

# GAIF Daily

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## Can Arab insurers make real impact on region?

A resounding YES! seemed to be the collective wisdom of the dignitaries at the opening ceremony of the 29th GAIF where more than 1,800 delegates turned up in full force to the inspiring rhythm of the Moroccan flag flying fiercely in the wind. The star was promising a great new future for the insurance industry where the turnout was an amazing record.

But first, the insurers must act fast to muster the collective energy and resources to share experience and expertise to service the interest of individuals and enterprises in the region and to innovate to make the Arab market a leading market of the world, said the incoming GAIF President Mr Anass Hourir Alami, head of the Moroccan insurance federation.



Mr Anass Hourir Alami



Mr Idriss Azami Al Idrissi

Mr Idriss Azami Al Idrissi, Minister Delegate to the Minister of Economics and Finance in Charge of the Budget, Morocco, who noted that the Arab insurance industry was still backward in many areas, urged insurers and stakeholders to exert maximum effort to find new solutions to provide wider access to insurance coverage. Stressing the importance of insurance, he said insurance helps companies maintain a financial balance. Giving emphasis to the need for stricter surveillance and discipline, he said the improvement of good governance is a priority as it was pre-requisite for companies to guarantee the sustainability of the sector.

### The New Reality

The Arab insurance sector has to remain in step with the new socio-political reality in the region and find creative solutions for insurance to be a strong catalyst in the economic development of the Arab world. Mr Abdul Khaliq Rauf Khalil, Secretary General of GAIF, called for new ideas in meeting the challenges posed by the Arab world reform. "With reforms come challenges, so we need to think outside the box," he added.



Mr Abdul Khaliq Rauf Khalil

With the theme "Insurance and the Arab World Reform", the speakers called for renewed co-operation amongst the various markets in the region, with an emphasis on adopting best practices

### GCC insurance to grow faster than GDP

"The GCC insurance sector is a US\$15 billion market and set to play an essential role in the region's future economic development," says Mr Shashank Srivastava, acting CEO of the QFC Authority at the launch of the GCC Insurance Barometer as part of the QFC's efforts aim to enhance transparency on the sector and facilitate decision making and ultimately promoting the sector's professionalism and excellence. The report is based on 20 in-depth interviews with senior executives of regional and international insurance companies and intermediaries operating in the GCC region, highlights the main strengths, weaknesses, opportunities and challenges of the GCC insurance marketplace, the near-term pricing and profitability outlook, prospects by lines of business as well as major trends and drivers. The Survey said that the insurance industry will continue to grow faster than the Gulf countries' GDP over the next two years.



Mr Shashank Srivastava

and sound corporate governance to live up to the potential of insurance as a pillar of growth.

Mr Othman Bdeir, outgoing GAIF President believes that the conference provides the best platform for insurers to respond to the opportunities which the Arab reform has provided. Noting that insurance provided the major source of project funding for infrastructure development, he urged the insurers gathered to upgrade and rise to the challenges of the day.



Mr Othman Bdeir

### Moving Forward

There seemed to be a general consensus that the Arab insurance industry can play an important role in the aftermath of the Arab Spring to help boost protection and security of the individual and their assets. There were real hopes expressed that the insurance industry can take a pro-active and effective role in shaping the future of the Arab world. There was also mention of a close partnership between government and the industry to meet the needs of the people for protection and for covering the new risks involved in socio economic development.

The stage is set. Are there any takers to lead the crusade to bring the industry to make the next leap to achieve technical excellence in insurance underwriting for long-term sustainability?



## New insurance database for the region

A concrete achievement of the GAIF 2010 at the Dead Sea was the launch of the new Arab insurance database for GAIF members. Mr Othman Bdeir, who chaired the GAIF for the past two years as President, said the project was the culmination of a co-operation between GAIF and the Jordan Association of Insurance Companies (JOIF). Mr Abdul Khaliq Rauf Khalil, Secretary General of GAIF, said it will be a major contribution to boost co-operation among GAIF members and will facilitate studies on insurance in the region.

More companies are giving the technical side of business greater attention and accordingly, raising the technical standards of their people is becoming higher priority. Probably, this is taking effect by force due to technical losses in the past and lack of investment revenue as effect of the financial crisis.

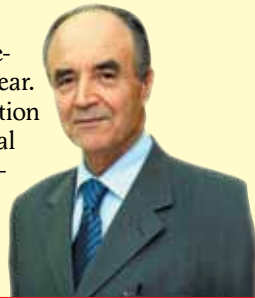
**Mr Khaled Abu Nahel,**  
COO (Non-life Operations),  
Trust Group, Jordan

## 29th GAIF Special Report

### Q: What are/were the most significant developments in the MENA region?

The Arab Spring was the most significant development in the Arab world in the past year. It should revolutionise our attitude to cooperation at the regional level because some international reinsurers were not very sympathetic to the insurance markets which saw unrest events.

**Mr Tayseer Treky,**  
CEO, Oman Re



The most significant development was the change in the reinsurers' focus as we have seen some of the major players reducing their involvement in the region while on the other hand, larger appetite for new reinsurers to enter the region.

**Mr Basem K Odeh,**  
General Manager, **Arabian Shield**  
Cooperative Insurance Co, Saudi Arabia



Expanding life insurance and savings is the future for Arab insurance market as there is a large uncovered population. With lifestyles changing and modernising noticeably in MENA, these lines will have wide horizons, especially with takaful giving a suitable means to overcome the religious barrier.

**Mr Bachir Baddou,** General Manager,  
**Moroccan Insurance Federation**  
(FMSAR)



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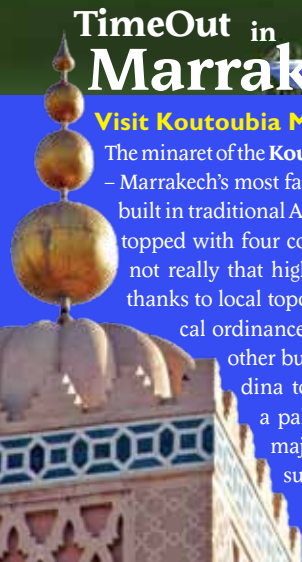
featuring all articles published in 2011 – A must-have collection for your library on the dramatic changes that swept the market in the wake of the Arab Spring. Come to the MEIR table to collect it – while stocks last!



## TimeOut in Marrakech

### Visit Koutoubia Mosque

The minaret of the **Koutoubia Mosque** – Marrakech's most famous symbol – is built in traditional Almohad style and topped with four copper globes. It is not really that high (77 metres), but thanks to local topography and a local ordinance that forbids any other building in the Medina to be higher than a palm tree, it towers majestically over its surroundings.



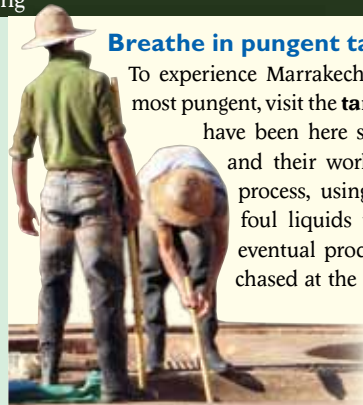
### Descend into Moorish history

Enclosed and sunk several metres below the current street level, is the **Koubba El-Badiyin**. It looks unprepossessing but it is the only surviving structure from the era of the Almoravids, the founders of Marrakech. It dates back to the reign of Ali ben Youssef (1107-43). It is worth paying the slight admission fee to descend the brickwork steps and view the underside of the dome, which is a kaleidoscopic arrangement of a floral motif within an octagon within an eight-pointed star.



### Breathe in pungent tanneries

To experience Marrakech at its most medieval and most pungent, visit the **tannery district**. The tanners have been here since the city was founded and their work remains a pre-industrial process, using hundreds of vats full of foul liquids to treat animal skins. The eventual products can be seen and purchased at the leather shops near the gate, but you may prefer to get the hell out of the quarter and purge yourself in the nearest hammam.



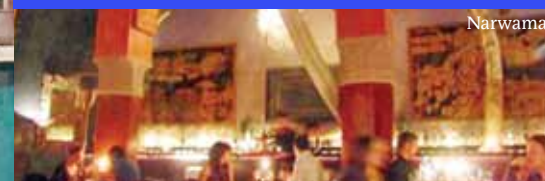
### Be grave at ancient tombs

The **Saadian Tombs**, possibly Marrakech's most visited monument, is an ancient walled garden. Dotted around the shrubbery are early mosaic graves; the identity of those interred is long lost. Attention instead focusses on the three pavilions built during the reign of Saadian sultan Ahmed El-Mansour. The Prayer Hall holds numerous graves, mainly of Alaouite princes from the 18th century. Next to it is the Hall of Twelve Columns, with three central tombs surrounded by a dozen marble pillars. The tomb in the middle is that of Ahmed El-Mansour, flanked by those of his son and grandson.



### Eat in fabulous surroundings

There are plenty of picturesque places to eat in Marrakech, but two stand out. The setting for the **Pavillion** (North Medina **Derb Zaouia, Bab Doukkala**) – the courtyard of a splendid old house where tables cluster under the spreading boughs of a massive tree. While **Narwama** (**Jemaa El Fna & Koutoubia Mosque 30 rue Koutoubia**), the city's first proper Thai restaurant, is housed in the central courtyard of a palatial 19th-century residence.



Narwama

# GIC Re eyeing new markets

With 24 companies in the market where its core business is in property, Indian reinsurer, GIC Re is now setting a formal presence in the life reinsurance market, said Mr Diwan Ram Arya, CEO of its Dubai branch in an interview with *Middle East Insurance Review*. The life market is expected to grow in tandem with the rise in family takaful companies in the region.



Mr Diwan Ram Arya

In Dubai, they are also actively involved in retakaful backed by an independent Shariah board. GIC Re writes a retakaful business of some US\$40 million and in the process of further building up their reserves over the next few years as required by their Shariah Board.

Mr Arya said the Dubai branch which has responsibilities for 20 markets in the region excluding Turkey and Iran, has consciously established close contacts with clients with the motto to be "always available to clients" and to "find solutions for their problems without turning them away". His underwriting philosophy is to "build long-term relationships with clients where we can stay as leaders and not withdraw support".

A veteran in the market with more than 20 years' experience in reinsurance, 12 of which were dedicated to the Middle East, he said the secret of their success where the combined ratio is a healthy 93%, is the "personal touch" backed by a parent which is strong and rated A- Excellent by A.M. Best.

## News in brief

### UAE: Allianz signs MoU with Western Union

Allianz SE and Western Union Co have signed a Memorandum of Understanding (MoU) to develop, design and distribute insurance products in several countries around the world.

Allianz and Western Union will work closely over the next few years to develop solutions for customer needs within each of the companies' networks, which together reach millions of potential customers.

### UAE: AAOIFI announces new seven Shariah standards

The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) has announced the finishing of new seven Shariah standards, which shall be added to the existing 41 Shariah standards and the 40 accounting standards which have been announced previously.

### Morocco: Saham Finances to acquire majority stake in LIA Insurance

Bank Audi sal - Audi Saradar Group has agreed to sell 81% of its stake in LIA Insurance to Morocco-based insurance holding company Saham Finances for an undisclosed amount. Under the deal, both parties have agreed to maintain and develop the existing co-operation between Bank Audi sal - Audi Saradar Group and LIA Insurance, in the field of bancassurance.

Saham Finances, which recently admitted into its shareholding the International Finance Corporation (a member of the World Bank Group) and ABRAAJ Capital, intends to use Lebanon as its main hub to support its expansion strategy in the Middle East.



## MICC Essay Competition "Energise Insurance in MENA"

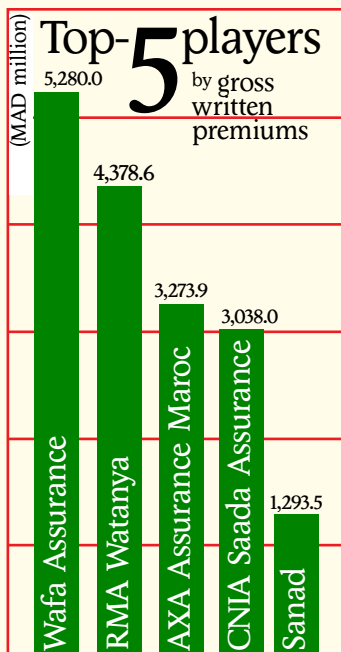
**Closing date: 10 July 2012**

**Details at:**

**[www.menainuranceceoclub.com/essay/](http://www.menainuranceceoclub.com/essay/)**



## Morocco insurance industry: Figured out



Morocco's Gross written premiums grew 9.4% y-o-y to reach **MAD 23.89 billion** in 2011.

Morocco has **16** direct insurers and **1** national reinsurer.

**La Société Centrale de Réassurance (SCR)**, set up in 1960, is the **1st** reinsurer to be established in the Maghreb and the Middle East, and the **2nd** on the African continent.

**4** insurance entities are listed on the Casablanca Stock Exchange

- Wafa Assurance (IPO-ed in Jul 1998)
- Agma Lahlou Tazi (IPO-ed in Nov 1998)
- Atlanta (IPO-ed in Oct 2007)
- CNIA Saada Assurance (IPO-ed in Nov 2010)

# Taking care of business with a twist at GAIF

The 29th General Arab Insurance Federation kicked-off with a big bash with industry players coming together from all over the world to attend the premier event that takes place every two years.



GAIF Daily newsletter team



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