

Addressing South Africa's insurance crisis

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Kobus Botha, chief executive officer at Ignition Financial Services, believes there is solution to the pressing issue of underinsurance and non-insurance among South Africans.



Only a small percentage of the population has insurance coverage, with significant disparities across different categories such as life, health and vehicle insurance. Botha identifies two primary factors contributing to this dilemma: lack of education, and financial constraints.

The lack of understanding about insurance products, coupled with deep-seated mistrust in insurance companies, has led to an extremely low uptake of insurance in South Africa. Financially, many South Africans perceive insurance as a luxury they cannot afford, leading to it being cancelled during times of financial strain.

Without adequate coverage, households face immense financial burdens in the event of unforeseen circumstances, risking the loss of homes, disruptions in education and other hardships.

Botha proposes innovative solutions to address these challenges, focusing on the importance of education and trust-building efforts in the long term, while advocating for tangible consumer products that are bundled with insurance offerings to increase perceived value and affordability.

For more on these ideas and their potential implications, [read the full blog here](#).

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