. This has led to dissatisfaction when claims are denied or payouts are lower than expected, further fueling mistrust.

REGULATORY AND MARKET STRUCTURE CHALLENGES

Compliance with regulatory requirements, such as solvency margins and capital adequacy, can be burdensome, especially for smaller insurers. While these regulations are necessary for market stability, they can limit innovation and market entry by new players.

The insurance market is relatively small but competitive, with a few dominant players controlling most of the market share. Smaller insurers struggle to achieve economies of scale, which can lead to pricing pressure and reduced profitability.

TECHNOLOGICAL GAPS AND LIMITED DIGITAL ADOPTION

Although Rwanda is making strides in ICT, the insurance sector's digital adoption is still in its infancy. Many insurers rely on manual processes for underwriting, policy management, and claims handling, leading to inefficiencies. The lack of integrated digital platforms limits customer experience and operational efficiency.

Access to reliable data for underwriting and risk assessment remains a challenge, especially for life insurance. In the absence of comprehensive data, insurers face difficulties in pricing products accurately, which can lead to either overpricing or underpricing of risks.

LOW PENETRATION OF GROUP LIFE AND CORPORATE INSURANCE

While some large businesses and government institutions offer group life insurance as part of employee benefits, this practice is not widespread among small and medium

enterprises (SMEs). SMEs often view insurance as an additional cost rather than a necessary benefit, limiting the growth of group life and other corporate insurance products.

MACROECONOMIC AND EXTERNAL RISKS

Economic volatility

Rwanda's economy, though growing, remains vulnerable to external shocks such as global commodity price fluctuations, weather-related risks affecting agriculture, and regional instability. Economic uncertainty can reduce disposable income, making it harder for people to afford insurance.

Dependency on donor support

Some insurance programs, particularly those targeting low-income groups, still rely on donor funding or government subsidies. The sustainability of these programs is uncertain if external funding diminishes.

IN SUMMARY

The short-term and life insurance markets in Rwanda face a range of challenges, from cultural and economic barriers to regulatory and technological constraints.

However, these challenges also present opportunities for innovation, particularly in areas like microinsurance, digital distribution, and financial literacy initiatives.



8 STRATEGIES FOR OVERCOMING CHALLENGES IN THE RWANDAN INSURANCE MARKET

Addressing the key challenges in Rwanda's short-term and life insurance markets requires a combination of innovative strategies, stakeholder collaboration, and targeted interventions. Here are some effective approaches that can help insurers overcome these obstacles and unlock growth opportunities:

ENHANCING FINANCIAL LITERACY AND CONSUMER EDUCATION

Nationwide financial literacy campaigns

Insurers, in collaboration with the government and NGOs, should invest in large-scale financial literacy programs that target both urban and rural populations. These campaigns can educate the public on the benefits of insurance, how different products work, and how to avoid common pitfalls like mis-selling.

Leveraging media and digital platforms

Radio, television, and social media are powerful tools in reaching diverse audiences. Simplified, relatable content in local languages can help demystify insurance concepts. Digital platforms can be used to create engaging educational content, including videos, infographics, and interactive quizzes, to make learning more accessible.

Community outreach and workshops

In rural areas, organising in-person workshops, community meetings, and roadshows can be effective in building trust and awareness. Partnerships with local leaders, cooperatives, and religious groups can enhance outreach efforts.

DEVELOPING AFFORDABLE AND FLEXIBLE INSURANCE PRODUCTS

Microinsurance solutions

Insurers should focus on developing low-cost microinsurance products tailored for low-income households. These products can cover essential needs like life, health, and property insurance at affordable premiums, with flexible payment options that align with the irregular income patterns of rural and informal sector workers.

Pay-As-You-Go models

Introducing pay-as-you-go (PAYG) insurance models allows customers to pay premiums in small, manageable amounts over time. For instance, insurers can offer daily, weekly, or monthly premiums through mobile payment systems, making insurance more accessible to people with fluctuating incomes.

Bundling insurance with essential services

Bundling insurance with products and services that people already purchase, such as agricultural inputs, mobile plans, or microloans, can drive adoption. For example, insurers can partner with agribusinesses to offer bundled crop insurance with seeds or fertilisers, or with telecom companies to embed microinsurance in prepaid mobile subscriptions.

BUILDING TRUST AND IMPROVING CUSTOMER EXPERIENCE

Simplified claims processes

Simplifying the claims process by reducing documentation requirements, automating claims assessments, and ensuring timely payouts can build consumer trust. Digital claims platforms that allow customers to file claims and track progress via mobile apps can enhance transparency and convenience.

Promoting transparency and fair practices

Insurers should ensure that policy terms, conditions, and pricing are clearly communicated to customers. Avoiding hidden fees, providing straightforward explanations, and offering readily available customer support can improve perceptions and reduce mistrust.

Strengthening regulatory oversight

The National Bank of Rwanda (BNR) could explore further measures to ensure that insurers adhere to fair practices and consumer protection standards. Stronger enforcement of regulations regarding claims settlement and transparency will improve industry credibility.

EXPANDING DISTRIBUTION CHANNELS AND ACCESS

Investing in digital channels and insurtech

Digital platforms, mobile apps, and USSD solutions offer scalable ways to distribute insurance products, especially in rural areas where physical branches are sparse. Insurtech innovations can simplify policy purchasing, premium payments, and claims processes, making insurance more accessible to the mass market.

Strengthening bancassurance partnerships

Expanding bancassurance agreements can help insurers leverage the extensive branch networks and trusted customer relationships of banks. Banks can cross-sell life and general insurance products as part of their financial services, reaching a broader customer base.

Community-Based Distribution Models

Insurers can partner with cooperatives, SACCOs, and village savings groups to distribute products. These community organisations already have established trust and networks in rural areas, making them effective intermediaries for insurance distribution.

PROMOTING INNOVATION AND PRODUCT CUSTOMISATION

Customised insurance for SMEs and corporates

The corporate market presents significant growth potential. Insurers could develop customised group life, health, and liability insurance products that cater to the specific needs of SMEs and larger businesses. Offering flexible coverage options and tailored pricing can attract more corporate clients.

Specialised products for emerging risks

Insurers could also introduce products targeting emerging risks such as cyber insurance, climate risk insurance, and agricultural insurance. These products address specific needs in the market and can be bundled with existing policies to provide comprehensive coverage.

IMPROVING ACCESS THROUGH MOBILE MONEY AND DIGITAL PAYMENTS

Given the widespread use of mobile money in Rwanda, insurers should fully integrate mobile payment systems like MTN Mobile Money and Airtel Money into their operations. This integration allows customers to pay premiums, receive payouts, and manage their policies conveniently via their phones.

Digital platforms can use popular chat applications to automatically send payment reminders and allow seamless renewals, reducing the risk of policy lapses. For low-income earners, this ensures continuous coverage and reduces the administrative burden on both customers and insurers.

COLLABORATION AND PARTNERSHIPS FOR MARKET EXPANSION

Public-private partnerships (PPPs)

The government, NGOs, and private insurers can collaborate to expand insurance access, particularly in rural areas. For example, subsidised agricultural insurance programs or government-supported health microinsurance schemes can be co-developed to reach low-income households.

Compulsory insurance linked to lending programmes, with specific SME growth or housing mandates, could require lenders, developers and regulators to cooperate, reducing underwriting requirements and making cover more affordable.

Partnerships with fintechs and telecoms

Insurers can partner with fintech startups and telecom companies to offer embedded insurance products. Fintech platforms can use data analytics to design personalised insurance products, while telecoms can bundle insurance with airtime packages or mobile services.

LEVERAGING DATA AND TECHNOLOGY FOR EFFICIENCY

There are various ways to leverage emerging technologies. Using data analytics and AI, insurers can better understand customer behaviour, assess risks, and personalise products. This leads to more accurate pricing, reduced fraud, and improved profitability. Access to digital data, such as mobile usage patterns, can also help insurers create products that resonate with customer needs.

Automating claims processes through AI and machine learning can reduce manual errors, speed up settlements, and enhance customer satisfaction. For instance, AI can be used to analyse images of damaged property or vehicles and provide instant assessments, leading to quicker payouts.

ADDRESSING CULTURAL AND SOCIAL BARRIERS

Insurers could engage with communities through local leaders, cooperatives, and religious institutions to build trust and educate people on the importance of insurance. Culturally sensitive marketing that aligns with local values and practices can help overcome resistance to life insurance, especially in discussing topics like death.

Insurance products could also be designed to complement existing social safety nets, such as community savings groups. For example, microinsurance policies could be tied to community-based savings groups, offering coverage for funeral expenses, health emergencies, or crop failure.

IN SUMMARY

The insurance market in Rwanda has significant growth potential if key challenges related to awareness, trust, affordability, and access are effectively addressed. By embracing digital transformation, leveraging partnerships, and focusing on consumer-centric strategies, insurers can tap into underserved segments and expand their market presence.

As the regulatory environment continues to support innovation and financial inclusion, the sector is poised for sustained growth in both the short-term and life insurance segments.

“The insurance market in Rwanda has significant growth potential if key challenges related to awareness, trust, affordability, and access are effectively addressed”



9 CASE STUDIES AND DETAILED INSIGHTS INTO STRATEGIES IN THE RWANDAN INSURANCE MARKET

Below are some case studies and in-depth insights into specific strategies that have been successful in overcoming challenges and driving growth in Rwanda's insurance market:

CASE STUDY: RADIANT INSURANCE AND DIGITAL TRANSFORMATION

Background:

Radiant Insurance, one of Rwanda's leading insurance companies, recognised the need to improve accessibility and customer engagement through digital channels. Traditionally reliant on agents and brokers, Radiant saw an opportunity to reach more customers by embracing technology.

Strategy:

➤ Digital platforms and mobile integration

Radiant launched a mobile app and USSD-based platform that allows customers to purchase policies, renew coverage, and file claims from their phones. By integrating mobile money payments (MTN Mobile Money and Airtel Money), the company made it easy for clients to manage their policies without visiting branches.

➤ Automated claims and customer support

The app includes a feature for customers to report claims instantly, with automated support to guide them through the process. The system also sends notifications on claim status and policy renewals, enhancing transparency and customer experience.

Outcome

- The digital initiative significantly reduced the time needed for policy management and claims processing, leading to improved customer satisfaction. The platform also allowed Radiant to reach younger, tech-savvy clients and rural populations who were previously underserved.
- As a result, the company saw a 25% increase in policy renewals through digital channels and a 30% reduction in administrative costs associated with claims processing.

Key takeaway

Embracing digital tools and mobile integration is essential for insurers looking to scale their operations and enhance customer engagement in a market with growing smartphone usage and mobile payment adoption.

CASE STUDY: UMURENGE SACCOS AND MICROINSURANCE

Background:

The Rwandan government established the Umurenge Savings and Credit Cooperatives (SACCOS) to promote financial inclusion in rural areas. These SACCOS are now key distribution channels for microinsurance, particularly for low-income and rural populations.

Strategy:

➤ Partnership with insurers

Insurance companies partnered with SACCOs to offer microinsurance products bundled with savings accounts and microloans. Products include life, health, and crop insurance, with low premiums and flexible payment terms.

➤ Community trust and financial literacy programs

SACCOs conducted community outreach and financial literacy programs to educate members about the benefits of insurance. The trust that communities already have in SACCOs made them ideal intermediaries for promoting microinsurance.

Outcome:

➤ The integration of insurance with existing SACCO services led to high adoption rates, particularly for health and life insurance products. The partnership also enabled insurers to reach remote areas at a lower cost compared to traditional channels.

➤ Microinsurance policies offered through SACCOs now account for a significant portion of rural insurance coverage, with over 50% of SACCO members purchasing at least one type of insurance product.

Key takeaway:

Leveraging existing community institutions like SACCOs can significantly enhance trust and accessibility in rural areas, where traditional insurance channels struggle to reach.

CASE STUDY: BK INSURANCE AND BANCASSURANCE

Background

BK Insurance, a subsidiary of Bank of Kigali, has successfully expanded its market share through bancassurance, offering insurance products directly through the bank's extensive branch network.

Strategy:

➤ Integrated financial services

BK Insurance embedded life and general insurance products into the bank's offerings, allowing customers to purchase insurance alongside their banking services. Products such as credit life insurance, which protects borrowers by covering loan repayments in the event of death, have been particularly popular.

➤ Cross-selling and targeted campaigns

BK Insurance used data from the bank's existing customer base to identify potential clients and launched targeted cross-selling campaigns. Bank tellers and customer service representatives were trained to promote insurance products as part of routine banking interactions.

Outcome:

➤ Bancassurance accounted for 40% of BK Insurance's new policy sales within two years of launch. The seamless integration with banking services allowed customers to manage their insurance needs alongside their financial accounts, making the process convenient and trustworthy.

➤ The partnership also led to improved customer retention, as clients appreciated the convenience of a one-stop shop for both banking and insurance.

Key takeaway:

In Rwanda, bancassurance is a highly effective strategy for insurers looking to scale their distribution networks, particularly by leveraging the trust and convenience that banks offer to their customers.

CASE STUDY: PULA AND AGRICULTURAL INSURANCE INNOVATION

Background

Pula is an insurtech company focused on providing agricultural insurance to smallholder farmers in Rwanda and across Africa. Agriculture remains a key sector in Rwanda's economy, but farmers face significant risks from climate change, pests, and other natural disasters.

Strategy:

➤ Index-based insurance

Pula introduced weather index-based crop insurance, where payouts are triggered based on predefined weather conditions such as rainfall levels or temperature deviations. This reduces the need for on-site loss assessments, making claims processing faster and more cost-effective.

➤ Bundling with agricultural inputs

Pula partnered with agribusinesses and cooperatives to bundle insurance with inputs like seeds and fertilisers. Farmers purchasing these inputs automatically receive insurance coverage, simplifying the buying process.

➤ Mobile technology and education

Pula used mobile platforms to educate farmers about insurance and manage policy enrollment. Claims payouts are also delivered via mobile money, ensuring that farmers receive funds quickly when they need them most.

Outcome:

➤ Pula's innovative approach led to the widespread adoption of crop insurance, with over 500,000 smallholder farmers covered within three years. The bundling model increased accessibility while reducing the administrative burden on both farmers and insurers.

➤ The success of Pula's model attracted further investment and partnerships with government agencies, leading to expanded insurance programs for other agricultural risks, such as livestock and weather-related crop losses.

Key takeaway:

Insurtech innovations, particularly in agriculture, can play a transformative role in expanding insurance coverage to underserved populations by simplifying processes and integrating insurance into essential services like input supply.

IN SUMMARY

These case studies highlight the effectiveness of digital transformation, community-based distribution, bancassurance, and insurtech innovations in overcoming challenges and expanding the insurance market in Rwanda.

By leveraging partnerships, embracing technology, and focusing on customer-centric strategies, insurers can tap into new segments and drive growth in both short-term and life insurance.

“Insurtech innovations, particularly in agriculture, can play a transformative role in expanding insurance coverage to underserved populations”

10 OTHER NOTABLE INSURANCE INNOVATIONS IN RWANDA

Rwanda's insurance market is rapidly evolving, driven by a combination of technology adoption, strategic partnerships, and innovative approaches tailored to the local context. Below are some additional notable insurance innovations in the Rwandan market:

DIGITAL MICROINSURANCE SOLUTIONS

SafeMotos and Ride-Hailing Insurance

SafeMotos, originally a ride-hailing platform like Uber, developed a digital insurance product tailored for motorcycle taxis (motos), which are a popular mode of transport in Rwanda. The insurance product, embedded within the ride-hailing service, provides coverage for accidents and injuries. This innovation has expanded access to affordable coverage for moto drivers, who are often underserved by traditional insurers.

Mobile-Based funeral insurance

Some insurers in Rwanda have launched microinsurance products targeting low-income households, specifically focusing on funeral expenses. Through partnerships with mobile network operators, companies offer affordable funeral insurance plans, allowing customers to pay small premiums via mobile money. This has proven effective in expanding coverage to underserved communities, where traditional burial societies have typically been the primary source of financial support during funerals.

“some insurers have introduced USSD-based platforms that allow customers to buy policies, renew coverage, and file claims using basic mobile phone”

AUTOMATED CLAIMS PROCESSING AND DIGITAL PLATFORMS

MediSmart health insurance card

MediSmart is a digital health insurance card system used by several insurers in Rwanda, including Radiant Insurance and Britam. The system integrates with healthcare providers, allowing real-time claims processing. When a patient visits a hospital or clinic, their MediSmart card is scanned, instantly verifying their coverage and processing payments. This reduces paperwork, speeds up service delivery, and minimises fraud, enhancing the overall customer experience.

USSD-based insurance services

To address the issue of limited smartphone penetration in rural areas, some insurers have introduced USSD-based platforms that allow customers to buy policies, renew coverage, and file claims using basic mobile phones. These platforms are particularly effective for reaching low-income and rural populations who may not have access to internet-enabled devices.

INDEX-BASED AGRICULTURAL INSURANCE

Weather index insurance for smallholder farmers

Index-based agricultural insurance, where payouts are triggered based on weather data (e.g., rainfall levels), is gaining traction in Rwanda. Companies like Pula and other local insurers have partnered with agricultural

cooperatives and government agencies to offer crop insurance that protects farmers from climate-related risks. The use of satellite data and automated triggers for payouts reduces the need for manual loss assessments and ensures faster compensation, enhancing the financial resilience of smallholder farmers.

EMBEDDED INSURANCE IN CONSUMER GOODS AND SERVICES

Bundled insurance with consumer electronics

Some insurers are partnering with electronics retailers to bundle insurance with the purchase of consumer goods, such as smartphones and household appliances. This type of embedded insurance provides coverage for theft, damage, or malfunction, giving customers peace of mind while increasing the value proposition of their purchases. The convenience of purchasing insurance at the point of sale is driving adoption among middle-income consumers.

Insurance integrated with E-Commerce platforms

As e-commerce grows in Rwanda, there is an emerging trend of integrating insurance with online purchases. For instance, customers buying high-value items like electronics on platforms like Jumia can opt for insurance coverage during checkout. This model of embedded insurance is expected to grow as digital commerce expands.

PAY-AS-YOU-GO AND ON-DEMAND INSURANCE MODELS

Flexible motor insurance

Insurers in Rwanda are introducing pay-as-you-go motor insurance models that cater to drivers who do not use their vehicles regularly. Customers can activate and deactivate coverage based on their needs, paying only for the days they drive. This flexibility is particularly appealing

for low-income earners or seasonal drivers who find traditional annual premiums burdensome.

On-Demand travel insurance

For frequent travelers and expatriates, some insurers offer on-demand travel insurance that can be activated instantly via mobile apps. This coverage can be purchased for short periods, such as a single trip, and includes protections like medical coverage, trip cancellation, and lost baggage. The convenience and affordability of on-demand travel insurance are driving adoption among younger, mobile consumers.

COMMUNITY-BASED MICROINSURANCE INITIATIVES

Mutual Health Insurance (Mutuelle de Santé)

Although not entirely a private insurance innovation, Rwanda's community-based health insurance scheme, Mutuelle de Santé, is an innovative model that provides affordable healthcare coverage to millions of Rwandans, particularly in rural areas. Managed at the community level, the scheme pools resources to offer health coverage at low premiums. While primarily government-driven, private insurers are increasingly involved in supplementing this model with additional coverage options.

Village savings and insurance programs

In rural areas, insurers are partnering with village savings groups to offer bundled insurance products. These programs allow members to access health, life, and agricultural insurance while participating in savings and lending activities. The community-driven model builds trust and encourages wider adoption of formal insurance products.

INSURTECH STARTUPS AND INNOVATION HUBS

BimaLab Accelerator

The BimaLab Accelerator, a program supported by the National Bank of Rwanda and FSD Africa, focuses on nurturing insurtech startups in

the region. The program provides mentorship, funding, and market access to startups developing innovative insurance solutions. Participants include companies developing digital platforms, microinsurance products, and AI-driven risk assessment tools.

Digital insurance platforms for SMEs

Emerging insurtech platforms are focusing on providing tailored insurance solutions for small and medium-sized enterprises (SMEs). These platforms simplify the process of purchasing insurance, offer flexible payment terms, and provide customised packages that cater to the specific needs of businesses in sectors like retail, hospitality, and agriculture.

IN SUMMARY

The insurance landscape in Rwanda is evolving rapidly, with innovations that address local challenges and leverage the country's growing digital ecosystem. From mobile-based microinsurance to index-based agricultural insurance and embedded coverage in consumer goods, these innovations are expanding access and driving insurance penetration.

As digital transformation continues and partnerships across sectors strengthen, the Rwandan insurance market is poised for sustained growth.



11 KEY PLAYERS IN THE PERSONAL PROPERTY INSURANCE MARKET IN RWANDA

Although the penetration is low, a few key players offer personal property insurance products in Rwanda:

RADIANT INSURANCE

Overview

Radiant Insurance is one of the largest insurers in Rwanda and offers a range of property insurance products, including home insurance. Their offerings are primarily targeted at urban and higher-income clients.

Products

Radiant provides coverage for residential buildings, household goods, and personal belongings against risks like fire, theft, and natural disasters.

SONARWA GENERAL INSURANCE

Overview

As one of the oldest insurers in Rwanda, SONARWA has a strong presence in the general insurance market. They offer comprehensive property insurance products for individuals and businesses.

Products

SONARWA's property insurance covers buildings, contents, and valuable personal items. The company also offers bundled packages that combine property insurance with other products like personal accident or liability coverage.

SORAS GROUP (SANLAM)

Overview

Soras, now part of the Sanlam Group, is a major player in Rwanda's insurance sector. They provide various property insurance solutions targeting middle- to high-income clients.

Products

Soras offers home insurance packages that cover both buildings and contents. Their focus is on comprehensive coverage that includes risks like fire, burglary, and damage from natural disasters.

PRIME INSURANCE

Overview

Prime Insurance is another key player in the Rwandan market, offering a variety of general insurance products, including personal property insurance.

Products

Their property insurance offerings include coverage for residential buildings, household contents, and valuable items like electronics or jewelry.

STRATEGIES TO IMPROVE PERSONAL PROPERTY INSURANCE PENETRATION

To address the barriers and unlock opportunities in this segment, insurers are beginning to explore strategies such as:

Developing affordable, tailored products

Insurers can create low-cost property insurance products with flexible payment plans tailored to low-income earners. Microinsurance models that cover small-scale property risks could attract more customers.

Leveraging digital channels

Expanding the use of digital platforms, mobile apps, and USSD services to offer property insurance could improve accessibility, especially in rural areas. Simplified onboarding processes and mobile payment options would enhance uptake.

Building trust through education and transparency

Providing clear, easy-to-understand policy terms and educating customers on the claims process can help build trust and address skepticism. Transparency in pricing and claims handling is crucial for improving confidence in the sector.

Community-based distribution models

Insurers could partner with community savings groups or cooperatives to distribute property insurance. These groups have the trust of their members and can play a critical role in educating and encouraging people to take up coverage.

IN SUMMARY

The low penetration of personal property insurance in Rwanda is primarily due to affordability challenges, low awareness, and cultural barriers. Key players like Radiant, SONARWA, and Soras are offering products in this segment, but much more can be done to tailor offerings to low-income and rural populations. As digital platforms evolve and insurers develop more affordable, flexible products, there is significant potential for growth in this market.

*“Transparency in pricing
and claims handling is
crucial for improving
confidence in the sector.”*



12 OVERVIEW OF THE INSURANCE BROKER AND AGENT LANDSCAPE IN RWANDA

Insurance brokers and agents play a crucial role in Rwanda's insurance industry, acting as intermediaries between insurance companies and customers. They are key distribution channels for both life and general insurance products, especially given the low levels of insurance awareness and trust in formal financial services. Insurance brokers and agents in Rwanda are regulated by the Bank of Rwanda. Below is an overview of the landscape, their impact on insurance penetration, the challenges they face, and the opportunities available.

THE ROLE OF BROKERS AND AGENTS IN INCREASING INSURANCE PENETRATION

Customer education and awareness

Brokers and agents are often the first point of contact between insurers and potential customers. They play an essential role in educating clients about the benefits of insurance, explaining policy details, and addressing common misconceptions. This educational role is critical in a market where financial literacy is low and many people are unfamiliar with insurance products.

Personalised advisory services

Brokers and agents help customers navigate complex insurance products by providing tailored advice based on individual or business needs. This personalised service is especially important for first-time buyers or those purchasing more complex products like life insurance, health insurance, or SME coverage.

Expanding reach in underserved areas

In urban and rural areas, brokers and agents are key in extending insurers' reach. They build trust within local communities, leveraging personal relationships and local knowledge to encourage uptake, especially in segments that are typically harder to reach through digital or direct sales channels.

Facilitating claims and after-sales service

In addition to selling policies, brokers and agents assist clients in the claims process, ensuring that they receive the support they need during critical times. This service builds trust and loyalty, which is essential for retaining customers and expanding the market.

MARKET STRUCTURE AND KEY PLAYERS

Licensed brokers and agents

As of 2023, there are over 30 licensed brokers and several hundred agents operating in Rwanda. Brokers tend to focus on commercial and corporate clients, while agents typically serve individual customers and small businesses.

Top brokers in Rwanda:



Minet Rwanda

A major brokerage firm focusing on corporate insurance, employee benefits, and risk management solutions.

➤ **Africa Reinsurance Brokers**

Specialises in reinsurance and large-scale corporate insurance placements.

➤ **Trust Re**

Provides brokerage services for both life and general insurance, with a focus on tailored products for businesses.

➤ **Liaison Group**

Offer comprehensive risk management solutions, including insurance consultancy and risk assessment services

➤ **Independent Agents**

Many agents operate independently or are tied to specific insurance companies, such as SONARWA, Radiant, or Soras Group. They play a significant role in selling policies directly to consumers, particularly in urban centers like Kigali.

CHALLENGES FACED BY BROKERS AND AGENTS

Low public awareness and financial literacy

One of the biggest challenges brokers and agents face is the lack of awareness and understanding of insurance products among potential clients. Many Rwandans are not familiar with the concept of insurance or have misconceptions that make them reluctant to purchase coverage.

Mistrust and negative perceptions

There is still widespread mistrust of insurance companies, stemming from issues like delayed claims, poor customer service, and mis-selling. This makes it difficult for brokers and agents to convince potential clients to invest in insurance.

High operational costs

Reaching rural areas, where insurance penetration is particularly low, involves significant operational costs. Brokers and agents need to invest in transport, marketing, and maintaining relationships in remote locations, which can be expensive and time-consuming.

Limited product innovation

Many insurance products are not tailored to the specific needs of low-income or rural populations, making them difficult to sell. The lack of flexible, affordable, and relevant products limits the ability of brokers and agents to expand coverage in underserved segments.

Regulatory compliance and licensing

Obtaining and maintaining licenses as brokers or agents involves navigating regulatory requirements set by the National Bank of Rwanda (BNR). Smaller operators may struggle with the costs and administrative burden of compliance.

OPPORTUNITIES FOR BROKERS AND AGENTS

Microinsurance and rural outreach

The growth of microinsurance presents significant opportunities for brokers and agents to expand their client base. By focusing on affordable products that cater to the needs of low-income and rural populations, brokers and agents can tap into a large, underserved market. Partnerships with community-based organisations, SACCOs, and cooperatives can facilitate access to these segments.

Digital transformation and insurtech solutions

The rise of digital platforms and insurtech innovations offers new ways for brokers and agents to improve efficiency and expand their reach. By using digital tools, they can automate processes, offer quicker quotes, and provide better customer service. Leveraging mobile apps, CRM systems, and online sales platforms allows brokers and agents to target tech-savvy customers and enhance their service delivery.

Corporate and SME market expansion

As Rwanda's economy grows and more businesses formalise, there is increasing demand for tailored insurance solutions for SMEs and large corporations. Brokers and agents who specialise in corporate risk management, employee benefits, and liability coverage can position themselves as valuable partners for businesses looking to manage risks.

Training and professional development

With the insurance sector becoming more complex, there is a growing need for specialised knowledge and skills. Brokers and agents who invest in professional development, certifications, and continuous learning can differentiate themselves by offering expert advisory services in areas like health insurance, life insurance, and reinsurance.

Value-added services and customer support

Providing additional services, such as claims management, risk assessment, and policy audits, can enhance customer satisfaction and retention. Brokers and agents who offer comprehensive support beyond just selling policies can build stronger client relationships and gain referrals.

IN SUMMARY

Insurance brokers and agents are vital to the growth of Rwanda's insurance sector, particularly in driving penetration in low-income, rural, and underserved markets. While they face challenges related to low awareness, mistrust, and operational costs, there are significant opportunities to expand their role through microinsurance, digital transformation, and targeting corporate clients.

As the market evolves, brokers and agents who adapt to changing customer needs, embrace technology, and offer value-added services will be best positioned to capitalise on growth opportunities.

“Insurance brokers and agents are vital to the growth of Rwanda’s insurance sector”



13 STRATEGIES FOR INSURANCE BROKERS AND AGENTS TO INCREASE PENETRATION IN RWANDA

Given the challenges and opportunities in Rwanda's insurance market, brokers and agents can adopt several strategies to drive growth and enhance their impact. Below are successful strategies that have worked in similar markets and could be effectively applied in Rwanda, along with examples and case studies:

Adopting digital tools and platform

Brokers and agents can leverage digital platforms to streamline their operations, reach more clients, and offer better service. Using mobile apps, USSD codes, and customer relationship management (CRM) systems allows them to manage leads, automate quotes, and improve customer engagement.

Expanding microinsurance and rural outreach

Microinsurance products tailored to low-income and rural populations present a significant growth opportunity. Brokers and agents can partner with cooperatives, SACCOs, and community organisations to distribute these products, leveraging existing trust and networks.

Targeting SMEs and corporate clients with tailored solutions

As Rwanda's economy grows, there is increasing demand for specialised insurance products targeting SMEs and corporates. Brokers and agents who focus on understanding business risks and offering tailored solutions can capture this segment.

Leveraging bancassurance partnerships

Bancassurance, where banks distribute insurance products, is a proven model for reaching a wider customer base. Brokers can partner with banks to provide products like credit life insurance, health cover, and savings-linked policies through bank branches.

Building trust through transparent and ethical practices

Mistrust is a major barrier to insurance uptake in Rwanda. Brokers and agents can overcome this by prioritising transparency, ethical selling, and after-sales service. Clear communication about policy terms, straightforward claims processes, and consistent customer support build trust and long-term loyalty.

Providing value-added services

Offering additional services, such as risk assessments, financial planning, and claims advisory, differentiates brokers and adds value to the client relationship. These services not only help customers make informed decisions but also foster trust and loyalty.

Embracing training and professional development

Continuous professional development is key to maintaining expertise and staying competitive. Brokers and agents who invest in specialised certifications and industry training are better positioned to offer expert advice, differentiate their services, and capture new business. Investing in professional development not only boosts their knowledge but also enhances their credibility and customer trust.

IN SUMMARY

The insurance broker and agent landscape in Rwanda is evolving, with significant opportunities to drive growth through digital transformation, tailored products, and strategic partnerships. By focusing on customer education, ethical practices, and value-added services, brokers and agents can overcome challenges and expand their market reach.

Adopting innovative models, such as microinsurance distribution through SACCOs and digital sales platforms, will be key to increasing insurance penetration in Rwanda.

14 KEY INSURANCE OPPORTUNITIES IN RWANDA BASED ON INDUSTRY FOCUS AREAS

Rwanda's insurance market is evolving, and key players are strategically positioning themselves to tap into emerging opportunities. These opportunities are driven by demographic changes, economic growth, digital transformation, and government initiatives. Here are the major areas where insurers are focusing their efforts:

MICROINSURANCE FOR LOW-INCOME AND RURAL POPULATIONS

Market Focus

Given the large rural population and the prevalence of low-income earners in Rwanda, microinsurance remains one of the most significant opportunities. Insurers are developing simple, affordable products that cater to the needs of low-income individuals, such as micro health, life, and agricultural insurance.

Products and strategies

➤ Health Microinsurance

Products offering basic health coverage at low premiums are increasingly in demand. These are often distributed through community-based organisations, SACCOs, and microfinance institutions.

➤ Pay-As-You-Go models

Flexible, low-cost insurance models that allow policyholders to pay small, frequent premiums are gaining traction. This approach aligns with the irregular income patterns common among informal workers and smallholder farmers.

Key players

Radiant Insurance and Soras, among others, are expanding their microinsurance portfolios by partnering with cooperatives and community savings groups.

AGRICULTURAL INSURANCE

Market focus

Agriculture is the backbone of Rwanda's economy, employing over 70% of the population. Insurers are increasingly focusing on agricultural insurance products that protect farmers against climate-related risks such as drought, floods, and pest infestations.

Products and strategies

➤ Index-based crop insurance

Products that trigger payouts based on weather data (e.g., rainfall levels) rather than on-site assessments are becoming popular. This reduces administrative costs and speeds up payouts.

➤ Bundled insurance with agricultural inputs

Insurers are collaborating with agribusinesses and input suppliers to bundle insurance with seeds, fertilisers, and other inputs, making it easier for farmers to access coverage.

Key players

Companies like Pula and UAP Insurance are leading in the development of index-based agricultural insurance, often working with the government and development agencies to reach more farmers.

DIGITAL AND MOBILE-BASED INSURANCE

Market focus

With Rwanda's rapidly growing mobile penetration and strong mobile money adoption, digital insurance is a key growth area. Insurers are leveraging mobile platforms to distribute insurance products, particularly targeting young, tech-savvy consumers.

Products and strategies

➤ Mobile microinsurance

Products like funeral insurance, health cover, and small-scale life insurance are increasingly offered through mobile money platforms like MTN Mobile Money and Airtel Money.

➤ Digital-first insurance models

Fully digital insurance platforms that allow users to purchase, manage, and claim insurance via apps or USSD codes are expanding, offering convenience and transparency.

Key players

Companies like Britam and Radiant Insurance are investing heavily in mobile insurance platforms, while insurtech startups like BimaLab graduates are driving innovation in this space.

HEALTH INSURANCE AND MEDICAL COVER

Market focus

As Rwanda's middle class grows, and health risks become more prominent, private health insurance is becoming a major focus for insurers. While the government's Mutuelle de Santé scheme provides basic health coverage, there is growing demand for more comprehensive private health insurance.

Key players

Radiant Insurance and Soras, among others, are expanding their microinsurance portfolios by partnering with cooperatives and community savings groups.

Products and strategies

➤ Group health insurance for corporates and SMEs

Employers are increasingly offering health insurance as part of employee benefit packages, creating a significant market for group health products.

➤ Supplementary health cover

Products that complement government health schemes by covering services like specialised treatments, advanced diagnostics, and private hospitals are becoming popular.

Key players

SONARWA Life and Radiant Insurance have strong portfolios in the health insurance segment, focusing on both individual and corporate clients.

BANCASSURANCE AND STRATEGIC PARTNERSHIPS

Market focus

Bancassurance is a growing channel, allowing insurers to leverage banks' extensive branch networks and existing customer relationships. As financial inclusion deepens, more banks are integrating insurance products into their offerings.

Products and strategies

➤ Credit life insurance:

Covering outstanding loans in case of death, this product is widely offered through banks, especially for microloans and SME financing.

➤ Savings-linked insurance

Products that bundle insurance with savings accounts are increasingly popular, providing both a savings mechanism and life cover.

Key players

Bank of Kigali's BK Insurance, Equity Bank, and I&M Bank are leading in this space, offering a wide range of bancassurance products to their customers.

SME AND CORPORATE INSURANCE

Market focus

As Rwanda's private sector grows, there is increasing demand for insurance products tailored to small and medium enterprises (SMEs). Corporate insurance is expanding beyond traditional products like fire and property insurance to include more specialised coverage.

Products and strategies:

➤ Liability and business interruption insurance

These products are gaining popularity among businesses looking to protect themselves from operational risks, legal liabilities, and unforeseen events.

➤ Group life and health insurance

With more companies offering employee benefits, group insurance packages that include life, health, and pension plans are in demand.

Key players

Soras Group and Jubilee Insurance are key players in the SME and corporate insurance segment, offering tailored packages that cater to different industries.

LIFE INSURANCE AND LONG-TERM SAVINGS PRODUCTS

Market focus

Although life insurance penetration is low, it is a growing segment, driven by increasing awareness and the need for long-term financial security. Products that combine life cover with savings or investment features are attracting middle-class customers.

Products and strategies

➤ Education policies

Life insurance products that help parents save for their children's education while providing life cover are particularly popular.

➤ Unit-Linked and endowment policies

These products are gaining traction among those looking to combine insurance with investment opportunities.

Key players

Companies like SONARWA Life, Soras Vie (Sanlam), and Britam are expanding their life insurance offerings with products that focus on both protection and savings.

TAPPING INTO THE YOUTH AND EMERGING MIDDLE CLASS

Market focus

Rwanda's young and growing middle class presents a major opportunity for insurers. As more young people enter formal employment and start accumulating assets, there is a rising need for personal insurance products.

Products and strategies:

➤ Digital-first insurance for millennials

Insurers are developing products that align with the needs and behaviours of younger consumers, such as flexible, digital-only policies for travel, health, and gadgets.

➤ Lifestyle-based insurance

Products tailored to the lifestyle preferences of the middle class, such as motor insurance with value-added services (roadside assistance, emergency medical cover), are gaining traction.

Key players

Insurers like Radiant and Britam are increasingly focusing on digital engagement and customer-centric products that appeal to this segment.

IN SUMMARY

The Rwandan insurance market presents diverse opportunities across microinsurance, agricultural insurance, digital platforms, health coverage, and SME-focused products. By leveraging strategic partnerships, digital innovation, and customer-centric product design, insurers are positioned to tap into these growth areas.

As the market matures, products that address the needs of low-income earners, rural populations, and the emerging middle class will be key drivers of increased penetration.



15 RELEVANT BODIES IN THE RWANDA INSURANCE MARKET

RWANDA INSURER ASSOCIATION (ASSAR)



The Rwanda Insurers Association is an independent non-profit making consultative and advisory body for the insurance industry. ASSAR is responsible for promoting cooperation among its members, protecting and prompting the members' common interests, raising awareness about insurance, driving sector wide initiatives in the area of Innovation, Market Development, advocacy and capacity building. The Association currently has 12 members.

RWANDA HEALTH INSURERS ASSOCIATION (RHIA)

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NATIONAL BANK OF RWANDA



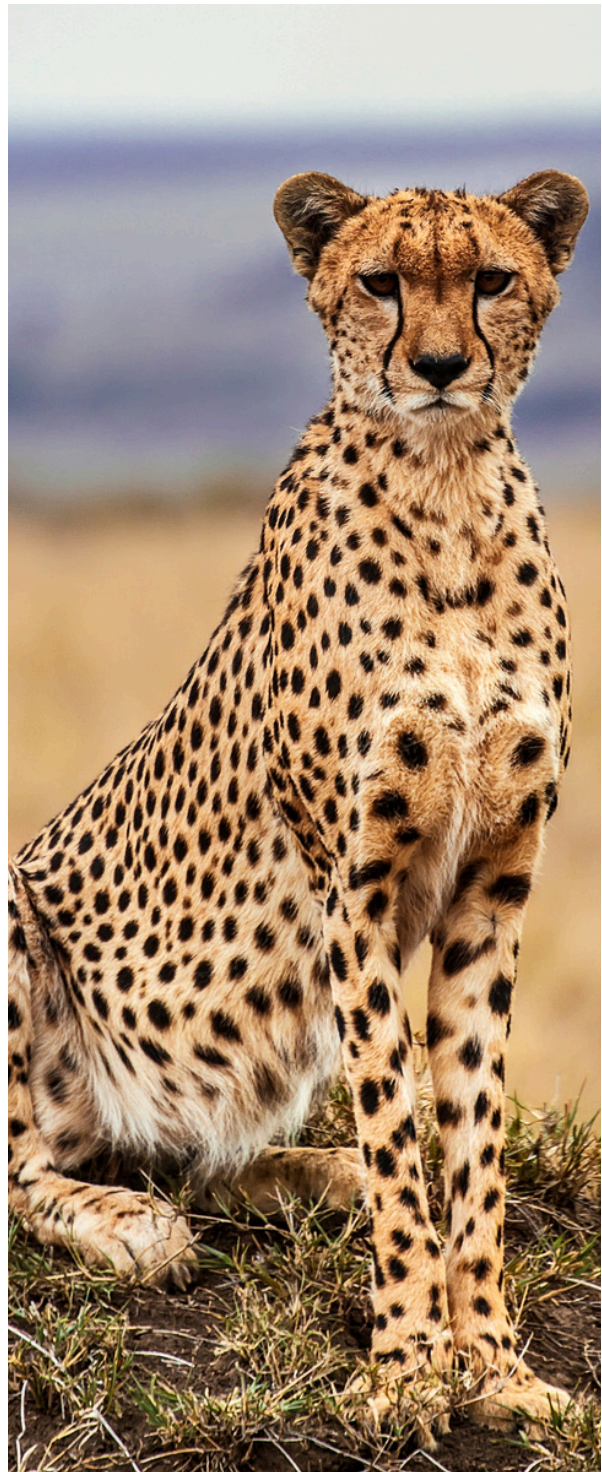
The National Bank of Rwanda (NBR) was established in 1964 with the aim of issuing the Rwandan currency named Franc Rwandais (Frw). Over the years, the role of the NBR has evolved. The current Law N°48/2017 of 23/09/2017 as amended to date, confers a clear mandate on the NBR with a mission of ensuring price stability and a sound financial system. Price stability is achieved by conducting appropriate monetary policy in the interest of a stable macroeconomic environment, while financial stability is achieved by regulating and supervising the financial system.



RWANDA INSURANCE BROKERS ASSOCIATION



The National Bank of Rwanda (NBR) was established in 1964 with the aim of issuing the Rwandan currency named Franc Rwandais (Frw). Over the years, the role of the NBR has evolved. The current Law N°48/2017 of 23/09/2017 as amended to date, confers a clear mandate on the NBR with a mission of ensuring price stability and a sound financial system. Price stability is achieved by conducting appropriate monetary policy in the interest of a stable macroeconomic environment, while financial stability is achieved by regulating and supervising the financial system.



CONCLUSION



KEY TAKEOUTS - LEARNINGS BETWEEN AFRICAN COUNTRIES

South Africa's insurance market, while advanced and well-established, has much to learn from the innovative approaches emerging in Kenya and Rwanda.

These East African countries have been pioneers in expanding insurance access to underserved populations, leveraging mobile technology, and developing scalable distribution models that address the unique needs of their markets. By examining the successes of Kenya and Rwanda, South African insurers can adopt more inclusive, agile, and mobile-driven solutions to better serve low-income communities and adapt to the rapidly changing insurance landscape.

One of the most important lessons South Africa can take from Kenya and Rwanda is the power of mobile-first insurance solutions. In Kenya, mobile platforms like M-Pesa have been integral to the distribution of microinsurance, making it easy for users to purchase, manage, and claim insurance via their mobile phones. Rwanda has also embraced mobile technology, with insurers partnering with mobile network operators to deliver affordable, accessible products. South Africa, while having a developed financial infrastructure, could expand these mobile-first models, particularly in low-income and rural communities where access to traditional financial services is limited. By integrating microinsurance products into mobile payment systems like Vodacom's M-Pesa or MTN MoMo, insurers can offer seamless, affordable coverage to previously excluded populations.

Microinsurance tailored to low-income consumers is another key area where South Africa can learn from Kenya and Rwanda. Both countries have focused heavily on simple, flexible insurance products that cater to specific needs, such as health, funeral, and agricultural insurance. These products are often bundled with essential services like loans or agricultural inputs, making them more accessible and relevant to everyday life. South Africa can build on these models by developing microinsurance offerings that provide low-income earners with affordable protection for specific risks, using flexible payment options. Additionally, leveraging community-based networks like stokvels or burial societies could help increase trust and drive adoption of these products in underserved areas.

The community-based distribution models employed in Rwanda and Kenya provide another valuable lesson. In Rwanda, insurers work closely with savings cooperatives and local community groups to distribute insurance, building trust by using familiar, local agents who understand community dynamics. Kenya similarly leverages agricultural cooperatives and microfinance institutions to offer group insurance products, ensuring that even smallholder farmers have access to coverage. In South Africa, where community-based organisations like stokvels and cooperatives play a significant role in financial management, insurers could partner with these groups to distribute microinsurance. By fostering a sense of collective ownership and trust, this model can help overcome barriers to insurance adoption in rural and low-income areas.

Another key takeaway from Kenya and Rwanda is the agility in product development. Kenyan insurers have been particularly adept at rapidly iterating on products based on market feedback, adapting offerings to better serve customer needs. Rwanda's insurers have similarly developed flexible products, such as health insurance bundled with mobile services, allowing them to respond quickly to changing market conditions. South Africa can benefit from adopting a more agile approach, piloting small-scale products and refining them based on consumer feedback. This could include microinsurance tailored to specific risks, such as climate coverage for farmers or income protection for informal workers, providing more relevant solutions to diverse market segments.

Finally, the integration of insurance into everyday transactions in Kenya and Rwanda offers a valuable strategy for increasing insurance penetration. In Kenya, insurers have successfully bundled insurance with mobile loans, airtime purchases, and agricultural inputs, making it easier for users to access coverage as part of their daily financial activities. Rwanda has adopted similar models, integrating insurance into mobile payment systems and offering products bundled with healthcare or agricultural services. South Africa could explore similar models, embedding insurance into common transactions like utility payments, mobile airtime purchases, or retail loyalty programs. This approach would make insurance more accessible to low-income consumers who may not prioritise standalone insurance products but could benefit from the security it provides.

IN SUMMARY

While South Africa's insurance market is highly developed, it stands to gain from the innovative approaches used in Kenya and Rwanda. By adopting mobile-first solutions, microinsurance tailored to low-income populations, community-based distribution models, and agile product development, South African insurers can enhance inclusivity and reach underserved populations, especially in the areas of healthcare and agriculture. The success of these models in East Africa highlights the potential for scalable, inclusive insurance solutions that can reshape the South African insurance landscape for the better.



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2024 DELEGATE INSIGHTS



Q&A WITH BRENT MUNNIK

Q: YOU'VE BEEN A PART OF THE AFRICA COVERED EXCURSION AND RESEARCH INITIATIVE. CAN YOU SHARE YOUR THOUGHTS ON WHY SUCH AN INITIATIVE IS IMPORTANT?

Having traveled across Africa for many years, covering events, I've found immense value in seeing things firsthand, especially the different cultures and how business is conducted on the ground. There's often a disconnect when we assume that services, especially insurance-related ones, can be easily transferred into another market. For example, it's like thinking a product from the U.S. will automatically work in South Africa just because it's perceived as superior.

The travel experience from a COVER perspective has been invaluable in this regard. It's helped shape the idea of organising trips like this for the wider industry. Bringing a group of professionals together to experience the local culture, understand the nuances of the insurance market, and build relationships is incredibly powerful. The goal is to encourage collaboration and strengthen existing connections while creating new ones.

Q: AND HOW DID YOU FEEL THE DELEGATES EXPERIENCED THE TRIP?

It reminded me a lot of my first trip to Ghana years ago—it was a bit of a culture shock. I saw the same with the delegates when we first landed in Nairobi. There was an initial feeling of disorientation, which I think is common when arriving in a new place. Everyone was quite tired, and I could sense the unease at first. But after that first dinner, the mood lifted significantly. I watched people gradually adjust, feel more comfortable, and fully embrace the experience. By the end, everyone seemed to really appreciate the trip. The feedback we've received aligns with that—it was well-received, and people found it valuable. Kyle even mentioned in his interview that some of the access we had to key individuals would've been difficult to arrange as a solo traveler. So, overall, it was a great success.

Q: WHAT KEY LEARNINGS DID YOU TAKE FROM THIS TRIP. PARTICULARLY AS YOU'RE NOW ORGANISING THE GHANA TRIP FOR NEXT YEAR?

One thing that stood out, and it came up in several conversations with the delegates, is the concept of time management. The way time is perceived in Africa can differ greatly from other regions. For the next trip, we'll probably arrange fewer, but more in-depth, meetings to allow for more meaningful engagement. Another takeaway is around managing expectations and ensuring alignment with participants. We want to make sure everyone knows what to expect and can fully participate.

That said, I think we did a great job overall. There's always room to fine-tune, but the collaboration between COVER and IIWC made this trip a huge success. For the next trip, it's more about tweaking small things rather than overhauling the approach. I'm definitely a bit biased, but I think we nailed it!



Brent Munnik, Digital strategy and Marketing Director, COVER Publications

Q&A WITH CERISSE GOLIATH

Q: WHAT MOTIVATED YOU TO JOIN THE 2023 AFRICA COVERED TRIP?

The main motivator for me was that I'm currently pursuing a postgraduate diploma, where our research focuses on finding ways to increase insurance penetration, particularly for SMEs, across Africa.

Q: DID THE TRIP MEET YOUR EXPECTATIONS?

Yes, the trip exceeded my expectations in many ways. I was exposed to a wide range of cultures and met incredibly hospitable people. It was an enriching experience, not only on a personal level but also from an insurance perspective. I learned a lot about how business is done in other regions, both the differences and similarities.

Q: WOULD YOU RECOMMEND THAT OTHERS SIGN UP FOR NEXT YEAR'S TRIP? AND WOULD YOU ATTEND AGAIN?

Absolutely! I would definitely encourage others to apply. It's a rewarding experience, both personally and professionally. I would also sign up to go again.

Q: HOW DID THE INSURANCE MARKETS IN RWANDA AND KENYA COMPARE TO THE REST OF AFRICA?

There are definitely differences. Kenya and Rwanda operate similarly to each other but are quite different from South Africa. For example, in Kenya and Rwanda, third-party insurance is compulsory, which is not the case here. They don't have covers like SASRIA or riot insurance, but they face the same challenges with pricing that we experience.

Q: HOW WERE YOU RECEIVED DURING THE MEETINGS IN KENYA AND RWANDA?

Very warmly. I've never encountered people in business who are as hospitable as those in Rwanda and Kenya. They were friendly, open to sharing, and eager to engage with us. They were also very interested in learning how we do things in our insurance market.

Q: DO YOU BELIEVE THERE ARE OPPORTUNITIES FOR COLLABORATION IN KENYA AND RWANDA?

Yes, definitely. There is a lot of potential for collaboration between our markets. We can explore how to do things differently, combine covers, and generally improve the insurance landscape. One thing that stood out to me was their focus on education and the pride they take in qualifications within the insurance industry. It's something we could learn from.

Q: WERE THERE ANY STANDOUT MOMENTS FROM THE TRIP?

There were many. One major takeaway was the emphasis on education in the insurance sector and the pride they have in their qualifications. On a personal level, their willingness to engage and their hospitality left a lasting impression.

Q: WHAT SEGMENT DID YOU CHOOSE TO FOCUS ON?

The segment was chosen for me—distribution. It's been interesting to see the different distribution channels they use, like brokers and bancassurance, and how the two are connected.



Cerisse Goliath, Head of Business Development for Binder Brokers at Holland Insure, Cape Town

Q&A WITH DALE ABRAHAMMS

Q: WHAT WAS THE MAIN MOTIVATOR FOR YOU TO JOIN THE 2023 AFRICA COVERED TRIP?

The experience and the research really intrigued me. I was excited about being exposed to different ways of doing business across Africa and comparing them to South Africa. That was a key point for me.

Q: DID THE TRIP MEET YOUR EXPECTATIONS?

Absolutely! There was a lot of adventure. I really enjoyed experiencing different things and facets of the business environment. It met my expectations, and it was a great group to travel with.

Q: SINCE THIS WAS THE FIRST TRIP IN COLLABORATION WITH THE IIWC, THERE WERE BOUND TO BE TEETHING PAINS. WOULD YOU RECOMMEND SOMEONE SUBMIT THEIR APPLICATION FOR THE NEXT ONE? AND WOULD YOU CONSIDER GOING AGAIN?

Absolutely, on both counts. Although it was the first one, and there were bound to be some challenges, it was successful. I would recommend it to anyone because it opens your mind to different ways of doing business in Africa. You learn how to underwrite a product, not just for the South African market, but with different underwriting requirements across the continent.

Q: DID YOU FIND ANY DIFFERENCES BETWEEN THE LOCAL KENYAN AND RWANDAN INSURANCE MARKETS COMPARED TO THE SOUTH AFRICAN MARKET?

Yes, there were key differences. One that stood out was the absence of riot cover in both Kenya and Rwanda. The reasoning behind it is that riots shouldn't occur, and the insurance industry doesn't cover it because it's not something they expect to deal with. In South Africa, we still cater to that risk, even though it might be illegal or should not happen. That philosophy was fascinating to see.

Q: HOW WERE YOU RECEIVED IN THE MEETINGS ARRANGED THROUGHOUT THE TRIP?

The people were incredibly friendly and hospitable. They went out of their way to make sure we were happy as guests, which was something that really stood out to me.

Q: YOU DIDN'T FEEL LIKE YOU WERE OVERSTAYING YOUR WELCOME?

Not at all. They were so happy to have us there. It really touched me, and it made me think about how we should strive to make our guests feel the same way.

Q: BASED ON YOUR UNDERSTANDING OF THE KENYAN AND RWANDAN INSURANCE MARKETS, DO YOU BELIEVE THERE'S POTENTIAL TO EXPLORE FURTHER OPPORTUNITIES IN THESE REGIONS?

Yes, I do. On the surface, it may not seem that way, but when you dig deeper, there are opportunities. However, we need to step out of our comfort zone when it comes to underwriting requirements. One shoe doesn't fit all, so we need to adapt our products to suit the local markets while considering their compliance needs.



Dale Abrahams, Marketer at Mirabilis Engineering Underwriting Specialists

Q: COULD YOU SHARE ONE STANDOUT MOMENT FROM THE TRIP, BOTH AS AN INSURANCE PROFESSIONAL AND ON A PERSONAL LEVEL?

As an insurance professional, the absence of riot cover was something that stood out. We also learned from them regarding mandatory third-party insurance, which is required. Personally, I was deeply moved by Rwanda. The country has been through so much, but they've managed to heal quickly and have become one of the best in a short space of time.

Q: LASTLY, YOU'RE PARTICIPATING IN PREPARING A WHITE PAPER TO SHARE INSIGHTS FROM THE TRIP. WHICH SECTION DID YOU CHOOSE TO CONTRIBUTE TO, AND WHY?

Initially, I didn't choose it, but I found myself drawn to the business landscape section. It had a lot more substance than I expected, especially through the meetings and interactions we had. Although I originally wanted to focus on marketing and distribution, I found the business landscape topic much more engaging.



Q&A WITH HASSAN ADAM

Q: WHAT WAS THE MAIN MOTIVATOR FOR YOU TO JOIN THE 2023 AFRICA COVERED TRIP?

My main motivation was the opportunity to experience Africa firsthand. You can read about the continent, but the real magic and opportunities reveal themselves when you're actually there. I saw this trip as a chance to fully understand Africa as a participant, rather than just an observer, and to compare the markets with South Africa.

Q: DID THE TRIP MEET YOUR EXPECTATIONS?

Definitely, yes! I was amazed by what I experienced. The kindness and friendliness of the people, coupled with the immense opportunities in the region, were remarkable. I was particularly impressed with the potential I saw in the African markets and how, as a South African, we can tap into those opportunities.

Q: WOULD YOU RECOMMEND SOMEONE APPLY FOR THE 2025 TRIP, AND WOULD YOU ATTEND AGAIN?

Absolutely! If you're looking to deepen your understanding of insurance in the African region and want to establish yourself as a key player in the South African market with strong African connections, then you should definitely apply. And yes, I would attend again without hesitation.

Q: DID YOU NOTICE ANY DIFFERENCES BETWEEN THE RWANDAN AND KENYAN INSURANCE MARKETS COMPARED TO SOUTH AFRICA?

Yes, there were some notable differences. One key aspect is the way insurance premiums work. In Rwanda and Kenya, insurance penetration is lower, and they primarily use annual premiums. In South Africa, monthly premiums make insurance more affordable, which significantly impacts penetration rates. This was one of the standout differences.

Q: HOW WERE YOU RECEIVED IN MEETINGS ACROSS KENYA AND RWANDA?

The reception was amazing. We were welcomed by top management, who gave us a lot of their time. In South Africa, meetings can be rushed, but in Kenya and Rwanda, the hours seemed to stretch as we absorbed as much as they did. The kindness, openness, and friendliness were truly exceptional.

Q: BASED ON YOUR UNDERSTANDING OF THE TWO MARKETS, DO YOU BELIEVE THERE ARE OPPORTUNITIES IN KENYA AND RWANDA?

Absolutely. There's a lot of potential, especially as both countries work towards increasing smartphone penetration and digitizing their economies. South African companies and professionals would benefit from collaborating across borders to seize these opportunities and make a meaningful impact in the region.



Hassan Adam, COO and co-founder of
Holistic Financial Services

Q: WAS THERE A STANDOUT MOMENT FOR YOU DURING THE TRIP?

On a personal level, I was blown away by how clean Kigali was. It's the cleanest city I've ever seen. The safety in both Kenya and Rwanda also stood out. Unlike South Africa, where you're constantly on guard, I felt completely safe. Professionally, I was impressed by how the Kenyan regulators focus on whether you're fit to operate in the industry rather than micromanaging every aspect of client advice. It's refreshing to see self-regulation in action, with the industry committed to doing right by the client.



Q: WHAT SECTION OF RESEARCH DID YOU FOCUS ON, AND WHY?

I chose to focus on innovation because it's closely tied to change, and it's a constant. In South Africa, it sometimes feels like regulation is stifling innovation. During the trip, I saw how dynamic things are in Kenya and Rwanda from an innovation perspective. There's a lot we can learn and implement from their approach, not only in South Africa but also in Rwanda and Kenya to foster growth in the entire region.



Q&A WITH KHALIL SUNGAY

Q: WHAT WAS THE MAIN MOTIVATOR FOR YOU TO JOIN THE 2024 AFRICA COVERED TRIP?

I've attended international insurance conventions before, but never in Africa. I was curious to see how it would play out, and it turned out to be very different. Africa's low base presents opportunities, and after being tired of Zoom and Google meetings, it was important to get out there and experience it firsthand.

Q: DID THE TRIP MEET YOUR EXPECTATIONS?

It surpassed my expectations. The way things are done in Africa is very different, and the continent's current pace offers significant opportunities. Big kudos to those who organised the trip, including COVER and the IIWC. I would jump at the chance to participate again. There were so many insights on how to conduct business on the continent, making it a worthwhile endeavor for any corporation looking to enter the African market.

Q: DID YOU FIND ANY DIFFERENCES IN THE LOCAL KENYAN AND RWANDAN INSURANCE MARKETS COMPARED TO SOUTH AFRICA?

Both countries have low insurance penetration, and they were eager to learn how we've managed to succeed in South Africa. There's a lot of room for growth in these markets, and that's where the opportunity lies. Interestingly, Rwanda has made incredible progress in a short period, especially considering their history. Kenya has leapfrogged us academically in the insurance space, and there's a lot we can learn from them.

Q: HOW WELL WERE YOU RECEIVED IN THE MEETINGS?

We were welcomed with incredible hospitality. They truly made us feel comfortable as guests and went out of their way to ensure we had a great experience. They don't live by the clock like we do, which was an adjustment, but it added to the true African experience. Their sincerity was evident and refreshing.

Q: BASED ON YOUR NEW UNDERSTANDING OF THESE MARKETS, DO YOU BELIEVE THERE ARE OPPORTUNITIES IN RWANDA AND KENYA?

Without a doubt. It would be worthwhile for any corporation to get involved. The networking alone was tremendous. If I don't take advantage of the opportunities presented to me, it's on me. This trip opened many doors, and it was very well-organised.

Q: WAS THERE A STANDOUT MOMENT FOR YOU DURING THE TRIP?

The cultural differences stood out the most. You go in expecting things to be done in a similar way, but it's very different—and sincerely so. Meetings don't start on time, and they last much longer than expected. While that took some adjusting, it gave me a deeper appreciation for the continent.

Q: REGARDING THE RESEARCH PAPER, WHAT SEGMENT DID YOU CHOOSE AND WHY?

I chose distribution because I wanted to see how things are done in that area. I wasn't disappointed. One fascinating discovery was that agents there are able to sell other products as well, which is different from how things work in South Africa. Technology will likely allow them to leapfrog us in certain areas. If they can get distribution right, I believe insurance penetration will increase, and the industry will thrive.



Khalil Sungay, CEO-Randsure Insurance & Financial Solutions

Q&A WITH KYLE KLOPPER

Q: DID THE TRIP MEET YOUR EXPECTATIONS?

The trip didn't just meet my expectations—it exceeded them in every way. I went in with no specific expectations, but it turned out to be an experience beyond anything I could have imagined.

Q: WOULD YOU RECOMMEND SUBMITTING AN APPLICATION FOR NEXT YEAR. AND WOULD YOU GO AGAIN?

Absolutely! Especially for younger professionals, this trip gives access to key delegates and organisations you wouldn't normally encounter. It also provides insight into how Africa is growing and thriving. If you're ambitious in your career—whether an insurer, a broker, or an insurance institute—you need to be part of something like this.

Q: DID YOU FIND ANY DIFFERENCES BETWEEN THE INSURANCE MARKETS IN KENYA AND RWANDA COMPARED TO SOUTH AFRICA?

Yes, the markets in Kenya and Rwanda are quite young and immature compared to South Africa. Rwanda is less developed, while Kenya is a bit more established. The regulatory environment is a key difference. Both countries focus on standardising insurance products and pricing, making the differentiator service and relationships. The culture around insurance is still developing, but the markets are thriving, especially as regulations make certain insurance compulsory. What stood out is the professionalism and expertise in these countries. Despite being young markets, they are full of highly qualified professionals, and I believe these markets will grow quickly and may even surpass South Africa.

Q: DO YOU SEE OPPORTUNITIES IN THESE MARKETS?

Huge opportunities. It might be tricky to find an opening initially, but once you're in, there's significant potential, especially with the regulatory landscape being so open. For example, in Rwanda, third-party vehicle insurance is compulsory, and that's where their market thrives. The regulators are very open to

meetings and discussions, which creates space for innovation that can benefit both the individual market entrant and the broader market.

Q: HOW WERE YOU RECEIVED IN THE MEETINGS?

The reception was incredible. The hospitality and warmth were eye-opening. It made me reflect on how we interact in South Africa. We were treated almost like dignitaries, with everyone eager to learn from us as South Africans. It felt like they had arranged for us to be there rather than us organising the trip. They went above and beyond to ensure our comfort.

Q: WAS THERE A STANDOUT MOMENT FOR YOU DURING THE TRIP?

The insurance college in Kenya stood out for me. It felt like an institution dedicated to truly enabling the broader insurance sector. They offer a solid background in various fields like reinsurance, loss adjusting, and claims, and they have a 75% placement rate, which is unheard of. It serves East Africa, including Rwanda and Uganda, and it's something I believe we could greatly benefit from in South Africa.



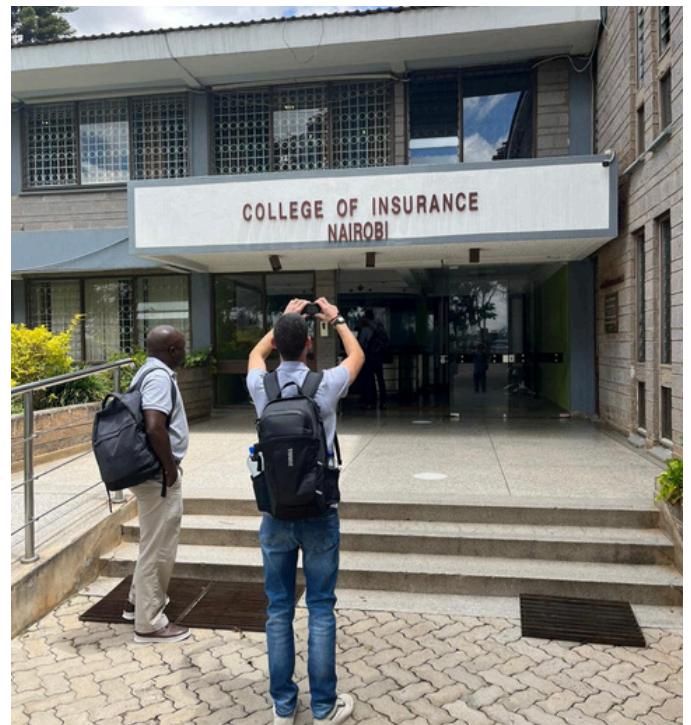
Kyle Kloppe, an Account Executive at Intasure, who was fortunate to be the recipient of the IIWC RISE mentorship program, which allowed him to participate in the Africa COVERed trip.

Q: PASSION FOR THE PROFESSION. RIGHT?

Absolutely. A lot of people say they "fall into" insurance, but it's actually a noble profession that requires real skills and formal training. Seeing how they are fostering that passion, straight from school or through people looking to improve their careers, was inspiring.

Q: WHAT SEGMENT OF THE RESEARCH DID YOU FOCUS ON, AND WHY?

Unfortunately, I was away when the choices were made, but I'm happy to have been nominated for the innovation sector. I'm excited to work on it, especially considering the strong regulatory environments we've seen. Innovation and regulation go hand in hand, and I'm eager to explore how we can innovate better in our own markets, not just in products or pricing, but in services as well.



Q&A WITH ROBYN CARTER

Q: WOULD YOU SAY THE TRIP MET YOUR EXPECTATIONS?

Oh gosh, it exceeded my expectations. I wasn't really sure what to expect on certain fronts, especially since it was my first time traveling to the rest of Africa. But it was absolutely amazing. It exceeded every expectation I had—not only on a professional level but also in terms of how people do things there. The hospitality, meeting new people, seeing different places, and trying new food—it was beyond what I could have imagined.

Q: WOULD YOU RECOMMEND THE 2025 AFRICA COVERED TRIP. AND WOULD YOU GO AGAIN?

Oh yes, absolutely! My name is already down for next year. If I don't go, I'll have serious FOMO. I'd definitely recommend it for anyone who wants to explore, has an open mind about visiting new places, and wants to expand their knowledge of the insurance industry and network with other professionals.

Q: TOUCHING ON THE INSURANCE SIDE, DID YOU NOTICE ANY DIFFERENCES BETWEEN THE LOCAL KENYAN AND RWANDAN MARKETS COMPARED TO THE SOUTH AFRICAN ONE?

Yes, it's interesting. While our insurance market penetration is much higher, there are several things they get right that we don't. For example, motor third-party insurance is compulsory there—it's part of the license renewal process, and people know it's required. In South Africa, we don't have that, and there's a massive untapped market because of it. Also, the level of training and education they provide is impressive. The College of Insurance in Kenya places 90% of its graduates into the workforce, which is something we could learn from. There are so many things they are doing right that really excited me.

Q: HOW WELL WOULD YOU SAY YOU WERE RECEIVED IN THE MEETINGS ACROSS THE TWO COUNTRIES?

I was almost in tears one day because we were met with such warmth and hospitality in every single meeting. And I'm not just talking about the amazing tea! They were well-prepared, knew exactly what we wanted to discuss, and the conversations flowed so well that we ran over time in every meeting. It was wonderful.

Q: DO YOU SEE OPPORTUNITIES IN THE RWANDAN AND KENYAN MARKETS?

Absolutely! There's massive opportunity, and a big part of that comes from how well everyone works together. There's a real sense of community and collaboration between insurers, brokers, and regulators. They're excited about our industry and being insurance professionals, and that enthusiasm was contagious. It really humbled me. They're open to innovation and building networks with people outside their region, which creates even more opportunities.



Robyn Carter, IIWC President and Regional Manager, Coastal Regions, Lombard Broker Partners

Q: WAS THERE ONE STANDOUT MOMENT FROM THE TRIP FOR YOU?

Oh gosh, there were so many highlights, I can't single out just one. Meeting Alice and her team from the Insurance Institute of Kenya was a big one. The insight they gave into how they provide platforms for their members and how they collaborate with associations and the College of Insurance was incredible. Meeting Dr. Ben and his team at the college was another highlight. They are doing amazing work, elevating people and filling the industry with great talent. In Rwanda, attending the African Insurance Forum was a standout moment as well. The speakers and the discussions were so insightful. There were just so many highlights!

Q: WHICH SECTION OF THE RESEARCH DID YOU CHOOSE AND WHY?

I chose business landscape and regulatory environment. My interest going into the trip was to understand how they operate, how they're impacted by regulation, and what the key wins and challenges have been. I wanted to compare their experiences to the challenges we face in South Africa, whether it's the economic environment or industry-specific issues. It was fascinating to see how quickly these markets have evolved.



Q&A WITH TONY VAN NIEKERK

Q: FOR THOSE WHO MAY NOT KNOW YOU, COULD YOU INTRODUCE YOURSELF?

I'm Tony van Niekerk, the editor of COVER Magazine. We focus on the insurance industry in South Africa and a several other African countries.

Q: YOU'VE BEEN INSTRUMENTAL IN ORGANISING THE AFRICA COVERED INITIATIVE. WHAT INSPIRED YOU TO DO THIS, AND WHY NOW?

This is something I've wanted to do for years. My first venture into Africa was in Zimbabwe, back in 1997-1998, when I worked for Zimnat in Harare. I assisted them in transitioning from paper-based systems to basic computers at the time, and I loved the change of environment and the new perspectives it offered. Over the years, I've made around 30 trips to 17 or 18 different African countries, and the same thing always stands out: while there are many differences, there are also strong similarities.

One realisation that hit me hard is that South Africa often sees itself as separate from the rest of Africa. Many South Africans don't truly view South Africa as part of Africa. We have this "tale of two countries" situation, where there's both a first-world and third-world dynamic here. In the insurance industry, most professionals operate in a more first-world-like environment, and it can feel like we're in an "Africa bubble." We sometimes forget that we have a lot to learn from other African countries, especially when it comes to serving those parts of our population that don't have easy access to insurance.

My hope with the Africa COVERed initiative is to create greater awareness. We've got a lot of innovation, expertise, and professionalism in South Africa, but there are pockets of Africa where they excel in ways we don't always understand. This initiative is about learning from those countries and sharing what we've learned in return.

Q: LOOKING AHEAD TO 2025, WHAT ARE YOU EXCITED ABOUT FOR THE AFRICA COVERED INITIATIVE? HOW DO YOU SEE IT EVOLVING?

I'm particularly excited about the upcoming trip to Ghana. I've been there several times and even had a bit of a holiday there—it's an amazing country with a rich history and a melting pot of people from across Africa. Ghana also has some impressive innovations in insurance, and I'm eager to explore that more in-depth.

For 2025, we've decided to spend a full week in Ghana rather than splitting time between two countries. This will allow us to really dig deeper into the local market and culture. We've also planned an excursion to Cape Coast, where we'll explore some of the country's history, including its role in the transatlantic slave trade. It's going to be a mix of learning, cultural immersion, and building professional relationships.

My hope is that the people who join us are truly passionate about expanding their knowledge of Africa and are eager to share their own insights with others in the industry.



Tony van Niekerk, Owner and editor of
COVER Publications

Q: ANY FINAL WORDS FOR THE SPONSORS WHO HELPED MAKE THIS TRIP POSSIBLE?

Absolutely! I'm always amazed at how companies are willing to take a chance on initiatives like this, especially since this was our first trip, so there was a bit of the unknown involved. A huge thanks to Lombard, Price Forbes, Munich Re, Discovery, and Africa Re for their sponsorship and support. They believed in us and in the delegates who joined, and I'm grateful for that.

We'll make sure their investment pays off through the knowledge we're gathering, which will be shared in the white paper we're putting together, as well as through the event we're hosting for industry professionals who want to learn more. Thanks again to our sponsors for making it all possible!



Q&A WITH TERENCE NYONI

Q: DID THE TRIP MEET YOUR EXPECTATIONS?

Yes, definitely. The trip did meet my expectations and in many ways exceeded them. I was able to gain a deeper understanding of the insurance markets in Kenya and Rwanda and how they compare to the South African market. The insights we gathered were invaluable, both from a business and cultural perspective.

Q: WOULD YOU RECOMMEND SUBMITTING AN APPLICATION FOR NEXT YEAR. AND WOULD YOU GO AGAIN?

Absolutely. I would highly recommend submitting an application for the next trip. The opportunity to network with industry players and understand different markets is first hand invaluable. Given a chance, I would definitely do it again.

Q: DID YOU FIND ANY DIFFERENCES BETWEEN THE INSURANCE MARKETS IN KENYA AND RWANDA COMPARED TO SOUTH AFRICA?

There are some notable differences. The regulatory framework in Kenya and Rwanda is evolving at a slightly different pace compared to South Africa. While we do concede that the South African insurance market is a bit more developed, both Kenya and Rwanda are showing tremendous growth.

Q: DO YOU SEE OPPORTUNITIES IN THESE MARKETS?

There are definitely opportunities in both Kenya and Rwanda, more so because these are economies that continue to grow. There is need for tailored insurance products as well as room for innovation in areas such as micro insurance and digital platforms for insurance.

Q: HOW WERE YOU RECEIVED IN THE MEETINGS?

We were warmly received by everyone we met in both countries, and the insurance professionals were quite eager to share their experiences and perspective. The collaborative spirit was quite evident, and there was this sense of openness in exploring partnerships and learning from each other. And to be honest, we've since grown those relationships from the time of the trip.



Terrence Nyoni, Account Executive at
Price Forbes









Africa COVERed

2024 INSIGHTS SESSION

Join COVER and the IIWC as they unpack insights and share experiences from the inaugural Africa COVERed trip, which took place early this year.



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