

CAN INSURANCE SUPPORT DEVELOPMENT?

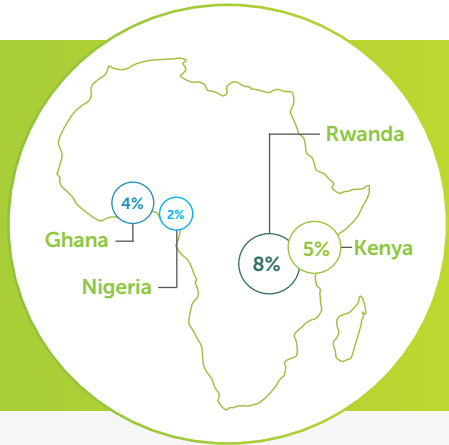
Country Diagnostic • Evidence from [Ghana](#) • [Nigeria](#) • [Kenya](#) • [Rwanda](#)

INSURANCE UPTAKE

4.1m

OF 138 MILLION ADULTS

are covered by insurance other than government provided health insurance, this equates to →



RISK-PROTECTION GAP



51%

of the adult population (69m) reported having faced at least one insurable risk within the last year

MANY ARE WITHIN REACH THAT DON'T HAVE INSURANCE



5.3 million

adults have a bank account, mobile phone, are formally employed and earn the equivalent of USD \$5 a day or more

2.1 million

Less than 40% within this target group are covered by insurance

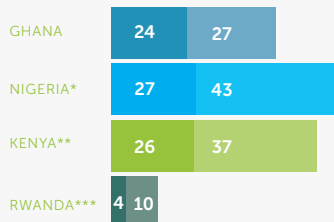
OF THOSE THAT FACED AN INSURABLE RISK WITHIN THE LAST YEAR:



Source: FII, 2015; FinAccess, 2016; EFinA, 2017; FinScope, 2016; FinScope, 2010

TOTAL NUMBER OF INSURERS

■ Life insurers (full colour)
■ Non-life insurers (tinted colour)



*13 of which are composites, **11 of which are composites, ***only private insurers

SIZE & PERFORMANCE OF THE INSURANCE MARKET

	Ghana	Nigeria	Kenya	Rwanda
Penetration GWP % GDP	1.14	0.3	2.6	1.6
GWP USD, billions	0.5	1	2	0.14
Insurers' asset base USD, billions	1	3.2	5.1	0.46
Size of life industry % of total market premiums	45	32	40	18*
Claims ratio for non-life %	39	30	63	64

*This is including only private insurers

Source: NIC (2016); NIA (2016); IRA (2017); BNR (2017)

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EXPENSE RATIOS ARE HIGH

	>60%	>70%	>80%
Ghana	33 • 75%	29 • 66%	19 • 43%
Nigeria	43 • 63%	35 • 41%	27 • 40%
Kenya	25 • 40%	21 • 33%	19 • 30%
Rwanda	6 • 43%	4 • 29%	3 • 21%
Total # of insurers	107 • 52%	89 • 43%	68 • 33%

Source: NIC (2016); NIA (2016); IRA (2017); BNR (2017)

CONSTRAINTS IN ALLOCATION OF CAPITAL

Combined size of insurance assets across the four countries:

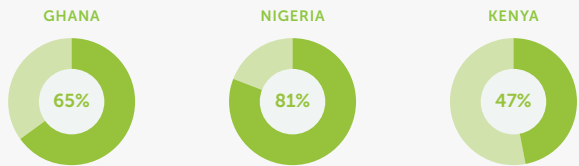
>USD 10 billion
IN 2016

This is smaller than the total assets owned by the South African insurance sector.

Source: NIC (2016); NIA (2016); IRA (2017); BNR (2017); NAICOM (2016) & World Bank (2017)

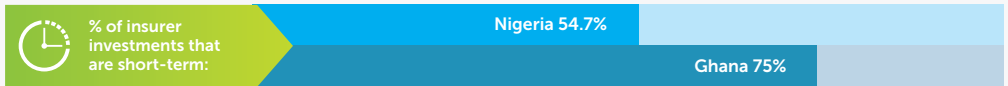
LIMITED LOCAL CAPACITY TO SERVE LARGE RISKS

% of non-life risk transferred offshore:



Source: NIC (2016); NAICOM (2016); IRA (2016)

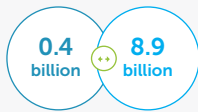
INVESTMENTS ARE USUALLY SHORT-TERM



Source: NIC (2016); NAICOM (2016)

INFRASTRUCTURE INVESTMENT GAP IS LARGE

Infrastructure investment gap across the four countries is estimated to range from USD:



per year between 2016-2040

Source: Global Infrastructure Hub (2019)

LARGE NUMBER OF MSMEs BUT MANY ARE UNSERVED



Nigeria
>37 million

in the informal economy in 2013

World Bank 2016



Kenya
7.41 million

1.56 m licensed

Mwangi 2016



Ghana
500,000

Ghana Statistical Service 2017



Rwanda
72,000

25 k in the formal economy

Ministry of Trade 2010