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Riding the rough times

The Egyptian insurance market has achieved good growth during the past three years in spite of the decline in economic activity over the period, said Mr Ashraf Salman, Minister of Investment, speaking at the opening of the 30th General Conference of the General Arab Insurance Federation (GAIIF).

He noted that premiums grew 16% in the 2012-13 fiscal year to EGP12.8 billion (US\$1.79 billion), while estimates show that the Egyptian economy will grow at 3.5% this year, and at 4.1% in 2015.

Mr Salman also noted that structural reforms and adjustments are being made to the insurance sector to raise the efficiency and capacity of this vital sector and increase its contribution to economic growth. He said insurance companies owned by the state are being restructured to enhance their ability to compete regionally and internationally.

Sign of affirmation

The decision to hold GAIIF's 50th anniversary in Egypt is not just a gesture of gratitude for the country's role in developing the Federation, but also because Egypt was and remains a land for peace and security, said Secretary General Abdul Khaliq Khalil.

"The Arab insurance markets enjoy a growth rate which surpasses GDP growth rates, in addition to having higher rates compared to the international markets," said Mr Abdul Khaliq. "The region's young population and low penetration rate, alongside with the low occurrence of natural disasters, have attracted regional and international insurers



Mr Abdul Khaliq R Khalil



Mr Kotb (L) presents a book on 150 years of Egypt's insurance industry to Minister of Investments Ashraf Salman

and reinsurers."

He added: "The changes in some of our Arab countries have proved that challenges can be overcome through national will and regional cooperation. History indicates that in every phase, a crisis takes place to move the still waters and inspire innovation, paving the way towards the next stage. Crises have always been the real tests and Arab insurers have succeeded in overcoming challenges."

Continue in the same spirit

Noting that the conference has attracted around 2,000 delegates from 42 countries, Insurance Federation of Egypt Chairman Abd El Raouf Kotb said this is the second time that Egypt is hosting GAIIF's General Conference in 30 years, and called on members to continue working in the same regional spirit to accomplish the organisation's goals.

Mr Alaa El-Zoheiry, GAIIF's Egypt representative, Managing Director of AMIG-gig and incoming GAIIF President, said this year's conference is held in conjunction with large developments and industrial movements in Egypt, a testimony of the country's pioneering moves and it being a beacon of stability and progress in the region.

The first day also saw Egypt assuming the presidency for the 2014-2016 term.

Yesterday, GAIIF's board made the decision for

Lebanon to host the next General Conference in 2016, with Bahrain as the second option. Tunisia will host the 32nd Conference in 2018.



Mr Alaa El Zoheiry



Reinsurance in the GCC – where are rates headed?

“For the GCC region, reinsurance rates are likely to start to increase and reinsurance commissions to decline. Companies are anticipated to focus on gross profitability rather than net after receiving insurance commissions. That can only be good for the market’s long-term viability, as it will focus companies on improving the technical profitability of the business written.”

– **Mr Vasilis Katsipis**,
General Manager, Market
Development, **A.M. Best - MENA,**
South & Central Asia



“Retention rates should increase further as reinsurers and rating agencies exert pressure on ceding companies to have more ‘skin in the game’. Some insurers are ‘voluntarily’ trying harder to make a profit on risk retention given the low-yield investment environment. In addition, the gradual shift towards non-proportional reinsurance (as event limits have become commonplace) is pushing up aggregate retention levels. Also, the primary business mix is shifting towards motor and medical insurance, where retention rates are generally much higher than in commercial lines of business.”

– **Mr Nabih Massaad**, Head of Doha
operations and FAC Engineering, **Qatar Re**



7 things to do in Sharm El-Sheikh

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Visit the Coptic Church

Enjoy the impressive artwork in El Sama Eyeen (The Heavenly) Coptic Orthodox Church, built in 2010.



4 Star gaze at a Bedouin dinner

Out in the desert and away from the city, the constellations are brighter than ever. The trip, including dinner, lasts around four and a half hours.



7 Go kitesurfing

Lessons are available from operators if you like the idea of riding on a surfboard while clinging on to a kite.

www.kitejunkies.com



1 Find Nemo

The Red Sea is a snorkeling and diving paradise so if you can swim, don't just stay at the beach. Ras Mohamed National Park and Tiran Island are among the better-known spots, but Shark's Bay and Ras Um Sid are also well worth a visit.

If you don't want to get wet, view the underwater world from the comfort of your seat on a glass bottom boat cruise.

Go quad biking

Trips are usually around two hours long and they start off either in the late afternoon or in the early hours of the morning, so you can experience the beautiful sunsets or sunrises.

Note: make sure the operator provides hard helmets before booking with them.



5 Explore the Old Town

This is for you if you like haggling in the souk for souvenirs, perfumes and local herbs, or simply want a more “authentic Egyptian” experience that takes you back to the old days of Sharm El Sheikh when it was just a Bedouin village.

6

Gallop into the sunset

Experience riding in the desert and fulfil your Indiana Jones dreams.

www.mangroovy-horses.com



Sources: TripAdvisor, VirtualTourist, hostelbookers.com



**MENA Insurance
CEO Club (MICC)
5th Strategic Seminar**

15-16 Oct 2014, Dubai, UAE
Theme: “Dealing with Regulators”

Upcoming events



8th Middle East Healthcare Insurance Conference

13-14 Oct 2014 • Jumeirah Creekside Hotel, Dubai, UAE

Theme: “Critical Success Strategies to Make Compulsory Insurance Sustainable” – Creating Opportunities for All



3rd MENA Rendezvous

16-17 Nov 2014

Jumeirah Emirates Tower, Dubai, UAE

Theme: “Reinsurance as Strategic Risk Management for Underwriting Profitability”

1st Middle East Insurance Industry Awards

Awards Dinner: 17 Nov 2014

Jumeirah Emirates Tower,
Dubai, UAE



For more information, visit www.meinsurancereview.com

Can insurance help to protect a client's corporate reputation?



Mr Bruce Aitken

It may be a cliché, but the saying that a reputation takes years to build and only a moment to destroy is truer than ever in today's age of rapid communication and 24/7 news flow. The MENA region is no exception.

A recent study conducted by ACE, with businesses across 15 countries including several within the MENA region¹, found that 92% of companies believe that reputational risk is the most challenging category of risk to manage.

For companies across MENA, managing corporate reputation can be a particularly important challenge. From fatal accidents in several of the region's amusement parks, to serious incidents at shopping malls and, of course, a series of tragic deaths due to terrorism in different markets, the last decade has brought more than its fair share of reputational challenges. As populations, infrastructure and construction projects continue to grow across the region, this trend is likely to continue.

The million dollar question, of course, is how to protect a reputation and the customer loyalty that a business has fought hard to win. At ACE, we recognise that there is no magic solution. However, our research last year reveals that while 81% of companies see reputation as their most significant asset, most of them admit that they would struggle to protect it. That is why we have launched a new insurance product for the MENA insurance market. Our innovative ACE Image Protect cover protects businesses financially should any accident happen that injures their customers, staff or other stakeholders.

If mishandled, a poorly handled incident can badly damage a corporate reputation in seconds. This applies especially to companies that have premises or facilities that are frequently visited by the public, where there is a risk of an accidental fall, fires, public disorder, collapse of a structure, assaults or a robbery. The likelihood of some of these events happening also increases where concentrated groups of people

attend a hospitality event, a major event at a sporting venue or visit a busy shopping centre.

ACE Image Protect provides protection in two key ways. First, it provides the client company with access to immediate financial assistance for the benefit of its customers, employees, clients, visitors and spectators affected by a covered incident. While many businesses take out liability cover to protect them from claims resulting from negligence, a negligence liability claim may take time to handle and resolve, during which time the reputational damage may already have taken hold as social media and newspaper headlines begin to appear. In addition, many accidents do not happen as a result of negligence, in which case an unexpected crisis situation can leave the business without the comfort of financial resources to provide support to its customers.

Second, ACE Image Protect makes available to the client a dedicated communication budget, to help cover public relations and other communications costs resulting from the insured incident. In today's business climate, with 24/7 online news flow, the importance of a well-managed communications plan has never been more important, but Image Protect

recognises that not all companies have the resources they might need, and that additional support and costs will often be incurred.

Having the right insurance in place can never be a complete solution to the increasing challenge of protecting a corporate reputation. However, a carefully chosen cover should be able to help a business survive unplanned situations and to be in a position to support its customers in time of need.

Mr Bruce Aitken is Head of Accident and Health for MENA at ACE Group.

For more information on this product, please contact:
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A recent study conducted by ACE, with businesses across 15 countries including several within the MENA region, found that 92% of companies believe that reputational risk is the most challenging category of risk to manage.

¹ Reputation at Risk - the research for ACE was carried out between April and June 2013 by Longitude Research, who spoke to 650 risk managers, CROs, CFOs, COOs and other executives responsible for buying insurance from companies with turnover of US\$250 million+ in 15 countries.



Returning to the roots

GAIF held its Golden Jubilee ceremony in Sharm El-Sheikh on Monday night, honouring its founders, industry representatives and all who have helped establish the Federation in one way or another.

Speaking at the ceremony, Secretary General Abdul Khaliq R Khalil said: "GAIF is a source of pride to me personally, first as an Arab citizen witnessing a successful experience of joint Arab cooperation which has resulted in achieving distinctive accomplishments in the insurance field, one of the important economic areas in the Arab world.

"Secondly, as someone from the Iraqi insurance market, one of those which have contributed positively towards establishing the Federation. Thirdly, I am honoured to have held the General Secretariat since 1999 and contributed my modest efforts to achieving some of the aspirations and goals which GAIF was established to accomplish."

Outgoing GAIF President Anass Hour Alami said: "GAIF's 50th anniversary coincides with the presidency being held by SCR, and I am honoured as the President of the company to have headed the Federation for the 2012-2014 term.

"I would like to thank the organisers for their generosity and hospitality, and

the Secretary General for being active in organising various activities, including workshops and seminars, which have hopefully contributed to increasing Arab cooperation."

Mr Abd El-Raouf Kotb, Chairman of the Insurance Federation of Egypt and incoming GAIF President, said: "The establishment of GAIF in 1964 was a quantum leap in the Arab insurance industry. Over the years, the Federation has succeeded in building joint Arab initiatives which has led to increasing retention rates within the Arab world."

Mr Alaa El-Zoheiry, GAIF's Egypt representative and Managing Director of AMIG-gig, said: "Since GAIF's establishment, it has been operating under the leadership of distinguished persons who were dedicated to develop the Arab insurance and reinsurance industry. We should remember with appreciation the previous generations which have worked to establish it and fulfilled the promise with loyalty, passion and commitment towards our beloved Arab home."

Also speaking at the event was Major General Khaled Fouda (right), Governor of South Sinai who commended the industry's role in supporting mega projects and expressed his hope to see decisions that would help the industry to cope with recent developments.



Palestine wins GAIF's first research award

At the ceremony on Monday night, GAIF announced the winner of its first research award – organised in conjunction with its 50th anniversary and initiated by Jordan's Middle East Insurance Co – to encourage academic research and studies.

Mr Rajai Sweis, CEO of Middle East Insurance Co, said this initiative is aimed at encouraging research for the benefit of the sector and its professionals. He added that the contest will be held annually to develop knowledge in the Arab insurance sectors.

Of the 26 applicants, General Manager of Palestine's Al Mashriq Insurance Co, Mr Nihad Assad, emerged to win the prize of US\$5,000 for his study on customer



(L-R) Messrs Nihad Assad, Rajai Sweis, Abdul Khaliq R Khalil and Anass Hour Alami

satisfaction towards insurance products. He said the study found that consumers still have a negative perception of the Arab insurance industry and more

efforts need to be made to change the image.

Mr Asaad donated the award to the Palestinian insurance sector to hold seminars and educational activities.

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