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Société Africaine de Réassurance

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Corneille KAREKEZI
Editor-in-Chief

As we commemorate the first forty years of existence of our pan-African institution, Africa Re, we equally celebrate close to three decades of success of our magazine. TheAfrican Reinsurer, a forum for insurance professionals, was first published in 1987.

Forty years ago, there were doubts, fears and enormous challenges. Pessimists thought Africa Re was a recipe for disaster due to the diverse cultural backgrounds of the founding fathers as well as the pioneer staff. Today, cultural diversity is one of the trump cards of Africa Re as the institution has eight offices throughout the continent and conducts business in almost all African countries in the spirit of African Unity that was the key driving force of the founding fathers.

According to Mr Hassan Boubrik, Board Chairman, *"Africa Re had its own fair share of uncertainties, doubts and even fears. But the determination of the different Management teams, successive Board members, staff and various stakeholders as well as their strong commitment to the vision of the founding fathers triumphed. The boat that set sail 40 years ago is steering in the right direction."*

The 30thAfrican Reinsurer features interesting articles on internal audit, impact of natural hazards, technical pricing, renewable energy and cooperative and mutual enterprises.

Though internal audit plays an important role in providing necessary assurance to the Management and Board, it may not be able to provide absolute assurance on every issue and has to seek inputs from other assurance providers.

While nature-related risks or so-called "Acts of God" may be defined as "natural hazards", their consequences should be more appropriately classified as "unnatural disasters"because they can be prevented through appropriate measures highlighted in the article entitled A Review of the Natural Risk Disaster Initiative of the African Indian Ocean Islands.

The thrust of the paper on technical pricing is centered on how an underwriter can technically price a simple risk. The author also highlights some of the benefits of technical pricing.

Renewable energy constitutes an opportunity for Africa. Risk prevention and protection limit the exposure of energy power stations to the hazards covered by the insurer. Maintenance of facilities is key in pricing and determining deductibles.

Cooperative and mutual enterprises are particularly strong in the insurance sector where globally they have a 27% market share. Cooperatives found renewed confidence following the high-profile UN Year of Cooperatives in 2012. They play a significant role in the economies of many African countries, particularly in agriculture.

Before ending with news from some regions of the African continent, the 30thAfrican Reinsurerpresents the Tunisian insurance market after the revolution.

Corporative and Mutual Insurance in Africa

By

Marine GUAIS

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International Cooperative &
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(ICMIF)

1. Introduction

The cooperative business model has a long history, one which remains significant today. The latest research for the annual World Co-operative Monitor report claims that cooperative and mutual enterprises generate USD 2.95 trillion in turnover. They are particularly strong in the insurance sector where globally they have a 27% market share*. It has been said that insurance is the archetypal cooperative undertaking, in that the risks faced by individuals are ameliorated by being shared collectively. Cooperatives and mutuals in insurance have their own global body, the International Cooperative and Mutual Insurance Federation (ICMIF), whose membership includes several active and successful African insurers.

Cooperatives today have found renewed confidence following the high-profile UN Year of Cooperatives in 2012. If there was a time when some governments felt able to steal the cooperative identity for their own purposes to describe state-sponsored forms of business, those days are most definitely past. The agreed Cooperative Principles and Values (adopted by the International Co-operative Alliance and recognised by the UN and the International Labour Organization) make it clear that cooperatives are voluntary and autonomous associations which are set up and run democratically by their members. In other words, cooperatives and mutuals (a similar member-owned business model) operate intrinsically in a bottom-up way, rather than brought into being through some centralized planning decree. However, advocates stress that despite their distinctive governance and ownership model, cooperatives are successful and effective businesses in the same way as more conventionally structured enterprises.

Sabbir Patel, ICMIF's Senior Vice President, Emerging Markets, argues that the cooperative and mutual model of insurance is one which proved its worth in many Western countries more than a century ago, and which today has a similar role to play in Africa and in developing countries worldwide. Members of cooperative and mutual insurers benefit from the protection which comes from holding insurance or microinsurance cover. But there is also an added benefit, he claims: the element of member-engagement and participation explicit in the mutual model contributes also towards the economic and social empowerment of some of the continent's poorest people.

2. Importance of Cooperatives and Mutuals

Cooperatives play a significant role in the economies of many African countries, particularly in agriculture where they facilitate both collective buying of agricultural inputs and product marketing. Credit unions, often called Savings and Credit Co-operatives (SACCOs), are also significant institutions in the lives of many of their members, who include many poorer people not serviced by conventional banks. Housing and consumer cooperatives also exist in some countries.

In relation to insurance, the potential value of the cooperative and mutual model for Africa is increasingly being recognised, although the cooperative sector is starting from a low base. Sabbir Patel points to the enormous opportunities open to African cooperatives and mutuals in relation particularly to the development of microinsurance. Experience elsewhere, he says, demonstrates that when microinsurance is provided through member-owned and properly accountable cooperative structures, individual policyholders understand insurance better, are more actively engaged, more likely to renew their cover (even where they have made no claims) and more likely to only make claims that are genuine.

3. Major Cooperatives and Mutuals

One of the most successful cooperative insurers in Africa is Kenya's CIC Insurance Group (originally the Co-operative Insurance Company), which is now the third largest insurance company in the country, with operations also in Malawi, South Sudan and Uganda. The company underwrites both life and general classes of insurance and has 1.3 million clients (members). Its reputation for financial stability and integrity was enhanced when, after the violence linked to the 2008 election, CIC paid over 100 million Kenyan shillings (USD 1million) in claims at a time when many other insurers were declining to cover losses because they were caused by political violence.

CIC has also been highly innovative. Its pioneering development of M-Bima, a mobile phone-based application for premium payment transfers, has seen the Group emerge as the leading microinsurance provider in the country. Policyholders can remit very small amounts (as little as twenty shillings, or USD 0.25) in premium payments via their cell phones.

CIC's commitment to reaching the uninsured saw total premium income from microinsurance reach 600 million shillings (USD 6m) in 2012. Nevertheless, the scope for further development of simple microinsurance is enormous. The recent report from the Micro Insurance Centre - The Landscape of Microinsurance: Africa 2015 suggests that only 6% of the country currently has microinsurance.

In Africa's largest insurance market, South Africa, the mutual insurer PPS has developed very strong roots in the 75 years since its foundation. It specialises in serving the insurance needs of graduate professionals from all South Africa's ethnic groups and, as a member-owned institution, it allocates all its profits to members rather than to external shareholders. Over the past ten years, PPS's entire distributed profits, amount to over ZAR 21billion (USD 1.4 billion), has been shared among members.

At the other end of the continent Mutuelle Agricole Marocaine d'Assurance (MAMDA) focuses, as its name suggests, on the needs of Morocco's farmers. For the 2012-13 growing season MAMDA's policies covered in total half a million hectares, and the company has now set itself the target of increasing this to a million hectares in 2016. Cover is available for agricultural machinery such as tractors, and also for fire risks, livestock loss, hothouse crop damage and third-party liability. MAMDA also markets two products which are subsidized by the government, against hail storm loss and a multiple risk climate product.

La Mutuelle d'Assurances de l'Enseignement (MAE), has a long and successful history of serving its members in neighbouring Tunisia, having been created when a similar French mutual left the Tunisian market in the early 1960s. Originally set up for teachers, MAE now serves over 200,000 members, including businesses and associations. As with other insurance mutuals, it strongly emphasizes the principle of member-control and operates on the basis that insurance is a form of solidarity where those suffering loss or in need are helped by all.

In Senegal, the cooperative institution Union des Mutuelles du Partenariat pour la Mobilisation de l'Epargne et du Crédit au Sénégal (UM-PAMECAS) provides finance to rural and low income households. It has over half a million members and clients and employs more than five hundred staff. It federated with similar credit unions and microfinance mutuals in Mali, Burkina Faso, Benin and Togo to create the regional organization, la Confédération des Institutions Financières (CIF).

Further north, Sheikan Insurance and Reinsurance is the leading insurer in Sudan, with a market share of over 50%. Incorporated in 1983, Sheikan operates on the basis of cooperative insurance in accordance with Shariah rules and principles. It operates across the country through a well-established network of 75 branch offices and has been a pioneer in the Sudanese market in the development of microinsurance and microtakaful, particularly in relation to cover for microfinance loans. One recent initiative saw Sheikan engage with large numbers of low-income farmers, in a project which also brought in the Sudan government, commercial banks and the World Food Programme.

4. Takaful Movement

ICMIF also has active cooperative and mutual members in several other regions of Africa. Perhaps the most interesting development in recent years, however, has been the partnership between the cooperative and mutual insurance movement and the growing Takaful movement, offering insurance-equivalent products which are compatible with Shariah law. As ICMIF's Sabbir Patel points out, the philosophy of mutual self-help which lies behind Takaful is very close to the principle behind cooperative insurance. Many Takaful operators have joined ICMIF as members and ICMIF also produces a regular Takaful newsletter. Among recent initiatives has been the growing development of microtakaful, in other words, microinsurance products for those on low incomes who want protection which is permissible under Shariah law.

Kenya's CIC helped bring about the launch in 2008 of Takaful Insurance of Africa (TIA), which is the first fully fledged and authorised Takaful operator in east and central Africa. More than 10% of Kenya's population are Muslims. TIA has faced some regulatory hurdles and difficulties in finding Shariah compliant investment options but had grown to the point where income from general Takaful was approaching 700 million shillings in 2014 (USD 7.4 million).

5. Way forward

In 2015, ICMIF launched a new initiative, the 5-5-5 Mutual Microinsurance Strategy, which aims to protect 25 million more people in some of the poorest areas of the world by 2020. In this connection , ICMIF will be targeting 5 million low income households, in five countries, over five years. With the security of insurance protection from disasters, people can create jobs and long-term, sustainable growth for communities that need it the most. Kenya has been selected as one of the five countries in which the 5-5-5 Strategy will be put to work. Work will begin in Kenya in 2016. The project will include collaboration with the United Nations Development Programme (UNDP), the Organisation for Economic Co-operation and Development (OECD), the Office for the Coordination of Humanitarian Affairs (OCHA), regulators and governments, including the V20 group of vulnerable countries, to close the resilience gap and to protect lives and livelihoods.

* Data taken from the ICMIF Global Mutual Market Share 2013 report. Other information on companies mentioned in this article is based on data held by ICMIF on its membership.

A Review of the Natural Risk Disaster Initiative of the African Indian Ocean Islands

By

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1. Background

There is a growing global consensus that natural hazards are occurring more frequently and with increasing severity in all parts of the World. According to a report of the World Bank and the United Nations (2010: 169), it appears that the two powerful trends of rapidly growing cities in the world and climate change may contribute to further change the profile of natural risks in the future. The report estimates that there will be an increase in the number of people affected by earthquakes and cyclones from 680 million in 2000 to 1.5 billion by 2050 as a result of these trends. Besides cyclones and earthquakes, the report identifies droughts and flooding as the other two key natural hazards that will continue to have the most significant impact on people and property.

One of the principal arguments from the report mentioned above is that while these nature-related risks or so-called "Acts of God" may be defined as "natural hazards", their consequences should be more appropriately classified as "unnatural disasters". The large number of injuries and deaths as well as the extensive damage of property caused by these risks should be treated as "unnatural" because they can be prevented through appropriate measures. The disasters cause avoidable losses as a result of our "omission" (the things we fail to do) or "commission" (the inappropriate things that we may do). On the one hand, some of the inappropriate activities include things such as the burning of fossil fuels for energy which causes pollution and contributes to global warming, associated with the increase in climate-related hazards. On the other hand, some of the key activities that we fail to do by omission include failure to implement preventative risk control measures to mitigate the impact of natural hazards, as highlighted in this paper.

2. Handling of Natural Disasters-African Indian Ocean Islands

2.1 The Mauritius strategy

Following an international meeting on sustainable development initiatives of Small Island Developing States (SIDS) in Port Louis in January 2005, the United Nations adopted a plan-of-action known as the Mauritius Strategy [1]. The meeting was arranged following the Indian Ocean earthquake and tsunami of December 2004, which was one of the most destructive natural disasters recorded in history given the extensive property damage and death of approximately 230,000 people in 14 countries. This disaster had been preceded by a series of other extreme weather disasters in the Caribbean, Pacific and Indian Ocean. One of the key observations of this

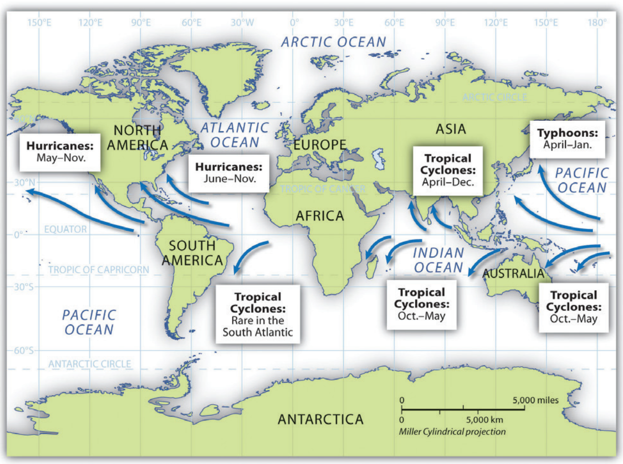
1 Known in full as the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States

international meeting was that Small Island Developing States were "the most vulnerable regions in the world in relation to the intensity and frequency of natural and environmental disasters and their increasing impact, and face disproportionately high economic, social and environmental consequences" (UN, 2005: 11).

In order to mitigate the impact of this natural phenomenon, one of the principal recommendations was for concerned disaster-prone islands to start developing appropriate risk management programmes. Ten years after the launch of the Mauritius Strategy, we would like to discuss some of the key initiatives regarding the handling of natural disasters in the African Indian Ocean Islands (AIOI).

The AIOI consists of African island states of Comoros, Madagascar, Mauritius and Seychelles. The islands of Reunion and Maldives are also located in the same broader geographic zone known as the South West Indian Ocean (SWIO) and are also similarly exposed to the risks that are going to be discussed. However, the island of Maldives is classified as part of Asia and Reunion is treated as an extension of France. Notwithstanding the different levels of economic development in the countries in the AIOI zone, they all face the same types of challenges caused by the impact of natural disasters. The most critical natural disasters in this zone are caused by cyclone storms, flooding and droughts. The area is part of the 7 high risk zones worldwide affected by severe storms, as per Figure 1.

Figure 1: Global Map of Tropical Storms (Source: Bergelee 2012)



Needless to indicate that for insured clients, there should be financial protection from the existing insurance markets that can provide effective cover for insurable property damage, caused by natural disasters, among other risks. However, the levels of penetration of insurance remain fairly low in most countries in Africa especially for the majority low income population. Through initiatives such as micro-insurance and financial inclusion, the insurance markets in different countries in Africa have started exploring new financial products for this unprotected population. Notwithstanding these efforts, the majority of people and their property remain without any form of financial protection.

In order to address the problems posed by natural risks, a project has been initiated in the AIOI zone which is examined below.

2.2 The Islands Project

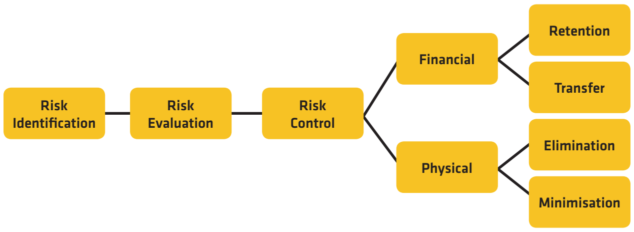
According to a paper of the Indian Ocean Commission (IOC) on the ISLANDS Financial Protection Programme, it has been observed that the Indian Ocean region is facing an increasing number of destructive climate-related disasters (2015: 4). As noted on the website of the ISLANDS project[2], the economies of Small island developing states (SIDS) tend to be highly exposed to "shocks" from such disasters. According to the IOC project document for the ISLANDS project, the total loss in infrastructure and agricultural investments from 1980 is a staggering US$ 17.2 billion. They also estimate losses from these natural perils at an average of 1% of the Gross Domestic Product (GDP) of the region. Madagascar is expected to be most affected at 1.2% of GDP each year. The IOC also observes that in the past, natural disasters were viewed as "external events" and were not part of economic development plans. However, from the beginning of the twenty-first century, there has been a change of approach with the realization that "sustainable development cannot be achieved unless disaster risk is reduced." As part of the change, there has been a shift from focusing only on contingency planning and coordination of relief assistance after occurrence of disasters to proactive measures aimed at preventing or reducing the impact of such disasters.

In alignment with the emerging approach to natural disasters, the IOC has setup the ISLANDS Financial Protection Project with financial and technical support from the United Nations Office for Risk Reduction (UNISDR). The AIOI has taken the first critical steps towards the development of a risk management framework for handling of natural disasters, in consonance with the Mauritius Strategy. Risk management is a process that seeks to treat risks and the adverse impact that they may cause on people, society and the environment (Assoumana, 2012:

2 http://commissionoceanindien.org/activites/islands/le-programme/

20). The key activities in a risk management process can be illustrated as per Figure 2 below.

Figure 2: The Risk Management Process



After identifying risks, evaluating their impact and determining priorities, the next step entails the measures to mitigate losses. The ISLANDS Project Coordinator also reaffirmed the need to take measures to reduce the impact of disasters when he said:

"We cannot stop cyclones, tsunamis, drought and floods and climatic change. But through our actions and decisions, we can reduce the risks related to these disasters which have a heavy impact."

As part of measures to provide relief after the impact of natural disasters, the governments in the AIOI zone have set aside a budgetary allocation for disasters. According to the ISLANDS project document, current levels of allocation are in the region of 2% to 16% of annual national budgets. The next critical step for AIOI is to formalize more proactive financial and physical risk control measures. In this connection, one of the options that could be considered is the model of a disaster fund from Mexico which is considered below.

2.3 The Mexican Model of a Disaster Fund

According to the publication of the World Bank on the Natural Disaster Fund of Mexico[3], this country is exposed to a much broader range of natural risks compared to the risks that have been identified in the AIOI project. Mexico is located in what is known as the "fire belt" where it is exposed to the following geological hazards: earthquakes, active volcanoes and tsunamis. It is also frequently impacted by the hydro-meteorological hazards of extreme tropical storms (referred to as hurricanes in the Pacific), floods and droughts. It is also highly exposed to wildfires and landslides. These hazards have been appropriately identified and analyzed. It would be useful if similar exercises could be done more systematically for the AIOI and then published and distributed to key stakeholders for public awareness.

For the purposes of financing disaster risks, the Government of Mexico created in 1996 a Natural Disaster Fund which is referred to in Spanish as Fondo Nacional de Desastres Naturales (FONDEN). This fund was set up as part of a Civil Protection System that was established following the devastating earthquakes in September 1985 (The World Bank: 2012: 4). The principal areas of intervention of FONDEN are to finance relief assistance and cover costs for repairing and rebuilding of public infrastructure and low-income housing following a covered natural disaster. The fund covers geological and hydro-meteorological hazards identified above as well as other natural phenomena that may have a similar impact on society.

Besides the post-disaster financing referred to above, FONDEN has also started developing ex-ante measures. While post-disaster refers to interventions in response to occurrence of a disaster, ex-ante are initiatives that are implemented before a disaster occurs and are aimed at prevention or limiting the impact of disasters. For the purpose of building up of the fund, FONDEN is allocated a minimum of 0.4% of the national budget. As part of its emerging strategy for financing risk, FONDEN relies on its funding (risk retention) for the disasters that happen more frequently and then on "market-based risk transfer" solutions for the less frequent disasters. The market-based solutions consist of traditional reinsurance and emerging instruments such as catastrophe bonds, which are also popularly referred to as cat bonds - a form of risk financing instruments which rely on capital markets to raise funds for covered disasters.

2.4 Insurance Market Support

Following the discussion on the need to create public disaster funds, it is worth noting that the existing insurance and reinsurance markets can play a critical role in this process. The insurance sector has a vast experience in risk management which could be used to support risk-related development projects in AIOI and other African markets. One of the major preoccupations of the industry is the very low awareness of risk despite the fact that risk affects everything we do. Peter Bernstein (1996: 1), one of the key writers on risk management, goes even further to correlate level of development directly with capacity to deal with risk:

"The boundary between modern times and the past was the mastery of risk: the notion that the future is more than a whim of the gods and that men and women are not passive before nature".

3 The book has been recently available for a free download on the following website: http://www.proteccioncivil.gob.mx/work/models/ProteccionCivil/Almacen/libro_fonden.pdf

It is clear that as the insurance industry helps policy-makers in their efforts to manage risk, it contributes to the critical process of development associated with such an effort. Africa now has access to risk management facilities offered by a specialized pan-African agency called the African Risk Capacity[4] which could help in the development process. The agency has created a facility for African governments to pool and transfer risk of national disasters. Such an agency can provide technical support for risk financing solutions in the AIOI. When the local facilities are setup, the agency can also provide financial capacity in conjunction with reinsurance companies such as the African Reinsurance Corporation. The foregoing indicates that regional mechanisms exist that could support the ISLANDS Project, if the next steps forward of financial risk control were to be implemented. The question of regional support was also identified by the IOC as one of the critical conditions for success of the AIOI financial protection initiative against natural disasters.

3. The Risk of a Gradual Rise in Sea Level

In addition to the fundamental risks discussed above, the attention of the international community has also been drawn to a rapidly growing threat of rising sea levels as a result of climate change. As was recently highlighted in the 2015 United Nations Climate Change Conference in Paris, sea levels are rising as a result of environmental pollution which is increasing global temperatures. The rising seas are already invading sources of potable water, low-lying cities and islands across the world. This is one of the areas of risk where the strategy of avoidance or elimination of underlying causes is vital. As part of the key outcomes of the Paris climate conference, the world leaders achieved a legally binding universal agreement aimed at avoiding activities leading to global warming. If this agreement is implemented by the global community, it will also help to reduce one of the key factors contributing to the increase in frequency and severity of natural risks.

4. Conclusion

We would like to conclude by re-affirming that the AIOI has shown leadership in Africa through the work that has been done in initiating the Islands natural disaster project. A number of critical steps have already been achieved and it is believed that the next key objective could be to explore options for risk mitigation through both physical risk control and financial risk control. Governments have taken a commendable initiative of allocating a budgetary line to cover natural disasters. This is also where Mexico started. However, as noted in the case of Mexico, the provision of a budgetary line and reactive relief-oriented measures are not as effective as the implementation of a complete natural disaster risk management framework which includes efforts aimed at proactive building of resilience (physical risk control) as well as development of appropriate risk financing.

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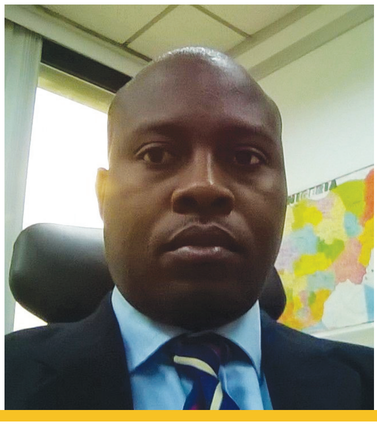
Technical Pricing: The Key to Underwriting Excellence



By

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Risks, Africa Re

1. Introduction

The perception held by the general public about insurance practitioners is that they sell policies and make substantial profits. This view does not reflect the reality in the market. Indeed, products are priced in such a way that there is just sufficient margin to cover profits, expenses and cost of capital, after the pure technical rate has been established. The pricing process is a complex exercise involving market analysis, past claims history, occupancy class assessments and a collaborative effort amongst underwriters, actuaries and marketers which ensure that rates are fairly fixed.

The post detarification era has witnessed plunging margins due to the huge discounts offered by competitors which has led to dwindling profit margins in commercial as well as personal lines insurance, as prices become uneconomical. Consequently, insurance companies are changing their marketing strategy from irrational price-related competition to developing the competencies to maintain a balance between sustainability and value for money for the consumer. In this connection, competition is moving to other aspects such as good service provision, speedy claims payment, value-added services such as free risk surveys and tailor- made client training programmes.

The thrust of the paper is centred on how an underwriter can technically price a simple risk. It will not delve into non-technical issues such as price negotiation with clients, market forces and regulations. The paper also highlights some of the benefits of technical pricing.

2. Importance of Technical Pricing

In recent years, insurance companies have been moving towards technical pricing of risks in their portfolio. This simply means that insureds pay into a pool of similar risks, premiums that are appropriately priced to match the likelihood of a few of them making a claim.

This methodology of risk pricing is economically and socially important due to a number of reasons. First, the risk pricing of insurance products makes it economically feasible to provide insurance cover to a much wider segment of the population. For instance, when insurance is priced according to the degree of risk, many low risk people are able to buy insurance than in a situation where they have to pay higher premiums in order to subsidize the premiums of more risk-prone individuals. Second, is the social perspective; for instance, in the motor class of insurance, drivers who engage in risky driving should be charged a premium that appropriately matches the risk insured. The effect of this is that the class of drivers affected are likely to exercise greater care, as they drive around, in order not to attract further penalties. Needless to add that such development impacts positively on the insurance industry and the society at large.

Technical pricing also enables insurers to adjust premiums according to risk results for policyholders who are being over charged as otherwise they may shift to other insurance companies that offer lower premiums, thus leaving the under charged customers with the current insurance company. This impacts the profitability of the company which may react by hiking premiums arbitrarily. A vicious cycle then emerges which neither benefits the insurance company nor the policyholders.

In the current insurance industry scenario, where all insurers are under pressure to improve their underwriting results, fundamental principles like risk differentiation become an important tool to decide on the appropriate premium to be charged for a risk. This is more so, as most markets are now deregulated, giving insurers the freedom to explore product differentiation with the aim of creating a sound rating system that is socially and economically beneficial to all stake holders.

Needless to add that technical pricing of risks is of fundamental importance in all classes of insurance business. The principles involved are illustrated, using a simple example from the non-life insurance business.

3. The Pricing of a Simple Construction Project

We are living in a dynamic deregulated era of mergers & acquisitions, customer awareness, Government proactiveness etc. Thus we have and have to face the reality that prices that were charged for certain occupancies, say in the last 10 years, may not be adequate today.

As has already been observed, the aim of technical pricing is to establish risk adequate prices in order to achieve a reasonable technical profit. This would require that as much data as possible is gathered from the various markets. Such information would include levels of premiums, deductibles and other terms and conditions charged per various occupancy classes. The processes involved are highlighted below.

The pricing of an engineering project relies on the underwriting information, scope of cover afforded, limits/sub limits and assessment of the risk exposures. The basic assumption is that there is already an existing manual with minimum rates per occupancy class which have been developed based on statistical analysis of extensive risk and claims data over a period of years. For instance, rating manuals and rating tools have been developed in the reinsurance market that assist in arriving at minimum target technical rates. However, for these tools or manuals to produce any accurate rates, adequate relevant underwriting information pertaining to the risk has to be assessed.

The underwriter should be able to obtain the information from the proposer:

a. Names of insured(s)
b. Detailed project description i.e. number of basements if any, type of foundation and depth, construction materials etc.
c. Break down of insured values
d. Period of cover
e. Extensions to basic cover e.g. design cover, cross liability, terrorism etc.
f. Natural and normal perils exposures e.g. flood, fire exposure etc.
g. Third Party Liability (TPL)/ Surrounding exposures
h. Contractor's experience
i. Scope of cover required
j. Time schedule

It is expected also that the underwriter would obtain the following underwriting information from a completed Contractors All Risk Insurance (CAR) questionnaire on the project.

Item	Description
Contractor's name	XYZ
Contractor's experience	10 years in similar projects
Principal	The Government
Project Description	Construction of a 10 storey commercial building with 2 basements
Period	18 months followed by 12 months maintenance period
Contract Value	Contract works - USD.10,000,000, TPL limit - USD.1,000,000 per event and in the aggregate
Location	Within the town centre, borders a busy highway and a college
Earthquake exposure	Region lies in Zone 2 per world map of natural hazards
Rainy seasons	March to June and September to November, average daily rainfall l00mm/day
Cover	Standard CAR policy including TPL
Extensions of basic cover	Extended maintenance, Design cover, Overtime, night work & express freight

Rating Guide				
Occupancy	**Minimum basic cover rate %**	**Rate for flood per annum (%)**	**Period (months)**	**Earthquake rate per annum % - (Zone 2)**
Commercial Buildings				
Up to 3 storeys plus 1 basement	0.1	0.015	12	0.02
Any further storey up to 12	0.004			
Any additional basement	0.001			
Extensions of Cover				
TPL	5% - 20% of basic rate			
Design	10% - 30% of basic rate			
Overtime, night work	5% of basic rate			
extended maintenance	7.5% - 20% of basic rate			

Computation of pure technical rate

From a sample rating guide below, the underwriter can build a pure technical rate.

The basic rate for a 10 storey building would work out to: (0.1*18/12) + (0.004*7) + 0.001(add basement) =0.179%. The following loadings would then have to be added to the basic rate:
Rate for flood: 0.015*18/12 = 0.0225%
Rate for earthquake risk =0.02*18/12=0.03%
TPL extension: Owing to the locational exposure, use maximum loading: 20%*0.1 = 0.02%
Design cover: Take 15%:15%*0.1 = 0.015%
Overtime: 5%*0.1 =0.005%
Extended maintenance: Take 10% i.e. 10%*0.1 =0.01
The total rate would be equal to 0.2815%

On a pure technical basis, the rate of 0.2815% should be charged for this project. However, there are other factors that will influence the final price charged such as the deductibles, sub-limits and exclusions. It is important to remember that rating manuals are pure guides. Thus, an underwriter can vary the recommended loadings up or down based on experience and circumstances of the risk, with justifiable reasons.

As with all classes of insurance, the resulting rate will accommodate the expected loss, acquisition costs, profit margin, administration expenses and cost of capital.

Thus, technical pricing ensures that a risk is adequately priced, based on the circumstances of the risk, underwriting information presented, scope of cover provided and assessment of the exposures. Each component that has an effect on the risk covered will have an impact on the price. If the Underwriter's knowledge of these components is limited, adequate technical price of the risk cannot be realised. The final rate calculated is still an estimate and is usually a benchmark for a negotiated deal.

The era of technical pricing has largely been affected by developments in the insurance industry in the last two decades. Insurance companies can now access huge financial capacities to write any kind of business they so wish at their preferred price levels as well as seek adequate reinsurance protection for their net retained lines. This has led to cut –throat competition between industry players owing to excess capacities available which has driven price margins drastically down, leading to soft market conditions. In order to salvage the situation, restore sanity and protect the industry, markets have come up with price regulatory mechanisms.

4. Conclusion

Underwriters hitherto used rating manuals alone to assess risks and charged the basic rates per occupancy, without adequately factoring in the additional scope of covers requested or inherent exposures such as high flood or earthquake risks. Consequently, insurers were putting substantial portions of their capacities at risk for free, as certain exposures were not charged. This means that the insurer is not building sufficient reserves for future expected losses. In case of claims resulting from these unpriced exposures, insurers will continue to bear the liability thus depleting their reserves owing to inadequate pricing of risks. Whilst enforcement of technical pricing regulations in various markets has encountered stiff challenges, benefits accrued can be seen from the growth of insurance market premiums in the last couple of years. This is evident from the few markets that have endeavoured to achieve this practice such as Kenya. The need for technical pricing cannot be over emphasised as adequate underwriting information, coupled with prudent assessment of the risk during the underwriting stage (and not claims stage) leads to underwriting excellence. It is said that if you do not get it right at the time of underwriting a risk, you will get it right at the time of paying the claim.

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Assurance Providers: Avoiding Duplication of Efforts

By

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1. Introduction

Drawing lessons from high profile bankruptcies of major groups in the recent past, companies have realised the need to manage all risks that may jeopardize their existence and development. Accordingly, a number of them have put in place the necessary structures that would enable them identify such risks for effective management. The ultimate goal is to provide an assurance that management has taken the necessary actions to mitigate the risks identified on the targets or strategies. It is within such a context that internal audit is given the responsibility to independently scrutinize risk management, control and governance.

This article highlights the nature of assurance and the sources from which the necessary inputs may be obtained. It then establishes the difference between Consulting and Auditing and goes on to indicate the limitations of internal audit and the need for complementary services from other assurance providers. The framework necessary for the management of major risks is discussed at length in the light of the importance of such risks. Assurance mapping also features in the article. It provides visual aid for determining the adequacy or otherwise of assurances provided in respect of risks and also for compliance needs. The article then discusses the role which the Chief Audit Inspector should play to eliminate duplication of efforts by Assurance Providers. In concluding, a case is made for Internal Auditors to develop combined Assurance so as to widen the scope and depth of the assurances which they provide.

2. Nature of Assurance

Assurance can be referred to as "all the control functions that help management and the board of a company to achieve strategic, operational, compliance and reporting objectives". The concept of assurance is based on five components which can be linked together as follows:

"Assurance is added information or conclusion (1) reached by the assurance provider (2) and provided to the interested parties (3) as to whether the subject matter (4) achieves or satisfies the relevant criteria" (5) Assurance therefore connects assurance providers and third party recipients around specific goals with known benchmarks. For assurance to be credible, it has to be acceptable, useful and constructive. The credibility of assurance depends on competence, independence, objectivity and the specific target.

- Competence: knowledge of the risk and the controls put in place;
- Independence and objectivity: impartiality of the assurance provider;
- Target: one or several risks or controls.

Three groups are involved in the activities of assurance providers, namely:

- Members of the audited entity that produces and/or prepares the data;
- Internal and external auditors who are responsible for providing independent and objective assurance as well as those who provide control and oversight functions at the different levels of the company;
- Decision-makers who use the results of the first two groups for decision-making namely the board of directors, management and other stakeholders.

3. Consulting and Assurance

The function of an assurance provider is based on the objective consideration of the facts in order to independently give an opinion (assurance) on the adequacy of the governance and control structures regarding the risks identified. The function of consulting is quite similar to that of an assurance provider and involves advice on the activities of the client. The nature and scope of consulting are agreed in advance and the aim is to improve the organization and activities in the areas examined.

Although the two practices appear similar, there are still some areas of incompatibility which are highlighted below.

Objective of assignment

- The aim of consulting is improvement;
- Assurance evaluates the processes depending on set criteria in order to measure their adequacy against the risks identified.

Number of stakeholders

- Two parties are involved in consulting namely, the consultant and the client;
- Apart from auditees and the auditors, assurance providers can report to management, audit committee or to other stakeholders.

Modus operandi

- With consulting, the consultant and his client agree in advance on the area and scope of the assignment. There is no emphasis on independence.
- As regards assurance, the auditors are supposed to independently determine the scope and areas where assurance will be provided.

Needless to add that internal auditors can also work as consultants in various areas and activities.

4. Limitations of Internal Audit

According to the International Standard for Professional Practice of Internal Auditing, internal audit has to provide assurance on the adequacy of governance, risk management and related controls. Indeed, as an independent body Internal Audit gives opinion/finding (assurance) on all areas where risks can affect the achievement of targets or the future of the company.

However, internal audit may not always have all the necessary resources for all assurance needs and subject to certain safeguards, it may have to employ the services of other assurance providers/ specialists.

5. Assurance Providers

5.1 Classes of Providers

There are three categories of assurance providers who may be classified in accordance with the recipients of their reports:

- Assurance provider who reports to the board directly or indirectly through standing or ad-hoc committees;
- Assurance provider who reports to other stakeholders;
- Assurance provider who reports to the company (management, department etc.).

Examples of Assurance Providers are listed below.

- Internal and external auditors;
- Risk management and compliance specialists;
- Quality controllers;
- Fraud investigators;
- Financial reviewer (consolidation);
- Safety and health specialists;
- Inspectors;
- IT Specialists;
- Supervisory organs;
- Subordinate staff;
- Actuaries (internal and external).

The list is not exhaustive as assurance covers a wide range of issues and the need for such intervention varies from company to company. Furthermore, new situations may even arise which may call for special kinds of assurance not ever contemplated. The assurance provider should have in place necessary infrastructure namely, procedures and policies, planning and documentation. As would be expected, the level and quality of the assurance provided would depend on the Assurance Provider's understanding of the risk and his/her capacity to be objective and independent. The Provider should also be able to leverage on the company's experience regarding the control, governance, risk management design and established structures.

The risk scope, management structures and activities of companies are ever changing and assurance providers should therefore follow emerging trends to enable them rise to new challenges. One needs to add that the existence of different assurance providers in a company does not necessarily guarantee effective risk management as no organ can claim to provide absolute assurance in every domain.

5.2 External assurance providers
It needs no emphasis that external assurance providers can improve the chances of effectively and completely covering all the major risks and controls. The advantages and disadvantages of utilising the services of other Assurance providers are highlighted below.

(a) Advantages

- They could help to put in place new techniques to detect control weaknesses and possible errors, thereby opening the way for a rapid response from managers; with such new techniques, managers can find solutions to problems they have identified;
- The use of a network of assurance providers, in collaboration with the internal Audit, can give an overall view from different perspectives.

b) Disadvantages

Some of the drawbacks are as follows:

- Major weaknesses in the system can elude other assurance providers;
- They may neglect important fields that are not covered by their counterparts due to lack of independence vis-à -vis the company;
- They may focus on issues that are outside the context or considered of less importance by internal audit on account of the differences in risk assessment approach/ methodologies.

6. Major Risks and Assurance Framework

The Board of Directors of companies usually plays an important role in oversight and strategic decision-making. To successfully carry out its responsibilities, the board turns to executive management, in charge of the day-to-day administration of the company. The Board also needs to take stock of the measures put in place to check the negative effect of risks, particularly major risks that can significantly impact the activities and the future of the company.

The onus is therefore on the assurance provider to diagnose and ensure the adequacy of risk management, control and governance. For efficiency, the assurance providers should focus primarily on significant risks and ensure that the relevant risk management structure incorporates an appropriate methodology and framework to identify and document risks.

In this connection, the first line of defence (Manager) would ensure that risks are identified and necessary controls are instituted.
Identification necessarily requires the establishment of a data base, the largest possible, of all processes in force in all business units of the Corporation. Such profiling would provide the necessary insights as to the risks that could affect the processes in the various business units. This information is of value as it would enable the assurance provider measure the adequacy and efficiency of the controls put in place in respect of the risks categorised as major.

Needless to add that this risk-based approach makes it possible for the assurance provider to raise the level and quality of assurance depending on the significance of the risk. In collaboration with the first line of defence, the assurance provider should make sure that the following stages are covered:

1) Identification of all the Company's business units;
2) Identification of all processes in force in each business unit;
3) Identification, documentation and classification of all risks likely to affect one or many processes;
4) Establishment of controls (mitigation) likely to check or lessen the effects of risks identified;
5) Periodic evaluation of each of the foregoing stages to ensure its adaptation and efficiency. In the event that a major change is noticed, the necessary adjustment would have to be made.

The list of the major risks, processes and functions of the third line of defence (internal audit) may involve assurance mapping which visually indicates how the various risks and compliance are covered by the different assurance providers.

7. Assurance mapping

As earlier indicated, assurance mapping is often required to determine the coverage provided by the three lines of defence (managers, risk management / compliance and internal audit). Such mapping is conducted by placing the three lines of defence horizontally and the risks vertically - generally major risks - whose coverage is being checked. This provides a visual representation of the adequacy or otherwise of the assurance provided in respect of risks and compliance needs.

Assurance mapping has merits which make it possible to measure, displace or adapt given assurances. In particular, the visual representation makes it possible to achieve the following:

- Determine mitigation that is necessary to better handle the major risks;
- Proffer the most appropriate solutions. For instance, by modifying

the audit plan or by engaging consultants;

- Represent the assurance overlaps or areas not covered by any assurance.

Assurance mapping may be carried out in respect of risk, function or process as may be required. An example relating to Reinsurance Company is provided below.

Risks	Risk owner	Strategic objectives	Controls in place	Managers (1st line) : Identification of risk and implementation of corrective actions	Assurance providers (2nd line) : Design and establishment of procedures, guidelines and compliance	Internal Audit, Technical Inspection (3rd line) independent assurance, evaluates and reports on assurances and assurance providers and assurances at the level of the entity.	Assurance rating	Adequate assurance? Yes/no	Corrective action
Fraud & Errors		Zero fraud	Operating procedures Anti-fraud policy	Reporting on targeted fraud areas Fraud prevention policy	Anti-fraud prevention and policy checks/ compliance	Review on implementation of policies and procedures	green	Y	
Service to customers		Mandatory Three days claims / balances payment policy	Monthly report on claims/ balances paid	Reporting on competitor policies and practices	Compliance checks	Implementation And exception reporting	red	N	Ensure monthly report and competitor policies and practices are available in time
Technical assistance to cedants	Underwriting department	Accurate training programs delivery	Feedback from cedants reporting	Training needs reporting	Compliance checks and reporting	Training programs adequacy	green	Y	

8. Co-ordinating the Services of Assurance Providers

As has already been noted, the provision of assurance is not reserved for internal audit alone. Assurance must therefore be properly rationalized and harmonized to be of value to the recipient. In this connection therefore, *Standard 2050 on coordination states that:* The chief audit executive should share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimize duplication of efforts.

In fact, in a number of companies, external assurance providers have been assigned tasks with regard to IT risks, quality control of finished products, periodic financial statements and compliance with laws and standards of supervisory authorities. Such interventions must be properly managed and internal Audit should therefore have the necessary skills to ensure efficient coordination and distribution of tasks and resources to avoid duplication and possible misunderstanding in categorizing major risks.

The availability of assurance map, which is an important working tool, should greatly assist Internal Auditors to achieve the desired objective as it would enable them to identify the areas (significant risks) to focus on, and determine what to outsource to

Assurance providers. The need for such coordination of the activities of Assurance providers by the Internal Audit is critical as internal audit has to provide the Board of Directors assurance for its oversight functions.

In order to effectively carry out this function internal audit has to take into account all the assurances in order to have a comprehensive and integrated model. Accordingly, internal audit has to ensure that:

- The other assurance providers have the relevant skills and qualification ;
- The scope and frequency of their work are enough to manage the risks covered by their audit work;
- The approach and methodology are appropriate;
- Conflict of interest should not undermine the independence, quality and objectivity of their work ;
- The quality and credibility of their work are acceptable.

9.0 Conclusion

Internal Audit plays an important role in providing Management and the Board necessary assurance for their respective functions. Consequently, it has to assess significant risks on which it expends efforts and other resources. Internal audit may not be able to provide absolute assurance on every issue and has to seek inputs from other assurance providers. In this connection, internal audit establishes a complete risk map to identify and assess potential assurance providers who may be relied upon for the provision of the necessary services. Given the complexity of such an arrangement, a case may be made for Internal Auditors to be given the leeway to develop combined assurance that allows them to expand the scope of their functions. This would help to avoid possible duplication of efforts inherent in the provision of assurance by an array of Providers over which internal audit has no control.

Renewable Energy: Opportunities for the African Insurance Industry

By

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Renewable energies are a daunting challenge of the 21st century and have to be part and parcel of our future on several accounts. Firstly, they fully contribute to the rise of a carbon-free economic development, a major problem that was highlighted during COP21. It is now scientifically proven that global warming, observed by climatologists for several decades, is due to the effects of human activity.

This finding, that the causes of global warming are human, has been challenged for long, sometimes by sceptical scientists, at times by some lobbysts who see the fight against global warming as clearly contrary to their economic interests, and will always be questioned by a small minority who refuse to reason due to their beliefs or ideology. Though there is still resistance today on the issue, most political, economic and social stakeholders recognize the causes and consequences of the phenomenon of global warming.

According to GIECi, energy production is one of the major sources of greenhouse gas emissions. The other sources are mainly agriculture – intensive livestock breeding- urbanisation and transportation.

In this context, renewable energies are one of the few opportunities of producing energy without carbon emission, or very low emission, with the advantage that it is harmless for humans compared to nuclear energy, which is also carbon-free.

Secondly, renewable energies are revolutionizing energy production and distribution. Indeed, the main sources of energy since the start of the 20th century are coal, gas and petroleum, unevenly distributed geographically. No iota of the situation changed with the advent of nuclear energy as uranium is an unevenly distributed non-renewable resource. In addition, fossil fuel, gas or nuclear energies require such investments that stakeholders capable of investing are structurally limited. This has resulted in a limited number of states and companies producing and distributing energy at the expense of redistribution of wealth; this is a consequence of monopolies or oligopolies that sometimes undermine the sovereignty of other countries or populations.

Conversely, the sources of renewable energies namely, wind, sun, water, underground heat or biogas, are available everywhere, and are equally inexhaustible. Finally, they have the advantage that they require low investments, a few thousand euros, or large scale according to the size of the projects and the investors.

Thus, renewable energies have several advantages: no greenhouse gas emissions, no atmospheric pollution, inexhaustible resources, development of local projects by large and small stakeholders namely, individuals, states, small and medium-sized enterprises, local communities as well as large energy providers thereby promoting

employment and the growth of local economies.

In this particularly enabling context, developed countries, especially Europe, have invested massively in the research, development and use of these energies over the past twenty years, followed by the United States and Asia, particularly China.

For many years, Africa has embraced this movement. The continent will be one of the major players in the medium term for several reasons: the need to build sometimes inexistent networks, facilitating development and growth, which is more dynamic than in the other continents and its privileged access to the sun - one of the main sources of energy.

It is an immense opportunity for Africa, the possibility to demonstrate that human development can be sustainable, and avoid the ecological disaster of the model initiated by Europe, North America, and massively deployed by Asia.

Like all the other financial stakeholders, insurers, without whom most projects would fail, have the responsibility to facilitate the growth of renewable energies. This responsibility, which is a vital human concern is equally economically profitable.

A constantly increasing number of renewable energy plants are being built over the years presenting the characteristics necessary for a viable and sustainable insurability. These

characteristics are known: a sufficient and consistent number of risk factors which enable a statistical approach to obtain reliable technical results.

Here are some figures on the situation in Europe by late 2013: installed onshore wind power capacity stood at 117 740.9 MW corresponding to over 55 000 installed turbines and investment of about € 153 billion. The photovoltaic installed capacity stood at 79 622 MW at the end of 2013, representing an insurable sum of about €95 billion. All of these power stations are insured be it property insurance – erection all risks, machinery breakdown, revenue losses – or third-party insurance.

This sector represents a specific market of interested insurers and brokers. The sector's growth and results over the past 10 years confirm our view, with overall positive combined ratios and an annual average growth of about 10%.

As in any insurance activity, understanding risks remains a prerequisite for growth in this sector. Indeed, there are risk prevention and protection rules which should be implemented to limit the exposure of energy power stations to the hazards covered by the insurer. The knowledge of the technologies used by operators, the methods and commitments with regard to the maintenance of facilities are also key in pricing and determination of deductibles.

On these topics, linked to risk underwriting, insurance markets in each African country can clearly rely on the feedback from pan-African or European markets. Reinsurance probably provides one of the best solutions considering its overall vision and vested interest in facilitating the understanding of risks by cedants.

The Tunisian Insurance Market after the Revolution

By

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1.0 Introduction

The year 2011 was marked by the revolution of 14 January in Tunisia and its repercussions on the entire region. On 23 October 2011, Tunisia had the first democratic election since independence in 1956. The election of a constituent Assembly ushered in a transition phase and during this period, political and security problems dampened economic difficulties in in the country. Thus, investment, exports and tourism dropped and even stagnated and, as a result, economic growth slowed down.

The revolution revealed the extent of the structural weaknesses of the country: regional disparities, unemployment of young graduates and governance. But, despite these shortcomings, medium term prospects remain encouraging. Tunisia is expected to attract new capital inflow as it focusses more on transparency and the establishment of new companies. The country can rely on highly qualified local manpower, a dynamic private sector and its strategic geographical position - the meeting point of the European and African continents.

Today, the most important challenge facing Tunisia is to speed up reforms that would boost economic growth. Needless to add that the insurance industry is one of the sectors most concerned with such reforms for several reasons. It is a strategic sector in every modern economy and an area of activity that is influenced by economic, financial and socio-cultural developments. Tunisia has always taken into account these three elements in all reform initiatives of the insurance industry. The solidity of the sector is increasingly gaining the attention of the national regulator and international institutions especially the European Union and the World Bank, which recently funded two in-depth studies on the market. These studies are expected to provide the necessary insights that would enable the industry fully play its role as a catalyst of socio-economic development.

This paper presents the insurance sector of Tunisia, its performance during the 2011 events and the effect of the revolution on its development. It concludes by highlighting the recommendations of the recent studies and the reform trends in the market.

2.0 The Insurance Industry in Tunisia

2.1 Organizational framework

Insurance was introduced in Tunisia at the end of the 19th century by the French regime and up to the time of independence, the Tunisian insurance market was dominated by foreign companies. However, at independence, Tunisia made a legislative effort by laying down the regulatory framework to better integrate insurance into the economic and social life. Thus, Société tunisienne d'assurance et de réassurance (STAR) was set up in 1958 with the direct participation of the State as part of the plan to revitalize the sector. Subsequently, several private Tunisian companies were established in the 1960s and 1970s which took over the portfolios of foreign companies.

On 25 March 1981, the first national professional reinsurer in Tunisia - Tunis Re – saw the light of day. Reinsurance represents an important sector in the insurance industry. It is in fact the backbone of the insurance industry and among other things it enables cedants to cope with peak risks thereby ensuring that the industry plays its role as a vital pillar in the financial sector.

It was not until 1992 that the effort to codify the insurance law materialized, with the promulgation of the insurance code. The code defined the contractual relationship between insurers and the insured, laid down the conditions for approval and prudential control of insurance companies and set out conditions for the practice of professionals who provide ancillary services in the industry.

2.2 Market size

At present, the Tunisian insurance market has 23 domestic companies and 4 off-shore companies. Twenty of the domestic companies are limited liability companies and three are mutual companies.

Most of the companies are multi-line while some have specialized in specific classes. There are five life insurance companies, one credit insurance company and one reinsurer. Furthermore, three new companies have specialized in Takaful insurance.

The written premium in 2014 stood at 1,527.4 million Tunisian dinar, representing about 6.9% growth, compared to 2013. Table 1 provides the production levels from 2010 to 2014.

Table 1: GDP, Premium income and Insurance Penetration

Currency: million Tunisian dirham

Item	2010	2011	2012	2013	2014
GDP	63,364	64,566	71,332	76.351	82.977
Written premium	1,120.4	1,177.9	1,285.5	1,427.7	1,527.4
Penetration rate	1.77	1.82	1.80	1.85	1.84

2.3 Market Performance

In a particularly challenging post-revolution economic environment where the major indicators such as GDP growth rate, inflation rate, unemployment rate and trade balance are on the decline, economic recovery has naturally slowed down in Tunisia. This development has negatively impacted all the sectors of the economy. The insurance industry has not been spared and as a result its contribution to the Tunisian economy remains insignificant. Although the overall insurance market is slightly in surplus, it is still growing below its real potential. This situation is reflected by the following indicators.

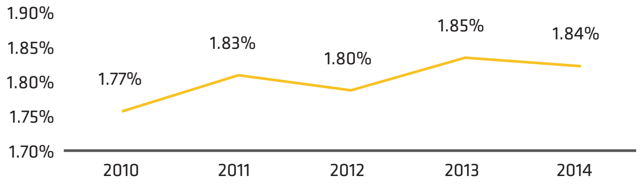
2.3.1 Insurance Penetration

A premium/GDP rate of 1.84%, indicated in Table 1, is low, compared to a global average of 6.5%. However, when compared with the other countries of the MENA region, Tunisia is 4th and 2nd in the Maghreb, after Morocco (3%) and ahead of Algeria which has a penetration of 0.8%.

The graph below illustrates the trend of insurance penetration from 2010 to 2014.

The graph below illustrates the trend of insurance penetration from 2010 to 2014.

Table 2: Insurance Penetration



Indeed, the use of insurance services and products by corporate bodies and individuals is not yet fully entrenched in the Tunisian society. A major reason for this is the low awareness of the role which insurance can play as a risk management instrument. In fact, compulsory insurance still represents a significant share of about 50% of the market.

2.3.2 Premium per capita

Premium per capita increased from 98.3 dinars in 2009 to 139.1 dinars in 2014 (US$73.2), representing an average annual increase of 7.2% over the period (2009-2014). As indicated in Table 2, the premium per capita has continued to increase since 2011. It is worth noting that the premiums include a significant proportion of motor insurance with a premium per capita amounting to TD 63.2 in 2014 compared to TD 58.7 in 2013, TD54.759 in 2012, TD50.431 in 2011 and TD45.5 in 2009.

Table 3: Population, Premium income and premium per capita

Currency: Tunisian dinar

Item	2010	2011	2012	2013	2014
Population (Mil)	10.550	10.674	10.733	10.887	10.983
Written premium MillionTD	1 120.4	1 177.9	1 285.4	1 427.7	1 527.4
Premium per capita in TD	106.195	110.353	119.768	129.8	139.1

Despite its growth, insurance density in Tunisia remains very low, compared to the global average which was about US$662 in 2014. The gap is really wide, compared to the developed market. In 2014, the figures for premium per capita were US$7,701 in Switzerland, Great Britain (US$4561), France (US$3736) and United States (US$3979). Insurance density in Tunisia is still low as compared to other emerging economies such as Brazil (US$443), Lebanon (US$341), Mexico (US$223) and Turkey (US$166).

2.4 Mobilization of savings

In contrast to the experience in the developed countries where life assurance and annuity constitute a significant proportion of market premium income (more than 50%), life insurance premium income is still low in Tunisia, representing about 15 % of market production. Life insurance business is dominated by simple covers such as term assurance policies that are tied to housing and capital equipment loans and recently to leasing operations.

3.0 The Tunisian insurance market after the revolution

3.1 Impact of the crisis on the industry

The response to the events, resulting from the revolution which Tunisia faced in 2011, clearly demonstrated the commitment, support and understanding of all the stakeholders, especially the officials of the insurance institutions in Tunisia, who had to work together to meet the exigencies of the economic recovery of the country in a post-revolution context.

The damage caused during the revolution affected several insured industrial and business units:

- 71 industrial units
- 144 business centres
- 322 banking agencies
- 33 telecommunication agencies
- 46 from other sectors

In order to speed up claim payments, the industry and the relevant authorities had to reach a consensus on the legal status of the events as to whether the losses qualified for payment. In addition, a crisis unit was set up in insurance companies to handle complaints from victims. The insured damages were estimated between 800 million and 900 million Tunisian dinar with guaranteed settlement between 200 million and 250 million Tunisian dinar on the basis of a coverage limit of 25% of the insured value.

The events revealed that some companies had no insurance protection and even where it was available, there was flagrant under-insurance of risks. The Authorities had to take exceptional measures by setting up a fund guaranteed by the State to help those without appropriate insurance covers. From all indications, the industry handled the 2011 crisis very well.

3.2 Performance of the market after the revolution

The insurance market has been able to cope with the difficult situations in the last few years after the crisis and has indeed shown positive signs of redressing the catastrophic situation of the 2011 claims experience.

The table below provides the market profile for 2009-2014. The compound annual growth rate, CAGR, of premium income over the period 2010 - 2014 was 8.1%. The figures indicate that even after the catastrophic events of 2011, premium income recorded an annual growth rate of 9.0% over the period 2012-2014.

Table 4: Market Profile

Currency: million Tunisian dinar

						Growth, CAGR		Growth
	2009	2010	2011	2012	2013	2009/2013	2014*	2013/2014
WRITTEN PREMIUM	1 026.23	1 120.36	1 177.91	1 285.47	1 412.67	8.3%	1 527.40	8.1%
CLAIMS PAID	600.25	602.37	712.04	726.06	848.10	9.3%	834.60	-1.6%
MANAGEMENT EXPENSES	181.42	209.25	225.58	265.39	303.50	14.0%		
PROVISIONS	2 045.70	2 282.72	2 633.74	2 900.10	3 076.10	10.8%		
INVESTMENTS	2 243.37	2 494.77	2 771.66	3 414.60	3 118.10	8.6%	3 883.80	24.6%
NET TECHNICAL RESULTS	125.53	101.73	47.40	54.10	87.80	-0.2%		

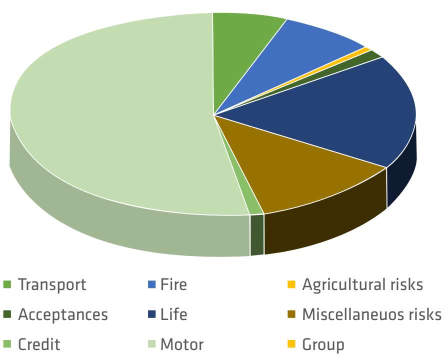
The market is dominated by the property class and particularly motor insurance which generated on average of 45% of the total premium income, as noted in Table 4.

Table 5: Breakdown of Market Premium income

Currency: million Tunisian dinar

	2010	2011	2012	2013	2014	Growth
Premium income	1 120.3	1 178.6	1 287.7	1 412.7	1 527.4	8.1%
Motor	517	538	587	639	694	8.6%
Life	162	177	200	221	259	17.1%
Other	441.3	463.3	500.7	552.7	574.4	3.9%

Distribution of Written Premium per Class: 2013



The market share of life insurance was less than 9.8 % in 2006 and has been improving ever since, reaching 15 % in 2012 ,15.6% in 2013 and 17% in 2014.

Claims Experience

The total claims paid jumped up from about 600 million Tunisian dinar in 2010 to 710 million Tunisian dinar during the revolution, in 2011. Payments increased further by about 1.9 % to 724 million Tunisian dinar a year after the revolution in 2012, reaching a peak of 848 million dinar in 2013 and thereafter slowing down to 835 million Tunisian dinar 2014.

Table 6: Claims expenditure

Currency: million Tunisian dinar

	2010	2011	2012	2013	2014	Growth
Claims	599.7	709.8	723.9	848.1	834.6	-1.6%
Motor	337	360	376	422	454	7.5%
Life	32	43	51	64	64	0%
Others	230.7	306.8	296.9	362.1	316.6	-12.6%

Investments

As an institutional investor, the cumulated investments of the sector in 2014, as indicated in table 6, amounted to 3883.8 million Tunisian dinar as against 3414.6 million Tunisian dinar in 2013, representing 13.7% increase. Fixed income securities represented 53% while investment in equities ranked second with a 23% share.

Table 7: Investments

Currency: million Tunisian dinar

	2010	2011	2012	2013	2014	Growth
Investment	2 590.8	2 887.6	3 118.1	3 414.6	3 883.8	13.7%
Non-Life		2 321	2 474	2 635	3 008.8	14.2%
Life		566.6	644.1	779	875	12.3%

The total investment, as compared to technical provisions, provided the market with a coverage of about 111% in 2013, compared to 107.5% in 2012 and 109.2% in 2011. Furthermore, the market recorded a profit after tax of 82.5 million dinar in 2013, compared to 53.7 million dinar in 2012 and 70.1 million dinar in 2011.

3.3 Orientations of the current reform

Five years after the 2011 revolution and a transition period that appears to be on the right track, indicators from the insurance sector in Tunisia confirm the existence of a well-established platform that can provide additional impetus to the sector in the mobilization of savings and funding of the economy.

Needless to indicate that hope and willpower are driving our efforts as we develop and further consolidate this sector with the initiation and implementation of a reform package as part of public/private sector programme - a contract that spreads over a five-year period (2016-2020) and has the following objectives:

- Strengthen the structure, organisation and financial position of the companies and the sector at large
- Enhance diversification and improve the performance of the sector
- Contribute to the economic and social development of Tunisia, especially by improving the coverage of risks and mobilization of domestic savings.

These reforms are expected to streamline the sector, consolidate the basics through far-reaching initiatives that are aimed at improving transparency, financial strength of players, and enhancing the prospects of the industry. Some difficult lines like motor insurance will be reformed. Indeed neither the market players nor the policy holders are satisfied with the performance and contribution of this portfolio to the development of the insurance sector. It has therefore, been necessary to stabilise the class by improving on the quality of its services and products and thereby end the irregularities that have seriously undermined the insurance industry. It is true that motor is just a class of business, but it significantly influences the image of the sector as a whole.

The reforms also aim at growing underdeveloped classes such as life insurance which is a very promising class with great prospects, and whose contribution to the development of other sectors of the economy is very important, considering its role as a source of long term investible funds.

The reforms would promote and reinforce positive control measures in order to provide « reasonable insurance » that meets the special requirements of the industry. Needless to add that the sector requires special attention that would ensure total compliance with standards and rules of prudential management and a financial regime that guarantee the proper use of resources.

4.0 Conclusion

There are clearly favourable conditions for the insurance market in Tunisia to move on to the next level of growth. Indeed, the achievements recorded so far- a reformed legal framework, simplified and streamlined taxation, a special accounting regime- constitute an enabling environment that can promote and reinforce new reform actions.

However, the revival of the sector would first involve its upgrade by modernizing management methods, strengthening financial and technical know-how, improving on services and products and adapting them to the needs of consumers. The effort to revitalize the insurance sector is an initiative expected by the stakeholders who would readily support it. In this connection, the Tunisian Federation of insurance companies would play a significant role, particularly with regard to the sensitization and manpower development, necessary for the progress of the market.

NEWS FROM THE REGIONS
East Africa

A. Economic Environment

Kenya
Kenya's economy gained some steam in the third quarter of 2015, growing an annual 5.8%. This was supported by healthy gains in agriculture, construction, financial services and commerce.

The projected GDP growth is 6.0% for 2016 and expected to be 6.2% in 2017.

Ethiopia
The International Monetary Fund (IMF) ranks Ethiopia as among the five fastest growing economies in the world.

Large-scale investment projects and a solid performance in manufacturing should sustain another year of robust growth and expect GDP to expand 8.5% in FY 2015/2016. In FY 2016/2017 the growth is expected moderating to 8.1%

Malawi
The Government is optimistic that economic growth would pick up to more than 4% in 2016 from about 3% last year. The country has suffered floods, then drought last year which affects the productivity of the agriculture sector.

Tanzania
The Tanzanian economy grew a robust 6.3% in Q3 2015 compared to the same period of the previous year, which marked a deceleration from the 7.9% growth tallied in Q2. Growth in Q3 was fueled by double-digit expansions in construction, transportation and public spending. GDP in 2016 is expected to expand by 6.8% and 6.9% in 2017.

Uganda
In 2015, economic challenges deepened in Uganda and the story is not likely to be different in 2016. Relatively-weak commodity prices are weighing heavily on earnings for traditional export goods such as coffee. Experts project a GDP growth rate of 5.6% in 2016 and 6.0% in 2017.

Zambia
2015 was a turbulent year for Zambia and 2016 will likely be a challenge for the economy as well. However, although headwinds will hamper growth prospects in Zambia, foreign investment interest is promising, which could translate into growth in a number of sectors across the economy. The GDP growth rate is forecast to be 3.9% in 2016 and accelerate to 5.1% in 2017.

B. New Companies/Mergers/Acquisition/Closures/Legislations

New Companies

Kenya

Zambia
1. Zambezi Reinsurance Company
2. A Plus Life Assurance Company Limited
3. Liberty Life

Ethiopia
1. Addis Insurance S.C. is under formation.
2. Ethio Re is under formation.

Uganda
1. NIKO Insurance Uganda changed its name and rebranded to be called Sanlam General Insurance Uganda.
2. Liberty Holdings Acquired 51% stake in East African Underwriters
3. Prudential Assurance UK bought the Life license of Goldstar Insurance Company

Tanzania
NIKO Insurance Tanzania also changed name and rebranded to be called Sanlam General Insurance Tanzania.

C. Appointments

Kenya

Mr. James Ngunjiri was appointed Chief Executive Officer of APA Life. He was formerly CEO of Madison Insurance Kenya.

NEWS FROM THE REGIONS

East Africa

Mr. Jerim Otieno was appointed Group Managing Director, Life Business of UAP-Old Mutual Group. Prior to his new appointment, he was the Managing Director of CIC Life Assurance Company Limited Kenya.

Mrs. Lydia Kibaara was appointed Managing Director of Saham Assurance Company Kenya Limited.

Mr. Stephen Okundi was appointed Chief Executive Officer (General Insurance) for Metropolitan Cannon.

Mr. George Kuria was appointed CEO/Principal Officer of Gateway Insurance Co. Ltd.

Mr. Joshua Njiru was appointed Managing Director of Madison Insurance Company Kenya Limited.

Mr. Simba Chinyemba was appointed Country Head & Chief Executive Officer of Metropolitan Cannon Life Assurance, Kenya.

Mr. Dietmar Raich was appointed Group CEO of Jubilee Insurance Company.

Mr. Ezekiel Owuor was appointed Managing Director of CIC Life Assurance Kenya.

Malawi

Mr. Bywell Chiwoni was appointed Acting Managing Director of United General Insurance Company Limited.

South Sudan

Mr. Michael Mugo was appointed the Managing Director of CIC Africa Insurance (SS) Limited.

Uganda

Mr. Gary Corbit was appointed CEO of Sanlam General.

NEWS FROM THE REGIONS

East Africa

Mr. John Lintari was appointed CEO for Sanlam Life Assurance Uganda.

Mr. C.K Srinivasan was appointed Acting Managing Director for Phoenix of Uganda Assurance Co. Limited.

Mr. Stephen Karoki was appointed CEO for Rio Insurance Company Limited following the restructuring of the company's operations done in the second half of 2015.

Mr. Srinivasan Ramabadran is the new CEO of Nova Insurance Uganda. He joined Nova Insurance from General Alliance Insurance Company, Malawi where he was the Chief Executive Officer.

Mr. Ronald Musoke was appointed Chief Executive Officer of Uganda Re.

Mr. Vyasha has been appointed Chief Executive Officer of First Insurance.

Mr. Ajik Kumar was appointed General Manager, Jubilee Life Insurance Company Uganda.

Mr. Kalule was appointed Ag. Managing Director, Pax Insurance Company.

Rwanda

Betty Sayinzoga was appointed Chief Executive Officer of Prime Life Insurance Limited Rwanda.

Zambia

M. Nyambe Libakeng'i was appointed CEO of Zambezi Re.

Ethiopia

Mr. Alemayehu Teferra was appointed Chief Executive Officer of Berhan Insurance Company.

D. Major Losses

Kenya

Vitafoam Company Ltd – Massive Fire claim occurred on 27.06.2015 damaging whole building, stocks and machineries. Estimated gross amount USD 12 million inclusive of BI.

Mastermind Tobacco – A Fire occurred on 05.08.2015 in one of their warehouses damaging the stocks. Estimated gross amount USD 4.8 million.

Howard Humphreys- This is a Professional Indemnity claim with date of loss of 03.09.2013. Estimated gross amount USD 3.8 million.

Mombasa Apparels – Fire claim occurred on 20.05.2015 damaging building, stocks and equipment. Estimated gross amount USD 3.7 million.

NEWS FROM THE REGIONS

East Africa

Biashara Masters Ltd - Fire claim occurred on 13.02.2015 damaging building and stocks. Estimated gross amount USD 2.4 million.

General Printers Ltd - Fire claim occurred on 21.06.2015 damaging stocks and machineries. Estimated gross amount USD 2.4 million.

Uganda

Crest Foam Ltd – Fire claim occurred on 09.03.2015 damaging building, stocks and machineries. Gross amount USD 1.6 million.

NEWS FROM THE REGIONS

North East Africa and the Middle East

Egypt

A. Awards, Conferences, Ratings and Acquisitions

Misr Insurance Co, Egypt was named Insurance Company of the Year during the first Africa Re "African Insurance Awards" ceremony on the sidelines of the 42nd Conference of the African Insurance Organization (AIO) in Tunisia.

Misr Insurance Co. Egypt has opened a representative office at Dubai International Financial Center (DIFC). The office was registered on 28 May 2015.

State-owned **Misr Insurance Holding Company** (MIHC), Egypt's largest insurance group, plans to take a 15% stake in the new reinsurance company in Egypt undergoing establishment .

FAIR Conference

The Egyptian insurance market and the Insurance Federation of Egypt hosted the 24th Conference of the Federation of Afro-Asian Insurers & Reinsurers "FAIR" that coincided with the celebration of the 50th Anniversary from 12 to 14 October 2015 in Cairo under the patronage of His Excellency the Prime Minister of Egypt. The theme of the Conference was: "Building on 50 Years of Regional Cooperation".

A.M. Best has assigned a financial strength rating of B++ (Good) and an issuer credit rating of "bbb" to Misr Insurance Company (Misr Insurance) (Egypt), a wholly owned subsidiary of Misr Insurance Holding Company (Misr Holding). The outlook assigned to both ratings is stable.

A.M. Best has assigned a financial strength rating of B++ (Good) and an issuer credit rating of "bbb" to Misr Life Insurance Company (Misr Life) (Egypt), a wholly owned subsidiary of Misr Insurance Holding Company (Misr Holding). The outlook assigned to both ratings is stable.

Following the acquisition of CHUBB by ACE, ACE Egypt has changed its name to CHUBB.

AXA group has fully acquired Commercial International Life Ins. Co. of Egypt (CIL).

B. Appointments

Dr. Ahmed Abdelsalam replaced Dr. Mohamed Ghazy as Chairman & Managing Director of Misr Life Insurance Co.

Mr. Abd Ellatif Sallam M.D of Wethaq Takaful Egypt has passed away.

NEWS FROM THE REGIONS
Maghreb

A. New companies/Acquisitions/Legislation

Algeria

New measures for the settlement of motor claims

The Chairman of the Algerian Union of Insurance and Reinsurance (UAR), Brahim Djamel Kessali, announced that insurance companies recently adopted new measures to speed up the settlement of motor claims.

Insurers therefore signed two inter-company agreements: "agreement to improve the use of average cost" and "agreement on the settlement of material motor damages" with the aim of improving the settlement of unpaid claims and providing mechanisms for systematic settlement of claims, Mr Kessali stated.

Three new licenses

Three new licenses have been granted to the following companies:

One insurance company:

- Algerian Gulf Life Insurance Company

Two brokerage firms:

- SAR « NNHBB Assurances »
- EURL « Diligence Assurance Courtage »

Morocco

Adoption of Law 59-13 to amend and supplement the Insurance Code

The Governing Council of Morocco has adopted Law 59-13 to amend and supplement the insurance code.Some provisions of Law 59-13 are as follows:

- Insurance and reinsurance companies can now exceed the 5% limit of assets deposited or invested outside Morocco, upon authorization of the authority.
- Establishment of the principle of risk-based solvency and improvement of corporate governance by reinforcing transparency.
- Fixing of the minimum guaranteed amount of 50 million dirham for third party hunting insurance.
- Review of the minimum guaranteed amount for third party motor liability insurance.

Reinsurance: rating to be taken into account while establishing technical provisions.

The Department of Insurance and Social Security published a decision relating to the method used to determine technical provisions of reinsurance companies. The department set a sort of scale to be observed by the two national reinsurers (Société centrale de réassurance –SCR- and Mamda Re). The level of technical provisions of the reinsurers will be determined based on the rating of their retrocessionnaires (reinsurers based abroad).

Establishment of Mamda Re in Morocco

This new company has been set up by la Mamda, the American group Partner Re and the French company "Mutuelle centrale de reassurance". Mamda Re has a capital of one billion dirham.

Saham Finances acquires a stake in the Nigerian reinsurer Continental Re

The Moroccan company, Saham Finances, has acquired a 53.6% stake in the capital of the Nigerian reinsurer- Continental Reinsurance PLC - through the consortium led by ECP Fund II. Set up in 1985, Continental Reinsurance PLC is based in Nigeria and is one of the major regional reinsurers.

The Moroccan company Saham acquires a company in Saudi Arabia

After acquiring the Nigerian company Unitrust and the Rwandese company Corar AG, the Moroccan insurer, Saham, has acquired the Saudi Arabian broker - Elite Assurance.

Saham Healthcare

The Saham group has set up Saham Healthcare, to start operating health insurance.

Saham has a 50% share of the property insurance of SODECOTON through its Cameroonian subsidiary

The Government of Cameroon has published the list of three companies that have won the contract (more than one billion CFA francs, representing about 17 million dirham) on the

NEWS FROM THE REGIONS
Maghreb

property insurance cover of Sodecoton for 2015, 2016 and 2017. The Cameroonian subsidiary of Saham has more than 50% share of the contract and two other companies (Activa Assurances and Zenith Assurances) share the remainder.

The Moroccan Federation of Insurance and Reinsurance (FMSAR)becomes a member of GFIA.
The Moroccan Federation of Insurance and Reinsurance (FMSAR) has become a fully-fledged member of the Global Federation of Insurance Associations (GFIA). FMSAR is the first Arab organization and the second in Africa, after South Africa, to join this prestigious international organization.

Mauritania

CDD now has a 42% stake in the capital of DAMANE Assurances
The Caisse de Dépôt et de Développement (CDD-publique) has acquired a 42% stake in one of the largest insurance companies in Mauritania namely, DAMANE Assurances. This transaction was done after Société Nationale Industrielle et Minière (SNIM) put back much of its shares on 15 October 2015. SNIM still has a 20% stake in DAMANE Assurances, EhelGhada (30%), Bouamatou Group (5%) and the other shareholders (3%).

Tunisia

World Bank recommendations for the motor insurance market
The World Bank published a study on the Tunisian motor insurance market. The key recommendations of the document published on 21 September 2015 are as follows:

- Fast track the payment of claims
- Set up a data base aimed at fostering the responsibility of policyholders and encouraging them to improve their driving.
- Introduction of compulsory insurance for smaller motorbikes.

AMI Assurances of Tunisia increases capital by 33 million dinars. The board of directors of AMI Assurances met on 28 August 2015 and decided to convene an extraordinary general assembly to take place on Saturday 3 October 2015 to increase the capital to 33 million dinars in par value and share premium.

B. Appointments/Retirements

Algeria

Mr Mokhtar Naouri has been appointed CEO of the Compagnie d'assurance des hydrocarbures (CASH).

Morocco

Mr Abderrahim Chaffai has been appointed Deputy Managing Director of Wafa Assurance in charge of Production, Services and Support.

Tunisia

Mr Hakim Ben Hamouda has been appointed Administrator of the Compagnie méditerranéenne d'assurance et de réassurance (Comar)-Mediterranean insurance and reinsurance company.

Mrs Nejla Moalla and Mr Abderrazak Lahiani have been appointed Managing Director and Board Chairman of Assurances Biat respectively.

Libya
Ahmed Ali Musbah has been appointed Chairman of the Libyan insurance company Qafela

NEWS FROM THE REGIONS

Maghreb

Major losses

Date of loss	Policy Holder	Country	Class	Description	Gross amount 100%
26/05/2015	BIMO	Algéria	Fire	Fire in BIMO factory	8,700,000
08/10/2015	ENNIE	Algéria	Fire	Fire in ENNI factory	9,300,000
07/10/2015	DOHA	Maroc	Fire	Fire in the head office of Douja Promotion	12,000,000
05/04/2015	FANTASIA	Maroc	Fire	Fire in the Fantasia warehouse	5,500,000

MANAGERIAL STAFF

HEADQUARTERS

Executive Management

	Managing Director/ Chief Executive Officer	Corneille KAREKEZI
	Deputy Managing Director/Chief Operating Officer	Ken AGHOGHOVBIA

Departments

Human Resources & Administration	Director	Raphael OBASOGIE
	Assistant Director, Human Resources & Administration	Guy Blaise FOKOU
Corporate Secretariat	Corporate Secretary	Séré Mady KABA
	Assistant Director, Corporate Secretariat & Language Services	Roger BONG BEKONDO
Finance & Accounts	Director	Seydou KONE
	Assistant Director, Treasury and Investments	George MENSAH
	Assistant Director, Financial Reporting	Janet KIUNGA
Central Operations	Director	Leonidas BARAGUNZWA
	Assistant Director, Retrocession, Research, Statistics and Development	Adewale ADEWUSI
Information and Communication Technology	Director	Aly SEYDI
Risk Management and Compliance	Director	Séré Mady KABA
Internal Audit	Deputy Director	Ousmane SARR

MANAGERIAL STAFF

	REGIONAL OFFICES	
Casablanca	Regional Director	Mohammed BELAZIZ
	Assistant Director, Finance & Administration	Eshan GAFFAR
	Assistant Director, IT	Mohamed SADRAOUI
Nairobi	Regional Director	Eunice MBOGO
	Assistant Director, Fin. & Administration	Jean-Paul TANKEU
	Assistant Director, Technical Operations	Kiiza BICHETERO
Abidjan	Regional Director	Patrick N'GUESSAN
	Assistant Director, Finance & Administration	Assemian O. ASSEMIAN
Mauritius	Regional Director	Marie-Agnès SANON
	Assistant Director, Finance & Administration	Moussa BAKAYOKO
	Assistant Director, Underwriting and Marketing	Israel MUCHENA
Cairo	Regional Director	Omar A. H. GOUDA
	Deputy Director, Technical Operations	Nasser MAHMOUD
	Assistant Director, Finance & Administration	Silifat AKINWALE
West Africa	Regional Director	Sory DIOMANDE
	Assistant Director, Underwriting & Marketing	Funmi OMOKHODION
South Africa	**SUBSIDIARIES**	
	Managing Director	Daryl De VOS
	General Manager, Finance & Administration	Ibrahim IBISOMI
	General Manager, Operations	John IZEGBU
Africa Retakaful	Managing Director	Omar A. H. GOUDA
	LOCAL OFFICE	
Addis Ababa	Local Representative	Shimelis BELAY

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