# Project Introduction

The insurance industry in Africa is currently underdeveloped, representing just over 1% of insured catastrophe losses worldwide. This project aims to address the key challenges in this sector and develop a tool that can bring significant value to the industry.

The main issues identified are:

* Affordability
* Lack of insurance knowledge
* Need for effective target marketing.

# Problem Statement

* 1. **Explain**: The insurance industry in Africa is facing a unique set of challenges. Despite the potential for growth, the market penetration is low due to factors such as low average income, high unemployment rate, and lack of understanding about the benefits of insurance.
  2. **Gather**: We aim to collect and analyze data on various aspects such as income levels, unemployment rates, market demographics, and insurance literacy levels across different regions in Africa. This will help us understand the current state of the insurance industry and the specific needs of the potential customers.
  3. **Analyse**: Using the gathered data, we will identify patterns and trends that can help us understand the root causes of the low market penetration. We will also identify potential target markets that can be optimized.
  4. **Deploy**: Based on our analysis, we will develop a tool that addresses the identified issues. This tool will include features like educational resources to improve insurance knowledge, affordability analysis to help customers understand the value, and advanced analytics for effective target marketing.

The problem statement for this project is: “How can we develop a cost-effective insurance product that is easily understandable and caters to the specific needs of the target market in Africa, considering the unique challenges such as affordability, lack of insurance knowledge, and the need for effective target marketing?”

This project will follow the EGAD methodology to ensure a systematic approach to problem-solving, from understanding the problem to deploying a solution. We believe that this approach will enable us to bring significant value to the insurance industry in Africa.

# Project Landscape

**3.1. Project Overview**

* **Industry**: Insurance in Africa
* **Project Name**: Insurance Industry Development in Africa
* **Problem Statement**: Developing a cost-effective insurance product that is easily understandable and caters to the specific needs of the target market in Africa.
* **Goal**:
  + Develop a tool to address challenges in the sector
  + Improve insurance knowledge and understanding among potential customers.
  + Develop an affordable insurance product tailored to the needs of the target market.
  + Identify effective marketing strategies to reach the target market.
* **Challenges**:
  + Affordability of insurance policies
  + Lack of knowledge about insurance among potential customers
  + Need for effective target marketing

**3.2. Data Available**

* **Dataset**: Insurance claims
* **Key Columns**:
  + policy\_bind\_date: Date when the policy comes into effect
  + policy\_csl: Maximum amount an insurer will pay out for a single incident (Combined Single Limits)
  + policy\_annual\_premium: Total amount paid for the policy in a year
  + umbrella\_limit: Additional insurance coverage over the regular policy
  + auto\_make and auto\_model: Information about the vehicle insured
  + insured\_education\_level: Education level of the insured
  + policy\_deductable: Amount paid out of pocket before an insurance provider will pay any expenses
  + insured\_occupation: Occupation of the insured
  + fraud\_reported: Whether a claim was fraudulent or not

**3.3. Knowledge**

* **Team’s Understanding**: Identified main issues in the African insurance sector and potential impact of addressing these issues
* **Data Analysis Models**: Team has knowledge of data analysis models that can be used to solve these problems
* **Interpretation and Decision Making**: Team’s knowledge can help in interpreting the results of the analysis and making informed decisions based on these results

**3.4. Success Metrics**

* Clear metrics to measure the success of the project (e.g., number of users reached, increase in insurance literacy, customer satisfaction, etc.)

**3.5. Tools required**

* Github
* Skyvia
* Trello
* Python using Jupyter notebook
* Excel
* Word document
* Power BI

# Insights/ Findings