

**The 39th AGM of Africa RE in Abidjan,  
Côte d'Ivoire**

**The 2017 African Insurance Awards**

**Africa Re raises cyber risk awareness  
in Lagos in collaboration with Allianz  
Global Corporate Solutions (South Africa)**

**Africa Re and the role of the reinsurer  
in reconstructing national Assets after  
Insurable Losses**

“Resilience is accepting your new reality, even if it's less good than the one you had before. You can fight it, you can do nothing but scream about what you've lost, or you can accept that and try to put together something that's good.”

**-Elizabeth Edwards**

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## GMD /CEO Message

### 14th edition

The various resilience strategies adopted, in the past two years in the African corporate world are now gradually yielding results. Some businesses in the continent are getting back to growth while some have successfully stopped the loss trend to remain static. Indeed, Africa Re in 2016, was able to maintain its profit level at \$ 101 million against all odds. This gives reason to hope for better results in the coming years.

Africa is our home, our people and our market. Come rain come shine, we are present in the continent to listen to our people and participate in the mitigation of the risk they face every day in their work places, their homes, their environment, etc. This is a commitment Africa Re had made from the beginning. That is to help the insurance industry in Africa build enough capacity in order to insure everything insurable in the continent.

**“Africa Re will also continue to initiate projects to uphold good practices and innovations in insurance across Africa.”**

Adaptation and modernization also require from our part to carry out a thorough overhaul of our IT platform and tools in order to offer the market a world class reinsurance service. In this vein, Africa Re has just entered into agreement with SAP, a world renowned IT Solution provider, in order to acquire a world class reinsurance platform.

Africa Re will also continue to initiate projects to uphold good practices and innovations in insurance across Africa. I seize this opportunity to congratulate the winners of our just-concluded 3rd edition of the African Insurance

Awards held in Kampala in May 2017: Mrs Delphine Traoré Maidou as the CEO of the Year; Sanlan Emerging Market as the Insurance Company of the Year and Takaful Insurance of Africa as the Innovation of the Year.

Finally, I also wish to express my sincere gratitude to all the participants of our just-concluded 39th Annual General Meeting in Abidjan, Cote d'Ivoire, which was another success story.

This 14th edition of Africa Re News contains more details of our activities across Africa in the last few months.

I wish you a pleasant reading.

Thank you



**Mr. Corneille Karekezi**  
Group Managing Director /CEO, Africa Re

## The 39th AGM of Africa RE in Abidjan, Côte d'Ivoire

**A**frica Re held its 39th Annual General Meeting on 20 June 2017 in Abidjan, Côte-d'Ivoire.

Placed under the patronage of the Minister of the Economy and Finance of the Republic of Côte-d'Ivoire, the meeting was attended by over 300 participants representing shareholders, partners and clients.



Mr. Adama Coulibaly, Representative of the Minister of Economy and Finance of Côte d'Ivoire, delivering the opening speech

The opening ceremony was chaired by Mr Adama Coulibaly, Director of Cabinet the Minister of the Economy and Finance who was unavoidably absent. Mr Coulibaly's opening speech was preceded by a welcome address by the Chairman of the insurers' association of Côte-d'Ivoire - Association des sociétés d'assurances de Côte-d'Ivoire (ASACI) and a speech by Mr Hassan BOUBRIK, Chairman of the Board of Directors and the General Assembly of Africa Re.

At the meeting attended by observers and guests, the shareholders approved the Report of the Board of Directors on the 2016 Accounts, which confirmed the Corporation's financial strength, as well as its ability to meet its commitments to cedants.

Two (02) Directors were elected and one (01) was re-elected on the Board for a term of three (03) years. They are:

- 1.** Mr Jaime AGUINALDO from Angola, elected to represent East & Southern Africa (States) and Sudan (State);
- 2.** Mr Patrick ANDRIAMBAHINY from Madagascar, elected to represent Anglophone West Africa (State & companies) and Eastern and Southern Africa (companies); and
- 3.** Mr Hassan BOUBRIK from Morocco, re-elected to represent the State and companies of Morocco.

There were a number of goodwill messages from sister organizations. The message from the African Insurance Organisation (AIO) was delivered by its Chairman, Alhaj Kaddunabbi Ibrahim LUBEGA. He stated that 'Africa Re has been assisting AIO to achieve its objectives of developing a healthy African insurance and reinsurance industry and the promotion of inter-African co-operation with its involvement in instituting the African Reinsurance Forum, the management of the Aviation and Oil and Energy Pools set up by AIO'.

The representative of ZEP Re commended Africa Re for continuously backing its activities over the years and expressed the desire to maintain this fruitful collaboration in future.

In the goodwill message from the African Trade Insurance Agency (ATI) Africa Re was acclaimed for the impressive push it has been giving to the insurance industry in Africa.



L-R : Gisele Campos (IRB-Brasil Re), Jean Cloutier (Fairfax) and Frédéric Fléjou (AXA)



Cross section of Observers



Africa Re: L-R:Woldemichael Zeru, Vice Chairman of the Board of Directors; Hassan Boubrik, Chairman of the Board of Directors and the General Assembly; Corneille Karekezi, Group Managing Director/Chief Executive Officer



Aguinaldo Jaime (Angola), newly elected member of the Board of Directors



**Seated:** L-R; AlhajKaddunabbi Ibrahim Lubega, Chairman of AIO; Mohammed Kari, Insurance Commissioner of Nigeria, Rakiya Bakari-Girei, Nigerian Ministry of Finance

**Standing:** L-R: Corneille Karekezi, GMD/CEO of Africa Re; Hassan Oye-Odukale, GMD/CEO of Leadway Insurance, Nigeria



Delegates from Côte d'Ivoire



Ivorian traditional dance

## The 2017 African Insurance Awards



Africa Re executives

The 3rd edition of the African Insurance Awards Ceremony was held in Kampala, Uganda on 22 May 2017. This was an activity of Africa Re's Trust Fund dedicated to Corporate Social Responsibility. The Awards gala dinner which was graced with the presence of the Speaker of Parliament of the Republic of Uganda, Rt. Hon. Rebecca Kadaga, gathered about 1000

insurance dignitaries, diplomats and Ugandan government officials at the Lake Victoria Serena Golf Resort & Spa, Kampala.

In his opening remarks, Mr. Corneille KAREKEZI, Group MD/CEO of Africa Re recalled that the awards as an initiative falls within the mandate and mission of Africa Re, that is to foster the development of the African insurance industry.



Cross section of participants at the gala dinner

The following were the winners of this 3rd African Insurance Awards:

**Insurance Company of the Year 2017:**  
Sanlam Emerging Markets, South Africa

**Innovation of the Year 2017**  
Takaful Insurance of Africa; and  
International Livestock Research Institute

**CEO of the Year 2017**  
Delphine TRAORÉ MAIDOU, CEO, Allianz Global Corporate & Specialty



Rt. Hon. Rebecca Kadaga, Speaker of the Parliament of the Republic of Uganda, opening the award ceremony



Group photo with the award winners



Junior Ngulube (left), CEO of Sanlam Emerging Markets (South Africa), receiving the Insurance Company of the Year award



Delphine Traoré MAIDOU, former CEO of Allianz Global Corporate & Specialty (South Africa) and current Chief Operating Officer of Allianz SE Africa, Morocco, winner of CEO of the Year award



Duncan Khalai (International Livestock Research Institute - ILRI) and Amina Farah (Takaful Insurance of Africa) receiving together the Innovation of the Year award

## Africa Retakaful, awarded best Retakaful Company in Africa- 2017



Mr. Omar Gouda(L), Managing Director of Africa Retakaful, receiving the award

**D**uring the recent International Takaful Summit which took place in London, United Kingdom, on 11 and 12 July 2017, Africa Retakaful, a subsidiary of Africa Re in Cairo, Egypt, received the award of the Best Retakaful Company in Africa in 2017. Mr Omar GOUDA, Managing Director of Africa Retakaful, received the award on behalf of Mr. Corneille KAREKEZI, Group Managing Director of Africa Re.



Group photo of the 2017 winners

## Award



Global quality Excellence Award

## 54th Anniversary of Africa Day



His Excellency Salaheddine Abbass Ibrahim, Dean of the African Ambassadors Group, Ambassador of the Republic of Cameroon



H.E. Mr Geoffrey Onyeama, Honourable Minister of Foreign Affairs of Nigeria



Mr. Ken Aghoghovbia, Deputy Managing Director/Chief Operating Officer of Africa Re

The celebration of the 54th Anniversary of Africa Day took place in Sheraton Hotel in Abuja on 25 May 2017. The event, which was organized by the African Ambassadors Group in Nigeria, was graced by the presence of the Special Guest of Honour, Mr Geoffrey ONYEAMA - Honourable Minister of Foreign Affairs of the Federal Republic of Nigeria. The theme of the 2017 edition was 'Harnessing the Demographic Dividend through Investments in Youths'. Africa Re was the main sponsor of the Anniversary. The other sponsors were: United Bank of Africa (UBA), Ethiopian Airlines, Egypt Air, Qatar Airways, Rwandair, Africa Finance Corporation (AFC), Samsung Electronics, Shoprite, Bolloré Transport & Logistics, Vava Furniture and Cotea. Africa Re was represented at the ceremony by Mr Ken AGHOGHOVIA, Deputy Managing Director/Chief Operating Officer, and Mr Roger BONG BEKONDO, Assistant Director, Corporate Secretariat and Language Services.

The first two speeches were delivered by the Ambassador of Liberia, His Excellency Prof. Al-Hassan CONTEH, and the Dean of the African Ambassadors Group, Ambassador of the Republic of Cameroon, His Excellency Salaheddine ABBAS IBRAHIM. The opening address was delivered by the Honourable Minister of Foreign Affairs of the Federal Republic of Nigeria. He congratulated the African Ambassadors Group for this laudable initiative and promised that more efforts would be made by his Ministry to promote inter-African cooperation. He also stressed that the theme of the ceremony, 'Harnessing the Demographic Dividend through Investments in

Youths", should be construed as an opportunity to reflect on the situation of hundreds of millions of young Africans who have lost hope in the future.

The African Reinsurance Corporation was given the opportunity to take the floor as main sponsor of the event. In his address, Mr Ken AGHOGHOVIA stated that 'Africa Re is a product of the African Nation and celebrating Africa Day is celebrating Africa Re and its mission which is principally to foster the development of insurance and reinsurance in Africa and to support the economic development of the continent".

# Africa Re Signs a Memorandum of Understanding with SAP to acquire a world class Reinsurance Management System



Signing Ceremony

In a bid to modernise its business tools and offer world class services to clients, Africa Re has embarked on the acquisition and implementation of a new Reinsurance Management System. A Memorandum of Understanding was signed between Africa Re and SAP on 28 June 2017 at Africa Re Headquarters in Lagos, Nigeria marking the beginning of the project.

At this point, Africa Re intends to enhance its digital transformation embarked on several years ago in order to offer world class and competitive services to its dear clients. This project, one of the most ambitious ever carried out by the Corporation, aims at:

- Supporting all lines of business in the reinsurance value chain;

- Accelerating and improving processes across all reinsurance business functions;
- Enhancing complex real-time business scenarios;
- Upgrading database and analytics performance;
- Enhancing interface with third party products;
- Performing multi-currency and multi-language reinsurance operations.

At the signing ceremony, the GMD/CEO of Africa Re, Mr Corneille Karekezi, emphasized on prioritizing the modernisation of the Corporation's IT platform and business tools.

## Life Seminar for the Mozambique Market



Group photo of participants

**A**frica Re held a Life Seminar for the benefit of the Mozambique Insurance industry. This seminar was directed at the intermediate to senior categories of staff in the Life Sector of that country's insurance market and was intended to build upon the knowledge gained from the earlier seminar organized by Africa Re for the market last year.

Attended by 31 representatives from 16 Mozambican insurance companies, the seminar took place at Southern Sun Hotel, Maputo from the 5 & 6 June 2017. It covered various topics, including Exploration of Growth through Life;

Review of Life Insurance Products; Product Development Process; Understanding Life Policies; Financial Orientation to Life Insurance Business.

The facilitators were Messrs, Israel Muchena, Assistant Director Technical Operations, Mauritius Office, John C Izegbu, General Manager Operations, ARCSA and Chris Saigbe, Group Head of Life Department. Mr. Israel Muchena also provided translation support, when necessary.

Certificates were awarded to the participants at the end of the seminar.

## Claims Management Seminar, Port Louis, Mauritius



Group photo of participants



Group photo of participants

**T**he Mauritius Regional Office in partnership with the Insurance Institute of Mauritius hosted the Claims Management Seminar at Labourdonnais Hotel, Port Louis, on 19 and 20 April, 2017. The seminar was attended by delegates from Mauritius, Seychelles, Mozambique and Angola. It was an opportunity for claims practitioners to exchange insights on key aspects of effective management of claims. The Africa Re facilitators also shared templates of key procedures, processes and manuals for claims management.

## Africa Re raises cyber risk awareness in Lagos in collaboration with Allianz Global Corporate Solutions (South Africa)



Mr. Ken Aghoghovbia, Deputy Managing Director /Chief Operating Officer of Africa Re, opening the session



**L-R:** Femi Young, National Fire Prevention Awareness Advocacy (NFPAWA); Thusang Mahlangu, CEO of Allianz Global Corporate & Speciality; Aly Seydi, Director of ICT at Africa Re; and Nobuhle Nkosi, Head of Financial Lines Africa in Allianz

**O**n 4 July 2017, the African Reinsurance Corporation hosted a cocktail in Lagos, Nigeria for the Nigerian insurance market. The aim was to raise awareness on the emerging cyber risks in the business environment in the continent.

During the cocktail, which took place in Eko Hotels & Suites, Mr Ken AGHOGHOVBIA, Deputy Managing Director/Chief Operating Officer of Africa Re, emphasised that Africa Re 'will continue to play a leading role in finding solutions to new challenges from emerging cyber risks in the continent and will partner with Allianz in creating awareness of cyber risks and the insurance solutions available in the market place.'

Three other speakers shared their thoughts on this topical issue via PowerPoint presentations. The first presentation, entitled Cyber Threats Landscape and the Reinsurance/Insurance industry, was delivered by Mr Aly SEYDI, Africa Re's Director of Information & Communication

Technology. He spoke on the emergence and increasingly significant impact of cybercrimes on the insurance industry.

Mr Berthran UGEH, a partner of IBM Africa and Allianz, spoke generally on cyber security. He gave the example of ransomware, a type of malicious software that threatens to publish the victim's data or perpetually block access to it unless a ransom is paid.

Mrs Funmi OMOKHODION, interim Regional Director of Anglophone West Africa Office of Africa Re, approached the subject matter from an insurance perspective.

## Non-Life Seminar: 19 – 22 June 2017, Johannesburg



Group photo of participants

**T**he successful launch and execution of the African Reinsurance Non Life Seminar in Johannesburg South Africa, in June this year was a land mark initiative in line with our empowering professionals and transference of skills in our industry. Delegates that attended spanned across the Sub Saharan continent ranging from brokers to cedants and individuals seeking to enhance their reinsurance knowledge.

## Africa Re and the role of the reinsurer in reconstructing national Assets after Insurable Losses



Fire fighters combatting the fire at Jomo Kenyatta international airport in Nairobi in August 2013

**R**einsurance claim payments are seldom known or talked about as this aspect of insurer / reinsurer relationship is guided by non-public contracts, principles, rules and ethics maintained by industry players (insurance companies, reinsurance brokers and reinsurance companies) among themselves.

The amount and speed of claims settlement is often the subject of discussion. However, when losses occur which impacts the economy of a country or the financial situation of a company, reconstituting the damaged economy is largely done through insurance / reinsurance claim settlements in proportion to their respective exposures. Therefore, it is fitting to reflect on the role reinsurers, especially Africa Re, play in reconstituting national and companies' assets in Africa.

The African Reinsurance Corporation, Africa Re, as a pan-African reinsurance company has over the years participated in the payment of many large claims without which the economy of the concerned countries would have been seriously affected. This as a result of the limited capacity of most of the insurance companies in the

continent. Between 2012 and 2016, Africa Re paid a total of US\$1.66 billion in claims which constitutes an average of US\$333 million annually.

It is worthy of mention that in some regions, insurers have the tendency to offload their financial burden onto the reinsurers. Thus, reinsurers are known to be the main carrier of risks so much so that when a claim arises, they are the key payers. For example, the disastrous fire accident at the International Airport in Kenya, claimed US\$ 19.6 million out of which US\$ 18.96 million was settled by reinsurers. In this case, reinsurers' contributions amounted to almost 96% out of which Africa Re contributed 25%.

In the same country, a pharmaceutical warehouse together with its stock were totally

destroyed in a fire. US\$ 7.7 million was paid as claim. US\$ 7.36 million was fully compensated by reinsurers out of which Africa Re contributed almost 30%. Whilst the cost of damages for buildings was adjusted at US\$ 1.7 million of which reinsurers fully reimbursed US\$ 1.2 million which accounts for 72%.

In East Africa, Africa Re paid claims worth a total of US\$ 335,890,076 in the last five years for all major classes of business like Motor, Fire & Engineering, Aviation, Marine including life and miscellaneous accidents. Miscellaneous accidents which include mainly medical business accounted for almost 44% of loss followed by fire with approximately 26%. For the full year 2016 only, the total claim paid was US\$ 64,517,255.

### **“Reinsurers not only reconstruct economies after a loss but also contribute towards the recovery of individuals in the society”**

In West Africa (Anglophone) Africa Re paid a total of US\$245 million on claims in the last five years. This enabled the replacement of national assets in various economies in Ghana, Nigeria, Liberia, Sierra Leone and The Gambia

In the Maghreb region, the Corporation paid US\$121 million on claims during the same period. This contributed in reconstructing of different sectors of the economies in Algeria, Morocco and Tunisia.

During the Tunisian revolution (Arab Spring) of 2012, Africa Re had to pay a lot of large claims to insurers as a result of the negative impact of the revolution on some important companies in the country. In Algeria, in 2013 and 2015, SKH (Energy) and ENIE (NTIC) could have succumbed if they were not insured and then reinsured. Same thing in Morocco with DJOUJA fire accident and the drought of 2016.

In North-East Africa and the Middle East, the Corporation paid a total claims of US\$189.5million through its Cairo Office. In Central Africa, an amount of US\$56.5 million was paid through its Abidjan Office for the same period.

Africa Re's subsidiary in South Africa, since inception in 2004 up till now has paid a total of over US\$160 million towards large catastrophe losses in the region.

Reinsurers not only reconstruct economies after a loss but also contribute towards the recovery of individuals in the society like in personal accident cases, third-party bodily injury claims and life insurance.

Covers for life business that have mainly required reinsurance in the recent past are in mortgages and credit life where sums assured are generally high. These classes of life assurance support the growth of an economy by providing assurance to financial institutions who would then be able to grant loans to customers to support businesses and build houses for domestic and commercial use. The figures for group life have also continued to increase with higher salaries. Another area of group life schemes that contributed to the losses were the security services that have huge numbers of members with risky occupations. Critical illness and disability claims increase every year. More and more people now understand the need for life and medical insurance to enable them to manage their lives during terminal illnesses and to also fund their medication and change of lifestyles. Reinsurers have been very supportive to insurance companies since most of them have retentions below US\$ 20,000 yet have policies with sums assured running above US\$ 2 million.

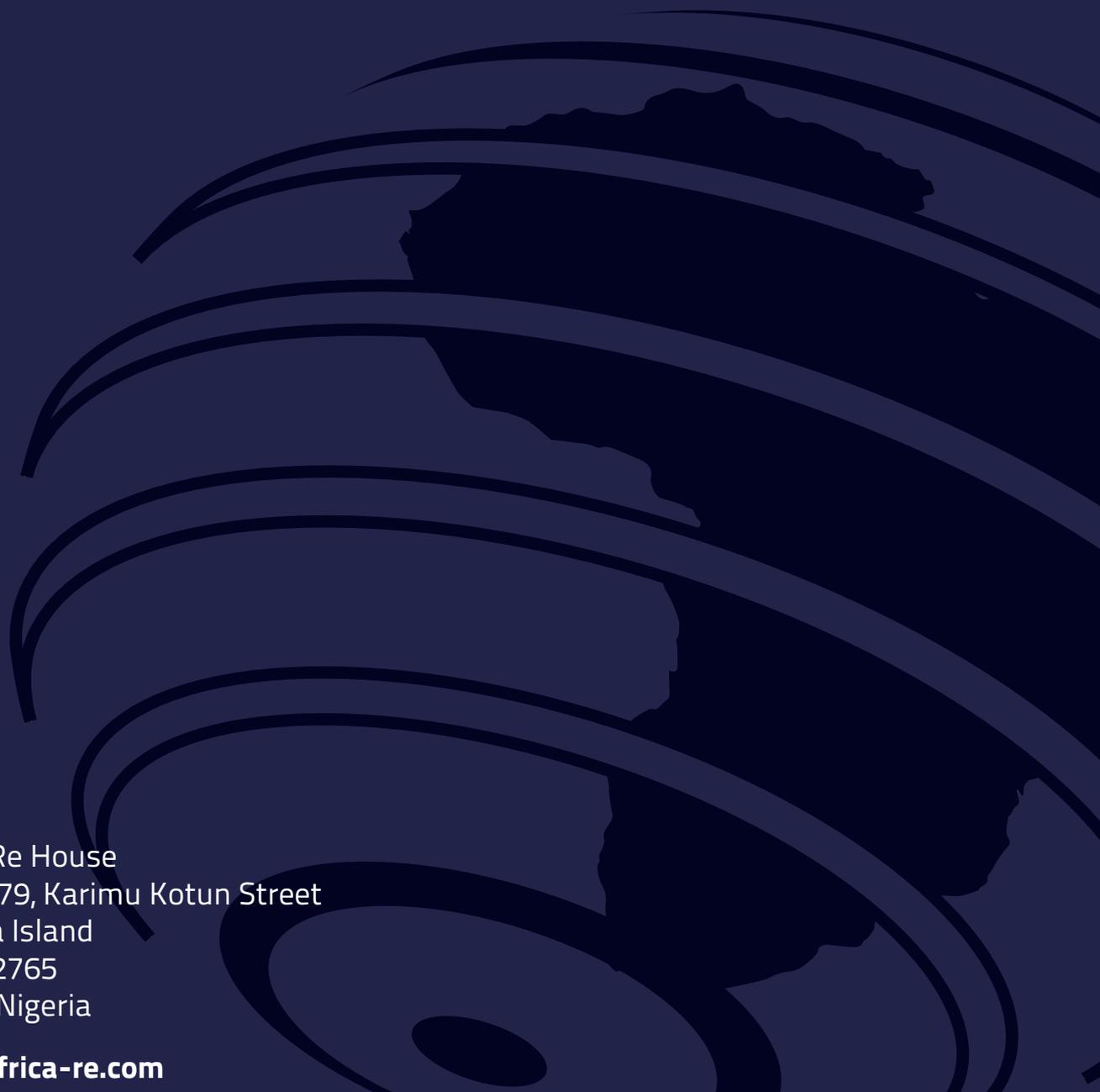
The above examples clearly illustrate the dominance of reinsurers and their significant role in reconstructing the economy by financially re-storing business, re-building and re-establishing properties; and most importantly bringing back the policyholders in the same financial position as they were prior to the loss.

**“Finally, the importance of the reinsurer is ultimately to spread the claim payment burden in the international market, often across many countries' markets.”**

The importance of reinsurance is reflected in the costs insurers are willing to pay to acquire reinsurance protection and the fact that without adequate protection, insurance companies might not be licensed to do business when considering the minimum solvency requirements. Even without legal requirements, reinsurance is important because without it, a company would be exposed to liabilities that are beyond its capacity. Shareholders' funds would

be at risk as one large claim might wipe out the whole of the shareholders' investments. Risks threaten our prime objective, which is survival in the face of accidental occurrence.

Finally, the importance of the reinsurer is ultimately to spread the claim payment burden in the international market, often across many countries' markets. Take for example the recent FPSO (Floating, Production, Storage, Offloading) Kwame Nkrumah claim in Ghana. Thanks to insurance, the estimated claim amounting today to US\$ 1.4 billion, shall be shared among 53 foreign reinsurers, providing more than 98% of the cost. Africa Re's share of the claim is 7.5%. Without such mechanism, the insurance and reinsurance national market would have crumbled under such burden.



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