

Hollard, IVM extend operations into Ghana

IVM Intersurer has extended its footprint into the West African country of Ghana following the acquisition of a majority stake in The Metropolitan Insurance Company (Met Insurance).



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IVM and Hollard Insurance, in which IVM holds a significant investment, will be supporting Met Insurance with the objectives of optimising Met Insurance's operations in Ghana and growing market share.

With one of the most promising and dynamic insurance industries in the region, Ghana offers exciting prospects for innovation and the development of insurance products in both personal and commercial lines. Ghana's short-term insurance industry generated turnover of over \$150m in 2013, but more significantly grew by over 25% over the past five years, which makes it one of the most rapidly growing insurance markets in the world.

Ghana boasts one of the most exciting economies in West Africa and provides a largely predictable business environment. It also has strong political and economic relationships with its West African neighbours and with foreign investors. As a result of this encouraging environment, an increasing number of multinationals are looking to use Ghana as their launch-pad into West Africa.

Joint venture

"Interestingly, the Met Insurance purchase is not Hollard's first encounter with Met," says Frans Prinsloo, managing director of Hollard International. "Hollard has been collaborating with Met in a joint venture that has developed and distributed bank assurance products through Barclays in Ghana. The joint venture saw us add our significant experience in the development of alternative products and distribution channels to Met Insurance's established presence and administrative abilities."

As a result of the Barclays venture, Met Insurance, IVM and Hollard have been in discussions for some time regarding the formalisation of a relationship beneficial to all concerned. Ensuring that there is an appropriate fit, both in corporate strategy and culture, and establishing an equitable arrangement have been the priorities.

IVM's entry into any market must come at an appropriate level of investment and return, while Met Insurance's concerns were focused around ensuring that any new shareholder offers both the skills and expertise to allow it to flourish, without diluting its existing corporate culture and reputation in the market.

Local knowledge

IVM and Hollard's approach in entering new territories has been to lean on the experience of a local partner. While Hollard's brand and business model has proved effective across multiple and highly varied markets, it has always recognised that local knowledge and participation is essential for growth. The two major local shareholders in Met, Sstar Trust and Ghana Re remain committed to the growth of Met and will remain as shareholders in the business.

It is the long-term intention of IVM for the Hollard brand to be grown into an established position in Ghana. Both IVM and Hollard have recognised the factors that have allowed Met Insurance to achieve considerable success in the Ghanaian insurance market. As a result, the approach will be to fine-tune the Met strategy and structure so that these success factors can be accentuated and enhanced.

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