**Integrated Project Problem Statement**

Insurance Industry in Africa

* Africa is home to 17% of the world's population.
* In 2017 it was estimated that the total value of insurance premiums was 45 billion U.S.
* The insurance industry in Africa only represents >1% of insured catastrophe losses worldwide.

Observations

Let’s look into the market to understand what the problems are, so that we can define a problem statement and come up with a viable tool that can bring value to the industry.

1. Affordability

* $25 dollar a day -> That a simple cheese burger in McDonalds
* 10 times Lower than other countries
* South Africa has the highest average salary $2088 ($70 / day)

1. Insurance Knowledge

* Why should I spend my money now for a risk that might not happen?
* Who can I target and where?

1. Target Marketing

* Africa has an unemployment rate of 30%.
* Less than 50% of the available market are below the
* Which client pool can be optimised

**PROBLEM STATEMENT**

In the African insurance industry, the key challenges revolve around low affordability, limited insurance knowledge, and difficulties in identifying an optimal target market. With an average daily income significantly lower than other regions and a high unemployment rate, potential clients may find it hard to justify spending on insurance for potential risks. Additionally, a lack of awareness and understanding of insurance further hinders market penetration. The task is to develop a solution that addresses these issues, making insurance more affordable, enhancing knowledge about its importance, and identifying and optimizing the target market to maximize the industry's reach and impact in Africa.

**The potential options or solutions using the Logic Tree method**

1. Affordability

Option 1: Introduce Micro-Insurance Plans

* Collaborate with local businesses to offer bundled insurance with everyday products.
* Implement flexible premium payment options tailored to daily income.

Option 2: Government Subsidies

* Advocate for government-backed subsidies to make insurance more affordable for the lower-income population.
* Collaborate with international organizations to secure funding for subsidized insurance programs.

Option 3: Income-based Premiums

* Develop a tiered premium system based on income levels to ensure affordability for a broader range of customers.
* Offer discounts or incentives for prompt premium payments.

1. Insurance Knowledge

Option 1: Educational Campaigns

* Launch awareness campaigns through various media channels to educate the public about the importance and benefits of insurance.
* Collaborate with schools and community centres to integrate insurance education into curricula.

Option 2: Mobile Apps for Education

* Develop a user-friendly mobile app to provide information on insurance, risks, and benefits.
* Gamify the learning process to make it more engaging for the target audience.

Option 3: Partnerships with Local Influencers

* Collaborate with popular local influencers to create content promoting insurance awareness.
* Sponsor community events and workshops focused on insurance education.

1. Target Market Optimization:

Option 1: Data Analytics for Market Segmentation

* Utilize data analytics to identify and categorize potential customers based on risk profiles and needs.
* Develop targeted marketing strategies for different segments.

Option 2: Inclusive Product Development

* Create insurance products tailored to the specific needs of different market segments.
* Conduct surveys and focus groups to understand the unique requirements of diverse customer groups.

Option 3: Collaborative Platforms

* Partner with existing financial institutions, NGOs, and community organizations to extend the reach of insurance products.
* Establish collaborative platforms for sharing resources and knowledge within the industry.