

Overview of the Insurance Industry in Malawi

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Outline

- About Malawi
- The Insurance Regulatory Authority
 - Reserve Bank of Malawi/Registrar of Financial Institutions
- Overview of the Insurance Industry
- Challenges facing the Insurance Industry
- Areas of Interest in the GLOPAC Fellowship Program

About Malawi



Landlocked country in south-east Africa
118,484 km²



17,563,749 (2018)
80% live in rural areas



Agriculture accounts for about one-third of
GDP and about 80% of export revenue

The Insurance Regulatory Authority

Reserve
Bank of
Malawi

Central bank of
the country -
established under
the *Reserve Bank of
Malawi Act*

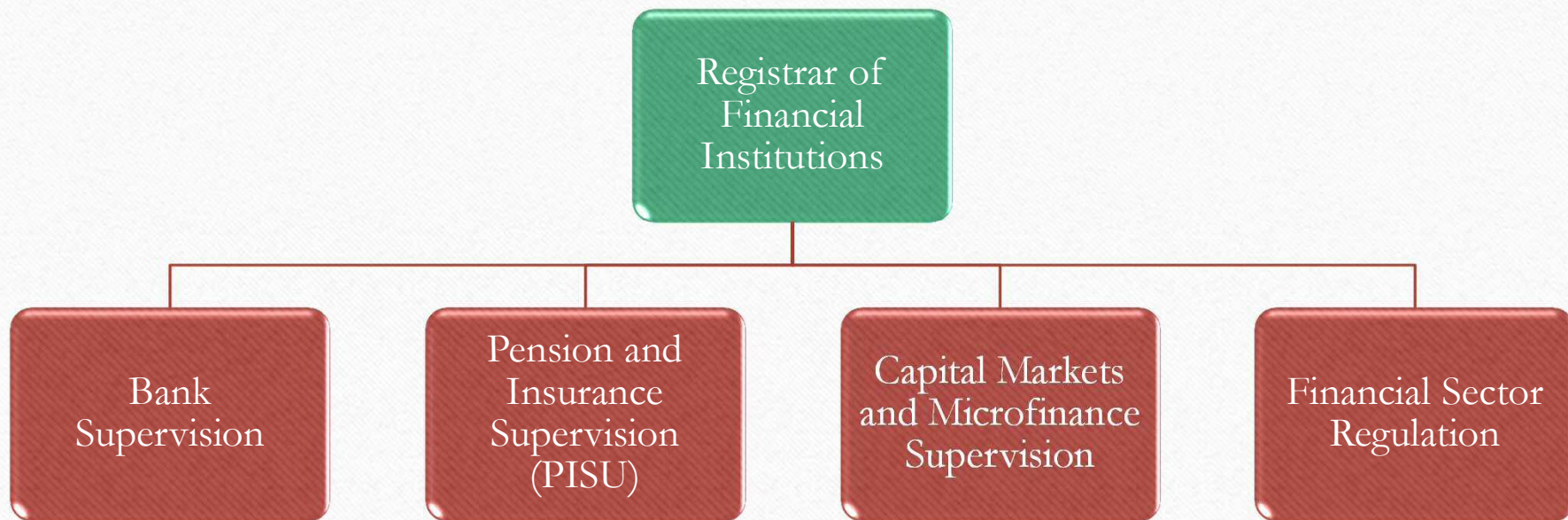
Vision

To be an institution
of excellence in
promoting price
and financial
stability

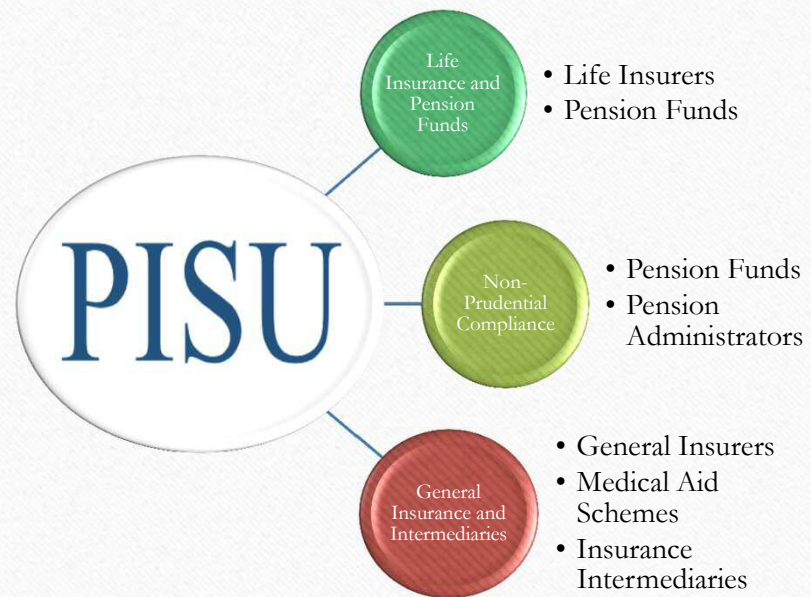
Registrar
of
Financial
Institutions

Mandated by the
Financial Services Act
to regulate all
financial
institutions

The Insurance Regulatory Authority



The Insurance Regulatory Authority



The Insurance Regulatory Authority

Key objectives of PISU

To promote safety and soundness of pension and insurance entities

To empower and protect pension and insurance consumers

To facilitate development of pension and insurance sectors

The Insurance Regulatory Authority

Key result areas for PISU

Prudential
supervision

Market
conduct
supervision

Complaints
handling and
consumer
education

Market
development

The Insurance Regulatory Authority

Strategic insurance targets for PISU

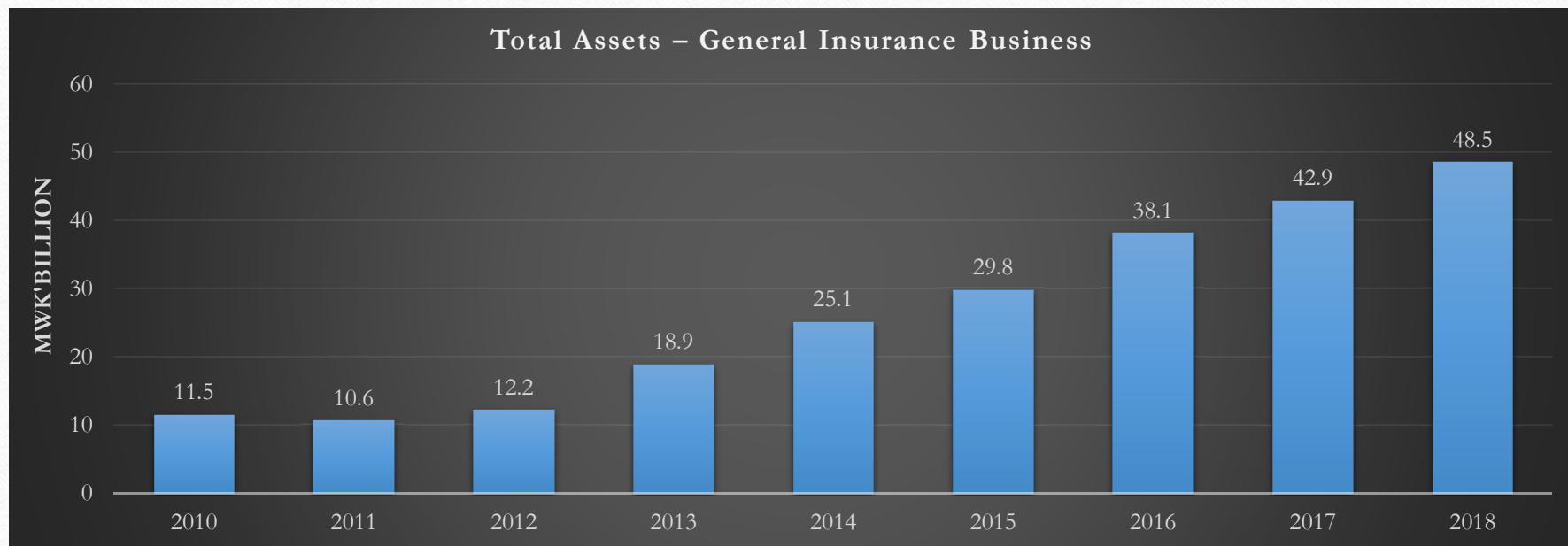
To increase insurance penetration from 2% in 2018 to 3% in 2021

Increase non-motor insurance business from 45% in 2018 to 55% in 2021

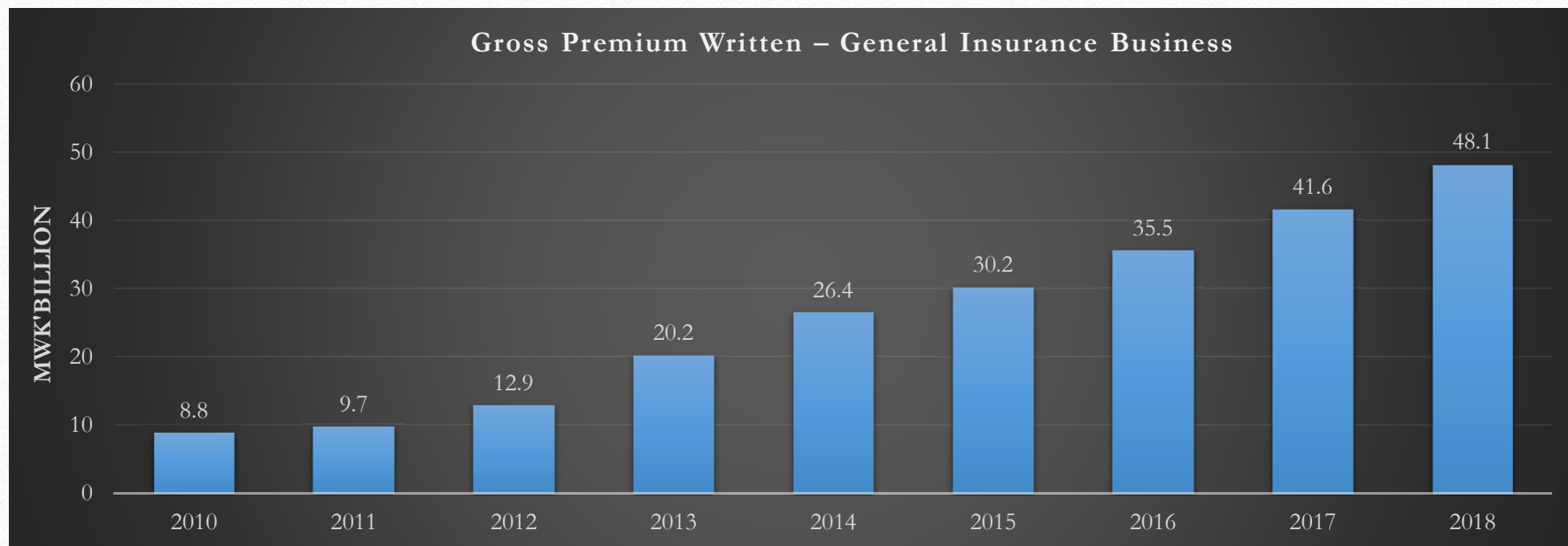
Overview of the Insurance Industry



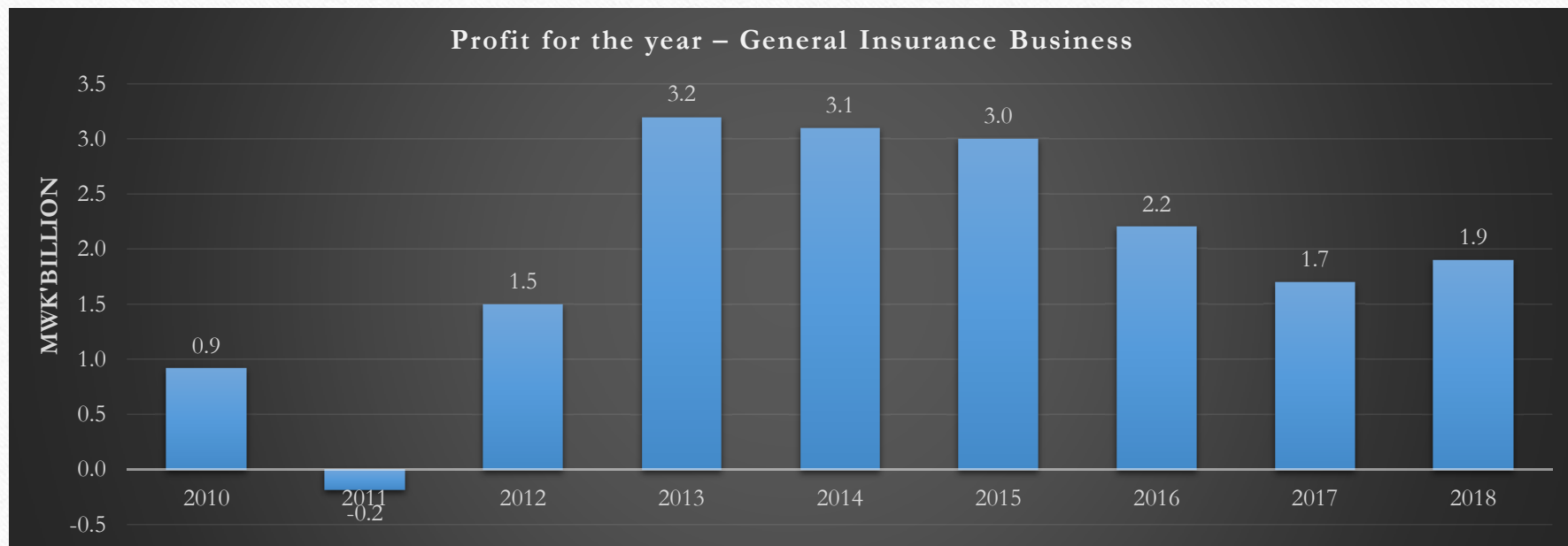
Overview of the Insurance Industry



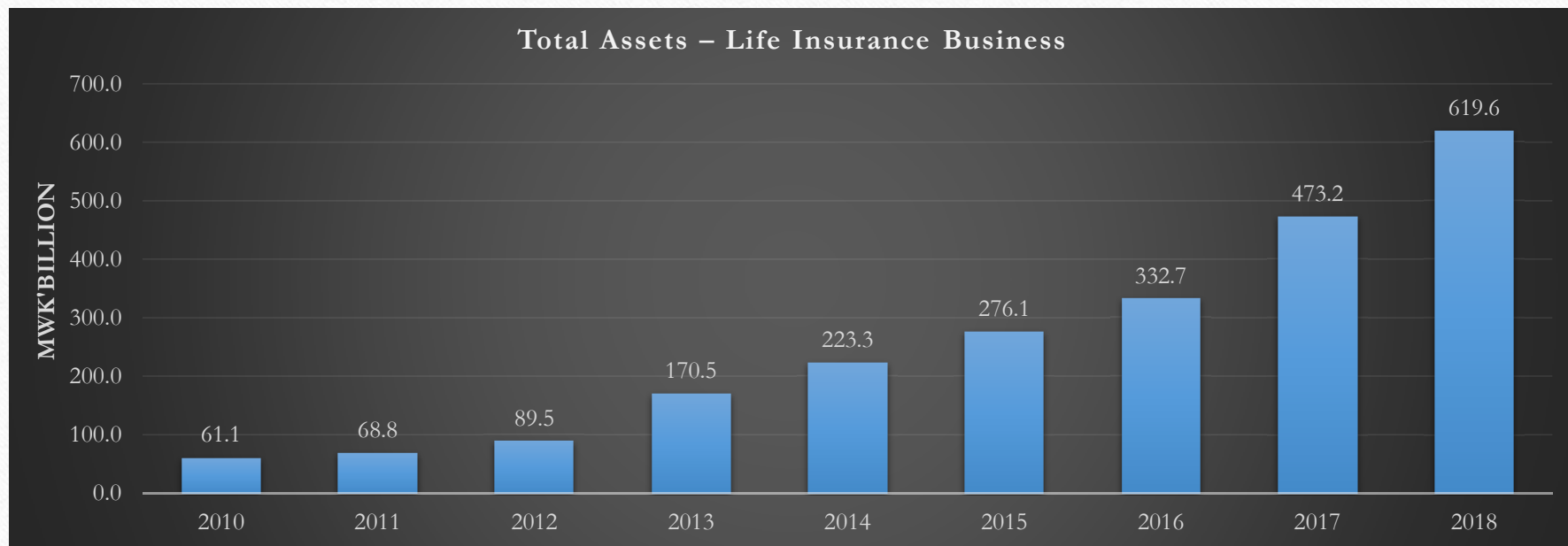
Overview of the Insurance Industry



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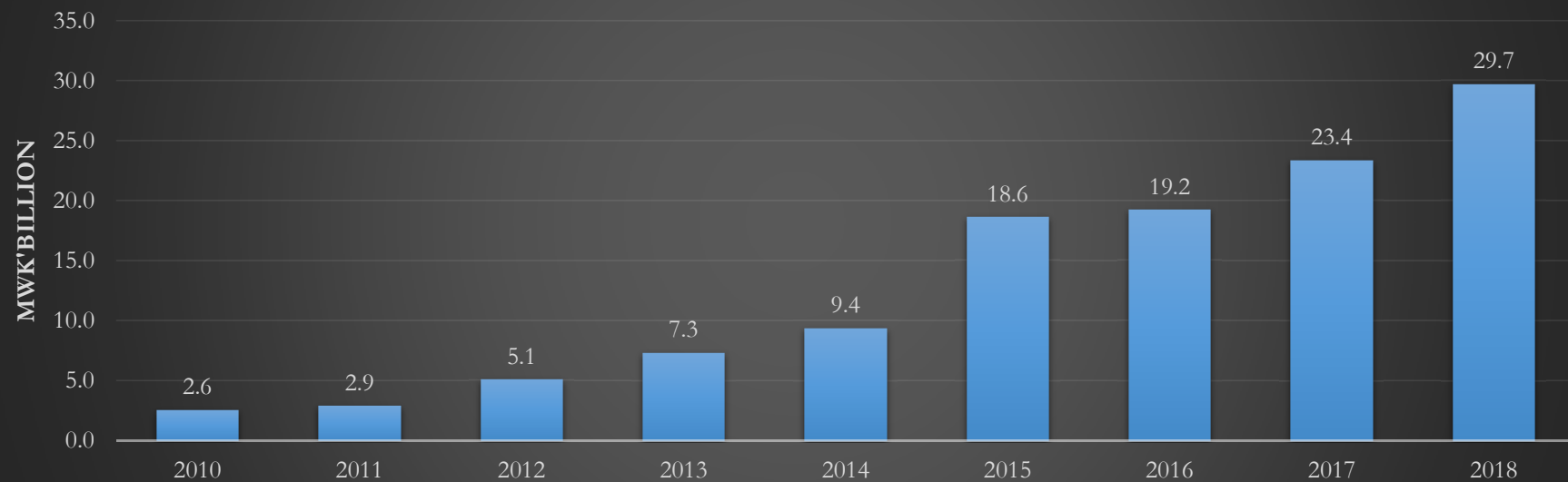


Overview of the Insurance Industry



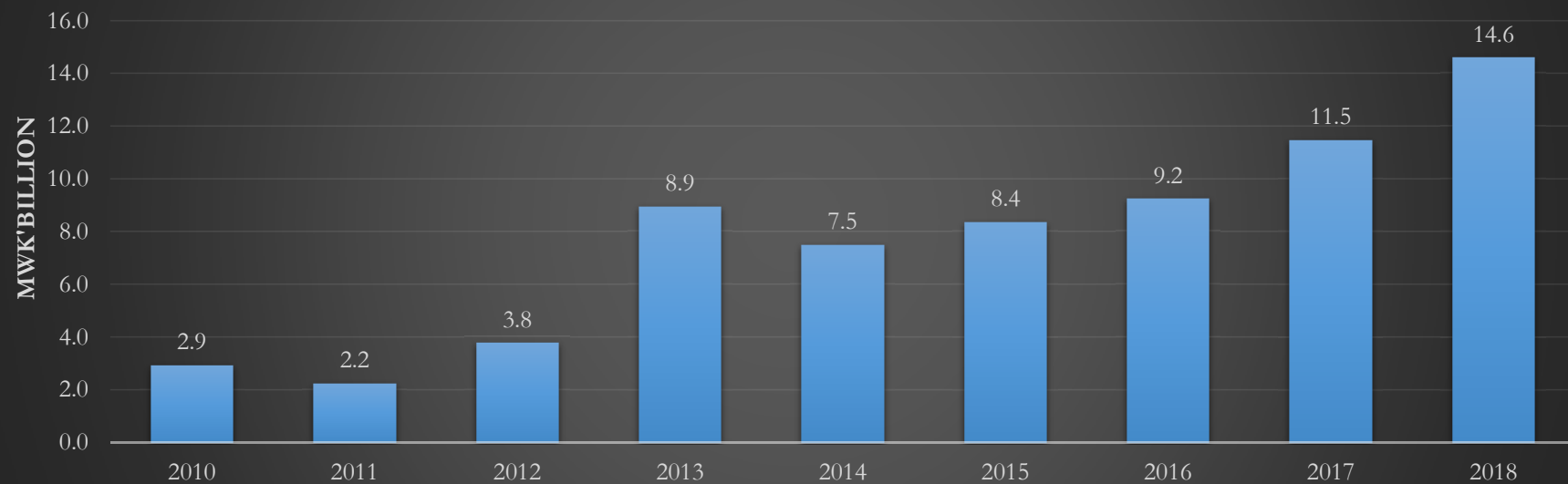
Overview of the Insurance Industry

Gross Premium Written – Life Insurance Business



Overview of the Insurance Industry

Profit for the year – Life Insurance Business



Challenges facing the Insurance Industry



Low capital
and solvency
levels

Poor
corporate
governance

Poor
management
information
systems

Low
financial
literacy
levels

Lack of
innovation

Challenges facing the Insurance Industry



High
management
expenses

High premium
debtors

Inappropriate
pricing
(Undercutting)

Lack of
mortality
tables

Increasing
incidents of
fraud