

**REMARKS BY MR. ANTHONY MWANGI, CHAIRMAN, AIBK AT THE 15<sup>TH</sup> AIBK ANNUAL REGIONAL CONFERENCE AT THE SAROVA WHITESANDS ON 11<sup>TH</sup> NOVEMBER, 2021**

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First, allow me to very graciously send out a heartfelt thank you for honoring our invite and showing up in what is probably the largest number we have ever had for the AIBK Annual Regional Conference. We do not take it for granted. Thank you for joining us and lending your voice to the conference deliberations as we look to cementing the place of insurance in a world grappling with a pandemic.

Secondly, allow me to officially welcome you to the 15<sup>th</sup> AIBK Annual Regional Conference. This year's theme is premised on **REAFFIRMING THE PURPOSE OF INSURANCE IN THE ERA OF PANDEMICS**.

It is no secret that Kenya and the global community at large is facing one of the greatest pandemics in history; the Covid-19 pandemic. Despite the vaccine rollout, the pandemic is still sweeping around the world with new outbreaks reported every day.

When Covid-19 was first reported in Kenya, the whole country was in panic. Virtually every sector was hit. People lost their jobs with the numbers estimated at 2,000,000. Businesses shut down and millions lost hope of seeing a better tomorrow.

I am sure you remember that it was during that time as Kenya struggled with increased cases that a new discussion kicked off; the role and the purpose of insurance during such times. Questions were asked and you will remember some of them condemning the insurance sector through the social media.

But it was an important discussion, one that jolted us to reality and forced us to retrace our steps, redefine our future and therefore reinforce our standing in the economy.

### **Impact of the Pandemic**

Kenya is a KSHS 2 trillion economy and even then, we, the insurance industry have not escaped its impact. Statistics from the Insurance Regulatory Authority and the Association of Kenya Insurers have indicated that uptake of insurance products in the country was on a declining trend prior to the Covid-19 pandemic. A situation that was worsened by the pandemic, seeing the penetration level reach the lowest it has been in 15 years.

Still in the midst of all, we have to remain hopeful and optimistic. As the broader economy rises on the recovery path and ultimately responds to the pandemic, as insurers we will see and have seen a number of new opportunities being presented in the medium term and long term. I will keep saying that I am proud of our sector and the effectiveness with which we responded to the gaps highlighted by the pandemic.

Let's look at the performance of the Kenyan Insurance sector on the rails of the pandemic, which will very effectively highlight the timeliness of this conference and the thematic area.

According to recently released reports, the industry recorded a growth of KSH. 235.3 billion in 2020 compared to KSHS. 231.3 billion in 2019. Despite this growth, insurance penetration has declined to 2.30 percent from 2.37 percent in 2019.

Following the onset of the pandemic in March 2020, it did emerge there was a mix in practice when it came to coverage of pandemics and these are largely covered in statistics made public by the AKI industry report.

The report noted, for example, that Medical insurers paid out Sh. 1.3 billion to cover treatment of Covid-19 between March 2020 and June 2021, representing 74 percent of the total claims lodged with insurers, which stood at Sh.1.7 billion. It is safe to say that not only did we rise to the occasion, but as a result of rethinking operation models, reimagining our workforce and thinking of agile ways to bring innovative products to the market, we rose to the challenge and continue to play our role as risk managers.

### **Increasing Insurance Awareness Levels**

The gaps highlighted by the pandemic, together with ongoing efforts by all players have provided us a great opportunity to ensure continuous education on the importance of insurance, plug the deficits underscored, foster collaborations among the players and re-introduce insurance to the consumers in a more effective manner. We need insurance to be viewed as a necessity and not a luxury.

We also hope to soon roll out plans, together with all stakeholders, to embark on countrywide education on insurance. I, for one, look forward to a period when BIMA Clubs will be in all schools across the country.

While a number of these changes have been motivated by the need to survive and thrive, civic education amongst the masses is of utmost importance as knowledge on insurance is still wanting, resulting from a need to change perception.

### **Opportunities for Partnership**

The opportunity provided by this conference, we hope will continue to revitalize the sector by the determined efforts of all players. We thank the regulator and policymakers for bringing all players together to discuss issues such as the National Insurance Policy aimed at guiding how insurance business is conducted in the country. It has also been a great thing, to note the concerted efforts in working with the government to address NHIF in a manner that will benefit the insuring public.

As a sector, we applaud efforts by the National Government in creating vibrant legal and regulatory environment with several guidelines coming into force. And as this happens we are asking the government to continue to work with us to make the sector even more efficient, not only in the region but also in the continent and globally. I want to also urge the government to continue working with us to ensure an even business terrain. It is good that we have present today various representatives from PPRA, AKI, BAAK, AKPIA and the Regulator, to ensure robust and fruitful discussions of how we can tackle challenges posed by unfair competition within our sector.

With Africa being one of the most promising insurance markets, the time is ripe for partnership discussions amongst the various players.

Establishing mutually beneficial partnerships and connections are vital for any sector as it increases the lease of knowledge and resources available to develop even better products. In the past few years AIBK has ramped up efforts to partner with underwriters and companies outside insurance for the benefit of our members. We hope to bolster relations and cohesion amongst members and different players for the growth of our sector.

I want to add that we remain hopeful of a sectorial rebound even as the economy gears up to open fully following the removal of major restrictions put in place for the containment of the spread of Covid-19.

### **Mental Health**

One of the most important issues to have arisen out of the pandemic, is mental health, and how the mental health crisis was/is being handled. We saw an increase in the number of suicides, especially among the younger population, cases of

depressions among many others. This crisis was exacerbated by the strained economic position of the country resulting in massive job losses, and uncertainty among the employed and self-employed. We have been very keen to incorporate this discussion in the program and are honored to be hosting one of the sector's foremost minds and mental health activist. By the end of the session, we hope to understand how companies can take care of their employees' mental health, and the role that our sector needs to play.

We hope we will learn from the experiences of our peers, be inspired by innovations of others, and be challenged by the resilience of all amidst one of the most historically challenging times.

### **EAIBA Kenyan Chapter Launch**

Today, we are delighted to be launching the East African Insurance Brokers Association, Kenyan Chapter. After years of planning and working with various government regulatory authorities, our plans are bearing fruits.

AIBK's association with the regional broking body has been critical in our growth and by extension the growth of players in the EAC member states. With this launch we hope to strengthen regional integration and open up markets for our members.

A special thank you to the regional Chairmen of EAIBA and their members for their continuous support.

I will be remiss if I did not urge us all to take advantage of this opportunity to network and navigate the intricacies of the changing business environment occasioned by the pandemic. This is the main goal of the establishment of the AIBK Annual Regional Conference.

Within the program, you will notice we have taken great care to ensure we cover all aspects that we consider crucial to this discussion. The panel discussions have been planned to encourage discourse, in the hope that by the end of the conference you will have gained insights and be better equipped to navigate the pandemic and contribute to increasing insurance penetration.

I also urge us to ensure we visit the exhibition area. You will notice we have taken great efforts to incorporate businesses crucial to our operations. Mingle with the exhibitors, learn what they have on offer and give us feedback on what we can improve for the next conference.

Thomas Edison said that many of life's failures are people who did not realize how close they were to success when they gave up.

We are the people at the center of steering change in our sector. We survived and thrived, and now we will engage on how to navigate future pandemics.