

Asia Insurance Review's

# EAIC

• D A I L Y •



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## What are Your Expectations for this year's EAIC?

To kickstart our four-day newsletter service at this 22nd East Asian Insurance Congress, we at *Asia Insurance Review* decided to check in with several EAIC veterans, including two regulators, to find out what they are looking out for at the conference this year. With the renewal around the corner, we also asked them what they are expecting or hoping to see this time—a question which drew out some interesting responses.

Finally, the long wait is over and the EAIC is upon us. Despite several grumbles about how much later the conference is being held this year, support for the event is definitely alive and well as everyone is still signing up enthusiastically in droves, with the numbers expected to hit 1,200 very soon.

Apart from the vital networking opportunities, which are acknowledged by everyone who attends the gathering, industry leaders also highlighted the excellent topics being presented this year; several people singling out the topic on good governance as being something they would want to find out more about.

To help provide constructive input that future EAIC organising committees could use, we had asked these industry leaders if they had any new ideas and improvements for the conference. We had several interesting suggestions, which included videoconferencing for roundtable discussions, more split sessions to cater to smaller crowds for better interaction, and the extension of the group to more cities and countries. The list goes on – and there must be more ideas from the rest of the 1,200 crowd this year. But for now, we'll leave you to read on and find out what our industry leaders had to say.

*More expectations on pages 7 and 8 ►*

### Ms Potjane Thanavarant Director-General, Department of Insurance, Thailand

It is a great opportunity for Thailand to be the host of the 22nd EAIC, which is the third time for Thailand to have this honourable occasion. I expect that the conference will create many benefits for the insurance industry, not only for the member countries but for every participating country as well. Hence, it will generate the opportunities for the supervisors, insurers, reinsurers and related parties from around the world to exchange their views of practices and experiences, and encourage the coordination among the public and the private sectors. It is also an opportunity to promote Bangkok as the financial centre in the region as insurance is a part of the financial component.

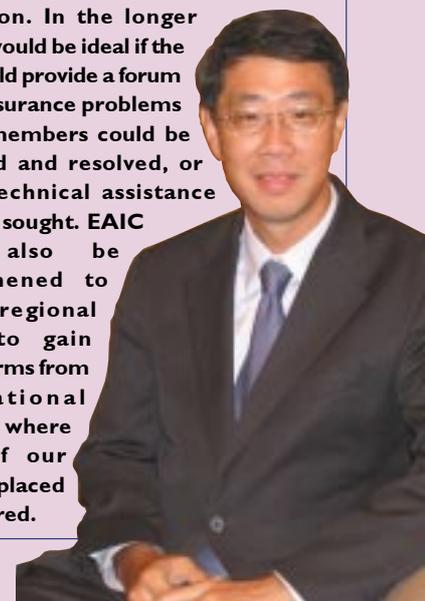
The conference this year is special from those in the past because there are honourable speakers, and many participants, from around the world such as from the US, the UK, European countries and Australia. In addition, I think that the EAIC can be improved by conducting a joint meeting among the supervisors and the private sector because it will generate the opportunities for the exchange of views and experiences, which will make the EAIC to be a more important occasion.

I hope that the Thai insurance industry will benefit from the various lessons on insurance management practices and adapt them as guidelines for improving their services, which will eventually be beneficial to the customers, policyholders, and the country as a whole.

### Mr Richard Yuen Commissioner of Insurance, Hong Kong

With participants from over 10 cities in the region, the EAIC provides an excellent opportunity for us to share our experiences and views on matters relating to the insurance industry, to keep abreast of developments in the region, and to make new or renew our acquaintances. As insurance regulator, I particularly value the opportunity to meet with my fellow regulators from different countries to keep abreast of latest developments in the insurance markets in the region, and exchange views on matters of mutual concern, as well as to meet representatives from the private sector.

The EAIC could be improved further if membership could be extended to cover all major cities and growing insurance markets in the region. The topics to be discussed could also be carefully selected to reflect the topical problems faced by the region. In the longer term, it would be ideal if the EAIC could provide a forum where insurance problems among members could be discussed and resolved, or where technical assistance could be sought. EAIC could also be strengthened to form a regional group to gain better terms from international markets, where some of our risks are placed or reinsured.



# EAIC – A Pictorial Walk Down Memory Lane

## 1994, Seoul:

Theme – *The Challenges of the East Asian Insurance Industry in the Changing Global Market Environment*



## 1996, Singapore:

Theme – *Towards a More Professional and Efficient Insurance Industry in a Rapidly Changing Environment*



## 2000, Manila:

Theme – *Rebounding from the Asian Financial Crisis: Strategies for Continued Growth*



## 1998, Macau:

Theme – *Global Socio-Economics and Environmental Changes – What Impact on East Asian Insurers?*



## 2002, Tokyo:

*Challenges and Opportunities for Insurance in the Changing World of Financial Services*

## 8TH ASIA INSURANCE INDUSTRY AWARDS 2004

### Roll of Honour

LIFE INSURANCE COMPANY OF THE YEAR  
**Thai Life Insurance**

sponsored by *Guy Carpenter & Company, Inc*

GENERAL INSURANCE COMPANY OF THE YEAR  
**Fubon Insurance**

sponsored by *Jardine Lloyd Thompson Asia*

EDUCATIONAL SERVICE PROVIDER OF THE YEAR  
**Australian and New Zealand Institute of Insurance and Finance**

sponsored by *Asia Insurance Review*

INNOVATION OF THE YEAR  
**National Transport Insurance**

sponsored by *Manulife Financial*

SERVICE PROVIDER OF THE YEAR  
**ABeam Consulting**

sponsored by *ING Antai*

RISK MANAGER OF THE YEAR  
**George Gibb, Risk Management Indonesia, IBS Group**

sponsored by *AIG*

BROKER OF THE YEAR  
**Marsh**

sponsored by *Millea Asia*

REINSURANCE BROKER OF THE YEAR  
**Benfield**

sponsored by *Toa Re*

REINSURANCE COMPANY OF THE YEAR  
**Swiss Re**

sponsored by *Arthur J. Gallagher*

LOSS ADJUSTER OF THE YEAR  
**Maphilindo International Sdn Bhd**

sponsored by *HSBC Insurance Brokers*

INSURANCE WEBSITE OF THE YEAR  
**www.bupa.com.hk**

sponsored by *The Review Worldwide Reinsurance*

PERSONALITY OF THE YEAR  
**Frank S Wang**

(President of Union Insurance Company, Taiwan and immediate past Chairman of the Non-Life Insurance Association of Taiwan)

sponsored by *Allianz AG Reinsurance Branch Asia Pacific*



## A Salute to the Winners of the Asia Insurance Industry Awards 2004!

The much-awaited 8th Asia Insurance Industry Awards Gala Dinner, held in conjunction with the 22nd East Asian Insurance Congress (EAIC), generated much excitement last night, after Asia's finest were finally announced following a three-month wait. Close to 600 guests attended the Awards Dinner, where winners were honoured for their display of excellence in the industry.

Ms Potjaneer Thanavarant, Director-General of the Department of Insurance, Thailand, and Honorary Chairperson of the judging panel, was this year's Guest of Honour.

The Asia Insurance Industry Awards, jointly organised by *Asia Insurance Review* and *The Review Worldwide Reinsurance* magazine, has become increasingly recognised as a prestigious event where coveted Awards are bestowed upon industry players, whose commitment to excellence in helping the region in its march toward professionalism and higher standards, are honoured.

The selection process was no simple task for the panel of 21 judges from around the world. Competition this year was intense, with more than 500 nominees vying for the title. This year the winners are: ►

# Asian Growth on the Cards for Global Reinsurance Broker

**Mr Martin Burrough, CEO of Guy Carpenter's Asia Pacific operations, shares his thoughts about doing business in Asia, and how the company is applying innovation and deploying its global network with local insights to secure future growth in the region.**

Asia has been recognised widely by the global business community as a region full of challenge. The fact that Asia is not a homogenous market has made doing business in this important region that much more interesting; Asia is populated by economies at various stages of development, with correspondingly different needs and levels of expertise. But while many companies baulk at the enormity of the challenge that is Asia, there are those who embrace the region's diversity.

Global reinsurance intermediary Guy Carpenter recognises that its success in Asia is dependent on how it mobilises its resources to adapt to the needs of the diverse economies in the region.

"In Asia Pacific, there's a mixture of mature and emerging markets so the demand is extremely client centric where we're concerned," says Mr Martin Burrough, the company's Asia Pacific CEO. "We've got to make sure that the focus we give to our clients is appropriate to them as a mature market or as an emerging market.

"We want to be fully aware of our client's aims and goals and to understand their business at least as well as they do themselves. We can then advise them on what risk they can comfortably run and how best to provide solutions – whether they be conventional or non-conventional reinsurance solutions."

## Delivering on Diverse Needs

According to him, mature markets currently require a level of sophistication because they have a greater statistical knowledge of the risk contained within their own portfolios of business. The level of analysis that they require from their brokers is, therefore, more sophisticated.

"Furthermore, clients in mature markets may find it quite difficult to grow. So you've then got to help them analyse what else they can do: should they start writing other lines business? Should they be expanding their territorial base?" he says.

At the other end of the spectrum, emerging markets such as China and India hold the promise of infinite possibilities. "We have China and India as the obvious examples of markets where, over the next five to 10 years, there will be considerable growth in their economies and the resultant requirements for insurance coverage and reinsurance. So we really want to be part of that development, and we want to work very much with the local markets and to be an aid to progression and toward maturity," he says.

Although diverse economies require different approaches to accommodate their needs, Guy Carpenter is adopting a common operational approach to doing business in these markets.

## Powerful Tools for Added Value

"Our aim is to establish a solid platform in each country that we operate so that we can work very closely with the local market; and to be there with our own people, locally hired, working on local accounts to bring added value to this region," Mr Burrough says.

"Another way we add value is through our ability to analyse the business. Our Instrat division focuses on all kinds of modelling and analysis of client data. We have the ability to bring a very technically advanced set of tools to bear on our clients' data."

Any powerful modelling tool requires people who understand the territory, Mr Burrough explains. "They have to challenge the results and test the assumptions, thus putting a strong local interpretation on the data. And that's added value for our clients," he says.

"I can see us developing a stronger Instrat base within the region over the next two to three years, always reporting to the centre of expertise based in Seattle. It's quite possible that we will use Hong Kong as a hub for distributing Instrat resources through the region.

"But there are some individual countries that will need presence on the ground and Australia is an example. We will be announcing some hires in Australia quite shortly," he adds.

## Investing in People

For the past three years in Asia, Guy Carpenter has been inculcating in its people a work ethic based, simply, on co-operation. "I'm really proud of the way people are recognising that the client comes first, and it's not their sole responsibility to grow our relationship with our clients. The only way we can do that is by sharing responsibility, using the specialty practices, Instrat and other people in the team to work. That's really beginning to make an impact now," Mr Burrough says.

"We're aiming for growth. And there's a need to invest in the region – mainly investing in people. Our focus is to hire local people; we'd be interested in taking on graduates and maybe training them up in London for a while, developing their knowledge of how Guy Carpenter goes about business, the weight that we put on the ability to analyse business properly, about our specialty practices, and the way we work as teams and not as individual, discrete units," he adds.

## Growing Asian Business

With its global work ethic and solid innovation in place, all that is left for Guy Carpenter to do is continue to grow the business. "We're looking for steady growth over the next three to four years," Mr Burrough says. "And we would hope to be close to doubling our business in that period."

According to him, Guy Carpenter has a reasonable share of the brokered business in Malaysia, China and Korea, but could do more in Japan and Australia. "In India, the other economy primed for major growth, we work very much in partnership with a local broker who has been our correspondent partner for over 60 years," he adds.

In the immediate pipeline is the establishment of a Guy Carpenter representative office in Beijing. The company currently handles its China reinsurance treaty portfolio out of its Hong Kong office. "We are in the process of establishing a representative in Beijing and once this status is formalised, we will work towards becoming a fully licensed office, hopefully about two years later. This is an important part of establishing an appropriate platform in the region," he explains.

Mr Martin Burrough



# EAIC trivia BY THE NUMBERS



**1,126** delegates  
from



**Mr Yasuo Yoshino**  
is President of the  
EAIC Main Executive Board  
for the **2002-2004** period

At last count, the  
EAIC boasts

**860** corporate  
members  
and  
**570** individual  
members

**29** nations

participated in the 21st EAIC  
conference in Tokyo

The EAIC was founded in

**1962**



The "EAIC Declaration  
2002, Tokyo"  
was issued on  
**Oct 24, 2002**

Both

**Manila**

and

**Seoul**

have hosted the  
conference



**Tokyo**  
has hosted  
the EAIC **3** times;  
it was also the  
venue for the  
**1st EAIC**



**3** times

4



Meet the team who worked hard to bring the 22nd EAIC to you!

## The Story behind the Masks

Thailand has an ancient form of stagecraft—a choreographed masked play with music originally associated with the Ramayana epic. Masks are worn in this ancient stage drama known as Khon. Each performer wears a particular mask identifying his or her individual role in the play.

There are nine Khon Masks which are the main characters in the Ramayana or the Ramakien epic. Four of these main masks have been chosen for the 22nd EAIC Conference (left to right):

- Phra Ram, an incarnation on earth of the Supreme Protector Hindu God Vishnu
- Phra Lak, devoted half brother of Phra Ram
- Hanuman "Monkey God"
- Demon King Tosakanth

The making of Khon masks for the characters in Khon masked drama is an ancient art passed on by highly skilled craftsmen for over 200 years. Each Khon mask is made by hand and brought to life in the traditional way by craftsmen pasting layers of Sa paper (hand made paper from the Sa tree) over a clay mould. The black sap of the Rak tree is used to form features such as eyebrows, ears and the elaborate headdress. Masks are finished in various ways, in 24 carat gold leaf, coloured glass and shell.



# Have the Will to Sustain Profitability

Profitability is a benchmark that insurers should not be quick to abandon.

Lord Peter Levene, Chairman of Lloyd's of London, UK, has said that the industry has been wanting in the key financial benchmark of profitability. At the last annual seminar of the International Insurance Society in London in July, he asked of the 700 CEOs gathered: "Do we have the will to sustain profitability in the long term?"

At the end of the day, it is the will that determines whether our industry continues to prosper, or languishes in repetition of the mistakes of our past.

He said it was a critical challenge as the market was getting softer, implying that the industry's economic fundamentals are not right. Most rank pricing as top priority again, and prices are falling even though the recovery is not complete. In a passionate warning and plea, Lord Levene said the industry, which has mended its ways and retreated from the precipice, could not now afford to make the same mistakes again.

"We must summon the will to resist the economic forces that drive the insurance pricing cycle. Profit management means having the strength to say 'no'. The strength of will to say 'no' is the new reality. Lloyd's underwriters have made it clear that they will not accept risk on uneconomic terms," he said.

In his speech, he had noted that the other benchmarks of success for the 21st century corporation was service levels, professional standards and social responsibility. On the positive front, insurance companies had the operation-specific benchmarks of risk modelling, risk management, and the ability to innovate and keep abreast of the changing environment against which society seeks to insure.

“ We must summon the will to resist the economic forces that drive the insurance pricing cycle. Profit management means having the strength to say 'no'. The strength of will to say 'no' is the new reality. Lloyd's underwriters have made it clear that they will not accept risk on uneconomic terms. ”

Lord Peter Levene, Chairman,  
Lloyd's of London, UK



## Practical Aspects Of Reinsurance

"Practical Aspects of Reinsurance" by Mr Ashok Goenka, an experienced former reinsurance practitioner and erstwhile university don, discusses the practical aspects and issues involved in reinsurance, and stimulates a thought process about the problems of the business.

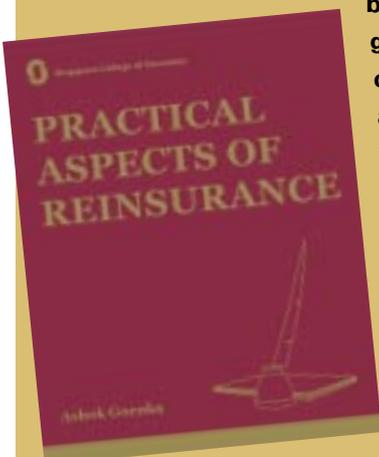
The much-awaited book, aimed at everyone in the industry, including newcomers, begins with the basics such as the mechanics of proportional and non-proportional reinsurance and gradually progresses into areas of details and refinements such as the construction of reinsurance programmes. The book adopts a comprehensive and integrated approach in illustrating examples and case-studies to the reader, making it appealing to students as well as those in the corporate world in insurance and reinsurance.

This book is published by the Singapore College of Insurance, a not-for-profit certification, training and educational institution in insurance and financial services, established in 1974.

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# What's Wrong with Contingent Commissions?

The recent hullabaloo over contingent commissions started after Eliot Spitzer, the all-powerful New York State attorney general, accused at least five insurance giants of participating in fraudulent business practices. Spitzer's civil complaint, filed October 14 this year, paints the entire industry as rife with corruption. He alleges a conspiracy among several industry players based on the existence of "Placement Service Agreements" (PSAs) – otherwise known as contingent commission agreements.

The complaint stated that the service agreements resulted in insurer payments to Marsh based on how much business was placed with the insurer, successful renewals and profitability of business that was placed with the insurer. These agreements were allegedly not disclosed to Marsh's insurance clients, and resulted in Marsh violating its duties to its clients by "steering" business to a number of favoured insurers.

## Long Accepted Business Practice

Spitzer is portraying as "fraudulent" long accepted industry practices – these broker compensation systems that have been in place for years and recognised globally as part and parcel of doing business. The insurance brokerage business has historically been based on commissions in one form or another, anyway. Contingent commissions are common in commercial insurance brokerage and, if properly disclosed, legal. In fact, insurance buyers can obtain more details about PSAs just by asking their broker.

So why are contingent commissions suddenly such a bad thing? What business doesn't have in place incentive programmes to spur its people on to greater performance?

## Industry Reaction

Regardless, since Spitzer launched his assault slightly more than a month ago, there has been a rash of statements made by other players and industry watchdogs on the long standing practice. The two other leading global brokers – Aon and Willis – have already announced that they have stopped

accepting contingent commissions. Britain's largest broker Jardine Lloyd Thompson has said it will stop accepting them from 2005 after an outcry from clients.

Almost 93% of 200 UK risk managers polled by the Association of Insurance & Risk Managers said they either want contingent commissions to be banned or subject to investigation by the Financial Services Authority.

The Authority itself had to publicly announce that it has provisionally authorised Marsh, Aon and Willis to operate in the UK to allay market concerns about Spitzer's probe in the US. It said it doesn't usually announce these decisions but it "did not want to leave the market uncertain about their status, particularly at a time when many companies are considering renewing insurance policies."

Zurich Financial Services said it has conducted a review of "certain business practices with insurance brokers", which has led to the suspension of several employees of the Excess Casualty underwriting unit in the Specialties Business of Zurich North America Commercial. It further stated that it had been subpoenaed by Spitzer's office to provide information, and that its business relationship is built on ethical values, which "do not condone improper behaviour, and Zurich will take action wherever such behaviour has been found."

## Transparency & Disclosure

Whatever the final outcome of Spitzer's probe, and regardless of how one views contingent commissions – legal or deviant – the key takeaway from this whole episode is the need for more transparency and disclosure. Abiding by a specified code of conduct also encourages greater professionalism in the industry.

As the Board of the IUA stated earlier this month: "Several leading brokers have recently published new customer charters, which include commitments to complete transparency in all aspects of business, including remuneration considerations. These moves are strongly supported and endorsed by IUA, and we hope that they will lead to the adoption of the highest common standards by all brokers."

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## Friend of Asia Elected New Chairman of IIS

Mr Karl Wittmann, Member of the Board of Management, Munich Re, has been elected as the Chairman of the truly global body, the International Insurance Society (IIS).

The IIS, which turned 40 this year, is renowned for putting up the best insurance seminars bringing together top CEOs from around the world, with academics and other visionaries looking at the future direction of the insurance industry. The next gathering – the 41st IIS Annual Seminar – will be held in Hong Kong in July 2005.

Mr Wittmann, a truly international figure in insurance having served in London and the US, has overall responsibility for the Asian operations of Munich Re, a company he started his career with in 1961. He replaces outgoing Chairman Douglas Leatherdale, former Chairman of St Paul Companies.



## Complete our Survey & Claim your FREE MIGO!

Dear reader,

In the 15 years that *Asia Insurance Review* has been in existence, we have never veered from our goal of serving your information needs, reporting on the news, issues and trends that matter in Asia's insurance industry, and sharing key insights with an Asian perspective. We take pride in our ability to help bridge the distance between countries in Asia, and in our role as a forum for the exchange of ideas and experiences among industry practitioners and regulators in the region.

As part of our commitment to remain relevant to you, we are launching a readership survey to seek your opinion and feedback on how we can further improve our content and visual appeal. Your responses will be kept strictly confidential.

As a special treat for EAIC delegates, *Asia Insurance Review* is teaming up with PowerHouse to offer the MIGO software to the first 100 readers who complete our Survey. So hurry down to our booth (A1) and claim your FREE MIGO (while stocks last)!

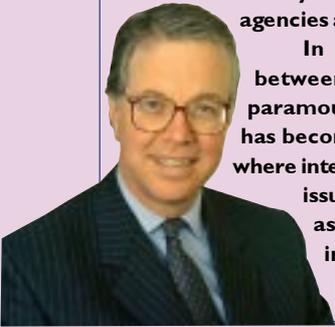


**Mr Martin Burrough**  
**Regional CEO, Asia Pacific, Guy Carpenter**

The rapid growth in China, liberalisation of the Indian marketplace, deregulation of the Japanese market, and Singapore's stature as a leading reinsurance centre underscore the region's growing importance to the insurance/reinsurance industry. As risks continue to increase in size and complexity, the renewal process has similarly become more complicated.

Along with this evolution, the role of the reinsurance broker has also changed radically. Today's broker does much more than facilitate the placement of reinsurance. At the same time, the scrutiny of insurer capital – by regulators, ratings agencies and shareholders – has never been higher.

In this environment, close collaboration between clients, markets and intermediaries is paramount to success. Over the years, the EAIC has become an increasingly important forum, one where interested parties can come together to discuss issues relating to upcoming renewals, as well as topics of longer term concern to our industry and the region. Guy Carpenter is proud to support the EAIC.

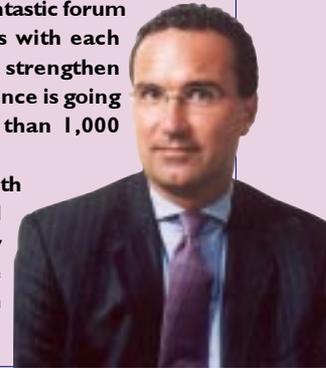


**Mr Marc Haushofer**  
**Chief Executive Officer & Principal Officer, Munich Re Singapore Branch**

The theme of the conference, "Asian Insurers in the New Financial Environment", reflects the past year which has undoubtedly been another challenging one for the insurance/reinsurance industry. It goes, however, without saying that given the obvious globalisation of the insurance business, most issues being addressed and discussed during the conference will hold true for the rest of the world as well.

The EAIC 2004 will undoubtedly be a fantastic forum to exchange views and share experiences with each other, with the aim to further improve and strengthen our industry. At the same time the conference is going to facilitate interactions amongst more than 1,000 executives from our industry.

Munich Re will facilitate the 2004 EAIC with a Bavarian Night this Sunday evening, and we cordially invite all delegates to enjoy relaxed Bavarian hospitality before we are into some extensive brainstorming from tomorrow onwards.



**Ms Linda Delhaye**  
**President Director, PT Asuransi Multi Artha Guna**

With a great number of participants coming from all over the world, the EAIC has become the right event to network, to exchange ideas and to meet colleagues and friends we seldom see.

Sometimes the information and ideas gathered outside of the conference venue is even more useful than what is obtained from the formal sessions. But, with more than 1,200 people attending, the conference has become too big for the participants to have meaningful interactions. As the problems and interest of the cities are varied, probably the organising committees in the future could have two different topics for every session, so that people can opt for the one which is more suitable for their needs.

Personally, attending the EAIC also means introducing our company to the international insurance community, whereby we can then explore more possibilities of developing the business and markets with them.



**Mr Solomon C F Chiu**  
**President, Central Reinsurance Corporation**

Besides gaining insight from the formal conference programme, I hope to meet with many leaders of the industry and discuss areas of mutual interest.

Of course, I hope to explore growth opportunities for Central Re especially since we are now privatised and are operating in an increasingly internationalised marketplace.

The EAIC is also an excellent forum for us to meet with many re/insurance executives at a crucial time before the January renewals. We expect the renewal in Taiwan to be smooth, and in view of the recent series of natural disasters in Japan and the US, we believe the recent trend of rate softening will be stabilised somewhat as a result.

The other hot topic is of course the recent regulatory investigations (starting in the US and spreading beyond), and I expect there will be much sharing of information of this at the EAIC.

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**Mr Thomas J White**  
**EVP & GM, AIA Thailand**

We see the EAIC as a very good opportunity to exchange views and experiences with senior executives from many life insurance companies from various countries. This is very important because good sharing will bring further development in the local industry.

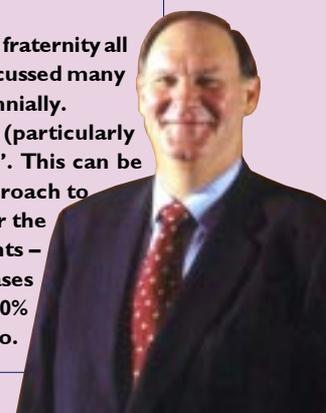
We are also confident of the EAIC's professionalism, and the programmes are very interesting with various topics such as good governance as corporate strategy; optimisation of the alternative distribution channels; Asia financial service trends; toward further development of the insurance market in Asia – all of which are topical and relevant for all of us. There is also much to learn as through interactions at the EAIC we update ourselves with the various regulations and business operations in each of the other countries represented.



**Mr Patrick Wale**  
**Managing Director, Aviva Asia Pte Ltd**

The EAIC is an excellent networking opportunity to meet up with the reinsurance fraternity all in one place over a short period. As for improvement, I am sure this has been discussed many times, but there would be an advantage for this to be held annually instead of biennially.

As for the coming renewal, I would say that insurers and their shareholders (particularly general insurers) are always looking for that elusive "consistency of earnings". This can be greatly assisted by the reinsurance community adopting a more long term approach to rating. They have the statistics, experience and knowledge to plan and price for the longer term, yet there appears to be a continuing "knee jerk" reaction to events – albeit major catastrophes. It is considerably easier to sell relatively small increases to customers, intermediaries and shareholders each year than loadings of up to 30% and 40% in one year, followed by similar reductions in the subsequent year or two.



**Mr Michael J Casella**  
**Senior Vice-President and Managing Director, Asia Pacific Zone**  
**Officer, Chubb Group of Insurance Companies**

The Chubb organisation is very pleased to be attending the East Asian Insurance Congress in Thailand this year. My first EAIC meeting was 10 years ago in Seoul, South Korea. The meeting was quite successful in helping move the development of the Asian insurance market forward.

Today, we face a much more open, sophisticated and fast-paced industry. I expect that this year's EAIC will once again position pertinent and timely industry issues for examination. Moreover, it is a wonderful forum to network and to debate these issues with our industry peers, helping all of us and the regulators to be a bit more informed and capable of making the right decisions. I compliment the EAIC organisers for their consistent dedication to the industry.

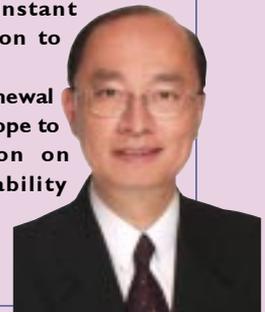


**Mr C F Choy**  
**Chief Executive, HSBC**  
**Insurance (Asia-Pacific)**  
**Holdings Limited**

HSBC has always supported EAIC for years as it provides a platform for insurers around the region to keep contact with a wide range of colleagues in the industry at one event. We would share our experiences with and gain new ideas from our peers in the industry so as to continue our commitment and involvement in the insurance business in the region.

There are several top issues this year which I expect will be discussed, both inside and outside the conference venue. These would include opportunities and threats for new distribution channels and new markets, the ageing population, industry regulation, and commissions and brokerage. An idea for future EAICs would be to hold regular videoconferences, lining up industry experts from different parts of the world for an instant roundtable discussion to address issues.

Lastly, with the renewal round the corner, I hope to see price reduction on property and liability coverage.



**Mr Patrick Kenny**  
**President & CEO, International Insurance Society Inc.**

My purpose for attending the EAIC is to make sure I understand the issues which are affecting this segment of the industry now, and to make sure we have incorporated these in our International Insurance Society's annual conference to be held next year in Hong Kong.

I think corporate governance is a very important issue and one that needs particular attention in the Asia region. I also think the direction of the industry is particularly important and the comments on developments will be interesting. I think the renewal season will bring issues of strength (as evidenced by ratings) and capacity at the right price. As to how the meeting could be improved as a regional grouping, I think the inclusion of more senior industry speakers and participants from outside the region might be of some value.



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**Mr Takaaki Tamai**  
**Chief Executive Officer, Millea**  
**Asia Pte Ltd**

EAIC will give us a great opportunity to meet our friends and business partners among the Asian insurance industry on a face-to-face basis. This kind of interaction is important, especially in today's environment where day-to-day business is becoming more Internet-oriented.

Besides the networking, the panel discussions such as "Corporate Governance" and "Alternative Distribution Channels" are of great interest to us as well. EAIC can also give us a feel of the trend in each of the 10 markets where Millea Asia's group companies have presence.



**Mr Udo Krueger**  
**CEO, Arab Insurance Group**

The EAIC provides a wonderful opportunity to meet almost all the decision makers in the Asian insurance industry in one location. I will be able to develop and groom contacts with a large number of past, present and future partners without having to travel extensively.

Recently, the Arab Insurance Group successfully completed a turnaround towards a new business franchise, re-establishing itself firmly among solidly rated, medium-sized reinsurance companies with regional competence. It is our aim to present ourselves as a reinsurer of choice not only in Asia but also in markets that show social and cultural affinities with Middle Eastern insurance markets. And in this process we would like to utilise the information, communication and interaction opportunities provided by the EAIC as a springboard.

This renewal, we expect a continuing trend towards non-proportional rather than proportional programmes, slight declines in oil and energy and property rates, and hopefully a sustainable stabilisation of prices, terms and conditions on a level that permits reinsurance companies to meet ratings agencies expectations.



**We Dare You**

EAIC is such an institution that everyone pretend to know all about it. But we have been following the mob for all these years and know many still feign knowledge. So to dare you, we are offering in this daily quiz column five questions to prove that you are as hip as ever about the EAIC. And for the first five to come to our booth with the right answers, we will give away the AIR CD-ROM containing all articles published by us in 2003 so that you can be just as hip about the insurance markets in Asia.

And for that one person who wins for all the four days of our Quiz, a Very Special Prize awaits you.

1. In which year was the EAIC founded?
2. Where was the 1st EAIC meeting held?
3. When was the Tokyo Declaration issued?
4. How many times has Thailand hosted the EAIC and when?
5. What is Thailand's global ranking in terms of total premium volume in 2003?

