

## Hollard partners with Cigna

Insurer Hollard planned "significant acquisitions" on the continent in the next few years and was partnering with global health insurer Cigna to offer health insurance to companies operating in Africa, said Brooks Mparutsa, executive director of Hollard's international business.



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Hollard, which already has offices in Zambia, Namibia, Mozambique, Botswana and Ghana, hoped to finalise the acquisition of a health insurance company in Kenya by the end of 2017, Mparutsa said. It wanted to secure a life insurance licence in Ghana by August and conclude a transaction in Nigeria in the next 18 months.

Hollard was also in discussions over a possible partnership with Resolution Insurance in East Africa and was keen to do an acquisition in West Africa, Mparutsa said.

Hollard is a privately held insurance company, majority owned by the Enthoven family, which also own Nando's.

At the end of 2015, it was SA's second-largest short-term insurer, with an 11% share of the industry's total premium income and ousting Old Mutual Insure, previously Mutual & Federal, from this position.

Hollard's partnership with New York Stock Exchange-listed Cigna, dubbed Hollard Cigna Health, could see it break into a market that rivals have struggled to crack. Hollard is the distribution partner for Cigna.

Liberty Health, which provides medical expense cover to corporate customers in 10 African countries, continues to post losses. For the year to December, the unit's loss rose more than 100% to R45m. MMI's health business outside SA has also reported losses, although these narrowed for the six months to December.

The Hollard-Cigna partnership would provide health insurance, approved by in-country regulators, to multinationals operating across Africa, said Jason Stadler, president of Cigna's international market division. Companies were inadequately served, with providers such as the British United Provident Association and Allianz focusing predominantly on the corporate expatriate market, Mparutsa said.

Hollard Cigna Health would serve expatriates and local employees of multinationals, including local companies with operations outside SA.

Cigna is in a strong position on the continent, having built up a network of 2,000 healthcare providers over decades.

In terms of the agreement, Cigna would be treated as a reinsurer, with a large portion of premium income ceded to it.

Stadler would not comment on the venture's premium targets, saying only Cigna had "high growth aspirations". Africa had a low insurance penetration and a growing burden of noncommunicable diseases, he said.

**Source:** *Business Day*

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