SHORELINE ASIA
ADVISORY • LEARNING • TECHNOLOGY

SEPTEMBER 2026

African Bancassurance Intelligence

What mattered this month. What happens next. INSIGHTS • PERSPECTIVE • PRACTICAL IMPLICATIONS

FROM DOUGLAS

The insurer may not be the asset. The distribution engine is.

September produced a clearer picture of where bancassurance competition is heading. Banks are becoming more deliberate about what they need to own, what they can partner for, and where the real source of value sits. Absa is explicitly moving toward partner-led bancassurance in parts of Africa while Kenyan bank results show that insurance can already make a meaningful contribution to earnings. At the same time, AI is moving beyond experimentation - but the evidence suggests the industry may be considerably less transformed than it thinks. The common thread is distribution: customer access, data, timing, advice, trust and execution increasingly matter more than simply owning an insurer or adding another product to the shelf.

> *The strategic question is shifting from "What insurance do we sell?" to "Who owns the customer decision?"*

01

THE BIG DEVELOPMENT

CONFIRMED DEVELOPMENT + SHORELINE INTERPRETATION

The insurer may not be the asset. The distribution engine is.

Absa has made the choice unusually explicit. Its published results describe a bancassurance distribution model with key partners as a more sustainable route to non-interest income, following insurance disposals in several African markets. Yet this is not evidence that insurer ownership is obsolete. It is evidence that ownership itself is not a strategy. NCBA is pursuing a different formulation: insurance embedded in every relationship. Meanwhile Kenyan disclosures are making the economics visible enough to compare outcomes across institutions.

WHY IT MATTERS

The scarce asset may increasingly be the bank's customer relationship, data and distribution infrastructure - not its ability to manufacture insurance. Boards should compare owned, joint-venture and partner models on customer penetration, economics, capital consumed, data access, service quality and execution speed.

Shoreline interpretation: *The balance sheet may manufacture the insurance. The distribution engine creates the franchise.*

02 ACROSS AFRICA

KENYA

Bancassurance is becoming a measurable business, not a side line

H1 2026 disclosures are starting to expose the economics clearly enough to compare operators. Absa generated KSh1.1bn pre-tax from bancassurance, Co-op KSh812.7m and I&M KSh425m, while other large banks moved backwards.

Shoreline view: *Report eligible customers, penetration, conversion, premium, persistency, claims, cost-to-serve and profit - not just premium growth.*

NIGERIA

Growth and regulatory strengthening are arriving together

NAICOM launched its Insurance Sector Strengthening Programme in September, targeting penetration, financial inclusion, innovation and stronger collaboration across the insurance ecosystem.

Shoreline view: *Better data and clearer accountability should make scalable distribution easier - not harder.*

SOUTH AFRICA

AI has left the innovation lab. Now prove the economics.

PwC says major banks are extending AI into client engagement, fraud, credit decisioning, software development and workforce productivity. Standard Bank says the next phase is about embedding AI into how banks work and serve clients.

Shoreline view: *"We have 40 AI pilots" is rapidly becoming an admission rather than an achievement.*

EGYPT

Embedded credit insurance is getting harder risk rails

Egypt's FRA introduced stronger underwriting and pricing controls for credit and guarantee insurance on 29 September, including creditworthiness assessment, model validation, pricing-adequacy testing and stress testing.

Shoreline view: *The closer insurance gets to the banking transaction, the stronger the risk architecture around it needs to become.*

03

DATA + AI

The industry thinks it is ahead. The evidence says otherwise.

KPMG's September insurance research contains perhaps the most revealing statistic of the month: 44% of surveyed insurance executives describe their organisations as top-quartile AI transformers, yet not one surveyed insurer reported fully redesigning sales and distribution around AI. None had fully redesigned underwriting either, and only 3% had fully redesigned policy servicing and claims. EY's South African research points in the same direction: banks and insurers have moved beyond basic pilots, but most are still struggling to turn AI into an enterprise capability. Deloitte Africa identifies a more fundamental constraint: African banks are not short of data; they are short of AI-ready data.

> **This is not an AI adoption gap. It is an AI self-perception gap.**

1. **Customer event**
2. **Protection need**
3. **Next-best action**
4. **Supported conversation**
5. **Appropriate sale / no sale**
6. **Service + outcome + learning**

04

CAPABILITY + TRAINING

Digital does not eliminate advice. It raises the value of judgement.

Swiss Re finds that increasing digital maturity does not automatically lead to fully digital insurance purchasing. Trust, advice needs, product complexity and local distribution structures continue to anchor intermediated models, particularly in emerging markets. PwC reaches a similar conclusion from banking: routine interactions move to self-service and AI-assisted channels, while human judgement becomes more valuable in complex decisions and high-value interactions.

> **SO WHAT CHANGES FOR THE FRONTLINE?** The banker's job shifts from remembering products to interpreting context, using AI support intelligently, explaining clearly and exercising judgement.

1 LEARN	2 PRACTISE	3 SIMULATE
Principles, products and conduct	Realistic customer conversations	Difficult and ambiguous situations
Test judgement, not recall	Use evidence from real performance	Feed learning back into practice
4 ASSESS	**5 COACH**	**6 IMPROVE**

05 ACT / WATCH / IGNORE

ACT

- Measure the distribution engine: eligibility, penetration, conversion, premium, persistency, claims and profitability.
- Decide what you genuinely need to own.
- Choose two or three AI use cases where the economics can actually change.

WATCH

- The recommendation layer as AI increasingly influences product discovery and comparison.
- Regulators moving closer to models, data and underwriting logic.
- African models that create new insurance customers rather than redistribute existing share.

IGNORE

- AI pilot counts. Activity is not transformation.
- Partnership announcements without economics or operating detail.
- Digital-only ideology.
- Product proliferation without customer need.

SHORELINE POINT OF VIEW

The next bancassurance battleground is orchestration.

The old model treated bancassurance as a channel through which a bank helped an insurer sell a product. The emerging model is different. The bank has the relationship. Data reveals the context. AI can improve the decision. Insurance provides the protection. Human judgement preserves trust. Technology connects the journey. Governance determines how far automation should go. The winner does not necessarily need to own every component. It does need to orchestrate them better than everybody else.

The most important bancassurance asset may be the ability to turn a customer relationship into the right protection decision, at the right moment, with the right outcome - and then learn from it.

Selected verification sources: Absa Group 2026 interim results; Business Daily Africa (Kenya bancassurance H1 2026); NAICOM Insurance Sector Strengthening Programme; PwC South Africa Major Banks Analysis; Standard Bank AI commentary; Egypt FRA credit/guarantee insurance controls; KPMG insurance AI research; EY South Africa; Deloitte Africa; Swiss Re Institute; BCG; Continental Re.