Insurance

A SECTOR AS YET UNTOUCHED, WAITING TO BOOM

Only three companies share a market that racks up an overall turnover of 7 billion FCFA – which could be twice that amount if insurance premiums stayed inside the country and Equatoguineans obeyed the law.

The Equatoguinean insurance market is practically untouched – a situation far from comparable to that of its neighbors in the sub-region, such as Congo, Gabon and Cameroon, with between ten to more than twenty companies. Indeed, the insurance market in these countries, which is considerably more organized and structured, has already attracted several insurance and brokerage firms. But in Equatorial Guinea, all professionals are unanimous in recognizing that "*the market is still being structured.*" And at a rather leisurely pace. Nowadays, however the country is one big construction site brimming with investment, where small and medium-sized business, as well as small and medium-sized industry, along with large Western, Asian, Russian and South African groups active chiefly in the oil, gas and construction and public works sectors, must shield themselves against risk.

Three companies share the market, chiefly in the area of IARDT, but Saar and l'Africaine des assurances are overshadowed by the presence of Egico, the pioneer and leader in this sector with an 80% market share.

At present, only three insurance companies are established in Equatorial Guinea. The leader is the Cameroonian firm Egico, a subsidiary of Société africaine d'assurance et de réassurance (Saar), followed by another Cameroonian company, a subsidairy of Chanas, and finally, the subsidiary of a company from Benin, l'Africaine des assurances.

These three companies share the market, chiefly in the area of Fire, Accident, Miscellaneous Risks and Transport (IARDT – Incendie, Accident, Risques Divers et Transport) but Chanas and l'Africaine des assurances are overshadowed by the overwhelming presence of Egico, the pioneer and leader in this sector with an 80% market share, and a diversified portfolio of products in automobile, ground and maritime transport or construction risks, but also in health insurance, notably medical evacuations. The remaining 20% of the market is evenly divided between Chanas and l'Africaine des assurances. The three companies have a total turnover estimated at 7 billion FCFA, i.e. about 10.7 million euros. In the particular case of Chanas, the company is cultivating regional ambitions, and makes no secret of its need for expansion, which has, moreover, taken concrete form with the 2003 opening in Equatorial Guinea of a branch office in Bata and company headquarters in Malabo, posting a capital of 1 billion FCFA. The question of subsidiary opening in other CEMAC countries is under conderation. "*We expect to bring our values and know-how to other markets in the CIMA (Inter-African Conference for the Insurance Market), and later on, well beyond that, if God and men grant us life (...)*" observes Jacqueline Casalegno philosophically, the CEO of the Chanas Assurances SA group (see MA Cameroun, March 2011).

Yet, even more than elsewhere, the sector's professionals complain of the lack of a culture of insurance. When it comes to automobile risk, only companies and expatriates behave as they are supposed to. And the lack of insurance seems to be commonplace even for the major construction sites, notably in the construction and public works sector ('BTP'), where one is very much exposed to bodily injury or faulty construction. Or worse, companies take out insurance policies outside Guinea, particularly in Europe, which constitutes a shortfall both for the government as well as the sector, since insurance premiums in Equatorial Guinea, as is widely explained, are known to be less expensive. Yet, the Guinean market, which is new and even considered virtually untouched, would appear to be risky in the eyes of the large western groups. It should show its potential, grow up, develop and attract the interest of other big names in the insurance business, and then, perhaps, habits will change.

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