

LeapFrog to invest Sh2b in Kenyan insurance, financial sectors

BY ASIKO IGADWAH

KENYA is one of the three priority countries selected to benefit from an investment launched by a global fund that enables vulnerable people access quality insurance.

The world's first microinsurance fund LeapFrog Investments, announced yesterday plans to investment in businesses that deliver affordable and life-changing insurance in Asia and Africa

The firm has raised Sh8.5 billion (\$110 million) for the venture and estimates that of this total, over half could be deployed in Africa.

In addition to Kenya, Leapfrog's priority countries for investment include Ghana, South Africa, India, and the Philippines.

LeapFrog Principal Doug Lacey, expressed optimism in investing in the Kenyan market saying the country's microinsurance market boasts sophisticated distribution networks.

"There is also the eagerness of the private sector to grow their businesses through the sale of microinsurance and the large low-income population who face numerous risks that threaten their families and livelihoods — and whose lives can be made far better with affordable and relevant insurance that protects them," he noted.

The brainchild of a largely African team of insurance and investment industry CEOs and experts, LeapFrog is a long-term and strategic investor.

The fund commits substantial capital and expertise to supporting high-growth, high-impact insurance opportunities.

According to Lacey, LeapFrog now aims to leverage its unique resources and capabilities to make investments in, or partner with, local insurance companies, microinsurers, or businesses with significant distribution



President Mwai Kibaki with members of the Kenya Private Sector Alliance who paid him courtesy call at his Harambee House office in Nairobi yesterday. PHOTO/PPS

platforms that reach the mass market.

He noted that millions of people in Kenya still do not have access to affordable and relevant financial services.

"With this latest capital injection to the fund, we look forward to partnering with local companies and insurers, bringing to bear substantial capital and global best practice to ensure micro-insurance is delivered with commercial success and profound social impact in Kenya," he said.

President and Founder Dr. Andrew Kuper said LeapFrog is especially interested in Kenya, because over 96 percent of the Kenyan

population, or more than 30 million people, are classified as low-income.

"But they do have sufficient income to afford insurance for their families and enterprises. Insurance can have a transformative impact on their lives and livelihoods, enabling them to build futures without fear. We should be reaching everyone — it can be done on a commercial basis and no one should go without protection," said Kuper.

The LeapFrog fund aims to invest amounts between Sh380 million and Sh1.1 billion (\$5 million to \$15 million) per business, so as to drive significant growth.

In describing the fund's investment approach, Kuper said "Our success will be driven by the fact that we are meeting the escalating demand for micro-insurance at the right time, with the right people. Our team can add value to portfolio companies in business planning, product design, regulatory and risk management, and development of efficient and high-volume distribution channels."

Leading investors have aligned behind LeapFrog's profit-with-purpose investment proposition, with four global institutions announcing investments today at a signing ceremony in Frankfurt.