

Swiss Re Foundation's \$500,000 grant set to boost Africa's insurance sector

In a bid to spur innovation of insurance solutions for the underserved, Swiss Re Foundation has pledged a \$500,000 grant to Africa's insurance sector.



Source: Supplied.

The funding, to be distributed through the FSD Africa's supported BimaLab insurance accelerator programme, will unlock and accelerate the transformation of Africa's insurance sector through innovative offerings for the sector's unique landscape.

Recently, there has been increased attention to Africa's expanding and promising insurance sector. At the COP27 Summit, more than 85 African insurers pledged to create a financing facility to provide \$14bn to support communities impacted by climate change.

The cover will help the continent's most vulnerable communities deal with climate-disaster risks such as floods and droughts, cementing the insurance industry's position in driving the continent's economic expansion.

Africa's low penetration rate

Despite its massive potential, research by Brookings Institute indicates that Africa's insurance sector has a low penetration of 2.78% compared to the global average insurance penetration rate of 7.23%.

Low awareness and low employment levels in the formal sectors, coupled with a lack of trust and experience with traditional insurance institutions, have been attributed to low penetration rates.

To harness the opportunities presented by the insurance sector, FSD Africa, with its partners, launched the BimaLab accelerator programme in 2020. The programme provides resources needed by talented insurtech founders of early to mid-stage start-ups to leverage insurance technology and promote insurance penetration in the continent.

“ Our Senior Manager, Risk Regulations [@EliasOmondiFIA](#) was on [@KTNNews #NewsCafe](#) speaking with [@OgegaKevin](#) on our role in facilitating & enhancing visibility for [#InsurTech](#) innovators to create affordable and accessible insurance solutions for [#Africa](#)<https://t.co/yJlmWwWxt>— FSD Africa ([@FSDAfrica](#)) [November 30, 2022](#) ”

The BimaLab programme now in Kenya, Ghana and Nigeria has enabled 40 insurtechs to gain visibility and push for resources to scale their innovations. So far, 43 unique products and services have reached more than 600,000 customers since the programme started in 2020.

Plans to launch the BimaLab accelerator programme in Ethiopia, Uganda, Rwanda, Zimbabwe, Malawi, Egypt, and Morocco are underway.

The support of the Swiss Re Foundation will further facilitate the growth of high-impact insurtechs through introducing and scaling innovative products and services to the underserved African market.

Commenting on the new grant, Kelvin Massingham, director of risk and resilience, FSD Africa, said: "The importance of the insurance sector to alleviate the challenges of today cannot be understated.

An innovator's paradise

"While the African continent continues to report low insurance uptake, there are numerous opportunities for innovators in insurance. We are optimistic that through the grant, the underserved communities will soon start enjoying the safety net provided by insurance from many external threats like natural disasters, health threats, and economic disruptions."

Elias Omondi, senior manager of risk regulations at FSD Africa, said: "The support of the Swiss Re Foundation is a significant step towards building an innovative and climate-focused insurance industry that will accommodate the evolving needs of the uninsured."

Stefan Huber Fux, director of the Swiss Re Foundation said: "We acknowledge the role of the insurance sector in spurring the growth and development of the African continent.

"Through programmes such as BimaLab, the most vulnerable and low-income people will gain from innovative, affordable, and efficient insurance products and services."

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