2026 EXECUTIVE FORUM

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Theme: Building a Resilient Inclusive Insurance Market – Climate Risk, Technology and ESG in Practice

CLIMATE CHANGE AND INSURANCE

Driving Sustainability, Resilience, and Industry Action

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EXECUTIVE SUMMARY

The argument in one paragraph

Climate change is not a future sustainability issue for Zimbabwe's insurance industry. It is a present business issue, and it was already in the sector's numbers two years ago under other names. The industry has proved, at small scale and with its own capital, that climate cover can be written and paid in this market. What is missing is not the machinery but the scale, and the obstacle is not the product but the distribution, the trust and the absence of any connection between the layers of protection that already exist.

1 · The gap is not where we look for it

When the 2023/24 drought arrived, roughly thirty-two million US dollars of insurance money reached Zimbabwe. Almost none of it came from the domestic industry. It came through a sovereign risk pool arranged under the African Union, supported by development finance, and it protected the state so the state could feed people.

That was insurance working, in Zimbabwe, when it mattered. But it did not protect the commercial farmer, the agri-processor, or the small business with no customers because nobody had any money.

The reason is structural rather than a failure of effort. The short-term book is motor, fire and the related traditional classes. On the most recent sector numbers, motor alone is just under half of what the industry writes, and the top five lines are past eighty percent. Those lines protect the assets of an industrialised economy. They were never designed to protect a farmer against the sky.

2 · It was already in your numbers

Most of what a drought does to an insurance business never appears on a claims form. It arrives through four channels, none of them labelled as climate:

Persistency. Drought destroys disposable income. Comprehensive becomes third-party. Third-party becomes nothing. Lapse rates climb, and the management meeting discusses persistency rather than weather.

Premium base. Small businesses in farming districts lose customers rather than crops. Policy counts fall because the economy that generated them contracted.

Credit quality. Where the industry stands behind lending, a failed season arrives eighteen months later as arrears, falling collateral values and weaker recoveries.

Asset values. A drought that pressures output, currency and the fiscus moves the asset side of the balance sheet while it is moving the liability side. That is a correlated exposure, and correlation is the one thing the discipline exists to avoid.

Those same four channels are how the next event will arrive.

3 · What this industry has already proved

In October 2024, close to eighteen hundred smallholder farmers in Goromonzi received a payout on an index-based product following the drought. Each had paid about fifteen US dollars in premium. Each received around sixty-five. The total was roughly two hundred and thirty thousand US dollars.

The product was the Farmer's Basket, a bundled weather-index and area-yield cover, written through the Agro Insurance Pool established under the Insurance Council of Zimbabwe's Special Risks Consortium, with AFC Insurance as lead insurer, arising from a market development initiative led by the Commission with the IFC and others.

It has since scaled in reach. One district became sixty-eight wards across eight provinces the following season, with more than twenty thousand farmers signed up, a higher target this season, livestock added, and a new facility allowing premiums to be paid in grain.

But reach is not cover. Of those twenty thousand sign-ups, the Commissioner has stated publicly that fewer than a thousand paid the premium. Goromonzi covered around four thousand farmers and about eighteen hundred paid. **The programme grew roughly fivefold while the number of farmers actually covered fell.**

This is a proof of concept, not a failure. The mechanism was built, priced and paid in this market. What is missing is not the machinery but everything between building the product and getting somebody to buy it. The distance between a proof and a market is not invention. It is decision.

4 · Who the market actually is

The assumption that the mass market is uninsurable, too poor, too remote, too small a premium to bother with, does not survive contact with the evidence. Some of that market cannot yet be reached. Some can be reached but cannot yet be priced. Neither is permanent, and neither means those households should go unprotected.

The majority of Zimbabwe's economy sits outside the formal financial system on every measure, and that share has been growing. Around seven in ten of the country's farmers are smallholders. The small business segment is formal enough to have assets worth protecting and informal enough that nobody has designed a product for it.

This is a financial inclusion problem before it is a climate problem, and the two are the same conversation.

On gender. Women hold less land title, less access to credit and less access to formal financial products of every kind, and they do a large share of the region's farming on the smallest plots. The people most exposed to climate shocks are the people the industry reaches least. Put commercially: any distribution model that screens on land title, on collateral, or on a formal employment record is not a neutral design choice. It is a decision about who the customer is, and it is one most insurers made by inheritance rather than intent.

An inclusive insurance market is not a charitable one. It is a complete one. And the uninsured majority is not a social problem sitting outside the industry. It is the ceiling on the industry's own business, and the industry built that ceiling itself.

5 · Beyond risk carrier

Insurers have four available roles and generally play only the first.

Risk carrier. Necessary, and in principle the least differentiated thing the industry does.

Risk advisor. The industry holds more data on how things go wrong than almost any institution in the economy, and uses it almost exclusively to price rather than to advise. The client who takes advice and avoids the loss is worth more than the client who has the loss and gets paid.

Investor. Where long-term capital goes shapes what gets built. Most investment mandates now mention climate somewhere, but few if any connect the investment side to the underwriting side. Every investment decision is already a climate decision whether or not it has been written down that way. Financing irrigation, refrigerated storage and resilient capacity builds adaptation into the economy being insured. Financing the alternative builds exposure that returns as a claim, which means insurers can be underwriting risks their own portfolios help create.

Catalyst. A price signal moves behaviour faster than a rule.

The larger opportunity is integration rather than addition. Not a climate committee or a climate lead, but the question being asked inside the existing underwriting meeting, about the existing book.

6 · What Kenya took forty years to learn

Kenya's first agricultural insurance scheme dates from the 1940s and was abandoned in the 1970s. A mobile-delivered index pilot in 2009 restarted the effort. Government programmes followed in 2015 and 2016. In 2023 the National Agricultural Insurance Policy consolidated everything into a single framework now covering forty of forty-seven counties and more than 1.8 million farmers.

Penetration in Kenyan agriculture remains below one percent. It is not a finished success. But it demonstrates three requirements:

— **Every layer connected.** Index cover for speed and indemnity for accuracy, with the catastrophe tail transferred through quota-share treaties, catastrophe bonds and weather derivatives.

— **The state as market-shaper, not market-maker.** Government set the framework, subsidised premiums and redirected several billion shillings a year of relief spending into risk financing. It did not become the insurer.

— **Distribution and data that already existed.** The mobile money network already in the farmer's hand, and satellite indices instead of loss history that was never collected.

That programme reached forty-two percent women, with no gender campaign and no target. Distribute through a phone and price off a satellite, and you stop screening people out through branches, paperwork and collateral. **Reach the market properly and inclusion stops being a target. It becomes a by-product.**

Ghana answers a different question. A mobile operator and an insurer built life cover given free in proportion to airtime already purchased, the operator funding it because it reduced customer churn. It reached a million people. At launch barely five percent of adult Ghanaians held any insurance; that single product more than doubled the size of the market, and over nine in ten of those covered had never held a policy before. Not a better product. A better answer to who already has the customer's trust and the customer's money.

7 · Where the competition moves next

For a century, insurers have competed downstream of the loss. The next generation of African insurers will compete on how effectively they help prevent it.

A loss prevented costs nothing to settle. No handling cost, no assessor, no dispute, no reinsurance recovery, no capital strain. It is the highest-margin outcome available to an insurance business, a logic the industry has applied to fire for a century and never extended to climate.

It is also the one thing a foreign reinsurer cannot do remotely. Capital can be imported. Knowledge of a district, a crop and a customer cannot. And prevention requires warning, which for once exists: the forecast is out, the planting season is months away, and the question is whether the industry does anything differently this time.

8 · Five practical actions

One. Price the correlation. El Niño and La Niña reorganise where rain falls rather than causing drought or flood as such. Zimbabwe's last three seasons run drought, flood, and a forecast pointing back the other way. Drought exposure in one market and flood exposure in another is not diversification. It is one exposure expressed in two directions: not spreading the risk but doubling it, so the portfolio either wins twice or loses twice.

And on data: the sector does not have a data problem so much as a data-use problem. Decades of loss records, claims patterns and exposure information already exist. What is missing is the connection to weather data, satellite indices, yield records and the payment histories held by mobile operators. The gap is connection, not collection, and connection is cheap.

Two. Build the response layer commercially. Parametric moves money in days without an assessor, and the domestic pool has proved it works here. It also carries basis risk, the gap between what the trigger says happened and what actually happened. It pays a trigger, not a loss, which is why it cannot stand alone.

Three. Connect the layers. Protection has to respond fast, settle accurately and rebuild capacity. All three exist in this market. The handoffs do not. Nothing carries a household from a parametric payout into a settled claim, or one season's experience into the next season's cover. The failures live between the layers, not inside them.

Four. Stop building distribution. Plug into it. Zimbabwe has over ten million active mobile money subscribers and just over five hundred ATMs. The cooperatives, buyers and input suppliers that farmers already deal with touch millions of people with a commercial relationship and a payment rail in place. Partnership is the operating model, and the insurer that wins will be the one that assembles the best coalition rather than the one with the best product.

Five. Teach the market. Four thousand farmers covered in Goromonzi with eighteen hundred paying; twenty thousand signed up nationally with fewer than a thousand paying. The product existed, the price was fifteen dollars, the pool was capitalised and the regulator was behind it. The further it reached, the smaller the share who actually bought. That is not a pricing failure or an underwriting failure. It is a market that does not yet know what is being offered to it. Customer education is not marketing. It is market creation, and the industry that teaches this market first will own it.

9 · Why now

A very strong El Niño is forming. Every major forecasting centre agrees, with high probability that it ranks among the largest events since 1950 and near-certainty that it holds into early next year. Zimbabwe's Meteorological Services Department has issued a preliminary warning, noting that El Niño conditions historically carry around a sixty-five percent likelihood of below-normal rainfall.

The definitive national outlook arrives after the regional forum later this month. Decisions about the coming season have to be made before that confirmation lands.

> **That is not a weather problem. That is underwriting.**

The question this leaves

If climate risk is reshaping every sector of the economy we insure, how should it reshape the way we design insurance?

THE FULL ADDRESS

Thirty-Two Million Dollars

Two years ago, Zimbabwe lived through its worst drought in forty years.

More than half the harvest, gone. Maize down more than seventy percent. By the government's own estimate, more than seven million people were at risk of going hungry before the next harvest came in.

And **USD 32 million** of insurance money arrived to help.

Almost none of that **USD 32 million** came from the industry sitting in this room.

It is an honour to be here with you all today.

Now, that opening line is true, but it is **not** the whole truth, and the rest of it is more interesting. I will come back to it later, and when I do, some of you will recognise the story.

I want to spend our time this morning on what I think is the largest commercial opportunity any of us will see in our careers.

I could give you the comfortable version of this talk. That climate change is serious. That we need more data, more dialogue, more disclosure. All of it true. And none of it useful to you next week when you get back to work.

So let me start with the harder claim. Climate change is **not** a future sustainability issue for this industry. It is a **present business issue**. And it was in your numbers two years ago, whether or not anyone called it that.

Which leads to the question I want to leave with you at the end, and pose to you now, so you can be thinking about it while I talk.

> **If climate risk is reshaping every sector of the economy we insure, how should it reshape the way we design insurance?**

Let me say that again, because everything else this morning hangs off it.

> **If climate risk is reshaping every sector of the economy we insure, how should it reshape the way we design insurance?**

The Scale of It, and What Is Coming

Let me set the scale, and then bring it home.

Our entire industry rests on a single assumption. That the past is a reasonable guide to the next twelve months. We rarely say it out loud, but every treaty, every rate, every reserve leans on it.

And climate change is quietly dismantling it.

The weather is becoming less predictable, more extreme and more expensive. And the loss history we price against is becoming a weaker guide to what comes next.

That is not an environmental problem. That is a pricing problem. It sits at the centre of what we do.

Over the past sixty years, Africa has warmed faster than the global average. The UN's weather agency has been blunt about why we are so exposed. A heavy dependence on rain-fed agriculture. Limited financial resources. And limited capacity to adapt.

They put the cost of adaptation in sub-Saharan Africa at tens of billions of dollars per year over the next decade or more. Somewhere around two to three percent of this region's entire economic output. Indefinitely.

That is a permanent, structural, uninsured loss, falling on the households, farmers, and small businesses least able to absorb it.

> **It is not a humanitarian statistic. It is the largest protection gap on earth.**

And Africa did not cause it. This continent barely shows up in the emissions that did. The carbon was put there over two centuries by the industrialised economies of Europe, North America, and more recently Asia.

We did not build the furnace.

But we are standing closest to the fire.

Now bring it home. Three seasons, because the pattern matters more than any one of them.

Two years ago. An El Niño ranked among the most severe on record. Southern Africa received less than a fifth of its typical rainfall. It struck at exactly the wrong moment, the planting season. Crops failed. Livestock died. Six countries declared a state of emergency, and in April 2024 the President declared a state of disaster in Zimbabwe.

This year. The opposite. Heavy rains and flash floods across Zimbabwe in the early months of 2026. Lives lost. Hundreds of thousands of people affected. Hundreds of schools damaged. A bridge washed away.

> **And the season that starts with the first rains in November.**

Every major forecasting centre is now saying the same thing. A very strong El Niño is forming, with a high probability that it ranks among the largest events in the record dating back to 1950, and near-certainty that it will persist into early next year.

Your own weather service has already issued a preliminary warning. Historically, El Niño conditions in Zimbabwe carry roughly a sixty-five percent likelihood of below-normal rainfall.

The definitive national outlook is still a few weeks away.

Let me be precise about what I am and am **not** saying. I am **not** forecasting a drought. I do not forecast weather for a living, and this room does not need someone who does.

But farmers start buying seed and preparing land within weeks. Cover for that season has to be designed, priced and sold before any of it goes in the ground.

> **So you are being asked to make decisions about the coming season before the confirmation arrives. That is not a weather problem. That is underwriting.**

Drought. Then flood. Then, quite possibly, drought again. Inside three seasons.

I am not going to describe your own country's experience back to you. You lived it, and I did not.

What I want to ask is a different question. **What did it do to your business?**

It Was Already in Your Numbers

Because that is the part we discuss least. We talk about climate as a claims event. A flood, a fire, a catastrophe loss. Something that arrives, gets assessed, gets paid.

But most of what a drought does to an insurance business never appears on a single claims form.

It shows up in three places instead. In your loss experience. In your asset values. And in the economic resilience of the market you depend on.

And it reaches all three through four parts of your own book. All four are already sitting in last year's results.

> **Start with your motor book.**

A drought does not damage cars. But it destroys disposable income. Comprehensive cover becomes third-party. Third-party becomes no cover. Lapse rates climb. Debit orders bounce.

None of that arrives labelled as climate risk. It arrives as a persistency problem and is discussed in a management meeting as such.

But it was a drought.

> **Second, your commercial and small business book.**

The small business in a farming district does not have a crop to lose. It has customers. And when those customers have no income, the business has no revenue. A business with no revenue does not renew, does not upgrade, and eventually does not exist.

Your policy count in agricultural districts fell. Not because anyone cancelled after a claim dispute. Because the underlying economy that generated those policies contracted.

> **Third, your credit and collateral exposure.**

Wherever this industry stands behind lending, credit life, credit guarantee, or simply insuring assets financed on credit, a failed agricultural season moves through the system with a lag. Loans go into arrears. Collateral values fall. Recoveries weaken.

That shows up in your numbers eighteen months later, and by then nobody is calling it drought. They are calling it a deterioration in credit quality.

And fourth, your investment portfolio.

We are **long-term** investors, or we are meant to be. We hold government paper, listed equity, property. A drought that takes a chunk out of national output, pressures the currency and squeezes the fiscus does not leave an insurer's balance sheet untouched. It is taking value off your assets at exactly the moment it is adding to your claims.

Which is the definition of a correlated risk. And the one thing our entire discipline is built to avoid.

So when we look at our catastrophe treaty and conclude we are broadly fine, we are looking in the wrong place.

Climate risk did not arrive in this market as a claims event. It arrived as lapse rates, as credit quality, as premium growth, as asset values. It was distributed quietly across every line of the business, and it was never once labelled.

And here is why that matters more today than it did last year. **Those same four channels are how the next one arrives.** Not through your catastrophe programme. Through persistency. Through premium growth. Through credit quality. Through your asset side.

If the season turns, it will show up exactly where it showed up last time. The difference is that this time, the warning came first.

What This Industry Did, and Did Not, Do

Now. I promised you I would come back to that **USD 32 million**.

Where did it come from?

It came because Zimbabwe prepared, years before the drought arrived. One of the first African countries to join the African Risk Capacity. It bought sovereign parametric cover, paid premiums with support from development partners, and did the planning. There was an implementation plan sitting ready before the shock came.

When the drought hit, the trigger fired. **USD 16.8 million** to the Government, **USD 6.1 million** to the World Food Programme, and **USD 8.9 million** to the Start Network. The Finance Minister said at the time it would reach around half a million vulnerable households, across twenty-seven districts.

Let me say plainly what that is. **That is insurance working, in Zimbabwe, when it mattered most.**

Zimbabwe is not the cautionary tale in this story. Zimbabwe is the case study in doing it right.

But that cover was **not** written by this industry. It was arranged through an agency of the African Union, underwritten in a sovereign risk pool, supported by development finance. It protected the state, so the state could feed people.

> **But here is the part of that story that gets told least.**

That was not the only insurance that paid out on that drought.

In October 2024, in Goromonzi, close to **1,800** smallholder farmers received payouts from an index-based product. Each had paid about **USD 15** in premium. Each received around **USD 65**. The total came to roughly **USD 230,000**.

That product was the Farmer's Basket. A bundled weather-index and area-yield product. It was written through the Agro Insurance Pool, established under this Council's own Special Risks Consortium, with AFC Insurance as lead insurer. It came out of a market development initiative driven by the Commission, with the IFC and others alongside.

The Minister of Finance was there to hand them over.

> **So the honest question is not why nothing came from this room. It is why so little did.**

And it has not stood still since. That single district in Goromonzi became **68 wards** the following season, across eight provinces. **20,000** farmers signed up. The target for this season is higher again, with livestock added. And in the last few weeks, a programme has launched letting farmers pay their premiums in grain rather than cash.

That is real, and it is this Council's pool.

> **But here is the number I keep coming back to.**

Of those **20,000** who signed up, fewer than **1,000** paid the premium.

So follow it through with me. Goromonzi covered **4,000** farmers, and about **1,800** paid. The national roll-out reached **20,000**, and fewer than **1,000** paid.

Reach grew fivefold. Uptake did not follow it.

Which is the harder problem, and the one nobody in this business has solved yet. Getting a product to people is not the same as getting people to take it.

And hold that against what it was up against. **1,800** farmers and **USD 230,000**, against a drought in which the government's own estimate put more than seven million people at risk of hunger, and in which the response cost the state billions.

That is **not** a failure. **That is a proof of concept.** The mechanism works. Somebody built it, priced it, and paid it, in this market, under conditions most insurance industries on earth never have to work under.

> **So what is missing is not the machinery. The machinery works. What is missing is everything between building the thing and getting somebody to buy it.**

And be honest about why the scale is missing, because it is not for want of effort.

The Commission's own reports have said the same thing for a decade. Motor and fire are the dominant classes, and it is not close. Motor alone is just under half of everything this industry writes. Add fire, and you are at two-thirds. Add personal accident, farming and engineering, and you are past eighty percent.

There is nothing wrong with those lines. Except this.

> **They protect the assets of an industrialised economy. They were never designed to protect a farmer against the sky.**

So when the worst drought in forty years arrived, the market did exactly what it was designed to do. And there was no drought in the design. One small, deliberate exception paid **1,800** people. Everything else fell straight through a gap where a product should have been.

Which raises the obvious question. **Why is that the book we have?**

Why does an industry sitting on the most climate-exposed continent on earth still write **only** motor, fire, and property?

Built for Somewhere Else

The answer is older and deeper than anyone in this room. It explains a great deal, and it blames no one.

Insurance, as we practise it, was not built for us.

It was built in London, and in Zurich. And then exported to Africa, largely intact. Fire and motor and everything else.

Think about what that inherited product quietly assumes. It assumes four things. And on this continent, all four are wrong.

First, cash. It assumes people have bank accounts, on a continent where most adults reach for a phone, not a bank.

Second, trust. It assumes the insurer will pay, in markets where too few people have ever seen that happen.

Third, speed. It assumes stable, predictable risk, on the most volatile-risk continent on earth.

And fourth, culture. It assumes the individual policyholder, in societies where risk has always been shared.

Four assumptions. Four gaps. None of them small.

And I want to flag the second one, trust, because it is the hardest of the four and I am coming back to it shortly.

So of course the product does not reach the smallholder farmer. It was never designed to. Of course it cannot price a peril with almost no loss history. Of course it cannot settle in a week when the machinery assumes an assessor, a long form to complete, and a process to work through.

> **Our products are not failing. They are doing exactly what they were built to do. They were just built somewhere else.**

So the question is not **how** we fix what we were given. It is what we build instead.

Who Is Actually Exposed

Before I get to **what** we build, be clear about **who** we would be building it for. Because it changes the commercial case entirely.

And I want to start by naming an assumption that sits buried in our industry, rarely said out loud.

That the mass market is uninsurable. Too poor. Too remote. Too small a premium to bother with.

They are **not** uninsurable.

Some we cannot reach. Some we can reach but cannot yet price. **Neither of those means they should go unprotected.** And neither is a permanent condition. They are engineering problems, and this industry solves engineering problems for a living.

Because the scale of what we are leaving alone is not marginal. The majority of this economy sits outside the formal financial system. However you measure it, by employment, by output, or by counting businesses, the formal sector is the minority, and it has been shrinking for years.

I want to be careful how I say that, because it is usually said as a social observation. I do not mean it as a social one. **I mean it as a market one.**

The majority of an economy is not a niche. It is the largest addressable market any of us will encounter in our working lives, and it is currently served by almost nobody.

> **This is a financial inclusion problem before it is a climate problem, and they are the same conversation.**

And it is not only households. The small businesses in this economy, the ones I described losing customers rather than crops, are largely uninsured too. Formal enough to have assets worth protecting. Informal enough that nobody has designed a product for them.

That is a segment. Not a footnote.

And in agriculture specifically, around seven in ten of Zimbabwe's farmers are smallholders. They grow the bulk of what the country eats, on rainfall they cannot predict, with no protection at all.

An inclusive insurance market is not a charitable one. It is a complete one. A market that reaches the whole economy it operates in, rather than the formal fraction of it.

And there is no version of climate resilience for Zimbabwe that does not run through it. You cannot make an economy resilient by protecting the part of it that was already protected.

So why are they not buying?

Affordability is the answer that gets given, and I do not want to be dismissive about it. A premium that looks trivial in this room is a real decision for a household choosing between cover and inputs.

But I think affordability is a symptom more than a cause. Because even where the price is right, people do not buy what they do not understand. They do not buy from an institution they do not trust. And they cannot buy what they cannot reach.

> **Understanding, trust, and access. Price sits underneath all three.**

Which is precisely why paying premiums in grain rather than cash is a more interesting idea than it first appears. It is not a discount. It is a redesign of **when** and **how** the customer pays, built around how the customer actually earns.

And paying in kind is not a new idea. It is older than paying in cash.

> **And the second is the one I flagged earlier. Trust.**

We ask people to hand over money every month, for something invisible, against an event that may never happen, on a promise that an institution will still be there. That is an enormous act of trust, and it is only rational to extend it where the record supports it.

Where savings have been eroded, where long-term promises have not held their value, where people have watched something they were told was secure lose its meaning, **that trust has to be earned back rather than assumed. Which means the first product this industry sells into an informal market is not a policy. It is a track record of paying.**

And that is exactly why those **1,800** payments in Goromonzi were worth more than their face value.

USD 230,000 does not move a national economy. But it is evidence. And evidence is the scarcest input this industry has.

> **And within that market, exposure is not evenly spread.**

Women hold less land title. Less access to credit. Less access to formal financial products of every kind. And across this region they do a large share of the farming, on the smallest plots, with the least protection.

Which leaves us with something uncomfortable. **The people most exposed to climate shocks are the people our industry reaches least.**

Now, I want to be careful here, because there is a version of that point that belongs in a development report rather than a room like this one. So let me put it commercially.

If you are trying to reach the informal economy, and the informal economy is disproportionately women, then any distribution model that screens on land title, on collateral, or on a formal employment record is **not** a neutral design choice. It is a decision about who your customer is.

And it is a decision most of us made by inheritance rather than by intent.

The encouraging part is that this one largely fixes itself when the reach is fixed. I will come back to that, because there is a market on this continent that has proved it.

But here is the half I find more interesting commercially.

> **Insurance is not only a safety net. It is an engine of growth.**

A farmer who knows that one failed season will not ruin her behaves completely differently from one who does not. She does not hoard. She invests. She plants more, buys better inputs, keeps her children in school.

Protection is what converts survival into growth. And growth is what creates the customers, the premiums, and the economy that this entire industry depends on.

Which means the uninsured majority is not a social problem sitting outside our business. **It is the ceiling on our business.**

And we built that ceiling ourselves.

Beyond Risk Carrier

So what do we **actually** do?

The obvious answer is to build climate products. And we should. But the bigger opportunity is not a new line of business at all.

It is integrating climate risk into everything you already do. Underwriting. Risk management. Product development. And investment decisions.

And I mean **integrating**, not adding. Not a climate committee. Not a climate lead. Not a paragraph in the annual report. I mean the question being asked **inside** the existing underwriting meeting, by the existing underwriter, about the existing book.

Because climate risk is not sitting in a separate box waiting for a separate product. It is already inside your motor book, your commercial book, your credit exposure and your investment portfolio.

And once you see it that way, it changes what an insurer is actually for.

> **We have a role here not only as risk carriers, but as risk advisors, as investors, and as catalysts for adaptation.**

Four roles. And I would argue we only really play the first one.

The first is risk carrier. We take the risk, we hold the capital, we pay the claim. It is what our licences describe, and our balance sheets are built for. It is necessary. It is also, in principle, the least differentiated thing we do. In principle, anyone with capital can carry risk.

> **The second is risk advisor. And this is where the real value sits.**

A risk advisor does not wait to be told what happened. It tells a client what will change their risk **before** it happens. Which crop is more drought-tolerant on that soil. Whether drainage, storage or seed selection would change their profile, and therefore their price.

We hold more data about how things go wrong than almost any institution in this economy. **We use it almost exclusively to price, and almost never to advise. The client who takes your advice and does not have the loss is worth more to you than the client who has the loss and gets paid. The third is investor. And this is the one I suspect we think about least.**

Insurers hold long-term capital. Across this industry, and across this continent, that is a serious pool of patient money, and **where** it goes shapes **what** gets built.

Now, many of your investment mandates will mention climate somewhere. Most will have an ESG paragraph, and some of you will have real exclusion screens.

But I would be surprised if a single mandate in this room connects the investment side to the underwriting side. And that is the gap.

> **Every investment decision is already a climate decision, whether anyone has written it down that way or not.**

Financing irrigation, refrigerated storage, resilient housing or renewable capacity builds adaptation into the economy you insure. Financing the alternative builds exposure into it. Exposure that eventually arrives back on your underwriting side as a claim.

Which means we can be underwriting the risks our own investment portfolios help create. Very few insurers have ever looked at both sides of that balance sheet together.

> **And the fourth is catalyst.**

Insurance has a power that regulation often does not. **A price signal moves behaviour faster than a rule does.** When cover becomes cheaper for a resilient building, or a drought-tolerant crop, or a protected supply chain, the market adapts without anyone being compelled.

What Is Already Working Elsewhere

None of this is theoretical. There are African markets further down this road than we are, and the most instructive one is Kenya.

I want to walk you through it, because it is the closest thing we have on this continent to the **layered** system I have been describing. And because its story is not one of overnight success.

It is one of forty years of trying.

Kenya's first attempt goes back to the 1940s. A government scheme, too costly and too inefficient, scrapped in the 1970s. Then nothing much for thirty years.

Then, in 2009, a small pilot called "Kilimo Salama", which means **safe farming** in Swahili, did something different. It used weather stations and mobile phones to sell index-based cover to smallholders. Parametric, delivered down the mobile money network. It worked.

That pilot became a company. The government came in behind it, a livestock programme in 2015, a crop programme in 2016, with premium subsidies to make it affordable.

And then, in 2023, Kenya did the thing almost no African market has done. **It pulled all of it into a single national framework.** What they call the National Agricultural Insurance Policy.

By 2024, that framework covered forty of Kenya's forty-seven counties, and more than one point eight million farmers.

Now, I want to be honest about what Kenya is and is **not**, because this room deserves the real version.

It is not a finished success. Insurance penetration in Kenyan agriculture is still below one percent, it leaned heavily on subsidies, and it still struggles with fragmented data and a regulatory category that does not quite fit.

But it proves the thing can be built. And it proves what it takes.

Three things. And they are the three I have been putting to you this morning.

First, every layer, connected. Kenya did not pick parametric or indemnity. It runs both, index-based cover for speed and indemnity for accuracy, and it transfers the catastrophe tail to reinsurers through quota-share treaties, catastrophe bonds and weather derivatives.

Second, the state as a market-shaper, not a market-maker. The government did not become the insurer. It set the framework, subsidised the premium, and took money it had historically spent on disaster relief, several billion shillings a year, and redirected it into risk financing instead.

The World Bank, IFAD and the European Union came in behind it. **No single party built it. It was a coalition**, assembled deliberately, and led from the front by the state.

And third, distribution and data that already existed. Kilimo Salama did not build a branch network. It went down the mobile money network that was already in every farmer's hand, and it priced off satellite indices and automated weather stations, not loss history it did not have.

And now the thing I said I would come back to.

That programme reached forty-two percent women.

Not because anyone ran a gender campaign. Nobody set a target. Nobody wrote a policy.

It happened because when you distribute down a mobile money network and price off a satellite, you stop screening people out through branches, paperwork, and collateral they were never going to have.

> **Reach the market properly, and inclusion stops being a target. It becomes a by-product.**

And one example from further west, because it answers a different question.

In Ghana, a mobile operator and an insurer built something together. Life cover, given free to customers in proportion to how much airtime they were already buying. The operator paid for it, because it stopped customers leaving. The insurer reached a million people it could never have found on its own.

When that product launched, barely five percent of adult Ghanaians held any insurance at all. **That single product more than doubled the size of the insurance market. And more than nine in ten of the people it covered had never held a policy before. That is not a better product. It is a better answer to the question of who already has the customer's trust, and the customer's money.**

Kenya and Ghana are not the only ones. There are others on this continent building in the same direction.

But hold Kenya in mind, because of what its forty-year story tells us.

The product was never the hard part. The hard part was distribution, trust, and connecting the fast money to the accurate money. Kenya did not solve those with a better policy document. It solved them with a coalition, a phone, and a state willing to shape the market.

Prevention

Which brings me to the sharpest thing I want to leave with you.

For a century, insurers have competed on one axis. How reliably do you pay. How fast do you settle. How fairly do you treat a claim. Everything we measure sits downstream of the loss.

> **I think the next generation of African insurers will compete somewhere else entirely. On how effectively they help prevent the loss before it happens.**

And I want to make the commercial case for that, not the moral one.

> **A loss prevented costs nothing to settle.**

No claims handling cost. No assessor. No dispute. No reputational damage. No reinsurance recovery to negotiate. No capital strain. It is, without exception, the highest-margin outcome available to an insurance business.

We have known this for a century in fire. It is why sprinklers earn a discount, and why we send engineers to inspect factories. **We simply never extended the logic to climate.**

Extend it and the picture changes. If a farmer's cover is cheaper because she plants a drought-tolerant variety, you have not lost premium. You have removed a loss.

If a business qualifies for better terms because it holds three months of water storage, you have not given away margin. You have prevented a claim, kept a customer solvent, and kept a premium on your book for another decade.

> **And here is why I am raising it now rather than in the abstract.**

Prevention requires warning. And for once, you have some. Not certainty. Warning. Months, not days.

And to be fair, there was warning in 2023 as well. What was missing was anybody doing anything differently because of it.

> **So the question is whether this industry does anything differently this time. And prevention is the one thing a foreign reinsurer cannot do from Europe.**

They **can** price African risk. They **can** carry it. They **cannot** walk a farm, understand a district, or advise a client in a language and a context they do not know.

Which makes prevention the **natural** competitive advantage of the African insurer. The one part of this business that cannot be done from somewhere else.

From Discussion to Action

So let me be practical, because none of this is worth much as a diagnosis. Five things you could actually do.

One. Price the correlation.

I said earlier that a drought takes value off your assets at the same moment it is adding to your claims. Here is the other half of that.

El Niño and La Niña are two phases of one oscillation. **What they do is reorganise where the rain falls.**

You do not have to look at another market to see it. Look at Zimbabwe's own last three seasons. A drought that destroyed most of a harvest. Then floods that killed people and damaged hundreds of schools. Now a forecast pointing back the other way.

> **Same country. Same underlying driver. Opposite perils.**

If you hold drought exposure in one market and flood exposure in another, and you believe you are diversified, you are **not**. You have one exposure, expressed in two directions.

Which means you are not spreading the risk. You are doubling it. **You either win twice, or you lose twice.**

So a question for whoever prices your treaties. When they were last priced, was that correlation actually in the model? Or did it just look like two separate risks in two separate places?

And a word on data, because it gets talked about most and used least.

We do **not** have a data problem in the way we usually say we do. **We have a data-use problem.**

This industry already holds decades of loss records, claims patterns and exposure information. What it does not do is join that to weather data, to satellite indices, to yield records, or to the payment histories sitting with the mobile operators.

The gap is not collection. **It is connection.** And connection is cheap compared with everything else on this list.

Two. Build the response layer commercially.

Parametric cover does not pay your loss. It pays when a defined trigger is breached. Rainfall below a threshold. A satellite index crossing a line. No assessor. No claim form. The trigger fires and the money moves.

And you do not have to take my word that it functions in your market. Your own pool proved it. Goromonzi was a trigger firing on an index, in this market, on this peril, and the money reached farmers.

But be honest about its weakness, because this room would see through anything else. Parametric carries basis risk. Basis risk is the gap between what the trigger says happened and what actually happened. The satellite says it rained. Your field says otherwise.

> **Parametric pays a trigger, not a loss. Which is precisely why it cannot stand alone.**

Three. Connect the layers.

I mentioned Kenya running everything in one system. Here is what that actually means.

Climate protection has to do three genuinely different jobs. **Respond** fast, **before** the worst happens. **Settle** accurately, so the person who bore the loss is made whole. And **rebuild** capacity, so there is cover available next season and the season after.

In this market, all three exist somewhere. Parametric exists, and you built it. Indemnity exists. Reinsurance exists.

> **What does not exist is the handoff between them.**

Take those Goromonzi farmers. **USD 65** arrived, quickly, and it mattered. It bought seed for the next season. But it was never going to make anyone whole, and nothing carried them from that payment into cover that would. Nothing even carried them into next season's policy.

Nothing carries a household from a parametric payout into a settled claim. Nothing feeds one season's experience into next season's cover.

> **The failures do not live inside any one layer. They live in the spaces and gaps between them.**

Four. Stop trying to build distribution. Plug into it.

The infrastructure to reach the informal economy already exists. It simply is **not** ours.

> **Africa skipped a generation of financial infrastructure. Most of this continent never got a bank branch. It went straight to the mobile phone.**

And Zimbabwe is one of the clearest examples anywhere. On the Reserve Bank's own payment figures, the country has over ten million active mobile money subscribers, and just over five hundred ATMs.

> **Ten million phones. Five hundred machines.**

And the cooperatives, buyers and input suppliers that farmers already deal with touch millions of people, with a commercial relationship and a payment rail already in place.

The distribution belongs to the telcos and the buyers. The data increasingly sits with the satellite providers and the agritech firms. The concessional capital that makes early premiums affordable sits with development finance. The enabling framework sits with the regulator, and there is now a sandbox, created specifically to give new ideas somewhere to be tested. And the risk pooling that makes a thin market viable sits, quite **naturally**, with a body like this Council. As it already does.

> **The insurer that wins in this market will not be the one with the best product. It will be the one that assembles the best coalition.**

A parametric crop cover, sold at the moment a farmer buys seed, priced off satellite data, triggered automatically, paid into a mobile wallet, with the premium settled in grain at harvest.

> **Every component of that is working today. And most of them are working in Zimbabwe.**

Satellite indices. Remote sensing. And increasingly, artificial intelligence to price perils where we have almost no loss history.

> **None of this is science fiction. It has simply not been assembled, at scale, in Zimbabwe.**

And five. Teach the market.

This is the one we skip. And I think it is the one that decides whether any of the rest works.

And you already have the sharpest evidence for it. I gave it to you earlier.

4,000 farmers covered in Goromonzi, **1,800** paying. **20,000** signed up nationally, fewer than **1,000** paying.

The product existed. The price was **USD 15**. The pool was capitalised. The regulator was behind it. And the further it reached, the smaller the share of people who actually bought it.

That is **not** a pricing failure. That is **not** an underwriting failure. **That is a market that does not yet know what is being offered to it.**

In many of the markets we are trying to reach, insurance is not **distrusted** so much as **unrecognised**. The idea of paying money every month, in exchange for nothing visible, against something that might not happen, is genuinely strange if you have never seen it work.

> **And a product nobody understands does not get bought, however elegantly it is priced.**

Customer education is not marketing. **It is market creation.** Every insurer that has scaled in an informal economy has had to teach before it could sell. Through cooperatives, through community structures, through people the customer already trusts.

> **If the majority of this economy is informal, then the industry that teaches it first will own it.**

The Question This Leaves

Let me close.

Africa did **not** cause this crisis. We are warming faster than the rest of the world, for emissions we did not produce, and paying a permanent share of our output to adapt. The tools we were handed were designed by the economies that caused it, for conditions that look nothing like ours.

But I do not want to leave you with grievance, because **grievance is not a strategy**.

We spend a great deal of our time on the E in ESG. The carbon. The disclosure. The reporting.

But in this region, **the E is only the cause. The S is the point.**

The damage here is social. It is measured in children out of school, in a household that insured its car but could not insure its livelihood, in a woman farming three hectares with no protection at all.

And the G, governance, is simply whether we do this properly. Which is the work of aligning regulation to a risk that is changing faster than our frameworks are. That work is under way in this market, and this room sits closer to its regulator on it than most industries anywhere.

And before I finish, let me say something plainly, because I have spent this whole session on a problem.

This is a good time to be an African insurer. Not an easy one. A good one.

The tools exist that did not exist ten years ago. The distribution exists. The regulator is building the room to experiment in. And a market that nobody could reach is reachable for the first time in the history of this business.

> **Most industries never get a moment like that.**

So let me leave you with the **opportunity** rather than the grievance.

The majority of this economy is outside the formal insurance system. The largest protection gap on earth sits on this continent. The technology to reach it already exists.

And the mechanism has been proven. In Zimbabwe. By this industry. Two years ago. 1,800 farmers is **not** a market. But it is a **proof**. **And the distance between a proof and a market is not invention. It is decision.**

There is a planting season coming that none of us can predict, and all of us can prepare for.

I opened with a question, and I want to end on it.

> **If climate risk is reshaping every sector of the economy we insure, how should it reshape the way we design insurance?**

I do not think anyone is coming to answer that **for us**. The institutions that would have to, the ones that understand this market, that know what a Zimbabwean farmer actually needs, that can price an African peril honestly, and reach a woman on a smallholding with a product that finally fits,

> **They are sitting in this room.**

SOURCES

Figures are drawn from published material by the Insurance and Pensions Commission, the Insurance Council of Zimbabwe, the Reserve Bank of Zimbabwe, the African Risk Capacity Group, the Zimbabwe National Statistics Agency, the Meteorological Services Department of Zimbabwe, the United States National Oceanic and Atmospheric Administration, and the UNDP Insurance and Risk Finance Facility.

Short-term class-mix proportions are taken from industry analysis of IPEC's sector reporting rather than from the reports directly.

Figures are as published at August 2026 and may since have moved.

ABOUT THIS DOCUMENT

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