FAIR Review

Issue No. 202 (2024- Q4)

Market Overview of

Bahrain

Market Overview of

Senegal

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FAIR Review

FAIR in Brief

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FAIR aims to become a driving force for international insurance cooperation by promoting collaboration and adoption of international standards.

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FAIR will lead the effort to achieve harmonization of insurance markets by promoting the adoption and implementation of international standards among members facilitating the sharing of information and expertise and enhancing cooperation to be of added value to members.

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- Extensive networking at both international and regional levels,
- Building regional bases (hub) that provides a variety of shared resources and services to local member companies.

FAIR Review

The "FAIR Review" is published quarterly by the central office and circulated to over 6000 of FAIR's members & friends from various insurance markets. It is devoted to disseminate the research work, articles and information, to enhance professional knowledge among insurance professionals.

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Contact us

129 ElTahrir St.,
Doqi, Giza - Egypt

Phone: (202) 37485429
37485436

Whatsapp : (20) 1099575725

media@fair1964.org
www.fair1964.org

Printed in: Toukhy Misr Printing
Tel.: +202 23935626

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Global Markets

• *Insurance sector working to mitigate climate risks*

With the launch of a new joint initiative to support the countries most vulnerable to climate change, the global insurance industry is evolving in ways that could carry important implications for business in emerging markets.

The initiative, the Global Shield against Climate Risks (GSCR), was announced by the ministers of finance of the Vulnerable Twenty (V20) Group – which comprises economies susceptible to climate change – and the G7 after the COP27 UN Conference on Climate Change in Sharm El Sheikh, Egypt, in November 2022.

It seeks to address the existing weaknesses in financial protection structures in climate-vulnerable economies through prearranged financing that is distributed before or immediately after a natural disaster. Initial contributions for the GSCR included €170m from Germany and more than €40m from other countries, with the first recipients of GSCR packages comprising Bangladesh, Costa Rica, Fiji, Ghana, Pakistan, the Philippines and Senegal. By end-2023 GSCR had raised €300m.

Other initiatives are in the works to support countries vulnerable to climate change, such as the Global Shield Financing Facility to help developing countries access financing for recovery from natural disasters and climate shocks.

Countries are also taking their own steps to mitigate the potential consequences of climate change, as evidenced by the Qatar National Environment and Climate Change Strategy unveiled in October 2021. The initiative aims to reduce Qatar's greenhouse gas emissions by 25% by 2030, limiting the carbon generated by the country's natural gas production and growing population.

The urgency of the climate crisis became especially apparent during the summer of 2023, when the warmest June on record was followed by 10 of the hottest days on record in early July. In January 2024 the US National Aeronautics and Space Administration reported that the planet's average surface temperature during 2023 was the hottest to date.

Legacy Issues

The failure of developed economies to deliver on the annual $100bn in climate finance promised at COP15 in Copenhagen in 2009 has had dire effects on the implementation of mitigation and adaptation measures. According to the V20, the group collectively incurred more than $525bn in climate impact from 2000-22. Additionally, the problem for V20 countries may be deeper than previously understood: the group's research found that around 98% of the nearly 1.5bn people in their countries are uninsured against climate risks.

As the damage brought upon by natural disasters continues to grow, the cost of capital and debt is rising to unsustainable levels, especially across climate-vulnerable economies, where workforces are mainly employed by small and medium-sized enterprises.

Reimagining Risk

The GSCR offers the insurance sector a chance to expand its offerings to V20 countries, which could help shape a more effective global response to climate change. The industry has begun to leverage collaborative platforms, including the Insurance Development Forum (IDF) and the InsuResilience Global Partnership (IGP), to develop mechanisms through which to enact the GSCR.

At the IGP's annual forum held in June 2023 in Bonn, Germany, the V20 and the G7 launched the Global Shield Solutions Platform, a multi-donor grant facility to support Global Shield countries.

In September 2023 the taskforce for nature-related financial disclosures, itself launched at COP27, published a set of recommendations providing a risk management and disclosure framework for companies to assess and address issues pertaining to the potential longterm effects of climate change.

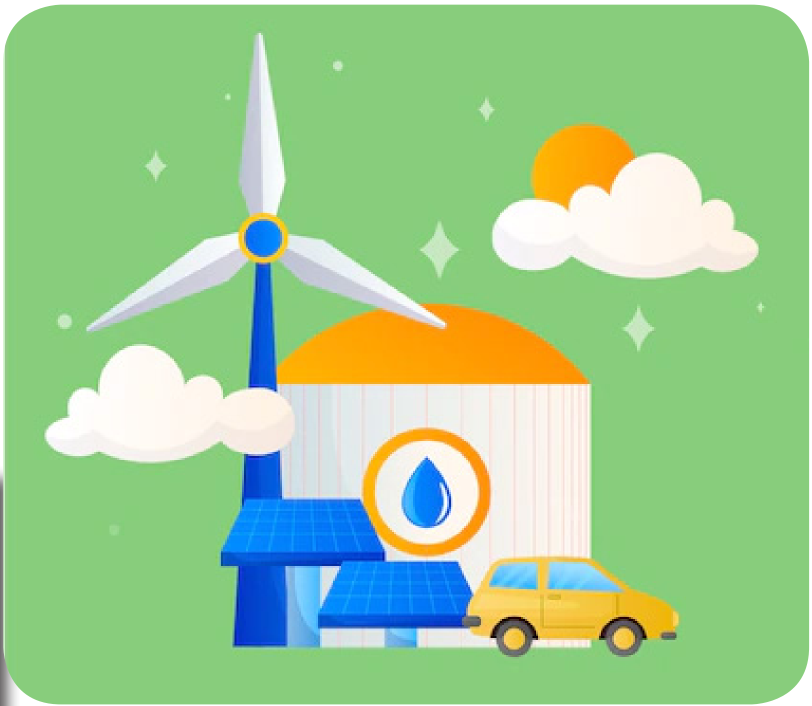
Insurers have already evolved in recent years from a model of concentrating on a specific industry and its operational risks to a more holistic approach, which best applies for modelling climate risk and embracing clean energy technologies.

One takaful (Islamic insurance) company that has taken steps towards addressing the potential impact of climate change is Kuwait Finance House (KFH). In September 2023 KFH Takaful hosted the first Takaful Alliance Roundtable with the UN Development Programme in Kuwait City on how international initiatives can protect vulnerable communities.

Elsewhere, in July 2023 government and local stakeholders in Accra, Ghana held their first consultation with international organisations about how to determine strategies and priorities related to climate disaster risk finance and insurance, and how to leverage support from both the GSCR and the Global Risk Modelling Alliance (GRMA), the latter established in 2021 after COP26 in partnership with the IDF. Ghana is serving as the chair of the V20 through to the end of 2024, having taken over the position from Bangladesh in 2022.

By modelling the risks and potential impact of climate-induced catastrophic events, insurers can develop appropriate policies for clients and investors. The GRMA, a key resource for the GSCR, aims to use open-source technology and standards optimised for public sector use cases; a public good fund to help countries fill model and data gaps; and a technical assistance team of public and private sector practitioners to work with V20 countries on projects.

Insuring Green Energy & Finance



With the UAE having hosted COP28 in 2023, there is significant potential to build on the progress the local insurance sector has made in recent years.
For example, the country has introduced solutions that address climate risk for the financial services sector.
It has also made a concerted effort to implement the recommendations laid out by the Task Force on Climate-Related Financial Disclosures, a private sector framework that ran from 2017-23 and had the objective of developing common global standards for corporate climate-related disclosures.

In March 2023 the Abu Dhabi Global Market's Financial Services Regulatory Authority and other members of the UAE's Sustainable Finance Working Group launched a public consultation on a new set of draft principles for UAE-based firms in the financial services sector.

Insurance companies can capitalise on the emergence of ambitious national-level policies to enable the energy transition and include new public-private partnerships, as well as the commercialisation of clean energy technologies in their efforts to develop innovative risk-management and financing solutions.

With the use of renewable energy accelerating in the Middle East – for example, in January 2024 Kuwait announced a tender for 1.1 GW worth of solar projects as part of its efforts to have renewables account for 15% of its energy mix by 2030 – insurance companies have an opportunity to provide insight into risk reduction.
For instance, by analysing the issues related to certain solar panels, or to the construction of solar fields and power stations, insurance companies can apply their knowledge to assist in building out vital projects as quickly as possible to meet the climate-related goals of customers.

Linking Net Zero to Insurance

Another major opportunity for insurance companies to help businesses mitigate climate risk is to harness the global momentum for setting net-zero targets with a robust energy transition plan, with many insurance and reinsurance companies already setting goals.

In January 2023 the UN-convened Net-Zero Insurance Alliance (NZIA) launched its first target-setting protocol, enabling NZIA members to independently set science-based, intermediate targets for their respective insurance and reinsurance underwriting portfolios in line with a net-zero transition pathway.

However, in July 2023 the alliance dropped the requirement that all members set such targets as a result of pressure in the US, which is expected to slow the initiative.

Nonetheless, insurers looking to expand their client base have plenty of opportunities to underwrite and invest in green energy infrastructure systems, carbon markets and nature-based systems in Africa, where a number of new net-zero-target-based schemes have been deployed in recent years.

The voluntary Africa Carbon Markets Initiative aims to produce 300m carbon credits annually by 2030 and 1.5bn credits annually by 2050 through the commercialization of natural assets, while the Alliance for Green Infrastructure in Africa, an initiative launched by the African Union, the African Development Bank Group and investment platform Africa50, aims to raise $500m for early-stage project development.

The voluntary carbon market – spanning carbon credits as well as nature-based carbon offset projects such as planting new forests – could lead to an estimated $1.3bn in demand globally for new specialist insurance policies and services by 2030, according to a 2021 report published by carbon credit ratings agency BeZero Carbon and insurance brokers Howden and Blackford Insurance. Under more optimistic scenarios, this figure could increase to $2bn-4bn. ■

Source: Oxford Business Group (OBG

- ***The UN's Net-Zero Insurance Alliance (NZIA) faced significant challenges and was officially discontinued in April 2024***

The collapse of the alliance came after major insurers such as AXA, Allianz, Munich Re, Lloyd's, and Zurich exited due to concerns about potential antitrust violations, particularly following scrutiny from U.S. legislators regarding environmental, social, and governance (ESG) initiatives. These concerns, combined with pressure from regulatory bodies, led to the disbanding of the NZIA.

In response to the NZIA's dissolution, the UN Environment Programme (UNEP) has introduced a new initiative called the Forum for Insurance Transition (FIT). The FIT aims to continue pursuing net-zero objectives within the insurance industry, building on the lessons learned from NZIA. FIT will work closely with insurers, reinsurers, brokers, regulators, and various other stakeholders to develop new net-zero insurance frameworks, set voluntary targets, and refine metrics for climate-related risk.

The forum's focus is on collaborating with a broad range of partners to advance the net-zero agenda, despite the setbacks encountered by NZIA.

This transition marks a shift in how the insurance industry approaches climate commitments, with a renewed emphasis on balancing regulatory compliance with sustainability goals. ■

• *Regulators increase scrutiny on funded reinsurance amid pension de-risking surge*

Growing use of offshore reinsurers and asset-intensive structures raises transparency concerns

By Kenneth Araullo

The growing use of innovative "funded" or "asset-intensive" reinsurance structures by life insurance companies has attracted regulatory attention, particularly in light of the expanding pension de-risking market.

These transactions, which involve transferring corporate pension scheme liabilities to life insurers, have led to an increase in reinsurance activity where both investment and longevity risks are passed to reinsurers.

In its latest report, Hogan Lovells notes that while regulators recognize the strategic role of reinsurance in managing risk and capital, the rising volume of business ceded to offshore reinsurers, such as those based in Bermuda, has raised concerns.

Regulators are particularly focused on the risks associated with concentrated offshore counterparties, potential correlations in risk due to the credit-focused nature of many reinsurers' business models, and challenges posed by illiquid assets, especially in scenarios involving the recapture of reinsured liabilities.

Hogan Lovells notes that transparency is another key issue, with regulators lacking direct oversight of these offshore transactions. As a result, various jurisdictions are reviewing whether their current regulatory frameworks are sufficient to address these evolving risks.

In the UK, the Prudential Regulation Authority (PRA) has already issued new guidance for life insurers involved in funded reinsurance arrangements. Meanwhile, in the U.S., the National Association of Insurance Commissioners (NAIC) discussed updated proposals at its August 2024 meeting.

These proposals, put forward by the Life Actuarial Task Force (LATF), would require asset adequacy testing using cash flow methodologies for ceded reinsurance transactions. Hogan Lovells highlights that this move reflects broader regulatory efforts, with the International Association of Insurance Supervisors (IAIS) also monitoring the growth of cross-border reinsurance and preparing to release an Issues Paper in 2025.

In the European Union, regulators have also been addressing the trend. The European Insurance and Occupational Pensions Authority (EIOPA) issued a Supervisory Statement in April 2024 and is expected to provide guidelines on innovative reinsurance techniques by the end of 2024.

Petra Hielkema, EIOPA's chair, recently noted that one-third of European national supervisors have already encountered asset-intensive reinsurance in their markets. Similarly, the Netherlands is set to implement new regulations for funded reinsurance in 2025, signaling a continued increase in regulatory scrutiny in this area.

In the US, while specific regulations regarding funded reinsurance have not yet been finalized, Hogan Lovells points to developments underway.

In February 2024, the American Academy of Actuaries published an Issue Brief examining the offshore reinsurance market, with a particular focus on Bermuda-based reinsurers. This was subsequently reviewed by the LATF during the NAIC Spring Meeting, leading to the proposal for asset adequacy testing.

The draft Actuarial Guideline is currently being discussed, with key considerations including the scope of its application, frequency of analysis, and whether it should apply retroactively to treaties that became effective as far back as January 2021.

As regulators across the US and Europe continue to assess the risks posed by funded reinsurance arrangements, industry participants should expect closer regulatory scrutiny and be prepared to provide more detailed information on the structure and risk exposures of these transactions. ■

Source: Insurance Business Magazine - 7 October 2024

• *Insurance fraud on the rise in the UK*

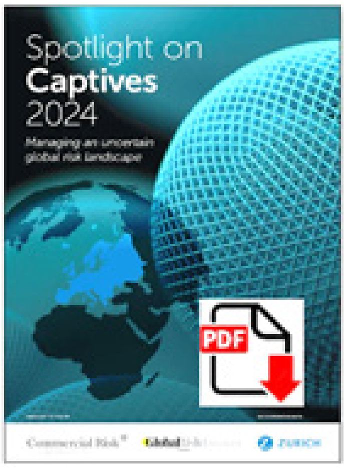
The Association of British Insurers (ABI) has detected 84 400 fraudulent claims in 2023 for a total cost of 1.1 billion GBP (1.4 billion USD), up 4% over one year.

The motor sector remains the most affected by this problem, with 45 800 suspicious cases reported, costing 501 million GBP (659 million USD). This activity is followed by the property damage business, which recorded 143 million GBP (188.1 million USD) in losses linked to fraudulent claims in 2023. ■

Source: Atlas Magazine - 17 Oct 2024

• *Captive Report 2024*

by Andrew Ryan



Commercial Risk

The World Economic Forum's latest Global Risks Report highlights a number of near-term and longer-term risks, including climate change, biodiversity loss, societal polarisation and cyber risk.

In many of the areas identified by the Global Risks Report, captives can be directly involved, particularly relating to extreme weather and cyber risk, but also in areas such as societal polarisation through enhanced employee benefits, through to microinsurance solutions.

In this report, in cooperation with Zurich Insurance Company, we highlight how captives are stepping up in the light of the recent hard market to smooth the underwriting cycle and broaden cover, as well as providing capacity for risks such as cyber.

It shows how captives are also a useful vehicle for the collection of data, and can act as incubators, collecting loss data to enable risk mitigation and adaptation, as well as for underwriting new, untested technologies.

And finally, the report reveals how the growing focus on sustainability and ESG is opening up opportunities for captives to play an even bigger role for their companies. ■

Source: Commercial Risk Online - 3 October 2024

• *Better risk selection could cut 16% from cyber insurers' loss ratios – Gallagher Re*

After a global study of 62,000 organisations, the reinsurance broker suggests removing "most at risk entities" from cyber insurance books could reduce loss ratios by up to 16%.

Reinsurance broker Gallagher Re has partnered with data and technology firm Bitsight analytics for cyber risk research that assessed security performance data of 62,000 organisations across 67 countries and its own proprietary database containing cybersecurity incidents and claims.

The headline finding was that insurers could reduce their loss ratio by more disciplined risk selection to avoid taking on business that shared some common characteristics.

The study concluded that poor performance in "certain key areas" increased an organisation's risk of experiencing a cybersecurity incident and subsequent claim.

"This study provides clear, actionable insights for both insurance companies and enterprises on the efficacy of security controls," Ed Pocock, global head of cyber security at Gallagher Re.

According to Gallagher Re, key predictors of cybersecurity risk, valuable information for enterprise cybersecurity leaders and the cyber insurers that offer policies to cover that risk, included:

* External scanning data could improve insurance loss ratios: By using targeted external scanning data in addition to firmographics to identify and remove the most damaging 20% of risks, insurers could see a loss ratio reduction of up to 16.4%.
* "Cyber footprint" is a strong predictor of claims: The size of an organization's attack surface – as measured by the number of IP addresses a company maintains – was found to be a strong predictor of claims. This is a significant finding for insurers, who traditionally have focused on firmographics to underwrite policies, like employee count, industry, or revenue rather than using technographic data.
* Single Point of Failure data and third-party dependencies are highly predictive of claims: As the enterprise tech stack grows, so too does the potential attack surface. Observed use of certain technology products materially increased the likelihood of a claim. This data holds great promise for the insurance industry and future risk modeling approaches.
* Cyber hygiene remains critical: From patching speed to the use of HTTP headers, proper deployment of SSL certificates, DNS security, proper endpoint management and more, nine Bitsight risk vectors measuring essential cybersecurity practices were found to be correlated with cybersecurity incidents. Taking care of the basics can meas-

urably reduce risk of incidents.
"Leveraging Bitsight's data, we've not only established a direct link between weak cybersecurity controls and higher insurance claims, but also highlighted additional strategies for insurers to more effectively assess an organization's cyber risk and potentially improve loss ratios," Pocock added.

Gallagher Re added that IT security managers could use the same insights to prioritise their own cyber defence investments, lowering the probability of experiencing an incident, benefitting their risk profile when it reaches an underwriter.

"For years, Bitsight analytics have been independently proven to have strong correlation with security incidents," said Derek Vadala, chief risk officer at Bitsight.

"Gallagher Re's analysis demonstrates that there is even more to the story – that meaningful, new insights, such as assessing the risk of business email compromise (BEC), can be created through analysing different parts of our massive trove of data," Vadala added.

Reputational risk
Hiscox also published its annual Cyber Readiness Report 2024 this week, uncovering a rising tide of cyber-attacks – representing a financial threat and a significant reputational risk.

Key data points, with global and UK-focused results, from the Hiscox report:

* Over two-thirds (global: 67%, UK: 70%) of firms in this year's study report an increase in the number of times their organisation experienced a cyber attack in the past 12 months.
* A third of firms (global: 34%, UK: 37%) say their organisation's cyber security measures are compromised due to a lack of expertise in managing emerging tech risks.
* A third of business leaders (global: 34%, UK: 34%) do not feel that their organisation is adequately prepared to handle cyber attacks.
* In addition to this, 64% (UK: 70%) believe they risk losing business if they do not handle client and partner data securely. And these concerns are justified, for organisations that had suffered a cyber attack:
* 47% (UK: 46%) of had greater difficulty attracting new customers (compared to 20% the previous year)
* 43% (UK: 40%) lost customers (compared to 21% the previous year)
* 38% (UK: 37%) faced bad publicity, which impacted their brand reputation (compared to 25% the previous year)
* 21% (UK: 19%) lost business partners (compared to 16% the previous year). ■

Global Reinsurance - 24 October 2024

Cyber Insurance: A Safety Net, Not a Substitute, for Security

By MARCUM – 17 October 2024

Cyber insurance is an invaluable tool in your risk management arsenal. Think of it as one of the many weapons you have against cyberthreats. However, there's a widespread misconception that having cyber insurance is enough. The truth is—without a comprehensive cybersecurity strategy, your insurance can offer only limited protection.

Let's understand why cyber insurance should be seen as a safety net rather than a replacement for strong security.

Understanding the limits of cyber insurance

In today's business landscape, cyber insurance is a must. However, having insurance doesn't guarantee a payout. Here are a few things that cyber insurance can't help you with:

- **Business interruption**: Your cyber insurance policy can never fully cover the cost of lost productivity due to a cyberattack. The payouts, in most cases, would be partial and won't be enough for you to recover from the business interruption.
- **Reputational damage**: Cyber insurance can't help you win back customer trust. It would take a lot of work to repair your organization's reputation.
- **Evolving threats**: Cyberthreats are constantly evolving, and your insurance policy might not be able to offer a payout against new tactics.
- **Social engineering attacks**: Cybercriminals often trick unsuspecting victims through social engineering attacks. If your business suffers losses due to a social engineering attack, like a phishing scam, you might not be covered.
- **Insider threats**: Losses resulting from an internal risk are rarely covered by insurance providers. If the breach occurs because of a threat within your organization, your policy provider may not entertain the claim.
- **Nation-state attacks**: Some rogue state nations deploy their hackers to carry out cyberattacks in other countries. Many insurance providers consider such attacks as acts of war and do not cover them.

Six steps to build a strong cybersecurity posture

Implement these steps proactively to strengthen your defenses:

- Employee training is critical for building a strong defense against cyberthreats. Hold regular sessions and bootcamps to educate your team on cybersecurity best practices.
- Implement strong password policies. Using multi-factor authentication will phenomenally improve your internal security.
- Regularly back up your business-critical data. This will ensure you can bounce back quickly in case of a breach or a ransomware attack.
- Keep your software and security solutions up to date. Monitor and resolve issues before hackers have an opportunity to exploit them.
- Think of your network like your castle and do everything to protect it from hackers. Build a strong network security infrastructure, complete with firewalls, anti-virus software and threat detection systems. ■

• *Chaucer and Lloyd's Syndicate 1176 develop cyber insurance policy for power plants*

With a maximum aggregate limit of $25m, the policy will be limited to operating systems.

A partnership comprising Chaucer and Lloyd's Syndicate 1176 has developed a cyber insurance policy specifically designed for nuclear power plants (NPPs). This policy, named CyNuC, aims to address the unique risks associated with malicious cyber activities targeting the operating systems of NPPs.

Current nuclear insurance policies often exclude cyber incidents, covering only physical damage caused by non-malicious cyber events.

CyNuC aims to fill this gap by covering malicious cyber acts and offering compensation for potential losses. It was developed in collaboration with the UK Nuclear Pool, led by Nuclear Risk Insurers (NRI).
With a maximum aggregate limit of $25m, the policy will be limited to operating systems but will also cover business interruption resulting from physical damage or malware introduced during the policy period.

The coverage includes physical damage repair, data breach response, access to sector-specific cyber specialists, and indemnity for business shutdowns due to cyberattacks. It also addresses security failures, reputation management, and digital asset restoration.

Chaucer's in-house cyber claims team will manage real-time incident responses, providing advice on crisis management, software adjustments, and more. The policy aims for swift and efficient loss payment once a claim is confirmed. However, it does not cover voluntary or regulatory-mandated shutdowns unless they result from actual physical damage or proven malware compromising nuclear safety systems.

This policy also excludes war and hostile state-sponsored actions, with war exclusion LMA 5567A/B (type 3) in place. Exclusions also apply to external factors such as supplier issues, grid network damage, and critical infrastructure interruptions outside the client's operations.

Deductibles are set at $1m for non-business interruption losses and a 48-hour waiting period for business interruption losses. ■

Source: Life Insurance International – 4 Nov 2024

• Positive development across all marine insurance lines of business continued in 2023, reports IUMI

The International Union of Marine Insurance (IUMI) presented its analysis of the latest marine insurance market trends at its 150th annual conference in Berlin, Germany.

The global marine insurance premium base for 2023 was reported as USD 38.9 billion representing an uplift of 5.9% from the previous year. Development was seen across all lines of business with the Offshore Energy sector enjoying a 4.6% increase, Cargo insurance 6.2% increase and Ocean Hull 7.6% increase.

Distribution of premiums had not changed significantly from 2022 with Cargo commanding the largest share at 56.9% followed by Ocean Hull (23.6%), Offshore Energy (11.9%) and Marine Liability (7.7%). By region, Europe continued its dominance with a 48.5% share of global premiums followed by Asia/Pacific (28.1%), Latin America (10.9%), North America (7.0%) and the rest of world at 5.5%.

Interestingly, after a period of decline, European premiums had enjoyed an upward trend since 2019 and the Asian market had also continued its rally since its downward trend ended in 2016. Latin and North America were also showing a modest upswing in their premium base.

Offshore Energy

Global premiums in the Offshore Energy market were reported as USD 4.6 billion in 2023, a 4.6% uplift on 2022. The UK continued to dominate with the Lloyd's and IUA markets accounting for a 28.2% and 36.8% share respectively.

The fortunes of this market tend to follow the oil price which appeared to have stabilised at a comparatively healthy level. This had driven renewed activity which, in turn, had led to positive market development. Premiums had rallied after reaching a low in 2019 and have continued upwards since then. The future trend will depend on the stability of the oil price and OPEC+ production decisions as well as insurance market capacity. In recent years, claims were relatively low even though many offshore assets were being reactivated. However, 2023 saw two major losses and loss ratios (Europe) were starting out at a higher level than in previous years. Loss ratios in this sector take time to develop with no obvious pattern and so it is not certain how 2023 will play out. However, it is likely that 2023 will underperform when compared with the years 2020-2022.

Although day rates for offshore assets remained high, future performance of this sector will depend on oil price/production, weather events and market capacity. Similar to last year, a fragile balance between premiums and claims remains.

Cargo

Cargo insurance returned a global premium base for 2023 of USD 22.1 billion – a 6.2% improvement on 2022. All regions experienced growth with Europe and Asia enjoying marked positive development.

Overall, Europe claimed a 39.8% share followed by Asia/Pacific (32.2%), Latin America (11.9%), North America (7.5%), Middle East (6.0%) and Africa (2.7%). In general, premium growth in this sector follows global trade which had now normalised following COVID. The International Monetary Fund was predicting continued growth in world trade values, and this bodes well for cargo underwriters going forward, although such projections are subject to a considerable amount of uncertainty given the geopolitical situation. It should be noted that exchange rate fluctuations tend to impact most heavily on this sector, such that growth trends may deviate in local currencies and also make direct comparisons with earlier years more difficult.

Cargo underwriters suffered challenging loss ratios prior to 2019 but since then ratios have improved year-on-year. Although fires and floods have had an impact on claims, loss ratios for Europe in 2023 appeared to be more positive than in recent years. Loss ratios in other regions were also enjoying an improvement since 2019. The overall claims impact remained stable.

In general, Cargo insurance was enjoying improved results and a long-awaited period of positive stability. That said, a number of perennial issues will continue to impact including large vessel fires, mis-declared cargoes, accumulation of risk, severe weather events and geopolitical instability.

Ocean Hull

The Ocean Hull sector reported global premiums of USD 9.2 billion representing a 7.6% increase from the previous year. Europe commanded the largest share at 51.8% followed by Asia/Pacific (35.5%), Latin America (7.6%), North America (4.3%), Africa (0.6%) and Middle East (0.3%). The UK, China and Latin American markets had all experienced an increase in share during 2023 whilst the recent (and dramatic) rise in the Nordic market now appeared to have stabilised.

A return to normal shipping activity following COVID had a positive impact on vessel values in most classes and a higher demand for vessels had driven up the global premium base. This was particularly true for offshore support vessels whose values had risen significantly following a stable oil price and a reactivation of offshore activities.

Previously, there was concern over the large gap between total gross tonnage/number of vessels and global premiums which had opened markedly between 2011-2018. This gap began to close slightly from 2020 and, in 2023, had continued to reduce.

Following post-COVID reactivation, the frequency of hull claims showed some increase but had not yet exceeded pre-pandemic levels. Total loss frequency also showed a slight recent increase but remained at a very low level. The claim cost per vessel increased somewhat and in 2023, for the first time, exceeded the pre-COVID level. This was mainly due to increased major loss impact, particularly from costly vessel fires, which remains an ongoing issue.

Loss ratios (Europe) started at a higher point than the previous three years which might be attributed to a combination of an increase in claims coupled with the inflationary impact of repair costs. It is likely that 2023 loss ratios across most regions will be less positive than the previous two or three years, but better than the years prior to 2020.

Note

IUMI's total world-wide premium includes data from all relevant marine insurance markets. Care should be taken when making comparisons with earlier figures as data coverage varies in different years and a number of figures will be updated retrospectively. Similarly, the presented loss ratios for Hull, Energy and Cargo do not encompass all countries per region, and underwriting year results do develop over a couple of years due to a time lag in claims reporting and payments. When interpreting statistics, caution should always be applied regarding what the data actually relates to.

IUMI stresses that all figures released by IUMI's Facts and Figures Committee are global market sums or averages. While these reflect the average performance of the marine insurance market, individual companies' or countries' results may differ substantially. As with all averages, individual underwriting units may over or underperform compared with the average. IUMI does not make any statements about what actual applied premium rates were or should be. The aim of IUMI is solely to provide data as available and raise awareness for the importance of a critical evaluation of the risks covered.

The full presentation is available to download from http://www.iumi.com/

■

• *Mapfre enforces ESG standards for mining insurance*

Spanish insurer Mapfre SA recently announced that it will not insure mining companies unless their environmental, social, and governance actions meet required standards, demanding concrete proof of sustainability efforts, Commercial Risk reported. Ana Pedrouzo, a senior property underwriter at Mapfre Global Risks, emphasized that ESG is now central to underwriting, with many companies using ESG ratings to assess risk.

Leading European insurer Mapfre said on the opening day of the Ferma Forum that it will not sell insurance to mining companies if their ESG actions are not up to scratch. What is more, the company wants concrete proof that mining clients are doing what it takes to improve their sustainability credentials.

"ESG has now moved to the centre of the underwiring process," said Ana Pedrouzo, a senior property underwriter at Mapfre Global Risks. "Many, or probably most, companies now have a tool that gives us an ESG rating, and we will not write the risk if the rating is not good enough."

Speaking during a panel on Latin American mining risks, Pedrouzos added that insurers aren't the only financial sector keeping an eye on how sustainable miners' operations are today. As a result, she believes the mining industry is moving in the right direction.

"We see that mining companies are really working on their ESG commitments, and not only for reputational purposes but also for getting insurance and financing," said Pedrouzo. "They are working on diverse representation, on giving back to the local communities, on water management, on restoring land after losses and, obviously, on reducing their carbon footprint and emissions."

The insurance industry's emphasis on ESG comes at a moment when the mining industry faces significant challenges to address its insurance needs. One of them is the sheer cost of their covers, according to leaders of Latin American companies who participated in the panel debate.

"Prices of insurance are getting too high," said Juan Carlos Miljanovich, the CFO at Summa Gold Corporation, a Peruvian gold producer.

Guilio Valz-Gen, the CEO of Howden Peru, noted that getting favourable insurance covers for mining operations requires the involvement of business leaders.

"It is necessary that senior management gets involved in those decisions," he said. "They need [to meet] insurance markets in a workshop or some other way. Information is power. One of the key factors is to present to the market the best submission you can."

Some mining risks are particularly difficult to insure. Tail dams have become an issue because of large losses in markets like Brazil and a realisation that business interruption claims can be enormous.

"We have learned with losses in the past that, after an event regarding tailings reserve facilities, the mine does not go back into operation for several years," said Pedrouzo.

She added that the growing automation of mining operations has intensified cyber exposures. Meanwhile, strong demand for copper

and other materials linked to the energy transition is putting pressure on mining firms.

"The mining industry is at a crossroads," Pedrouzo said. "Miners are being requested to provide the world with growing amounts of minerals and metals and to do it in a way that's sustainable and affordable. So insurance markets must be conscious of clients' needs, work with them and innovate products and services. It is the only way we can do our part in this sustainable development." ■

Source: Commercial Risk Online - 22 October 2024

Commercial Risk

• *Marsh Offers Insurance to Manage Risks of Fake Carbon Credits*

Marsh, the insurance broker and business of Marsh McLennan, has partnered with We2Sure, a specialist in insurance and risk management solutions for carbon credit certificates, to launch a new insurance facility to help organizations in the UK, EU, and US manage the rapidly rising risks associated with carbon credit certificate fraud.

While carbon credits can be used by businesses to offset their carbon dioxide emissions, the carbon credit industry is being increasingly targeted by fraudsters, who are selling counterfeit carbon credit certificates, or certificates for projects which do not exist.

Marsh's new facility will enable businesses to insure against the risk of purchasing counterfeit certificates, the sale of certificates for non-existent projects, and theft.

Backed by insurers Sompo, Brit and Talbot, the facility also enables businesses to access We2Sure's technology to assess the validity of certificates before they purchase them. We2Sure's CarbonActuator can identify duplicate and counterfeit certificates, while its satellite and AI technology, which monitors and assesses projects in real-time, identifies projects that do not meet a pre-determined standard and do not reflect the certificates issued.

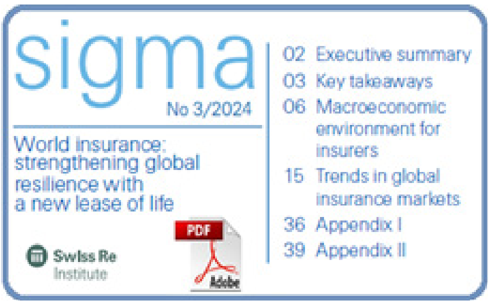
"Businesses are increasingly using carbon credits as a core element of their strategy to meet net zero targets, and this leaves them exposed to fraudsters seeking to take advantage of this growing market," commented Rupert Poland, UK digital asset leader, Marsh.

"The lack of standardization and transparency in the market makes it difficult for businesses to assess the legitimacy of the carbon credits they are buying. This new facility will not only help derisk investments for businesses from a financial and reputational perspective, but also support the integrity and expansion of the wider carbon credit ecosystem," Poland added.

"Our data-backed verification process addresses the critical issue of authenticity in carbon credit certificates, substantially reducing reputational risks for buyers," according to Simon Wigzell, head of Business Development and Underwriting at We2Sure. "This transformative solution establishes a robust integrity standard, effectively converting intangible carbon credits into tangible assets, thereby enabling corporations to invest with greater confidence." ■

Source: Marsh (Insurance Journal - 4 November 2024)

- ***Sigma 3/2024 – World Insurance: Strengthening Global Resilience With a New Lease of Life*, By Swiss Re, 52 p, 11 June 2024**



The key takeaways of this sigma are:

- Today's higher interest rates have transformed the operating environment for insurers, most notably for asset-intensive business, from low yields and lows returns to one of higher yields and higher returns.
- We estimate an aggregate 15% improvement in profitability for the life insurance sector across major and advanced markets, with an expected uptick in life savings products as a result of stronger investment returns.
- We also see stronger results in the non-life sector, with newly-underwritten business benefitting as the effects of high interest rates come through, and also due to improved investment returns.

Executive summary

Stronger-than-expected economic growth and also high interest rates: a new operating environment for insurers.

Global economic growth has remained resilient over the last year, and interest rates higher in the face of inflation persistence. In this environment, we estimate that global gross domestic product will increase by 2.7% in real terms in 2024. There is regional divergence with the US growing above trend and the euro area below, which we expect will narrow come 2025 as cyclical factors redirect growth rates back to trend. On the inflation front, while the worst of the post-pandemic global inflation crisis is over, upside risks remain, which could continue to put upward pressure on insurance claims. Central banks, meanwhile, will likely continue to priortise inflation containment over growth.

Another uncertainty is that when accounting for population changes due to immigration, real GDP per capita figures point to deeper underlying weaknesses in some advanced markets. This could accentuate social polarisation/tensions and widen protection gaps.

The high interest rates have been transformative for life insurers, and we forecast strong 15% growth in sector profitability this year.

The prevailing economic backdrop is good news for insurers. The high interest rates have given life business a new lease of life, boosting demand for savings products in particular. We forecast that global life premiums will grow above-trend by 2.9% in real terms in 2024, up from 1.3% growth in 2023. We also see a strong 15% gain in life sector profitability this year, driven by a 14% increase in investment income, given the shift to a high-growth and high-returns environment, from low growth/returns.

Increasing take up of savings products will help narrow retirement protection gaps.
Further, high interest rates will attract new capital investment. This, in turn, will increase industry capacity to provide risk transfer solutions and strengthen societal resilience.

With the change in interest rate regime, the life insurance sector in advanced markets back in business.

A key development on account of the higher interest rates will be a marked turnaround in life premium growth in advanced markets. We estimate that the advanced markets will contribute about half of all additional life premiums over the next 10 years, a significant improvement from the 9% in the low interest rate decade before the pandemic. The contribution of incremental life premiums (in absolute terms) from advanced Asia Pacific and western Europe to global premium volumes will turn strongly positive, having been negative. The contribution from fast-expanding economies in emerging Asia will also grow. This is supported by our analysis that certain markets, including India and China, are at the development stage where notable gains in insurance penetration can be expected in the coming decade.

In non-life, we see hard market conditions continuing this year, particularly in personal lines. In 2025, premium rates will ease as general inflation conditions soften.

In non-life business, global inflation pressures have driven premium rates higher, as insurers seek to offset rising claims costs, especially in property and motor lines. We expect hard market conditions to continue this year but to ease heading into 2025 as claims inflation softens. Non-life premiums grew by 3.9% in real terms in 2023, up from 0.8% in 2022, the improvement primarily driven by rate hardening. Rate increases in personal lines have exceeded those in commercial lines, which are easing after years of hard market conditions. Alongside social inflation pressures (mostly in the US), the persistence of services inflation could continue to impact casualty lines like motor and general liability, with still-high wage and healthcare costs in advanced economies feeding into persistent claims inflation. In some markets, wage growth has lagged premium rate increases. This could make coverage less affordable but so far, there has been little indication that insurance uptake rates have been compromised.

We forecast return on equity to rise to around 10% this year from 6% in 2023. Stronger underwriting results and investment returns will drive improved sector profitability.

The profitability of non-life sector remains on an upward trend. After rising to 6% in 2023, we estimate that insurers' return on equity will improve to about 10% in 2024 and 10.7% in 2025, with progress on both the underwriting and investment fronts. We see underwriting results turning positive, supported by high premium rates, rising exposures and easing claims growth as inflation moderates. Investment returns will continue to benefit from the higher interest rates, while the cost of capital will remain broadly stable.

Nevertheless, insurers should remain alert to potential new inflation shocks. For example, geopolitical conflicts that disrupt global supply chains can rekindle claims inflation. In addition, social inflation has been a key concern for liability insurers in the US since 2015. Of late, there have been signs of social inflation in Australia also.

Premium volume by region and organisation in 2023

	Premium volume (in millions of USD)		Change (in %) inflation–adjusted		Share of world market (in %)	Premiums[1] in % of GDP	Premiums[1] per capita (in USD)
Total business	**2023**	**2022**	**2023**	**2022**	**2023**	**2023**	**2023**
America	**3 591 922**	**3 323 140**	**3.7**	**1.2**	**50.0**	**10.1**	**3 470**
US and Canada	3 397 205	3 153 784	3.7	1.1	47.3	11.6	9 067
Latin America and Caribbean	194 717	169 356	3.9	3.8	2.7	3.1	295
Europe, Middle East and Africa (EMEA)	**1 832 637**	**1 708 824**	**0.7**	**−6.0**	**25.5**	**5.7**	**598**
Advanced EMEA	1 624 932	1 514 346	−0.1	−7.8	22.6	7.1	3 421
Emerging Europe and Central Asia	101 725	88 529	10.3	−2.5	1.4	2.3	207
Middle East and Africa	105 980	105 949	3.3	21.4	1.5	2.3	54
Emerging Middle East	42 416	38 631	8.5	71.7	0.6	1.5	77
Africa	63 563	67 317	0.3	−2.5	0.9	3.5	46
Asia-Pacific	**1 761 615**	**1 740 790**	**3.3**	**1.3**	**24.5**	**5.1**	**436**
Advanced Asia-Pacific	818 955	830 199	−0.8	−0.1	11.4	8.7	3 204
Emerging Asia	942 661	910 591	7.1	2.8	13.1	3.7	249
China	723 664	697 806	8.9	2.6	10.1	3.9	508
Emerging Asia, excl China	218 996	212 784	1.1	3.5	3.0	3.3	93
World (2)	**7 186 174**	**6 772 753**	**2.8**	**−0.8**	**100.0**	**7.0**	**889**
Advanced markets (3)	5 841 092	5 498 329	2.0	−1.9	81.3	9.5	5 339
Emerging markets (4)	1 345 082	1 274 424	6.6	4.1	18.7	3.3	195
Emerging Markets excl China	621 418	576 618	3.8	6.0	8.6	2.8	114
OECD (5)	5 756 219	5 381 312	2.4	−1.3	80.1	8.9	4 266
G7 (6)	4 822 564	4 501 495	2.8	−1.0	67.1	10.2	6 111
Eurozone	1 055 874	986 739	−0.9	−8.2	14.7	6.4	2 872
EU	1 197 988	1 120 518	−1.1	−8.3	16.7	6.2	2 516
NAFTA (7)	3 442 267	3 188 014	3.7	1.0	47.9	11.1	6 842
Life business	**2023**	**2022**	**2023**	**2022**	**2023**	**2023**	**2023**
America	**873 557**	**820 735**	**1.9**	**1.4**	**30.2**	**2.5**	**844**
US and Canada	785 178	745 760	1.5	1.2	27.2	2.7	2 096
Latin America and Caribbean	88 380	74 975	6.5	2.7	3.1	1.4	134
Europe, Middle East and Africa (EMEA)	**953 298**	**907 919**	**−1.3**	**−12.2**	**33.0**	**3.1**	**323**
Advanced EMEA	880 815	835 635	−1.8	−12.5	30.5	4.0	1 936
Emerging Europe and Central Asia	24 694	21 364	14.7	−14.3	0.9	0.6	50
Middle East and Africa	47 789	50 920	−1.0	−5.0	1.7	1.0	25
Emerging Middle East	4 814	5 360	−9.4	−9.7	0.2	0.2	9
Africa	42 975	45 560	0.0	−4.5	1.5	2.4	31
Asia-Pacific	**1 062 143**	**1 051 756**	**3.1**	**0.7**	**36.8**	**3.1**	**265**
Advanced Asia-Pacific	519 592	536 129	−2.1	−0.4	18.0	5.6	2 053
Emerging Asia	542 551	515 626	8.6	2.0	18.8	2.2	144
China	390 400	364 359	12.5	2.0	13.5	2.1	274
Emerging Asia, excl China	152 151	151 268	−0.9	2.0	5.3	2.3	66
World (2)	**2 888 998**	**2 780 409**	**1.3**	**−3.8**	**100.0**	**2.9**	**361**
Advanced markets (3)	2 185 584	2 117 524	−0.7	−5.2	75.7	3.6	2 020
Emerging markets (4)	703 414	662 885	7.8	0.9	24.3	1.7	103
Emerging Markets excl China	313 014	298 526	2.1	−0.4	10.8	1.4	58
OECD (5)	2 079 162	1 991 904	0.1	−4.0	72.0	3.3	1 553
G7 (6)	1 673 289	1 593 390	1.0	−3.6	57.9	3.6	2 145
Eurozone	527 434	505 421	−3.4	−12.7	18.3	3.3	1 456
EU	606 196	582 486	−3.5	−12.8	21.0	3.2	1 291
NAFTA (7)	804 957	760 831	1.6	1.1	27.9	2.6	1 600
Non–life business	**2023**	**2022**	**2023**	**2022**	**2023**	**2023**	**2023**
America	**2 718 364**	**2 502 405**	**4.2**	**1.1**	**63.3**	**7.6**	**2 626**
US and Canada	2 612 027	2 408 024	4.3	1.0	60.8	8.9	6 971
Latin America and Caribbean	106 337	94 381	1.9	4.4	2.5	1.7	161
Europe, Middle East and Africa (EMEA)	**879 339**	**800 905**	**3.0**	**−1.2**	**20.5**	**2.6**	**275**
Advanced EMEA	744 117	678 711	2.1	−1.3	17.3	3.1	1 484
Emerging Europe and Central Asia	77 031	67 165	9.8	−4.6	1.8	1.7	156
Middle East and Africa	58 191	55 029	5.7	5.3	1.4	1.3	30
Emerging Middle East	37 602	33 271	11.5	11.4	0.9	1.4	68
Africa	20 588	21 758	−3.2	−2.5	0.5	1.1	15
Asia-Pacific	**699 472**	**689 034**	**3.6**	**2.2**	**16.3**	**2.0**	**171**
Advanced Asia-Pacific	299 363	294 070	1.5	0.3	7.0	3.1	1 151
Emerging Asia	400 109	394 964	5.2	3.8	9.3	1.6	105
China	333 264	333 448	4.9	3.2	7.8	1.8	234
Emerging Asia, excl China	66 845	61 516	6.8	7.1	1.6	1.0	27
World (2)	**4 297 176**	**3 992 344**	**3.9**	**0.8**	**100.0**	**4.2**	**528**
Advanced markets (3)	3 655 508	3 380 805	3.6	0.4	85.1	5.9	3 320
Emerging markets (4)	641 668	611 539	5.3	3.0	14.9	1.6	93
Emerging Markets excl China	308 404	278 092	5.6	2.8	7.2	1.4	56
OECD (5)	3 677 057	3 389 408	3.8	0.5	85.6	5.7	2 713
G7 (6)	3 149 275	2 908 105	3.8	0.6	73.3	6.6	3 966
Eurozone	528 439	481 318	1.8	−2.8	12.3	3.2	1 416
EU	591 792	538 032	1.6	−2.8	13.8	3.0	1 225
NAFTA (7)	2 637 310	2 427 183	4.4	1.0	61.4	8.5	5 242

The world's 20 largest insurance markets

by nominal premium volumes, 2023 vs 2022

Rank	Market	Total premium volumes (USD bn)			Global market share	
		2023	2022	% change	2023	2022
1	United States	3 227	2 988	8.0%	44.9%	44.1%
2	China	724	698	3.7%	10.1%	10.3%
3	United Kingdom	375	337	11.3%	5.2%	5.0%
4	Japan	363	361	0.6%	5.0%	5.3%
5	France	283	259	9.3%	3.9%	3.8%
6	Germany	245	237	3.6%	3.4%	3.5%
7	South Korea	186	192	−3.2%	2.6%	2.8%
8	Canada	171	166	2.8%	2.4%	2.4%
9	Italy	159	155	3.2%	2.2%	2.3%
10	India	136	130	4.8%	1.9%	1.9%
11	Netherlands	93	84	11.1%	1.3%	1.2%
12	Brazil	84	75	13.1%	1.2%	1.1%
13	Spain	83	68	22.1%	1.2%	1.0%
14	Taiwan	78	86	−8.9%	1.1%	1.3%
15	Australia	74	72	2.6%	1.0%	1.1%
16	Hong Kong	66	66	−1.2%	0.9%	1.0%
17	Switzerland	61	57	8.3%	0.9%	0.8%
18	Mexico	45	34	31.6%	0.6%	0.5%
19	Denmark	44	41	7.3%	0.6%	0.6%
20	Sweden	44	46	−3.3%	0.6%	0.7%
	Top 20 markets	**6 541**	**6 150**	**6.4%**	**91.0%**	**90.8%**
	World	**7 186**	**6 773**	**6.1%**		

Source: Swiss Re Institute

Source: Sigma 3_2024 (World Insurance in 2023) - by Swiss Re, 11 June 2024

Emerging EMEA Insurance Markets in 2023

Emerging EMEA Total premium volume in USD in 2023

Ranking			Premium volume (in millions of local currency)		Change (in %) 2023		Share of world market 2023 (in%)
2023	2022	Country	2023	2022	nominal (in USD)	inflation-adjusted[15]	
21	18	South Africa	43 354 *	45 832 *	–5.4	0.7	0.6
29	29	Russia	22 310	23 566.4	–5.3	11	0
33	36	Turkey	19 216	13 172	45.9	35.6	0.3
35	34	Poland	17 879 *	15 468	15.6	–2.2	0.2
36	35	Saudi Arabia	17 456	14 228	22.7	19.9	0.2
37	38	United Arab Emirates (11)	14 568 *	12 938	12.6	9.0	0.2
42	43	Czech Republic	9 698 *	8 541	13.6	–2.4	0.1
48	46	Morocco	5 519	5 364	2.9	–3.3	0.1
49	49	Hungary	4 229 *	3 802	11.2	–10.0	0.1
50	51	Pakistan	2 566 *	2 826	–9.2	–4.8	0.0
51	50	Egypt (14)	2 550 *	3 321	–23.2	–3.5	0.0
52	52	Kenya	2 489 *	2 600	–4.3	5.5	0.0
54	54	Qatar	2 231 *	1 921 *	16.1	12.7	0.0
59	60	Kuwait	1 674 *	1 608 *	4.1	0.7	0.0
60	62	Oman	1 468 *	1 408	4.3	3.3	0.0
62	58	Nigeria	1 306 *	1 688 *	–22.6	–5.7	0.0
63	64	Algeria	1 190	1 105	7.7	–5.7	0.0
64	65	Tunisia	1 164 *	1 006	15.7	5.9	0.0
65	66	Jordan	1 049 +	994	5.6	3.4	0.0
66	67	Namibia	973 *	921	5.6	12.5	0.0
68	68	Bahrain	770	743	3.6	3.6	0.0
69	70	Cote d Ivoire	755 *	680 *	11.0	3.3	0.0
71	72	Yemen	310	250	23.8	1.9	0.0
72	59	Lebanon	259 *	1 644	–84.2	–54.8	0.0
		Other countries	32 721	28 830			
		Total	**207 705**	**194 477**	**6.8**	**6.5**	**2.9**

Emerging EMEA Life premium volume in USD in 2023

Ranking			Premium volume (in millions of USD)		Change (in %) 2023		Share of total business 2023 (in %)	Share of world market 2023 (in %)
2023	2022	Country	2023	2022	nominal (in USD)	inflation-adjusted[15]		
15	14	South Africa	34 833 *	36 863 *	–5.5	0.6	80.3	1.2
32	33	Russia	8 167	6 788	20.3	41.3	36.6	0.3
39	39	Poland	3 474	3 137	10.7	–6.3	19.4	0.1
42	43	Czech Republic	2 575 *	2 300	12.0	–3.8	26.6	0.1
43	42	Morocco	2 551	2 499	2.1	–4.0	46.2	0.1
44	46	Turkey	2 299	1 820	26.3	17.4	12.0	0.1
45	44	United Arab Emirates (11)	1 824 *	2 093	–12.8	–15.7	12.5	0.1
47	45	Pakistan	1 590 *	1 825	–12.9	–8.7	62.0	0.1
48	49	Hungary	1 579 *	1 609	–1.9	–20.6	37.3	0.1
49	48	Egypt (14)	1 246 *	1 670	–25.4	–6.2	48.8	0.0
50	50	Kenya	1 141 *	1 194	–4.4	5.3	45.9	0.0
53	54	Namibia	733 *	673	9.0	16.1	75.3	0.0
54	56	Saudi Arabia	684	500	36.9	33.8	3.9	0.0
56	53	Nigeria	616 *	777 *	–20.8	–3.4	47.1	0.0
58	58	Cote d Ivoire	417 *	373 *	11.6	3.9	55.2	0.0
63	64	Tunisia	333 *	261	27.5	16.6	28.6	0.0
64	65	Jordan	195 +	180	8.6	6.4	18.6	0.0
65	66	Oman	180 *	175	2.7	1.8	12.2	0.0
66	67	Kuwait	138 *	132 *	4.1	0.7	8.2	0.0
67	68	Algeria	130	116	11.9	–2.0	10.9	0.0
68	69	Bahrain	95	95	0.0	–0.1	12.3	0.0
70	63	Lebanon	28	277	–90.0	–71.2	10.7	0.0
71	71	Yemen	14	12	16.6	–4.0	4.5	0.0
		Qatar	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
		Other countries	7 641	6 883				
		Total	**72 483**	**72 283**	**0.3**	**3.6**	**34.9**	**2.5**

Emerging EMEA Non-life premium volume in USD in 2023

Ranking 2023	Ranking 2022	Country	Premium volume (in millions of USD) 2023	Premium volume (in millions of USD) 2022	Change (in %) 2023 nominal (in USD)	Change (in %) 2023 inflation-adjusted[15]	Share of total business 2023 (in %)	Share of world market 2023 (in %)
20	27	Turkey	16 917	11 352	49.0	38.5	88.0	0.4
21	22	Saudi Arabia	16 772	13 729	22.2	19.4	96.1	0.4
23	23	Poland	14 405 *	12 331	16.8	−1.2	80.6	0.3
24	19	Russia	14 144	16 778	−15.7	−1.0	63.4	0.3
26	29	United Arab Emirates (11)	12 743 *	10 844	17.5	13.7	87.5	0.3
35	33	South Africa	8 520 *	8 969 *	−5.0	1.2	19.7	0.2
40	40	Czech Republic	7 123 *	6 241	14.1	−1.9	73.4	0.2
45	45	Morocco	2 968	2 865	3.6	−2.6	53.8	0.1
48	49	Hungary	2 650 *	2 192	20.9	−2.2	62.7	0.1
50	50	Qatar	2 231 *	1 921 *	16.1	12.7	97.2	0.1
52	52	Kuwait	1 536 *	1 476	4.1	0.7	91.8	0.0
56	54	Kenya	1 348 *	1 405	−4.1	5.7	54.1	0.0
57	51	Egypt (14)	1 305 *	1 652	−21.0	−0.7	51.2	0.0
58	59	Oman	1 288 *	1 233	4.5	3.5	87.8	0.0
61	61	Algeria	1 061	989	7.2	−6.1	89.1	0.0
62	60	Pakistan	975 *	1 000	−2.5	2.2	38.0	0.0
63	64	Jordan	854 +	814	4.9	2.7	81.4	0.0
64	66	Tunisia	831 *	745	11.6	2.1	71.4	0.0
65	63	Nigeria	691 *	911 +	−24.2	−7.6	52.9	0.0
66	67	Bahrain	675	648	4.2	4.1	87.7	0.0
69	70	Cote d Ivoire	338 *	307 *	10.2	2.6	44.8	0.0
70	72	Yemen	296	238	24.1	2.2	95.5	0.0
71	71	Namibia	240 *	249	−3.4	2.9	24.7	0.0
72	56	Lebanon	232 *	1 367	−83.1	−51.5	89.3	0.0
		Other countries	25 079	21 947			71.9	0.2
		Total	**135 222**	**122 194**	**10.7**	**7.9**	**65.1**	**3.1**

Emerging EMEA Insurance density: premiums[1] per capita in USD in 2023

Ranking	Country	Total business	Life business	Non-life business
26	United Arab Emirates (11)	1 531 *	192 *	1 339 *
28	Czech Republic	881 *	234 *	647 *
29	Qatar	740 *	n.a.	740 *
30	South Africa	718 *	577 *	141 *
36	Bahrain	489	60	429
37	Saudi Arabia	472	19	454
38	Poland	464 *	90	374 *
39	Hungary	437 *	163 *	274 *
42	Kuwait	388 *	32 *	356 *
44	Namibia	374 *	282 *	92 *
47	Oman	283 *	35 *	249 *
50	Turkey	224	27	197
53	Russia	155	57	98
54	Morocco	146	67	78
58	Tunisia	93 *	27 *	67 *
59	Jordan	93 +	17 +	75 +
65	Lebanon	48 *	5 *	43 *
66	Kenya	45 *	21 *	24 *
67	Cote d Ivoire	26 *	14 *	12 *
68	Algeria	26	3	23
69	Egypt (14)	23 *	11 *	12 *
70	Pakistan	11 *	7 *	4 *
71	Yemen	9	0	9
72	Nigeria	6 *	3 *	3 *
	Total	**85**	**30**	**55**

Emerging EMEA Insurance penetration premiums[1] in % of GDP in 2023

Ranking	Country	Total business	Life business	Non-life business
3	South Africa	11.5 *	9.2 *	2.3 *
14	Namibia	7.9 *	5.9 *	1.9 *
30	Morocco	3.9	1.8	2.1
38	Czech Republic	2.9 *	0.8 *	2.2 *
39	United Arab Emirates (11)	2.9 *	0.4 *	2.5 *
42	Kenya	2.4 *	1.1 *	1.3 *
45	Tunisia	2.2 *	0.6 *	1.6 *
46	Poland	2.2 *	0.4	1.8 *
49	Jordan	2.1 +	0.4 +	1.7 +
50	Hungary	2.0 *	0.7 *	1.2 *
54	Bahrain	1.7	0.2	1.5
55	Turkey	1.7	0.2	1.5
57	Saudi Arabia	1.6	0.1	1.6
60	Oman	1.3 *	0.2 *	1.2 *
62	Russia	1.1	0.4	0.7
64	Kuwait	1.0 *	0.1 *	0.9 *
65	Qatar	1.0 *	n.a.	1.0 *
66	Cote d Ivoire	1.0 *	0.5 *	0.4 *
67	Pakistan	0.7 *	0.5 *	0.3 *
68	Egypt (14)	0.6 *	0.3 *	0.3 *
69	Algeria	0.5	0.1	0.5
70	Yemen	0.4	0.0	0.4
71	Nigeria	0.4 *	0.2 *	0.2 *
72	Lebanon	0.2 *	0.0 *	0.1 *
	Total	**2.3**	**0.8**	**1.5**

• *Overview of Lloyd's Clauses 2021-2024*

By Hussein Elsayed

Lloyd's Clauses Issued in 2021

1. LMA 5500: COVID-19 Business Interruption Exclusion Clause

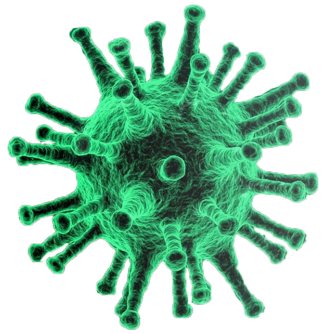
- Issue Date: January 15, 2021
- Background: In response to the COVID-19 pandemic and the associated business interruption claims, Lloyd's introduced a clause to exclude pandemic-related business interruption claims.
- Clause Details:
  - » Excludes coverage for business interruption losses arising from pandemics, including COVID-19.
  - » Defines "pandemic" and "business interruption" to ensure clarity in exclusions.
  - » Provides options for specific pandemic coverage endorsements with additional risk management requirements.
- Purpose: To manage the high volume of claims related to COVID-19 and provide clear exclusions for pandemic-related business interruptions.
- **Impact**: Helps insurers mitigate losses related to pandemic disruptions while offering options for tailored coverage where needed.

2. LMA 5515: Cyber Risk Management Clause

- Issue Date: February 8, 2021
- Background: With the increasing frequency of cyber incidents, this clause was introduced to address the management of cyber risks and the responsibilities of insured parties.
- Clause Details:
  - » Provides guidelines for managing cyber risks, including requirements for implementing cybersecurity measures and reporting incidents.
  - » Defines "cyber risk," "cybersecurity measures," and "incident reporting" to clarify responsibilities.
  - » Includes provisions for coverage of losses resulting from cyber incidents, subject to adherence to specified risk management practices.
- Purpose: To enhance cyber risk management practices and ensure businesses implement effective cybersecurity measures.
- Impact: Promotes better cyber risk management and supports insurers in covering cyber-related losses.

3. LMA 5520: Supply Chain Disruption Coverage Clause

- Issue Date: March 12, 2021
- Background: The COVID-19 pandemic highlighted vulnerabilities in global supply chains, leading to the introduction of coverage for disruptions in supply chains.
- Clause Details:
  - » Provides coverage for financial losses due to disruptions in supply chains, including delays, shortages, and logistical issues.
  - » Defines "supply chain disruption," "delays," and "shortages" to outline coverage scope.
  - » Requires businesses to have contingency plans and risk management strategies to qualify for coverage.
- Purpose: To address the financial impact of supply chain disruptions and encourage businesses to develop resilient supply chains.
- **Impact**: Supports businesses in managing supply chain risks and provides protection against financial losses from disruptions.



4. LMA 5535: Green Energy Incentives Clause

- Issue Date: April 22, 2021
- Background: To promote investment in renewable energy, Lloyd's introduced a clause providing incentives for businesses adopting green energy solutions.
- Clause Details:
  - » Provides incentives, such as premium discounts, for businesses investing in green energy technologies and practices.
  - » Defines "green energy," "renewable technologies," and "investment incentives" to clarify eligibility.
  - » Includes requirements for verifying green energy investments and achieving specific sustainability goals.
- Purpose: To encourage the adoption of renewable energy and support businesses in their transition to sustainable practices.
- Impact: Facilitates investment in green energy and supports sustainability initiatives through financial incentives.

5. LMA 5540: Remote Work Risk Coverage Clause

- Issue Date: May 18, 2021
- Background: The shift to remote work due to the pandemic led to the need for coverage addressing the risks associated with remote working environments.
- Clause Details:
  - » Provides coverage for risks associated with remote work, including data breaches, cybersecurity incidents, and equipment malfunctions.
  - » Defines "remote work," "data breaches," and "equipment malfunctions" to ensure clear coverage terms.
  - » Includes requirements for secure remote work practices and regular risk assessments to qualify for coverage.
- Purpose: To manage risks related to remote work and promote best practices in remote work environments.
- Impact: Supports businesses in addressing remote work risks and encourages secure remote work practices.

6. LMA 5555: AI Technology Liability Clause

- Issue Date: June 15, 2021
- Background: The growing use of AI technology raised concerns about liability for errors and malfunctions, leading to the introduction of a specialized liability clause.
- Clause Details:
  - » Provides liability coverage for damages caused by AI technology, including errors, malfunctions, and operational failures.
  - » Defines "AI technology," "errors," and "malfunctions" to set clear parameters for coverage.
  - » Requires businesses to adhere to AI best practices and conduct regular system audits to qualify for coverage.
- Purpose: To address liability risks associated with AI technology and promote responsible AI usage.
- Impact: Facilitates the integration of AI technology while managing associated liability risks and encouraging best practices.

7. LMA 5560: Pandemic Preparedness Coverage Clause

- Issue Date: July 20, 2021
- Background: In response to the lessons learned from the COVID-19 pandemic, this clause provides coverage for businesses investing in pandemic preparedness measures.
- Clause Details:
  - » Provides coverage for costs associated with pandemic preparedness, including health and safety measures and contingency planning.
  - » Defines “pandemic preparedness,” “health and safety measures,” and “contingency planning” to clarify eligible expenses.
  - » Requires businesses to implement preparedness plans and risk mitigation strategies to qualify for coverage.
- Purpose: To support businesses in preparing for future pandemics and managing associated risks effectively.
- Impact: Enhances pandemic preparedness and supports businesses in investing in proactive health and safety measures.

8. LMA 5575: Enhanced Data Privacy Coverage Clause

- Issue Date: August 25, 2021
- Background: With increasing concerns over data privacy and regulations such as GDPR, this clause was introduced to provide enhanced coverage for data privacy risks.
- Clause Details:
  - » Provides coverage for breaches of data privacy regulations, including fines, penalties, and costs related to data breaches.
  - » Defines “data privacy,” “regulations,” and “breaches” to establish clear coverage terms.
  - » Includes requirements for data privacy practices and compliance with regulations to qualify for coverage.
- Purpose: To address data privacy risks and support businesses in complying with data protection regulations.
- Impact: Facilitates compliance with data privacy regulations and provides protection against financial losses from data breaches.

9. LMA 5580: Climate Resilience Coverage Clause

- Issue Date: September 15, 2021
- Background: The increasing impact of climate change on businesses highlighted the need for coverage supporting climate resilience and adaptation measures.
- Clause Details:
  - » Provides coverage for expenses related to enhancing climate resilience, including infrastructure upgrades and climate adaptation measures.
  - » Defines “climate resilience,” “infrastructure upgrades,” and “adaptation measures” to clarify coverage scope.
  - » Requires businesses to conduct climate risk assessments and implement adaptation strategies to qualify for coverage.
- Purpose: To support businesses in adapting to climate change and investing in climate resilience measures.
- Impact: Promotes climate resilience and supports investments in infrastructure improvements to manage climate risks.

10. LMA 5590: Renewable Energy Equipment Coverage Clause

- Issue Date: October 12, 2021
- Background: As the adoption of renewable energy technologies grows, there is an increasing need for coverage specific to renewable energy equipment.
- Clause Details:
  - » Provides coverage for damage, loss, or malfunction of renewable energy equipment, such as solar panels and wind turbines.
  - » Defines "renewable energy equipment," "damage," and "malfunction" to ensure clarity in coverage.
  - » Includes requirements for regular maintenance and inspections to qualify for coverage.
- Purpose: To address the specific risks associated with renewable energy equipment and support the growth of renewable energy technologies.
- Impact: Facilitates investment in renewable energy by offering targeted coverage and promoting effective maintenance practices.

Lloyd's Clauses Issued in 2022

1. LMA 5600: ESG (Environmental, Social, Governance) Compliance Clause

- Issue Date: January 10, 2022
- Background: With growing emphasis on sustainable and ethical business practices, this clause was introduced to ensure compliance with ESG standards.
- Clause Details:
  - » Provides coverage adjustments and incentives for companies meeting ESG compliance requirements.
  - » Defines ESG parameters, compliance standards, and applicable certifications.
  - » Requires businesses to implement policies and submit ESG compliance reports periodically.
- Purpose: To promote responsible business practices aligned with environmental, social, and governance standards.
- Impact: Encourages companies to adopt sustainable and ethical practices, enhancing their ESG profiles and market appeal.

2. LMA 5615: War and Civil Unrest Exclusion Clause

- Issue Date: February 18, 2022
- Background: In response to geopolitical tensions, this clause excludes coverage for losses arising from war, civil unrest, and similar events.
- Clause Details:
  - » Excludes coverage for damage, business interruption, or losses resulting from war, civil unrest, or related disturbances.
  - » Provides definitions of "war," "civil unrest," and "terrorism" for clarity.
  - » Outlines optional endorsements for limited coverage with increased premiums and specific risk mitigation requirements.
- Purpose: To limit exposure to geopolitical risks and provide clear terms around war-related exclusions.
- Impact: Helps insurers manage risks associated with geopolitical instability while offering tailored endorsements for businesses operating in high-risk areas.

3. LMA 5620: Pandemic Recovery and Continuity Clause

- Issue Date: March 22, 2022
- Background: Designed to support businesses recovering from the effects of the COVID-19 pandemic, this clause covers expenses related to recovery and continuity planning.

- Clause Details:
  - » Provides coverage for costs associated with recovery efforts, including health protocols, employee training, and operational adjustments.
  - » Defines "pandemic recovery," "continuity planning," and "operational adjustments."
  - » Requires businesses to submit continuity plans and risk assessments to qualify for coverage.
- Purpose: To assist businesses in resuming operations and enhancing resilience against future disruptions.
- Impact: Promotes proactive planning and supports businesses in overcoming challenges related to pandemic recovery.

4. LMA 5630: Digital Asset Protection Clause

- Issue Date: April 15, 2022
- Background: The rise in digital asset use, including cryptocurrencies, prompted the introduction of coverage for digital asset risks.
- Clause Details:
  - » Provides coverage for theft, loss, and damage of digital assets, including cryptocurrencies, NFTs, and digital records.
  - » Defines "digital assets," "theft," and "cybersecurity breaches" to specify coverage scope.
  - » Requires insured parties to implement stringent cybersecurity measures and asset management practices.
- Purpose: To address the growing risks associated with digital assets and support businesses in managing these emerging exposures.
- Impact: Offers protection for digital asset holders and encourages best practices in digital asset security and management.

5. LMA 5645: Green Building Coverage Clause

- Issue Date: May 25, 2022
- Background: As part of Lloyd's sustainability initiatives, this clause provides specialized coverage for green buildings and sustainable construction projects.
- Clause Details:
  - » Covers losses and damages specific to green building technologies and sustainable materials.
  - » Defines "green building," "sustainable materials," and "energy-efficient technologies."
  - » Offers premium discounts for green certifications and adherence to environmental standards.
- Purpose: To support the growth of sustainable construction and encourage investment in green buildings.
- Impact: Promotes sustainable development by offering financial incentives and specialized coverage for green projects.

6. LMA 5650: Telehealth Services Liability Clause

- Issue Date: June 17, 2022
- Background: With the rapid expansion of telehealth services, this clause provides liability coverage specific to virtual healthcare providers.
- Clause Details:
  - » Provides coverage for liabilities arising from telehealth services, including misdiagnosis, data breaches, and technology failures.
  - » Defines "telehealth," "virtual care," and "technology failures."
  - » Requires providers to adhere to telehealth regulations, data privacy laws, and technology standards.

- Purpose: To protect healthcare providers against risks associated with virtual care and promote safe telehealth practices.
- Impact: Supports the growth of telehealth by managing associated risks and ensuring compliance with regulatory standards.

7. LMA 5660: Supply Chain Cyber Risk Clause

- Issue Date: July 8, 2022
- Background: Addressing cyber risks within supply chains, this clause focuses on vulnerabilities and cyber incident coverage across supplier networks.
- Clause Details:
  - » Provides coverage for cyber incidents affecting supply chains, including data breaches and ransomware attacks targeting suppliers.
  - » Defines "supply chain cyber risk," "data breach," and "ransomware."
  - » Requires suppliers to meet minimum cybersecurity standards and conduct regular risk assessments.
- Purpose: To enhance supply chain security and protect businesses from cascading cyber risks.
- Impact: Encourages improved cybersecurity practices among suppliers, strengthening overall supply chain resilience.

8. LMA 5670: Climate Change Risk Assessment Clause

- Issue Date: August 30, 2022
- Background: This clause was introduced to support businesses in identifying and managing climate-related risks.
- Clause Details:
  - » Provides coverage for costs associated with conducting climate risk assessments and implementing mitigation measures.
  - » Defines "climate risk assessment," "mitigation measures," and "sustainability strategies."
  - » Requires businesses to conduct periodic assessments and report on their climate risk management efforts.
- Purpose: To facilitate proactive climate risk management and promote sustainability within business operations.
- Impact: Encourages businesses to invest in understanding and mitigating climate risks, aligning with global sustainability goals.

9. LMA 5685: Remote Worker Equipment Coverage Clause

- Issue Date: September 22, 2022
- Background: With remote work becoming a permanent arrangement for many, this clause addresses coverage for remote work equipment.
- Clause Details:
  - » Covers damage, loss, or theft of equipment used by remote workers, such as laptops, monitors, and other necessary devices.
  - » Defines "remote work equipment," "damage," and "theft" to outline the coverage terms.
  - » Requires companies to ensure proper security measures for equipment, including insurance for high-value items.
- Purpose: To manage risks associated with remote work setups and protect companies' investments in remote work infrastructure.
- Impact: Supports the evolving work environment by offering specialized coverage tailored to remote work needs.

10. LMA 5690: Autonomous Vehicle Liability Clause

- Issue Date: October 18, 2022
- Background: With the rise of autonomous vehicle technology, this clause was introduced to address liability issues unique to self-driving vehicles.
- Clause Details:
  - » Provides coverage for liabilities arising from autonomous vehicle operation, including malfunctions, accidents, and software errors.
  - » Defines "autonomous vehicle," "software error," and "operational liability."
  - » Requires adherence to safety standards and regular software updates to maintain coverage.
- Purpose: To address the unique liability challenges posed by autonomous vehicles and support the growth of this technology.
- Impact: Facilitates the adoption of autonomous vehicles by providing tailored liability coverage, promoting safety and compliance.

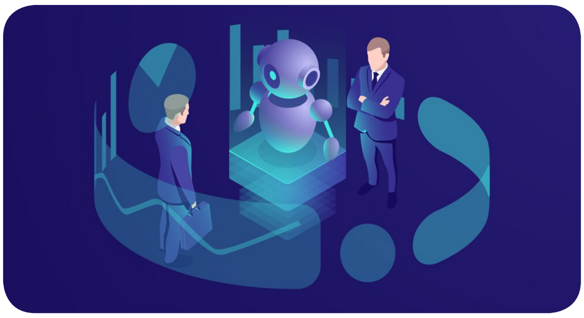
Lloyd's Clauses Issued in 2023

1. LMA 5810: Climate Risk Exclusion Clause

- Issue Date: January 10, 2023
- Background: With growing awareness of climate-related risks, insurers sought to clearly define exclusions for risks directly tied to climate change.
- Clause Details:
  - » Excludes coverage for losses arising from climate change, including extreme weather events and long-term climate impacts.
  - » Defines "climate risk," "extreme weather," and "climate impact" to ensure clarity in exclusions.
  - » Allows for optional endorsements to cover specific climate-related risks, subject to enhanced risk management and mitigation practices.
- Purpose: To manage exposures linked to climate change while providing options for tailored coverage in specific scenarios.
- Impact: Supports insurers in addressing high-severity climate risks and encourages policyholders to implement climate resilience measures.

2. LMA 5825: Emerging Technology Liability Exclusion Clause

- Issue Date: February 20, 2023
- Background: The rapid development of emerging technologies, such as AI and blockchain, necessitated clearer exclusions to manage liability risks associated with these innovations.
- Clause Details:
  - » Excludes coverage for liabilities arising from the use or implementation of emerging technologies, including AI, blockchain, and similar advancements.
  - » Defines key terms such as "emerging technology," "artificial intelligence," and "blockchain" to establish clear boundaries.
  - » Offers optional endorsements for specific use cases or technologies with defined risk management measures.
- Purpose: To limit exposure to uncertainties and liabilities associated with rapidly evolving technologies while allowing for tailored coverage.
- Impact: Encourages businesses to adopt responsible technology practices and seek specialized insurance solutions for emerging technologies.



3. LMA 5804: Supply Chain Cyber Risk Clause

- Issue Date: March 15, 2023
- Background: Increased cyber threats targeting supply chains highlighted the need for coverage that addresses these specific risks.
- Clause Details:
  - » Provides coverage for financial losses due to cyber incidents affecting supply chains, including data breaches and system disruptions.
  - » Defines "supply chain cyber risk," "data breach," and "system disruption" to outline coverage scope.
  - » Includes requirements for cyber risk assessments and mitigation measures to qualify for coverage.
- Purpose: To address the growing risk of cyber incidents impacting supply chains, offering protection and encouraging robust cybersecurity practices.
- Impact: Helps businesses manage financial impacts from cyber threats in their supply chains and promotes proactive cybersecurity measures.

4. LMA 5850: ESG Compliance and Reporting Clause

- Issue Date: April 12, 2023
- Background: As ESG considerations became more prominent, this clause was introduced to ensure insurance policies align with corporate ESG requirements and reporting standards.
- Clause Details:
  - » Mandates compliance with ESG reporting standards and practices as a condition of coverage, including detailed disclosures on environmental, social, and governance impacts.
  - » Defines "ESG compliance," "reporting standards," and "disclosures" to clarify requirements.
  - » Provides incentives for businesses that exceed baseline ESG compliance standards and include penalties for non-compliance.
- Purpose: To integrate ESG considerations into insurance coverage and encourage businesses to adopt comprehensive ESG reporting practices.
- Impact: Aligns insurance products with broader ESG goals and supports businesses in meeting regulatory and stakeholder expectations.

5. LMA 5865: Renewable Energy Equipment Coverage Clause

- Issue Date: May 23, 2023
- Background: The expansion of renewable energy projects necessitated specific coverage for the equipment and technologies involved.
- Clause Details:
  - » Provides coverage for damage to and loss of renewable energy equipment, including solar panels, wind turbines, and associated infrastructure.
  - » Defines "renewable energy equipment," "solar panels," and "wind turbines" to ensure coverage clarity.
  - » Includes options for coverage enhancements related to equipment maintenance and performance guarantees.
- Purpose: To offer comprehensive protection for renewable energy assets, supporting the growth and sustainability of the renewable energy sector.
- Impact: Facilitates investment in renewable energy projects by providing targeted insurance solutions for specialized equipment and technologies.

6. LMA 5875: AI-Driven Risk Management Clause

- Issue Date: June 18, 2023
- Background: The use of AI in risk management led to the need for coverage that addresses the unique risks associated with AI-driven systems and algorithms.
- Clause Details:
  - » Provides coverage for losses arising from the use of AI-driven risk management systems, including failures or errors in algorithms.
  - » Defines "AI-driven risk management," "algorithm failure," and "system error" to set clear coverage boundaries.
  - » Requires businesses to implement robust AI risk management protocols and provide detailed documentation for coverage eligibility.
- Purpose: To address the risks associated with AI technology in risk management, offering protection and encouraging best practices in AI implementation.
- Impact: Supports the integration of AI in risk management while managing associated risks and promoting effective AI governance.

7. LMA 5890: Green Building Retrofits Clause

- Issue Date: July 25, 2023
- Background: As buildings increasingly undergo retrofitting for environmental sustainability, insurers needed a clause to address the specific risks and coverage requirements for these projects.
- Clause Details:
  - » Provides coverage for costs associated with retrofitting buildings to meet green building standards and improve energy efficiency.
  - » Defines "green building retrofits," "energy efficiency," and "sustainability upgrades" to clarify eligible enhancements.
  - » Includes premium incentives for buildings meeting certified green standards and offers guidance on acceptable retrofit practices.
- Purpose: To support the retrofitting of existing buildings with sustainable technologies and encourage compliance with green building standards.
- Impact: Promotes environmental sustainability in building renovations and aligns insurance products with green building initiatives.

8. LMA 5905: Autonomous Vehicle Liability Clause

- Issue Date: August 15, 2023
- Background: The rise of autonomous vehicles necessitated specific coverage to address the unique liability risks associated with these technologies.
- Clause Details:
  - » Provides coverage for liabilities arising from the use of autonomous vehicles, including accidents and system failures.
  - » Defines "autonomous vehicle," "system failure," and "accident" to establish clear coverage boundaries.
  - » Includes requirements for advanced safety features and regular system checks to qualify for coverage.
- Purpose: To manage the liability risks associated with autonomous vehicles and promote the adoption of safe and reliable technology.
- Impact: Facilitates the integration of autonomous vehicles into the insurance market by offering targeted liability coverage and encouraging safety improvements.

9. LMA 5910: Pandemic Business Interruption Coverage Clause

- Issue Date: September 29, 2023
- Background: Lessons learned from the COVID-19 pandemic highlighted the need for business interruption coverage specifically related to pandemics.
- Clause Details:
  - » Provides coverage for business interruption losses resulting from pandemics, including government-mandated closures and reduced revenue.
  - » Defines "pandemic," "business interruption," and "revenue loss" to clarify coverage scope.
  - » Requires businesses to implement pandemic preparedness and response plans to qualify for coverage.
- Purpose: To address the financial impacts of pandemics on business operations and encourage robust preparedness and risk management strategies.Impact: Enhances business continuity planning and provides financial protection against pandemic-related disruptions.

10. LMA 5925: Geo-Political Risk Coverage Clause

- Issue Date: October 12, 2023
- Background: Increased geopolitical tensions and instability necessitated specific coverage for risks associated with political events and actions.
- Clause Details:
  - » Provides coverage for losses resulting from geopolitical events such as political violence, expropriation, and civil unrest.
  - » Defines "geopolitical risk," "political violence," and "civil unrest" to outline the scope of coverage.
  - » Includes requirements for risk assessments and political risk mitigation measures to qualify for coverage.
- Purpose: To manage risks arising from geopolitical events and support businesses operating in politically unstable regions.
- Impact: Facilitates international operations and investment by providing targeted coverage for geopolitical risks and encouraging risk management practices.

Lloyd's Clauses Issued in 2024

1. LMA 6001: Quantum Computing Risk Exclusion Clause

- Issue Date: January 8, 2024
- Background: The advancement of quantum computing technology raised concerns about its potential impact on encryption and data security, leading to the need for clearer risk management.
- Clause Details:
  - » Excludes coverage for losses arising from the use of quantum computing, including breaches of cryptographic systems and data decryption.
  - » Defines "quantum computing," "cryptographic systems," and "data decryption" to establish clear boundaries of the exclusion.
  - » Offers optional endorsements for specific applications of quantum computing with defined risk management measures.
- Purpose: To manage exposures related to the emerging risks of quantum computing while allowing for tailored coverage options.

- Impact: Supports insurers in addressing the uncertainties of quantum technology and encourages the development of secure cryptographic solutions.

2. LMA 6015: Digital Asset Insurance Clause

- Issue Date: February 12, 2024
- Background: The proliferation of digital assets, such as cryptocurrencies and NFTs, necessitated specialized coverage to address the unique risks associated with these assets.
- Clause Details:
  - » Provides coverage for losses related to digital assets, including theft, loss of access, and cyber-related damages.
  - » Defines "digital assets," "cryptocurrency," and "NFT" to ensure clarity in coverage terms.
  - » Includes requirements for secure storage solutions and risk management practices to qualify for coverage.
- Purpose: To offer protection for digital assets and address the increasing demand for insurance solutions in the digital asset space.
- Impact: Facilitates investment in digital assets by providing targeted coverage and encouraging secure handling practices.

3. LMA 6020: Autonomous System Liability Clause

- Issue Date: March 18, 2024
- Background: The use of autonomous systems, such as drones and automated machinery, introduced new liability considerations that required specific coverage solutions.
- Clause Details:
  - » Provides liability coverage for damages caused by autonomous systems, including accidents, malfunctions, and operational errors.
  - » Defines "autonomous systems," "drones," and "operational errors" to set clear parameters for coverage.
  - » Requires businesses to adhere to safety standards and conduct regular inspections to qualify for coverage.
- Purpose: To manage liability risks associated with autonomous systems and promote safe operational practices.
- Impact: Supports the deployment of autonomous technologies by offering dedicated liability coverage and encouraging adherence to safety protocols.

4. LMA 6030: Green Energy Transition Coverage Clause

- Issue Date: April 25, 2024
- Background: The transition to green energy solutions required coverage that supports investments in renewable energy infrastructure and technologies.
- Clause Details:
  - » Provides coverage for investments in green energy technologies, including solar, wind, and other renewable energy projects.
  - » Defines "green energy," "renewable technologies," and "energy transition" to clarify coverage scope.
  - » Includes options for coverage enhancements related to technology performance and compliance with green standards.
- Purpose: To support the transition to renewable energy by providing insurance solutions tailored to green energy investments.
- Impact: Encourages investment in renewable energy projects and ensures comprehensive protection for green energy technologies.

5. LMA 6045: Climate Change Adaptation Coverage Clause

- Issue Date: May 15, 2024
- Background: As businesses adapt to the impacts of climate change, insurers introduced coverage to support climate adaptation measures and infrastructure improvements.
- Clause Details:
  - » Provides coverage for expenses related to adapting infrastructure and operations to climate change impacts, such as flood defenses and heat-resistant materials.
  - » Defines "climate adaptation," "infrastructure improvements," and "flood defenses" to ensure clear coverage terms.
  - » Includes requirements for climate risk assessments and adaptation plans to qualify for coverage.
- Purpose: To support businesses in adapting to climate change and investing in infrastructure that enhances resilience.
- Impact: Promotes proactive climate adaptation measures and aligns insurance products with climate resilience objectives.

6. LMA 6050: Advanced AI System Error Exclusion Clause

- Issue Date: June 10, 2024
- Background: The increasing reliance on advanced AI systems led to the need for exclusions to manage the risks associated with errors and system failures.
- Clause Details:
  - » Excludes coverage for losses resulting from errors or failures in advanced AI systems, including decision-making errors and system malfunctions.
  - » Defines "advanced AI systems," "system errors," and "decision-making failures" to establish clear exclusions.
  - » Offers optional endorsements for specific AI applications with defined risk management measures.
- Purpose: To manage the risks related to AI system errors while providing options for specialized coverage.
- Impact: Supports the integration of advanced AI technologies by offering clear exclusions and encouraging robust system management practices.

7. LMA 6065: Quantum Encryption Coverage Clause

- Issue Date: July 20, 2024
- Background: As quantum encryption technology emerges, insurers introduced coverage to address the unique risks and benefits of this technology.
- Clause Details:
  - » Provides coverage for losses related to quantum encryption technologies, including implementation failures and security breaches.
  - » Defines "quantum encryption," "implementation failures," and "security breaches" to clarify coverage terms.
  - » Includes requirements for secure implementation and regular audits to qualify for coverage.
- Purpose: To offer protection for quantum encryption technologies and address the evolving landscape of data security.
- Impact: Facilitates the adoption of quantum encryption solutions by providing dedicated coverage and encouraging secure implementation practices.

8. LMA 6080: Remote Work Liability Clause

- Issue Date: August 15, 2024
- Background: The rise in remote work arrangements highlighted the need for liability coverage related to remote work environments and practices.

- Clause Details:
  - » Provides liability coverage for claims arising from remote work arrangements, including data breaches, cybersecurity incidents, and workplace safety issues.
  - » Defines "remote work," "cybersecurity incidents," and "workplace safety" to set clear parameters for coverage.
  - » Includes requirements for secure remote work practices and regular security assessments to qualify for coverage.
- Purpose: To address the unique liability risks associated with remote work and promote best practices in remote work environments.
- Impact: Supports businesses in managing remote work risks and encourages the implementation of secure and compliant remote work practices.

9. LMA 6095: Biosecurity Risk Coverage Clause

- Issue Date: September 22, 2024
- Background: Increasing concerns about biosecurity risks, including biological threats and pandemics, led to the introduction of specialized coverage solutions.
- Clause Details:
  - » Provides coverage for losses resulting from biosecurity risks, including biological threats, contamination, and pandemics.
  - » Defines "biosecurity risks," "biological threats," and "contamination" to clarify coverage scope.
  - » Requires businesses to implement biosecurity measures and response plans to qualify for coverage.
- Purpose: To address biosecurity risks and support businesses in managing the financial impacts of biological threats and pandemics.
- Impact: Enhances preparedness for biosecurity events and aligns insurance coverage with biosecurity risk management strategies.

10. LMA 6100: Advanced Manufacturing Risk Clause

- Issue Date: October 18, 2024
- Background: The growth of advanced manufacturing technologies, such as 3D printing and automated production, necessitated specific coverage for associated risks.
- Clause Details:
  - » Provides coverage for risks related to advanced manufacturing technologies, including equipment failures, production defects, and operational disruptions.
  - » Defines "advanced manufacturing," "3D printing," and "production defects" to ensure clarity in coverage terms.
  - » Includes requirements for technology maintenance and quality control to qualify for coverage.
- Purpose: To manage risks associated with advanced manufacturing technologies and support the growth of innovative manufacturing practices.
- Impact: Facilitates investment in advanced manufacturing technologies by offering targeted coverage and encouraging effective risk management practices. ■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Africa News

BURKINA FASO

• Establishment of a reinsurance company in Burkina Faso

On 25 September 2024, the Burkina Faso Government adopted a decree establishing a national reinsurance company.
Named "FASO-Réassurance", the new company will begin operations in 2025. The reinsurer's capital will be 51% owned by the State and 49% by all local insurance companies.
The Council of Ministers also adopted a decree introducing the legal cession of premiums or contributions by insurers operating in Burkina Faso. These initiatives are aimed at reorganizing the local insurance market and limiting the outflow of foreign currency. ■

Atlas Magazine - 27/09/2024

• Insurance market 2023 results

Insurers in Burkina Faso closed the 2023 financial year with a turnover of 157.7 billion FCFA (257.6 million USD), up 10.1% on the 143.2 billion FCFA (237.8 million USD) recorded in 2022.

Non-life premiums increased by 10.8% to 88.1 billion FCFA (143.9 million USD). The combined ratio improved by 13 points to 73%. Sanlam IARD remains the leading non-life insurer, followed by SONAR IARD and Coris IARD. These three companies generated written premiums of 18.7 billion FCFA (30.5 million USD), 15.1 billion FCFA (24.7 million USD) and 11.8 billion FCFA (19.3 million USD) respectively in 2023.

Life insurance underwriting rose by 9.4% to 69.6 billion FCFA (113.7 million USD). With a turnover of 18.2 billion FCFA (29.7 million USD), SONAR Vie remains the life insurance market leader. Sunu Vie and UAB Vie are in second and third place, ending 2023 with premium income of 17 billion FCFA (27.8 million USD) and 14.4 billion FCFA (23.5 million USD) respectively. ■

BURKINA FASO

2023 TURNOVER PER CLASS OF BUSINESS (In thousands)

Class of business	2023 turnover		2022 turnover		2022-2023 evolution (1)	2023 shares
	FCFA	USD	FCFA	USD		
Motor	30510297	51257	31079907	50660	-1.83%	19.34%
Bodily injury and health	22250942	37382	19051664	31054	16.79%	14.11%
Fire and other property damage	15904069	26719	15859856	25852	0.28%	10.08%
Marine	6872400	11546	6581328	10727	4.42%	4.36%
Third party liability	2633843	4425	2787078	4543	-5.50%	1.67%
Miscellaneous accident	6206210	10426	3961334	6457	56.67%	3.93%
Acceptances (non-life)	3766203	6327	569960	929	560.78%	2.39%
Non-life total	**88143964**	**148082**	**79891127**	**130222**	**10.33%**	**55.88%**
Individual insurance	36382557	61122	33668891	54880	8.06%	23.07%
Group insurance	32926084	55316	29261103	47696	12.53%	20.87%
Acceptances (life)	278553	468	250276	408	11.30%	0.18%
Life total	**69587194**	**116906**	**63180270**	**102984**	**10.14%**	**44.12%**
Grand total	**157731158**	**264988**	**143071397**	**233206**	**10.25%**	**100%**

2023 TURNOVER PER COMPANY (In thousands)

Insurers	2023 turnover		2022 turnover		2022-2023 evolution (1)	2023 shares
	FCFA	USD	FCFA	USD		
Non-life companies						
Sanlam IARD	18711662	31436	18401301	29994	1.69%	11.86%
SONAR IARD	15123937	25408	13175035	21475	14.79%	9.59%
Coris Assurance	11840818	19893	11304971	18427	4.74%	7.51%
UAB IARD	10032202	16854	9495136	15477	5.66%	6.36%
Raynal IARD	9387377	15771	9206471	15006	1.96%	5.95%
SUNU IARD	8216134	13803	7981068	13009	2.95%	5.21%
GA IARD	6942317	11663	7172752	11692	-3.21%	4.40%
Jackson Assurance	6919986	11625	2616393	4265	164.49%	4.39%
Yelen Assurance	969531	1629	538000	877	80.21%	0.61%
Total Non-Life	**88143964**	**148082**	**79891127**	**130222**	**10.33%**	**55.88%**
Life companies						
SONAR Vie	18215774	30602	16074541	26202	13.32%	11.55%
SUNU Vie	16975735	28519	15787577	25734	7.53%	10.76%
UAB Vie	14461126	24295	14302473	23313	1.11%	9.17%
Sanlam Vie	7095626	11921	6428534	10478	10.38%	4.50%
CORIS Vie	6495403	10912	5517202	8993	17.73%	4.12%
CIF Vie	3470124	5830	3241710	5284	7.05%	2.20%
GA Vie	2873406	4827	1828233	2980	57.17%	1.82%
Total Life	**69587194**	**116906**	**63180270**	**102984**	**10.14%**	**44.12%**
Grand total	**157731158**	**264988**	**143071397**	**233206**	**10.25%**	**100%**

(1) Growth rate in local currency

Exchange rate as at 31/12/2023 : 1 FCFA = 0.00168 USD; as at 31/12/2022: 1 FCFA = 0.00163 USD

Atlas Magazine – – 18 Oct & 7 Nov 2024

EGYPT

• The Financial Regulatory Authority Grants Orient Takaful Insurance Preliminary Approval for Transition to Conventional Insurance

by Islam Abdel Hamid

Publication Informed sources reported that Orient Takaful Insurance Egypt has obtained preliminary approval from the Financial Regulatory Authority (FRA) to convert its operations from Takaful (Islamic insurance) to conventional insurance.
The sources added that the authority is set to review Orient's file in the upcoming period to grant it the final approval for the transition to conventional insurance.
It is worth noting that the international credit rating agency, AM Best, confirmed in June the financial strength rating of A (Excellent) and the long-term issuer credit rating of "a+" (Excellent) for Orient Insurance (UAE) and its subsidiaries, Orient Takaful Insurance (Egypt) and Orient Takaful (UAE). The agency clarified that the outlook for these credit ratings for the Orient Group and its subsidiaries is stable.

Additionally, in March, the FRA approved the amendment to the articles of association of Orient Takaful Insurance Egypt, according to a decision by the Chairman of the Authority to amend articles (6 and 7) of the company's articles of association.

According to decision No. 653 of 2024, the authorized capital of the company was set at EGP 500 million, and the issued capital was determined to be EGP 400 million, distributed over 40 million shares, each valued at EGP 10. This includes EGP 100 million in cash shares and EGP 300 million in bonus shares.
The founders fully subscribed to the entire issued capital of 40 million shares, valued at EGP 400 million, according to the shareholder structure, which includes Orient Insurance (UAE) holding a 79.99% stake, and Abu Dhabi Islamic Bank Egypt holding 20%.
Accordingly, the Egyptian participation in Orient Takaful Insurance is approximately 20%, while the UAE holds 80%. The company's issued capital has been fully paid as recorded in the commercial register.

Regulations for the Transition of Takaful Insurance Companies to Conventional Insurance

Some Takaful insurance companies operating in the Egyptian market have sought to transition to conventional insurance. Kaf Life Insurance Company has obtained approval from the Financial Regulatory Authority to convert to conventional insurance operations. This move reflects a trend among several Takaful insurance providers in Egypt seeking to shift to conventional insurance to adapt to market conditions and regulatory requirements.

These regulatory frameworks aim to ensure a smooth and orderly transition for companies moving from Takaful to conventional insurance, maintaining their compliance with financial regulations and standards set by the Financial Regulatory Authority. The FRA has outlined specific guidelines for such transitions to protect the interests of policyholders and maintain market stability.

These developments indicate a significant shift in the Egyptian insurance landscape as companies seek to diversify their product offerings and align with broader market practices. The shift to conventional insurance could provide opportunities for broader growth and integration with global insurance standards, thereby expanding the competitive landscape within the Egyptian insurance sector. ■

Source: Amwal Alghad Newspaper - 3 November 2024

KENYA

• 2023 Insurance Market: Statistical Key Highlights

Figures in thousands

2023 turnover per class of business

Branches	2023 turnover		2022 turnover		2022-2023 evolution [1]	2023 shares
	KES	USD	KES	USD		
Health	66308431	419732	54892226	441882	20.80%	18.35%
Motor	55122578	348926	53879659	433731	2.31%	15.25%
Fire	22463826	142196	19497361	156954	15.21%	6.21%
Workmen's compensation	14733217	93261	13186956	106155	11.73%	4.08%
Marine [2]	9036178	57199	7816940	62926	15.60%	2.50%
Theft	4860552	30767	4231130	34061	14.88%	1.35%
Third party liability	4769584	30192	3842170	30930	24.14%	1.32%
Engineering	4635883	29345	5274833	42462	-12.11%	1.28%
Personal accident	3456669	21881	2490419	20048	38.80%	0.96%
Miscellaneous risks	5951810	37675	3812555	30691	56.11%	1.65%
Total non-life	**191338728**	**1211174**	**168924249**	**1359840**	**13.27%**	**52.95%**
Deposit management	63000344	398792	50611739	407424	24.48%	17.43%
Individual life insurance	38514357	243796	35474140	285567	8.57%	10.66%
Collective life insurance	21733244	137571	16800496	135244	29.36%	6.01%
Individual pensions	14736600	93283	8073518	64992	82.53%	4.08%
Credit Insurance	15846653	100309	15792407	127129	0.34%	4.39%
Annuities	12349525	78173	10036388	80793	23.05%	3.42%
Investments	3841353	24316	4056113	32652	-5.29%	1.06%
Total Life	**170022076**	**1076240**	**140844801**	**1133801**	**20.72%**	**47.05%**
Grand total	**361360804**	**2287414**	**309769050**	**2493641**	**16.65%**	**100%**

(1) Growth rate in local currency

(2) Includes aviation and maritime

Exchange rate as at 31/12/2023: 1KES = 0.00633USD; 31/12/2022: 1KES = 0.00805USD.

Atlas Magazine - 20/05/2024

2023 turnover per company

Life insurance companies in Kenya

Figures in thousands

Life companies	2023 turnover		2022 turnover		2022-2023 evolution [1]	2023 shares
	KES	USD	KES	USD		
Britam Life	36 537 216	231 281	28 384 667	228 497	28.72%	10.11%
ICEA Lion Life	27 477 976	173 936	20 700 300	166 637	32.74%	7.60%
Jubilee	17 316 399	109 613	17 844 769	143 650	-2.96%	4.79%
Equity Life	14 794 930	93 652	4 183 274	33 675	253.67%	4.09%
Kenindia	11 238 685	71 141	8 879 272	71 478	26.57%	3.11%
CIC Life	9 815 790	62 134	8 800 988	70 848	11.53%	2.72%
ABSA Life [2]	7 232 541	45 782	5 705 249	45 927	26.77%	2.00%
GA Life	6 853 368	43 382	7 478 342	60 201	-8.36%	1.90%
Sanlam Life	6 431 679	40 712	7 804 740	62 828	-17.59%	1.78%
Old Mutual Life [3]	5 805 206	36 747	5 203 406	41 888	11.57%	1.61%
Liberty Life	5 547 482	35 116	4 956 049	39 896	11.93%	1.54%
APA Life	5 034 714	31 870	4 827 634	38 862	4.29%	1.39%
Madison	3 767 303	23 847	3 441 124	27 701	9.48%	1.04%
Prudential Life	2 507 832	15 874	2 001 709	16 114	25.28%	0.69%
Pioneer	2 454 183	15 535	3 723 277	29 972	-34.09%	0.68%
Kuscco Mutual Limited	1 497 622	9 480	1 687 282	13 583	-11.24%	0.41%
The Kenyan Alliance	1 416 745	8 968	1 263 052	10 168	12.17%	0.39%
Capex Life	1 387 284	8 781	1 031 420	8 303	34.50%	0.38%
Kenya Orient Life	1 082 224	6 850	1 240 689	9 988	-12.77%	0.30%
Geminia Life	909 590	5 758	1 132 290	9 115	-19.67%	0.25%
Star Discover Life	385 012	2 437	-	-	-	0.11%
Cannon Life	344 838	2 183	442 993	3 566	-22.16%	0.10%
Corporate	94 865	600	-	-	-	0.03%
The Monarch	88 592	561	112 275	904	-21.09%	0.03%
Life total	**170 022 076**	**1 076 240**	**140 844 801**	**1 133 801**	**20.72%**	**47.05%**

(1) Growth rate in local currency

(2) Ex. Barclays Life

(3) UAP Life Assurance Company was acquired by Old Mutual Life Assurance

Composite companies appear in the life and non-life rankings

Atlas Magazine - 20/05/2024

Figures in thousands

Non life insurance companies in Kenya

Non-life companies	2023 turnover		2022 turnover		2022-2023 evolution (1)	2023 shares
	KES	USD	KES	USD		
APA	17 308 839	109 565	14 654 657	117 970	18.11%	4.79%
Old Mutual General (2)	16 680 145	105 585	14 858 672	119 612	12.26%	4.62%
CIC General	16 009 182	101 338	13 860 381	111 576	15.50%	4.43%
Britam General	15 694 733	99 348	10 850 662	87 348	44.64%	4.34%
GA	15 557 597	98 480	13 919 501	112 052	11.77%	4.31%
Jubilee Health	11 811 950	74 770	9 001 961	72 466	31.22%	3.27%
AAR	9 558 333	60 504	7 243 552	58 311	31.96%	2.65%
ICEA LION General	8 721 389	55 206	7 301 806	58 780	19.44%	2.41%
Madison	8 292 489	52 491	7 749 676	62 385	7.00%	2.30%
Heritage	7 488 860	47 404	7 048 403	56 740	6.25%	2.07%
Mayfair	7 200 723	45 581	5 520 094	44 437	30.45%	1.99%
Geminia	6 238 585	39 490	5 731 603	46 139	8.85%	1.73%
First	5 672 533	35 907	5 507 500	44 335	3.00%	1.57%
Directline	4 865 225	30 797	4 268 900	34 365	13.97%	1.35%
Jubilee Allianz General (3)	4 711 346	29 823	4 004 876	32 239	17.64%	1.30%
Fidelity Shield	3 578 909	22 654	3 094 822	24 913	15.64%	0.99%
AIG	3 360 770	21 274	3 619 995	29 141	-7.16%	0.93%
MUA	2 784 717	17 627	3 590 644	28 905	-22.45%	0.77%
Sanlam	2 756 111	17 446	3 298 535	26 553	-16.44%	0.76%
Occidental	2 745 147	17 377	2 819 533	22 697	-2.64%	0.76%
Pacis	2 703 626	17 114	1 965 148	15 819	37.58%	0.75%
Intra-Africa	2 413 898	15 280	2 135 782	17 193	13.02%	0.67%
Tausi	2 091 812	13 241	1 645 871	13 249	27.09%	0.58%
The Kenyan Alliance	2 070 131	13 104	1 547 564	12 458	33.77%	0.57%
Kenindia	1 821 765	11 532	2 372 032	19 095	-23.20%	0.50%
African Merchant	1 723 316	10 909	1 035 998	8 340	66.34%	0.48%
Kenya Orient	1 637 579	10 366	2 176 188	17 518	-24.75%	0.45%
Pioneer	1 595 570	10 100	1 635 759	13 168	-2.46%	0.44%
Cannon General	1 586 410	10 042	1 342 135	10 804	18.20%	0.44%
Takaful Insurance Of Africa	878 159	5 559	935 012	7 527	-6.08%	0.24%
Invesco	735 893	4 658	1 224 797	9 860	-39.92%	0.20%
The Monarch	384 254	2 432	-	-	-	0.11%
Corporate	288 692	1 827	-	-	-	0.08%
Star Discover	249 869	1 582	-	-	-	0.07%
Star Discover Micro	120 171	761	-	-	-	0.03%
Trident	-	-	2 152 828	17 330	-	-
Xplico (4)	-	-	809 362	6 515	-	-
Non-life total	**191 338 728**	**1 211 174**	**168 924 249**	**1 359 840**	**13.27%**	**52.95%**

(1) Growth rate in local currency
(2) Ex. UAP Insurance Company Limited
(3) The company changed its name after the merger between Jubilee General Insurance and Allianz Kenya
(4) Under statutory management
Composite companies appear in the life and non-life rankings
Exchange rate as at 31/12/2023 : 1 KES = 0.00633 USD ; 31/12/2022 : 1 KES = 0.00805 USD.

Atlas Magazine - 20/05/2024

SOUTH AFRICA

• *South African general insurance industry to see continued strong growth*

by Tony Dowding

Increasing demand for policies covering nat cat events, and growing incidents of cybercrimes, together with rising vehicle sales, are behind the South African general insurance industry's expected 7.7% growth in 2024, according to analysis from GlobalData.

Sutirtha Dutta, insurance analyst at GlobalData, said: "The South African general insurance industry grew by 14.7% in 2023, recording the highest growth in the last five years. The growth was supported by strong performance of the key economic sectors such as automobiles, construction, and financial services. However, the growth of the general insurance industry is expected to remain subdued in 2024 and 2025 due to slower economic growth."

Motor insurance is the leading line of business in the South African general insurance industry, and is expected to account for 42.5% share of the general insurance GWP in 2024. It is expected to grow by 5.6% in 2024, supported by growing vehicle sales.

"Rising premium rates will also support motor insurance growth," said Dutta. "The increasing prices for automobiles, frequent nat cat events, as well as rising cases of vehicle theft and road accidents, have led to an increase in the overall cost of claims for insurers. As a result, insurers are expected to reassess their risk exposure and increase the premium rates for motor insurance."

Property insurance is the second-largest line and is expected to account for a 40.9% share of general insurance GWP in 2024. It is expected to grow by 10.2% this year, supported by continued demand for nat cat policies. The increased frequency of nat cat events has led to a rise in losses, which is reflected in an increase of reinsurance costs, said GlobalData. The combined ratio for primary insurers has increased from 87.7% in March 2023 to 92.5% in March 2024, as reported by the South African Reserve Bank, resulting in a rise of property insurance premium rates.

Liability insurance is expected to account for 4.9% GWP share in 2024. The rising incidents of cyber risks and requirement for enhanced cyber security measures due to rapid digitisation will support the growth of liability insurance. South Africa experienced a 22% surge in cyberattacks in 2023 as compared to the previous year, with small businesses being the most exposed, according to the South African Banking Risk Information Centre (SABRIC).

Dutta added: "The general insurance industry in South Africa presents a positive growth outlook over the next five years, driven by infrastructure expansion, increased demand for parametric insurance in the agricultural sector, and growing demand for cyber insurance. However, economic volatility and increasing losses from nat cat events may create obstacles to the industry's growth in the short term."

The South African general insurance industry is set to grow at a compound annual growth rate (CAGR) of 5.8% from ZAR181.5bn ($9.8bn) in 2024 to ZAR227.6bn ($11.2bn) in 2028, in terms of gross written premiums (GWP). Motor insurance is expected to grow at a CAGR of 6.5% during 2024-28. Property insurance is projected to grow at a CAGR of 5.6% over the period 2024-28, while liability insurance is expected to grow at a CAGR of 3.9%. ■

Source: Commercial Risk Online - 23 August 2024

INDIA

- ## *IRDAI's Update on Turnaround Times for Insurance Companies*

by Anuj Bahukhandi & Armaan Tuli (Tuli & Co) [1]

The IRDAI has introduced a new regulatory framework that streamlines turnaround times for the various activities and services conducted by Indian Insurance Companies, replacing the previous regulatory regime.

Introduction

The Insurance Regulatory and Development Authority of India ("IRDAI") has introduced a new regulatory framework that streamlines turnaround times ("TATs") for the various activities and services conducted by Indian Insurance Companies, replacing the previous regulatory regime.

The TATs applicable to various activities were previously set out in the IRDAI (Protection of Policyholders' Interests) Regulations 2017 ("2017 Regulations").
However, the IRDAI has recently introduced the IRDAI (Protection of Policyholders' Interests, Operations and Allied Matters of Insurers) Regulations 2024 ("PPHI Regulations"), which, inter alia, repeal the earlier provisions on TATs.

As a supplement to the PPHI Regulations, the IRDAI has also issued a Master Circular on "Protection of Policyholders' Interests" on 5 September 2024 ("PPHI Circular") which provides additional guidance and specific timelines for several insurance services. This new regulatory framework brings down the TATs for Insurance Companies in India significantly, requiring faster policy issuance, claim settlement and grievance redressal.

1 Tuli & Co is an insurance-driven commercial litigation and regulatory practice established in 2000. With offices in New Delhi and Mumbai, we undertake work for a cross section of the Indian and international insurance and reinsurance market and work closely alongside Kennedys' network of international offices

The following is a simplified summary of the key TAT changes under the new regime:

SERVICE	OLD TURNAROUND TIME	NEW TURNAROUND TIME
PURCHASING A POLICY		
Insurer to communicate a decision on a proposal	15 days from date of receipt of proposal[1]	7 days from date of receipt of proposal[2]. Further details/clarifications, if required, must be requested within 7 days and in one go, not piecemeal.
Insurer to provide to the Proposer a copy of the proposal submitted	Within 30 days of the acceptance of a proposal[3]	Within 15 days of the acceptance of a proposal
MANAGING THE POLICY		
Insurers to acknowledge requests made by policyholders to change their details	N/A	Immediately[4]
Insurer to complete the requested changes	N/A	Within 7 days of request
Free look cancellation of policy	15 days from receipt of the policy document (for life and health policies) and 30 days for electronic life policies[5]	30 days from receipt of the policy document for life and health policies, whether issued electronically or otherwise[6]
Insurer to refund the premium after free cancellation	Within 15 days of cancellation request from the policyholder[7]	Within 7 days of cancellation request from the policyholder[8]
SETTLEMENT OF LIFE INSURANCE CLAIMS		
Insurer to raise any queries or requirement of additional documents	Within 15 days of receipt of claim, and in one go, not piecemeal[9]	N/A
Insurer to pay or reject a death claim:		
Without investigation	Within 30 days from receipt of all relevant papers and required clarifications[10]	Within 15 days of intimation of claim (assuming all necessary documentation as stated in the policy is received)[11]
Warranting investigation	Investigation completion within 90 days of claim receipt, followed by settlement within 30 days.	Within 45 days of claim intimation (including investigation and settlement)
Insurer to process and	Within 15 days of receipt of	Within 7 days of receipt of request

SERVICE	OLD TURNAROUND TIME	NEW TURNAROUND TIME
settle partial withdrawal on surrender	request[12]	
Insurer to settle maturity benefits, survival benefits, annuity payouts and income benefits	On or before due date[13]	On due date
	SETTLEMENT OF HEALTH INSURANCE CLAIMS	
	Insurer to pay or reject a health insurance claim:	
Without investigation	Within 30 days from the date of receipt of the last necessary document[14]	Health insurance claims, other than cashless, should be settled within 15 days from the submission of the claim[15]
Warranting investigation	Investigation to be completed within 30 days from last necessary document, and claim to be settled within 45 days from the date of last necessary document[16]	N/A
Cashless: Approve or deny request for pre-authorisation	*"Proper and prompt service to the policyholder at all times"*[17]	Immediately, with a maximum timeframe of 1 hour from the time of request receipt[18]
Cashless: Granting final bill authorisation, which allows the patient's release from hospital	*"Proper and prompt service to the policyholder at all times"*	Within 3 hours (Insurers are liable (from the shareholder's fund) for any additional charges incurred by the policyholder due to delays beyond the 3 hours)
Insurer to process the settlement request and release mortal remains from hospital on the death	*"Proper and prompt service to the policyholder at all times"*	Immediately
	SETTLEMENT OF GENERAL INSURANCE CLAIMS	

SERVICE	OLD TURNAROUND TIME	NEW TURNAROUND TIME
Appointment of surveyor (retail insurance)	Within 72 hours of the receipt of intimation from the Insured[19]	Within 24 hours of reporting a claim[20]
Surveyor to commence the survey	Within 48 hours of appointment[21]	N/A
Surveyor to forward an interim report of loss to the Insurer	No later than 15 days from the date of the surveyor's first visit	N/A
Surveyor to submit the final report to the Insurer	Within 30 days of appointment, or 90 days in the case of claims relating to commercial and large risks[22]	Within 15 days of appointment
Insurer to pay or reject a general insurance claim	Within 30 days of receipt of the final survey report	Within 7 days of receipt of the survey report Where surveyor not appointed (small value claims [23] or claims exempt in furtherance of Section 64UM(10) of the Insurance Act, 1938[24]), the position is not clear and claims likely need to be settled per the Board approved policy[25]
RESOLVING DISPUTES		
Insurer to acknowledge a complaint	*"Efficiently and with speed"*[26]	Immediately[27]
Insurer to seek and obtain further details from the complainant	*"Efficiently and with speed"*	Within 7 days of complaint[28]
Insurer to resolve the complaint and issue final letter of resolution	*"Efficiently and with speed"*	Within 14 days, along with the reasons for not accepting the complaint
Insure to close grievance on non-receipt of reply	Within 56 days of the complaint	Within 56 days of the complaint

SERVICE	OLD TURNAROUND TIME	NEW TURNAROUND TIME
Insurer to ensure awards by the Insurance Ombudsman favouring policyholders / claimants to be settled	Within 15 days of receipt of acceptance letter (which is sent to the Insurer by the complainant within 1 month from the date of receipt of the award)[29]	Within 30 days from the date of receiving the award (failure to do so is subject to a penalty of Rs. 5,000 per day of delay, payable to the complainant, in addition to any penal interest levied under the Insurance Ombudsman Rules 2017)[30]
Insurer to appeal the Ombudsman's award	N/A	Within 30 days of receiving the award
Corporate agents and insurance brokers to acknowledge complaint from the complainant	Within 14 days[31]	Within 14 days (no change)
SWITCHING HEALTH INSURANCE PROVIDER		
Policyholder to apply to new Insurer to switch the entire policy	At least 45 days before, but not earlier than 60 days from the premium renewal date of the existing policy (Insurers are free to consider proposals received within such 45 days also)[32]	At least 30 days before, but not earlier than 60 days from the renewal date (Insurers are free to consider proposals received within 15 days of the renewal date also, provided they ensure no break in policy)[33]
Previous Insurer to provide policyholder information to the new Insurer	Within 7 working days of the receipt of the request	Immediately, but not more than 72 hours of receipt of request through the Insurance Information Bureau of India (IIB)
New Insurer to decide and communicate on proposal	Within 15 days of receipt of information (beyond this time frame, the Insurer loses the right to reject and shall accept the proposal)	Not more than 5 days of receipt of information

Concluding Remarks

The implementation of the PPHI Regulations and the accompanying PPHI Circular marks a significant change with respect to TATs applicable to the various services and activities performed by Indian Insurance Companies. The new framework has shortened the time-lines for multiple procedures, including accepting proposals, issuing policies and settling claims34.

However, intermediaries such as corporate agents and insurance brokers retain their original timelines for redressing customer grievances and it will be interesting to see how their TATs interact with those imposed on Insurers.

While the updated regulatory framework offers significant benefits to policyholders, Insurance Companies will need to carefully review these new provisions and review their current practices to comply. Insurance Companies will now need to further optimize their operations, leverage new technology, and improve internal processes to meet the stipulated TATs. This would be required to avoid the specific penalties, which apply in the form of penal interest on claim amounts as well as daily fines for ombudsman amounts. This is in addition to any regulatory actions that complaints of such delays may invite. ■

Footnotes

1. R8(6) of the 2017 Regulations.
2. Pages 10, 25 and 41 (Processing of the proposal forms) of the PPHI Circular.
3. R8(1) of the 2017 Regulations.
4. Pages 14, 28 and 44 (Service request) of the PPHI Circular.
5. R10(1)(i) of the 2017 Regulations and R14(i)(1) of the IRDAI (Health Insurance) Regulations 2016.
6. R20(1) of the PPHI Regulations.
7. R10(1)(iii) of the 2017 Regulations.
8. R20(6) of the PPHI Regulations.
9. R14(1) of the 2017 Regulations.
10. R14(2)(i) of the 2017 Regulations.
11. Page 15 (Processing of claim and TAT for settlement of claims) of the PPHI Circular.
12. R14(2)(v) of the 2017 Regulations.
13. R14(2)(iv) of the 2017 Regulations.
14. R27(i) of the IRDAI (Health Insurance) Regulations 2016.
15. Page 31 (Settlement of health insurance claims) of the PPHI Circular.
16. R16(2) of the 2017 Regulations.
17. R21(2) of the IRDAI (Third Party Administrators – Health Services) Regulations 2016.
18. Pages 30 and 31 (Cashless facility for health insurance) of the PPHI Circular.
19. R15(1) of the 2017 Regulations.
20. Pages 45 and 46 (Settlement of claims under retail general insurance policies) of the PPHI Circular.
21. R15(3) of the 2017 Regulations.
22. R15(5) of the 2017 Regulations.
23. Page 45 (Settlement of Claims under Retail General Insurance Policies) is in the following terms: "1. In case of a claim under general insurance policy, loss assessment is made by the surveyor. Any loss that is reported under a general insurance product that exceeds Rs.50,000/- or more (in case of motor insurance) and Rs.1 lakh or more (in case of other than motor insurance) needs to be mandatorily surveyed by a registered surveyor and loss assessor."
24. Classes of claims exempt from appointing a surveyor can be found in IRDAI Order Re: Exemption of classes of claims under sub-section (10) of Section 64UM of the Insurance Act, 1938.
25. R22(1)(b) of the PPHI Regulations.
26. Annexure I of the 2017 Regulations.
27. Pages 19, 33 and 47 (Turnaround time for resolution of complaints / grievance) of the PPHI Circular.
28. Page 54 of the Master Circular on Operations and Allied Matters of Insurers 2024.
29. Rule 16(6) of the Redressal of Public Grievances Rules 1998.
30. Pages 19, 34 and 48 (Implementation of Ombudsman Award) of the PPHI Circular.
31. Schedule III, 4(p) of the IRDAI (Registration of Corporate Agents) Regulations 2015 and Schedule I, Form H, 8(c) of the IRDAI (Insurance Brokers) Regulations 2018.
32. Schedule I of the IRDAI (Health Insurance) Regulations 2016.
33. Page 36 (Portability in case of Health Indemnity Policies) of the PPHI Circular.
34. If a claim is not settled within the specified timelines, the claimant is entitled to interest at the prevailing bank rate plus an additional 2%, calculated from the date of intimation until the date of payment. The Insurer must pay this interest suo moto (on their own initiative) along with the claim amount.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

Tuli & Co
Solicitors and Advocates

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KAZAKHSTAN

- ***Experts discussed introduction of catastrophic risk insurance in Kazakhstan***

by Marina MAGNAVAL

Based on the study of international experience and analysis of the insurance market of Kazakhstan, it was decided to introduce mandatory catastrophic risk insurance in the republic.

The corresponding draft bill will be developed by the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market, as previously reported by Prime Minister Olzhas Bektenov, Kapital.kz writes.

During the session "Insurance of risks important for the economy and population: catastrophic risks", experts discussed introduction of this type of insurance in Kazakhstan. The session was held on October 2 as part of the Insurance Forum Almaty 2024.

According to Elena Filimonova, Deputy Director of the Insurance Market and Actuarial Calculations Department of the Agency, this year the Agency has been actively working with experts from the Asian Development Bank to create a catastrophic insurance system. As the speaker noted, the most important question today is to understand how to provide a profitable insurance product for citizens.

"There are more than 1,079 towns in the country that are prone to floods, and 430 towns are located in seismically dangerous regions. More than 19,000 residential properties were damaged by the floods, and compensation for that damage is still being paid both from the country's budget and in the form of sponsorship", noted Aset Zhilkaidarov, Head of the Department for Prevention of Man-Made Emergencies (ES) of the Emergencies Prevention Committee at the Ministry of Emergency Situations.

Deputy Chairperson of the Agency Maria Khadzhieva reminded that legislative amendments related to the introduction of imputed professional liability insurance for medical workers will come into force on October 24 of this year. According to her, a single insurance pool will be created on the insurance market for the first time - to simplify the process of issuing insurance contracts and ensure maximum coverage of all medical institutions.

The speaker added that professional liability insurance for medical workers will be implemented entirely electronically: from the process of concluding a contract to receiving an insurance payment. ■

Source: XPRIMM - 16 October 2024

KUWAIT

• *Kuwait's new legislation drives insurance uptake*

Kuwait's insurance sector is characterised by the strong presence of several key players and the entry of new competitors in a relatively compact market. While Kuwait's insurance sector has historically maintained a smaller scale than its GCC counterparts, in recent years a new law and several policy amendments have spurred industry growth. The introduction of compulsory insurance requirements in the auto sector and for foreigners has encouraged the uptake of a variety of insurance products. While there is room for expansion, the potential for advancement in this area lies in enhanced marketing strategies and increased digitalization

Regulatory Framework

The first insurance law in Kuwait was passed in 1961, which put the Insurance Department of the Ministry of Commerce and Industry (MoCI) in charge of insurance regulation. There have since been several amendments to the law, including the Civil Code, laid down in Decree Law No.67 of 1980, which introduced the general principles of insurance contracting, and the introduction of minimum capital requirements in 2011. Additionally, in 2006 the Kuwait Insurance Federation (KIF) was established to lobby for member interests and defend their rights.

In 2019 the government of Kuwait replaced the 1961 legislation with a new single regulation on insurance known as Law No. 125 on the Regulation of Insurance. The law manages all domestic and foreign insurers and reinsurers in the country. The Supreme Committee of the Insurance Regulatory Unit (SCIRU) was established within the MoCI as a supervisory and oversight body in 2020. The IRU manages both the implementation of regulations and dispute resolution in the sector. Only insurers licensed by the IRU can operate in Kuwait – whether they are domestic or foreign.

In June 2022 the executive regulations of Law No. 125 of 2019 came into effect, followed in December of that year by the IRU Strategy 2022-27. This new four-year strategy required insurers to renew their licences by September 30, 2022 to continue operating in the sector legally. The new law stipulates that insurance companies can now renew their licences every three years instead of annually.

The regulations set out several conduct of business rules, including obtaining written authorisation from the customer, acting in their best interests and not recommending an insurance company based on the expected commission of product uptake. It also establishes the IRU's Supreme Committee Disciplinary Board to manage breaches of the insurance law, as well as the Insurance Disputes Arbitration and Settlement Centre to resolve disputes.

There are two types of insurance companies in Kuwait: conventional and takaful (Islamic insurance). Under the new law, companies are allowed to undertake conventional or takaful insurance activities, but not both. Many Islamic insurers are closely connected to Kuwait's Islamic banks.

Under the new regulations, both national and foreign insurance companies can operate in the country. However, the executive regulations state that foreign companies must provide advanced insurance products and services that are not provided by the existing insurance companies, or existing coverage needed by the insurance market in Kuwait. This means that Kuwait's insurance sector is largely dominated by national companies.

Insurance Companies

As of end-2023 there were 22 Kuwaiti and 12 non-Kuwaiti insurance and reinsurance companies operating in the country. However, the market is dominated by five insurance firms, which contribute more than 80% of the total written insurance premium. Gulf Insurance Group (GIG) is Kuwait's largest insurance company, also providing takaful options through Gulf Takaful, established in 2020. In 2020 GIG had a market share of about 58%, followed by Al Ahleia, with 13%. Bahrain Kuwait Insurance Company held 11% and Kuwait Reinsurance Company (Kuwait Re) had 7%. The Kuwait Insurance Company (KIC) accounted for 5%, followed by Warba Insurance & Reinsurance, with 4%, and First Takaful and Wethaq Takaful each with 1%, according to Dubai-based SHMA Consulting.

In 2023 there were eight insurance companies listed on Boursa Kuwait, the Kuwaiti stock exchange. These include KIC, GIG, Al Ahleia, Warba Insurance & Reinsurance, Kuwait Re, First Takaful, Wethaq Takaful and Bahrain Kuwait Insurance Company. Of those listed, GIG, Al Ahleia and Kuwait Re retain the highest market capitalisation, with KD517.9m ($1.7bn), KD128.6m ($418.4m) and KD98.42m ($320.2m), respectively, as of end-2023.

Performance

In 2022 the insurance market in Kuwait was valued at over $2bn and is expected to achieve a compound annual growth rate (CAGR) of more than 5% between 2023 and 2027, according to UK-based industry intelligence firm Global Data. Life insurance dominated the sector in 2022 with greater interest also seen in health and motor insurance, largely thanks to new government policies and greater public awareness of products.

Insurance companies in the country had longawaited comprehensive legislation to improve operational activities and spur sector growth. Although the industry is ranked 74th globally, it is addressing recent challenges with optimism. The sector has a low density of approximately 1.3%, which is expected to rise with the progressively favourable insurance business environment. While historical barriers like limited public awareness, religious and cultural reservations, high public sector employment rates, and free health service enrolment for Kuwaiti nationals have impeded growth, the industry anticipates positive changes and increased opportunities.

As Kuwait looks to diversify its economy in line with New Kuwait 2035, the national long-term socio-economic plan, and beyond oil and gas, the insurance industry is expected to play a major role in the country's financial sector. Following the introduction of the new law, the government launched several compulsory insurance measures to increase the uptake of insurance products.

In 2019 it became obligatory for visitors to purchase travel health insurance as the government restricted public sector medical care for visitors to emergencies only. In addition, in April 2022 the government proposed compulsory health insurance requirements for obtaining a commercial visit visa. If approved, business travellers will have to pay KD20 ($65) regardless of the length of time they stay in the country. Furthermore, the government has made it compulsory for expatriates over 60 years of age to obtain health insurance.

In addition to new insurance policies, between 2021 and 2026 the Kuwait population is expected to grow at a CAGR of 1.7%, reaching approximately 5.8m, which will accelerate insurance uptake. In FY2021/22 the Kuwaiti government approved some $65bn worth of new projects, 5% of which are public-private partnerships (PPPs). It is anticipated that the development of new infrastructure will increase the number of insurable assets.

The new insurance law sets out several capital requirements aimed at formalising the sector. For companies providing life insurance or general property and liability insurance, the minimum regulatory capital is KD5m ($16.3m), while for composite insurers it stands at KD10m ($32.6m) and for reinsurers it is KD15m ($48.8m).

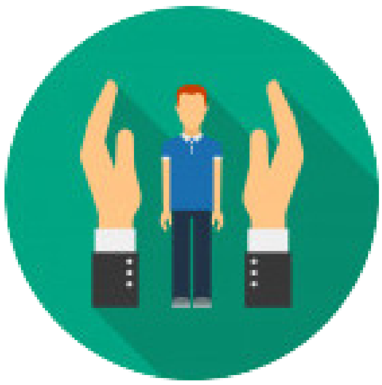
As of end-December 2023 there were also minimum capital requirements for insurance and reinsurance brokers: KD100,000 ($325,400) for general insurance brokerage companies, KD200,000 ($650,800) for reinsurance brokerage companies, and KD300,000 ($976,100) for insurance and reinsurance brokerage companies.

Following the introduction of the law, Kuwait's insurance market has already seen significant growth. Data from the KIF suggests that the total premium from insurers rose by 14.6% from 2021 to KD629.9m ($2.1bn) in 2022, consisting of KD566.6m ($1.8bn) for Kuwait-incorporated insurers and KD63.3m ($206m) for foreign insurers. Meanwhile, the IRU announced profit of more than KD7.3m ($23.8m) in FY 2022/23. This marks an increase in net assets of over 70% from the previous fiscal year. The IRU achieved more than KD16m ($52.1m) in net revenue from 2020 to 2023, contributing KD11m ($36.8m) to the government budget.

In the first nine months of 2023, KIC reported KD10.7m ($34.8m) in profit, with gross written premium (GWP) reaching an estimated KD42.4m ($138m). This is a 6.8% increase from the KD39.7m ($123.3m) recorded in the same period in 2022.

Life

In 2022 life insurance dominated the Kuwaiti insurance market, with the personal accident and health insurance segments contributing the highest level of direct written premium. Overall sector growth was supported by economic development, public and private investment in infrastructure, and advances in the labour market.



The uptake of life insurance is set to rise significantly in the coming years due to a growing population and an increase in public awareness across the GCC region following the Covid-19 pandemic. Life insurance GWP across the GCC is expected to climb at a CAGR of 3.8%, from $3.8bn in 2021 to $4.6bn in 2026, according to a 2022 assessment by Dubaibased investment bank Alpen Capital.

Auto

Since the introduction of the new insurance law, the adoption of motor insurance has risen substantially, with motor insurance contributing 40% of direct written premium in the insurance sector in 2022. To spur an increase in insurance penetration, in 2023 the SCIRU proposed an increase to motor insurance premium on private vehicles, stipulating that premium must be paid using electronic or cashless mechanisms. As of end-2023, this measure is still pending approval from the Ministry of Interior.

Meanwhile, in early 2023 the government drafted a contract aimed at protecting rental car customers. Under the new regulations, rental companies are prohibited from collecting money from customers for damages to rental vehicles.

Health

Health insurance has become increasingly popular in Kuwait due to a recent change in government policy making its uptake compulsory for some expatriates and visitors. In 2021 the IRU issued an approved list of insurers for expatriate medical and motor insurance. The list is regularly updated.

In 2014 the government established the Health Assurance Hospitals Company (Dhaman), a PPP collaboration between the Kuwait Investment Authority sovereign wealth fund and the Public Institution for Social Security. The scheme, which aligns with the New Kuwait 2035 strategic vision, will provide public hospitals and health centres, and compulsory health insurance for both expatriates and employees working in the private sector.

Dhaman has announced a hike in the annual health insurance premium for expatriates, rising from KD130 ($423) in 2023 to KD150 within two years (see Health chapter). The premium will progressively increase every two years, reaching KD190 ($618) by 2033, following several years of consistent premium costs. Adjustments to the fees may occur in the event that inflation exceeds 6%. Simultaneously, health centre consultation fees are projected to shift from KD2.5 ($8.13) to KD3.5 ($11.39) by 2033, while emergency fees are expected to climb from KD4 ($13.01) to KD5 ($16.27).

Following the introduction of the 2019 insurance law, the government made it compulsory for all expatriates over the age of 60 to purchase private health insurance. About two-thirds of the population are expatriate workers, demonstrating the strong contribution of non-Kuwaitis to the insurance sector. The FY 2023/24 budget also includes KD181m ($588.9m) for new segments covered by the revised health insurance law for retirees.

The GWP from health insurance was expected to reach $52.8m in 2023, with per capita spending amounting to $12.24, according to a projection from German data platform Statista. Between 2023 and 2028 it is anticipated that the CAGR of GWP will be 3.7%, reaching $63.3m by 2028.

Takaful

Takaful insurance is based on sharia – or Islamic religious law – and covers several segments, such as health, life and general insurance. It is popular among Muslims who want to guarantee their insurance adheres to religious norms.

A number of takaful insurance companies operate in Kuwait, including GIG's Gulf Takaful, Kuwait International Bank's KIB Takaful, Boubyan Bank's Boubyan Takaful and Kuwait Finance House's KFH Takaful. Local takaful companies include Wethaq Takaful, Islamic Takaful, Kuwait International Takaful, Al Khaleej Takaful and National Takaful.

In 2022 the Global Finance Group awarded KFH the title of World's Best Islamic Financial Institution at the annual meeting between the IMF and World Bank Group. KFH was also named the Best Islamic Financial Institution in the Middle East and the World's Best Islamic Takaful, while Global Finance magazine awarded it the title of Safest Islamic Bank in Kuwait. This recognition reflects the company's success in providing sharia-compliant products and undergoing a digital transformation.

Micro-Insurance

Micro-insurance schemes provide coverage to low-income households and individuals. They are typically aimed at lower-valued assets and compensation for illness, injury and death. In 2009 Warba Insurance & Reinsurance launched a micro-insurance policy, which includes accident and disability insurance, as well as repatriation benefits to low-income Kuwaiti nationals and expatriates.

There is significant potential for expansion of the country's micro-insurance offerings, particularly when it comes to raising awareness within the low-income worker population. Approximately 62% of Kuwait's migrant workers earn below KD125 ($406.70) monthly, while 33% earn between KD325 ($1057) and KD400 ($1301) monthly, according to official estimates. Micro-insurance has grown increasingly popular in low-income countries throughout Asia, Africa and Latin America, with 223m people covered by a micro-insurance product in 34 countries across these regions in 2021.

Awareness

Kuwait's insurance sector has been working to increase public awareness about their products to encourage greater uptake. This is being supported by government policies that introduce mandatory insurance across different sectors. The KIF hopes to increase the insurance industry's contribution to the national economy. As of end-December 2023 it contributed less than 2% of Kuwait's GDP. In April 2022 the federation disclosed that it had organised 64 training programmes, which were attended by over 1000 insurance sector employees. It is also working in collaboration with the Public Authority for Manpower to encourage youth to pursue careers in the insurance sector, and with universities to develop programmes in insurance. The digitalisation of services has supported the KIF in boosting awareness – demonstrated by over 1m visits to its website – as it encourages more players in the insurance sector to provide digital services.

Digitalisation

Sector digitalisation initiatives are helping insurers transform the value chain and remain competitive, according to Alpen Capital. In 2018 the Central Bank of Kuwait established a $200m technology investment fund. It has also pushed advancements in digital banking services, supporting the digitalisation of the insurance sector.

Mohammad Al Otaibi, the head of the IRU, said that the unit is carrying out initiatives to support digital transformation efforts as part of its strategic plan for the 2023-27 period during the annual seminar for the MENA region in October 2023, which was jointly organised by Morocco's Supervisory Authority of Insurance and Social Welfare, and

Oman's Capital Market Authority. In line with this plan, Kuwait became the first MENA country to approve the development of central insurance repositories, the activity of which is overseen by the country's Insurance Regulatory Unit.

Insurance technology (insurtech), which involves the use of technological innovations for cost savings and efficiency in the insurance industry, is gaining traction. Dubai-based insurtech firm XA Group partnered with five regional insurance companies – Aman Insurance, Noor Takaful, Oriental Insurance in Dubai, and Al Wathba Insurance and National Takaful (Watania) in Abu Dhabi – to implement its Addenda blockchain platform. This initiative is set to expedite the digitalisation of their products and processes. The impetus for technological innovation was heightened by the onset of the Covid-19 pandemic. As of 2020 approximately 15% of Kuwaitis had adopted some form of financial technology, indicating significant potential for further advancements.

Reinsurance

The prominence of reinsurance companies in the GCC has increased from an average of 27.5% in 2018 to 33.6% in 2020, particularly evident in Bahrain and the UAE. This reflects the positive outlook forecast for 2024's global reinsurance business, with a CAGR of 3% expected between 2019 and 2028, according to Indian market research firm Mordor Intelligence. In 2022 Kuwait Re recorded premium earnings of KD71m ($231m), up from KD67.7m ($220.3m) in 2021, resulting in a profit of nearly KD8m ($26m) compared to just over KD6.3m ($20.5m) the previous year. The annual growth trend in Kuwait Re's profit continues, with profits exceeding KD7.3m ($23.9m) in the first nine months of 2023, compared to almost KD5.9m ($19.2m) in 2022.

Outlook

Kuwait's insurance sector is expanding at an accelerated pace after the enactment of a new insurance law in 2019, backed by supportive government policies. The implementation of mandatory insurance in various areas is driving greater uptake of diverse insurance products, a trajectory anticipated to persist alongside population growth. The planned increase in health insurance premium and services is set to boost sector growth, with a similar trend expected in other segments, including motor insurance, in the decade leading up to 2033.

As Kuwait endeavours to diversify its economy beyond hydrocarbons, the insurance sector is poised to become a key player in the financial industry. The integration of insurtech will facilitate growth and enhance accessibility to insurance products for customers. Meanwhile, collaboration between the KIF, insurance companies and educational institutions will likely encourage more young professionals to take up work in the sector, further supported by new educational programmes and training schemes.
■

The Report: Kuwait 2024 - Oxford Business Group

PAKISTAN

- ***Pakistan commission proposes insurance liberalization***

Reforms would welcome foreign reinsurance and tackle double taxation

The Competition Commission of Pakistan (CCP) has proposed that the reinsurance market in the country be opened up to the private sector.

According to a report from an English language financial newspaper in Pakistan, this was one of a number of recommendations made by CCP to address the matter of preferential treatment given to state-owned insurance companies.

The CCP says that to foster a more competitive insurance market, regulations have to be amended, reported Business Recorder.

CCP's recommendations also include an amendment to the Insurance Ordinance, 2000, which would allow private companies to compete with the National Insurance Company Ltd (NICL) in the public property insurance market.

It also suggests a revision of the Insurance Rules, 2017, that would allow insurers the freedom to choose between domestic and foreign reinsurers, and remove the federal government guarantee on the policies sold by the State Life Insurance Corporation (SLIC).

The CCP also suggests the creation of an Insurance Guarantee Scheme (IGS) that would reduce the government's fiscal burden and also lead to efficiency and innovation in the insurance industry.

Among other reform measures, multinationals with risks in Pakistan that use global programmes will be interested to hear that the CCP also proposes a rationalisation of tax policies, notably addressing double taxation on insurance and reinsurance premiums due to provincial sales taxes.

Currently the Pakistan Reinsurance Company (PRCL) has the 'exclusive first right of refusal' to acquire at least 35% of all reinsurance business in Pakistan.

The CCP made its recommendations following a study it had carried out, as directed by the Finance Division after the International Monetary Fund (IMF) highlighted the need for a detailed analysis of competition in key sectors dominated by state-owned enterprises (SOEs) in Pakistan. ■

Source: Commercial Risk Online - 25 September 2024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BAHRAIN

Insurance Market Overview

by Hussein Elsayed – October 2024

(II) BAHRAIN: General Information

Country Information

Official Name	Kingdom of Bahrain
Capital	Manama
Area	780 square kilometers
Location	Bahrain is a small island nation located in the Arabian Gulf in the Middle East. Geographically, Bahrain is an archipelago, with the main island of Bahrain Island being the largest. Bahrain's strategic location in the Arabian Gulf has made it an important regional hub, historically for trade and currently for finance and oil-related industries.
Borders	**To the West**: **Saudi Arabia**, which is connected to Bahrain by the King Fahd Causeway, a 25-kilometer bridge. **To the East**: **Qatar**, located across the Gulf of Bahrain. There is no direct land connection to Qatar, but the two countries are separated by a maritime boundary. **To the North and South**: Bahrain is surrounded by the waters of the Arabian Gulf, with no land borders except the connection to Saudi Arabia.
Population	Approx. 1.7 million (2023)
Official Language	Arabic | English (Business)
Currency	Bahraini Dinar (BHD)
Exchange Rate	As at 31/12/2023: 1 BHD = 2.63643 US$; 31/12/2022: 1 BHD = 2.63554 US$
Major Economic Sectors	Financial services, Oil & Gas, Manufacturing, Tourism
Government Type	Constitutional Monarchy

Socio-Economic Information

UN Category	High-income country
GDP (Nominal)	$43.87 billion (2023)
GDP Per Capita	$25,835 (2023)
Inflation Rate	1.6% (2023)
Unemployment Rate	4.2% (2023)
Human Development Index (HDI)	0.852 (High, 2022)
Major Trading Partners	Saudi Arabia, UAE, USA, China

Country Risk

Political Risk	Moderate
Social Risk	Moderate
Economic Risk	Low
Regulatory Risk	Low
Financial Risk	Low
Operational Risk	Low
Trade & Investment Risk	Low

Natural Hazards Risk

Extreme Heat	High
Drought	Moderate
Floods	Moderate
Earthquake	Low
Cyclone	Low

(III) BAHRAIN: Insurance Market

KEY HIGHLIGHTS

- *The Bahraini insurance industry is regulated by the Central Bank of Bahrain*
- *The government of Bahrain allows 100% foreign direct investments in the insurance industry*
- *Composite insurance is not permitted in Bahrain since April 1, 2005. However, composite insurers established prior to April 1, 2005 are permitted to operate*
- *Motor third-party liability and workers' compensation insurance are mandatory in Bahrain*
- *Non-admitted insurance is prohibited in Bahrain. However, reinsurance companies can operate in the country on a cross-border basis only*

(A) Insurance Market - Historical Landmarks and Regulatory Environment

➢ *Historical Landmarks*

1950 The first insurance agency in Bahrain (and within the Arabian Gulf) was established by the Norwich Union Fire Insurance Society Ltd. A number of other, mainly British, agency operations followed.

1954 The *Road Traffic Act* required all vehicles to have unlimited third party bodily injury cover.
The first national company, that is a company with a majority local shareholding, was established. Known as the Co-operative Compensation Society, it operated as a taxi drivers' mutual.

1961 to 1986 Some 10 foreign companies were registered during this period.

1969 to 1990 A further seven national insurance companies were established.

1977 *Ministerial Order No 25* outlined the regulations for exempt insurance companies.

1979 The first exempt company was established.

1982 The Co-operative Compensation Society was acquired by the Vehicles Insurance Fund.

1980 *Emiri Decree No 14* was passed allowing the Arab Insurance Group (ARIG) to be established.

1986 The four original national insurers set up a jointly owned company called United Insurance to provide motor third party liability for motorists entering and leaving Bahrain via the causeway linking the country with Saudi Arabia.

1987 *Decree No 3* extended the *Road Traffic Act* to include unlimited property damage.

1990 *Emiri Decree No 17* of 1987, which forms the basis of Bahrain's current insurance legislation, came into effect.

1994 *Emiri Decree No 8* was passed permitting the establishment of the Arab War Risks Insurance Syndicate.

1995 Gulf Union was admitted as a new national insurer, having agreed to handle the run-off of the Vehicles Insurance Fund, which was wound up in this year.

1996 *Decree No 7* restricted insurers' liability under the *Road Traffic Act* for third party property damage to BHD 500,000 (USD 1.33mn).

1999 FAIR Oil & Energy Insurance Syndicate "FOEIS" was established to serve FAIR Members in this vital field of business. It was incorporated in Bahrain as an independent legal entity by a Legislative Decree No. 7/1999

1999 Bahrain Insurance and National Insurance merged to form Bahrain National.

2002 Supervisory control passed from the Ministry of Commerce to the Bahrain Monetary Agency (BMA).

2003 The BMA granted licences to three insurance companies, Al Ahlia, Medgulf and Solidarity.

2004 The BMA lifted a key restriction on foreign insurance brokers and loss adjusters operating in Bahrain, permitting such companies to be 100% foreign-owned.

2005 *Volume 3* of the regulator's *Rulebook*, relating to insurance, was published in April.

2006 The Central Bank of Bahrain (CBB) was established as an autonomous financial organisation with a paid-up capital of BHD 500,000 (USD 1.33bn). It took over all of the responsibilities of the BMA.
The first fully foreign-owned takaful insurance company and the first fully foreign-owned reinsurance company operating on sharia principles were established.
The *Commercial Companies Law No 21/2001* came into effect allowing 100% foreign ownership of closed joint stock insurance companies.

2007-08 The market continued to grow with the entry of new and prestigious regional and international players attracted by its stability and high standards of governance.

2011 Political disturbances in February threatened to destabilise the country. The issue was firmly addressed by the declaration of a state of emergency and the entry into the country of armed forces from Saudi Arabia, restoring calm.

2012 Law No 36 of 2012 (the new Labor Law) was signed into law replacing the previous labor law, Law No 23 of 1976.

2011 to 2015 The political impasse continued without resolution. In spite of occasional bombings and other violent and non-violent episodes of unrest the general situation has, however, remained relatively calm. Nevertheless strike, riot and civil commotion insurance coverage was redefined by the insurance market and made subject to limitations in coverage.

2017 Bahrain (together with Egypt, Saudi Arabia and UAE) imposed a diplomatic, trade and travel embargo against Qatar.

2018 In June the King of Bahrain ratified the National Health Insurance Law which was due to become operative in early 2019.

2019 Implementation of the National Health Insurance Law was postponed until 2020 pending review by external consultants.

2020 Introduction of a new unified motor comprehensive (own damage) insurance policy took place in January 2020 as per the regulator's Resolution No 4 (2020)

2022 The CBB in June 2022, required all insurance firms to establish an internal actuarial unit within their organization structure for which all insurance firms must appoint an in-house Bahraini Qualified Actuary (by 30th June 2029) and an in-house Bahraini Actuarial Analyst (by 30th June 2023).

- CBB has issued cyber security requirements for banks, insurance licensees, investment business firms, money changers and ancillary service providers.
- Additionally, in November 2022 the CBB announced environmental, social and governance (ESG) disclosure guidelines for the financial sector, with reference to insurers and banks. These are expected to be issued in 2023 and follow an ESG reporting survey by the CBB earlier in 2022. Listed insurers have Bahrain Bourse's 2020 ESG Reporting Guidelines available to them, with both codes aiming to ensure transparency in ESG reporting, according to international best practices.
- Recently the CBB has been part of Bahrain's Economic Recovery Plan to increase insurance sector contribution to GDP to 8% by 2026.

2023 The CBB in December 2023, introduced new requirements in the Business and Market Conduct Module of the CBB Rulebook Volumes 1 and 2 for conventional and Islamic to ensure that amounts recovered by retail banks from their customers, in respect of insurance on loans/financing, are not in excess of the cost borne by the banks of such insurance.

These requirements include calculating the cost of insurance for loans/financing by banks, the methodology for calculating the amount of insurance coverage, disclosure requirements, and the customer's rights in this regard.

- Bapco Energies: a Bahrain-based company specializing in energy transition has signed a partnership agreement with ACE Gallagher and Artex Risk Solutions, both subsidiaries of the Gallagher Group.

The agreement involves the creation and management of an insurance captive tailored to Bapco Energies.

2024 Gulf Tamin has acquired a 13.85% stake in Arab Insurance Group (ARIG). The transaction involves 30 466 862 ARIG shares held by the Emirates Investment Authority.

This deal comes following the announcement made by Gulf Tamin in October 2023 regarding its intention to acquire a 10% stake in ARIG. Gulf Tamin was created for the sole purpose of acquiring shares in the Bahraini insurer. The company's shareholders include Lepercq Multi-Asset Fund SICAV (66.67%) and Callaway Capital Management (33.33%).

- Bahrain National Holding to sell its insurance subsidiaries to Solidarity: BNH received, on 8 August 2024, an offer from Solidarity Group Holding to acquire 100% of its subsidiaries Bahrain National Insurance Company and Bahrain National Life Assurance Company. The proposed purchase price for the two entities is 79 million BHD (208.3 million USD).

➢ *REGULATORY AUTHORITY:*

The Bahraini insurance industry is regulated by the **Central Bank of Bahrain (CBB)**.

- The organizational structure of the Central Bank of Bahrain (CBB) comprises 4 executive directors responsible for banking operations, corporate services, banking supervision and financial institutions supervision.
- The Financial Institutions Supervision Division of the CBB is responsible for the supervision of insurance companies, Islamic financial institutions and non-bank financial institutions including mutual funds, investment managers, money brokers and money changers. The division also supervises insurance brokers, agents, consultants, loss adjusters and actuaries.

مصرف البحرين المركزي
Central Bank of Bahrain

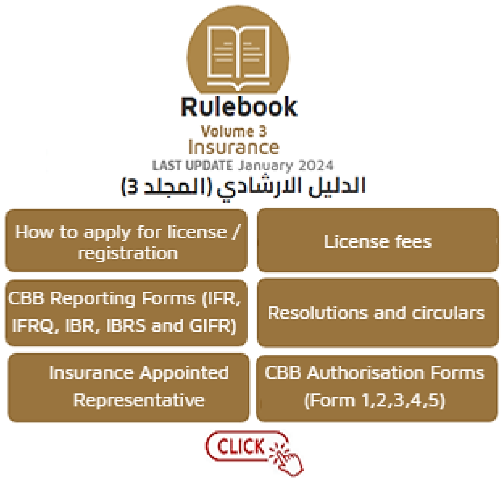
- The CBB's regulatory requirements are contained in the CBB Rulebook, divided into 6 Volumes, each covering a different segment of the financial system.

➢ *Key Insurance Legislations:*

The sector is covered by a number of laws and authorise issued by the CBB, starting with Law No. 17 of 1987, the Bahrain Insurance Law, and more recently by Law No. 23 of 2018, known as the National Health Insurance Law (NHIL). In 2019 the CBB also issued rules for insurance aggregators, opening the way for further development of insurance technology.

The CBB was the first authority in the region to recognise the takaful business in 2005 and issues regular updates for the sharia-compliant segment. A major revision was introduced in 2015, harmonising local sharia-compliant firms with global, Solvency II standards. Bahrain’s takaful and re-takaful companies also have their own sharia compliance boards.

- Central Bank of Bahrain and Financial Institutions Law 2006 (English)
- Central Bank of Bahrain and Financial Institutions Law 2006 (Arabic)
- Legislative Decree No. 34 of the year 2015 amending some of the provisions of the Central Bank of Bahrain and Financial Institutions Law No. 64 of the year 2006 (Arabic)
- Legislative Decree No. 34 of the year 2015 amending some of the provisions of the Central Bank of Bahrain and Financial Institutions Law No. 64 of the year 2006 (English/Arabic)
- Decree Law No. 21 of the year 2016 amending some of the provisions of the Central Bank of Bahrain and Financial Institutions Law No. 64 of 2006 (Arabic)
- Law No. (14) of 2020 amending some of the provisions of the Central Bank of Bahrain and Financial Institutions Law No. 64 of 2006 (Arabic)
- BSE Law 1987
- Commercial Companies Law 2001



- AML Law 2001
- Corporate Governance Code
- Law No. (18) of 2016 with respect to Investment Limited Partnerships (English)
- Law No. (18) of 2016 with respect to Investment Limited Partnerships (Arabic)
- Decree Law No. 22 of the year 2016 with respect to Protected Cells Companies (English)
- Decree Law No. 22 of the year 2016 with respect to Protected Cells Companies (Arabic)
- Decree Law No. 23 of the year 2016 with respect to Trusts (Arabic)
- Regulations and Resolutions
- Archive

➢ *Insurance Association*

The **Bahrain Insurance Association (BIA)** was established by ministerial order in October 1993. Bahrain Insurance Association has about 50 members, Its membership includes local and foreign companies as well as the leading licensed international reinsurance, brokers and service providers.

The BIA acts as the co-ordinating and educational body for the industry and its current stated objectives are to:

- collaborate with the CBB (the regulator) and other authorities and bodies in other industries to represent member's interests.
- promote the insurance industry and encourag public awareness in Bahrain.

- develop sound and ethical professional standards within the insurance industry.
- assist with the reporting of information and statistics and the solving of issues impacting the insurance industry.
- further education and training and to ensure technical skills are enhanced within the insurance industry.
- promote Bahrain as a regional insurance centre.

➢ *Reinsurance Companies and Entities in Bahrain:*

Bahrain's reinsurance market includes both local and international reinsurers operating through branches or subsidiaries.

The local reinsurance entities are:

- **Arab Insurance Group (ARIG)** [ceased writing reinsurance business in 2020],
- **Trust Re.** (Trust International Insurance & Reinsurance Co.)

The international reinsurance entities operating in Bahrain servicing both domestic and regional markets:

Hannover Re. Munich Re, Swiss Re.

Bahrain is also home for:

- **Arab War Risks Insurance Syndicate (AWRIS)** a reinsurance Syndicate established in 1980 providing war risks and other related reinsurance facilities exclusively to its current 194 Arab insurance & reinsurance companies members of the Syndicate.
  The Syndicate is rated B++ by A.M. Best.

- **FAIR Oil & Energy Insurance Syndicated** a reinsurance Syndicate established in 1999 under the wings of the Federation of Afro Asian Insurers & reinsurers (FAIR) providing Oil & Energy related reinsurance capacity on facultative basis to its current 20 Afro-Asian insurance & reinsurance companies from Africa & Asia also accept business from non-members and brokers like any other conventional reinsurer. It is an independent entity managed by Trust Re.
  The Syndicate is rated B+ by A.M. Best.

Reinsurance Market Dynamics:

- Takaful Reinsurance (Retakaful): Bahrain also has a growing market for retakaful, which is the Islamic alternative to conventional reinsurance. Several Islamic insurance companies (takaful) in Bahrain and the Gulf Cooperation Council (GCC) region use retakaful for their reinsurance needs.
- Proportional and Non-Proportional Treaties: Reinsurance in Bahrain is structured through a mix of proportional treaties, where reinsurers share premiums and losses with direct insurers, and non-proportional treaties, where reinsurers cover excess losses beyond a certain threshold (such as catastrophe reinsurance). Bahrain-based insurance companies cede a significant portion of their premiums to reinsurers, particularly for specialized lines of business such as aviation, marine, and property risks. This is in line with the regional trend, where primary insurers rely heavily on reinsurance support for managing large-scale risks.
- Bahrain's reinsurance market is closely linked to the global reinsurance industry. Reinsurers in Bahrain typically place a portion of their risks with major international reinsurance markets in Europe (such as Lloyd's of London) and the U.S., ensuring a diverse spread of risk.
- Bahrain does not have extensive compulsory reinsurance requirements like some other GCC countries, there are guidelines encouraging local retention of risk and the use of Bahrain-based reinsurance companies, particularly for certain high-risk sectors.

FAIR Oil & Energy Insurance Syndicate

Capacity
Sizeable underwriting capacity for Oil & Energy related business and Nuclear Energy.

Geographical Scope
Risks and their interests worldwide located in:
Africa
Asia
Europe (For Nuclear Energy risks only)

Acceptance Scope
Business can be accepted from Members, Non-Members, Brokers and all other insurers and Reinsurers handling the Afro-Asian Oil and Energy related business.

Underwriting Scope
The Syndicate underwrites on Facultative basis; Oil & Energy related business including but not limited to:

- Energy: Onshore and Offshore
- Power Plants
- Renewable Energy
- Energy related Constructions
- Nuclear Risks including Radioactive Contamination
- Operators Extra Expenses (Cost of Well Control/Re-drilling Expenses/Seepage and Pollution)
- Business Interruption when written in conjunction with other classes
- Liability when written in conjunction with other classes
- Energy package policies

A FAIR Reinsurer with POWER and ENERGY

A.M.Best Rating

On 16.5.2024 A.M. Best revised the Outlook of the Syndicate to "Positive".

The ratings are as follows:

Financial Strength Rating (FSR) B+ (Good) with positive outlook.
Issuer Credit Rating (ICR) bbb- (Good) with positive outlook.

"The ratings reflect the Syndicate's balance sheet strength, which A.M.Best assesses as strong, as well as its adequate operating performance, neutral business profile and appropriate enterprise risk management." – A.M.Best.

FAIR Oil & Energy Insurance Syndicate is proud to be the first entity of its kind to be rated by a reputable international rating agency.

Incorporated in the Kingdom of Bahrain by Law Decree 7/1999

Managed by
TRUST RE

T: +973 17 517 176 | F: +973 17 533 789
Trust Tower, Building 125, Road 1702, Diplomatic Area 317, Manama
P. O. Box 10844, Manama, Kingdom of Bahrain
foeis@foeis.com | www.foeis.com

website
e-brochure

(B) BAHRAIN:
Insurance Market Performance & Statistics

Insurance Companies and Organisations Authorized in Bahrain (2014-2023)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Bahraini Insurance Firms	21	21	21	22	23	23	24	25	25	25
Overseas Insurance Firms (Foreign Branches)	10	10	10	11	12	12	12	11	11	11
Insurance Licensees Limited to Operation Outside Bahrain	13	15	15	16	17	20	25	25	25	28
Representative Offices	2	2	2	2	3	4	4	4	4	5
Insurance Brokers	33	32	35	34	34	32	31	31	31	31
Insurance Consultants	4	3	3	3	4	4	4	4	4	4
Loss Adjusters	14	13	12	12	12	13	13	13	11	11
Actuaries	32	30	30	30	30	29	29	27	27	23
Insurance Pools & Syndicates	2	2	2	2	2	2	2	2	2	2
Insurance Ancillary Services	6	6	7	7	7	7	7	6	6	6
Insurance Managers	3	3	3	4	4	4	4	4	5	3
Insurance Society	1	1	1	1	1	1	1	1	1	1
TOTAL	141	138	141	144	149	151	156	153	152	150

21	10	33	32
Locally Incorporated Insurance Firms	Overseas Insurance Firms	Insurance Brokers	Actuaries

Bahrain Insurance Market Manpower (2019 - 2023)

	Bahraini Ins. Firms		Overseas Ins. Firms		Reinsurance / Retakaful Firms		TOTAL			
	Bahraini	Non Bah.	Bahraini	Non Bah.	Bahraini	Non Bah.	Bahraini	Non Bah.	Total	% of Bah.
2023	992	281	88	58	139	85	1,219	424	1,643	74%
2022	940	287	68	58	178	139	1,186	484	1,670	71%
2021	868	316	50	53	182	143	1,100	512	1,612	68%
2020	874	309	46	52	183	150	1,103	511	1,614	68%
2019	802	275	44	50	187	156	1,033	481	1,514	68%

Insurance Penetration & Density (2021-2023)

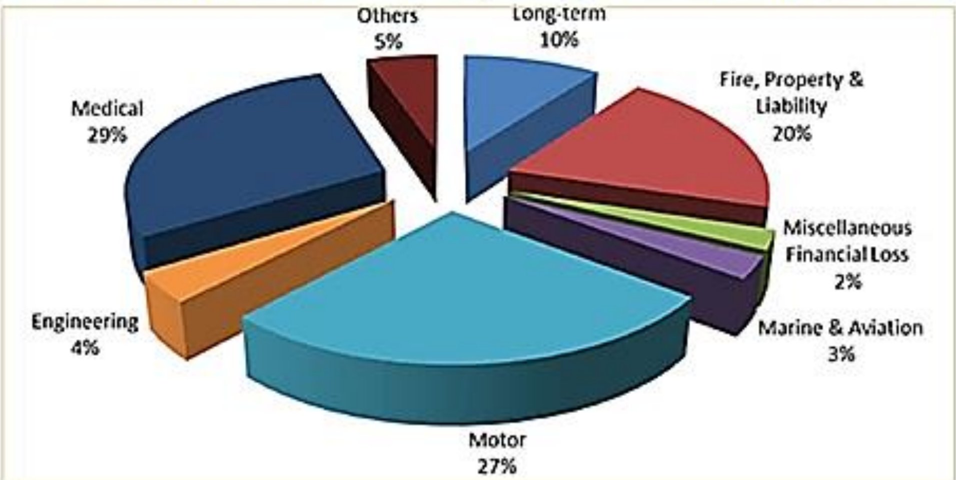
Year	Total Penetration %	Life Penetration %	Non-Life Penetration %	Density (USD)
2021	2.2%	0.6%	1.6%	488
2022	2.3%	0.7%	1.6%	525
2023	1.7%	0.2%	1.5%	489

Premiums and Claims of Insurance Firms Operating in Bahrain (By Class)

BD' 000	Gross Premiums			Net Premiums Written			Gross Claims			Net Claims		
	2023	2022	% Δ	2023	2022	% Δ	2023	2022	% Δ	2023	2022	% Δ
Long-term	29,658	35,721	-17%	24,781	30,617	-19%	31,178	23,678	32%	27,877	21,787	28%
Fire, Property & Liability	57,518	53,328	8%	4,940	5,922	-17%	12,935	8,383	54%	2,315	1,849	25%
Miscellaneous Financial Loss	7,496	6,630	13%	794	795	0%	867	638	36%	78	51	52%
Marine & Aviation	8,558	9,005	-5%	1,268	1,522	-17%	504	1,274	-60%	19	84	-77%
Motor	78,193	74,643	5%	76,065	72,050	6%	54,485	49,092	11%	45,303	41,518	9%
Engineering	11,777	8,514	38%	520	1,030	-49%	6,595	6,649	-1%	(432)	480	-190%
Medical	83,824	74,406	13%	54,848	48,010	14%	62,901	51,581	22%	45,601	36,103	26%
Others	15,240	17,191	-11%	4,308	4,654	-7%	7,305	8,028	-9%	924	2,030	-54%
Total	**292,264**	**279,438**	**4.6%**	**167,524**	**164,600**	**1.8%**	**176,772**	**149,323**	**18%**	**121,685**	**103,902**	**17%**

Note:Certain items have been restated or reclassified and have been retrospectively adjusted in 2022.

Gross Premiums of Insurance Firms Operating in Bahrain for the year 2023



Retention Ratio and Loss Ratio (By Class)

	Retention Ratio [1]		loss Ratio [2]	
	2023	2022	2023	2022
Long-term	84%	86%	127%	79%
Fire, Property & Liability	9%	11%	46%	30%
Miscellaneous Financial Loss	11%	12%	8%	9%
Marine & Aviation	15%	17%	1%	5%
Motor	97%	97%	60%	57%
Engineering	4%	12%	-72%	43%
Medical	65%	65%	83%	75%
Others	28%	27%	22%	44%

[1] Net Premiums Written / Gross Premiums
[2] Net Claims Incurred / Net Premiums Earned

Consolidated data – Financial Position

BD '000	Bahraini Insurance Firms Conventional 2023	Conventional 2022	Takaful 2023	Takaful 2022	Overseas Insurance Firms 2023	Overseas Insurance Firms 2022	Total 2023	Total 2022
Assets								
General Insurance Business								
Total investments in group undertakings and participating interests	142,582	144,278	10,250	475	0	0	152,832	144,753
Total Investments	485,430	448,367	32,710	47,407	48,153	42,027	566,292	537,801
Deposits with ceding undertakings	0	0	0	0	0	0	0	0
Total reinsurance assets	150,217	144,576	0	0	8,902	4,594	159,118	149,170
Total Insurance receivables	121,844	103,064	0	0	5,108	3,756	126,953	106,819
Total other receivables	4,702	5,224	2,763	2,868	386	888	7,851	8,980
Tangible assets	11,177	14,844	1,876	2,041	67	217	13,119	17,102
Total cash at bank and in hand	79,682	77,622	3,098	3,279	7,588	13,649	90,368	94,551
Total prepayments and accrued income	48,191	43,985	3,435	3,374	1,472	1,380	53,098	48,739
Total other assets	5,516	5,602	4,748	4,797	205	110	10,469	10,509
T. Shareholders assets (Takaful)			58,879	64,242			58,879	64,242
Total General insurance business assets	1,049,341	987,562	97,172	92,710	71,881	66,620	1,218,395	1,146,893
Long-Term Business Assets	650,618	734,205	27,310	26,867	19,664	18,140	697,592	779,212
Linked long term assets	95,871	96,140	14,868	14,632	111,107	103,569	221,847	214,341
Total Assets	1,795,830	1,817,907	198,230	198,451	202,653	188,330	2,196,714	2,204,688
Liabilities								
Shareholders liabilities (Takaful)			7,679	8,699			7,679	8,699
Total General insurance business liabilities	592,660	580,028	96,319	92,419	26,392	18,397	715,371	690,843
Long term business liabilities	647,744	699,827	27,616	27,254	144,680	138,001	820,040	865,082
Total Liabilities	1,240,403	1,279,855	131,614	128,372	171,072	156,398	1,543,090	1,564,624
Capital Resources [1]								
Eligible Paid-up ordinary shares	190,079	190,187	33,494	33,494	-	-	223,573	223,681
Total Tier 1 Capital	561,816	526,492	57,915	54,600	-	-	619,731	581,092
Total Capital Resources	311,256	312,763	44,723	43,180	27,223	28,356	383,201	384,298

Note: Capital Resources in accordance with CBB rules.   Note: Certain items have been restated or reclassified and have been retrospectively adjusted in 2022.

Key Performance Figures – Income Statement

BD '000	Bahraini Insurance Firms Conventional 2023	Conventional 2022	Takaful 2023	Takaful 2022	Overseas Insurance Firms 2023	Overseas Insurance Firms 2022	Total 2023	Total 2022
Gross Premiums/Contributions	530,599	509,299	89,428	84,832	40,711	41,453	660,738	635,584
Reinsurance/Retakaful Ceded	157,949	145,967	36,971	34,938	13,781	12,729	208,701	193,635
Net Premiums/Contributions Written	372,650	363,332	52,457	49,894	26,930	28,724	452,037	441,950
Net Premiums/Contributions Earned	354,870	357,515	53,378	52,190	26,899	28,561	435,146	438,266
Total Underwriting Revenue	354,876	357,706	57,008	55,501	19,756	20,724	431,641	433,932
Total Claims and Expenses	375,187	383,878	58,054	56,051	18,915	18,536	452,156	458,465
Underwriting Profit (Loss)	(20,069)	(26,323)	(1,045)	(550)	841	2,189	(20,273)	(24,684)
Net Investment Income	72,928	34,186	1,708	1,176	2,171	1,447	76,807	36,808
Net Profit (Loss) of Conventional	53,490	4,365	-	-	3,045	4,050	56,535	8,415

Takaful Net Income		
Surplus (deficit) of Takaful Funds	663	626
Profit (loss) of Shareholders Fund	6,397	5,638

Note: Results Include both Bahrain and Non-Bahrain business.
Note: Certain items have been restated or reclassified and have been retrospectively adjusted in 2022.

Top 5 insurance companies in Bahrain per turnover

2021

Figures in thousands USD

Company	Turnover					2020-2021 evolution (1)	2021 shares
	2017	2018	2019	2020	2021		
GIG Bahrain	157 168	215 746	215 290	225 358	244 470	8.53%	33.60%
Bahrain National Holding	76 295	88 775	89 126	96 812	105 108	8.62%	14.45%
Solidarity Bahrain	41 915	79 499	81 343	79 676	83 395	4.72%	11.46%
GIG Takaful International	51 910	58 250	57 269	60 301	65 405	8.52%	8.99%
SNIC Insurance	29 048	3 405	27 391	26 123	33 689	29.02%	4.63%
Total	**356 336**	**445 675**	**470 419**	**488 270**	**532 067**	**9.02%**	**73.13%**
Rest of the market (2)	353 209	305 177	287 173	242 099	195 467	-19.22%	26.87%
Grand total	**709 545**	**750 852**	**757 592**	**730 369**	**727 534**	**-0.34%**	**100%**

(1) Growth rate in local currency (2) 26 companies

Exchange rate as at 31/12/2021 : 1 BHD = 2.63667 USD at 31/12/2020 : 1 BHD = 2.63793 USD; at 31/12/2019 : 1 BHD = 2.63655 USD ; at 31/12/2018 : 1 BHD = 2.64362 USD; at 31/12/2017 : 1 BHD = 2.64117 USD

Atlas Magazine - 23/11/2023

2022-2023

Figures in thousands

2022 rank	Companies	Insurance revenue				2022-2023 evolution (1)
		2023		2022		
		BHD	USD	BHD	USD	
1	**GIG Bahrain**	109 988	289 976	101 926	268 630	7.91%
2	**Solidarity Bahrain**	50 907	134 213	46 228	121 836	10.12%
3	**Bahrain National Holding**	45 054	118 782	45 450	119 785	-0.87%
4	**GIG Takaful International**	24 363	64 231	23 994	63 237	1.54%
5	**SNIC Insurance**	12 632	33 303	13 590	35 817	-7.05%
Top 5 companies total		**242 944**	**640 505**	**231 188**	**609 305**	**5.09%**

(1) Growth rate in local currency * According to the new IFRS 17 accounting standards

Exchange rate as at 31/12/2023: 1 BHD = 2.63643 USD ; 31/12/2022: 1 BHD = 2.63554 USD

Atlas Magazine - 18/06/2024

Bahraini insurance market in 2023

Bahrain insurance market: turnover per class of business

Figures in thousands

Class of business	2023 turnover		2022 turnover		2022-2023 evolution (1)	2023 shares
	BHD	USD	BHD	USD		
Health	83 824	220 996	74 406	196 100	12.66%	28.68%
Motor	78 193	206 150	74 643	196 725	4.76%	26.76%
Fire	42 085	110 954	38 836	102 354	8.37%	14.40%
Engineering	11 777	31 049	8 514	22 439	38.33%	4.03%
Third party liability	8 447	22 270	8 022	21 142	5.30%	2.89%
Miscellaneous financial losses	7 496	19 763	6 630	17 474	13.06%	2.56%
Property damage	6 986	18 418	6 469	17 049	7.99%	2.39%
Marine	4 602	12 133	5 528	14 569	-16.75%	1.58%
Aviation	3 956	10 430	3 477	9 164	13.78%	1.35%
Other risks	15 240	40 179	17 192	45 310	-11.35%	5.21%
Non-life total	**262 606**	**692 342**	**243 717**	**642 326**	**7.75%**	**89.85%**
Life total	**29 658**	**78 191**	**35 721**	**94 144**	**-16.97%**	**10.15%**
Grand total	**292 264**	**770 533**	**279 438**	**736 470**	**4.59%**	**100%**

(1) Evolution in local currency Source: CBB, Bahrain

Atlas Magazine - 07/10/2024

Bahrain insurance market: Turnover by company type

Figures in thousands

Type of companies	2023 turnover		2022 turnover		2022-2023 evolution (1)	2023 shares
	BHD	USD	BHD	USD		
Traditional companies	166 748	439 619	157 630	415 440	5.78%	57.05%
Takaful companies	84 805	223 582	80 354	211 776	5.54%	29.02%
Local companies	251 553	663 202	237 984	627 216	5.70%	86.07%
Foreign companies	40 711	107 332	41 454	109 254	-1.79%	13.93%
Grand total	**292 264**	**770 533**	**279 438**	**736 470**	**4.59%**	**100%**

(1) Evolution in local currency Source: CBB, Bahrain
Exchange rate as at 31/12/2023 : 1 BHD = 2.63643 USD ; as at 31/12/2022 : 1 BHD = 2.63554 USD

Atlas Magazine - 07/10/2024

Analysis of Bahrain's Top 5 Insurance Companies (2022-2023)

Key Observations:

1. **Overall Growth**:
   - The total insurance revenue of the top 5 companies grew by 5.09% in 2023, from BHD 231.188 million (USD 609.305 million) in 2022 to BHD 242.944 million (USD 640.505 million) in 2023.
   - This growth reflects steady performance across the leading insurers, despite the implementation of new financial standards (IFRS 17).
2. **Top Performers:**
   - **GIG Bahrain** (Ranked 1):
     - Maintained its leadership position with the highest insurance revenue of BHD 109.988 million (USD 289.976 million) in 2023, a 7.91% growth from BHD 101.926 million (USD 268.630 million) in 2022.
     - This performance underscores its strong market presence and ability to capture a larger market share.
   - **Solidarity Bahrain** (Ranked 2):
     - Achieved notable revenue growth of 10.12%, increasing from BHD 46.228 million (USD 121.836 million) in 2022 to BHD 50.907 million (USD 134.213 million) in 2023.
     - Solidarity Bahrain had the highest growth rate among the top 5, indicating effective business strategies and customer acquisition.
3. **Stable and Declining Performers:**
   - **Bahrain National Holding** (Ranked 3):
     - Experienced a slight decline in revenue of -0.87%, with revenue decreasing marginally from BHD 45.450 million (USD 119.785 million) in 2022 to BHD 45.054 million (USD 118.782 million) in 2023.
     - This drop may suggest challenges in maintaining growth amidst market competition or adjusting to the new IFRS 17 standards.
   - **GIG Takaful International** (Ranked 4):
     - Showed modest growth of 1.54%, with revenues rising from BHD 23.994 million (USD 63.237 million) to BHD 24.363 million (USD 64.231 million). This reflects consistent performance, though the growth is relatively low.
   - **SNIC Insurance** (Ranked 5):
     - Reported the most significant decline among the top 5, with a -7.05% drop in revenue, decreasing from BHD 13.590 million (USD 35.817 million) in 2022 to BHD 12.632 million (USD 33.303 million) in 2023.
     - This could indicate competitive pressures or challenges in adapting to market changes.

Market Insights and Exchange Rate Impact:

- The exchange rate stability between 2022 (1 BHD = 2.63554 USD) and 2023 (1 BHD = 2.63643 USD) minimized currency fluctuation impacts on the reported USD values, keeping the USD conversion nearly identical year-over-year.

- Given the new IFRS 17 standards, the slight declines or modest growth for some companies may be attributed to adjustments in financial reporting and valuation methods.

Conclusion:

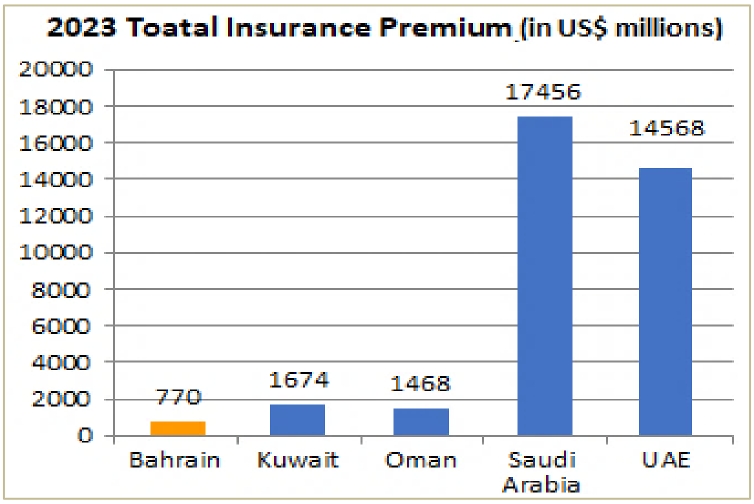
- The Bahraini insurance market, represented by its top 5 companies, experienced a healthy overall growth of 5.09% in local currency terms in 2023.
- GIG Bahrain and Solidarity Bahrain outperformed their peers with substantial revenue growth, while Bahrain National Holding and GIG Takaful International remained stable, and SNIC Insurance faced challenges with a decline.
- The IFRS 17 standards may have played a role in the differing growth rates, and this will likely influence future performance as companies fully adapt to the new regulations.

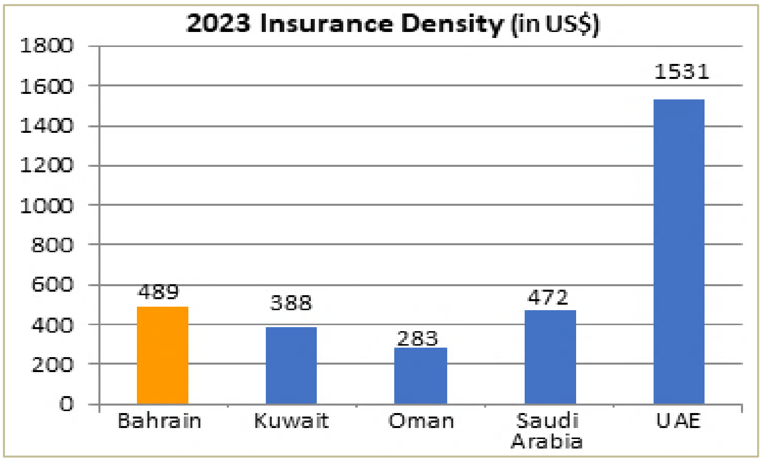
BAHRAIN: Insurance Market: Global & Regional Comparison

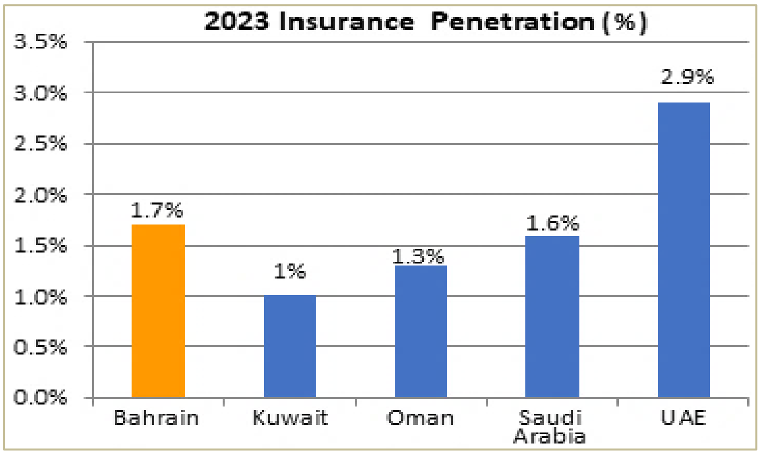
➢ *Global Ranking in 2023*

Total Gross Premium Ranking in 2023 =	**68**
Life Gross Premium Ranking in 2023 =	**68**
Non-Life Gross Premium Ranking in 2023 =	**66**
Total Insurance Penetration Ranking in 2023 =	**54**
Total Insurance Density Ranking in 2023 =	**36**

Source: Sigma 3_2024 (World Insurance in 2023) - by Swiss Re, 11 June 2024







Source: Sigma 3_2024 (World Insurance in 2023) - by Swiss Re, 11 June 2024

Middle East And North Africa Insurance Risk/Reward Index

	Industry Rewards	Industry Rewards Non-Life	Industry Rewards Life	Country Rewards	Rewards	Industry Risk	Country Risks	Risks	Insurance Risk/ Reward Score	Rank
Qatar	24.4	43.8	5.0	70.2	42.7	55.0	41.8	47.1	44.0	1
UAE	56.3	45.0	67.5	35.8	48.1	30.0	54.9	45.0	47.1	2
Bahrain	71.3	65.0	77.5	30.2	54.8	15.0	45.1	33.0	48.3	3
Morocco	58.8	55.0	62.5	53.9	56.8	30.0	52.6	43.5	52.8	4
Saudi Arabia	63.8	47.5	80.0	34.4	52.0	40.0	67.6	56.6	53.4	5
Kuwait	73.8	72.5	75.0	30.4	56.4	50.0	50.2	50.1	54.5	6
Jordan	75.0	70.0	80.0	45.0	63.0	30.0	39.3	35.6	54.8	7
Oman	73.8	65.0	82.5	36.3	58.8	35.0	53.0	45.8	54.9	8
Tunisia	75.0	70.0	80.0	56.1	67.4	45.0	49.4	47.7	61.5	9
Egypt	73.8	75.0	72.5	57.2	67.1	40.0	56.4	49.9	62.0	10
Lebanon	87.5	87.5	87.5	47.2	71.4	35.0	49.0	43.4	63.0	11
Yemen	86.3	85.0	87.5	66.3	78.3	40.0	47.2	44.3	68.1	12
Algeria	85.0	80.0	90.0	72.9	80.1	50.0	63.1	57.8	73.5	13
Iran	86.3	82.5	90.0	62.5	76.8	80.0	67.2	72.3	75.4	14
Libya	96.3	95.0	97.5	62.0	82.6	85.0	64.4	72.6	79.6	15
Regional Average	72.5	69.3	75.7	50.7	63.8	44.0	53.4	49.7	59.5	

Note: Scores out of 100; lower score = more attractive market. Source: BMI Insurance Risk/Reward Index

Source: UAE Insurance Report Q3 2024 - by Fitch Solutions, June 2024

BAHRAIN: Insurance Market SWOT Analysis

Bahrain's insurance sector's successes are tied to those of the market's broader economic performance, which is heavily influenced by global macroeconomic conditions and oil prices. Demand is forecast to grow amid broadly positive conditions, with innovation a key feature of the sector and a supportive regulator fostering market growth.

Strengths	▪ An expanding population with high living standards provides a stable demand base for life and non-life products. ▪ Large expatriate population supports strong demand for life insurance products, especially life and health insurance. ▪ Many insurers enjoy high retention ratios, particularly among life insurance providers. ▪ Well-developed takaful insurance sector, with room for further expansion in this market. ▪ The insurance market is supported by a strong regulatory regime and is welcoming of foreign entrants, especially in the reinsurance segment.
Weaknesses	▪ A small indigenous population is a limiting factor on long-term growth in demand for life insurance products. ▪ Few active insurers with sufficient expertise to stimulate the development of life insurance. ▪ High levels of non-life competition, especially among motor insurance providers, resulting in downward price pressures and low profitability. ▪ Economic growth and demand for insurance is highly sensitive to the fortunes of the oil industry.
Opportunities	▪ Life insurance penetration can be supported by improved distribution strategies, including bancassurance. ▪ Demand for health insurance will be boosted by compulsory medical cover for foreigners as well as Bahrain nationals. ▪ Growth in construction, infrastructure and heavy industry should support demand for property and other non-life insurance lines. ▪ Strong innovation and uptake of new technologies will open future growth possibilities
Threats	▪ Oil price volatility is a threat to Bahrain economy. ▪ Tensions between Saudi Arabia and Iran in the Persian Gulf could potentially flare up and cause logistical and geopolitical problems. ▪ With more than half of Bahrain's population being non-national, a protracted economic downturn has the potential to severely curtail demand for some lines of insurance should it lead to expatriates returning home. ▪ Restrictions on people's ability to travel may affect expatriates' ability to work and live in Bahrain. ▪ Heightened geopolitical tensions may lead to global economic ructions.

Source: Business Monitor Online - 2 September 2024

BAHRAIN: Insurance Market Forecast

FitchSolutions

- We are forecasting moderate growth in Bahrain's insurance market over the medium term, with non-life premiums set to see faster growth than the smaller life sector.
- Growing demand across a number of lines, notably health, and innovation in the market, through increased use of fintech, will support growth. Thanks in part to forward-thinking regulation, particularly around digital development and infrastructure, insurers in Bahrain are well placed to serve not only the national market, but also the broader regional insurance market.
- Insurers enjoy a significant cost advantage relative to Dubai and Qatar, and many insurers take advantage of Bahrain's well developed financial services sector, using the country as a base for their regional operations, particularly in Saudi Arabia.
- In 2024, gross written non-life premiums will increase by 2.1% to BHD0.27bn. Over the rest of our forecast period to 2033, growth will remain fairly robust, at just under 3% a year, taking premiums to BHD0.35bn.
- Life premiums to grow by a strong 6.4% in 2024, to BHD0.03bn. Over the rest of the forecast period, growth will be slower than the non-life market, averaging 2.2% a year to take premiums to BHD0.04bn.
- The non-life market will remain significantly larger than the life market, accounting for around 90% of total premiums.
- Fairly low levels of penetration, at 1.7% of GDP for non-life and only 0.2% for life, indicate the potential for long-term growth in the market.

Source: Business Monitor Online - 2 September 2024

References & Resources

BAHRAIN; Insurance Market Review 2021 by Central Bank of Bahrain August 2022

BAHRAIN; Insurance Market Review 2022 by Central Bank of Bahrain, July 2023

BAHRAIN; Insurance Market Review 2023 by Central Bank of Bahrain July 2024

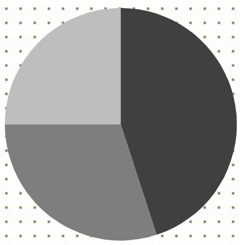
Bahrain - Insurance Industry 2023 by SHMA Consulting, April 2024

FAIR AVIATION POOL

FAIR AVIATION POOL's UNDERWRITING CAPACITY

TREATY

- Treaty (Non Proportional)
  $ 4 000 000
- Treaty (Proportional)
  $ 4 000 000



FACULTATIVE

Facultative (Airline)
HULL **$ 4 000 000**
LIABILITY **$ 26 000 000**

Facultative (Non Airline)
HULL **$ 3 000 000**
LIABILITY **$ 15 000 000**

Managed by

Société Centrale de Réassurance (SCR) Tour Atlas, place Zallaqa,
Casablanca-P.O. Box : 13183
Tél : +212 05 22 46 04 00 **Fax :** +212 05 22 46 04 60
Email : hmchiche@scrmaroc.com/ poolfair@scrmaroc.com
Website: www.poolfair.ma

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SENEGAL

Insurance Market Overview

by Hussein Elsayed – October 2024

(I) SENEGAL: General Information

1. Country Socio-Economic Information

Country Name: Republic of Senegal **Area:** 196,722 km²
Location: **North:** Mauritania **East:** Mali **South:** Guinea **West:** Atlantic Ocean
Continent: Africa **Region:** West Africa **UN Category:** Developing Country
Capital: Dakar
Currency: West African CFA franc (XOF)
Exchange Rate: **2022:** 1 USD ≈ 640 XOF **2023:** 1 USD ≈ 640 XOF

Population: **2022:** 17 million **2023:** 17.5 million
Languages: French (official), Wolof, Pulaar, Jola
Religions (%): Islam (95%), Christianity (4%), Indigenous beliefs (1%)
Ethnics (%): Wolof (43%), Fulani (24%), Serer (15%), others (18%)

GDP (Nominal): USD 27 billion **GDP Growth Rate:** 6.0% **GDP per Capita:** USD 1,500
Inflation Rate: 4.0% **Unemployment Rate:** 8.0% **Poverty Rate:** 40%
Health Care System: Developing, with increasing investments
Infrastructure: Improving, with major projects in transport

Major Industries: Agriculture, mining, services **Exports:** USD 6 billion **Imports:** USD 8 billion
Partners: France, China, India **Trade Balance:** -USD 2 billion

Sovereign Rating: **S&P:** B+ **AM Best:** Not Rated **Fitch:** B+ **Moody's:** B2

1. Country Risk

Economic Risks: High dependence on agriculture
Political Risks: Political stability, good governance
Financial Risk: Moderate financial risk

Natural Hazards:

- **Flood**: High: Senegal faces high flood risks, especially in low-lying and riverine areas.
- **Drought**: Moderate : Droughts can occur, particularly in the northern regions.
- **Extreme Heat**: Moderate: Extreme heat can occur but is less frequent.
- **Bushfire**: Moderate: Bushfires can occur during dry periods.
- **Landslide**: Low: Landslides are rare.
- **Tsunami**: Low: Risk is low but possible in coastal areas.
- **Volcano**: Low: Senegal does not have active volcanoes.
- **Hail**: Low: Hail is rare.
- **Frozen**: Low: Frozen conditions are not typical.

(III) SENEGAL: Insurance Market

Key Highlights

- *The Senegalese insurance industry is regulated by the CRCA at the regional level and by the DA at the national level.*
- *Composite insurance is not permitted in Senegal.*
- *100% FDI is permitted in the Senegalese insurance industry.*
- *Insurance companies from CIMA member states are permitted to operate in Senegal without a license.*
- *Non-admitted reinsurance in the country is permitted.*
- *Key classes of compulsory insurance include motor third-party liability insurance, marine hull insurance and professional indemnity insurance for insurance intermediaries.*

(A) Insurance Market - Historical Landmarks and Regulatory Environment

Historical Landmarks

20th c Insurers came to Senegal in the early years of the 20th century, after it became a French colony in 1895. The market was dominated by the branch offices of French companies, although there were others, including companies from Switzerland, the UK and the US. At the beginning of the 1970s French companies still collected 95% of premiums paid in Senegal.

1958 At the time of independence there were 99 insurers operating in Senegal.

1964 The first Senegalese insurance company was set up.

1993 The last non-Senegalese insurer left the market.

1998 - Regulators from the Conference Interafricaine des Marches d'Assurances (CIMA) closed down three insurers in Senegal.
- The Senegalese state set up the motor guarantee fund.

2002 NSIA Senegal opened for business.

2004 SONAM was demutualised.

2008 Compagnie Nationale d'Assurance Agricole du Senegal, which was to insure crops and livestock, was set up.

2009 Colina opened for business in Senegal.

2013 SUNU Assurances secured a 75% shareholding in Compagnie Generale d'Assurances (CGA).

2014 Colina was rebranded SAHAM Assurance.

2015 - Wafa Assurance, part of the Moroccan group Attijariwafa, began its non-life (and life) operations.
- Cameroonian insurer SAAR also began non-life insurance operations having already been operating as a life insurer.

2016 The licence application for Assurances La Providence du Senegal SA was approved by the regional insurance supervisor.

2018 Insurance market expands by 7% in 2018: the insurance sector in Senegal show for 2018 that the 29 insurers in the country posted a premium income of FCFA174.36bn ($296m), an increase of 7.3% over 2017.
- Under Law No 2018-24 of 6 July 2018, which retrospectively modified the tax code, the government has introduced a 1% tax on insurance companies' turnover (prelevement sur les compagnies d'assurances - PCA).
- From 2018 the national reinsurer SEN-RE has a compulsory 10% share of every facultative reinsurance placement in addition to the 6.5% legal cession of all direct business and 15% share of all reinsurance treaties.

2019 - New minimum capital requirement: The new requirement demand for insurance companies to increase their minimum capital to FCFA5bn ($8.4m). (The new requirement put pressure on the profitability of companies, especially for those that are smaller or have lower profit margins)

- **Insurers form oil & gas risk pool:** Insurance companies in Senegal have set up an "Oil & Gas Risks Insurance Pool" to unify their underwriting capacity in this specialty field and also to improve their negotiating power with the international reinsurance market. it was announced in July 2018 that the pool will be created for oil and gas risks and all non-life insurers will be required to join. The pool became operational in the first half of 2019. To date, 28 out of 29 insurers which are members of the Association of Insurers of Senegal have signed up to join the pool

2020 - Zenithe Afrik Assurances Vie merged and renamed: Senegalese insurer Sonam merged with Cameroonian Zenithe Afrik Assurances Vie.

- According to the Association of Insurers of Senegal (AAS), Traffic accidents result in nearly CFA74bn ($122m) per year in Senegal in economic costs, or 1 to 2% of GDP.

2022 - *Salama Assurances Sénégal* has changed its corporate name to *Finafrica Assurances Sénégal*. The company becaame part of the pan-African network Finafrica, founded by the French group Duval.

- The **BNP Paribas Group** and the pan-African insurance group **Sunu** have concluded an agreement for the acquisition by the latter of 54.11% of the capital of the International Bank for Commerce and Industry of Senegal (BICIS) owned by the French banking group.
- The African Risk Capacity **(ARC)** has launched a parametric insurance product against high-impact epidemic risks and Senegal is the first African country to join this new innovative financing mechanism.

2024 - Senegal's Ministry of Finance and Budget has endorsed the digitalization of motor insurance policies, an initiative of the Association of Insurers of Senegal (AAS).

➢ *Insurance Supervisory Authority*

There are two bodies supervising insurers in Senegal.

- The more important is CIMA's insurance regulatory the Regional Control Commission of Insurance (Commission Regionale de Controle des Assurances - CRCA), offshoot of CIMA (Conference Interafricaine des Marches d'Assurances), based in Libreville in Gabon.

DIRECTION GÉNÉRALE DU SECTEUR FINANCIER DIRECTION DES ASSURANCES CLICK

- **Directions des Assurances:** The insurance industry in Senegal is governed by the Directions des Assurances (DA) under the Ministry of Finance. It is primarily responsible for the implementation of national insurance policy and safeguards the interests of policyholders and beneficiaries of policies. It is also responsible for guiding the insurance industry in accordance with the general interest.

➢ *Key Insurance Legislations:*

- The main legislation governing the Senegal insurance industry is the CIMA Insurance Code (Code des Assurance), which has 14 member states in West and Central Africa, and was updated in 2019. The objectives of CIMA are to harmonize national laws and regulations; coordinate between insurance companies; and train insurance executives from its member states.
- The most notable changes in recent years have been the introduction of cash for cover rules, the addition to the CIMA Code of two new books on microinsurance and reinsurance respectively, a significant increase in insurers' minimum capital requirements and a reduction in the amount of reinsurance that may be ceded to reinsurers outside the CIMA region.

Domestic Legislation

- The Senegalese Law No 83-47 dated 18 February 1983. Providing for the obligation to insure goods and merchandise of all kinds upon importation as well as the hulls of ships flying the Senegalese flag and making it compulsory to domicile this insurance in SENEGAL

CREATION AND APPROVAL PROCEDURES

- Procedure for Approval of Insurance Intermediaries
- Microinsurance Approval Procedure
- Procedures for Approval of Managers and Auditors
- Creation of an insurance company

Regulations:

List of recent regulations through previous 7 years:

Regulation No.	Object	Download
Regulation No. 06/CIMA/PCMA/CE/SG/CIMA/2024 of August 8, 2024	Amending and supplementing the insurance code of the CIMA member states on model states	
Regulation No. 04/CIMA/PCMA/CE/SG/CIMA2024 of August 8, 2024	Amending and supplementing the insurance code of the CIMA member states on share capital.	
Regulation No. 01/CIMA/PCMA/CE/SG/2024 of January 16, 2024	Relating to the distribution and management of insurance contracts by digital/electronic means	
Regulation No. 02/CIMA/PCMA/CE/SG/2024 of January 16, 2024	Amending Article 334-4 of the Insurance Code	
Regulation No. 03/CIMA/PCMA/PCE/SG/2024 of January 16, 2024	Participation of insured persons in technical and financial benefits	
Regulation No. 006/CIMA/PCMA/PCE/2022 of February 22, 2022	Amending and supplementing the insurance code	
Regulation No. 004/CIMA/PCMA/PCE/2021 of February 9, 2022	Amending and supplementing the insurance contract and compensation regimes for victims	
Regulation No. 001/CIMA/PCMA/PCE/2021 of February 22, 2022	Amending certain provisions of the Insurance Code relating to compensation for victims of road accidents on the assessment and payment of future expenses.	
Regulation No. 001/CIMA/PCMA/PCE/SG/2021 of March 2, 2021	replacing Regulation No. 004/CIMA/PCMA/PCE/SG/08 defining the procedures applicable by insurance organizations in CIMA member states in the context of the fight against money laundering and the financing of terrorism and the proliferation of weapons of mass destruction	
Implementing Regulation No. 001/R/CIMA/SG/2020 of March 27, 2020	Relating to compliance with regulatory and contractual obligations in the context of reinsurance operations	
Regulation No. 003/CIMA/PCMA/PCE/2019 of October 10, 2019	Regulating TAKAFUL insurance operations in CIMA member states.	
Regulation No. 007/CIMA/PCMA/PCE/2018 of October 5, 2018	Modifying and supplementing the insurance contract regime.	
Regulation No. 006/CIMA/PCMA/PCE/2018 of April 12, 2018	Amending and supplementing certain provisions relating to sanctions.	
Regulation No. 003/CIMA/PCMA/PCE/2018 of April 12, 2018	Modifying and supplementing the financial regime of the insurance contract.	
Regulation No. 002/CIMA/PCMA/PCE/2018 of April 12, 2018	Amending and supplementing the financial regime applicable to insurance organizations	
Implementing Regulation No. 02/R/CIMA/SG/LBB/2018 of July 21, 2018	Relating to articles 64-1 and 65-1, 6° of the insurance code on the display of charges on premiums for life insurance or capitalization contracts.	
Implementing Regulation No. 01/R/CIMA/SG/2018 of April 28, 2018	Providing information within the framework of the implementation of regulation no. 007/CIMA/PCMA/CE/2016 of April 8, 2016 amending and supplementing articles 329-3 and 330-2 of the insurance code relating to the minimum share capital of public limited insurance companies and the establishment fund of mutual insurance companies.	
Implementing Regulation No. 01/R/SG/IN/LBB/2016 of October 29, 2016	Amending and supplementing Articles 329-3 and 330-2 of the Insurance Code relating to the MINIMUM share capital of public limited insurance companies and the establishment fund of mutual insurance companies	

For more of Regulations & CIMA Circulars, Please visit

DIRECTION GÉNÉRALE DU SECTEUR FINANCIER DIRECTION DES ASSURANCES Regulations CLICK

DIRECTION GÉNÉRALE DU SECTEUR FINANCIER DIRECTION DES ASSURANCES CIMA Circulars CLICK

➢ *Insurance Association*

- The local insurers' association was renamed the Association of Insurers of Senegal (***Association des Assureurs du Senegal - AAS***) in 2018 having previously been known as the Senegalese Federation of Insurance Companies (***Federation Senegalaise des Societes d'Assurances - FSSA***).
- It publishes comprehensive statistics, lobbies on behalf of the industry and commissions reports on topics of interest.
- Like all insurers' associations in the region it provides the local administration for the international motor insurance scheme, the Brown Card.
- The insurers operating in Senegal are also members of the Federation of African Insurance Companies (Federation des Societes d'Assurances de Droit National Africaines - FANAF), which was set up in Marchf 1976. The federation's objectives are to promote insurance and reinsurance in Africa, defend the interests of the industry, train personnel and encourage co-operation.

➢ *Company Registration and Operation*

- Companies intending to operate life and non-life insurance and reinsurance businesses in Senegal can start their operations after obtaining a license from the DA.
- The legislation also permits non-admitted reinsurance in the country.
- Intermediaries are required to obtain authorization from the DA in order to mediate insurance products in the country.

➢ *Compulsory Insurances*

List of Compulsory Insurances

- Motor third party liability.
- Professional indemnity for insurance brokers.
- Third party liability for garage proprietors and car repair workshops.
- Third party liability for hunters.
- Clinical trials liability.
- Marine cargo imports.
- Third party liability for offshore fishing vessels.
- Hulls of Senegalese-registered ships.
- Shipowners' liability against marine oil pollution (financial guarantee or insurance).
- Construction all risks and decennial guarantee.
- Professional indemnity insurance for property managers, consulting engineers and lawyers.
- Workers' compensation (state scheme, part of social security).

➢ *Pools:*

- The TPV pool (Transport Public de Voyageurs), was established in 1998 and covers passengers travelling by public transport.
- Microinsurance pool for healthcare insurance, PMAS (Pool Micro Assurance Sante), which started in 2013.
- The coinsurance pool to insure Senegalese oil and gas risks, which established in 2018.

➢ *Taxation*

Tax is imposed upon insurance premium within the insurance industry in Senegal. The other taxes imposed are Corporate Income Tax, Corporate Capital Gains Tax, and Value Added Tax.

➢ *Solvency Margins*

Solvency margin requirements for non-life companies are laid down in Article 337-2 of the CIMA Code. The non-life solvency margin is laid down as the larger of:

- 20% of total premiums times the ratio for the last full year of losses on the account of the company to losses on account of reinsurers (but not less than 50%), and
- 25% of the average (adjusted) of losses over the last three full years times the same ratio as above of losses on own account to losses on the account of reinsurers (but not less than 50%).

The solvency margins for microinsurers are calculated in the same way as for traditional insurers, but microinsurers must also show a further series of ratios, including a revenue ratio, management cost ratio, loss ratio and others.

➢ *Reserve Requirements:*

Reserve requirements for non-life companies are set out in Article 334-8 to Article 334-11 of the CIMA Code; these include:

- reserves for pensions that must be paid
- reserves for unexpired risks
- reserves for damages to be paid
- reserves for growing risks (to cover future healthcare and invalidity claims)
- equalisation reserves
- reinsurance provisions (if companies accept inwards reinsurance business)
- reserves for cancelled premiums
- liquidity reserves (to cover potential asset value depreciation)
- any other reserves that may be required by the regional regulator.

➢ *Reinsurers Business in Senegal:*

- **Permitted on a cross-border reinsurance**: Foreign insurance cessions exceeding 50% of Senegal domiciled risks require regulatory approval from the local Insurance supervisor.
- There are no discriminatory requirements on cross-border foreign reinsurers for collateralization or localization of assets
- **Foreign Ownership :** There are no restrictions on foreign ownership of subsidiaries or any other discriminatory barriers affecting the establishment of branches or subsidiaries.
- **Reinsurance Compulsory Cessions:** Local insurers face a compulsory cession of 10% of all facultative business (excluding oil, gas and aviation risks), 6.5% of direct premiums plus 15% of treaties to the state-owned reinsurer, SEN-Re.
  From 1 January 2021, CICA RE receives a compulsory share of 20% of insurers' treaties and 2.25% share of each and every risk, (excluding health insurance and savings-related life insurance risks). In addition, CICA-RE now receives a 10% share of all facultative business, excluding oil, gas and aviation risks. Africa Re also receives a compulsory treaty cession of 5%.
- Reinsurance companies pay 0.5% of turnover to the CRCA. It is this body that controls reinsurers' activities across the CIMA zone.

(B) SENEGAL:
Insurance Market Performance & Statistics

	2020	2021	2022
Total Premiums			
Total Insurance Density (US$)	22	24	23
Total Insurance Penetration (%)	1.5%	1.4%	1.5%
Share of African Insurance Market	0.6%	0.5%	0.6%
Life Premiums			
Life Insurance Density (US$)	8	8	8
Life Insurance Penetration (%)	0.5%	0.5%	0.5%
Non-Life Premiums			
Non-Life Insurance Density (US$)	14	16	15
Non-Life Insurance Penetration (%)	0.9%	1%	1%

Source https://www.sigma-explorer.com/

➢ *Senegal insurance market: Turnover by Branch*

Life & Non-Life 2015-2022

Figures in million USD

Activities	2018	2019	2020	2021	2022	2021-2022 evolution
Non-life	195.402	211.356	244.409	252.983	262.225	10.01%
Life	106.836	118.503	133.705	136.423	143.673	11.78%
Total	**302.238**	**329.859**	**378.114**	**389.406**	**405.898**	**10.63%**

Sources: SIKA Finance & Federation of African National Insurance Companies (FANAF)
Exchange rate as at 31/12/2018 : 1 FCFA = 0.00174 USD ; at 31/12/2019 : 1 FCFA = 0,00171 USD ; at 31/12/2020 : 1 FCFA = 0,00187 USD ; as at 31/12/2021 : 1 FCFA = 0.00173 USD ; at 31/12/2022: 1 FCFA = 0.00163 USD

➢ *Senegal insurance market: Turnover by Companies in 2022*

Ranking of Non-Life insurance companies

Figures in thousands

Non-life insurers	2022 turnover		2021 2022 turnover		2021-2022 evolution (1)	Market Share (%)
	FCFA	USD	FCFA	USD		
Axa	22 726 000	37 043	21 173 000	36 629	7.33%	14.13%
Amsa	16 250 000	26 487	15 013 000	25 973	8.24%	10.10%
Sanlam	15 227 000	24 820	13 377 000	23 142	13.83%	9.47%
PA	15 195 000	24 768	14 157 000	24 492	7.33%	9.45%
Nsia	14 449 000	23 552	12 334 000	21 338	17.15%	8.98%
Allianz	13 447 000	21 919	13 329 000	23 059	0.89%	8.36%
Askia	12 540 000	20 440	11 333 000	19 606	10.65%	7.79%
Sonam GA	8 020 000	13 073	6 243 000	10 800	28.46%	4.99%
Finafrica	7 791 000	12 699	5 989 000	10 361	30.09%	4.84%
Sunu	7 201 000	11 738	7 667 000	13 264	-6.08%	4.48%
Wafa	5 184 000	8 450	3 096 000	5 356	67.44%	3.22%
La Providence	5 084 000	8 287	4 489 000	7 766	13.25%	3.16%
Cnart (2)	4 728 000	7 707	4 922 000	8 515	-3.94%	2.94%
ASS	3 153 000	5 139	3 619 000	6 261	-12.88%	1.96%
Saar	3 141 000	5 120	2 473 000	4 278	27.01%	1.95%
Sonac	3 024 000	4 929	2 969 000	5 136	1.85%	1.88%
Cnaas	2 618 000	4 267	2 109 000	3 649	24.13%	1.63%
Sonam Mutuelle	955 000	1 557	1 809 000	3 130	-47.21%	0.59%
Maas	141 000	230	132 000	228	6.82%	0.09%
Total non-life	**160 874 000**	**262 225**	**146 233 000**	**252 983**	**10.01%**	

(1) Growth rate in FCFA (2) Estimated data
Exchange rate as at 31/12/2022: 1 FCFA = 0.00163 USD; as at 31/12/2021: 1 FCFA = 0.00173 USD

Ranking of Life insurance companies

Figures in thousands

Life insurers	2022 turnover		2021 2022 turnover		2021-2022 evolution (1)	Market Share (%)
	FCFA	USD	FCFA	USD		
Amsa Vie	20 424 000	33 291	18 712 000	32 372	9.15%	23.17%
Wafa Vie	13 568 000	22 116	13 503 000	23 360	0.48%	15.39%
Sonam Vie	12 448 000	20 290	11 109 000	19 219	12.05%	14.12%
Sunu Vie	10 825 000	17 645	8 835 000	15 285	22.52%	12.28%
Nsia Vie	8 669 000	14 131	7 823 000	13 534	10.81%	9.84%
Allianz Vie	8 189 000	13 348	6 944 000	12 013	17.93%	9.29%
Sonam Vie Mutuelle	8 041 000	13 107	6 621 000	11 454	21.45%	9.12%
Sen Vie	3 188 000	5 196	2 901 000	5 019	9.89%	3.62%
Saar Vie	1 662 000	2 709	1 399 000	2 420	18.80%	1.89%
Sanlam Vie	1 129 000	1 840	1 010 000	1 747	11.78%	1.28%
Total vie	**88 143 000**	**143 673**	**78 857 000**	**136 423**	**11.78%**	

(1) Growth rate in FCFA   Exchange rate as at 31/12/2022: 1 FCFA = 0.00163 USD; as at 31/12/2021: 1 FCFA = 0.00173 USD

❖ Senegal insurance market: Evolution of the Insurance Market in 2023 (Provisional Figures)

➢ I. Net Premiums:

in Billion FCFA

Segment	2022	2023	Evolution (%)
Total Market	249.0	265.3	6.6%
Life Insurance	88.9	93.8	5.5%
Non-Life Insurance	160.1	171.5	7.1%

Source: Q1 Reports with 2022 Figures

Non-Life 2022-2023 Evolution

Company	2022 (FCFA billion)	2023 (FCFA billion)	Evolution (%)
AXA	22.73	25.09	10%
AMSA	15.99	17.40	9%
PA	15.18	16.11	6%
SANLAM	15.23	15.90	4%
ASKIA	12.87	13.81	7%
NSIA	14.47	13.72	-5%
ALLIANZ	13.45	13.30	-1%
FINAFRICA	7.79	11.18	43%
SUNU	7.29	7.71	6%
SONAM GE	8.07	7.44	-8%
WAFA	5.18	6.29	21%
PROVIDENCE	5.08	5.59	10%
CNART	4.92	5.10	4%
SAAR	2.81	3.64	29%
SONAC	3.02	3.32	10%
CNAAS	2.62	2.72	4%
ASS	2.36	2.66	13%
SONAM MUTUELLE	0.92	0.41	-55%
MAAS	0.14	0.15	5%
TOTAL NON-LIFE	160.11	171.54	7%

Life Insurance Company

Company	2022	2023	Evolution (%)
AMSA	20.13	21.47	7%
WAFA	14.86	13.32	-10%
SONAM SA	12.45	11.93	-4%
SUNU	10.38	11.21	8%
NSIA	8.67	10.36	20%
SONAM MUT	8.04	9.26	15%
ALLIANZ	8.19	9.06	11%
SEN VIE	3.48	3.56	2%
SAAR	1.53	1.99	30%
SANLAM	1.13	1.59	41%
Total Life Insurance	**88.86**	**93.76**	**6%**

Source: Q1 Reports with 2022 figures.

➢ *II. Benefits Paid*

in Billions of CFA Francs

Segment	2022	2023	Evolution (%)
Total Market	105.5	107.8	2.2%
Life Insurance	41.6	44.6	7.2%
Non-Life Insurance	63.8	63.2	-1.0%

Q1 Reports excluding CNART

➢ *III. Commissions and General Expenses*

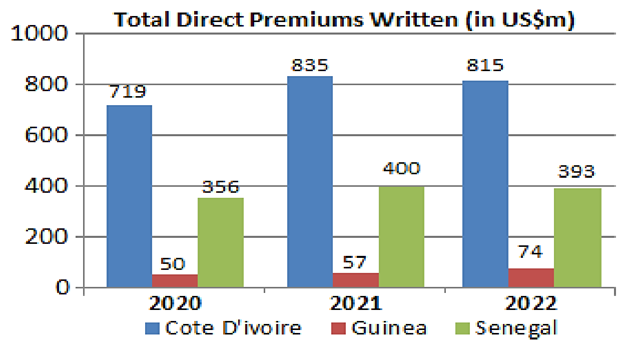
in Billions of CFA Francs

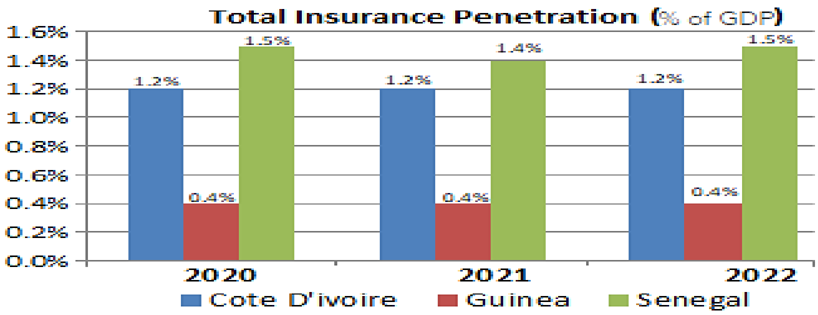
Segment	2022	2023	Evolution (%)
Total Market	68.7	74.6	8.6%
Life Insurance	13.8	15.0	8.7%
Non-Life Insurance	54.9	59.6	8.6%

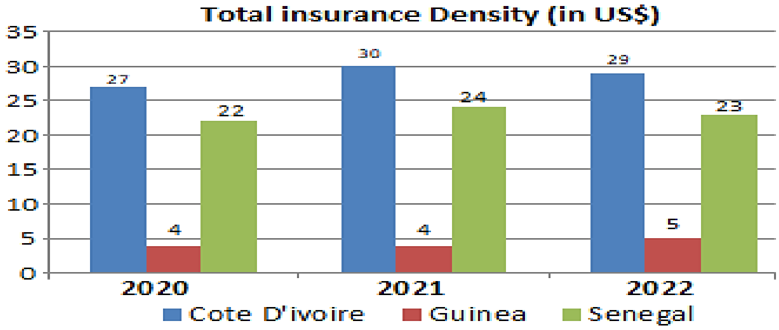
Q1 Reports excluding CNART

SENEGAL - Insurance Market: Regional Comparison

➢ *Regional Ranking*







Source https://www.sigma-explorer.com/

Sub-Saharan Africa Insurance Risk/Reward Index

	Industry Rewards	Industry Rewards Non-Life	Industry Rewards Life	Country Rewards	Rewards	Industry Risk	Country Risks	Risks	Insurance Risk/ Reward Score	Rank
South Africa	32.5	37.5	27.5	43.2	36.8	35.0	49.2	43.5	38.8	1
Mauritius	70.0	70.0	70.0	38.7	57.5	40.0	43.3	42.0	52.8	2
Namibia	67.5	75.0	60.0	57.6	63.5	60.0	36.7	46.0	58.3	3
Botswana	75.0	80.0	70.0	48.5	64.4	40.0	48.7	45.2	58.6	4
Ghana	77.5	75.0	80.0	57.9	69.7	50.0	43.7	46.2	62.6	5
Kenya	71.3	70.0	72.5	64.0	68.4	55.0	55.7	55.4	64.5	6
Senegal	81.3	80.0	82.5	69.2	76.4	70.0	37.7	50.6	68.7	7
Uganda	82.5	80.0	85.0	66.5	76.1	60.0	52.3	55.4	69.9	8
Tanzania	86.3	85.0	87.5	70.5	79.9	60.0	42.5	49.5	70.8	9
Cote d Ivoire	80.0	77.5	82.5	68.1	75.2	60.0	62.1	61.2	71.0	10
Malawi	90.0	90.0	90.0	66.5	80.6	60.0	41.7	49.0	71.1	11
Zambia	85.0	82.5	87.5	59.3	74.7	85.0	50.7	64.4	71.6	12
Zimbabwe	77.5	72.5	82.5	70.6	74.8	80.0	55.0	65.0	71.8	13
Nigeria	81.3	80.0	82.5	62.3	73.7	75.0	63.9	68.3	72.1	14
Gabon	91.3	87.5	95.0	58.8	78.3	70.0	60.0	64.0	74.0	15
Burkina Faso	90.0	87.5	92.5	73.4	83.4	70.0	41.3	52.8	74.2	16
Mali	92.5	90.0	95.0	70.0	83.5	80.0	35.0	53.0	74.4	17
Angola	86.3	80.0	92.5	70.0	79.7	60.0	63.7	62.2	74.5	18
Benin	92.5	92.5	92.5	72.6	84.5	70.0	42.9	53.7	75.3	19
Cameroon	86.3	82.5	90.0	75.0	81.8	70.0	55.2	61.1	75.6	20
Togo	90.0	90.0	90.0	73.3	83.3	80.0	50.2	62.1	77.0	21
Ethiopia	92.5	92.5	92.5	68.2	82.8	90.0	47.4	64.4	77.3	22
Rwanda	95.0	92.5	97.5	65.2	83.1	90.0	48.1	64.9	77.6	23
Niger	96.3	95.0	97.5	74.0	87.4	85.0	41.7	59.0	78.9	24
Central African Republic	96.3	95.0	97.5	75.6	88.0	80.0	51.9	63.2	80.5	25
Congo-Brazzaville	93.8	90.0	97.5	76.8	87.0	80.0	60.0	68.0	81.3	26
Chad	96.3	95.0	97.5	75.9	88.1	80.0	57.3	66.4	81.6	27
Madagascar	96.3	95.0	97.5	72.6	86.9	90.0	42.6	61.6	82.1	28
Guinea	97.5	97.5	97.5	76.7	89.2	80.0	64.3	70.6	83.6	29
Burundi	95.0	95.0	95.0	75.3	87.2	80.0	49.1	61.4	84.0	30
Congo (DRC)	96.3	95.0	97.5	82.6	90.8	90.0	54.0	68.4	84.1	31
Regional Average	85.2	84.1	86.3	67.1	78.0	70.2	49.9	58.0	72.2	

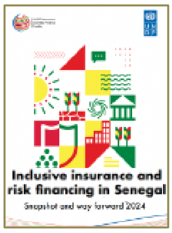
Note: Scores out of 100; lower score = more attractive market. Source: BMI Insrance Risk/Rward Index

Source: "South Africa Insurance Report Q4_2024" - by Fitch Solutions Group, July 2024

SENEGAL: Insurance Market Outlook

- While the potential for insurance growth in Senegal is vast, there are challenges that need addressing. The awareness and penetration of insurance products are still relatively low among small and medium enterprises (SMEs). Many business owners lack knowledge of the benefits that insurance can offer, which calls for increased education and outreach from insurance providers.
- On the other hand, the growing sectors like technology, agriculture, mining, and tourism in Senegal present lucrative opportunities for the insurance industry to expand and innovate its offerings. By harnessing digital technologies, insurers can reach wider audiences, tailor products to specific business needs, and improve overall customer service.
- The Insurances market in Senegal is projected to reach a gross written premium of US$504.20m in 2024.
- Non-Life Insurances dominates this market segment, with a projected market volume of US$347.20m in the same year.
- The average spending per capita on insurance in Senegal is estimated to be US$27.67 in 2024.
- Looking ahead, the gross written premium in Senegal is expected to grow at an annual rate of 2.46% (CAGR 2024-2029), resulting in a market volume of US$569.30m by 2029.
- Once again, the United States is projected to generate the highest gross written premium globally, with US$3,788.0bn in 2024.
- With the growing middle class and increasing awareness of the importance of insurance, Senegal's insurance market is experiencing a surge in demand for various coverage options.

statista

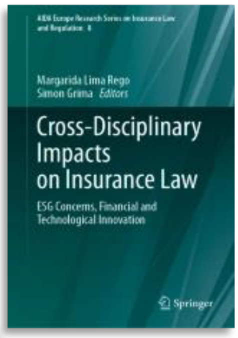
References & Resources	**Insurance sector statistics - turnover 2020** **Distribution of turnover by company in 2021** **Distribution of turnover by company in 2022** **Evolution of the insurance market in Senegal in 2023: Provisional figures**	 **Inclusive insurance and risk financing in Senegal. Snapshot and way forward 2024**, by UNDP 13 May 2024

REPUBLIQUE DU SENEGAL
MINISTERE DES FINANCES ET DU BUDGET

Book Review

Cross-Disciplinary Impacts on Insurance Law; ESG Concerns, Financial and Technological Innovation

by Margarida Lima Rego & Simon Grima; Springer, 265p, 2024



This book explores the insurance sector's potential role, influence, and impact on society in light of new environmental, social, and governance (ESG) concerns. Furthermore, it looks into how financial and technological innovations help reshape insurance regulation and business models. Unlike their predecessors, 21st century insurers have a growing impact on cross-sector service provision by making available to their clients a wealth of expert knowledge and experience in data analytics. The book delves into insurers' transition from suppliers of products – consisting of risk coverage or investment opportunities – to providers of various services, and ultimately to solution providers by partnering with their clients so as to prevent failure, optimize their clients' operations and help them excel in their economic sector.

Insurance regulations and policies can be affected by various factors, such as changes in the economy, technological advances, and shifting consumer preferences, to name a few. Additionally, the insurance industry can have a significant bearing on the wider economy, making it important for the industry to operate within a framework of comprehensive regulations.

This book includes a diverse set of theoretical, empirical, and policy-oriented chapters on particular aspects of new trends and wider analyses leading to a more systematic understanding of the industry's socio-economic role. It offers a mixture of chapters from insurance academics and professionals from different countries, cultures, and scientific backgrounds. The methodologies used are diverse, including legal, sociological, historical, economic and financial as well as interdisciplinary analyses. The book has a global scope, including chapters of a more global nature and others addressing particular jurisdictions on different continents, including Europe, Asia and North America.

CONTENTS:

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FAIR Review Market Reports

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2024

Bahrain	China.pdf	Eswatini	Ethiopia.pdf
India.pdf	Maldives	Nigeria.pdf	Senegal

2023

Ghana	Libya	Malaysia	Qatar
Togo	United Arab Emirates	Sri Lanka	Sudan

2022

Kenya	Saudi Arabia	Turkey	Zimbabwe

Arab Reinsurance Company
a reinsurer of excellence

50 Years

Underwriting services

Reinsurance
We offer a variety of reinsurance services to our partners: Property and Casualty, Marine, Life, and Medical.

Takaful
The Re-Takaful window was launched in year 2011, offering to our partners Islamic Sharia compliant covers.

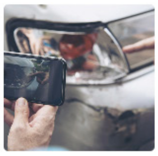
Underwriting capacity

Engineering
- $6M Treaty
- $15M Fac.

Cargo & Hull
$8M Treaty and Facultative

Fire
- $5M Treaty
- $12M Fac.

Life & PA
$3M Treaty and Facultative



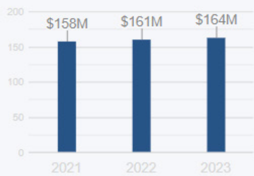
Accident
$1M Treaty and Facultative

Medical
$0.25M Treaty and Facultative

Financial information

$ 75 m
Paid-up capital
$100 million (authorized capital).

Invested assets
55% ($87m) placed with international banks outside Lebanon

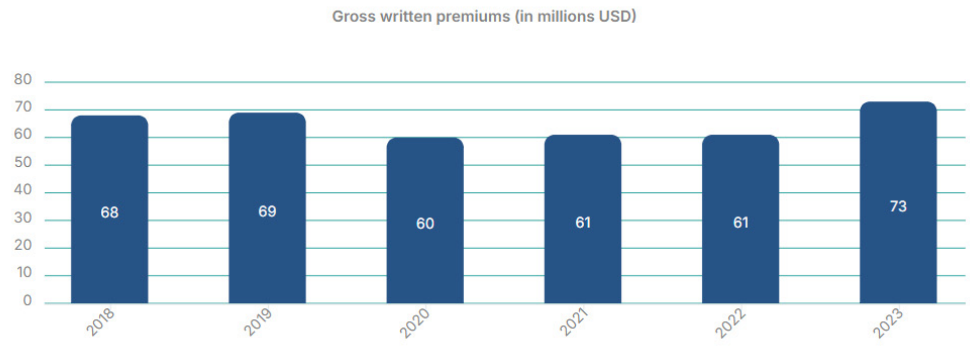


$ 5.1 m
Net profit
In 2023.

% 173
Solvency ratio
Equity to net earned premium.

% 139
Liquidity ratio
Liquid assets to net technical provisions.

Technical results



Rating

AM Best has upgraded the Financial Strength Rating to **B (Fair)** from B- (Fair) of Arab Reinsurance Company SAL (Arab Re) (Lebanon). The outlook is stable.

This upgrading change in the financial strength rating duly confirms the soundness of the strategies followed by the Company, which since its establishment, has overcome the difficult political, economic and financial conjuncture prevailing in Lebanon.

To read the full press release, please click here:

ARAB REINSURANCE COMPANY S.A.L
Arab Re Building - Maarad Street - Beirut / P.O.Box: 11 9060
(961-1) 989500 arabre@arabre.com arabre.com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