

African insurers reach new sustainability milestone with US\$52 billion of investments now linked to climate action and social inclusion

Cape Town, 5th February: A first-of-its kind report reveals the growing momentum across Africa's insurance industry to integrate sustainability into its core business practices, with US\$52 billion of assets under management (AUM) now linked to environmental, social and governance (ESG) targets.

The figure, based on a survey of members by the [Nairobi Declaration on Sustainable Insurance](#) (NDSI) – a network spanning 275 insurers, reinsurers and ecosystem actors across 38 countries, which is supported by FSD Africa – is one of the key findings of its [Current State Report 2025](#). The document provides the first comprehensive baseline of sustainable insurance efforts across Africa and reveals tangible progress in areas such as the development of climate-smart and inclusive insurance products as well as stronger ESG governance.

The report was launched at the [Africa Sustainable Insurance Summit II](#) in Cape Town (4-6 February 2026), hosted by the NDSI and the [South African Insurance Association](#) in collaboration with the [African Insurance Organisation](#), highlighting the summit's focus on turning sustainability commitments into action

It lays out the pressing need to develop and scale insurance solutions for climate risk and disaster response: Africa recorded over US \$14 billion in natural catastrophe losses in 2022, yet 97% of farmers in Sub-Saharan Africa remain uninsured.

In response, African insurers – including many of NDSI's members - are beginning to embed ESG across governance, product development, investment strategy, and operations. Key highlights in the report include:

- Over half (53%) of NDSI members have begun integrating ESG considerations into investment decision-making and **55%** into product development including through pricing strategies
- An estimated **USD 1.2 billion** in insurance portfolios is now allocated to environmental risks across NDSI members
- **USD 2.9 billion** is targeted at low-income- and vulnerable populations
- **Flagship examples include** East Africa's first flood insurance product launched by Britam in Tana River County, Kenya and Zep-Re's climate-smart livestock insurance which bundles reinsurance with financial services for pastoralists in the Horn of Africa. Microinsurance for informal workers is also being rolled out by multiple insurers.

However, the report also makes clear that there is much more to do:

- **ESG-linked assets** represent just over **15% of the total US \$342 billion in AUM** across NDSI surveyed members.
- **45% of NDSI members** surveyed still do not consider ESG factors, signalling a major opportunity to scale inclusive, climate-smart product lines.

- ESG-linked underwriting represents just **6.4% of portfolios** on average largely led by reinsurers.
- Only **5.6% of portfolios** target vulnerable groups such as low-income households
- Just **4% of NDSI's membership** have embedded ESG into their boards' decision-making while almost half (48%) have trained fewer than 5 staff in sustainability.

Fragmentation and regulatory framework inconsistencies are also major challenges, with Francophone and Lusophone markets underrepresented in conversations.

Building on the findings of the report, the summit will focus on embedding ESG principles into the core business of Africa's risk managers and building a community of practice across the insurance sector.

Highlights include the launch of the NDSI Academy, a hybrid training platform offering hands-on training to help embed sustainability into everyday decisions – from underwriting and product development, to investment, and regulation. The conference will close with its first ESG Awards, celebrating insurers leading on sustainability.

Philip Lopokoityit, Chair Nairobi Declaration on Sustainable Insurance:

"The theme of the 2026 Summit, *Powering pledge into practice: integration of sustainability in African insurance*, builds directly on the momentum of last year's discussions and actions. Across our membership, we are seeing tangible progress: the development of climate-smart and inclusive insurance products, stronger ESG governance, participation in technical assistance programmes, and deeper collaboration across value chains. These efforts are helping to narrow Africa's protection gap and strengthen resilience in the face of escalating climate and disaster risks."

Kelvin Massingham, Director Adaptation and Resilience, FSD Africa:

"NDSI has grown from a small group of ten early insurance leaders into a powerful continental movement, but its success is not measured by membership alone. It is measured by action—by capital being redirected, products being redesigned, and resilience being built. As this report shows, NDSI is moving the African insurance market from intention to implementation."

Ms Vivienne Pearson, CEO South African Insurance Association (SAIA):

"The non-life insurance industry plays a vital and evolving role in safeguarding economies, enabling development and strengthening societal resilience. In recent years, this role has expanded far beyond traditional risk transfer. Insurance now sits at the intersection of climate change, infrastructure development, economic stability and social inclusion, making it a critical lever in addressing some of the most pressing challenges facing the African continent."

Jonathan Dixon, IAIS Secretary General:

"Sustainable insurance is fundamental to building societal resilience, particularly in Africa where challenges are significant. Effective supervision is essential for enabling insurance markets to deliver meaningful value, empowering individuals, businesses, and governments to recover, rebuild, and thrive in the face of uncertainty. The IAIS is committed to supporting its members in closing protection gaps, advancing financial inclusion, and addressing climate-related risks, ensuring that insurance not only provides protection but also fosters inclusive and sustainable global growth. Advancing sustainable insurance practices requires a concentrated, multistakeholder approach, one that brings together the public and private sectors, supervisors, governments, industry, and communities."

For more information and interviews, please contact:

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About the Nairobi Declaration on Sustainable Insurance (NDSI)

The Nairobi Declaration on Sustainable Insurance (NDSI) is a pan-African commitment launched in 2021 by Africa's insurance leaders to integrate environmental, social and governance (ESG) principles into insurance and align the sector with the UN Sustainable Development Goals (SDGs) and the UNEP Principles for Sustainable Insurance (PSI). Since its launch, NDSI's membership has grown to over 275 signatories spread across 38 countries. Its vision is of a sustainable, prosperous, and resilient Africa, supported by a strong and vibrant insurance industry that actively contributes to societal well-being and environmental stewardship. Since its launch, NDSI has scaled rapidly into a large, continent-wide network of insurers, reinsurers and ecosystem actors, supported by FSD Africa, helping to build awareness and support for sustainable insurance principles.