



ACTUARIAL SOCIETY
OF SOUTH AFRICA

Advancing Actuarial Excellence

The Role of Actuaries in Providing Health Insurance in Africa: Lessons learnt from providing healthcare insurance for over a decade in Africa

31 July 2025



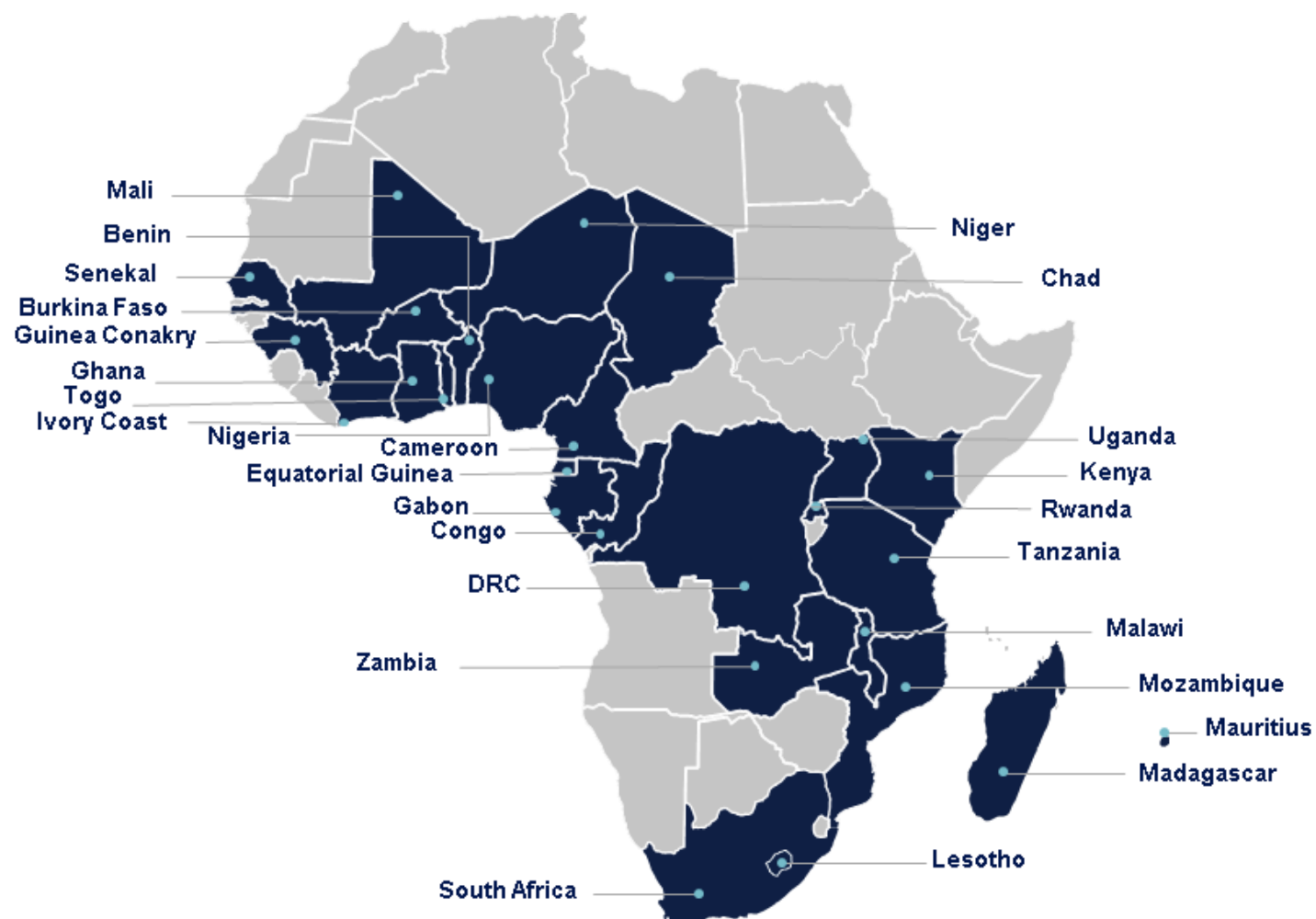
Agenda

- Context setting – Katy Caldis
 - Background
 - Private healthcare access in Africa
 - Actuarial and business considerations – Graham Thomas
 - Private Healthcare and partnerships
 - Role of the actuary
 - Pricing considerations
 - Healthcare costs and trends – Thandi Mcizana
 - Any questions?
-

Background



Africa is our home

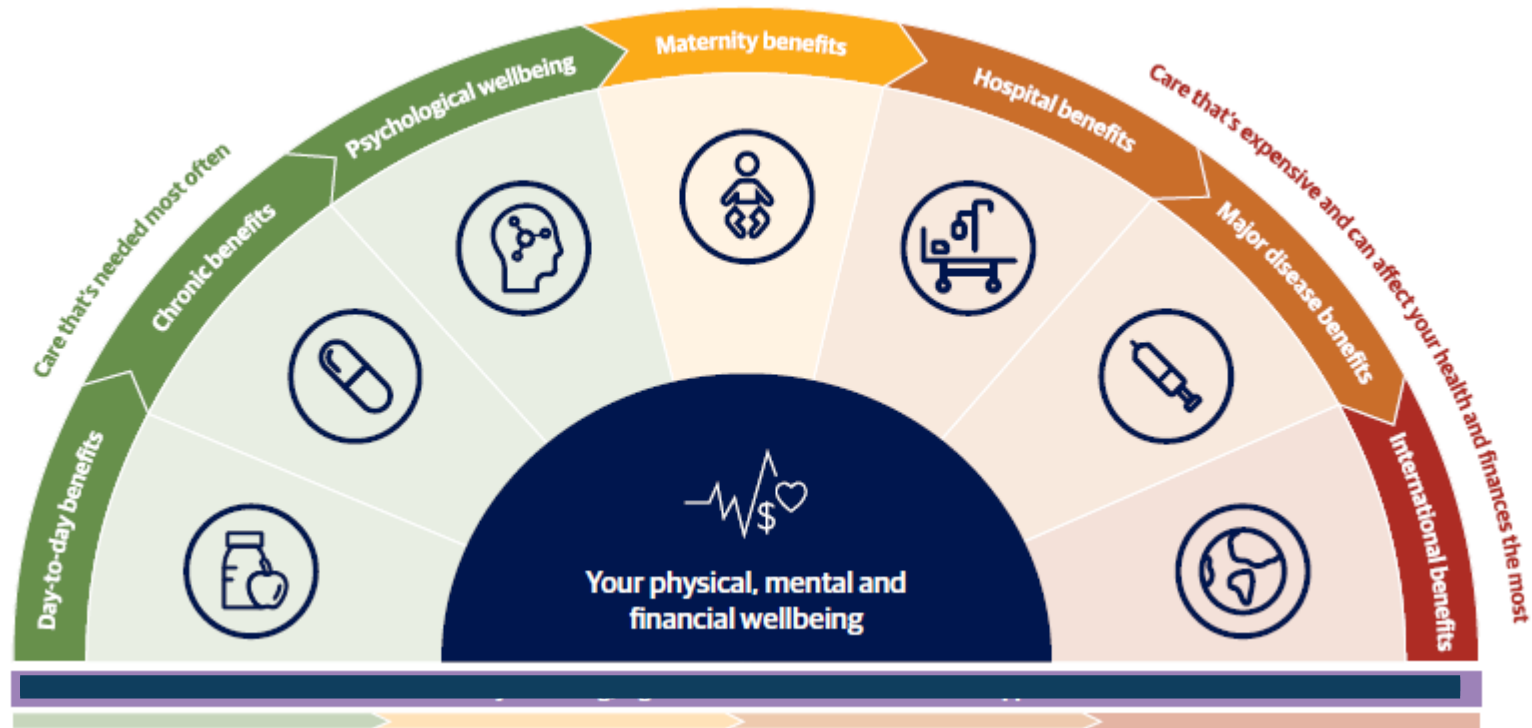


Health solution



Based on years of experience, local knowledge and clinical data in Africa:

- Understanding client need
- Annual product design process, quarterly pricing
- Standard solution, with some variation between regions



International benefits



Emergency medical evacuations

- Medical emergency/immediately life-threatening



Critical care

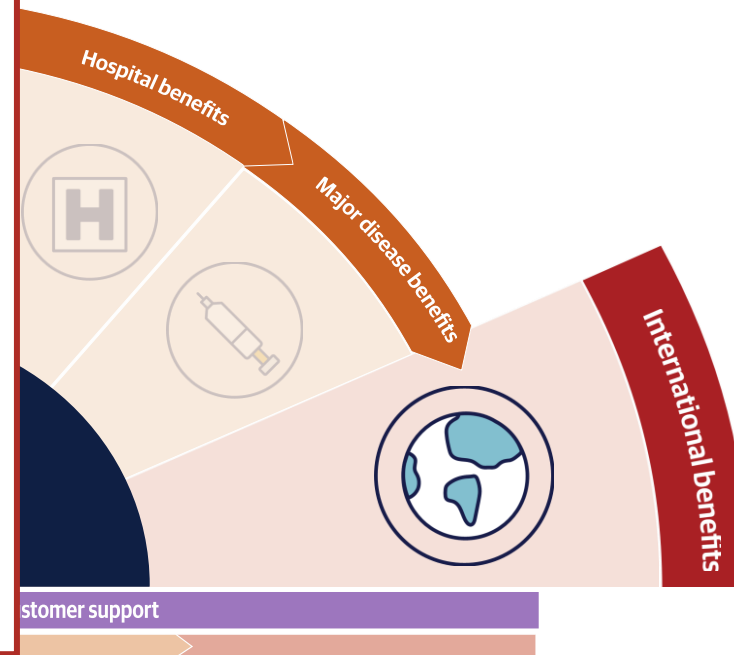
- Medically necessary/life-threatening, non-emergency
- Treatment not locally available

Elective roaming

- Opt for treatment outside country of residence within region of cover

Other considerations:

- Travel and accommodation
- Assistance with travel documents
- Communication with treating doctors/specialists
- Repatriation of mortal remains





Africa Healthcare Ecosystem

Healthcare resources differ widely between countries and also within countries.

- Need to carefully consider availability of specialised services
- Integration of public and private facilities
- Better integration of primary and tertiary care than SA (difficult to separate)
- Match provider networks to client need and footprint.

No standardized coding or pricing systems

- Every contract is individually negotiated
- Management to contract has taken years to enforce
- Expanding e-claiming and better data collection

Medicine pricing and availability

Long term view of building healthcare resource capacity on the continent



Actuarial and business considerations



ACTUARIAL SOCIETY
OF SOUTH AFRICA

Advancing Actuarial Excellence

Educate • Develop • Uphold

Private Healthcare and partners



Collaboration is key!

Active broker involvement adding to complexity.

- Need for a global broker management strategy.
- Hold relationship with client.

Provider network management is important.

- Need to negotiate separately with providers.
 - No standard tariff codes.
- Can be a selling point!
- Push for electronic claiming.
 - However, take up slow.
- Fraud management and investigation important.
- Require multidisciplinary team.

Reinsurance partnership crucial.

- Financial and information assistance.
- Regulations requirements and coinsurance.
- Playing as a reinsurer in the market can assist with licensing issues.



Government and regulations in Africa private health insurance space

Government plays an important role in our work:

- Legislation of the insurance space
- Compulsory partnerships with local players
 - Trend towards local protection over time.
- Quality of public healthcare system and existence of National health insurance schemes
- Impact on global funders and organisations

Regulation and regulators vary by country

- Determine product development process/ cycle
 - Regulations and legislation can change unexpectedly
 - VAT in Mozambique
 - Withholding taxes in Zambia
-



Role of the Actuary

- Provision of new business and renewal premiums
 - Pricing model updates and setup.
 - Participation in new business tenders
 - Renewal negotiations
 - Benefit design and market comparisons
 - Technical marketing and training
 - Bespoke benefit designing and pricing
 - Profit sharing arrangements
 - Regulatory approval
 - Financial reporting:
 - IBNR calculations
 - IFRS17 reporting requirements
 - Budgets and forecast exercises
 - Capital calculations
 - Risk management:
 - Ex-gratia decisions and monitoring
 - Concession management
 - Underwriting rules and exceptions
 - Discount requests
-

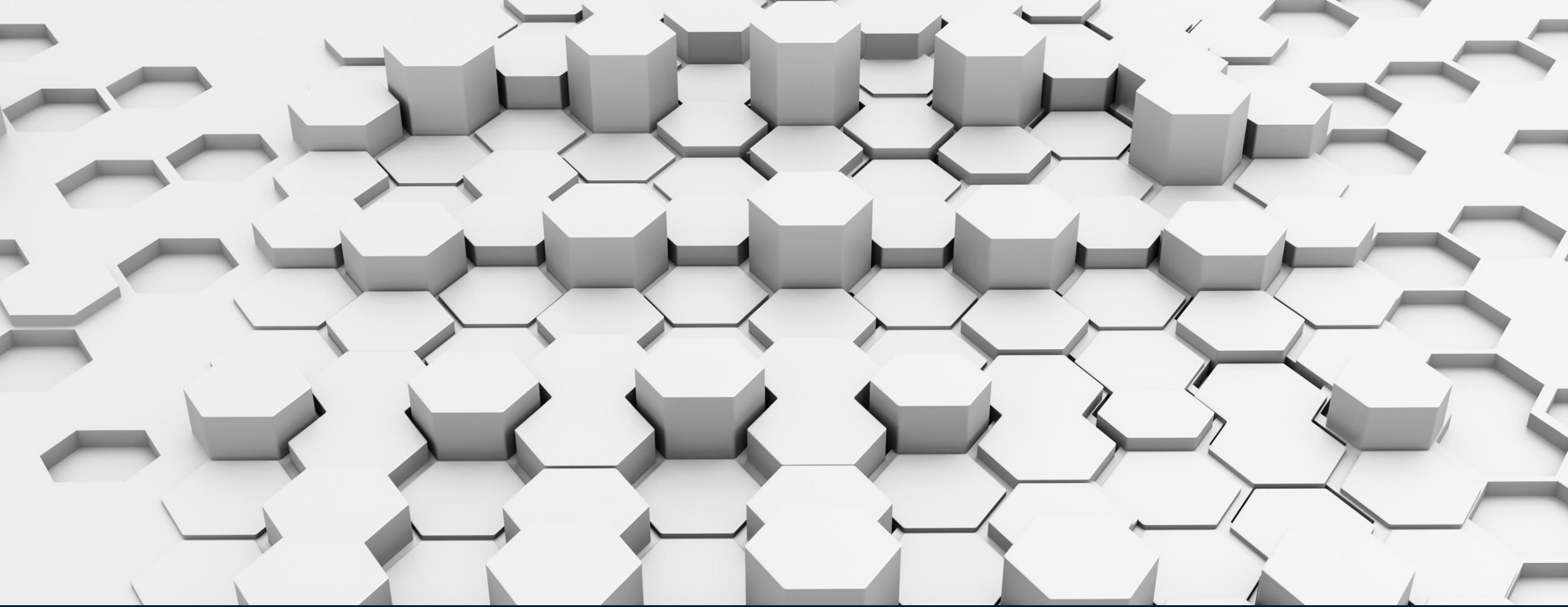
Other factors impacting healthcare cost and increase



Besides exchange rate movements and inflation

- Benefit design and limits
 - Benefit enhancements
 - Change in benefit limits
- Provider negotiations
- Aging underlying population
- Increase in prevalence of chronic conditions
- Advancements in healthcare technologies
- Regulation changes





Healthcare cost and trends



ACTUARIAL SOCIETY
OF SOUTH AFRICA

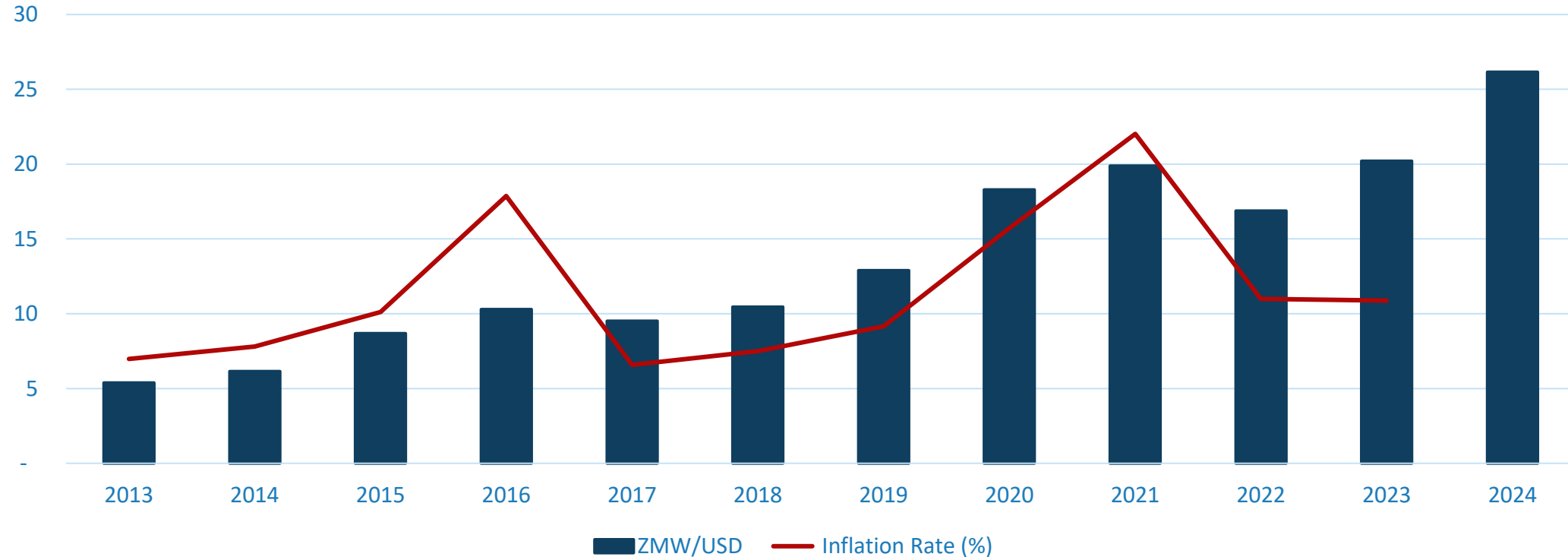
Advancing Actuarial Excellence

Educate • Develop • Uphold

Health cost increase follows the exchange rate closely



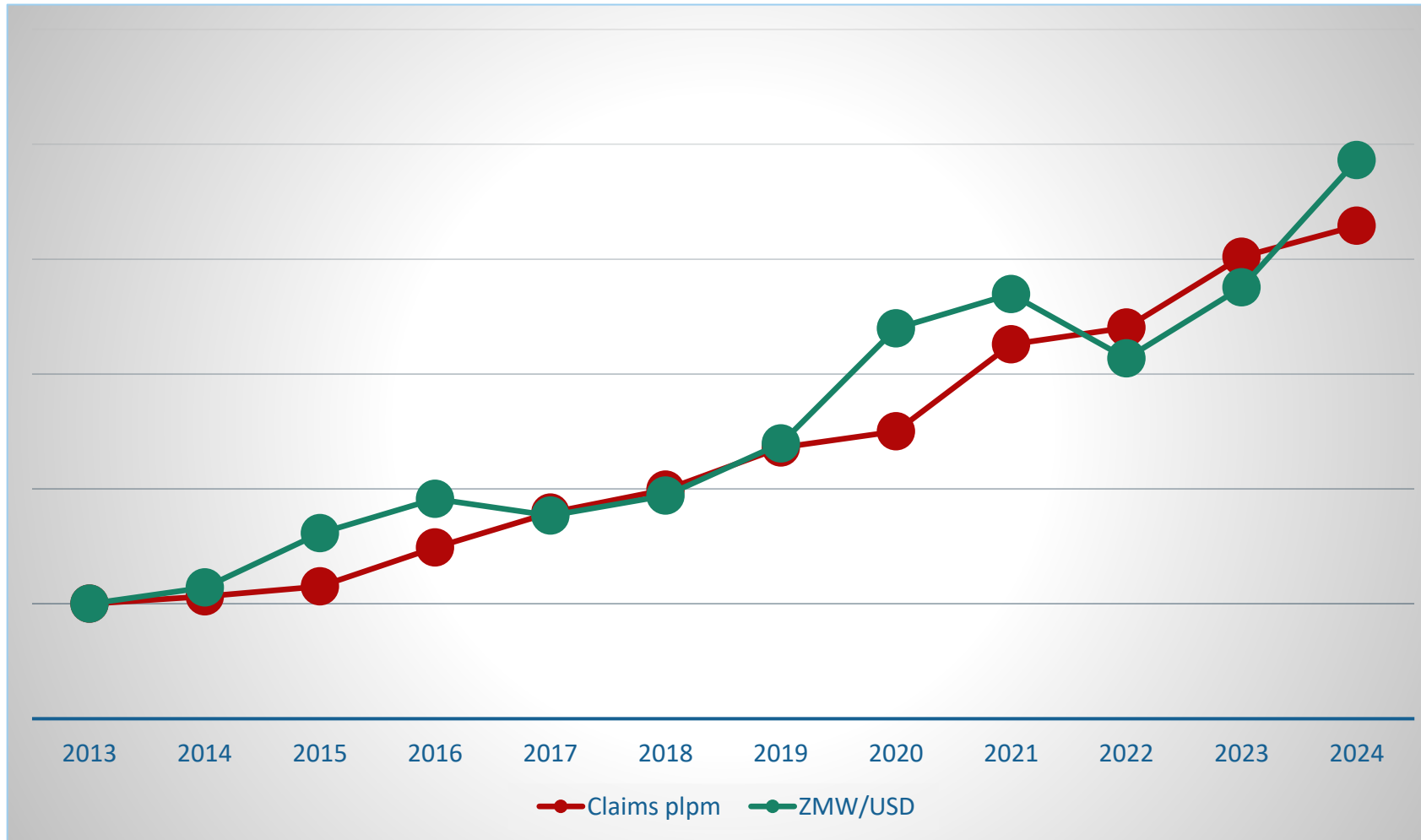
When the Kwacha devalued from 5 to 10 to USD, it is a 100% increase in cost



In 2023, inflation declined following the high of 2021 to 11%, however, downside risks still remains, amid food and energy price volatility.

<https://www.boz.zm/average-exchange-rates.htm>, <https://www.macrotrends.net/countries/ZMB/zambia/>

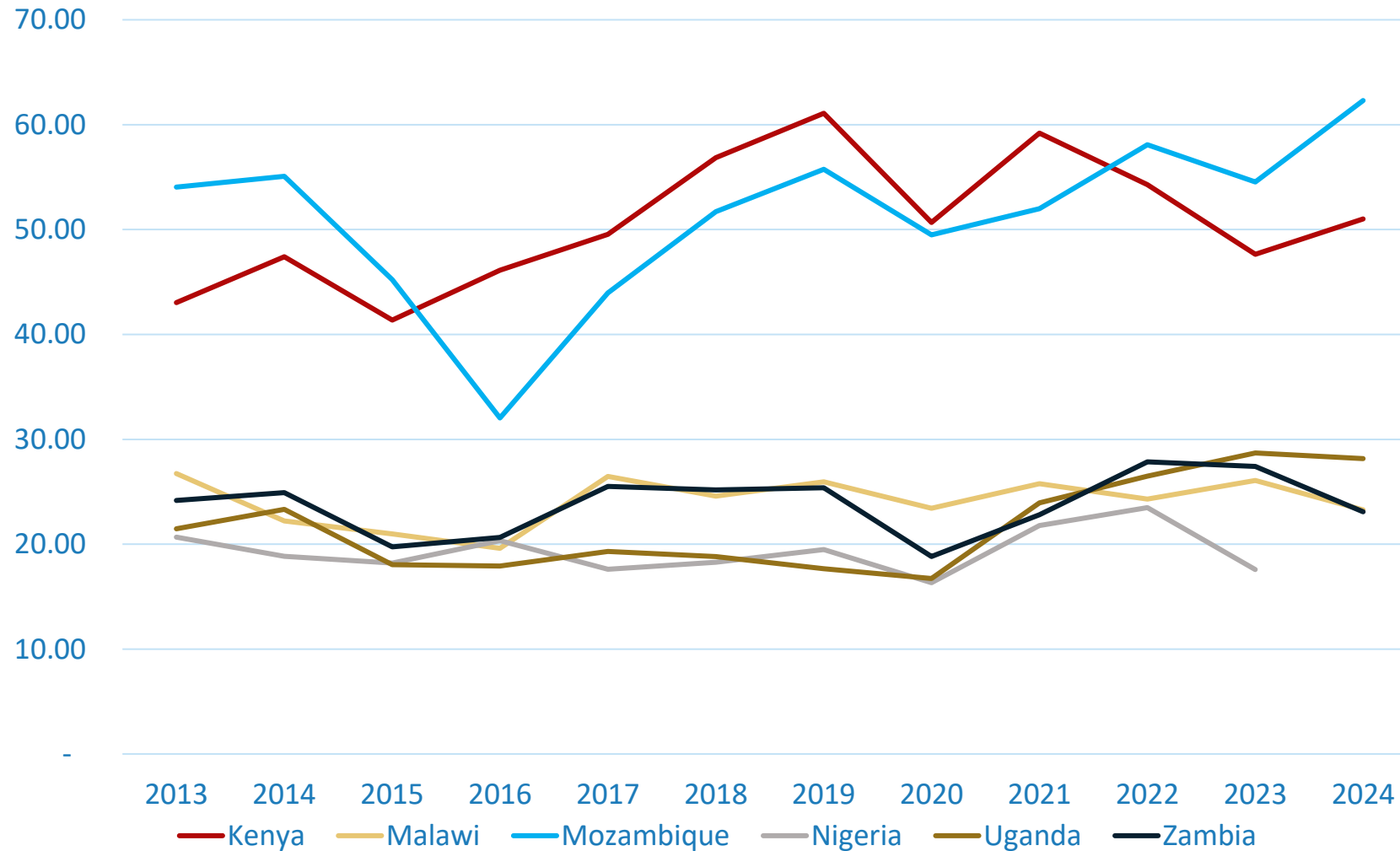
Currency devaluation affects healthcare costs?



Many of the input costs to healthcare are imports – medicines, medical technology, etc.

- Currency depreciation accelerates medical claims inflation as
- Providers feel the pressure of increases in their input costs.
- When the currency depreciates by 50%, claims will double as a result.

Claims cost per life per month by country in USD



Clear healthcare cost grouping:

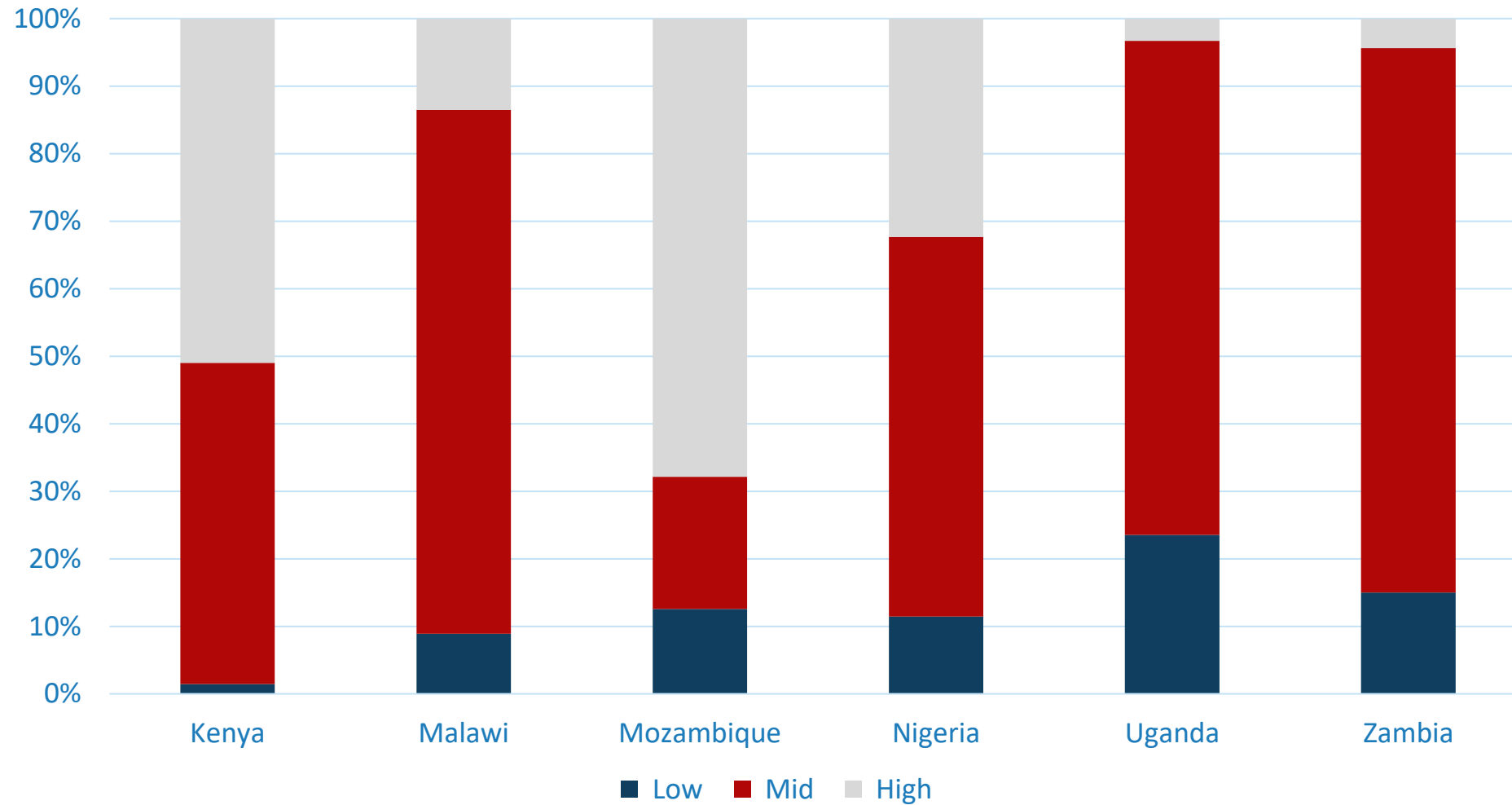
- High-cost: Kenya, Mozambique
- Low-cost: Nigeria, Uganda, Zambia, Malawi

Over long term, we see revision to a mean in USD terms on a life per month basis.

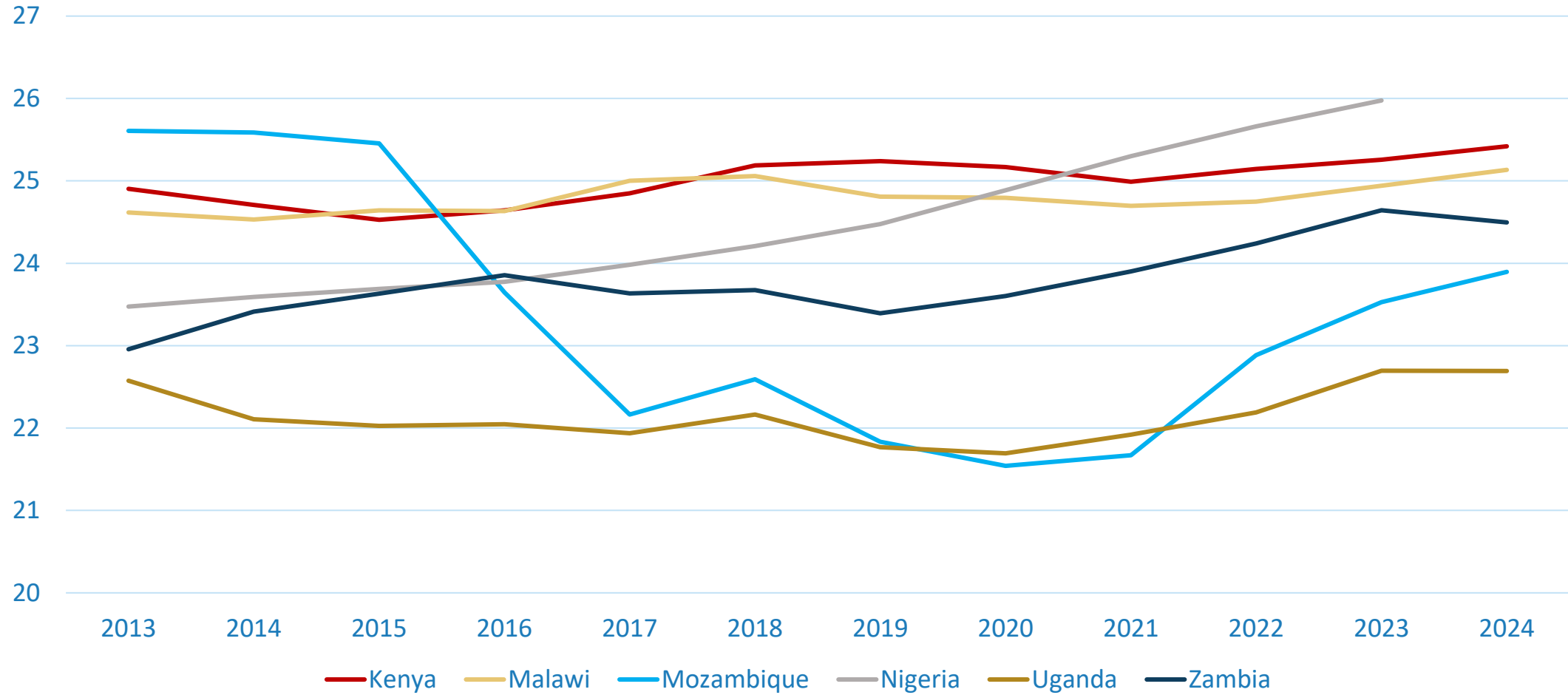
- Size of business affects volatility.

COVID-19 impact in 2020 evident in all countries.

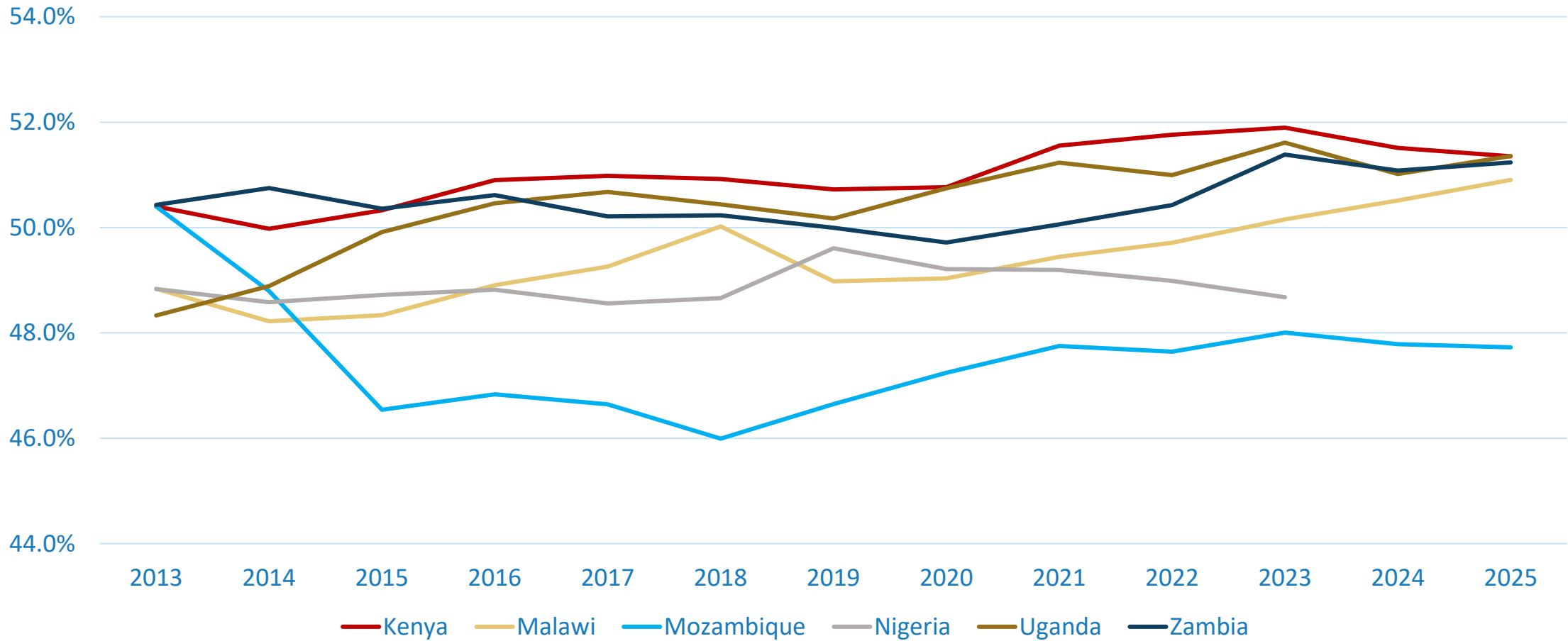
Proportion of lives by option type in 2023



Average age of lives by country

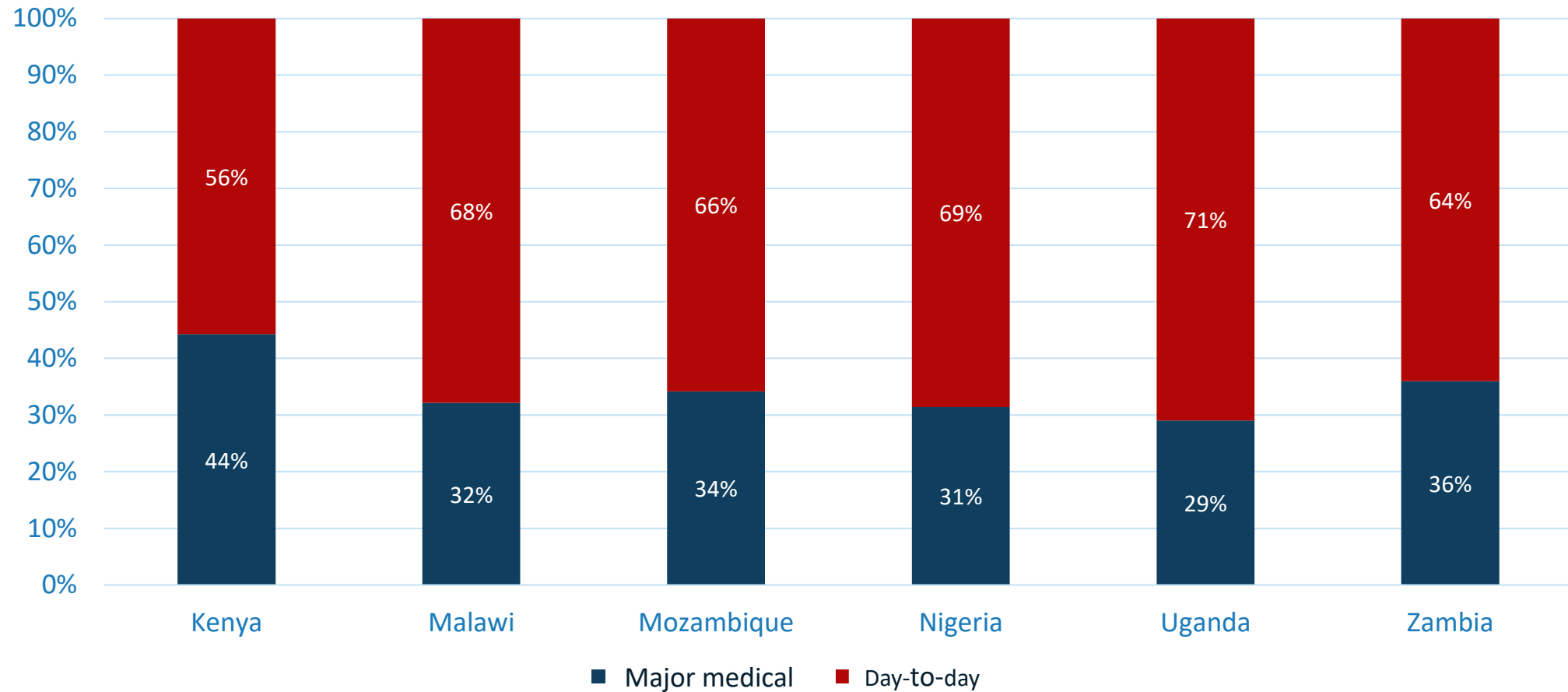


Proportion of female beneficiaries by country



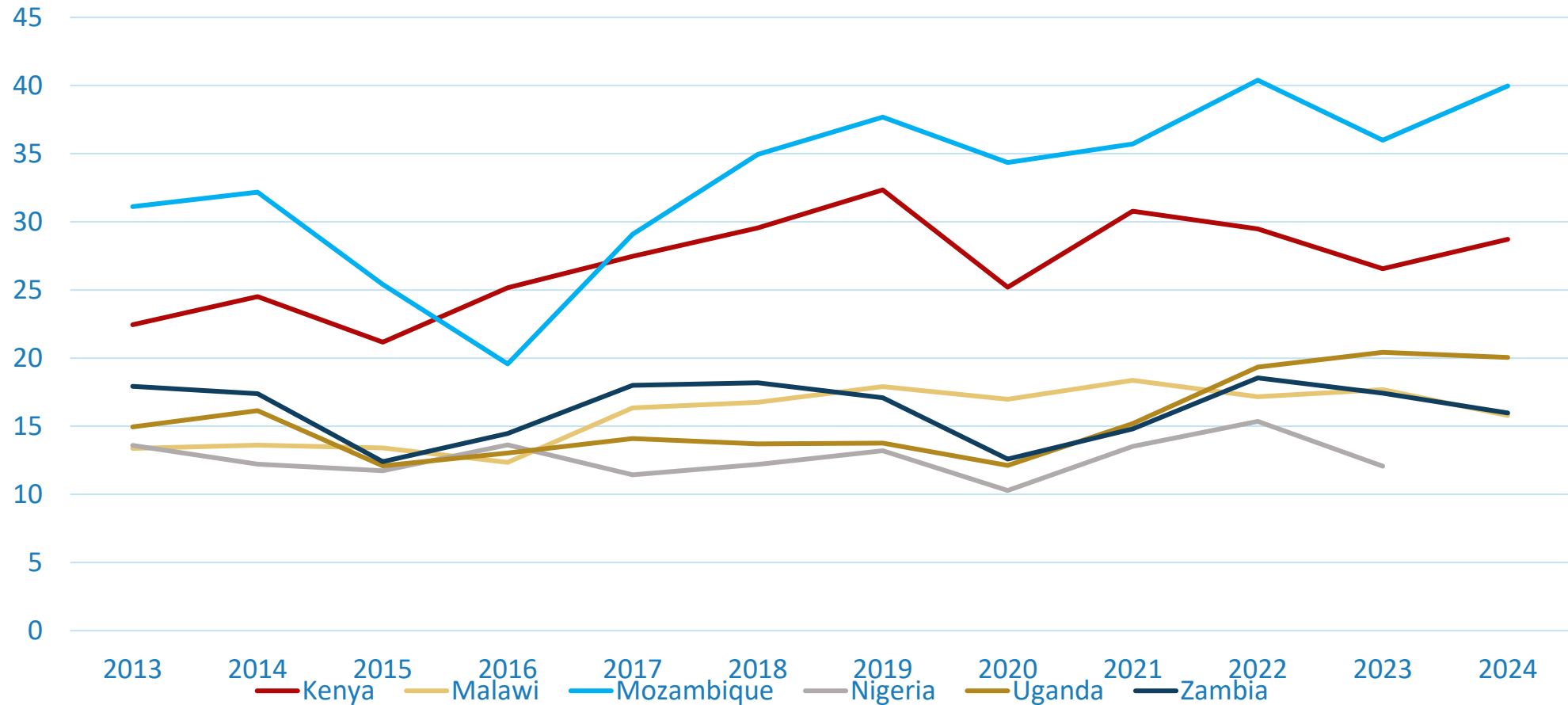


Proportion of major medical and day-to-day claims cost in 2023

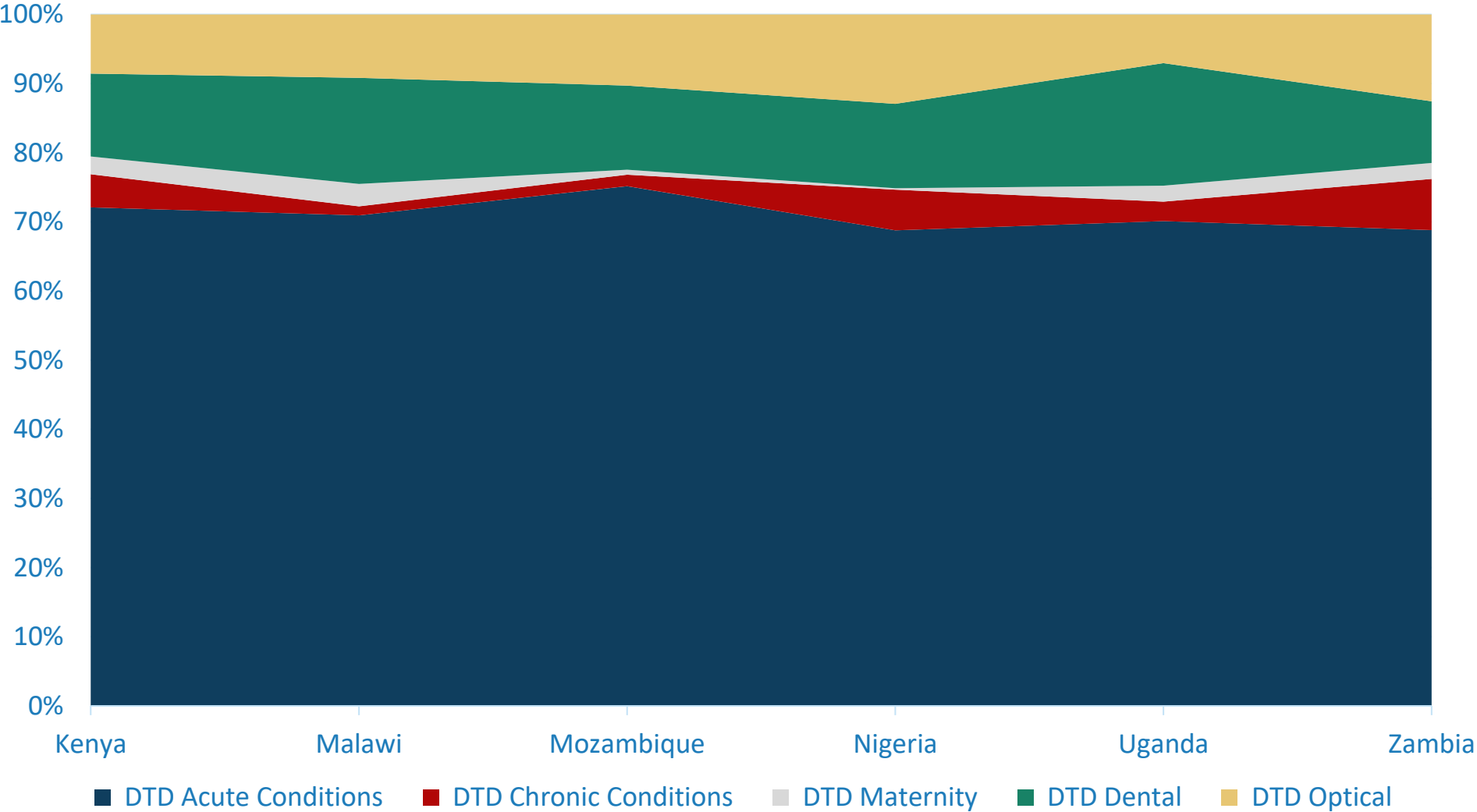




Day-to-day claims cost per life per month by country, USD

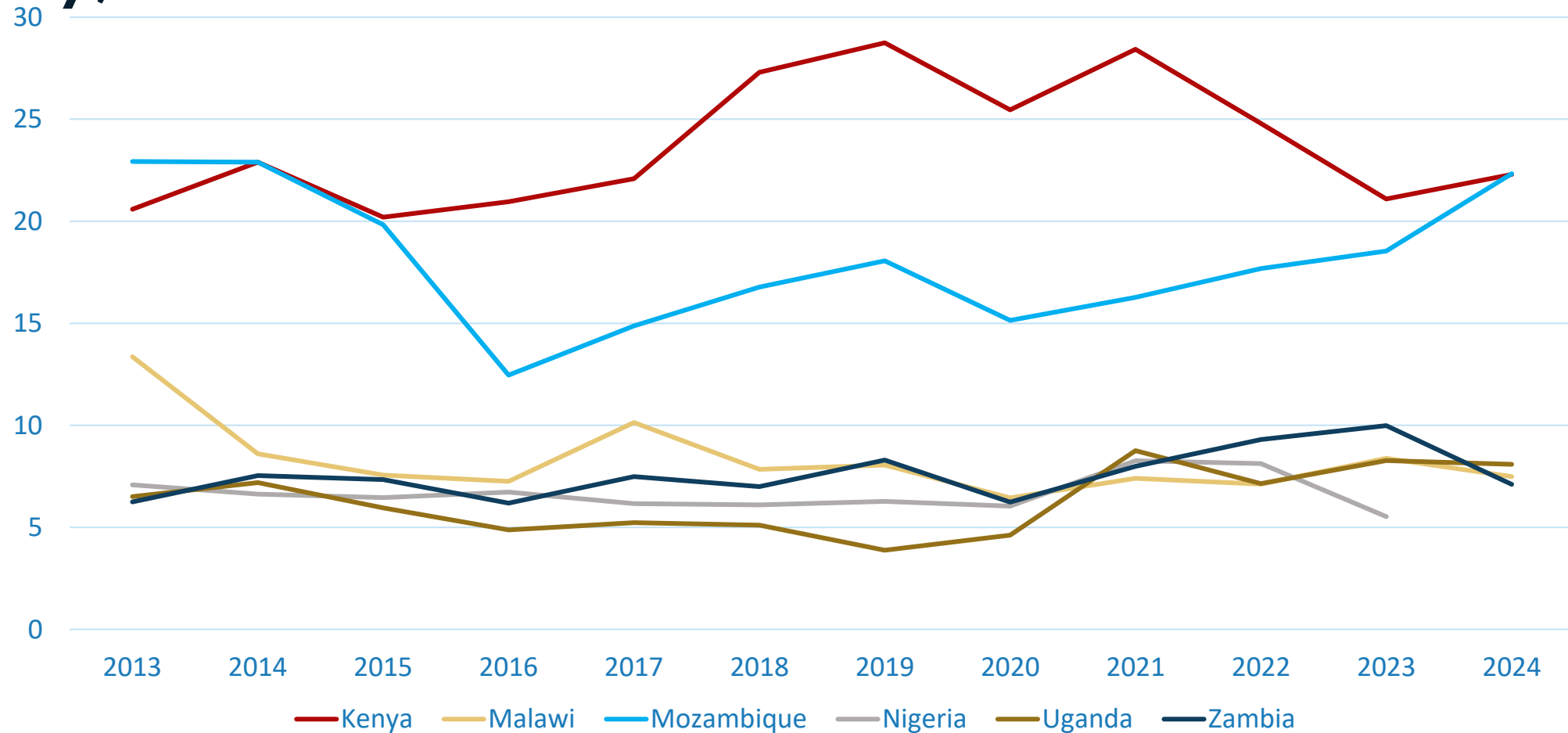


Proportion of day-to-day claims cost in 2023





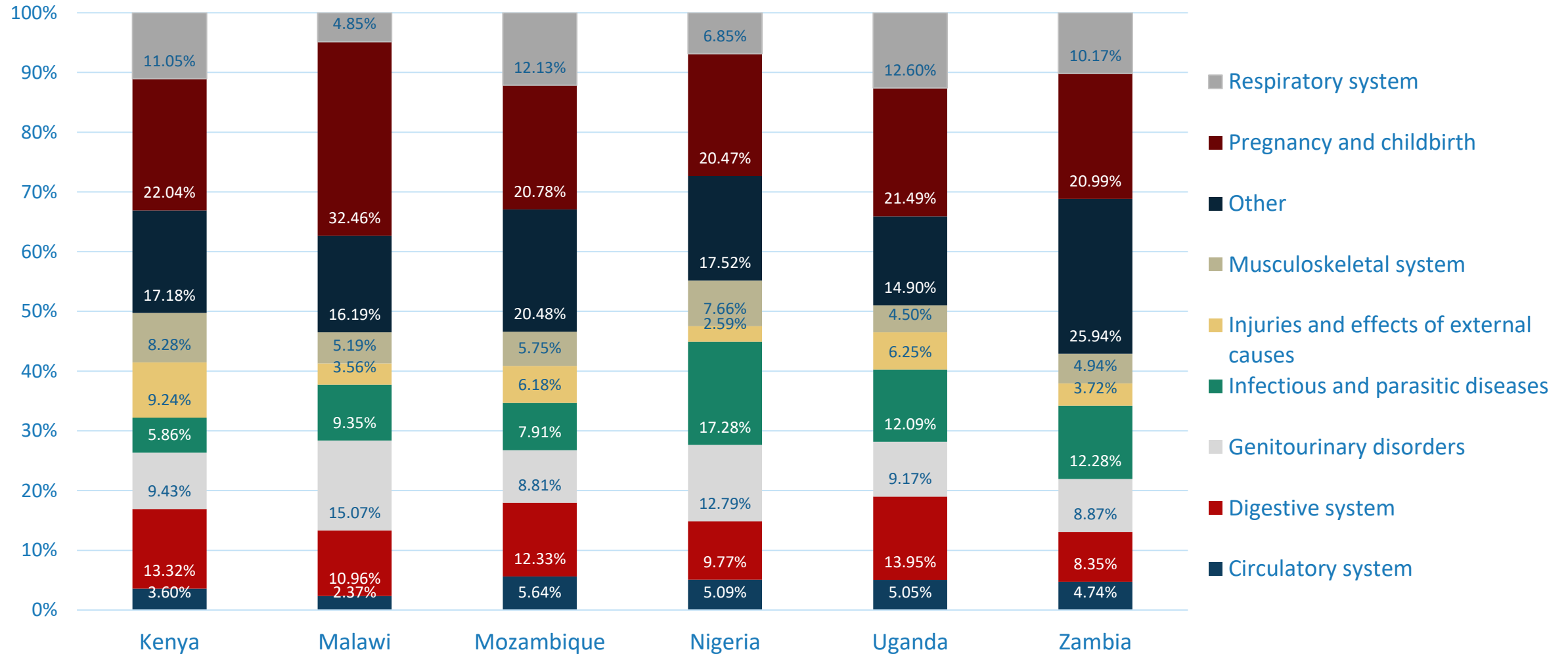
Major medical claims cost per life per month by country, USD



Proportion of major medical claims cost by country



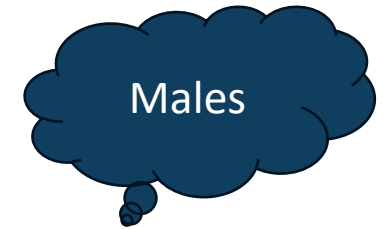
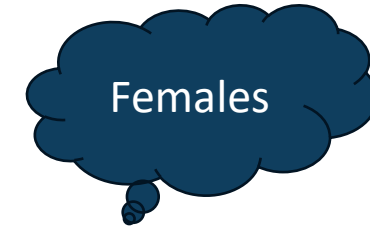
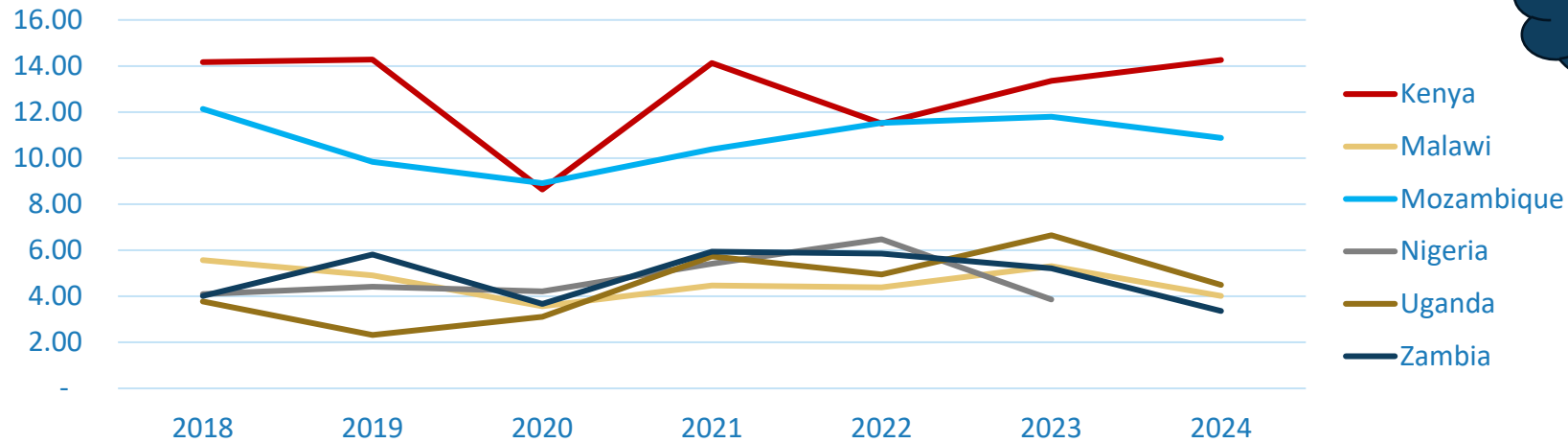
by Category in 2023



Major medical claims per life per month by country

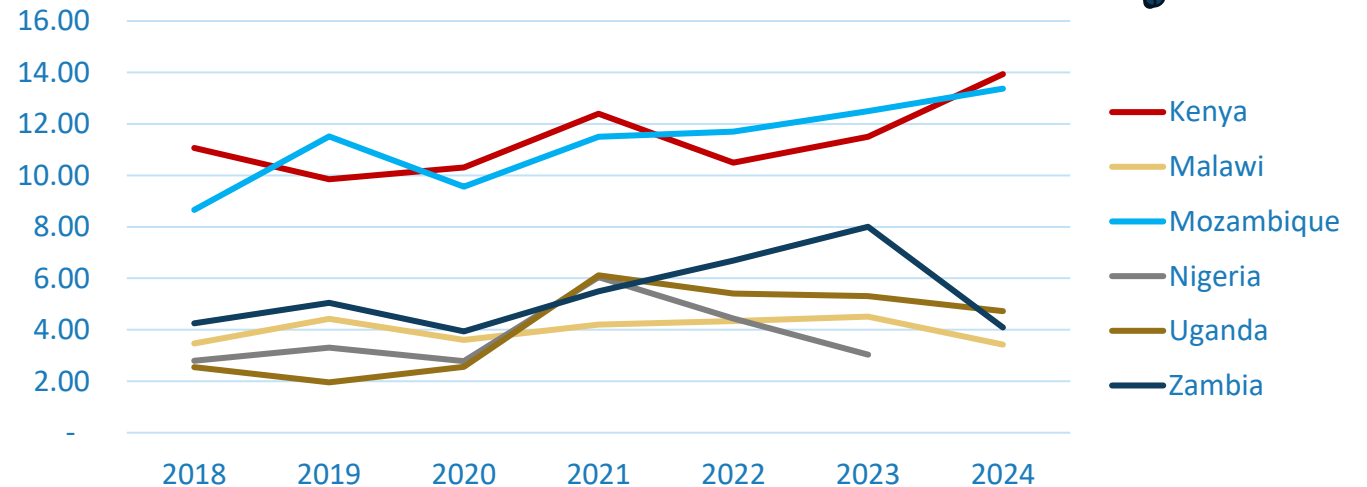


by gender, USD, Excluding pregnancy and childbirth

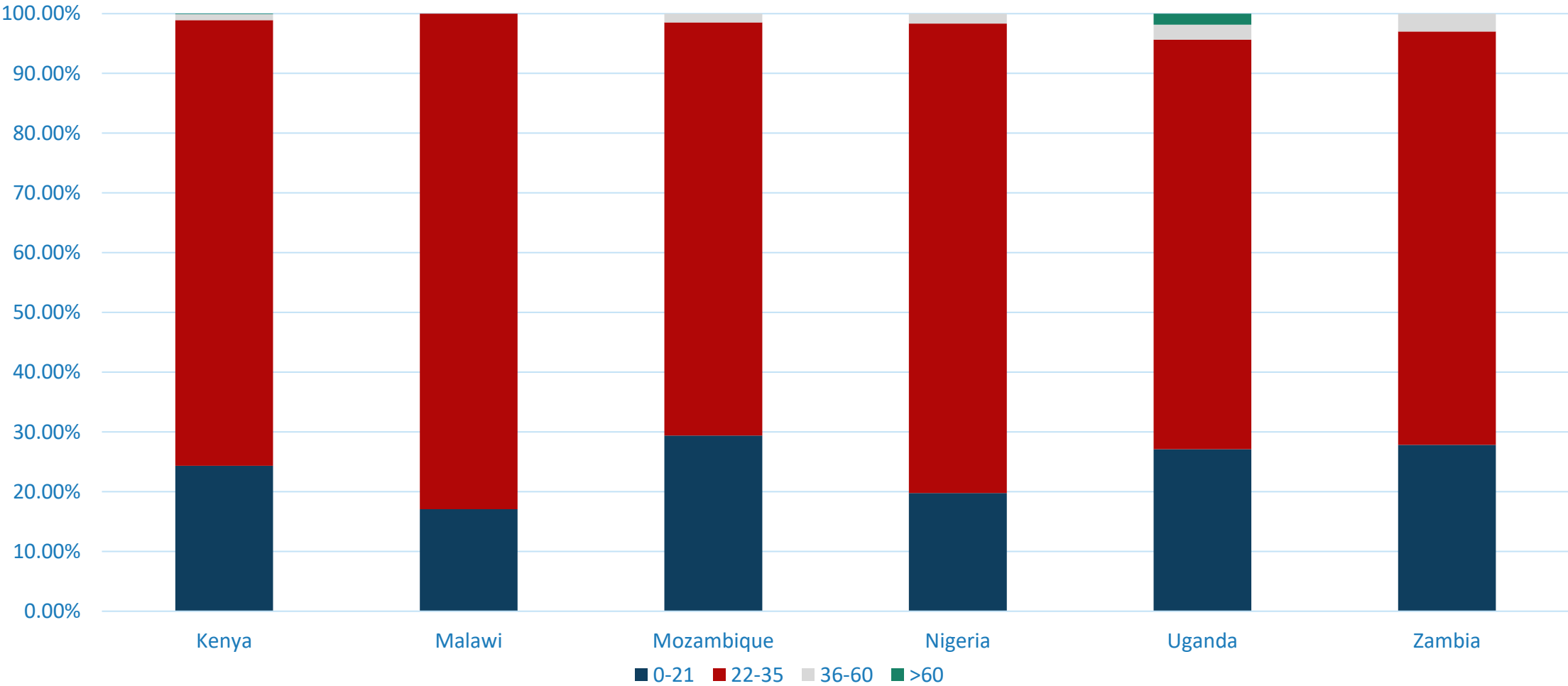


Pregnancy 20%-
35% of
hospitalisation
claims cost

- Volatile claims experience for female high-cost countries, some clustering in the male graph.



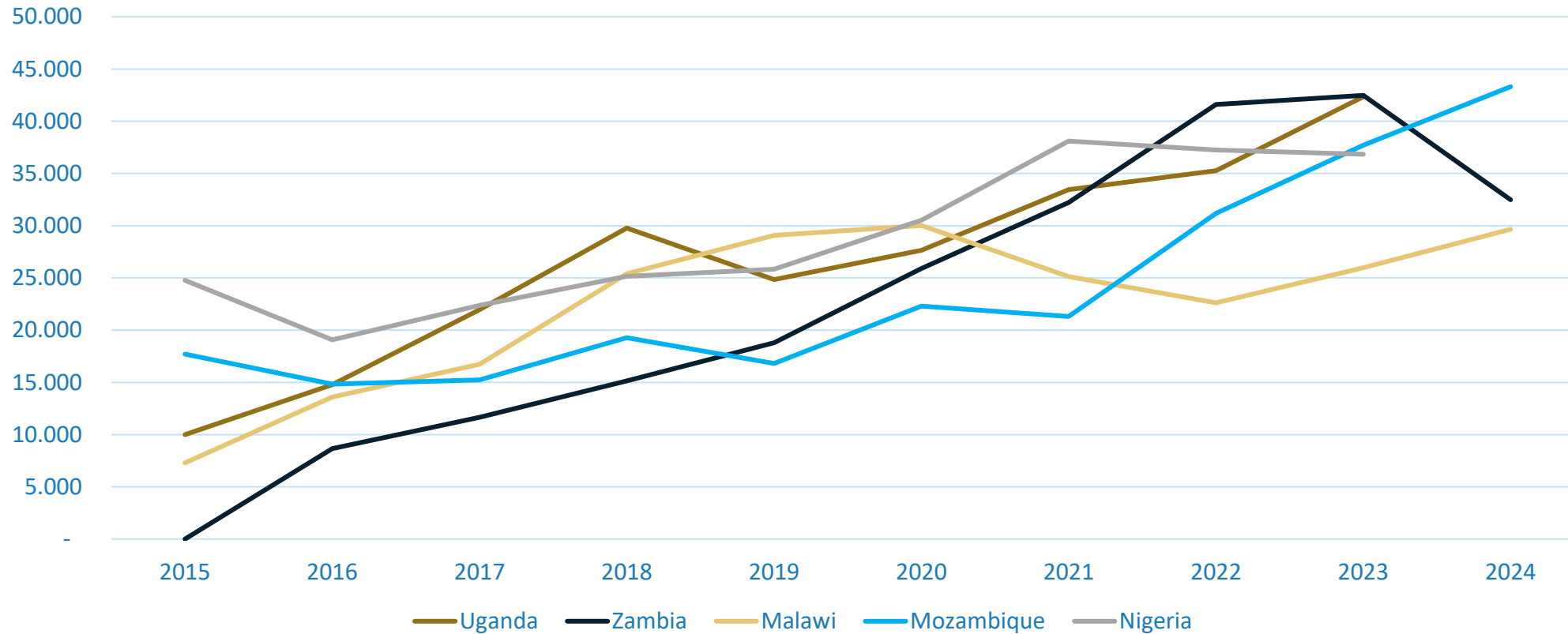
Proportion of major medical claims cost by age band in 2023



Chronic condition trends by country



Per 1000 lives

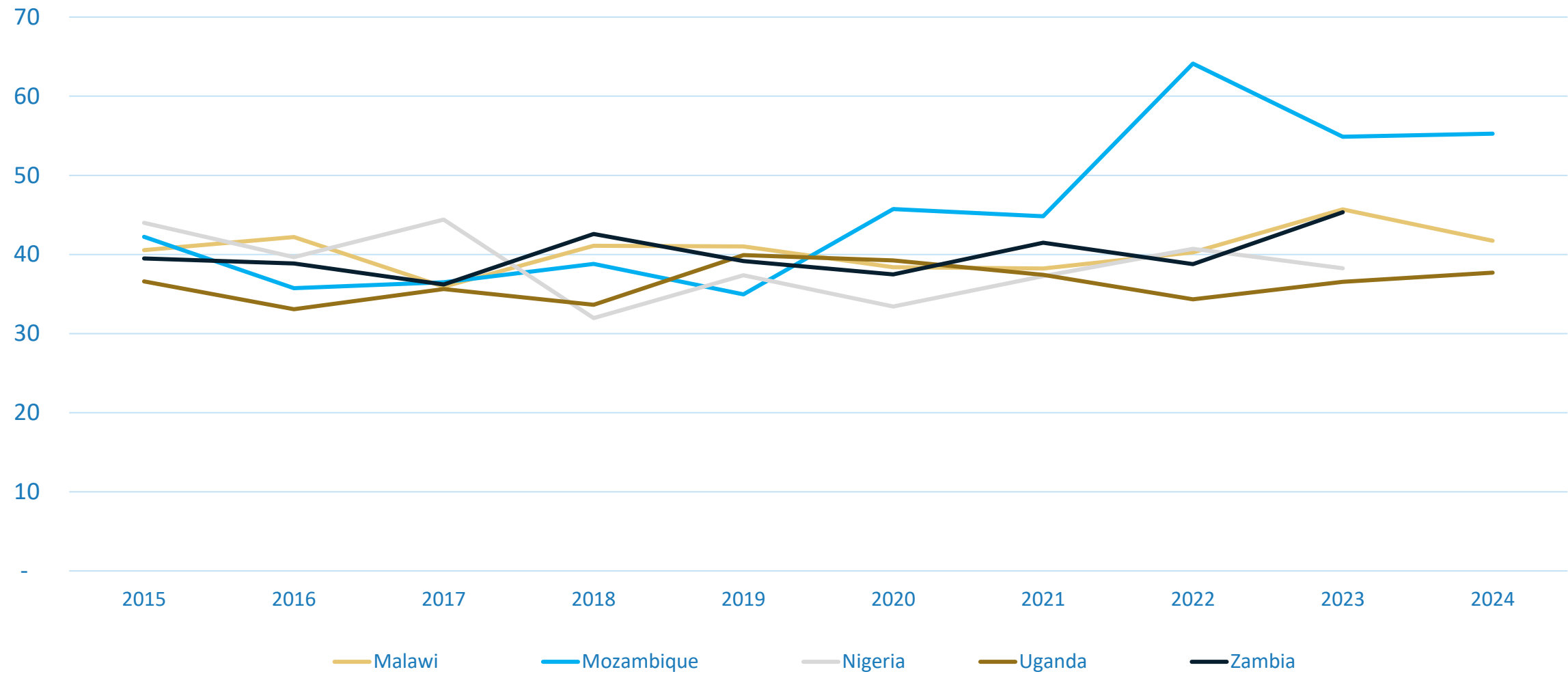


- Number of lives registered with chronic conditions has been increasing over time for all countries.
- Same trend as seen in the general population.

Average age at registration of chronic lives



At date of registration, by year of first registration





Top 5 chronic conditions

		Top 5 chronic registrations (%)				
Country	% lives with > 1 chronic	Hypertension	Diabetes Mellitus Type 2	Hyperlipidaemia	HIV / AIDS	Asthma
Malawi	50%	28%	14%	5%	22%	8%
Mozambique	68%	31%	12%	13%	7%	6%
Nigeria	40%	53%	11%	9%	1%	9%
Uganda	58%	29%	11%	11%	5%	10%
Zambia	54%	33%	10%	8%	18%	4%

- Majority of lives are registered for more than 1 chronic condition.
- Hypertension is the most common chronic condition registered amongst chronic lives in all countries.
- In Malawi and Zambia, HIV/ AIDS is the second most common chronic condition registered amongst chronic lives.



Any questions?