

The uptrend observed these past years should be confirmed in the coming years. Between 2009 and 2010, the turnover was expected to register a 7% increase according to an analysis of the Association of Insurance Companies of Cameroon (ASAC).

Six months after the first Cameroonian Insurance Days whose primary objectives include popularizing this profession to the general public, the insurance sector is undergoing changes. Following the difficult situation arising from the international financial crisis, there are signs of revival which need to be confirmed and consolidated. In all likelihood, the restructuring conducted under the aegis of the Inter-African Commission on Insurance Markets (CIMA) in the 1990s helped to prepare the ground, and led to the current dynamism and the gradual restoration of confidence due to the increasingly manifest reliability of insurance companies.

In other words, the reform instituting the CIMA Treaty has proven to be an effective way to get rid of insurance companies which did not provide the necessary guarantees of security, solvency and credibility and replaced them with companies that are better structured and capable of fulfilling the contract terms with respect to injuries and the payment of claims.

A changing sector

The institution of a rather restrictive code of conduct for promoters of insurance companies encouraged the reorganization of the sector. Thus, the Association of insurance companies of Cameroon (ASAC) urged each company to have a minimum guarantee fund of one billion CFA franc to be able to carry out its activities.

Actually, the Cameroonian insurance market comprises twenty-five companies, including eighteen for the injuries branch and seven for the life branch. The observation made by the ASAC General Assembly, held in Douala on 29 April 2011, shows a fast changing sector, with a growing turnover, even though in general terms, « the turnover is still short of Cameroon's possibilities, since the number of policyholders is generally low ».

In accordance with a tradition among insurers, the figures of the financial year are published two years later, and this is said to be « due to a certain number of facts to be incorporated concerning both the recovery and settlement of claims ».

While we await the publication of new figures expected in the next three months, the latest figures communicated by ASAC show an increase in production from 113 billion in 2008 to 117 billion CFA francs in 2009, i.e. a 4% increase. This trend is expected to consolidate in the coming years, as we move towards the final closing of the books. For 2010, the turnover is estimated at 126 billion CFA francs, which corresponds to an increase of 7% compared to the preceding year. Out of the 117 billion CFA francs generated in 2009, the breakdown per branch places the claims insurance way ahead with 75% of market shares against 25% for the life insurance branch.

Improving the image

According current statistics, the insurance sector is rather promising even though millions of Cameroonians have no insurance cover. ASAC intends to conquer this clientele through a certain number of initiatives, ranging from the diversification of products to the simplification of procedures and the sensitization of the public.

The ongoing projects include the start-up of the pool of co-insurance for risks associated with the public transportation of travellers, the reactivation of the national arbitration commission, instituting a new health policy and signing the inter-company agreement on unpaid premiums. Greater communication generally improved the public image of insurance, especially since the restructuring exercise promoted the credibility of insurance companies, including in the reinsurance sector where local companies were often less efficient. Users generally believe that the process which led to the payment of claims is rather long and « obscure », while the payments are « generally reduced » in relation to the type of loss, the users say.

The development of the insurance sector in Cameroon is identical to the general situation of the insurance market in Africa, where the activity recently registered a 6% increase, and which is summarized as follows by Protais Ayangma Amang, President of the Federation of insurance companies under African national law (FANAF) : « The insurance sector which survived a serious confidence and growth crisis in the 1990s, is offering a brighter and more reassuring face since the 1992 reform instituting the CIMA Treaty and its annexes, including the insurance code. While the sector has registered a rapid growth of its turnover and a continuing improvement of its fundamentals (solvency, covering regulated commitments and level of equity capital), there is need for us to improve our claim settlement policy, as well as the quality of our services and our communication policy. »