

MTN, Sanlam partner to sell insurance in Africa

MTN and Sanlam said they would join forces to offer insurance products to MTN's subscriber base on the continent, where relatively few have cover.



The logo of South Africa's largest insurer Sanlam is seen outside the company's headquarters in Cape Town, South Africa 12 March 2020.
Reuters/Mike Hutchings

MTN, Africa's largest mobile operator with 277 million voice subscribers, will leverage Sanlam's license, geographical reach and expertise, while the insurer will be able to expand further outside its home market, South Africa, by selling its products to MTN's vast customer base, they said in a joint statement. The companies will sell insurance, investment and savings offerings.

"What we're trying to do is really drive much deeper financial inclusion across our markets and meet as many financial needs of our customers," MTN Group CEO Ralph Mupita told *Reuters* after earlier announcing a 10% drop in first-half earnings and the exit from Syria.

He said the partnership with Sanlam could boost its insurance offering from 6.2 million policyholders to 30 million by 2025.

for cash. Mobile money services like MTN's, which enable people to access financial products from their phones, have had far greater success. MTN has 48.9 million active users of its mobile money service every month.

While around 46% of the continent's population have access to cell phone services, insurance penetration is less than 5% in most markets outside of South Africa, the companies said.

Sanlam, South Africa's largest insurer, is looking to expand outside of the country, where a lacklustre economy, high unemployment and stretched consumer finances have hampered growth. It has already partnered with MTN to offer insurance products in South Africa, also MTN's home market.

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