

# MAYFAIR INSURANCE

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**MR.MULELE**

# About Mayfair Insurance

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- Mayfair Insurance Company Zambia Limited is a General Insurance Company whose vision is to be distinguished as a reliable and innovative pan African financial services leader.
- registered and licensed by the Pensions and Insurance Authority in September 2009 with the mission which is to provide financial security through reliable and innovative insurance solutions.
- Mayfair offers many products such as; motor insurance ,Agriculture insurance , property, and miscellaneous accidents
- It has played a significant role in the development of agriculture micro insurance in the country as agriculture is the backbone of Zambia's economy with the majority of the population engaged in farming activities

# CHALLENGES FACED BY FARMERS

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- Most Small-scale farmers in Zambia practice dry land agriculture, as a result, farmers face numerous challenges which includes;
  - ✓ unpredictable weather patterns e.g droughts, flooding, hailstorm
  - ✓ Pests and diseases
- These challenges can result in crop failures and financial losses pushing farmers deeper into poverty.



# WHAT HAS BEEN DONE BY MAYFAIR

- Mayfair has been at the forefront of developing innovative insurance products tailored specifically for the agricultural sector.
- Helps mitigate financial risks faced by farmers ,hence promoting sustainable agricultural practices
- One of the key micro insurance offered by Mayfair is **weather-based index insurance**.
- **Other insurance products offered by Mayfair include;**
  - ✓ Hybrid crop insurance
  - ✓ Index based livestock insurance

## MAIN SUCCESSES

- Partnering with government through the ministry of agricultural and ministry of fisheries and livestock, to roll out, pilot and upscale these weather index products.
- Conducting training programs and workshops
- Increasing the uptake of agricultural micro insurance through partnering with different entities e.g NGOs, Private sector, UN funded agencies
- Leveraged technology in distribution to make insurance more accessible and affordable to small-scale farmers. E.g Digital platforms

# DELIVERY CHANNELS/MECHANISMS

- The distribution of bundled microinsurance products has been done by using different delivery channels as listed below:
  - Agro-Dealer Shops
  - Outgrower Schemes
  - Microfinance Institutions
  - FinTechs
  - Government Departments
  - Input Distributors

# PARTNERSHIPS

- Mayfair insurance has been a leading provider of weather index insurance on the Zambian market having key partnerships with the government, non-governmental institutions and the private sector.
- This has helped to improve efficiency in service delivery of the product on the market.

## GOVERNMENT

### Ministry of agriculture

Mayfair provides a hybrid crop insurance under Farmer Input Support Programme(FISP)

### Ministry of fisheries and livestock

index- based livestock Insurance through Enhanced Smallholder Livestock Investment Programme(E-SLIP).

**These two partners Provide the following;**

- ✓ access to Farmer Database
- ✓ distribution value chain
- ✓ Scale in terms of volumes
- ✓ Geographical diversification
- ✓ Profitability
- ✓ Business case

### **challenges**

- ❖ The distribution farmer list – Late and incomplete

# PARTNERSHIPS CONT'

## PRIVATE SECTOR



### AGORA FINANCE, VISION FUND, ACRE AFRICA, DIGITAL PAY-GO, AND SYNGENTA

- ✓ Access to volumes of farmers
- ✓ Provides platforms to run pilot before upscaling
- ✓ Rural resilience programs that aim to address climatic risks (Bundling insurance)
- ✓ Access to linkage partnerships e.g. the partnership that exists between **Acre Africa** and **Syngenta** on the macro resilience programme
- ✓ **Digital** pay-go - Providing a digital platform for claims distribution and premium payments
- ✓ farmer sensitization e.g. **Syngenta** and **Acre Africa** are currently embarking on farmer sensitization for the 2023/2024 farming season
- ✓ Bundling insurance with Syngenta inputs has brought about Customer loyalty hence more farmers accessing insurance.

The above Partnerships have helped Mayfair offer index-insurance as a bundled product and not as a stand-alone product.



## PARTNESHIPS CONT'

Reinsurers(ZEP-Re/ACRE-AFRICA, AFRICA-Re, Zambia Reinsurance,)

- key partners that provide financial protection.
- Acre Africa/ZEP-Re provides actuarial consultancy
- **NON- GOVERNMENTAL**

World food programme(WFP),IFAD, International development agencies

- ✓ Provides subsidies
- ✓ Programs and projects that aim to address climatic risks hence a good platform for agricultural insurance

## CHALLENGES

- Lack of sustainability – Once the project cycle ends ,Mayfair no longer has access to those farmers hence failing to go into the upscale stage.
- Competition risk

# DELIVERY MECHANISMS/DISTRIBUTION CHANNELS

Delivery channel	Number of farmers(2018/2019)	Number of farmers(2019/2020)	Number of farmers (2020/2021)	Number of farmers(2021/2022)	Number of farmers(2022/2023)
Ministry of Agriculture	1,000,000	874,519	620,317		161,529
Micro Resilience(Syngenta)					7,687
Ministry of livestock and fisheries(ESLIP)				5,000	5,000
Opera MicroFinance	225		34,238	418,341	1,296
Operation Fund	1,735	7,835			

# CHALLENGES

- **Farmer Awareness:** Inadequate face to face farmer and field staff sensitization due to COVID 19 pandemic in the 2021/2022 farming season. SMS and radio were used to disseminate information to farmer.
- **DISTRIBUTION LIST:** Capturing the correct number of farmers in specified camps, leading to inaccuracy of information .
- **GEO REFERENCING INFORMATION:** has gaps which may lead to challenges with accuracy. some new camps do not have coordinates and therefore had to be mapped to the closest available camp. This led to basis risk.
- **Logistics:** Due to the long distances that need to be covered around the country – getting feedback from farmers on the product through face-to-face meetings as well as sensitization them on the product.
- **Training Material:** need to update the material based on the new information on the product and customize information based on the various distribution channels.
- **TOTs:** The training of trainers' Programme had to be curtailed due to COVID 19 challenges hence there are still gaps in the field on knowledge by extension officers.

## CONCLUSION

- Mayfair insurance has made significant contributions to the development of agriculture micro insurance in Zambia
- helped small-scale farmers mitigate financial risks associated with farming through risk transfer and promoting sustainable agricultural practices.
- Positive impact on the livelihoods of farmers and the overall development of the agricultural sector in Zambia.
- From now Onwards, Mayfair will be paying claims to farmers directly and not through the ministry by partnering with MNOs.



THANK  
YOU