

Nigeria, 29 others to be insured for drought, food, cyclone

By [Favour Nnabugwu](#)

25 Jun 2018

Nigeria and 29 other countries in the continent are to be insured against drought, flood and cyclone disasters by 2020, according to African Risk Capacity (ARC) report.



©Richard Van der Spuy via [123RF](#)

The insurance of the countries will, according to ARC, translate to \$1.bn in coverage for some 150 million people.

For the agency to achieve its set target, it urged African governments to not only participate actively but endeavour to pay their premiums to the pool. According to ARC's head of communications, Chinedu Moghalu, the role of donors is also critical, not only in providing capital but in supporting premium financing for the fiscally most constrained countries.

"Africans are increasingly exposed to climate risks, because droughts, floods and storms get ever more forceful. The idea is to use insurance to prevent natural disasters from becoming humanitarian disasters," he said. Moghalu noted that client countries paid insurance premiums worth \$19m while recalling that the first set of insurance payouts was made in January 2015, totalling \$26m.

"The ARC has been operational for some time. Not less than 33 countries have signed up to it. Nigeria is one. Not all, however, have joined the insurance scheme as paying clients." He added that the countries that have so far benefitted from the pool on drought include Mauritania, Niger and Senegal.

The ARC Insurance Company started out with a 20-year returnable no-interest loan of \$200m in risk capital from the governments of Germany and the United Kingdom with the aim to provide African countries with funds immediately when disasters strike.

Read the [original article](#) on [Vanguard](#).

For more, visit: <https://www.bizcommunity.com>