



ZEP-RE (PTA Reinsurance Company)

ZEP-RE Hosts Inaugural Executive Insurance Forum in Addis Ababa



Zep-Re, the Pan-African reinsurance company recently hosted a ground breaking Executive Insurance Forum on the side-lines of the COMESA Ministers and Heads of States Summit in Addis Ababa. The Insurance Forum themed “**The Changing Landscape of the Insurance Industry, the Potential and the Opportunities**”, brought together Heads of Companies of insurance and reinsurance companies, insurance Board members, insurance Regulators and Heads of insurance Organisations from across the region.

The forum was held to discuss and share ideas about how the industry can navigate the myriad of challenges it faces as well as ways to capitalize on opportunities in the region. The high profile presenters who delivered papers at the conference discussed topics ranging from opportunities presented by infrastructure development in the region, COMESA insurance initiatives and the emerging insurance landscape in the sub-region.



In his opening remarks at the Forum, the Zep Re Chairman, Mr. William Erio said that the insurance industry is still facing many challenges including low insurance penetration, poverty, inaccessible and inappropriate insurance products as well as insufficient capacity to insure large scale projects such as the massive infrastructure project being developed in Ethiopia. Mr. Erio also stated that there is increasing interest by global insurance companies to invest in the region because of the growing middle class and the upsurge in FDI investment in Africa

Participants urged insurance and reinsurance companies across the region to create synergies with the private sector and governments in order to grow the sector and positively contribute to African economies. Ethiopia was given as a good example of how the public and private sectors can work together to bring about fundamental economic growth. Ethiopia was commended on its massive economic turnaround and infrastructure development.



The Executive Insurance Forum was an opportunity for insurance executives to share ideas about how the region can create a robust insurance sector, and form business linkages that will enable the sector to grow and in the process to positively contribute to further economic development in the region.

In his remarks, the Guest of Honour, His Excellency, the Ethiopian State Minister of Finance and Economic Development, Mr. Ahmed Shide said that the insurance sector in Ethiopia had evolved over the past 60 years and the opening up of the market to private

players had positively impacted the country. The number of insurance companies has increased to the current 17, with 16 of these being privately owned. Market insurance premiums in Ethiopia have also increased by an average 10% per year, making the industry one of the most profitable in the region.



Commenting on the industry's performance, the Minister said "the Ethiopian insurance industry continues to have its fair share of challenges centred on restricted access to services, a limited product range and a need for more prudent methods of underwriting and assessing risk." Minister Shide highlighted that the government is working together with players in the insurance industry to create more relevant products. He implored the sector to create synergies and reinsurance capacity to insure the large number of infrastructure projects that are currently being developed in the country.

Minister Shide also implored the sector to foster financial inclusion among the poor. "Ethiopia's economy is based on agriculture which is driven by small scale farmers and this accounts for 46.3% of gross domestic product, 60% of exports and 80% of total employments, yet this area remains largely untapped in relation to insurance penetration."





The Minister acknowledged that globalisation is creating both challenges and opportunities for the sector. It is therefore important for insurance companies to work in solidarity so as to compete against new global entrants. He also reiterated that insurance companies in the region have the opportunity to learn from global insurers particularly in the areas of new products and the use of technology in insurance distribution and prudent risk underwriting.

Minister Shide concluded that there are many opportunities in the sector which insurance companies should embrace. He stated that the government is committed to working with insurance stakeholders in order to develop the country's economy and the insurance sector in the region.



The event culminated in an excursion to Wenchi Crater Lake, one of the most picturesque sites in Ethiopia. There, delegates had the opportunity to explore one of the prime tourist attractions in Ethiopia and to experience true Ethiopian hospitality.

