

EVOLUTION OF INSURANCE OPERATORS IN THE DEMOCRATIC REPUBLIC OF CONGO: IMPACT ON THE INSURANCE MARKET

GUY ANGBONGI GONGWA^{1&2*}, BOFOE LOKANGU³, MUSAMBAY RAMAZANI³
& GININGAKPIO MUDIPALE³

¹Learner of the Graduate Diploma at the University of Kisangani,

²Head of Works, Higher Institute of Commerce of Kisangani,

³University of Kisangani, Democratic Republic of Congo

<https://doi.org/10.37602/IJREHC.2026.7331>

ABSTRACT

The liberalization of the insurance sector in the Democratic Republic of Congo, established by Law No. 15/005 of March 17, 2015, profoundly transformed the national insurance landscape by ending the monopoly of the National Insurance Company (SONAS). This study analyzes the evolution of insurance operators and their impact on the Congolese market through insurance premiums and the penetration rate. Using documentary and analytical methodology, we demonstrate that liberalization led to an exponential multiplication of actors, from a single operator in 2018 to 60 approved operators in 2024. Premiums increased from USD 66.75 million in 2018 to USD 377.89 million in 2024, representing growth of 466.15%. However, the penetration rate remains low (0.53% of GDP in 2024), well below the African average (3.5%). These results call for balanced regulation to preserve the competitiveness of the historical operator while promoting insurance inclusion.

Keywords: Insurance, liberalization, operators, market, DRC, SONAS, premiums, penetration rate

1.0 INTRODUCTION

The insurance sector is one of the fundamental pillars of the economic and social development of modern nations. By contributing to the security of families and the sustainability of businesses, it mobilizes collective savings which, once invested in the service of the national economy, actively participate in its development (Beck, 2003) (Beck & Webb, 2003). In the Democratic Republic of Congo (DRC), this sector has undergone a major transformation with the promulgation of Law No. 15/005 of 17 March 2015 on the Insurance Code, which enshrined the liberalization of a previously monopolistic market.

Before this reform, the Congolese insurance market was dominated by the Société Nationale d'Assurances (SONAS), created in 1966 and endowed with a legal monopoly. This monopoly situation, although justified at the time by the imperatives of economic sovereignty, had gradually shown its limits: lack of competition, administrative burden, low innovation and mistrust of the population (OECD et al., 2025).

The liberalization of the sector has opened up the market to new operators, radically transforming the Congolese insurance landscape. Between 2019 and 2024, the number of operators increased from 8 to 60, while total written premiums decreased from USD 66.75

million to USD 377.89 million (Insurance Regulatory and Supervisory Authority & ARCA, 2025) (Atlas Magazine, 2026) (ARCA, 2025; Atlas Magazine, 2026). This spectacular expansion nevertheless raises questions about the real impact of this multiplication of players on the development of the market.

The central issue of this research can be formulated as follows: has the liberalization of the insurance sector and the resulting multiplication of operators had a significant impact on the development of the insurance market in the DRC, measured through the evolution of insurance premiums and the penetration rate?

This study has three specific objectives: (1) to trace the historical evolution of the Congolese insurance market from the monopolistic period to liberalization; (2) to analyse the quantitative and qualitative evolution of insurance operators before and after liberalisation; (3) Evaluate the impact of this multiplication of players on the market through insurance premium and penetration rate indicators. Our hypothesis is that liberalisation has had a positive impact on premium volume but a limited effect on penetration, given the persistent structural challenges (KPMG & KPMG Africa, 2014) (African Development Bank, 2012).

2.0 METHODOLOGY

This research adopts a qualitative and quantitative methodology, based on a documentary and analytical approach. Data collection was based on primary and secondary sources. The primary sources include the fundamental legal texts: the Constitution of the DRC of 18 February 2006, Law No. 15/005 of 17 March 2015 on the Insurance Code, as well as the annual reports of the Insurance Regulatory and Supervisory Authority (ARCA) for the financial years 2019 to 2024 (ARCA, 2025).

Secondary sources include legal and economic doctrine, insurance publications, World Bank reports, and sector analysis. The data collected were subject to a content analysis for the legal and institutional aspects, and a descriptive statistical analysis for the economic indicators. This approach implements the recommendations of Outreville (Outreville, 2013) and Arena (Arena, 2008) on the comparative study of insurance markets in developing countries.

3.0 RESULTS

3.1 Brief history of the insurance market in the DRC

The history of the insurance market in the DRC is part of a trajectory marked by three distinct phases: the colonial and post-colonial liberal period, the period of state monopoly, and the contemporary period of liberalization.

Phase 1: The liberal period (before 1966). From its earliest days, the insurance market in Congo has been characterized by the transfer of premiums to insurance companies abroad. Foreign companies, mainly Belgian, Dutch and British, operated through subsidiaries and brokers, controlling the local market while systematically repatriating the premiums collected (Beck, 2003). This situation of economic extorsion deprived the Congolese economy of crucial financial resources.

Phase 2: The period of monopoly (1966-2015). In order to remedy this capital flight, the public authorities nationalized the sector by creating SONAS by Ordinance-Law No. 66/622 of 23 November 1966. Ordinance-Law No. 67/240 of 2 June 1967 conferred on it an absolute legal monopoly on all insurance operations on the national territory. This system aimed to channel financial flows towards the financing of the national economy and to consolidate economic sovereignty (OECD & Organisation for Economic Co-operation and Development, 2025).

However, the monopoly soon proved to be dysfunctional. SONAS was confronted with multiple difficulties: insufficient operating funds, recurrent political interference in management, arbitrary levies of funds by the State, and the absence of a regulatory framework (KPMG & KPMG Africa, 2014). These burdens made SONAS a company in the State's portfolio classified as a "lame duck".

Phase 3: Liberalization (from 2015). The promulgation of Law No. 15/005 of 17 March 2015 marked a decisive turning point by putting an end to 49 years of monopoly. This law, in line with international standards and the principles of the market economy, opened up the sector to competition while establishing a regulatory framework supervised by the ARCA (Insurance Regulatory and Supervisory Authority & ARCA, 2025).

3.2 Evolution of insurance operators on the Congolese market

3.2.1 Before liberalisation: SONAS's monopoly

Before 2019, the Congolese insurance market was based on a monolithic structure. SONAS was the only insurance company authorized to underwrite risks throughout the country. This monopolistic situation was characterized by a relative stagnation of turnover and an extremely low penetration rate, estimated at less than 0.3% of GDP, which is in line with Arena's observations (Arena, 2008) on pre-liberalization developing countries.

Table 1: Monopolistic situation of the insurance market in the DRC (2015-2018)

Year	Market Revenue (USD)	SONAS CA (USD)	Market share
2015	82 718 517	82 718 517	100%
2016	62 895 104	62 895 104	100%
2017	60 069 795	60 069 795	100%
2018	66 748 339	66 748 339	100%

Source: ARCA Activity Reports, 2019-2021

3.2.2 After liberalisation: a proliferation of operators

The opening of the market in 2019 has led to a rapid increase in the number of players in the sector. The first approvals have been granted to 4 insurance companies and 4 brokers. This dynamic has accelerated over the years, in accordance with the development model observed by Outreville (Outreville, 2013) in emerging countries that have liberalized their insurance sector.

Table 2: Evolution of the number of licensed insurance operators in the DRC (2021-2024)

Category	2021	2022	2023	2024
Non-life insurance companies	7	7	7	7
Life Insurance Companies	3	3	3	3
Reinsurance Companies	2	2	2	2
Brokers (corporations)	20	24	28	31
Health Insurance Managers	1	1	4	5
General Insurance Agents	2	2	2	7
Banks	2	2	3	3
Grand Total	39	43	51	60

Sources: ARCA Annual Reports (2021-2024); Atlas Magazine (2026)

3.3 Impact of operators on the market through insurance premiums

3.3.1 Overall evolution of written premiums

The most telling indicator of the impact of liberalisation is the evolution of premiums written. According to Haiss and Sümegi (Haiss & Sümegi, 2008), insurance premiums are a reliable proxy for insurance activity and its contribution to economic growth.

Table 3: Evolution of premiums written on the insurance market in the DRC (2019-2024) in USD

Year	Non-life	Life	Total	Growth
2019	124 258 399	1 236 802	125 495 201	88%
2020	146 798 000	1 237 000	148 035 000	18%
2021	210 220 874	7 200 746	217 421 620	47%
2022	275 454 174	12 540 471	287 994 645	32%
2023	304 317 514	20 977 413	325 294 927	13%
2024	342 804 960	35 092 962	377 897 922	16%

Sources: ARCA Annual Reports (2025); Financial Afrik (2026)

The analysis reveals that overall production has experienced a spectacular evolution of +466.15% between 2018 and 2024. The market is dominated by the non-life branch (90.7% of total premiums in 2024), while the life branch is growing exponentially (+2,737% between 2020 and 2024), albeit from a very low base. This development profile is consistent with Arena's (2008) observations on post-liberalization African markets.

3.3.2 Erosion of SONAS' market share

Liberalization has profoundly changed the distribution of market shares. While it held 100% of the market before 2019, SONAS has seen its position gradually eroded by new entrants, a phenomenon observed by KPMG (2014) in other African countries that have liberalized their insurance sector.

Table 4: Evolution of SONAS' market share (2015-2024)

Year	Market Revenue (USD)	SONAS CA (USD)	Part	Rank
2015	82 718 517	82 718 517	100%	1er
2019	124 258 399	69 284 474	56%	1er
2020	147 797 802	53 042 981	36%	1er
2021	210 220 874	56 584 056	27%	2nd
2022	275 454 174	64 592 056	23%	2nd
2023	304 317 514	58 510 193	19%	3rd
2024	342 804 960	61 345 775	18%	3rd

Sources: ARCA Annual Reports (2025); Consolidated data

3.4 Impact on Market Penetration

The insurance penetration rate, which measures the ratio of insurance premiums to Gross Domestic Product (GDP), is a key indicator of the sector's development. According to Beck and Webb (Beck, 2003), this ratio is positively correlated with the level of economic development and the development of the banking sector.

Table 5: Development indicators of the Congolese insurance market (2024)

Indicator	DRC Value	Avg. African	Avg. Global
Total primes	377,9 M USD	-	-
PIB	70,96 Mds USD	-	-
Penetration rate	0,53%	3,5%	7,0%
Insurance density	3,5 USD/hab.	45 USD	650 USD

Sources: ARCA (2025); OECD (2025); Swiss Re (2024)

Despite the impressive growth in premiums written, the insurance penetration rate in the DRC remains extremely low at 0.53% of GDP in 2024, six times lower than the African average (3.5%) and thirteen times lower than the global average (7%). This paradoxical situation — high premium growth but low penetration — can be explained by deep structural constraints identified by the African Development Bank (African Development Bank, 2012) (2012): low

purchasing power (GDP per capita of USD 649), cultural distrust of financial institutions, and lack of insurance in rural areas where more than 60% of the population resides.

4.0 DISCUSSION

4.1 Interpretation of Results

The results partially confirm our main hypothesis. Liberalization has undeniably stimulated growth in the overall volume of insurance premiums, with a more than five-fold increase in five years. This growth can be explained by several mechanisms: the arrival of new players has intensified competition, generating downward pressure on prices and product diversification; awareness campaigns have helped educate the market; and the introduction of a regulatory framework by ARCA has strengthened policyholder confidence (Arena, 2008; Beck, 2003).

However, the impact on the penetration rate remains limited. With 0.53% of GDP, the DRC has one of the lowest rates in sub-Saharan Africa. This low penetration can be explained by deep structural constraints: very limited purchasing power, cultural distrust of financial institutions, the almost total absence of insurance in rural areas, and massive economic informality (African Development Bank, 2012; KPMG & KPMG Africa, 2014).

The life branch, although experiencing strong relative growth (+75% between 2023 and 2024), remains embryonic with only USD 35 million in premiums in 2024. This delay can be explained by the absence of a culture of insurance savings and by the predominance of informal community solidarity systems, in accordance with Outreville's observations (Outreville, 2013) in African markets.

4.2 Regional comparison and lessons learned

The liberalization of the insurance sector in the DRC is part of a continental dynamic. Many African countries have carried out similar reforms, with mixed results. The CIMA Zone (Inter-African Conference of Insurance Markets), which brings together fourteen countries, has established a harmonized insurance code promoting the free movement of services while maintaining strict prudential supervision. The experience of these regional organisations shows that successful liberalisation depends on three conditions: a strong and independent regulatory framework, effective prudential supervision, and accompanying measures to protect the incumbent while promoting fair competition (OECD & Organisation for Economic Co-operation and Development, 2025).

5.0 CONCLUSION

This study made it possible to analyze the evolution of insurance operators in the Democratic Republic of Congo and their impact on the insurance market through insurance premiums and penetration rate. Three major lessons emerge.

First, the liberalization of the insurance sector enshrined in the 2015 law has profoundly transformed the Congolese insurance landscape. The transition from a monopoly to open competition has led to a multiplication of players (from 1 to 60 operators in five years) and a spectacular growth in written premiums (+466% between 2018 and 2024), confirming Arena's

analyses (Arena, 2008) and Haiss and Sümegi (Haiss & Sümegi, 2008) on the role of competition in the development of insurance markets.

Second, this quantitative growth has not yet translated into market depth. The penetration rate (0.53% of GDP) and insurance density (USD 3.5 per capita) remain among the lowest in Africa and the world, revealing a market that is still far from its maturity.

Third, liberalization has led to a rapid decline in SONAS' market share (from 100% to 18%), raising crucial questions of economic sovereignty. These findings call for strengthening ARCA's capacities, implementing targeted protection measures for SONAS, and promoting insurance inclusion through microinsurance and digitalization (African Development Bank, 2012; Beck, 2003).

REFERENCES

1. African Development Bank. (2012). Financial Inclusion in Africa. https://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/Financial_Inclusion_in_Africa.pdf
2. Arena, M. (2008). DOES INSURANCE MARKET ACTIVITY PROMOTE ECONOMIC GROWTH? A CROSS-COUNTRY STUDY FOR INDUSTRIALIZED AND DEVELOPING COUNTRIES. *Journal of Risk and Insurance*, 75(4), 921-946. <https://doi.org/10.1111/j.1539-6975.2008.00291.x>
3. Atlas Magazine. (2026, April 14). Insurance market in the Democratic Republic of Congo. <https://www.atlas-mag.net>
4. Insurance Regulatory and Supervisory Authority & ARCA. (2025). DRC: USD 352.15 million reported by the insurance market between 2019 and 2024. <https://arca.cd/>
5. Beck, T. (2003). Economic, Demographic, and Institutional Determinants of Life Insurance Consumption across Countries. *The World Bank Economic Review*, 17(>1), 51-88. <https://doi.org/10.1093/wber/lhg011>
6. Haiss, P., & Sümegi, K. (2008). The relationship between insurance and economic growth in Europe: A theoretical and empirical analysis. *Empirica*, 35(4), 405-431. <https://doi.org/10.1007/s10663-008-9075-2>
7. KPMG & KPMG Africa. (2014). Insurance in Africa. <https://assets.kpmg.com/content/dam/kpmg/za/pdf/Insurance-in-Africa.pdf>
8. OECD, African Union Commission, & Forum on African Tax Administration. (2025). Revenue Statistics in Africa 2025: Similarities and Particularities of African Revenue Classification Systems. OECD Publishing. <https://doi.org/10.1787/1ce28fd2-fr>
9. OECD & Organisation for Economic Co-operation and Development. (2025). Africa capital markets report 2025: The role of insurance companies and pension funds as institutional investors in African capital markets. <https://www.oecd.org/>
10. Outreville, J. F. (2013). The Relationship Between Insurance and Economic Development: 85 Empirical Papers for a Review of the Literature. *Risk Management and Insurance Review*, 16(1), 71-122. <https://doi.org/10.1111/j.1540-6296.2012.01219.x>