



Insurance for development: Inclusive insurance & insurance for inclusive growth

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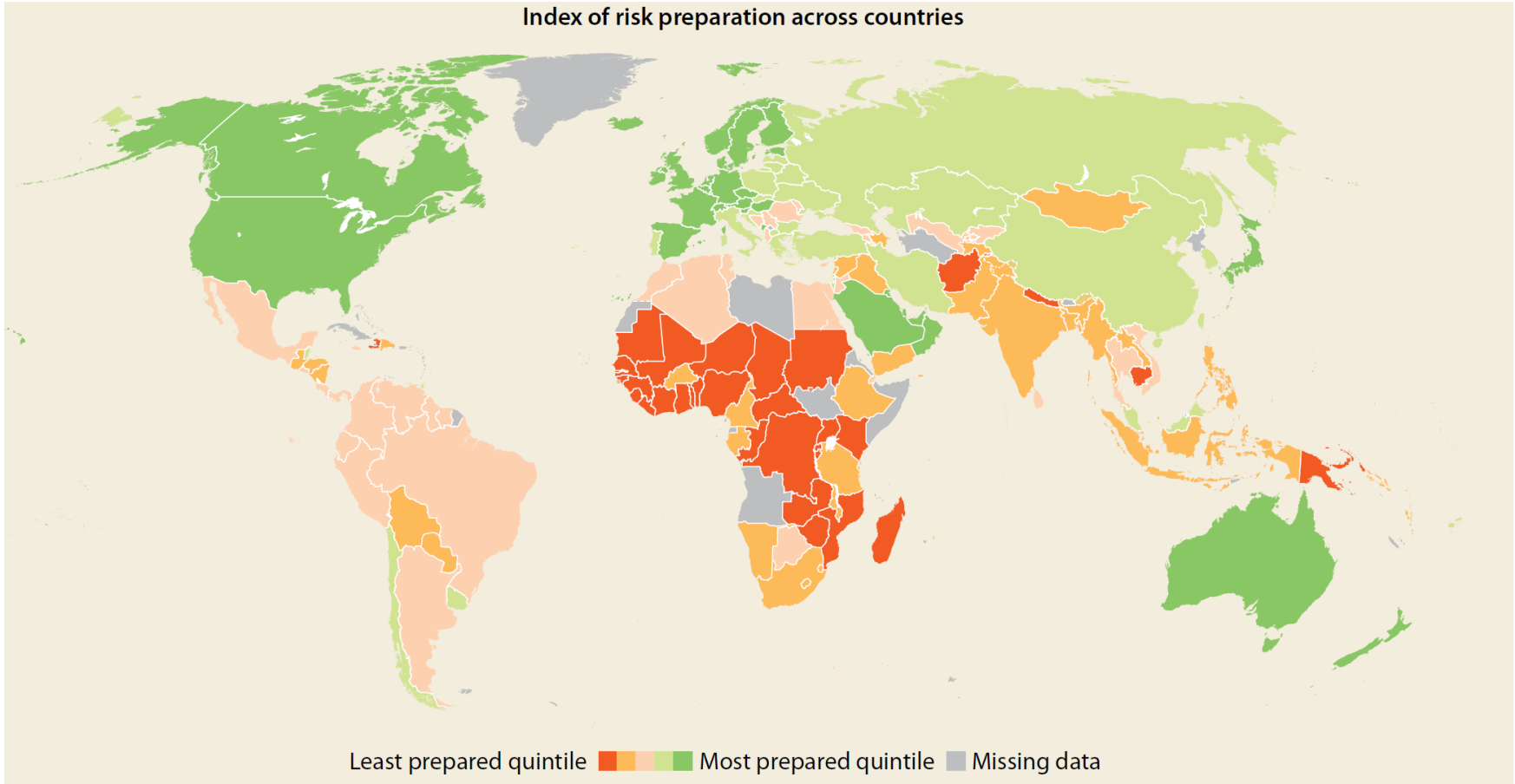
Why focus on insurance market development?

Resilience and growth potential

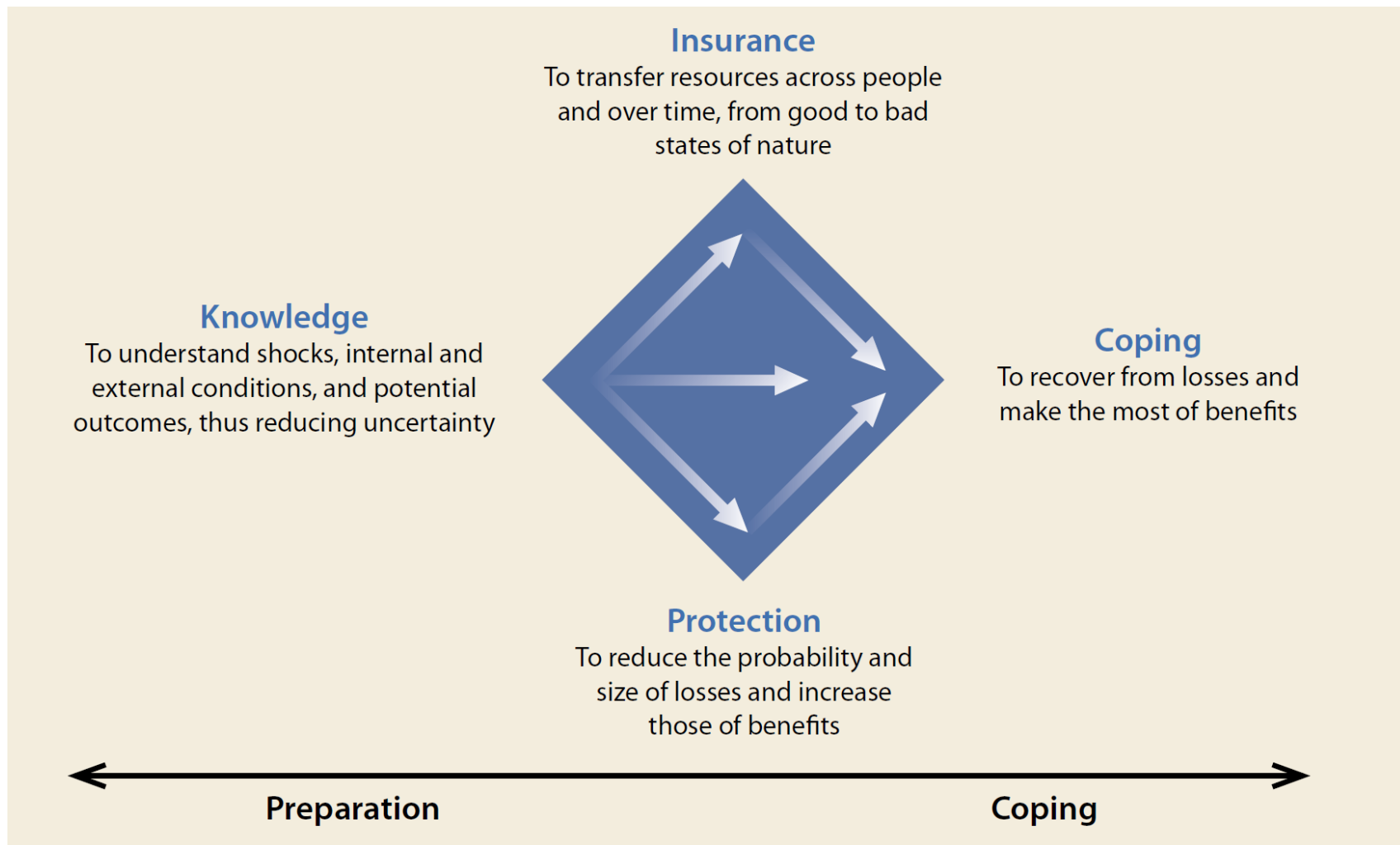


Why focus on insurance market development: SSA unprepared for risks

Index of risk preparation across countries



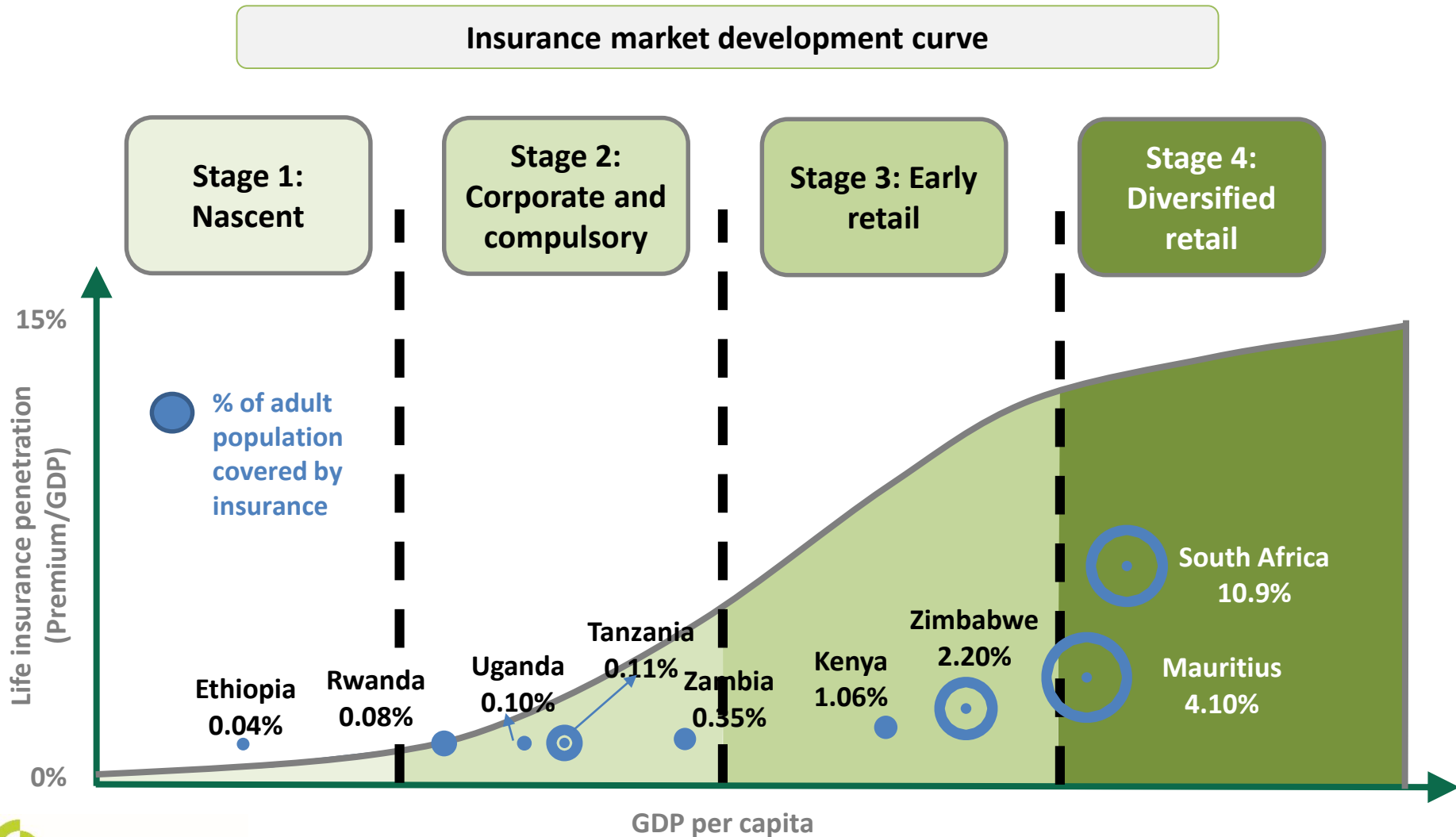
Why focus on insurance market development: Risk management and insurance markets



Insurance potential: Beyond household resilience to economic resilience and intermediation

Risk management	Macro, Meso & Micro	Protect assets
		Develop credit market
		Pro-active risk management
		Efficient public finances
		Improved resilience
		Access to services
		Productive risk taking
Intermediation	Capital mobilization and pooling	Long term low risk instruments (guarantees or diversification)
		Premium collection
	Investment	Maturity, liquidity and volatility of capital
		Skills development for valuation & allocation

We need to understand how the insurance market develops to unlock the development benefits



Source: Adapted from Webb (USAID, 2006), Lester (2009), OECD (date unknown), ASEA (2014), FinScope type surveys (range) and Dickinson (2000)

No one size fits all: Need to tailor business models, distribution and regulation to stage&needs for potential

Challenge	Stage 1: Emerging	Stage 2: Corporate and compulsory	Stage 3: Early retail	Stage 4: Diversified retail
The consumer	Foreign Corporates, Governments, Development partners	+ Dom corporates, Employers, Aggregators	+ Wealthier urban individuals, larger SMEs	+ Lower income rural individuals, smaller SMEs
and their risk needs	Property, liability, sovereign and disaster risk	Employee benefits Credit Life Loyalty Compulsory (eg. Car)	Range of personal risks Productive risk taking	Range of personal risks Productive risk taking
Business model	Magnitude of risk, skills	Partnership, efficiency, inexperienced consumer	High volume with low margin	High volume with low margin
Distribution	Low touch point, Agent, Broker	Through 3 rd party aggregators	High touch point, urban, Agent, Broker	High touch point, Agent, Broker
Enabling regulation	Basic framework, Enable foreign provision, reinsurance	Foundational regulations, Global learning, Proportionality, Aggregator risks,	Market conduct, Encourage new entrants, Monitoring, Actuarial skills, Regional forums, Fiscal incentives	Market development, Risk-based regulation, Impact assessments, Asset allocation

Thank you! Questions?

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