FAIR Review

Issue No. 203 (2025- Q1)

Market Overview of

Côte d'Ivoire

Market Overview of

Uzbekistan

FAIR

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Tashkent, Uzbekistan 4-6 may, 2025

ISSN 1687-2231

FAIR Review

Issue No. 203
2025 - Q1

FAIR in Brief

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

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- Building regional bases (hub) that provides a variety of shared resources and services to local member companies.

FAIR Review

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

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Global Markets

• *Global Insurance Market Trends 2024*

OECD Report – December 2024

This edition of Global Insurance Market Trends provides comparable, cross-country data on insurance markets for 2023. It represents a comprehensive source of information for government authorities (including regulators, finance ministries and central banks), the insurance sector, the research community and consumers. The report is based on inputs from national insurance authorities. Building on preliminary data released in July 2024, it presents the size of the insurance industry, growth rates in premiums collected and claims paid by insurers, investment performance and overall profitability of insurers in 2023.

Executive Summary

Insurers have been operating in an environment of higher inflation and interest rates in recent years, although inflation started to fall in 2023 and investors were expecting cuts in interest rates. Against this backdrop, the 2024 edition of the Global Insurance Market Trends series explores the overall performance and health of the insurance industry in 2023. It first assesses the importance of the insurance sector within the economy across reporting jurisdictions. It then examines premiums and claims trends in the non-life sector in 2023, and non-life underwriting performance, as well as trends in premiums and payouts in the life sector. This edition examines the investment performance and profitability of insurers in 2023.

The insurance business is unevenly developed around the world, with lower coverage in less advanced economies

The penetration of the insurance industry, which is measured as premiums written as a percentage of GDP, varies considerably around the world, with penetration levels generally higher in more advanced and wealthier economies. While premiums written exceeded 10% of GDP in France, the United Kingdom, the United States and some other European and Asian jurisdictions, premiums accounted for a much lower proportion of GDP in many Latin American countries and some European countries. Non-life insurance business is generally the dominant sector within jurisdictions, accounting for the largest portion of premiums written on average around the world, due especially to motor vehicle insurance that is generally mandatory. Life insurance tends to be more developed in jurisdictions with a higher per capita income, where customers may have higher demand for life insurance products.

The prices of non-life insurance policies rose in response to continued cost pressures

Insurers faced increased costs pressures, reflecting inflation in claims costs and the hardening of reinsurance markets. Cost pressures led to increases in premium rates in the main non-life classes (motor vehicle, health and property insurance), which contributed to the growth of premiums written in the non-life sector. Premiums written grew by 12.4% on average in nominal terms in 2023 and 6.2% in real terms, double the real growth rate in 2022. In most jurisdictions, the non-life sector registered positive underwriting performance.

Higher interest rates have had mixed effects on the life insurance sector

The increase in interest rates had direct and indirect impacts on the life insurance sector, with positive and negative effects. In the context of higher interest rates, individuals could expect a higher income from annuity products and higher rates from guaranteed life investment products, which in a number of jurisdictions led to an increased demand for these products, and a shift away from non-guaranteed products where policyholders bear the investment risk. In some jurisdictions, higher interest rates led some customers to surrender their life insurance policies and redeploy their savings, for instance into other financial products or to support the purchase of a home. Higher interest rates also translated into higher mortgage rates, increasing the cost of credit in housing markets and reducing the number of transactions and loans. This has had an indirect impact on the sale of life protection products in those jurisdictions where credit institutions require borrowers to purchase such products. Gross written premiums in the life sector grew overall in nominal terms, in just over two thirds of reporting jurisdictions.

The investment performance of insurers turned positive following developments in financial markets

Insurers achieved a positive investment rate of return in real terms in around two thirds of the reporting jurisdictions. This contrasts with 2022 when in nearly all jurisdictions insurers had negative real investment rates of return due to rising interest rates and falling equity valuations. Falling government bond yields toward the end of 2023, reflecting reduced inflationary expectations, positively impacted bond valuations. Global equity markets also demonstrated strong performance in 2023. These financial market developments boosted the overall investment performance of insurers.

The profitability of insurers broadly improved, with any previous negative performance generally reversed

Insurer industry profitability in 2023 broadly improved, reflecting positive underwriting performance and investment gains. The negative profitability experienced in one or more sectors (life, non-life and/or composite) in some jurisdictions in 2022 was for the most part reversed. These gains contributed to the increase in the shareholder equity of insurers. Many jurisdictions, especially in Europe, started implementing new accounting standards in 2023 (IFRS 17), which has had implications for the recorded liabilities of insurers and their shareholder equity. ■

• *Trump's tariffs threaten profitability of North American insurers,* says GlobalData

On 1 February 2025, US President Donald Trump signed three executive orders to impose tariffs on imports from Canada, Mexico, and China. In retaliation, Canada announced it would impose a 25% tariff on CAD155 billion ($117.8 billion) worth of US goods. Moreover, Trump increased the US tariff rate on steel and aluminum to 25% on 10 February, removing country-specific exceptions and quota arrangements.

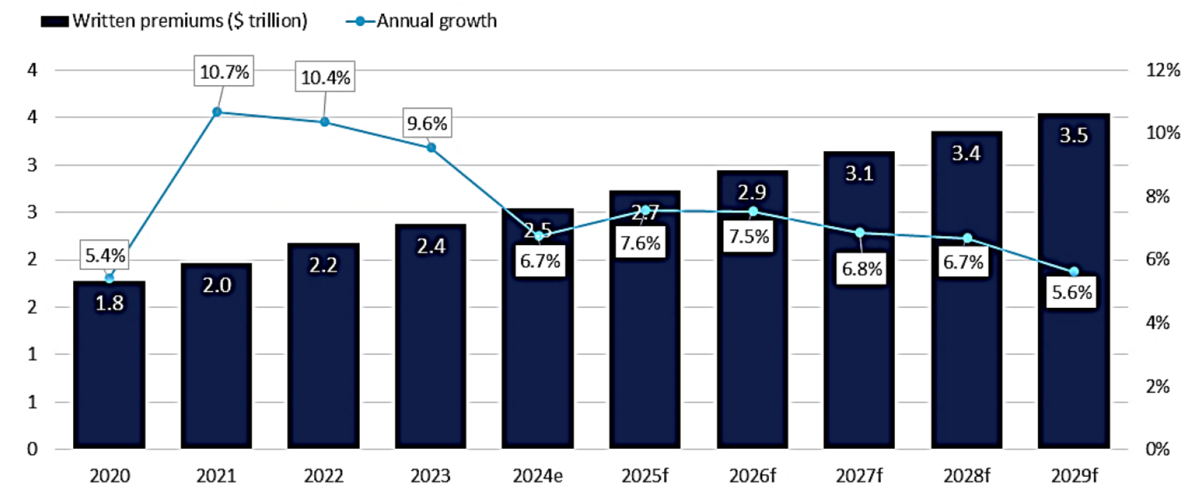
Consequently, North American region insurers may see increased claims costs in 2025 across various insurance lines, potentially affecting their profitability, says GlobalData, a leading data and analytics company.

After discussions between the US President and leaders from Mexico and Canada, the proposed tariffs on imports from Canada and Mexico and the retaliatory tariff are delayed by a month. In its retaliation, Canada specified that tariffs on CAD30 billion ($22.8 billion) would take effect immediately from 4 February 2025, and tariffs on the remaining CAD125 billion ($95 billion) would follow within 21 days. Set to take effect on 12 March 2025, the US tariffs will impact imports of millions of tons of steel and aluminum, affecting goods previously duty-free from countries like Canada, Brazil, Mexico, and South Korea.

Manogna Vangari, Insurance Analyst at GlobalData, comments: "Upon implementation, high tariffs will significantly affect trade throughout North America, not solely due to the substantial volume of commerce but also owing to the critical role of supply chains, which account for more than half of intra-regional trade, as per GlobalData's estimates.

"Furthermore, the Trump administration plans to raise tariffs on oil and gas in March 2025. This is expected to have a detrimental impact on the insurance industry, manifested by reduced economic activity and consumer spending. However, it is expected that Canada, Mexico, and China will soon contest these tariffs by initiating a legal case with the World Trade Organization (WTO)."

North American General Insurance - Written premiums ($ trillion) and annual growth, 2020 - 2029f



GlobalData. Source: GlobalData Insurance Intelligence Center | Note: e: estimated; f: forecast

The North America region's property and motor insurance claims are projected to represent a 13.4% and 16.1% share of total general insurance claims in 2025. However, the full and actual implementation of the tariff rates may push actual claims even higher. Consequently, the profitability of North America's general insurance sector is expected to be notably affected, with claims projected to grow at a rate of 6.9% in 2025 from 3.3% in 2024.

According to GlobalData's Global Insurance Database, North America's general insurance industry is expected to grow at a compound annual growth rate (CAGR) of 6.7% over 2025–29, from $2.7 trillion in 2025 to $3.5 trillion in 2029, in terms of written premiums.

Vangari continues: "Tariffs on imported materials like building supplies, car parts, and electronics will increase the cost of vehicle repairs and property reconstruction after disasters, causing insurers to pay more claims across the region. Insurance companies may raise premiums for property and motor policies."

Around 90% of auto exports from Mexico and Canada go to the US, according to the Mexican and Canadian Automotive Manufacturers' Associations. High tariffs and supply chain delays will increase repair times, causing higher costs for living arrangements and rental vehicles, and protracted business interruptions. This could impact the competitiveness of the North American production and manufacturing industry, and the insurance industry.

Vangari concludes: "A global trade war is a looming concern. If tariffs escalate or supply chains get tangled, economic growth could take a hit, which would change the fundamental risk pool for insurers across North America's region. As broader tariffs on Canada and Mexico remain on hold, businesses and insurance companies must prepare for potential adverse outcomes across the region in the next few years." ■

Source: GlobalData - 25 Feb, 2025

• *Tariffs could add $24 billion to auto claims costs:* APCIA

by Gavin Souter

The Trump administration's tariffs on Canada, China and Mexico will likely disrupt rebuilding efforts after recent catastrophes and increase the cost of auto replacement parts, adding up to $24 billion in personal auto claims costs, the American Property Casualty Insurance Association said late Tuesday.

In a statement, David A. Sampson, president and CEO of the Washington-based trade association, said the 25% tariffs on goods from Mexico and Canada and the 10% additional tariffs on goods from China that went into effect Tuesday could interrupt the supply of building materials to the United States. On Wednesday, the White House said automakers would be exempted from the tariffs for a month.

The tariffs "will likely disrupt vital reconstruction material supply-chains at a critical moment of rebuilding from recent catastrophes, including Hurricane Helene and Milton and the unprecedented California wildfires," he said.

In addition, they will add to the cost of auto replacement parts, increasing repair costs "that are factored into auto insurance," Mr. Sampson said.

"APCIA has estimated that annual personal auto insurance claims costs alone could rise by anywhere between $7 billion and $24 billion," he said. ■

Source: Business Magazine - 5 Mar 2025

• *EU Publishes Amendments to Solvency II and IRRD*

The Directive amending Solvency II and the Insurance Recovery and Resolution Directive have just been published in the Official Journal of the European Union.

by Stephen D'Ardis

The Directive amending Solvency II and the Insurance Recovery and Resolution Directive have just been published in the Official Journal of the European Union.

Member States must implement the amendments to the Solvency II Directive into national law by the end of January 2027. One of the highlights for insurers with long-term liabilities will be the changes to the calculation of the risk margin, including a reduction in the cost-of-capital rate to 4.75%. See my previous post for a more detailed summary of the key changes arising from the amendments.

Similarly, on the IRRD, EU Member States must implement the Directive into national law by the end of January 2027. Member States will have to set up national insurance resolution authorities, either within existing competent authorities (as independent departments separate from the supervisory functions) or as standalone legal entities. The resolution authority will have a range of tools to deploy when faced with (re)insurers that are failing or likely to fail (such as solvent run-off, write down and conversion and/or transfer tools). The resolution authority will have to draw up resolution plans for life and non-life insurers and reinsurers representing at least 40% of the relevant national markets.

Under the IRRD, the requirement to draw up and submit pre-emptive recovery plans to national supervisory authorities only applies to those (re)insurers who represent at least 60% of the national life and non-life insurance and reinsurance markets. How this will be reconciled with the existing Irish regulations for pre-emptive recovery planning for (re)insurers remains to be seen. ■

Source: Mondaq, 14 January 2025

• *Publication of the Insurance Recovery and Resolution Directive and Amendments to the Solvency II Directive*

On the 8th January 2025, the directive establishing a framework for the recovery and resolution of insurance and reinsurance undertakings, better known as the Insurance Recovery...

by Emma Cassar

On the 8th January 2025, the directive establishing a framework for the recovery and resolution of insurance and reinsurance undertakings, better known as the Insurance Recovery and Resolution Directive or IRRD, and the amendments to the Solvency II Directive were officially adopted and published as law in the Official Journal of the European Union. Both directives, being the first two directives of 2025, are expected to have an effect on the European insurance market as a whole and will enter into force on the twentieth day following the date of their publication, therefore on the 28th January 2025.

The IRRD is designed to create a framework for a pre-emptive recovery planning and resolution regime to ensure that insurers and relevant authorities in the European Union are better prepared for situations of significant financial distress and to facilitate early and quick intervention of the authorities, even across borders. It establishes harmonised recovery and resolution tools and procedures, with enhanced cross-border cooperation between national authorities with the intention of creating an anticipatory approach to protect insurance policyholders, minimise the impact on the economy and the financial system and avoid recourse to taxpayers' money. The European Insurance and Occupational Pensions Authority has been entrusted with drafting various guidelines and technical standards to facilitate the harmonisation of the IRRD across the European Union.

The Solvency II Directive which entered into force in January 2016, is the prudential regime for insurance and reinsurance undertakings in the European Union aimed at making the insurance market more stable while protecting policyholders and beneficiaries. It is built on a three-pillar structure intended to form a coherent approach across the sector covering various aspects ranging from quantitative requirements relating to capital, qualitative requirements including governance and risk management, to supervision of the insurance and reinsurance undertakings. The amendments published through the new directive in early 2025 is projected to supplement and improve certain aspects including proportionality, quality of supervision, reporting, long-term guarantee measures, macro-prudential tools, sustainability risks and group and cross-border supervision.

Member States are required to transpose the IRRD and the amendments to the Solvency II Directive into national law by the 29th January 2027 and such measures shall apply from the 30th January 2027.■

Source: Mondaq, 16 January 2025

• *The New EU Product Liability Directive*

by Lisa M. Baird - Reed Smith LLP

A long time ago, in a mass tort far, far away, the plaintiffs' lawyers were not content with collecting plaintiffs from within the US. They also brought a putative product liability class action in federal court in the U.S. on behalf of European plaintiffs. As a result, your bloggers learned a little bit (a very little bit) about product liability law and collective/representative actions in Europe.

Our main take-away from the then-applicable E.U. Product Liability Directive was that it seemed like something academics would dream up in their ivory towers, far removed from the reality of litigating product liability actions in the United States. A great deal of debate went into issues that the E.U. drafters seemed to believe would have case-determinative effect, whereas in our experience litigation is never so easily resolved.

For example, the "state of the art" defense (or "defence", we should say) was so hotly debated that the 1985 E.U. Product Liability Directive made it optional: Member States could elect to enact that provision or skip it, depending on whether they thought a manufacturer should be able to avoid liability by declaring the risk was unknown at the time the product was made. It seemed to us the debate was premised on the assumption that a manufacturer could say "But I didn't know!" and the lawsuit would be over. Perhaps things do work that way in the courts of the Member States of the E.U. But in the U.S., when a manufacturer says "But I didn't know!", the plaintiffs (and the court) respond "that's nice", and then the parties just continue on for years with discovery into what was known or could have been known decades earlier. Eventually, various experts materialize and declare that signals should have been seen and tests should have been run long ago, and then the whole thing–including what was the state of the art at a certain time–goes to the jury anyway.

Now, after 40 years under the prior regime, the E.U. is re-booting its Product Liability Directive, due to concerns that the 1985 version made it too difficult for claimants to bring claims. We, of course, do not share the view that the long-standing E.U. Product Liability Directive needs to be loosened to make product liability litigation in Europe more common.

The new Product Liability Directive has been fully adopted by the EU, but it has not yet been published in the Official Journal. From the date it enters into force (20 days after publication), each E.U. Member State will have two years to "transpose" it their national law (effectively, enact it in the national language and their legal system). The new Product Liability Directive will apply to products sold in the E.U. as of the end of 2026.

The Directive is meant to be almost fully "harmonized", meaning each nation is expected to enact a law that adheres to its provisions–except with respect to the state of the art defense, which apparently is still so hotly debated that it remains optional, in each Member State's discretion.

Key substantive features in the new Product Liability Directive are:

- It is a strict/no-fault liability scheme. The question is whether the product is defective and caused harm, not whether the defendant was at fault.

- Defectiveness: The test for a product defect is that the product "does not provide the safety that a person is entitled to expect or that is required" under EU or national law, and the Directive cross-references other E.U. safety directives and rules. All we can say is, while this is pretty vague, at least it isn't a consumer expectations test (we think).
- The definition of "product" now includes intangible goods, such as software, an approach more liberal than generally is allowed in the U.S, as we discussed in this post.
- The Directive applies to goods and related services.
- Potential defendants are any "economic operators", a term which includes manufacturers, component part manufacturers, providers of related services, authorized representatives, distributors, and fulfilment service providers (which seems to include online sales platforms).
- Allowable damages include: Death, personal injury, medically recognized damage to psychological health, certain damage to or destruction of property, and destruction or corruption of data used for professional purposes.

Key procedural features of the new Product Liability Directive are:

- A 3 year statute of limitations (expiry of claim); this limitations period runs from the date the claimant knew or reasonably should have been aware of the damage, the defectiveness, and the identity of the relevant economic operator.
- Latent personal injury claims may be brought within 25 years (the long-stop limitations period).
- Individual and collective actions are allowed (whereas in the U.S., personal injury claims are deemed inherently too individualized to allow for class treatment).

- Disclosure requirements: In place of U.S.-style discovery, the Directive allows national courts to require both claimants and/or defendants to disclose "necessary and proportionate" "facts and evidence" which are "sufficient to support the plausibility of the claim". Member states are allowed to—but not required—to protect trade secrets and confidential information.
- There is a minimum damage requirement (500 euros) but the prior maximum damage threshold (70 million euros) has been abolished.

The new Product Liability Directive also provides three "rebuttable presumptions" and these provisions, in our view, are perhaps the worst part of the new Directive. The new presumptions are:

- A rebuttable presumption of defectiveness, which will arise where there is non-compliance with disclosure requirements or mandatory legislative and safety requirements, and "obvious malfunction";
- A rebuttable presumption of **causation**, which will arise where it is established that the product is defective and the damage caused is of a "kind typically consistent" with the defect; and
- A rebuttable presumption of **both defectiveness and causation**, which will arise where the claimant faces "excessive difficulties, in particular, due to technical or scientific complexity" with the product, and the claimant can demonstrate that it is likely that the

product is defective or that there is a causal link. One example given? Medical devices.

Our response: Ugh.
Instead of recognizing that a plaintiff's difficulty in proving up product defect or causation usually results because they have no valid claim—because there is insufficient proof that the product actually has anything wrong with it or causes harm—the E.U. has decided that difficulty proving up defect and causation means the standards should be lower.

In fact, if a claimant can say "the product is beyond my technical understanding" and get a presumption of defectiveness or causation, doesn't that flip the burden of proof entirely on its head? Does no one involved with the new E.U. directive follow what has happened in the U.S. with out of control mass torts, or with regard to pharmaceuticals and medical devices driven from the market only to have the precipitating scientific studies withdrawn and their conclusions debunked?

In addition to the Product Liability Directive revisions, and probably making matters worse: The E.U. also adopted the Representative Actions Directive, which already took effect on June 25, 2023. "Directive (EU) 2020/1828 of the European Parliament and of the Council of 25 November 2020 on representative actions for the protection of the collective interests of consumers and repealing Directive 2009/22/EC," Official Journal of the European Commission (November 25, 2020). The E.U. Representative Actions Directive is designed to make consumer class actions easier to bring—something we also do not think was necessary.

The Representative Actions Directive provides minimum standards to be adopted by Member States to supplement to any national procedures that already may exist (some Member States had no previous representative action mechanism).

There are notable differences from U.S. class actions, however. First, the claims have to arise from one of 66 specific E.U. Directives and Regulations, which limits the subject matter and in theory should constrain the creativity of the plaintiffs' bar to conjure up imagined harms. Second, only "qualified representative entities" (or "QREs", such as public agencies or consumer groups) may bring representative actions on behalf of EU consumers. Third, the E.U. Representative Actions Directive specifically permits single-nation/domestic and cross-border representative actions, something that doesn't exist in the U.S., if for no other reason than differences between U.S. tort law and that of other nations.

Taken together, these are quite substantial changes that portend an increase in litigation in the E.U. We understand that litigation funders already are opening branches in cities like London and Amsterdam, so undoubtedly we all will be talking more about Europe in the years to come. ■

Source: Lexology - 14 Nov 2024

LEXOLOGY

Conflict zones up 65% since 2021 but business exposure limited

Parts of the world affected by armed conflict has grown by 65% in just three years, with the Middle East and Ukraine suffering the most intense wars but sub-Saharan Africa seeing the greatest expansion, according to Verisk Maplecroft. But the global risk intelligence company said that while supply chains have been affected, corporate exposure to conflict is currently limited.

Research for Verisk Maplecroft's Conflict Intensity Index, which measures the severity of armed conflict across 198 countries, finds that the area currently affected by conflict equals 4.8% of the global landmass at 6.15 million km2. This is nearly double the size of India and up from 2.8% three years ago.

Twenty-seven countries – including Ecuador, Colombia, India, Indonesia and Thailand – have seen a significant increase in risk on the index since 2021, while six countries from the Middle East now feature in the ten highest risk locations. Israel, the Palestinian Territories, Lebanon, Syria and Yemen are all now ranked among the ten highest risk jurisdictions globally on the Conflict Intensity Index.

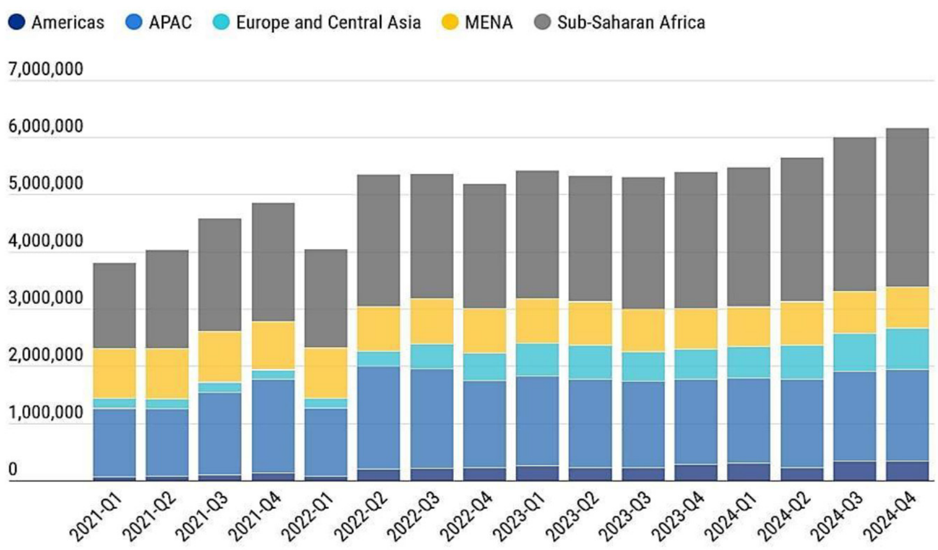
Russia's full-scale invasion of Ukraine is another driver of the global uptick in conflict. The proportion of Ukrainian territory affected by fighting has risen from under 8.6% to 70.5% since February 2022.

Perhaps more surprisingly, the amount of Russian territory affected by conflict has increased more than ten-fold over the same period.

But sub-Saharan Africa has seen a greater expansion of conflict than any other region. Conflict-affected areas across the Sahel and East Africa now equate to around 10% of sub-Saharan Africa's overall land mass or 2.5 million km2, more than ten times the size of the UK, according to Maplecroft.
This year, fatalities from fighting across the 'conflict corridor' in Africa are set to increase by more than 50% compared to 2021.

Figure 1: Territory impacted by conflict has increased by 65% since 2021-Q1

Territory impacted by conflict (km²) per region, 2021-2024



Global analysis excludes Antarctica.
Conflict-affected areas encompass territory proximate to and where fighting is ongoing.

Source: Verisk Maplecroft, ACLED © Verisk Maplecroft 2024

The research finds that the escalation is most pronounced in Burkina Faso, where 86% of the country is now embroiled in conflict between state forces and militants. Over the last three years, conflict zones from the civil wars in Sudan and Ethiopia have expanded by more than 20% and 30% respectively, while armed violence in Nigeria now affects 44% of its territory.

Beyond Africa, several other lesser-known conflicts are also contributing to the upswing.
The civil war in Myanmar, which has been raging since the 2021 coup d'état, has seen the Southeast Asian state rise from the 19th to the second-worst performing country on the Conflict Intensity Index. Haiti and Ecuador have also chalked up similar deteriorations on the index amid surging gang violence, which has escalated from criminality to the declaration of internal conflicts.

Verisk Maplecroft said intensifying global conflict has a myriad of consequences. "From the widespread human cost, increased migration and the widening of geopolitical fault lines, to the damaging economic impacts and threats to international trade and supply chains, the consequences of the upsurge in conflict are globally significant," said Hugo Brennan, research director at Verisk Maplecroft.

However, from a business perspective, data from Verisk Maplecroft shows that corporate exposure to conflict is currently limited.

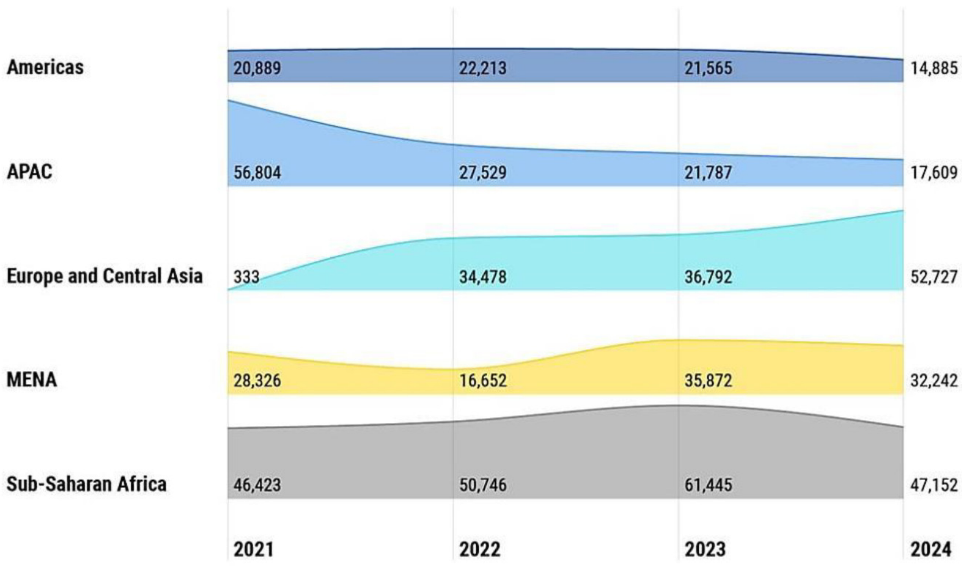
The highest risk sector is oil and gas, but only 3.68% of the industry's assets are exposed. This could change rapidly if conflict in the Middle East escalates, noted Verisk.

Global supply chains remain more challenged by conflict, as the disruption to Red Sea maritime trade caused by the Iranian-backed Houthi rebels in Yemen and the fallout from the Ukraine war has shown, added the firm.

And there is "little sign that the recent upsurge in armed conflict – and all the tragedy and challenges that go with it – will dissipate in 2025", said Brennan. "Indeed, the situation may get worse before it gets better," he added. ■

Figure 4: Global conflict fatalities could breach 200,000 by the end of 2024

Fatalities from conflict events by region, 2021-2024



2024 data as of 4 October.

Source: Verisk Maplecroft, ACLED *© Verisk Maplecroft 2024*

Source: Commercial Risk Online – 22 November 2024

European Council greenlights new regulation on Environmental, social and governance (ESG) ratings

Daniela GHETU

The Council adopted on 19 November a new regulation on environmental, social and governance (ESG) rating activities. The new rules aim at making rating activities in the EU more consistent, transparent and comparable in order to boost investors' confidence in sustainable financial products.

ESG ratings provide an opinion of a company's or a financial instrument's sustainability profile, by assessing its impact on society and the environment and its exposure to risks associated with sustainability issues.

ESG ratings have an increasingly important impact on the operation of capital markets and on investor trust in sustainable investment products. As re/insurers are some of the most important institutional investors in Europe, the availability of a reliable ESG rating tool is of the highest importance.

The new rules aim to **strengthen the reliability and comparability of ESG ratings** by improving the transparency and integrity of the operations that ESG ratings providers carry out and by preventing potential conflicts of interest.

In particular, ESG rating providers established in the EU will need to be authorized and supervised by the European Securities and Markets Authority (ESMA). They will have to comply with transparency requirements, in particular with regard to their methodology and sources of information. ESG rating providers established outside the EU that wish to operate in the Union, will need to obtain an endorsement of their ESG ratings by an EU authorized ESG rating provider, a

recognition based on a quantitative criterion, or be included in the EU registry of ESG rating providers on the basis of an equivalence decision.

The regulation introduces as a principle a separation of business and activities in order to prevent conflicts of interest.

The regulation will be published in the EU's Official Journal and enter into force 20 days later. The regulation will start applying 18 months after its entry into force.

More details are available on the EC website. ■

Source: XPRIMM - 20 November 2024

Carbon Credits and Insurance:
New Frontiers in Climate Risk Management

by Lisa M. Baird - Reed Smith LLP

Introduction

The intersection of carbon credits and insurance represents a transformative frontier in climate risk management, where financial tools meet environmental sustainability. As global economies strive to meet ambitious net-zero goals, the burgeoning carbon credit market offers a promising mechanism for offsetting greenhouse gas emissions. At the same time, the insurance industry is increasingly integrating climate risk considerations into its products, creating synergies that address environmental challenges while offering financial stability.

This article explores how carbon credit markets interact with insurance products, their development, and their potential to revolutionize climate risk management.

What are Carbon Credits?

Carbon credits are tradable certificates representing one metric ton of carbon dioxide (CO?) or its equivalent that has been reduced, removed, or avoided. They are a core element of carbon markets, which operate under two primary frameworks:

1. **Compliance Markets**: Governments or regulatory bodies impose caps on emissions, and companies exceeding these limits must purchase credits to comply.
2. **Voluntary Markets**: Organizations voluntarily purchase carbon credits to offset their emissions and meet sustainability goals.

By enabling the monetization of carbon reductions, these markets incentivize companies to invest in sustainable projects, such as renewable energy, afforestation, and carbon capture.

Insurance in the Carbon Credit Ecosystem

Insurance plays a crucial role in supporting the carbon credit market by addressing the risks and uncertainties associated with carbon reduction projects and transactions. Insurers offer coverage to mitigate risks in three main areas:

1. **Project Development Risks**: Projects that generate carbon credits, such as reforestation or renewable energy initiatives, face risks like natural disasters, regulatory changes, and project underperformance. Insurance provides coverage for these potential setbacks, ensuring that the projects can meet their carbon reduction goals.
2. **Market and Transaction Risks**: Carbon credit markets are subject to price volatility, fraud, and delivery risks. Insurance products like price protection and credit risk coverage help stabilize these markets by protecting buyers and sellers from financial losses.
3. **Long-Term Integrity Risks**: Carbon sequestration projects, such as forest preservation, must ensure that the stored carbon is not re-released due to events like wildfires or deforestation. Insurers offer coverage for such "reversal risks," guaranteeing the long-term validity of the credits.

Development of Carbon Credit and Insurance Synergies

1. Insurance for Carbon Offset Projects

One of the key developments in the interaction between carbon credits and insurance is the creation of specialized insurance products tailored to offset projects. For example:

- Performance Guarantees: Insurance ensures that a project will generate the promised volume of carbon credits.
- Natural Catastrophe Coverage: Protects reforestation and afforestation projects from risks like wildfires, hurricanes, or pests, which could invalidate the carbon credits.
- Legal and Regulatory Coverage: Shields projects from financial losses caused by regulatory changes or disputes over land ownership.

2. Parametric Insurance for Carbon Projects Parametric insurance, where payouts are triggered by predefined parameters like weather events, has gained traction in carbon credit projects. For example, a forest carbon project could use parametric insurance to protect against drought or wildfires. This innovative approach allows for quick payouts, ensuring the financial sustainability of projects.

3. Climate Risk Models for Carbon Projects Insurers are leveraging advanced climate risk models to assess and price risks associated with carbon offset projects. These models incorporate factors like regional climate variability, deforestation rates, and disaster probabilities, enabling insurers to offer tailored coverage.

Examples of Carbon Credit and Insurance Integration

1. **The Forest Resilience Bond (FRB)**: In the United States, the FRB combines private investments and insurance to fund forest restoration projects that generate carbon credits. Insurance products protect investors from risks like wildfire damage, ensuring the projects' long-term viability.

2. **South Pole Group's Carbon Offset Insurance**: The South Pole Group offers insurance products that cover carbon offset projects against risks such as delivery shortfalls or underperformance, providing confidence to buyers in voluntary carbon markets.

3. **Axa Climate's Initiatives**: Axa Climate, a division of Axa Group, has developed insurance solutions for carbon credit projects, including coverage for afforestation and soil carbon sequestration efforts. These products address natural and operational risks that could undermine carbon offset goals.

Challenges in Integrating Carbon Credits and Insurance

Despite the promising synergy between carbon credits and insurance, there are several challenges:

1. **Data and Verification**: The lack of standardized methodologies for measuring and verifying carbon reductions complicates the development of insurance products tailored to these markets.
2. **Price Volatility**: Carbon markets are highly volatile, making it difficult for insurers to price coverage accurately and consistently.
3. **Moral Hazard**: Insuring carbon credit projects may inadvertently encourage developers to take on higher risks, knowing they are covered.
4. **Regulatory Hurdles**: Varying regulations across regions create complexities for insurers looking to offer cross-border coverage.
5. **Reputation Risks**: Insurers face scrutiny over the environmental integrity of the projects they underwrite, especially in voluntary markets where greenwashing is a concern.

The Future of Carbon Credits and Insurance

The integration of carbon credits and insurance is expected to evolve significantly in the coming years, driven by: Technological Innovations: Blockchain and AI are being used to improve transparency and traceability in carbon markets, enhancing insurers' ability to assess and manage risks.

Public-Private Partnerships: Governments and insurers are collaborating to create risk-sharing frameworks for large-scale carbon reduction initiatives.

Mandatory Climate Disclosures: Regulatory frameworks like the Task Force on Climate-Related Financial Disclosures (TCFD) are pushing companies to adopt robust risk management practices, increasing demand for insurance coverage.

Conclusion

The convergence of carbon credits and insurance represents a powerful tool in the fight against climate change. By addressing the risks and uncertainties in carbon markets, insurers not only safeguard financial investments but also accelerate the transition to a low-carbon economy. As the world grapples with the challenges of global warming, the development of innovative insurance products for carbon credits will play a critical role in ensuring the success of climate mitigation efforts.

By fostering trust and stability in carbon markets, the insurance industry has the potential to become a key enabler of sustainable development, creating a future where economic growth and environmental preservation go hand in hand. The collaboration between these two sectors is not just a financial innovation-it's a necessity for a resilient and sustainable planet. ■

Source: The Insurance Times – 13 February 2025

• *Parametric Insurance to Build Financial Resilience*

This UNDP and Generali report, "Parametric Insurance to Build Financial Resilience" is a comprehensive study highlights the power of parametric insurance in protecting vulnerable communities from financial shocks and closing the protection gap.

The report, featuring case studies and actionable insights including the work of the Insurance Development Forum, is a must-read for anyone interested in innovative insurance solutions that advance the UN Sustainable Development Goals.

Executive Summary

Escalating global risks are highlighting the insurance industry's role in providing critical financial safety nets for countries and societies everywhere. At the same time, industry models and governance systems are being challenged to keep pace with accelerating technological change, economic uncertainty and several contexts of crisis.

The entanglement of multiple global challenges, or 'polycrisis', is posing an unprecedented threat to global development.

Efforts and resources to reduce carbon emissions driving climate change have fallen short: an estimated 3.6 billion people now live in areas highly exposed to climate-related hazards (IPCC, 2023). Nature loss is already impacting communities and global supply chains, with an estimated US$5 trillion in nature-related risks threatening to accelerate climate change (Ranger et al., 2023). Record high public debt is crippling climate action in developing countries (UNCTAD, 2024) and the eruption of conflict across multiple regions is affecting global trade, significantly increasing displacement, spikes in energy costs and acute hunger (Kinnear, 2024; FSIN and Global Network Against Food Crises, 2024).

This report considers the need to tackle financial vulnerability and boost resilience in a fragmented, yet interconnected, world. The insurance industry has a critical role to play, acting as both a shock absorber for the financial impacts of rising hazards and as a critical enabler of investment – in climate adaptation, productivity and growth (Howden, 2024). However, the global protection gap for health, mortality, agriculture and natural hazards reached a record $1.8 trillion in 2022, influenced by rising numbers of climate-related hazards and extreme weather events (Swiss Re Institute, 2023).

Global economic losses of $280 billion were recorded from hundreds of disasters in 2023, with 60% of losses uninsured (Swiss Re Institute, 2024). With coverage in developing countries and emerging economies estimated between 1% and 10% respectively (Insurance Development Forum, n.d.), governments, businesses and households are left carrying the full financial burden of recovery and reconstruction on their shoulders (Alayza, Laxton and Neunuebel, 2023).

As risks rise and evolve, leaders in governments and boardrooms alike are looking for risk management solutions to offer a 'financial safety net' against perils such as earthquakes, wind storms, or non-damage business interruption that are not always available or offered by traditional insurance.

Parametric or index-based insurance is an alternative solution to this challenge, complementing traditional insurance to keep more businesses and communities insured. Because payouts are based on independently verified 'triggers' or 'parameters', disbursements are delivered faster, allowing swifter recovery from shocks.

This paper highlights the transformational role that parametric insurance solutions can and should play in closing the protection gap and helping to achieve the UN Sustainable Development Goals. It includes a range of insights and tools to increase governments', businesses' and communities' understanding of how parametric policies work, and how they protect people and assets in the event of hazard and shock. Industry case studies illustrate how parametric solutions are being deployed successfully across various sectors and risks (case studies from Generali Global Corporate & Commercial, Descartes Underwriting, African Risk Capacity, Blue Marble, CelsiusPro, Swiss Re and WTW). Additional tools include a checklist for organizations considering parametric insurance, from identification of key economic sectors to better understanding the claims process.

For organizations considering adding parametric products to existing portfolios as part of sustainability programmes, case study-based examples provide a framework to measure the impact of parametric insurance policies.

Of critical importance to this work is the role of government.
Drawing on examples from the work of the United Nations Development Programme (UNDP) at the country level, it is clear that the insurance industry cannot scale parametric solutions to build financial resilience without the appropriate ecosystem. Here is where the development system can and must significantly increase its investment in insurance market development, building awareness and establishing supportive governance mechanisms, market functions, regulations and policies that allow parametric insurance to contribute meaningfully to closing the financial protection gap. ■

• *How can the insurance sector respond to emerging gray zone risk in the aviation industry?*

Rising geopolitical tension creates several challenges for the aviation industry as it moves people and goods between countries. The insurance implications can also be complex.

By Jared Seth | December 3, 2024

The article "How can the insurance sector respond to emerging gray zone risk in the aviation industry?" explores the challenges posed by rising geopolitical tensions and gray zone conflicts on aviation and its insurance sector.

Gray zone conflicts refer to ambiguous activities that fall between war and peace, often involving state-sponsored actions without clear attribution. Key issues discussed include:

1. Spoofing and Jamming of GPS Signals: Modern conflicts increasingly involve GPS spoofing and jamming, affecting navigational systems of both military and commercial aircraft. While aviation crews are trained to handle such situations, any potential incident could complicate insurance claims. Mechanisms like clause AVS103A are designed to address disputes about whether such events are war perils.
2. Aviation-Related Sanctions: Economic sanctions, such as those imposed during the Russia-Ukraine conflict, create ambiguity for insurers. For instance, vague language like "for use in Russia" led to confusion about coverage for flights into Russia or aircraft needing emergency repairs in Russian airspace. These issues highlight the tension between government policy ambiguity and the insurance sector's reliance on precise language.
3. Risk of Nuclear Detonation: The possibility of nuclear conflict raises significant concerns. Insurance policies for aviation typically exclude war or terrorism, but reinstatements through hull war policies can be terminated automatically in the event of nuclear detonation or conflict between permanent UN Security Council members. Such events could disrupt global aviation by grounding fleets.

The article concludes by emphasizing the aviation insurance sector's adaptability and urges proactive responses to these emerging risks. It highlights the need for clear communication and policy adaptations to navigate gray zone conflicts effectively.

Source: WTW Research Network Q4 2024 Newsletter - 20 Dec 2024

For further details, the full article can be found here ■

• *A brief history of the Bond Market*

Insurance companies are major investors in government bonds, which historically offered low-risk fixed income and provided cash flow stability and security, on short tail risk (non-life) while being fundamental to long-term liability products in life insurance.

Amid a post-pandemic recovery and recent economic instability, insurers have been hit by dramatic increases in inflation and interest rates. The impact on the bond market has been a reversal in US and UK long-run yield rates that has created both major challenges and new opportunities for the (re)insurance industry.

Professor Ricardo Reis (London School of Economics) explores the recent history of the global bond market, future scenarios for where yield rates could be heading and how these could impact (re)insurer balance sheets.

Key Findings

- Rising interest rates have fuelled US and UK government bond yields to rise sharply in the last two years, reversing a previous 20-year decline.
- Current quantitative modeling on longer-term bond yields rates suggests a permanent increase in long-term yields of 1%-2%.
- Contrary to what most financial observers predicted, long-run yields have been sustained and haven't fallen away as central banks reach the peak of policy interest rates in their fight against inflation.
- Factors driving the increase in long-term yields are complex and multivariate, including an increasingly aged population in Western economies saving money for their retirement, the decreasing appetite from emerging economies to continue to invest in the US bond market, concerns about the safety and liquidity of government bonds, and a post-pandemic increase in public investment projects.
- Current conditions create both significant opportunities and challenges, particularly for life insurers. Advantages include potentially higher illiquidity premiums, tying up capital for longer periods, a growth in asset intensive reinsurance and high investment yields. Disadvantages include increased lapse risk of policies and stressors on capital positions, such as stability and profitability. ■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Africa News

• Sub-Saharan Africa: Economic Growth Key View

Fitch Solutions

Highlight:

- We expect that real GDP growth in Sub-Saharan Africa (SSA) will accelerate to 3.8% in 2025, from an estimated 3.4% in 2024 (and 3.2% in 2023), as major markets such as Nigeria and South Africa continue to exert less of a drag.
- East & Central Africa will be the fastest growing subregion, with growth of 4.6% in 2025, as governments in East Africa continue to invest in infrastructure projects. Ethiopian GDP will grow by 7.0% as the security environment improves following conflict in Tigray and the government persists with efforts to attract private-sector investment. Real GDP in Rwanda will grow by some 6.1% in 2025, as infrastructural development work continues, while growth in the DRC of some 5.4% will be driven by the mining sector, although the ongoing conflict between Rwandan-backed rebels and the Congolese army represents a downside risk. Growth in the continent two largest economies, South Africa and Nigeria, will accelerate from 2024 levels, but they will continue to drag on growth in their respective subregions.
- Structural growth drivers in SSA include the availability of commodities, such as those used in clean and emergent technologies, and demographic trends. As of 2023, around 40% of the African population was aged 15 years old or younger, compared to a global average of 25%. An ongoing shift from agriculture and extractive industries to the services sector will also emerge as a growth driver.
- In 2025 inflation will moderate from the levels seen in the past two to three years, but will remain well above historical trends, reflecting rising food and fuel prices as well as weak currencies and low investment growth. High levels of public debt which act as a drain on fiscal resources will also be challenging: markets including Ghana and Zambia have defaulted on external debt in recent quarters.

Key Risks

• President Donald Trump imposition of tariffs on Canada, Mexico and China, announced in early February, present a potential risk to growth and inflation in Sub-Saharan Africa (SSA). While SSA markets are not directly affected, there will be an impact through indirect channels. Tariffs, and the significant risk of escalation, pose large upside risks to inflation and downside risks to growth in China and the US (as well as Mexico and Canada), potentially constraining demand for African goods. China and the US account for a respective 17.8% and 4.6% of total trade with SSA, but some individual markets, such as Angola and the Democratic Republic of the Congo, are significantly more exposed. In addition, tariffs could impact the US Federal Reserve's policy rate decision, with knock-on impacts for some SSA markets. Even before the tariff announcement the Fed had raised its expectations for inflation at its December meeting. Should inflation and inflation expectations rise substantially further, the Fed might be forced to remain on hold or even hike interest rates. This in turn could prompt SSA central banks such as the South African Reserve Bank to halt easing cycles, to avoid exerting downside pressure on national currencies.

• Over the long term, climate change is a key risk for the continent. The World Meteorological Organization (WMO) suggests that damage associated with rising sea levels alone could amount to 2-4% of the GDP of SSA markets by 2050. Drought, flooding and extreme heat will present additional headwinds to growth, and the WMO estimates necessary adaptation costs at USD30aEUR"50bn (which is 2-3% of regional gross GDP) each year over the next decade.

• Instability remains the key risk in the region. There are major insurgencies taking place across multiple Sahelian states, as well as more geographically limited insurgencies in Nigeria, Somalia and Mozambique. Governments have struggled to contain unrest, which has led to growing popular discontent and a series of attempted and successful military coups, such as those in West Africa.

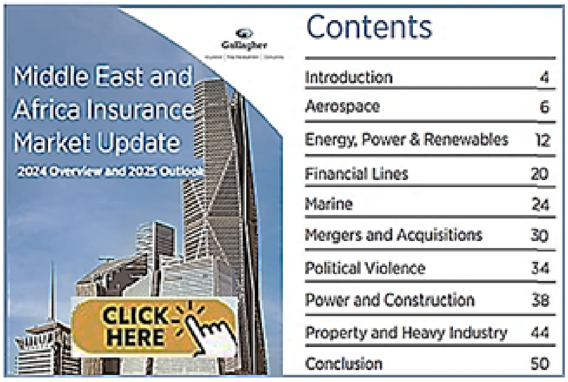
• Structural constraints also present political risks. Notably, education and skills training in multiple markets are failing to provide the skills needed in the economy, leading to structurally high unemployment. At its worst, this risks turning a potential demographic dividend into a demographic disaster, exacerbating poverty levels and risking both serious public protests and the emergence of populist political movements. ■

Business Monitor Online – 3 February 2025

• *Middle East and Africa Insurance Market Update*

Gallagher has recently published the "**Middle East and Africa Insurance Market Update**" which provides a comprehensive analysis of the insurance landscape in the MEA region. This report offers insights into the current state of the market, pricing trends, and critical developments across various lines of business, with a 2024 overview and a 2025 outlook.

You can access the report from here



• *The "Africa Insurance Outlook 2024/2025" by Deloitte*

Deloitte provides an in-depth analysis of the African insurance industry's current landscape, highlighting key developments and emerging trends across the continent. Despite economic challenges such as high interest rates and inflation, major South African insurers, which represent over 80% of the market, have shown remarkable resilience, maintaining strong capital positions to navigate future uncertainties.

The report emphasizes the significant impact of the implementation of IFRS 17 on financial reporting and analysis, noting that this will be a focal point in the coming years. Additionally, the Prudential Authority in South Africa is promoting the development of robust stress-testing frameworks specifically designed for liquidity risk. Insurers are now expected to establish comprehensive governance structures, adopt more relevant measurement techniques, and implement timely reporting mechanisms to align liquidity risk management with global best practices.

Furthermore, the report discusses the pressing issues of climate change and economic inequality, urging insurers to move beyond traditional risk aversion and focus on creating stakeholder value. By aligning financial products with Sustainable Development Goals (SDGs) and fostering innovation aimed at inclusion and resilience, the industry can transform challenges into opportunities, thereby driving sustainable development.

For a more detailed understanding click image below to read the full report

You can also watch Deloitte's overview of the Africa Insurance Outlook 2024/25 on

YouTube

• *(Re)Insurance Markets in West Africa:*
Navigating Uncertainty Amid Political Shifts

Principal Takeaways

- The withdrawal of Niger, Mali and Burkina Faso from the Economic Community of West African States is the latest sign of political turmoil in the region, but the direct impact on (re)insurance markets will be limited in the short term.
- Commercial relationships between domestic insurers and regional reinsurers are likely to persist. However, departure from the Conférence Interafricaine des Marchés d'Assurances community could have regulatory implications for those countries' (re)insurers.
- Insurance penetration in Niger, Mali and Burkina Faso remains low but there is solid demand for reinsurance for larger commercial risks, including retrocession into international markets.
- (Re)insurance markets in West Africa are likely to remain largely unaffected by the political and economic uncertainty besetting parts of the region, according to analysis from AM Best.

In January 2025, Niger, Mali and Burkina Faso finalised their departure from the Economic Community of West African States (ECOWAS), a political and economic union of 15 states, and set up their own trading bloc, l'Alliance des États du Sahel.

AM Best believes this development shows potential to cause some instability but in the short-to-medium term the consequences for (re) insurance companies operating in the region should be limited.

ECOWAS has announced its intention to "leave open the door" for dialogue with the three states for six months. Prior to any meeting to discuss aspects of the withdrawal, ECOWAS has also stated that free movement of goods and services from the three countries will continue in accordance with its Trade Liberalization Scheme and its Investment Policy.

Insurance Implications

Insurance markets in Niger, Mali and Burkina Faso remain relatively small, and in AM Best's view, political upheaval is unlikely to significantly affect the levels of demand for insurance, especially for personal lines.

However, large commercial risks will continue to require reinsurance. This is predominantly provided through mandated cessions to national and regional carriers (and retroceded to international markets) and traditional reinsurance buying.

These are expected to continue to play a critical role in risk-sharing, despite the three countries' exit from ECOWAS. For the time being, Niger, Mali and Burkina Faso remain members of the Conférence Interafricaine des Marchés d'Assurances (CIMA), an organisation established in its current form in 1992 with the aim of harmonising insurance regulations among member countries in sub-Saharan Africa.

AM Best highlights some of the key considerations for insurers:

Continued Commercial Relationships

AM Best considers the relationships between local insurers and regional insurers to be commercial rather than purely driven by regulation. Domestic insurers are expected to maintain their business ties with regional reinsurers, ensuring stability in risk-sharing despite political shifts.

Regulatory Implications

Withdrawal from ECOWAS raises questions regarding future participation in CIMA, which oversees insurance regulation in the region. AM Best does not expect to see any departures from CIMA, but such a move could lead to some regulatory uncertainty for (re)insurers operating in these markets if new rules were to be markedly different. (see CIMA Overview box)

Reinsurance Capacity and Pricing

While Africa-based reinsurers have seen capital growth in recent years, capacity constraints persist, and global reinsurers continue to support key sectors, ensuring that major commercial risks remain covered.

Major risks in Niger, Mali, and Burkina Faso—especially in industrial and infrastructure sectors— still require global reinsurance backing. While local retention rates remain low, commercial insurers in these markets are expected to continue ceding business to both regional and global reinsurers.

Despite solid growth in recent years, the capacity offered by Africa-domiciled reinsurers remains constrained, and insufficient to meet the needs of local primary markets fully, particularly where major property and energy risks are concerned.

As the region's economies have industrialised, their insurance needs have grown at a faster pace than the local market's capacity. This is evidenced by rising levels of premium written but declining levels of retention for sub-Sahara African reinsurers who have relied on retrocession to provide capacity.

As well as capacity, local players often lean on more sophisticated global reinsurers for the expertise needed to underwrite complex risks.

The region remains attractive as a profitable market for international reinsurers, in part because of the relative lack of natural catastrophe exposures, in conjunction with the market's profitability.

Insurers operating within CIMA face restrictions on the amount of business they can cede to reinsurers outside the regulatory bloc. Locally licensed insurers are required to cede a percentage of their direct premium to the regional reinsurer, Compagnie Commune de Réassurance des Etats membres de la CIMA (CICA-RE).

There are also compulsory reinsurance cessions to CICA-RE and the Africa Reinsurance Coporation (Africa Re), and certain member countries also require local insurers to cede a portion of their business to state reinsurers, such as Société Commerciale Gabonaise de Réassurance in Gabon.

None of the trio within l'Alliance des États du Sahel have given an indication of any change to their future involvement with CIMA. However, if any of those countries were to leave that community there would be regulatory implications for their domestic insurers as insurance regulation is managed through CIMA.

While the long-term effects of the ECOWAS exit remain uncertain, particularly if discussions on forming an alternative monetary union or regulatory framework gain traction, AM Best notes that (re)insurers with strong market knowledge and risk assessment frameworks are well-positioned to navigate these changes and capitalise on emerging opportunities.

BEST'S COMMENTARY

At present, from a ratings perspective, AM Best still considers the implications of these developments to be limited. However, it will continue to monitor developments. ■

Source: Best's Commentary Report: (Re)Insurance Markets in West Africa, 12 March 2025

EGYPT

• *Insurance Companies Prohibited from Distributing Cash Profits Before Meeting Minimum Capital Requirements*

Capital Requirements for Insurance Companies and Related Activities in Egypt

The Financial Regulatory Authority (FRA) has prohibited insurance companies and entities related to the insurance sector from distributing any cash dividends to their shareholders before meeting the minimum capital requirements set by the Authority's decision, along with obtaining a no-objection certificate from the FRA.

The FRA has mandated that these companies prepare a timeline detailing the stages of increasing their capital in accordance with the provisions of the latest decision, which sets the minimum capital requirements for companies. The companies must submit this timeline to the FRA within one month from the date of implementation.

The decision obligates companies operating in the insurance sector to increase their minimum issued and paid-up capital in two phases over two years. The capital must first be raised to EGP 100 million within the first year from the date of implementation of the decision. Then, in the second phase, it must be increased to EGP 600 million by the end of the second year.

The decision also sets the minimum capital requirement for property and liability insurance companies engaged in aviation, petroleum, or aviation insurance at EGP 400 million in the first phase from the date of implementation. Additionally, an extra EGP 50 million must be added for each additional insurance branch practiced.

The decision establishes a minimum capital of EGP 75 million for specialized insurance companies operating in specific insurance branches, including a set minimum of EGP 75 million for specialized medical insurance companies.

Additionally, the minimum capital requirement for reinsurance companies has been set at EGP 1 billion.

The decision also specifies the minimum capital for companies engaged in professions and activities related to insurance. The minimum capital for Third-Party Administration (TPA) companies managing medical insurance programs is set at EGP 12 million. Meanwhile, the minimum capital for insurance and reinsurance brokerage firms is set at EGP 5 million, and EGP 3 million for risk assessment firms, claims assessment and damage evaluation firms, insurance consultancy firms, and actuarial consultancy firms. ■

• *74 EGP Billion in Insurance Premiums in 2024 with 27.9% Growth, and Claims Rise by 28%*

The Financial Regulatory Authority 74 EGP Billion in Insurance Premiums in 2024 with 27.9% Growth, and Claims Rise by 28%

The latest reports issued by the Financial Regulatory Authority (FRA) revealed that Egypt's insurance sector achieved strong growth in 2024. Total collected premiums increased by 27.9% compared to 2023, reflecting business expansion and increased customer confidence in insurance services.

According to the report, the value of collected premiums during the period from January to December 2024 reached approximately EGP 74.07 billion, compared to EGP 67.41 billion in the previous year.

This increase was driven by a 39.8% rise in property and liability insurance premiums, which recorded EGP 52.46 billion compared to EGP 37.53 billion in 2023. Meanwhile, life insurance and savings premiums rose by 15.7% to reach EGP 36.54 billion, compared to EGP 31.57 billion in the previous year.

On the claims side, there was a 28% increase, with total claims paid amounting to EGP 35.09 billion in 2024, compared to EGP 30.87 billion in 2023.

Property and liability insurance claims rose by 28% to reach EGP 16.76 billion, while life insurance and savings claims increased by 27.9% to EGP 18.33 billion. ■

Source: Al Mal Newspaper, March 10, 2025

The Egyptian Insurance Market KPI 2004-2023

Figures in Billion EGP

Year	Total Premiums	Total Paid Claims	Total Investments	Total Policyholders' Equity	Total Shareholders' Equity
2004	4.519	2.489	16.813	12.651	3.750
2005	4.850	3.618	18.695	14.295	4.052
2006	5.955	3.801	21.258	16.491	4.575
2007	7.762	4.300	28.994	20.701	8.535
2008	8.186	5.152	28.911	22.420	6.405
2009	9.277	5.498	29.19	25.042	6.520
2010	10.135	5.866	27.42	27.894	6.831
2011	11.022	7.789	38.684	30.444	7.884
2012	12.791	6.948	42.383	34.187	7.873
2013	14.355	7.293	48.585	38.096	10.504
2014	16.215	8.753	52.470	41.927	10.435
2015	18.223	10.759	57.142	45.887	11.213
2016	23.9	12.9	85.5	45	30.8
2017	29.5	15.4	99.3	61	38
2018	29.5	15.4	99.3	61.1	38
2019	35.2	18.3	102	69	35
2020	40.1	18.9	107.7	77.2	33.3
2021	47.5	23.4	131.5	883	45.6
2022	56.2	27.3	153.4	103.2	50.1
2023	61.4	27.3	208.9	126.5	80.3

Source: Financial Regulatory Authority (FRA) - Annual Reports, Various Issues

GHANA

- ***Ghana's regulatory reforms seek to expand insurance penetration* - OBG Report**

The Domestic Debt Exchange Programme that launched at the end of 2022 has helped stabilise inflation. This is expected to foster sustainable growth, injecting optimism into the sector and the overall economy. However, macroeconomic headwinds such as elevated government debt and inflation have constrained the maturation of Ghana's capital markets, leading to a slowdown in the number of initial public offerings launched in recent years. The insurance sector has faced similar constraints, with its growth trajectory tempered by the general economic downturn despite new regulations and increased revenue. However, as more Ghanaians move into the formal economy, demand for insurance products is expected to grow, in turn creating more opportunities for companies operating in the sector

Ghana's insurance industry has been transformed in recent years by regulatory reforms, led by the National Insurance Commission (NIC). The commission has prioritised modernising the sector, as well as enhancing its accessibility and reach. Supported by these efforts, the sector has expanded rapidly, with total gross written premium growing by 232% between 2018 and 2022. Along with the increase in premium, the number of insurance providers has expanded to keep up with demand. This has allowed the country to bring previously uninsured individuals into the fold. Even as the sector has seen progress, it was deeply affected by the country's wider financial crisis and currency devaluation. While there were initial concerns about the sector following the Domestic Debt Exchange Programme (DDEP), the industry has proven to be resilient.

Structure & Oversight

The NIC oversees Ghana's insurance sector, working to ensure the effective administration, supervision and regulation of most insurance businesses. The commission also approves insurance premium rates and arbitrates disputes about claims. Also involved in the sector is the National Health Insurance Authority and the National Pensions Regulatory Authority (NPRA), which are responsible for the provision and regulation of health insurance and pensions, respectively.

The sector comprised 49 insurance providers – 28 in the non-life and 21 in the life segment – as of September 2023. In addition to insurance providers, the sector featured four reinsurers, five reinsurance brokers, 116 brokerages and around 12,500 agents with licences to operate in the country.

The life insurance segment is concentrated, with the top-three companies by assets accounting for 60.9% of the market as of the second quarter of 2023. These companies were StarLife Assurance, accounting for 25.7% of total assets, followed by Enterprise Life Assurance (19.4%) and SIC Life Insurance (15.9%). The non-life segment was less concentrated, with the top-three companies making up a combined 38.1% of assets. The top-three companies in the non-life segment were Star

Assurance (16.6% of assets), SIC Insurance (11.7%) and Enterprise Insurance (9.8%).

Insurance Act

The NIC was created under the Insurance Act of 1989, but today operates under the provisions of the Insurance Act of 2021. The Insurance Act of 2021 aims to modernise the sector and increase penetration through the introduction of a special licence for companies with new or innovative products or services, among other measures. Among its most important measures is the addition of three compulsory lines of coverage: public liability, professional indemnity and marine cargo insurance. Prior to the law, only auto and fire insurance coverage was required.

The new framework aims to raise awareness among Ghanaians about the importance of having insurance, long a challenge for the industry (see analysis). "Ghana needs a new approach to boosting insurance awareness to ensure consumers see the value and significance of insurance and increase overall penetration," Yasmin Essilfie-Mensah, managing director of Edward Mensah, Wood & Associates told OBG. "This could be done through universal financial education of the public and teaching the concept in basic academic curricula."

The legislation also created the Insurance Education Fund to provide support for training the industry's workforce, as well as the Agriculture Insurance Fund to develop that segment. The creation of the two dedicated funds highlights the government's commitment to ensuring that the sector thrives, both in terms of its workforce and in efforts to expand coverage to some of the country's most economically important sectors. Agriculture insurance is a particular priority as a large portion of the population –around 40% as of 2021 – is employed in the sector, making it a significant contributor to GDP.

Size & Performance

Insurance penetration, or gross premium as a share of GDP, held steady at around 1% between 2016 and 2021, ticking upwards slightly to 1.6% in 2022, according to the Bank of Ghana (BoG), the country's central bank. While the figure shows improvement, the country remains behind some of its continental peers.

To put insurance penetration into a regional context, in 2021 South Africa had the continent's highest penetration rate, at 17%, followed by Namibia at 6.3%. However, countries such as Tanzania (0.6%) and Uganda (0.8%) reported lower insurance penetration rates. Ghana's relatively low premium has been identified as one of the contributors to the continent's muted penetration rate.

However, by some measures the country is faring better: insurance coverage, or the percentage of the population that has insurance services, reached 44.6% in 2022. Life insurance penetration, meanwhile, witnessed an uptick from 29% in 2015 to 31% in 2022; when measured as a proportion of the country's working population, this figure was up to 45%.

At constant 2013 prices, the contribution of financial and insurance activities to GDP was GHS7.9bn ($717.3m) in 2022, up 5.7% from 2021 and 8.2% from 2020, according to the BoG. In nominal terms, the contribution of financial and insurance activities to GDP was GHS17.3bn ($1.6bn) in 2022, up 9.6% from 2021 and 20.4% from 2020. The difference between the two figures reflects the devaluation of the cedi, which lost 55% of its value between January and October 2022. Overall, financial and insurance activities accounted for 3% of Ghana's GDP in 2022.

NIC data shows that total life insurance assets grew by 13.9% in nominal terms, from GHS6.4bn ($581.1m) to GHS7.3bn ($653.8m) between the second quarter of 2022 and the second quarter of 2023, the most recent quarter for which data is available. Non-life insurance assets, meanwhile, expanded by 35.1% over the same period from GHS4.7bn ($426.8m) to GHS6.3bn ($572m). Meanwhile, profit after tax across the sector increased by 20.3% from GHS240m ($21.8m) to GHS289m ($26.2m).

Premium

Gross premium increased from GHS3.1bn ($281.5m) in the second quarter of 2022 to GHS4.1bn ($372.3m) in the second quarter of 2023, an increase of 35%. Non-life non-life accounted for GHS2.3bn ($208.8m) and life GHS1.8bn ($163.4m) of second quarter 2023 figures. For life insurers, the business lines that contributed the most to premium were universal life and investment products at GHS826.9m ($75.1m). Other products included whole life and endowment (GHS543.6m, $49.4m), group life (GHS175.3m, $15.9m), term (GHS141.2m, $12.8m), other approved products (GHS73.3m, $6.7m) and credit life (GHS53.3m, $4.8m).

For non-life insurers, nearly half of premium came from motor at GHS1bn ($90.8m). Other lines included fire, theft and property (GHS675.3m, $61.3m); engineering (GHS141.4m, $12.8m); liability (GHS140m, $12.7m); marine and aviation (GHS126.2m, $11.5m); personal accident, health and medical (GHS97.1m, $8.8m); and bonds and financial guarantees (GHS81.5m, $7.4m).

Distribution Channels

According to the most recent figures from the NIC from 2021, 40.4% of life insurance premium was attributed to distribution by individual or tied agents, 31.4% to direct business, 12.9% to bancassurance, 7.9% to brokers, 4.3% to telecoms companies and 3.5% from other corporate agents. On the non-life side, 42.7% came from brokers, 30.5% came from individual or tied agents, 22.1% from direct business, 2.3% from bancassurance, 1.8% from other corporate agents, 0.6% from telecoms companies. The distribution may be set to change, however, as more financial technology and telecoms companies embrace mobile insurance and other emerging segments. With new players in the space, the market could see more activity stemming from non-traditional players targeting un- and under-insured individuals.

International Standards

In January 2023 the International Financial Reporting Standards (IFRS) 17 took effect, replacing IFRS 4 as the international standard for insurance contracts. IFRS aims to standardise insurance accounting around the world to improve comparability and increase transparency by implementing a uniform approach. While the NIC had established a framework for the standards, the month the standards were set to become effective, the commission announced it would postpone implementation to mitigate the impact of the DDEP on the sector. Other measures to support the sector included revisions to claim payments timelines; a 40% reduction in product approval fees; and the creation of a regulatory asset that companies could utilise to fill gaps in their balance sheet, with up to 15 years to write down.

Also included in the package was a moratorium on the enforcement of minimum capital requirements and capital adequacy ratio, at 14.2%, for the 2023-24 period. In 2019 minimum capital requirements for insurance firms were raised from GHS15m, or around $2.6m at the time, to GHS50m ($8.5m at the time), while reinsurers would need GHS125m ($21.4m at the time), up from GHS40m ($6.8m at the time), and brokers GHS500,000 ($85,500 at the time), up from GHS300,000 ($51,300 at the time).

Pensions

Public and private pension schemes are integrated in Ghana and are managed separately from most other activities in the insurance sector. They function according to a three-tiered system, overseen and managed by the NPRA, and the Social Security and National Insurance Trust, both of which were established in 2008 by the National Pensions Act. The first tier is publicly administered and is contributed to by all workers in the formal sector through compulsory payments, operating on a pay-as-you-go basis. The second tier receives contributions from both workers and employers, with payments made either incrementally each month or in lump sums. The third tier involves voluntary, tax-deductible individual payments. The administration of tiers two and three is handled by private enterprises. The NPRA is responsible for ensuring compliance with pensions-related legislation, and conducts periodic visits to private establishments to ensure that both formal and informal employers paid their mandatory monthly pension contributions.

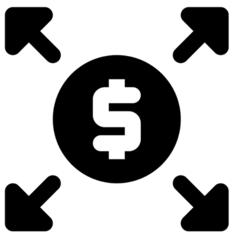
The pension system has historically been limited to the small portion of Ghanaians who work in the formal sector, leaving the informal 80% of the workforce vulnerable to financial shocks. The government has worked to enhance awareness about the importance of pensions, especially among those in the informal sector. As part of these efforts, in April 2023 the NPRA held a workshop for artisans to educate workers about the pension programme.

Reinsurance

There are four reinsurance companies operating in the domestic market: Ghana Reinsurance, GN Reinsurance, Mainstream Reinsurance and WAICA Reinsurance. A substantial portion of the implicit risk assumed by Ghanaian insurers has traditionally been transferred to foreign reinsurers, resulting in foreign exchange outflows. The transfer of risk to foreign reinsurers also exposes the domestic sector to exchange rate volatility. To address this imbalance, the NIC mandates that insurers exhaust local reinsurance capacity before looking abroad. The proportion of the local reinsurance market's risk retention on assets grew from 2% in 2018 to 7% in 2021, as domestic underwriting capacity expanded.

Outlook

Fuelled by modernising regulations and increasing revenue, the upwards trajectory of the insurance sector has been tempered by the wider economic downturn. With 40% of the industry's assets in local government bonds, rebuilding its capital buffers will be critical to offsetting the capital erosion under the DDEP, and promoting financial stability and development. In the long run, the DDEP is likely to benefit the larger economy by reducing the country's debt burden. Though it may cause challenges in the short term, the restructuring will likely benefit insurers who seek to diversify their portfolio to enhance investment returns, improving resilience. Moreover, as more Ghanaians move into the formal economy, demand for coverage will grow, creating more long-term opportunities for insurers. ■



Source: The Report 2024 Ghana – by Oxford Business Group

KENYA

• Kenyan bancassurance market in 2023

A report published by the Association of Kenyan Insurers (AKI) indicates that bancassurance activity in the country closed the 2023 financial year with a turnover of 35 billion KES (221.5 million USD), up 13.3% over one year.

Non-life premiums stood at 18.5 billion KES (117.2 million USD), against 16.5 billion KES (104.3 million USD) for the life segment.

Incurred losses increased by 11.8%, from 12.7 billion KES (102.2 million USD) in 2022 to 14.2 billion KES (89.9 million USD) a year later.

In 2023, bancassurance accounted for 9.69% of premiums written by the entire Kenyan insurance market, which amounted to 361.36 billion KES (2.3 billion USD).

Source: Atlas Magazine | 6 Dec 2024

Bancassurance in Kenya: 2023 main indicators

Figures in thousands

Class of business	2023		2022		Evolution
	KES	USD	KES	USD	2022-2023
Motor	10 851 881	68 692	9 599 169	77 273	13.05%
Fire	2 925 192	18 516	2 517 645	20 267	16.19%
Health	1 094 478	6 928	846 269	6 812	29.33%
Theft	1 071 872	6 785	527 763	4 248	103.10%
Miscellaneous risks	670 335	4 243	565 725	4 554	18.49%
Third party liability	484 950	3 070	608 902	4 902	-20.36%
Engineering	475 582	3 010	432 276	3 480	10.02%
Workmen's compensation	428 143	2 710	337 154	2 714	26.99%
Personal accident	267 698	1 695	299 447	2 411	-10.60%
Marine	242 520	1 535	150 714	1 213	60.91%
Aviation	5 096	32	24 136	194	-78.89%
Travel	2 383	15	11 995	97	-80.13%
Non-life total	**18 520 129**	**117 232**	**15 921 194**	**128 166**	**16.32%**
Life	**16 478 261**	**104 307**	**14 962 114**	**120 445**	**10.13%**
Grand total	**34 998 389**	**221 540**	**30 883 308**	**248 611**	**13.32%**

(1) Growth rate in local currency

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

• Kenya mandates local marine cargo insurance

Starting February 14, 2025, importers in Kenya will be required to obtain Marine Cargo Insurance from locally licensed insurers before clearing their goods through customs.

This new directive comes after amendments to the Marine Insurance Act (Cap 390) and the Insurance Act (Cap 487) made it mandatory for anyone with an insurable interest in imported goods to secure insurance locally.

This law, which was introduced by the Finance Act of 2017, seeks to protect Kenyan businesses and strengthen the local insurance sector by ensuring that all marine cargo insurance policies are sourced from licensed Kenyan insurers.

According to a joint public notice from the Insurance Regulatory Authority (IRA) and Kenya Revenue Authority (KRA) , the new system will be fully digital. Importers will need to obtain a digital Marine Cargo Insurance Certificate before they can receive customs clearance. ■

Source: The Eastleigh Voice - 7 Jan 2025

LIBYA

Director General of the Insurance Supervisory Authority - Libya

• *The Unified Insurance Law Will Bring a Transformational Shift in the Sector*

The Insurance Supervisory Authority in Libya believes that the Unified Insurance Law, which will come into effect in 2026, will serve as a catalyst for a transformative shift in the sector. By outlining comprehensive provisions and conditions, the law will regulate the operations of insurance companies, enhance their financial capacities and standards, and contribute to accelerating insurance inclusion. It will also expand the scope of insurance protection to cover a wider segment of society.

Steps Underway to Modernize and Develop the Sector

Efforts are being made to modernize and develop the sector, with the issuance of a Unified Insurance Law before the end of 2025 being a top priority. This initiative aims to restructure the industry in line with regional and global developments. It is expected to bring an unprecedented transformation to Libya's insurance industry by strengthening the sector's role, equipping it with the necessary capabilities, improving the investment climate, attracting financially sound investors, and contributing to Libya's reconstruction and the establishment of a modern state.

Issuance of the New Unified Insurance Law: Key Measures for Development

The market requires a unified law to regulate the operations of insurance companies. Currently, the sector operates under Law No. 3 of 2005, which governs oversight and supervision. However, this law does not provide comprehensive mechanisms for managing all components of the insurance sector. This gap has necessitated the issuance of the new Unified Insurance Law before the end of 2025, with implementation set to begin in early 2026. The anticipated impact of this law will be a significant transformation in the insurance sector, as it will help accelerate the achievement of insurance inclusion and extend insurance protection to a broader segment of society.

Increasing the Capital Requirements for Insurance Companies in the Libyan Market

Currently, the Libyan market consists of approximately 52 insurance companies, including 44 engaged in commercial insurance, 8 specializing in Takaful (Islamic insurance), and one reinsurance company.

The new reform aims to encourage companies to raise their capital, thereby contributing to the organization and development of the sector while enhancing the quality of services provided. According to the Director General of the Insurance Supervisory Authority, companies will be required to increase their capital to more than 5 million Libyan dinars. This measure is still under review, with ongoing discussions to reach a final framework that ensures the most balanced and effective outcome. However, the final decision will remain in the hands of the supervisory authority, particularly in cases where new companies seek entry into the insurance market. ■

Source: Al-Bayan Magazine – Issue 638, 2025

MOROCCO

• Regulator studies launching compulsory home insurance

The Insurance and Social Security Supervisory Authority in Morocco is currently conducting a feasibility study on the introduction of mandatory home insurance. This approach is part of a comprehensive vision of protection against home-related risks and modernisation of the insurance framework in Morocco, reported Hespress.

This study marks a crucial step in efforts to improve the resilience of households and the real estate sector. Despite significant progress in access to housing in Morocco, multi-risk home insurance remains largely low, particularly for bank-loans financed homes.

The Al Haouz earthquake in September 2023 highlighted the vulnerability of Moroccan households, many of whom were left unprotected against the costs incurred by disasters. ■

Source: Middle East Insurance Review | Feb 2025

• Regulator studies launching compulsory home insurance

Ranking of life and non-life insurance companies in Morocco

Figures in thousands

Companies	2023 turnover		2022 turnover		2022-2023 evolution [1]	2023 shares
	MAD	USD	MAD	USD		
Wafa Assurance	11163900	1109580	10425200	982888	7.09%	19.67%
RMA	8489700	843791	8076100	761415	5.12%	14.96%
Mutuelle Taamine Chaabi	7362500	731759	7345100	692496	0.24%	12.97%
Axa Assurance Maroc	6332000	629338	6027800	568301	5.05%	11.16%
Sanlam Assurance	6152500	611497	5954500	561390	3.33%	10.84%
Atlanta Sanad	5111900	508072	5403600	509451	-5.40%	9.01%
MCMA	2466700	245165	2270100	214025	8.66%	4.35%
Marocaine Vie	2304300	229024	2268700	213893	1.57%	4.06%
Allianz Assurance Maroc	1523700	151441	1486100	140109	2.53%	2.68%
MAMDA	1452700	144384	1278000	120490	13.67%	2.56%
CAT	1286000	127816	1263700	119142	1.76%	2.26%
MATU	1046900	104051	862700	81335	21.35%	1.84%
Maroc Assistance Internationale	589100	58551	602700	56823	-2.26%	1.04%
Africa First Assist	406900	40442	373400	35204	8.97%	0.72%
Wafa Ima Assistance	375500	37321	348600	32866	7.72%	0.66%
Axa Assistance Maroc	177400	17632	74900	7062	136.85%	0.31%
Euler Hermes ACMAR	157200	15624	140400	13237	11.97%	0.28%
RMA Assistance	151800	15087	140000	13199	8.43%	0.27%
Coface Maroc	85000	8448	112300	10588	-24.31%	0.15%
Smaex	55000	5466	44800	4224	22.77%	0.10%
Takafulia Assurance	31000	3081	5800	547	434.48%	0.05%
Wafa Takaful	14700	1461	3800	358	286.84%	0.03%
Al Maghribia Takaful	11000	1093	1500	141	633.33%	0.02%
Taawounyiate Taamine Takafuli	9200	914	700	66	1214.29%	0.01%
Total	**56756600**	**5641038**	**54510500**	**5139250**	**4.12%**	**100%**

[1] *Growth rate in local currency*

Exchange rate as at 31/12/2023: 1 MAD = 0.09939 USD ; 31/12/2022: 1 MAD = 0.09428 USD

Ranking of non-life insurance companies in Morocco

Figures in thousands

Companies	2023 turnover		2022 turnover		2022-2023 evolution (1)	2023 shares
	MAD	USD	MAD	USD		
Sanlam Assurance	5346200	531359	5022400	473512	6.45%	9.42%
Wafa Assurance	4891300	486146	4484000	422751	9.08%	8.62%
AtlantaSanad	3819600	379630	4179800	394071	-8.62%	6.73%
Axa Assurance Maroc	4222600	419684	3885100	366287	8.69%	7.44%
RMA	4009400	398494	3782900	356652	5.99%	7.06%
MAMDA	1452700	144384	1278000	120490	13.67%	2.56%
MCMA	1380200	137178	1272100	119934	8.50%	2.43%
Allianz Assurance Maroc	1297200	128929	1140600	107536	13.73%	2.29%
CAT	1286000	127816	1263700	119142	1.76%	2.27%
MATU	1046900	104051	862700	81335	21.35%	1.84%
Maroc Assistance Internationale	589100	58551	602700	56823	-2.26%	1.04%
Africa First Assist	406900	40442	373400	35204	8.97%	0.72%
Wafa Ima Assistance	375500	37321	348600	32866	7.72%	0.66%
Axa Assistance Maroc	177400	17632	74900	7061	136.85%	0.31%
Euler Hermes ACMAR	157200	15624	140400	13237	11.97%	0.28%
RMA Assistance	151800	15087	140000	13199	8.43%	0.27%
Coface Maroc	85000	8448	112300	10588	-24.31%	0.15%
Marocaine Vie	88200	8766	93300	8796	-5.47%	0.15%
Smaex	55000	5466	44800	4224	22.77%	0.10%
Takafulia Assurance	6300	626	1100	104	472.73%	0.01%
Al Maghribia Takaful	400	40	-	-	-	0.00%
Wafa Takaful	300	30	-	-	-	0.00%
Taawounyiate Taamine Takafuli	-	-	-	-	-	-
Total non-life	**30845200**	**3065704**	**29102800**	**2743812**	**5.99%**	**54.35%**

1) *Growth rate in local currency*

Ranking of life insurance companies in Morocco

Figures in thousands

Companies	2023 turnover		2022 turnover		2022-2023 evolution (1)	2023 shares
	MAD	USD	MAD	USD		
Mutuelle Taamine Chaabi	7362500	731759	7345100	692496	0.24%	12.97%
Wafa Assurance	6272600	623434	5941200	560136	5.58%	11.05%
RMA	4480300	445297	4293200	404763	4.36%	7.89%
Marocaine Vie	2216200	220268	2175400	205097	1.88%	3.90%
Axa Assurance Maroc	2109300	209643	2142700	202014	-1.56%	3.72%
AtlantaSanad	1292300	128442	1223800	115380	5.60%	2.28%
MCMA	1086500	107987	998000	94092	8.87%	1.91%
Sanlam Assurance	806300	80138	932100	87878	-13.50%	1.42%
Allianz Assurance Maroc	226500	22512	345500	32574	-34.44%	0.40%
Takafulia Assurance	24700	2455	4700	443	425.53%	0.04%
Wafa Takaful	14500	1441	3800	358	281.58%	0.03%
Al Maghribia Takaful	10600	1054	1500	141	606.67%	0.02%
Taawounyiate Taamine Takafuli	9100	904	700	66	1200.00%	0.02%
Total life and capitalization	**25911400**	**2575334**	**25407700**	**2395438**	**1.98%**	**45.65%**

(1) *Growth rate in local currency*

MOZAMBIQUE

- *Mozambique Insurance Industry*

➢ Mozambique Insurance SWOT

Highlight: Although small on a global comparison, Mozambique's insurance sector has strong long-term growth potential. Economic growth should ensure growing demand for insurance products over the long term.

Strengths	Weaknesses
• Strong premium growth from a low base. • The participation of regional and global insurance majors has made the local market more sophisticated. • There is a diverse product offering in the non-life sector, which is more developed than its life counterpart.	• Mozambique's insurance market is small in absolute terms. • The life insurance market is small and will be slow to expand over the coming years. • Vehicle density is low, at less than 50 vehicles per 1,000 people, limiting demand for motor insurance. • Low GDP per capita and widespread poverty limit insurance uptake. • Economic growth is closely tied to global commodity prices.
Opportunities	**Threats**
• Development of the natural gas sector should spur economic growth, leading to an influx of foreign workers and boosting all insurance market segments over the long term. • Low insurance per capita penetration indicates strong potential for growth, especially in the life sector. • Reconstruction efforts and economic recovery will unlock pent-up demand. • Merger and acquisition activity in the market should drive innovation and insurance penetration. • The growth of microinsurance will make insurance available to a broader segment of the population. • Mozambique's vulnerability to natural disasters, such as floods, should support demand for property insurance. • The limitations to public healthcare should spur demand for health insurance as incomes rise.	• Mozambique maintains significant macroeconomic imbalances. • High inflation will likely erode market gains in real terms for several years. • Weather volatility and natural disasters remain an ever-present concern. • A resurgence of Islamic terrorism threatens to undermine investor confidence in Mozambique and will disrupt economic activity.

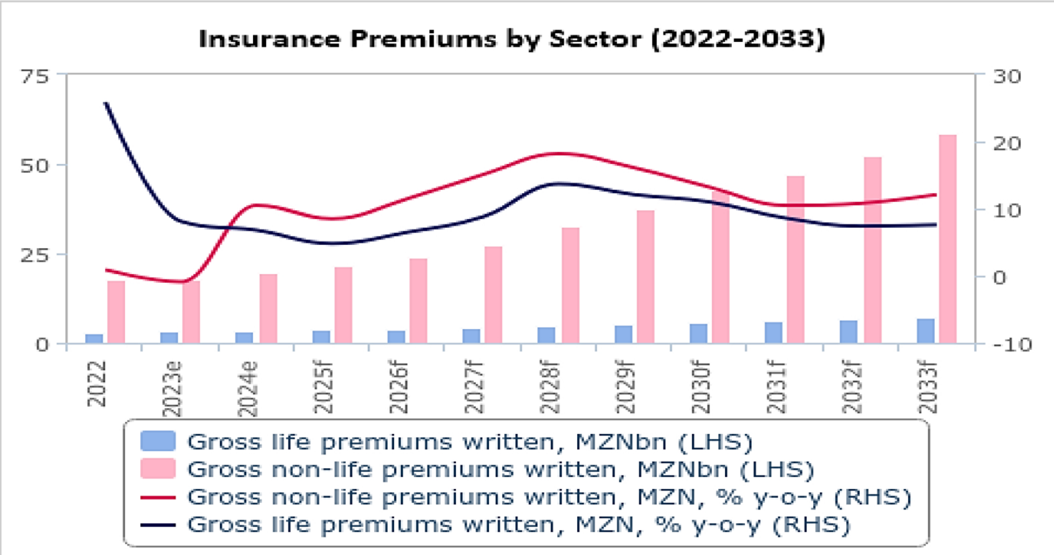
Source: Business Monitor Online – 19 December 2024

FitchSolutions

➢ Mozambique Insurance Snapshot

Highlight:

Mozambique's insurance sector is limited, but may see rapid growth from a low base. This is particularly the case for the non-life market, which we forecast to see average annual growth of over 10% a year over our 10-year forecast period. A growing international presence in the market should support growth in the long term.



e/f = BMI estimate/forecast. Source: Instituto de Supervis APSo de Seguros de MoASSambique (ISSM), BMI

.atest Trends and Developments

We forecast that non-life premiums will see average annual growth of 12.1% over our 10-year forecast period to 2033, to MZN56.41bn by that year.
The smaller life market will see average growth of 12.2%, to reach MZN7.42bn by 2033.
The non-life market is significantly larger than the life market, at around 87% of total premiums, according to our 2024 forecasts.
The largest segment of the non-life market is personal accident, accounting for just over 38% of total non-life premiums, according to our 2024 forecasts. This reflects the low level of development of both Mozambique's economy and insurance market, with a limited social safety net increasing the importance of personal accident cover amid a lack of understanding and ability to purchase life cover.

Gross Insurance Premiums Written (Mozambique 2022-2027)

Indicator	2022	2023e	2024f	2025f	2026f	2027f
Total gross premiums written, MZNbn	21.00	21.34	23.25	24.92	27.30	30.28
Total gross premiums written, MZN, % y-o-y	3.8	1.6	9.0	7.2	9.6	10.9
Gross life premiums written, MZNbn	2.99	3.23	3.46	3.63	3.87	4.19
Gross life premiums written, MZN, % y-o-y	25.9	8.1	7.1	5.2	6.6	8.3
Gross non-life premiums written, MZNbn	18.02	18.11	19.79	21.28	23.43	26.09
Gross non-life premiums written, MZN, % y-o-y	0.9	0.5	9.3	7.5	10.1	11.3

e/f = BMI estimate/forecast. Source: Instituto de SupervisAPSo de Seguros de MoASSambique (ISSM), BMI

Gross Insurance Premiums Written (Mozambique 2028-2033)

Indicator	2028f	2029f	2030f	2031f	2032f	2033f
Total gross premiums written, MZNbn	35.15	41.19	46.80	51.69	57.15	63.83
Total gross premiums written, MZN, % y-o-y	16.1	17.2	13.6	10.5	10.6	11.7
Gross life premiums written, MZNbn	4.76	5.33	5.91	6.42	6.90	7.42
Gross life premiums written, MZN, % y-o-y	13.4	12.0	10.9	8.6	7.4	7.7

Business Monitor Online – 6 January 2025

NIGERIA

• New consolidated insurance bill excites NAICOM

The National Insurance Commission (NAICOM) has commended the passage of the new Consolidated Insurance Bill by the Senate and expressed optimism that the legislation will unlock the insurance sector's growth.

The NAICOM believed that the bill would impact the insurance industry positively, ensure prosperity, and contribute to the nation's gross domestic product (GDP) and the economy as a whole.

The Commission said by consolidating existing insurance laws, the new legislation marks a new era in the ongoing efforts to strengthen the country's insurance industry with a comprehensive framework for regulating all types of insurance businesses and ensure a more robust and effective sector.

According to NAICOM, the bill marks a significant triumph for the insurance industry, as it tackles the long-standing challenge of low insurance penetration in the country.

It noted that 'The new legislation addresses the industry's need for a more robust legal and regulatory framework, enabling it to compete favourably in the African insurance market and globally'.
Also, the newly passed bill introduced several pivotal provisions to fortify Nigeria's insurance industry.

Key highlights of the proposed act provides for the increase in capitalisation from the current N2 billion to N10 billion (life assurance), N3 billion to N15 billion (non-life insurance), and N10 billion to N35 billion (reinsurance).
The new minimum capitalisation is necessitated by several factors, including currency depreciation, provisions in the Finance Act 2022, which redefined the composition of capital, inflation, international competitiveness, AfCFTA competitiveness, capital flight due to overreliance on foreign insurance, and emerging risks such as cyber insurance and consumer credit insurance.

Other key highlights of the legislation include:
'Enhanced Capital Requirements: New minimum capital requirements for insurance companies, ensuring they are adequately capitalized to underwrite risks and protect policyholders.

'Risk-Based Supervision: Consolidation of the risk-based approach to supervision, enabling regulators to more effectively monitor and manage risks within the industry.

'Strengthened Consumer Protection: Improved consumer protection requirements, safeguarding the interests of policyholders and promoting transparency and fairness in insurance practices.

'Streamlined Regulatory Framework: An enhanced regulatory framework, providing clarity and consistency in the regulation of insurance businesses, and facilitating a more efficient and effective supervisory process'.

The NAICOM said this achievement comes after years of operating with laws that have failed to keep pace with the country's evolving economic landscape, unlike other sectors that have undergone multiple phases of legislative reforms to reflect current economic realities.

The bill will repeal the Insurance Act, CAP. 127 Laws of the Federal Republic, 2004 when it becomes a law, consolidates the Marine Insurance Act, 2004; the National Insurance Corporation of Nigeria Act, 2004; and the Nigeria Reinsurance Corporation Act, 2004.

Also, the bill enacts the Nigeria Insurance Industry Reform Act, 2024 to provide a comprehensive legal and regulatory framework for Nigeria's insurance businesses and related matters.

Once the bill receives concurrence from the House of Representatives and assent from the President, it will significantly contribute to shaping the insurance industry and the economy for the better. ■

Source: Nigerian Tribune, 23 December 2024

Asia News

• *Insurance Regulation in Asia Pacific 2025*

This insightful publication by Norton Rose Fulbright “2025 Insurance Regulation in Asia pacific” is the eleventh edition of Insurance regulation in Asia Pacific – ten things to know about 19 countries.

The purpose of this guide is to provide an overview and practical checklist of ten common regulatory issues for insurance companies upon which we frequently are asked to advise for the key Asia Pacific jurisdictions where most of our clients operate or into which they are interested in expanding.

It identifies the regulator and whether branches of foreign insurance companies are permitted or only locally incorporated companies. Any restriction on foreign direct investment is highlighted along with the controller regimes (shareholders and management) and whether a notification or approval from the regulator is required upon proposed or actual change of control and the thresholds thereof.

Also addressed is the nature of the regulatory capital regime, whether there is group supervision and policyholder protection, and whether outsourcing is subject to regulatory oversight. We aim for this guide to be a useful first stop for generic advice on the topics covered. ■

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The information is up to date as at January 1, 2025, cover each country under 10 consistent subject headings:

1- The regulator
2- Subsidiary/branch
3- FDI restrictions
4- Control approvals
5- Minimum capital
6- Risk-based capital
7- Group supervision
8- Policyholder protection
9- Portfolio transfers
10- Outsourcing

• *Asian (re)insurers urged to back energy transition*

Adrian Ladbury

The Singapore and wider Asian reinsurance sector has been encouraged to come up with innovative risk financing solutions including parametrics to support the regional energy transition.

Gan Kim Yong, deputy prime minister and minister for trade and industry, and chairman of the Monetary Authority of Singapore (MAS), told over 3,300 delegates from 65 countries at the 20th Singapore International Reinsurance Conference (SIRC) on 4 November that unlocking renewable sources of energy is "key" to enabling Asia to grow its economies while transitioning towards net zero.

"Asia accounts for half of global greenhouse gas emissions, as most of its energy needs today are being met through fossil fuels, including coal… moreover, much of Asia is developing, and its energy needs are still rising. It is critical that we catalyse investments into renewable energy generation and transmission," Yong told delegates.

He said that investments in renewable energy generation in Asia Pacific are poised to double during the current decade to $1.3trn by 2030.

This comprises a sizeable pipeline of renewable energy infrastructure projects, including solar, hydropower and wind.

Further, to enhance electricity connectivity within ASEAN, the International Energy Agency estimates that an overall grid investment of about $21bn annually is needed from 2026 to 2030 and a further $31bn annually from 2031 to 2035, said Yong.

"Amidst the energy transition, there are opportunities for specialty insurers and reinsurers to step up risk financing and insurance solutions for renewable energy and decarbonisation technologies. It is estimated that Asia Pacific will account for a quarter, or $59bn of cumulative global renewable energy insurance premiums between 2022 and 2035," he said.

"Yet compared to natural catastrophe insurance, there is less historical track record of risk assessment and loss profiles for renewable energy development in Asia. Such projects will also be exposed to risks from potential damage from physical elements, such as heavy winds and storms, as well as the additional risk arising from the integration of energy storage systems with renewables," added the MAS chairman.

Yong said that to bridge these gaps, the industry must work closely with the renewable energy sector to develop new risk assessment frameworks, risk engineering methodologies and sector-specific solutions.

This, he said, will improve the financial viability, risk management, and resilience of renewable energy and decarbonisation projects in the region.

Yong added that there is also room to deploy solutions such as parametric insurance covers, as well as pre-Final Investment Decision (pre-FID), insurance solutions, such as technology performance guarantees and counter-party credit covers.

"Parametric insurance covers can address specific coverage needs that may not be supported by traditional insurance, given the highly customisable nature. MAS is studying ways to support the growth of parametric insurance, including through research on the regulatory treatment of such solutions in the region as well as information on independent and reliable data resources," explained Yong.

"I encourage the industry to study pre-FID stage insurance solutions for projects in Asia, especially where projects are facing uncertainties," he said.

"This is a nascent space in the region, and there is room for the industry to innovate and pilot solutions offering protection during critical early stages of project development," he added.
Yong said that insurers can also support the energy transition by investing directly in green infrastructure.

"In fact, insurers are some of the world's largest institutional investors, holding more than $40trn in assets. In Asia Pacific, insurance assets are estimated to be about $10trn," he told delegates.
Yong added that the long duration of infrastructure investments makes such assets a good match for the long-term liabilities of life insurers, for example.

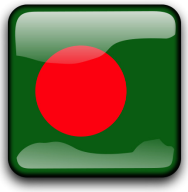
"To facilitate greater allocation of assets to infrastructure, MAS had recently issued a public consultation proposing a differentiated capital treatment for infrastructure assets that meet certain criteria to enjoy diversification benefits or lower risk charges than other debt and equity assets," he said.

MAS will also be piloting a differentiated risk capital treatment for insurers' investments in environmentally sustainable infrastructure, said Yong.

"This allows insurers in Singapore to build their experience and capabilities in investing in sustainable infrastructure assets, and to gain deeper exposure to such assets… we will share more details of this pilot soon. Taken together, these moves can potentially unlock Asia's sizable infrastructure investment gap, which is estimated at $815bn annually," said the MAS chairman. ■

Commercial Risk Online – 4 November 2024

BANGLADESH



- ***Govt plans bringing all citizens, resources under ins coverage***

A hold-all insurance coverage of all the citizens and resources of Bangladesh is now planned by the government for giving a fillip to the country's socioeconomic development, officials have said.
They said the Financial Institutions Division (FID) under the Ministry of Finance at a recent meeting asked the Insurance Development and Regulatory Authority (IDRA) to take necessary measures in this regard, as wide-ranging reforms are spearheaded by the post-uprising government.

Initially, eight major areas have been targeted to enhance insurance penetration in the country. According to the meeting decision, all types of transports, including metro rails and trains, have been asked to be brought under the purview of insurance.

All the large shopping malls also have to be brought under fire insurance while insurance policies have to be introduced for the cattle and poultry sector.

Moreover, all workers of readymade garment and other factories should be covered by group insurance.

"Steps have to be taken to bring students and teachers of all universities under health insurance, and each and every motor vehicle should buy insurance policies," says the meeting decision.

Presided over by FID Additional Secretary Amal Krishna Mandal, the meeting decided to seek opinion from the Finance Division of the ministry about the insurance-premium-payment method.

According to officials concerned, the IDRA requested the FID to organise a meeting to implement the objective of the section 2.3 of the National Insurance Policy 2014 that provides for bringing all of the lives and resources under insurance coverage.

The move aims to raise the contribution of the insurance sector to the economic and social development of the country. In Bangladesh, insurance penetration is only 0.4%--one of the lowest in the world.

At the meeting, an executive director of the IDRA said there is no alternative but to provide health-insurance facilities to ensure health security for all of the citizens.

He said, "All the people of the country can be brought under the coverage of health insurance. Moreover, all the public and private buildings, archaeological artefacts, and social-security schemes can be included in the coverage." In addition, he proposed taking steps to bring all the resources of the country under a mandatory insurance system.

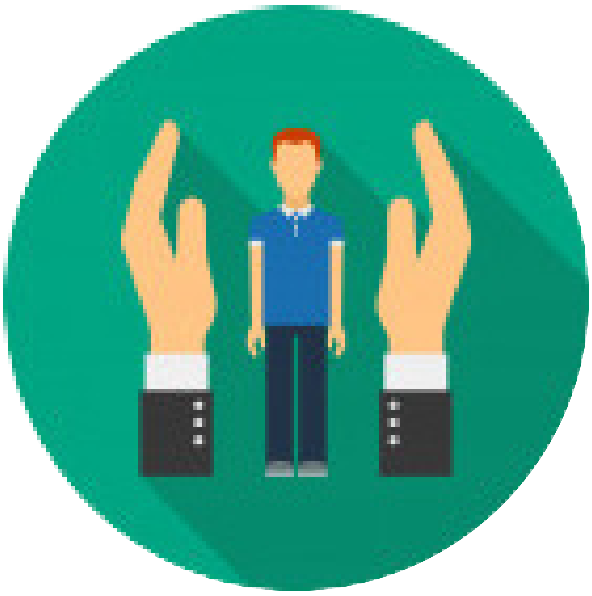
An official at the ministry of fisheries and livestock suggested bringing cattle and poultry farmers under the insurance coverage. In this case, he suggested paying insurance premium by the government.

At the meeting, an official of the Ministry of Housing and Public Works suggested bringing all the residential and non-residential buildings under fire insurance.

Experts blame a lack of people's confidence in the insurance companies for many people staying out of coverage.

According to data available with the IDRA, the number of life-insurance policies at the end of 2023 fell to 8.63 million from 8.96 million at the end of 2022. ■

Source: The Financial Express (Bangladesh) - 20 January 2025



HONG KONG

• *Regulator outlines efforts to promote Hong Kong's international financial status*

The National Financial Regulatory Administration (NFRA) will encourage mainland Chinese insurers and banks to set up headquarters in Hong Kong for international operations, said the head of the regulatory agency, Mr Li Yunze.

The mainland financial regulator supports all-round cooperation between insurers and banks in Hong Kong and the Chinese mainland to provide one-stop financial services jointly for Chinese firms investing overseas.

Speaking on 19 November at the Global Financial Leaders' Investment Summit held in Hong Kong, Mr Li also said that the NFRA would promote cooperation between mainland and Hong Kong insurers and banks in emerging areas such as green and low-carbon developments and artificial intelligence.

Hong Kong and Macau

The NFRA will promote cross-border cooperation in retirement finance in the Guangdong-Hong Kong-Macau Greater Bay Area to address the needs of Hong Kong and Macau residents who retire on the mainland.

The NFRA will also enhance the openness of the mainland's financial sector to Hong Kong and Macau and help build Hong Kong into an international risk management centre. Mr Li said that the necessary regulatory changes to implement financial opening-up measures under the Closer Economic Partnership Arrangement (CEPA) for Hong Kong and Macau will be completed as soon as possible.

He added that new policies to enhance financial services in the Greater Bay Area will also be developed. Changes to the CEPA include removing the $2bn total asset requirement for financial institutions in the two territories seeking to invest in mainland insurers.

Currently, NFRA's efforts to promote Hong Kong as a financial hub include backing mainland insurers to issue catastrophe bonds in the territory to boost the reinsurance market.

He reiterated that China's financial sector will open its door wider and that the NFRA firmly supports Hong Kong in consolidating and enhancing its role as an international financial centre.

At the same time, the NFRA will improve communication on financial supervision between the mainland and Hong Kong to jointly address risk challenges. ■

Source: AIR - 22 Nov 2024

INDIA

• *India's push for increased foreign investment in insurance sparks industry debate*

Opportunities and challenges outlined

By Roxanne Libatique - 20 Nov 2024

The proposal to permit 100% foreign direct investment (FDI) in India's insurance sector has prompted varied reactions from industry leaders.

Currently, India caps FDI in insurance companies at 74%, with fewer restrictions on intermediaries.

Introduced as part of the Insurance Amendment Bill, the measure seeks to attract global players into the market while raising questions about its potential impact on domestic insurers and market competition.

Opportunities and challenges related to 100% FDI

Sumit Bohra, president of the Insurance Brokers Association of India (IBAI), pointed to both the opportunities and challenges such a policy might bring.

He said that allowing global insurers greater access could increase capital flow, bring advanced technology, and expand insurance penetration in India. However, there are risks, including regulatory hurdles and the possibility of market saturation, which could harm smaller domestic insurers.

"An influx of foreign players risks saturating the market, which could stifle smaller domestic insurers. Foreign firms may also face difficulty adapting to local consumer preferences, and without careful oversight, there's a risk of foreign giants distorting the market balance and establishing monopolistic power," Bohra said.

He emphasised the importance of regulations to balance market competition and prevent monopolistic tendencies.

"To unlock the full potential of FDI, robust regulatory frameworks must be in place to safeguard local players and ensure balanced competition. Opening our market should mean fostering growth and innovation – not marginalising domestic talent," he said.

Importance of well-rounded insurance ecosystem

Pavanjit Singh Dhingra, joint managing director of Prudent Insurance Brokers, emphasised the need for a well-rounded insurance ecosystem.

"If India aims to achieve 'Insurance for All,' we need a robust landscape with at least 80 to 100 insurance companies, fostering healthy competition and consumer choice," he said. He also advocated for reforms such as perpetual licenses for intermediaries, which could provide stability and continuity in the sector.

"For India, 100% FDI, accompanied by a specialised insurance approach, could accelerate growth. Furthermore, implementing perpetual licenses for intermediaries like brokers would add much-needed continuity, aligning India's goal to make insurance accessible to all by 2047 with a supportive, diversified insurance ecosystem," he said.

Reforms targeting agents and intermediaries

The proposed amendments also focus on simplifying regulations for agents.

Under the current system, agents often use family members to represent multiple insurers due to restrictive rules. The new policy would allow agents to formally sell products from more than one insurer, which is expected to improve transparency and broaden consumer access to insurance options.

The Insurance Regulatory and Development Authority of India (IRDAI) is considering additional measures to strengthen the sector. Proposed reforms include introducing composite licenses, which would let insurers offer both life and non-life policies under a single entity.

There is also discussion about reducing solvency requirements to free up capital for underwriting, enabling insurers to expand their operations. ■

Source: Insurance Business Mag - - 20 Nov 2024

• *Insurance: India raises foreign direct investment limit to 100%*

The foreign direct investment (FDI) limit for the Indian insurance sector has been raised from 74% to 100%.

Announced by the Minister of Finance during the presentation of the 2025-2026 budget, this measure is subject to one condition: premiums collected from Indian policyholders must be invested entirely in India. This decision is aimed at attracting new capital and reinforcing the insurance sector’s financial strength.

As a reminder, the FDI limit for Indian insurers had already been raised from 26% to 49% in 2015, and from 49% to 74% in 2021. ■

Source: Atlas Magazine - 03 Feb 2025

• *List of main insurance companies in India: ranking per 2024 turnover*

Life insurance companies in India

Figures in millions

Life Indian insurers	2024 turnover		2023 turnover		2023-2024 evolution (1)	2024 shares
	INR	USD	INR	USD		
State-owned companies						
Life Insurance Corporation of India	4 757 519	57 090	4 746 681	57 767	0.23%	57.32%
Private companies						
SBI Life Insurance	814 306	9 772	673 156	8 192	20.97%	9.81%
HDFC Life Insurance	630 765	7 569	575 334	7 002	9.63%	7.60%
ICICI Prudential Life Insurance	432 356	5 188	399 328	4 860	8.27%	5.21%
Max Life Insurance	295 290	3 544	253 419	3 084	16.52%	3.56%
Tata AIA Life Insurance	256 918	3 083	205 035	2 495	25.30%	3.10%
Bajaj Allianz Life Insurance	230 430	2 765	194 614	2 369	18.40%	2.78%
Kotak Mahindra Insurance	177 084	2 125	153 205	1 865	15.59%	2.13%
Aditya Birla Sun Life Insurance	172 601	2 071	150 697	1 834	14.54%	2.08%
PNB Metlife Life India Insurance	97 323	1 168	87 852	1 069	10.78%	1.17%
Canara HSBC Life Insurance	71 287	856	71 974	876	-0.95%	0.86%
IndiaFirst Life Insurance	69 738	837	60 745	739	14.80%	0.84%
Star Union Dai-ichi Life Insurance	67 179	806	57 464	699	16.91%	0.81%
Reliance Nippon Life Insurance	55 369	664	51 221	624	8.10%	0.67%

Shriram Life Insurance	35 075	421	25 464	310	37.75%	0.42%
Bharti AXA Life Insurance	29 083	349	29 206	355	-0.42%	0.35%
Ageas Federal Life Insurance	26 974	324	22 890	279	17.84%	0.33%
Edelweiss Tokio Life Insurance	19 321	232	16 905	206	14.29%	0.23%
Pramerica Life Insurance	19 194	230	14 954	182	28.35%	0.23%
Future Generali Life Insurance	18 106	217	17 580	214	2.99%	0.22%
Aviva Life Insurance	13 469	162	13 174	160	2.23%	0.16%
Bandhan Life Insurance (2)	4 309	52	3 700	45	16.48%	0.05%
Go Digit Life Insurance	4 264	51	-	-	-	0.05%
Credit Access Life Insurance	970	12	-	-	-	0.01%
Acko Life Insurance	365	4	-	-	-	0.01%
Sahara India Life Insurance (3)	-	-	442	5	-	-
Total	**3 541 776**	**42 502**	**3 078 359**	**37 464**	**15.05%**	**42.68%**
Life total	**8 299 295**	**99 592**	**7 825 040**	**95 231**	**6.06%**	**100%**

(1) Growth rate in local currency (2) Formerly Aegon Life
(3) Sahara India Life Insurance merges with SBI Life Insurance

Non-life insurance companies India

Figures in millions

Non-life Indian insurers	2024 turnover		2023 turnover		2023-2024 evolution (1)	2024 shares
	INR	USD	INR	USD		
State-owned companies						
The New India Assurance	369 966	4 440	344 841	4 197	7.29%	12.77%
United India Insurance	198 530	2 382	176 443	2 147	12.52%	6.86%
The Oriental Insurance	182 890	2 195	156 149	1 900	17.13%	6.31%
National Insurance	151 135	1 814	151 480	1 844	-0.23%	5.22%
Total	**902 521**	**10 831**	**828 913**	**10 088**	**8.88%**	**31.16%**
Private companies						
ICICI Lombard General Insurance	247 761	2 973	210 251	2 559	17.84%	8.55%
Bajaj Allianz General Insurance	204 727	2 457	153 366	1 866	33.49%	7.07%
HDFC ERGO General Insurance	185 675	2 228	166 358	2 025	11.61%	6.41%
Tata AIG General Insurance	150 909	1 811	131 760	1 604	14.53%	5.21%
SBI General Insurance	125 535	1 506	108 284	1 318	15.93%	4.33%
Reliance General Insurance	116 888	1 403	103 390	1 258	13.06%	4.04%
IFFCO Tokio General Insurance	98 351	1 180	98 711	1 201	-0.36%	3.40%
Go Digit General Insurance	79 411	953	61 601	750	28.91%	2.74%
Cholamandalam MS General Insurance	75 329	904	61 560	749	22.37%	2.60%
Future Generali India Insurance	49 109	589	45 462	553	8.02%	1.70%
Universal Sompo General Insurance	46 222	555	41 031	499	12.65%	1.60%
Royal Sundaram General Insurance	36 371	436	33 798	411	7.61%	1.26%
Magma HDI General Insurance	30 442	365	25 341	308	20.13%	1.05%
Shriram General Insurance	30 361	364	22 658	276	34.00%	1.05%
Liberty General Insurance	21 550	259	19 573	238	10.10%	0.74%
Acko General Insurance	18 703	224	15 094	184	23.91%	0.65%
Kotak Mahindra General Insurance	15 871	190	11 341	138	39.95%	0.55%
Zuno General Insurance	8 338	100	5 335	65	56.29%	0.29%
Kshema General Insurance	5 685	68	-	-		0.19%
Raheja QBE General Insurance	2 959	36	3 799	46	-22.12%	0.10%
Navi General Insurance	-	-	705	9	-	-
Total	**1 550 197**	**18 601**	**1 319 418**	**16 057**	**17.49%**	**53.53%**
Stand-Alone Health Insurers						
Star Health and Allied Insurance	152 545	1 831	129 525	1 576	17.77%	5.27%
Care Health Insurance	68 645	824	51 416	626	33.51%	2.37%
Niva Bupa Health Insurance	56 075	673	40 730	496	37.68%	1.94%
Aditya Birla Health insurance	37 013	444	27 170	331	36.23%	1.28%
ManipalCigna Health Insurance	16 915	203	13 598	165	24.39%	0.58%
Total	**331 193**	**3 975**	**262 439**	**3 194**	**26.20%**	**11.44%**
Specialized companies						
Agriculture Insurance Co of India	99 406	1 193	146 198	1 779	-32.01%	3.43%
Export Credit Guarantee Corporation of India	12 707	152	11 975	146	6.12%	0.44%
Total	**112 113**	**1 345**	**158 173**	**1 925**	**-29.12%**	**3.87%**
Non-life total	**2 896 024**	**34 752**	**2 568 943**	**31 264**	**12.73%**	**100%**

(1) Growth rate in local currency Source: Atlas Magazine |6 Feb 2025

JAPAN

• *Japan insurance industry to surpass $470 billion by 2029, forecasts GlobalData*

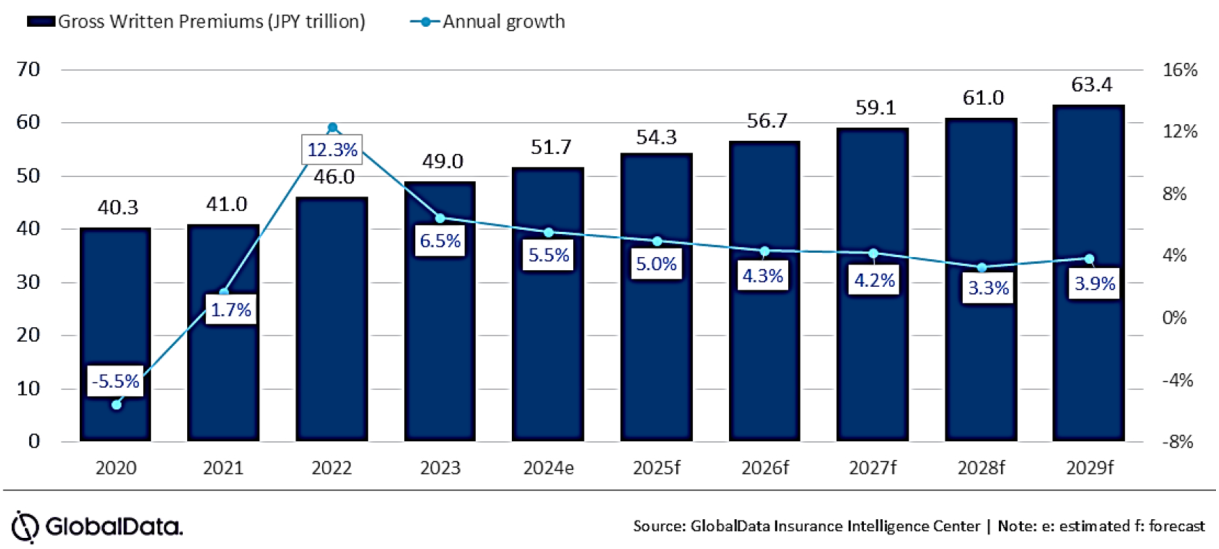
Japan's insurance industry is projected to grow at a compound annual growth rate (CAGR) of 3.9% from JPY54.3 trillion ($386.7 billion) in 2025 to JPY63.4 trillion ($470.3 billion) by 2029, according to GlobalData, a leading data and analytics company.

GlobalData's insurance database reveals that life insurance accounted for a 77.4% share of Japan's total insurance premiums in 2024, while general insurance occupied the remaining 22.6% share. The industry's expansion over the next five years will be fueled by demographic and regulatory changes and growing demand for policies covering natural-catastrophic (nat-cat) events and cyber incidents.

Swarup Kumar Sahoo, Senior Insurance Analyst at GlobalData, comments: "The Japanese economy is expected to contract by 0.9% in 2024 after growing by 1.9% in 2023, which is expected to slow down the growth of the insurance industry. However, economic recovery, rising demand for yen-denominated insurance products, and premium price increases across life and general insurance segments are expected to support the industry's growth in 2025."

Japan's life insurance sector is expected to grow by 5.9% in 2025. An aging population and increasing life expectancy are significant factors driving the demand for life insurance and annuity products in the country. According

Japan Insurance Industry - Gross written premiums (JPY Trillion) and annual growth, 2020 - 2029f



Source: GlobalData Insurance Intelligence Center | Note: e: estimated f: forecast to the National Institute of Population and Social Security Research, individuals aged 65 and above accounted for a 29.3% share of the population in 2024. This figure is projected to reach 34.8% by 2040, which will support the growth of life and health insurance.

Sahoo adds: "Favorable regulatory changes will also support life insurance growth. The Financial Services Agency's (FSA) intervention in January 2024 to limit the sale of foreign-currency-denominated insurance products has prompted several banks to shift their focus back on yen-based insurance products. Life insurance is projected to grow at a CAGR of 4.4% over 2024-29."

Japan's general insurance is projected to grow at a CAGR of 2.2% from 2024-29. The growth in general insurance will be supported by rising premium rates across general insurance lines, growing demand for policies covering nat-cat events, and rising popularity of liability insurance policies.

However, a slower growth in motor insurance, which accounts for almost half of the general insurance premiums, is expected to slow down the growth for Japan's general insurance industry.

Sahoo continues: "The increase in the frequency and severity of extreme weather events in recent years has led to a rise in claims. As a result, insurers are expected to reassess their risk exposure, potentially leading to higher insurance premium rates across general insurance lines in 2025."

Since 2020, the General Insurance Rating Organization of Japan (GIROJ) has regularly raised the nationwide average "reference net rate" which serves as a guideline for personal fire insurance premiums. This continuous increase reflects the sharp increase in insurance payments due to a series of natural disasters, as well as rising repair costs.

Among the general insurance lines of business, liability insurance is expected to witness the highest growth in 2025, driven by an increase in demand for cyber insurance and workmen compensation policies.

Sahoo concludes: "Japan's insurance industry is on the verge of transformation, driven by demographic shifts and evolving consumer preferences. However, challenges such as market volatility, regulatory changes, and frequent nat-cat events will require adaptive strategies from insurers to sustain growth and profitability over the next five years." ■

Source: GlobalData 22 Jan 2025

KUWAIT

• Kuwait sets minimum rating standards for foreign insurers

According to a new resolution issued by Kuwait's Insurance Regulatory Unit, foreign insurers in the country must now meet a minimum rating standard for their parent companies, Middle East Insurance Review reported. Companies must submit annual certified certificates, translated into Arabic, proving their parent company's rating from approved agencies like A.M. Best Co. Inc. and Moody's Investors Service Inc., and notify the regulator immediately if the rating falls below the required limit.

Foreign insurers operating in Kuwait are subject to a new condition that requires a minimum rating standard for their parent companies, according to a new resolution the regulator has issued.
Foreign insurance companies operating in Kuwait are required to submit documents indicating that the parent company has obtained a credit rating from one of the approved international rating agencies, namely AM Best, Standard & Poor's, Moody's Investors Service, Fitch Ratings; according to Article One of the Resolution No. 3 of 2025 which the Insurance Regulatory Unit (IRU) issued recently (on 23 January).

According to Article Two of the Resolution, the credit rating must be in accordance with the minimum standard of the following or its equivalent:

The Rating Agency	Minimum rating standard
AM Best	B+
Standard & Poor's	BBB
Moody's Investors Services	BAA
Fitch Ratings	BBB

Branches of foreign insurance companies are obligated to ensure that the parent company maintains its rating during the period of its license, and to submit a certified certificate accompanied by an Arabic translation annually stating that the company is rated by one of the approved rating agencies.

The resolution added that that if the company submits a rating certificate issued by international rating agencies equivalent to one of the rating agencies approved by the unit, a certified certificate must be submitted and translated into Arabic for consideration.

It also notes that if the insurer's rating falls below the minimum limit mentioned in Article Two of the Resolution, the IRU must be notified immediately.

The Resolution states that insurance companies must commit to submitting credit rating reports and any amendments thereto to the IRU within 90 days from the date of their issuance.

The Unit called on the competent authorities to implement these decisions and work with them, each in their respective capacity, and they shall be effective from the date of their issuance and published in the Official Gazette.
■

Source: Middle East Insurance Review - 29 Jan 2025

MALAYSIA

• Malaysia Non-Life Insurance

Market Segment Outlook

AM Best is maintaining a Stable outlook on Malaysia's non-life insurance segment. Key factors supporting the outlook include the following:

- Anticipated premium growth spurred by economic recovery, regulatory reforms designed to increase insurance penetration, and rate hikes
- Continued underwriting and pricing discipline amid the phased liberalisation of motor and fire tariffs

The following factor partially offsets the positives:

- The industry's underwriting performance remains susceptible to volatility stemming from the rising frequency of severe weather-related events

Strong Premium Growth Expected

In 2023, gross premiums written continued to grow in Malaysia's non-life insurance segment, primarily driven by the dominant motor and fire lines. However, the figure pales in comparison to the double-digit growth recorded in 2022, reflecting the effects of slower economic growth and tighter monetary policy. Malaysia's GDP growth moderated to 3.7% in 2023, following a strong post-pandemic recovery of 8.7% in 2022. The country's economy is projected to expand in the near term, supported by robust investment activity in both the public and private sectors.

The non-life sector is poised for significant growth, underpinned by economic recovery, rising insurance penetration, rate hikes due to high inflation and rising claims, and growing demand for digital insurance and takaful products.

Regulatory Initiatives to Enhance Insurance Penetration

Bank Negara Malaysia (BNM), Malaysia's central bank and lead regulator, has implemented various initiatives to improve insurance penetration, which remains in the low single digits in the non-life sector. In both the Financial Sector Blueprint 2022-2026 and the Financial Inclusion Framework 2023-2026 reports, BNM has identified key areas where the insurance and takaful industry will play a vital role in the country's financial sector development. Plans for 2026 include achieving an insurance/takaful penetration rate of 4.8% to 5.0% and doubling the number of individuals covered by microinsurance/microtakaful.

Licensing new digital insurance and takaful operators (DITOs) represents a significant step toward digital transformation and financial inclusion. The Licensing and Regulatory Framework for DITOs was implemented in July 2024 and includes a two-year application period that will run through 2025 and 2026. This initiative is designed to close protection gaps and enhance market access.

In addition, BNM introduced the Value-based Intermediation for Takaful Framework in 2021 to promote sustainable development of Islamic insurance, which supports further takaful penetration. Consequently, growth in general takaful contributions has consistently outpaced that of conventional insurance in recent years, a trend expected to continue over the medium term.

BNM-mandated co-payment mechanisms for medical and health insurance/takaful (MHIT) products to mitigate rising medical inflation took effect on 1 September 2024. This initiative encourages greater uptake of co-payment MHIT products over time to help control rising medical costs.

Impact of the Phased De-tariffication of Motor and Fire Insurance

Since July 2016, BNM has progressively liberalised motor and fire insurance tariffs, introducing greater pricing flexibility. This is being implemented in phases to support a gradual transition to risk- based pricing, allowing both customers and insurers to adjust to the new operating environment.

The de-tariffication of motor and fire insurance is expected to increase pressure on pricing over the near to medium term while strengthening the industry's long-term sustainability. Tariff liberalisation is anticipated to drive product innovation, improve service quality, align pricing with underlying risks, and enhance market efficiency.

De-tariffication may produce volatile underwriting margins, but AM Best expects Malaysia's non- life insurers to maintain robust underwriting profits over the medium term through disciplined underwriting and pricing.

Volatile Earnings Expected Due to Climate-Related Risks

Malaysia's non-life insurers face rising climate-related risks, with more frequent severe weather events affecting underwriting performance. In 2023, the industry experienced declining underwriting profitability in the fire line of business as a result of increased severe weather losses, inflationary pressure, and competitive market conditions. These factors persist despite recent premium rate hikes, particularly for certain products following the extreme flooding of December 2021.

Recognising the potential long-term impact of climate risk on financial stability, BNM introduced the Climate Risk Management and Scenario Analysis (CRMSA) framework in November 2022, which is being implemented in phases. This policy requires insurers to adopt comprehensive mitigation practices to better manage their climate risk exposures.

In the near term, non-life insurers are expected to continue raising premiums for flood-related products while improving underwriting strategies to mitigate risks over the long term. ■

Source: Malaysia Non-Life Insurance - Market Segment Report - by AM Best, 18 December 2024

SAUDI ARABIA

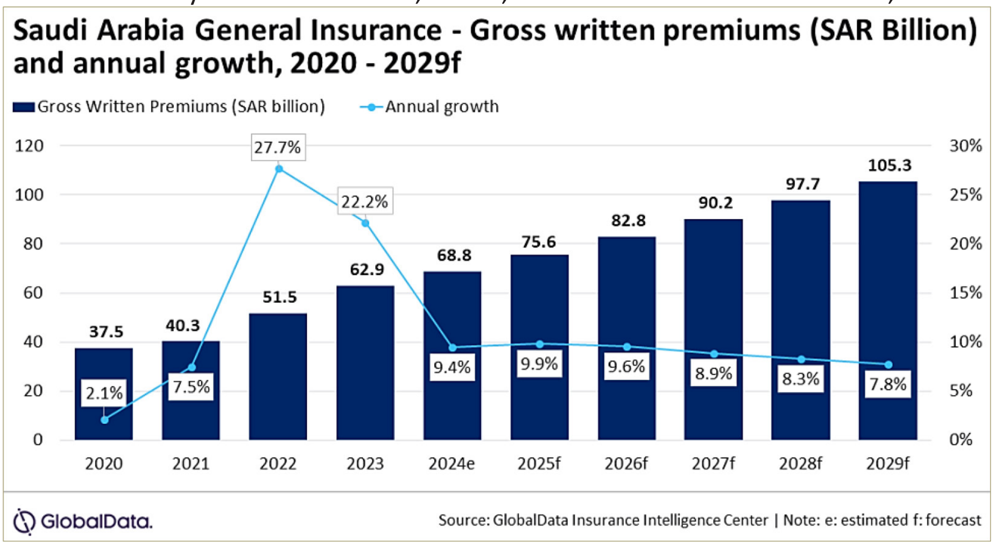
• General insurance sector to beat $28bn by 2029

General insurance in Saudi Arabia is set to grow at a CAGR of 8.9% from SAR68.8bn ($18.4bn) in 2024 to SAR105.3bn ($28.1bn) in 2029, in terms of gross written premiums.

This is according to GlobalData, which also forecast that Saudi Arabia's general insurance industry is expected to grow by 9.4% in 2024. Economic recovery, regulatory developments, as well as governmental push for healthcare support this Swarup Kumar Sahoo, senior insurance analyst at GlobalData, comments: "The growth of the general insurance industry in Saudi Arabia is expected to be driven by market consolidation led by an increase in the minimum capital requirement. The industry will also benefit significantly from the country's economic expansion under Saudi Vision 2030 as it transitions from an oil-dependent economy to developing other sectors, such as transport and logistics, clean technology, and metals and mining."

In 2024, personal accident and health (PA&H) insurance is expected to be the leading line of business, accounting for a 61.4% share of general insurance GWP.

In addition, PA&H insurance is expected to grow by 9.4% in 2024, driven by a rise in health awareness and growing demand for specialised healthcare.



The government's push for healthcare transformation under the Saudi Vision 2030 programme will also support the growth of PA&H insurance. The programme aims to increase the privatisation of the healthcare sector, which is expected to improve access to healthcare by offering better-quality services, enhanced e-health services, and the launch of digital solutions aimed at preventing diseases and improving public health.

Favourable regulatory changes will also support PA&H insurance growth. In July 2024, the Government of Saudi Arabia implemented a new policy that requires mandatory health insurance coverage for domestic workers employed by households with more than four staff members.

Additionally, in December 2023, the Insurance Authority announced the development of a national insurance strategy aimed at strengthening the sector, with key objectives including promoting growth, innovation, competitiveness, and efficiency within the sector. PA&H insurance is expected to grow at a CAGR of 9% during 2025-29.

Sahoo concludes: "The Saudi general insurance industry is poised for significant growth during 2024-29, driven by economic diversification and increasing demand for insurance products across different lines of business. With positive regulatory developments and government initiatives, the market is expected to witness substantial expansion, particularly in the PA&H and motor insurance lines." ■

Source: Insurance DECODED (GlobalData) - 21 Nov 2024

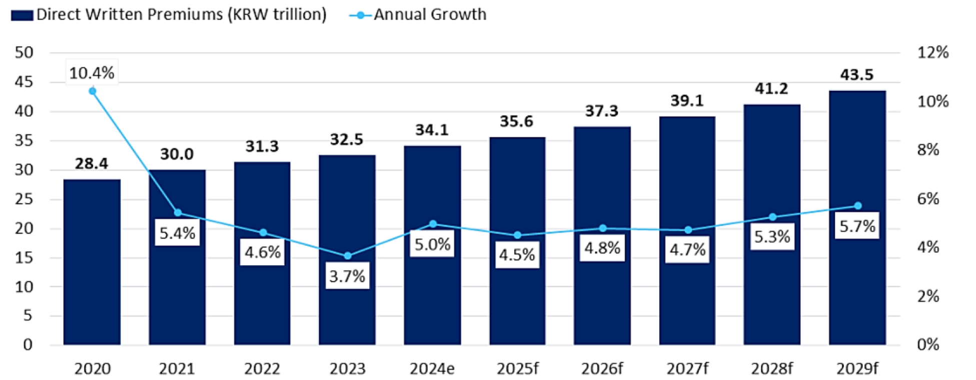
SOUTH KOREA

• General insurance sector to grow at 5.2%

The general insurance industry in South Korea, in terms of direct written premiums, is expected to grow at a CAGR of 5.2%, from KRW34.1trn ($26bn) in 2024 to KRW43.5trn ($33.3bn) in 2029.

Motor insurance is the largest line of business, which is expected to account for 59.9% share of the direct written premiums in 2024. It is expected to witness a slower growth of 1.7% in 2024 due to a decline in vehicle sales.

South Korea General Insurance - Direct written premiums (KRW trillion) and Annual Growth, 2020 - 2029f



GlobalData. Source: GlobalData Insurance Intelligence Center | Note: e: estimates; f: forecast

The growth is driven by by economic recovery, mandatory insurance regulations, and a heightened focus on data protection.

This is according to GlobalData, which also forecast that South Korea's general insurance industry is estimated to grow by 5% in 2024, driven by compulsory lines of insurance and increased awareness for data protection, leading to higher demand for liability insurance products.

Aarti Sharma, insurance analyst at GlobalData, comments: "The South Korean general insurance industry may face potential premium price increases in the short-term due to the escalating geopolitical crisis in the Middle East that can potentially influence the prices of important commodities, given the country's high reliance on trade."

Liability insurance is the second leading line with a 13.7% direct written premiums share in 2024. It is expected to grow by 12.2% in 2024, propelled by favorable regulatory developments and mandatory insurance classes for both individuals and businesses, encompassing third-party liability and professional indemnity policies.

Sharma concludes: "The general insurance industry in South Korea is poised for steady growth, driven by an economic recovery and mandatory insurance requirements. The industry's resilience and adaptability to changing market conditions and expanded scope for liability insurance are likely to contribute to the industry's growth trajectory in the coming years." ■

Source: Insurance DECODED (GlobalData) - 22 Nov 2024

UAE

• *The insurance sector in the United Arab Emirates*

The United Arab Emirates (UAE) has long been recognized as a dynamic hub for financial services, with its insurance sector playing a critical role in supporting economic growth and safeguarding commercial and personal interests. In response to the evolving complexities within the insurance marketplace, the UAE introduced Federal Decree Law 48 of 2023 on Regulating Insurance Activities (the New Insurance Law). The New Insurance Law solidified the role of the Central Bank of the UAE (CBUAE) as the primary regulator for the insurance sector to supervise and regulate the conduct of insurance business in the UAE.

In line with the above, the CBUAE introduced a comprehensive set of new regulations last year, and which become effective on 15 February 2025, aimed at restructuring the operational landscape for insurance brokers.

These regulations signify a paradigm shift in the governance of insurance brokerage activities across the UAE. The regulatory framework seeks to address longstanding issues related to transparency, conflict of interest, and inconsistent industry practices. This article shall discuss a few of the more pertinent ones.

Pursuant to the new regulatory framework, insurance brokers are not entitled to receive claim settlements on behalf of clientele and rather, the insurance companies will pay the settlements to the clientele directly.

Furthermore, brokers are not entitled to deduct their fee from the premium but are rather to be paid their fees by the insurance companies, within 10 business days of receiving the premium payment. This is true for single premium payments or if the premium is paid monthly, then the broker shall receive the proportionate fee payment accordingly. These stipulations seek to eliminate undue delays in financial transactions, thereby fostering a predictable and sustainable financial environment for brokers.

Insurance brokers are further prohibited from engaging in additional roles within the insurance sector or acting as agents or partners for other brokerage entities. This provision ensures the broker fulfils their fiduciary duties and prevents any potential conflicts of interest.

To maintain equitable market conditions and foster fair competition, the regulations strictly prohibit brokers from offering discounts on their commissions or sharing these with unlicensed third parties. Any discount extended to a policyholder must originate solely from the insurer, thereby ensuring uniformity and transparency in pricing structures.

The newly established regulations also provide explicit protection to insurance brokers by prohibiting insurers from engaging directly with a broker's clientele in a manner that circumvents their intermediary role or compromises their remuneration. However, brokers are required to adhere to strict procedural guidelines, including the obligation to notify clients a minimum of twenty (20) days prior to policy renewal and to provide claims assistance within two (2) business days of receiving all requisite documentation. Brokers shall further be prohibited from amending insurance policies, except in limited circumstances such as the issuance of motor insurance certificates

The regulatory framework shall be applicable to all UAE onshore entities engaged in insurance brokerage, including:

- Insurance brokers involved in both primary insurance and reinsurance transactions.
- Insurance companies and their foreign branches operating within the jurisdiction of the UAE; and
- Reinsurers, except for those operating in financial free zones governed by distinct regulatory authorities such as the DIFC or ADGM.

These restrictions are formulated to prevent unethical business practices and ensure that brokers operate with the highest standards of integrity and professionalism.

In addition to the prohibitions set forth, brokers shall be subject to more stringent operational mandates aimed at enhancing service delivery and regulatory compliance including

- Promptly notifying policyholders of any deficiencies in claims documentation;
- Ensuring transparency by communicating exclusively through official channels, such as electronic mail; and
- Maintaining contractual agreements with a minimum of two (2) insurance companies, which must clearly delineate the geographical scope of operations, business parameters, and remuneration terms.

The implementation of these regulations will have a significant impact on health and motor vehicle insurance brokers operating in the UAE. By eliminating conflicts of interest and enhancing regulatory oversight, these provisions reinforce the role of brokers as independent and trusted intermediaries.

While these regulatory changes may necessitate initial adjustments by brokers, adherence to these mandates will ultimately fortify their professional standing and reinforce their role as key stakeholders within the industry. These changes will further allow them to thrive in an increasingly regulated and consumer-centric marketplace, one that demands ethical conduct, operational integrity, and unwavering commitment to policyholder protection. ■

Source: BSA Law – 7 Feb 2025

VIETNAM

- ## *Insurance market claims strong recovery in Vietnam*

The Vietnamese insurance market is gradually experiencing a positive recovery, with total premium revenue showing growth again.

Deputy Minister of Finance Le Tan Can said that the insurance market is increasingly affirming its role in supporting social security policies, providing financial protection for investors, promoting international economic integration, and implementing urgent national programmes and tasks.

Currently, the Vietnamese insurance market comprises 85 companies, including 31 non-life insurance firms, one branch of a foreign non-life insurance company, 19 life insurance businesses, two reinsurance firms, and 32 insurance brokerage service providers.In 2024, the market's total assets were estimated to reach 986.6 trillion VND (38.9 million USD), a 9.7% increase compared to 2023. Insurance companies reinvested approximately 838.32 trillion VND (33 million USD) back into the economy, marking a 12.58% rise. The total equity hit 205.3 trillion VND, up 6.63%.

Director of the Department of Insurance Management and Supervision under the Ministry of Finance (MoF) Ngo Viet Trung said that by the end of November 2024, total insurance premium revenue was estimated at 204.11 trillion VND, up 0.22% year-on-year, while insurance payouts around 86.4 trillion VND, up 17.13%, reflecting the efforts of insurance companies and the sector's role in the economy.

However, insurance participation rate in Vietnam remains low, accounting for only about 2% of GDP, as compared to an average of 4% in Asia and 9% worldwide.Trung noted that insurance companies are increasingly utilising information technology across their operations, from sales to claim processing, while expanding their distribution networks and offering more comprehensive insurance solutions.

The MoF is also working to improve legal frameworks, helping the market operate in a more quality-driven, transparent, and sustainable manner. This includes requiring insurance companies to enhance the quality of consulting activities and services provided by insurance agents, through training, examination, and certification.

Additionally, in 2024, the insurance sector faced significant challenges due to the huge damage caused by Super Typhoon Yagi and widespread floods in many northern provinces.

According to Deputy Secretary-General of the Insurance Association of Vietnam Ngo Trung Dung, the insurance industry has managed claims and delivered payouts for customers in various natural disasters but none has been as costly as Typhoon Yagi.

As of November 22, 2024, damage from the typhoon was estimated at 11.461 trillion VND, covering both life and non-life insurance. Of this, over 10 trillion VND pertains to property insurance and insurance for construction projects.

Deputy Minister Can said that to ensure sustainable growth in the insurance market, insurance companies need to focus on reviewing and adjusting their business strategies to encompass market risks, ensuring sustainability and long-term commitments while complying with legal regulations.

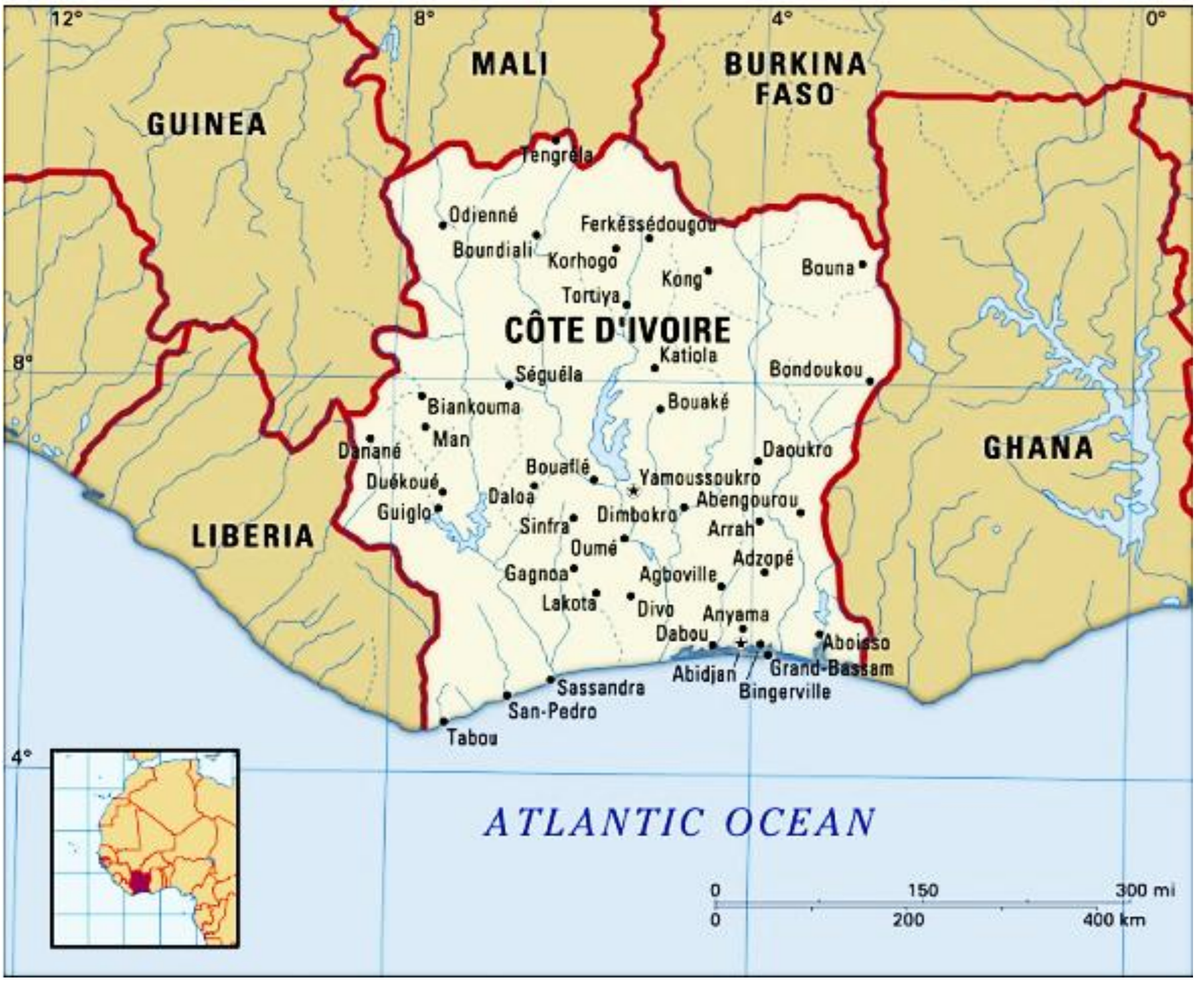
Moreover, the insurance sector should diversify products to meet customer needs, improve service quality, and guarantee benefits for insurance participants. ■

Source: Vietnam Plus - 12 January 2025

Côte d'Ivoire

Insurance Market Overview

by Hussein Elsayed



(II) Côte d'Ivoire: General Information

Region	Western Africa	UN membership date	20 September 1960
Population (000, 2024)	31 934[a]	Surface area (km2)	322 462[b]
Pop. density (per km2, 2024)	100.4[a]	Sex ratio (m per 100 f)	103.6[a]
Capital city	Yamoussoukro[c]	National currency	CFA Franc, BCEAO (XOF)[d]
Capital city pop. (000, 2024)	231.1[e]	Exchange rate (per US$)	593.6[f]

Economic indicators	2015	2020	2024
GDP: Gross domestic product (million current US$)	45 780	62 983	70 019[b]
GDP growth rate (annual %, const. 2015 prices)	14.9	1.7	6.7[b]
GDP per capita (current US$)	1 940.1	2 349.1	2 486.4[b]
Economy: Agriculture (% of Gross Value Added)	19.8	20.3	17.8[b]
Economy: Industry (% of Gross Value Added)	21.7	23.0	24.2[b]
Economy: Services and other activity (% of GVA)	58.4	56.7	58.0[b]
Employment in agriculture (% of employed)[g]	43.5	46.2	45.6[b]
Employment in industry (% of employed)[g]	12.1	10.5	10.5[b]
Employment in services & other sectors (% employed)[g]	44.5	43.3	44.0[b]
Unemployment rate (% of labour force)[g]	2.5	2.6	2.4
Labour force participation rate (female/male pop. %)[g]	54.7 / 74.6	55.7 / 72.2	56.5 / 72.2
CPI: Consumer Price Index (2010=100)[g,h]	111	114	131[f]
Agricultural production index (2014-2016=100)	104	125	132[b]
International trade: exports (million current US$)	12 560	12 454	8 930[g,f]
International trade: imports (million current US$)	10 406	10 527	19 683[g,f]
International trade: balance (million current US$)	2 154	1 927	- 10 754[g,f]
Balance of payments, current account (million US$)	- 201	- 1 974	- 5 394[b]

Major trading partners						2023
Export partners (% of exports)[g]	Mali	8.9	Netherlands	8.7	Switzerland	8.1
Import partners (% of imports)[g]	China	14.4	Nigeria	12.1	France	6.7

Social indicators	2015	2020	2024
Population growth rate (average annual %)	2.9	2.5	2.4[a]
Urban population (% of total population)	49.4	51.2[i]	...
Urban population growth rate (average annual %)	3.4[j]	...	...
Fertility rate, total (live births per woman)	5.0	4.5	4.2[a]
Life expectancy at birth (females/males, years)	60.0 / 56.7	62.3 / 58.2	64.3 / 60.2[a]
Population age distribution (0-14/60+ years old, %)[k]	42.2 / 4.0	42.2 / 4.1	40.9 / 4.3[a]
International migrant stock (000/% of total pop.)	2 470.6 / 10.6[l,m]	2 564.9 / 9.7[l,m]	... / ...
Refugees and others of concern to the UNHCR (000)	726.8	957.7	952.4[f]
Under five mortality rate (per 1000 live births)	86.7	73.8	66.3[a]
Health: Current expenditure (% of GDP)[n]	3.2	3.6	3.1[o]
Health: Physicians (per 1 000 pop.)	0.2[p]	0.2	0.2[b]
Education: Government expenditure (% of GDP)	3.5[g]	3.9	3.5[o]
Education: Primary gross enrol. ratio (f/m per 100 pop.)	81.3 / 90.3	91.5 / 96.8	91.7 / 95.8[f]
Education: Lowr. sec. gross enrol. ratio (f/m per 100 pop.)	43.7 / 58.9	63.6 / 72.7	65.0 / 70.0[b]
Education: Upr. sec. gross enrol. ratio (f/m per 100 pop.)	21.8 / 31.9	30.4 / 39.2	33.5 / 40.3[b]
Seats held by women in the National Parliament (%)	9.2	12.0[q]	13.4[q]

Environment and infrastructure indicators	2015	2020	2024
Individuals using the Internet (per 100 inhabitants)	38.4	36.0[g,r]	38.4[r,b]
Research & Development expenditure (% of GDP)	...	0.1[s,t,u]	...
Threatened species (number)	226	280	335[f]
Forested area (% of land area)	10.7	8.9	8.6[o]
CO2 emission estimates (million tons/tons per capita)	9.5 / 0.4	11.0 / 0.4	13.8 / 0.5[o]
Energy production, primary (Petajoules)	395	423	474[o]
Energy supply per capita (Gigajoules)	17	17	20[o]
Tourist/visitor arrivals at national borders (000)	1 441[v,w]	668	2 047[b]
Important sites for terrestrial biodiversity protected (%)	73.8	73.8	73.8[f]
Pop. using safely mgd. drinking water (urban/rural, %)	46.0 / 24.3	59.0 / 27.2	58.8 / 27.3[b]
Pop. using safely mgd. sanitation (urban/rural, %)	19.0 / 10.8	19.8 / 13.3	20.1 / 14.1[b]
Net Official Development Assist. received (% of GNI)	1.46	2.63	2.33[o]

a Projected est. (medium fertility variant) **b** 2022. **c** Yamoussoukro is the capital and Abidjan is the administrative capital. **d** African Financial Community (CFA) Franc, Central Bank of West African States (BCEAO). **e** 2018. **f** 2023. **g** Estimate. **h** Abidjan **i** 2019. **j** Data refers to a 5-year period preceding the reference year. **k** Calculated by the UN Statistics Division. **l** Including refugees. **m** Refers to foreign citizens. **n** Based on calendar year (January 1 to December 31). **o** 2021. **p** 2014. **q** Data at 1 January of the reporting year. **r** Population aged 5 years and over. **s** Excluding business enterprise. **t** Partial data **u** 2016. **v** Break in the time series. **w** Figures include arrivals by land (road and railway).

World Statistics Pocketbook 2024

COUNTRY RISK:

Political Risk: Moderate to high, due to potential political instability and social unrest.

Economic Risk: Moderate, driven by commodity price fluctuations and external debt.

Regulatory Risk: Moderate, with evolving regulations affecting business operations.

Financial Risk: Moderate, with challenges in accessing finance for SMEs and high-interest rates.

Trade & Investment Risk: Moderate, with opportunities and challenges in FDI and trade agreements.

Operational Risk: Moderate, including infrastructure challenges and energy supply issues.

Social Risk: Moderate to high, related to inequality and demographic pressures.

COUNTRY NATURAL HAZARDS RISKS:

Floods: High risk during the rainy season, particularly in urban areas.

Drought: Moderate risk, affecting agriculture and water resources.

Landslide: Moderate risk in hilly and mountainous regions.

Extreme Heat: Moderate risk, with potential impact on health and agriculture.

Cyclone: Low risk, with occasional tropical storms affecting the coast.

Earthquake: Low risk, with infrequent seismic activity.

Wildfire: Low risk, primarily in rural areas during the dry season.

(III) Côte d'Ivoire: Insurance Market

Key Highlights

- *The Ivoirian insurance industry is regulated by the CRCA at the regional level and by the DA at the national level.*
- *Composite insurance is not permitted in Côte d'Ivoire.*
- *100% FDI is permitted in the Ivoirian insurance industry.*
- *Insurance companies from CIMA member states are permitted to operate in Côte d'Ivoire without a license.*
- *Key classes of compulsory insurance include motor third-party liability insurance and professional indemnity insurance for insurance intermediaries.*

(A) Insurance Market - Historical Landmarks and Regulatory Environment

➢ *Historical Landmarks*

20th c Insurance was introduced into the French colony mainly by companies originating from France, but also from the UK.

1930 The first law relating to insurance (dated 13 June 1930) was enacted.

1970 The domestic insurer, the life company Stamvie, was set up.

1971 The first non-life company, Societe Ivorienne, was set up. It has since gone into liquidation.

1992 Ivory Coast was a signatory of the CIMA Treaty.

1995 The CIMA Treaty came into force.

1997 The insurance of imports was made obligatory, but non-admitted insurers could be used.

2007 It became obligatory for imports to be covered by an admitted insurer.

2010 The motor guarantee fund started to operate.

2012 A pool for all commercial passenger transport (Transport Public des Voyageurs - TPV) started operations.

2014 New universal health cover was launched (couverture maladie universelle).

2015 Societe d'Assurance et de Reassurance Cote d'Ivoire (SAAR Cote d'Ivoire) obtained its licence.

2016 Moroccan Wafa Assurance opened its non-life subsidiary and Atlanta Assurances obtained a licence for its non-life operation.

2017 Societe Ivoirienne d'Assurances Mutuelles - SIDAM, became a limited liability company and was renamed Societe Internationale d'Assurances Multirisques (SIDAM). L'Alliance Africaine d'Assurance (3A) was rebranded as Sonam Assurances Generale by its majority shareholder.Tunisian Compagnie Mediterraneenne d'Assurances et de Reassurances (COMAR) obtained a non-life licence and began underwriting.

2018 SMABTP Cote d'Ivoire SA began writing business with a focus on the construction sector.

2019 - Under the 2019 Construction and Housing Code, construction all risks insurance is mandatory as well as the purchase of a performance bond from a bank or insurer.

2021 In July 2021 the Directorate General of the Treasury and Public Accounting and the Association of Insurance Companies of Côte d'Ivoire (Association des Sociétés d'Assurances de Côte d'Ivoire, ASA-CI), signed an agreement to create a digital platform to produce and manage motor insurance certificates. The platform, which aims to streamline processes in the sector, will operate on a secure server and will generate encrypted electronic certificate numbers. It will also monitor civil liability and mandatory tariffs.

2022 - In May 2022, new insurance company ACR-AFMA had an opening ceremony.
Also in May 2022 Optimus announced the launch of Optimus Africa, a pan-

African insurance brokerage network based in CA'te d'Ivoire. It is expected that use of the network will help insurers to manage customer relations, improving productivity and generally streamlining operations

- In August 2022, the Côte d'Ivoire Environment and Sustainable Development Ministry, the United Nations Development Programme in Côte d'Ivoire and African Risk Capacity Limited launched a climate insurance pilot project for agricultural value chains targeting Côte d'Ivoire's rice production sector and aims to establish a solid operational framework that could be replicated across additional agricultural value chains, such as cotton, maize and cacao

2023 In September 2023 Sanlam and Allianz announced that they had received regulatory approvals for a joint venture, SanlamAllianz, creating a pan-African non-banking financial services company with a presence in 27 markets, including CA'te d'Ivoire.

2024 - The SanlamAllianz group has been granted approval by the Regional Insurance Control Commission (CRCA) to merge its Ivorian non-life subsidiaries, Allianz Côte d'Ivoire Assurances and Sanlam Assurance Côte d'Ivoire, with its life subsidiaries, Allianz Côte d'Ivoire Assurances Vie and Sanlam Assurance Vie Côte d'Ivoire. These mergers gave rise to SanlamAllianz Côte d'Ivoire Assurances for the P&C entity and SanlamAllianz Côte d'Ivoire Assurances Vie for the life entity.

- Swiss Re closes Abidjan office and continue to underwrite reinsurance contracts exclusively with local ceding companies, in accordance with Article 308 of the CIMA Code.
- In September 2024, Leadway Assurance CA'te d'Ivoire signed a strategic partnership with PA(c)tro Ivoire, a local company specialising in the distribution of petroleum products. The agreement permits motorists to underwrite Leadway motor insurance policies at PA(c)tro Ivoire service stations, where they can scan a QR code available on site and with a copy of the vehicle registration document, complete the underwriting process and immediately receive their insurance certificate.
- In December 2024, a consortium of Ivorian insurers comprising SanlamAllianz, Atlantique Assurance Vie et non Vie, AXA and the International Finance Corporation (IFC) signed a strategic partnership agreement aimed at protecting Côte d'Ivoire's agricultural sector against the adverse effects of climate change.

2025 **Mandatory vehicle inspection for motor insurance policies:** In January 2025, Côte d'Ivoire requires motorists to present a valid vehicle inspection certificate when purchasing motor insurance. The insurance policy's validity period must not exceed that of the inspection certificate. Non-compliance results in penalties between 25% and 30% of the insurance premium. This measure supports the country's 2021-2025 road safety strategy, which aims to reduce traffic fatalities by 50% by 2030.

➢ *Côte d'Ivoire: Insurance Market Supervision*

- **Supervisory authority:**
  Ministry of Economy, Finance and Development Insurance Department www.finances.gouv.ci
- The insurance industry Côte d'Ivoire is supervised by the Insurance Department (Direction des Assurances—DA) along with Regional Insurance Control Commission (Commission Régionale de Contrôle des Assurances—CRCA).
- **Insurance Department (Direction des Assurances—DA):** The DA, which works under the DGTCP, is responsible for monitoring and developing state policy in the field of insurance in Côte d'Ivoire. The powers and responsibilities of the DA are prescribed under Annex II of the Inter-African Conference of Insurance Markets (Conférence Interafricaine des Marchés d'Assurance - CIMA) Treaty.
  Its main responsibilities include the conception and monitoring of the application of national rules relating to insurance. It also studies the insurance industry and makes proposals to the government to ensure and improve the promotion of the national insurance industry.

➢ *Key Insurance Legislations:*

The key insurance legislations in Côte d'Ivoire are as follows:

1. **Law No. 62-232 of June 29, 1962**: This law regulates the insurance sector in Côte d'Ivoire and organizes the insurance profession.

2. **Law No. 60-342 of October 28, 1960**, and **Decree No. 61-370 of November 13, 1961**: These regulations introduced mandatory automobile insurance in 1962.
3. **Law No. 89-1301 of December 18, 1989**, and **Decree No. 90-89 of January 17, 1989**: These laws addressed issues related to automobile insurance by determining compensable damages and establishing a compensation schedule.
4. **Law No. 86-485 of July 1, 1986**: This law made the local domiciliation of insurance for imports mandatory, but it was repealed by **Ordinance No. 97-444 of August 8, 1997**.
5. **Ordinance No. 2007-478 of May 16, 2007**: This ordinance reinstated the mandatory domiciliation of insurance for imports.
6. **CIMA Treaty (Treaty establishing the Inter-African Conference of Insurance Markets)**: Signed on **July 10, 1992**, in Yaoundé, Cameroon, this treaty led to the creation of CIMA and introduced a community insurance code that governs the insurance sector in countries that have ratified the treaty (including Côte d'Ivoire). This code came into effect on **February 15, 1995**.

➢ *Insurance Association*

Association des Sociétés d'Assurances de Côte d'Ivoire (ASACI)

The Association was created on December 21, 1956, under the name "Groupement des Assureurs" by the automobile dealerships, which at the time represented both car manufacturers and insurance companies in Côte d'Ivoire. With the advent of independence and the establishment of the first subsidiaries of French insurance companies, a new name was adopted on November 3, 1966: "Comité des Assureurs de Côte d'Ivoire." During the General Assembly on October 24, 1988, it was decided to change the name from "Comité des Assureurs de Côte d'Ivoire" to "Association des Sociétés d'Assurances de Côte d'Ivoire," abbreviated as "ASACI," in order to highlight the associative spirit of professionals working in the insurance industry.

- 22 companies operating in the NON-LIFE sector
- 10 companies operating in the LIFE sector
- 09 reinsurance companies
- National Social Welfare Fund (CNPS)
- Automobile Guarantee Fund (FGA)

The ASACI is a member of the General Confederation of Enterprises of Côte d'Ivoire.

➢ *Company Registration and Operation*

- A license is required to operate in the Ivory Coast insurance industry. Article 326 of the CIMA Code stipulates that companies intending to operate life and non-life insurance and reinsurance businesses in Burkina Faso can start their operations after obtaining a license from the DNA. However, reinsurers are permitted to operate without a license.
- Article 530 of the CIMA Code stipulates that intermediaries are required to obtain authorization from the DNA to mediate insurance products in the country.

➢ *Compulsory Insurances*

Some of the key compulsory insurances required within the Ivory Coast insurance industry are:

- Auto third-party liability.
- Marine cargo imports.
- Professional indemnity for insurance brokers.
- Workers compensation (state scheme, part of social security)
- Air carriers and aircraft operators' liability for third party property damage or injury to third parties on the ground as well as injury to passengers and damage to baggage or goods being transported.
- Third-party liability and all risks insurance for airport operators.
- Shipowners' liability for marine oil pollution (financial guarantee or insurance).
- Under the 2019 Construction and Housing Code, construction all risks insurance is mandatory as well as the purchase of a performance bond from a bank or insurer.

➢ Non-Admitted

The law provides that insurance must be purchased from locally authorized insurers, with the exception of companies that provide specialized insurance services to one or more CIMA member states, although this is subject to supervisory approval.

➢ Pools:

- A pool for all commercial passenger transport (Transport Public des Voyageurs - TPV) began operating on 1 January 2012.
- There are several African pools, namely the African Aviation Pool and the African Oil and Energy Pool.

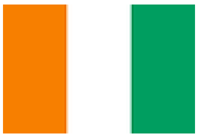
➢ Taxation

Tax is imposed upon insurance premiums within the insurance industry in Ivory Coast. Taxation in Côte d'Ivoire is administered by the Direction Générale des Impôts (DGI) in accordance with the Tax Code and Finance Laws. The other taxes imposed are Corporate Income Tax, Corporate Capital Gains Tax, and Value Added Tax.

Corporate Income Tax: A company is said to be a resident if it is incorporated in Côte d'Ivoire. Resident companies are taxed on their worldwide income, while non-resident companies are taxed on the income sourced from Côte d'Ivoire. Corporate income tax is imposed at a rate of more than 24% on both residents and non-residents with permanent establishments based on the type of industry.

➢ Reinsurance Business:

- Book VIII of the CIMA Code became effective on 1 December 2016 and sets out the regulatory regime for reinsurance companies in the region.
- There is a concerted effort across the CIMA region to reduce fronting and encourage coinsurance as a means to provide extra local market capacity and retain as much premium as possible locally.
- Approval is given for the reinsurance of life risks, non-life risks or both. These risks are identical to those defined under Article 300 of the CIMA Code.
- Reinsurance companies based outside the CIMA zone are only allowed to establish operations in the region if they obtain approval from the CRCA. If granted, such an approval is valid for the entire CIMA region. They also need to secure approval from the local insurance supervisor of the country in which they wish to operate.
- There is no state reinsurance company in Cote d'Ivoire.
- The local offices of Africa Re and CICA-RE, as well as Aveni Re and NCA Re, probably write most inwards reinsurance currently. Abidjan is seen as an excellent hub from which to transact business across the CIMA region and into other parts of Africa. A number of African and North African reinsurers are also represented in Abidjan, namely Continental Re, Kenya Re, Tunis Re, SCR and WAICA RE. ZEP-RE has centralized its CIMA zone activities in Abidjan having closed its office in Douala, Cameroon on 14 September 2018. Hannover Re obtained approval for a representative office in late December 2017.
- The solvency margin for reinsurers is calculated on the same basis as that for insurance companies under Articles 337-2 and following of the CIMA code.
- All reinsurance companies need to maintain sufficient technical reserves to support their operations.
- Insurers are not allowed to write reinsurance unless they have authorization (and reinsurance is included in their name).
- Property, third party liability, aviation and marine have historically been the main risks reinsured in the market.
- Reinsurance premiums are not taxed.



(B) COTE D'IVOIRE:
Insurance Market Performance & Statistics

➢ Ivorian insurance market: Market Structure

As data as of 31/12/2024, the Ivorian Insurance Market consist of:

- **22** Non-life insurance companies
- **10** Life insurance companies
- **2** Reinsurance companies
- **334** Brokerage companies
- **11** Health Fund Managers

➢ Ivorian insurance market: main indicators

	2020	2021	2022	2023
Total Premiums				
Total Premiums (US$ m)	719	835	815	755
Total Insurance Growth (%) inflation-adjusted	4%	7.5%	4.3%	3.3%
Total Insurance Density (US$)	27	30	29	26
Total Insurance Penetration %	1.2%	1.2%	1.2%	1%
Share of African Insurance Market %	1.17%	1.13%	1.16%	1.19%
Life Premiums				
Life Premiums (US$ m)	51	370	373	417
Life Insurance Growth (%), inflation-adjusted	5.5%	8.5%	7.8%	3.9%
Life Insurance Density (US$)	12	13	130	14
Life Insurance Penetration (%)	0.5%	0.5%	0.5%	0.5%
Non-Life Premiums				
Non-Life Premiums (US$ m)	403	465	442	33
Non-Life Insurance Growth (%), inflation-adjusted	2.9%	6.8%	1.5%	2.6%
Non-Life Insurance Density (US$)	15	17	16	12
Non-Life Insurance Penetration (%)	0.7%	0.7%	0.6%	0.4%

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

➢ Ivorian insurance market in 2024

Turnover: 998.598 million US$ **|** **Penetration rate**: 1.27% **|** **Insurance density:** 32.04 USD

➢ Ivorian insurance market: 2024 provisional figures

Provisional figures for the Ivorian insurance market show a turnover of 628 billion FCFA (997.2 million USD) in 2024, marking a 4.4% increase (in original currency) on the 601.4 billion FCFA (1 billion USD) achieved by the end of 2023.
Non-life premiums were up by 3.4% to 361.3 billion FCFA (573.7 million USD), while life premiums rose by 5.9% to 266.7 billion FCFA (423.5 million USD).
The ranking by non-life company places SanlamAllianz at the forefront of the market, with a turnover of 106.5 billion FCFA (169.1 million USD) in 2024.
As far as life and health insurance is concerned, SUNU Vie is ranked first in 2024, with an underwriting income of 74.3 billion FCFA (118 million USD).
During the reporting period, benefits paid by local insurers amounted to 308.4 billion FCFA (489.7 million USD), dropping by 0.2% over one year.

Source: Atlas Magazine, 28/01/2025

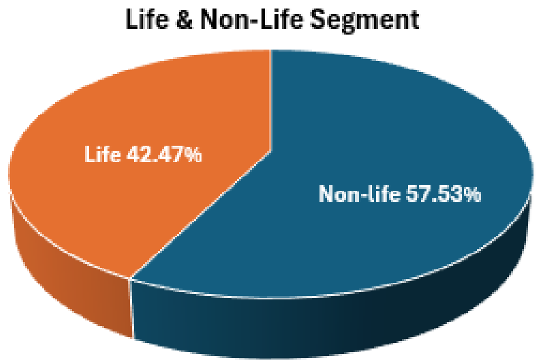
➢ *Ivorian insurance market: Turnover by Branch*

Figures in millions

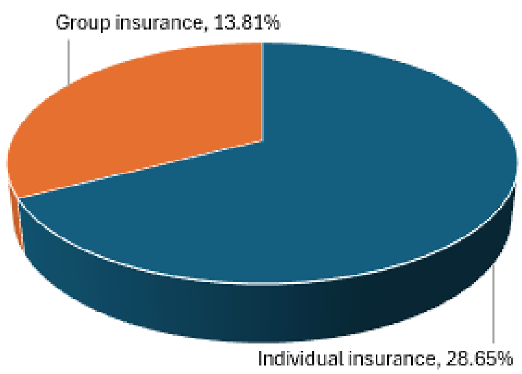
Class of business	2024 turnover		2024 shares
	FCFA	USD	
Bodily injury and health	108 193 864	172 028	17.23%
Motor	110 094 658	175 051	17.53%
Fire & Other Property Damage	75 057 383	119 341	11.95%
Marine	35 042 063	55 717	5.58%
General third party liability	12 927 093	20 554	2.06%
Miscellaneous risks	20 014 079	31 822	3.19%
Non-life total	**361 329 141**	**574 513**	**57.53%**
Individual insurance	179 959 688	286 136	28.65%
Group insurance	86 760 398	137 949	13.81%
Life total	**266 720 086**	**424 085**	**42.47%**
Grand total	**628 049 227**	**998 598**	**100.00%**

(1) Growth rate in FCFA
Exchange rate as at 31/12/2024 : 1 FCFA = 0.00159 USD , as at 31/12/2023 : 1 FCFA = 0.00168 USD

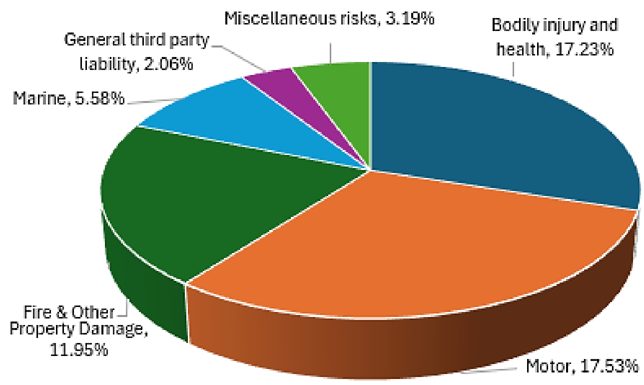
Source: Atlas Magazine - 28/01/2025



Life Insurance: Market Share by Branch



Non-Life Insurance: Market Share by Branch



➢ *Insurance companies in Côte d'Ivoire: 2024 ranking*

Non-life insurance companies in Côte d'Ivoire

Figures In Thousands

Rank	Non-life companies	2024 turnover		2023 turnover		2023-2024 evolution [1]	2024 shares
		FCFA	USD	FCFA	USD		
1	SANLAMALLIANZ	106541745	169401	104691846	175882	1,77%	29,49%
2	GNA	40381239	64206	40767327	68489	-0,95%	11,18%
3	SUNU	29405429	46755	29969987	50350	-1,88%	8,14%
4	AXA	25314794	40251	27525864	46243	-8,03%	7,01%
5	NSIA	25051018	39831	25547341	42920	-1,94%	6,93%
6	ATLANTIQUE	20462402	32535	22179025	37261	-7,74%	5,66%
7	AMSA	17301394	27509	13452813	22601	28,61%	4,79%
8	SAAR	11245679	17881	8068256	13555	39,38%	3,11%
9	ATLANTA	11243601	17877	7321286	12300	53,57%	3,11%
10	SERENITY S.A	11090451	17634	9053510	15210	22,50%	3,07%
11	SIDAM S.A	8129477	12926	8858618	14882	-8,23%	2,25%
12	ACTIVA	7902800	12565	9132146	15342	-13,46%	2,19%
13	LEADWAY IARD	7221704	11483	4527012	7605	59,52%	2,00%
14	COMAR	7177833	11413	7748825	13018	-7,37%	1,99%
15	WAFA	7011903	11149	6142774	10320	14,15%	1,94%
16	SMA BTP	6556117	10424	6798079	11421	-3,56%	1,81%
17	SCHIBA	3903797	6207	3560649	5982	9,64%	1,08%
18	2ACI	3630956	5773	4038615	6785	-10,09%	1,00%
19	MATCA	3625270	5764	5282072	8874	-31,37%	1,00%
20	CORIS	3295980	5241	968516	1627	240,31%	0,91%
21	LA LOYALE	3100003	4929	3009299	5056	3,01%	0,86%
22	SONAM	1735550	2760	936126	1573	85,40%	0,48%
	TOTAL 2024	**361329141**	**574513**	**349579987**	**587294**	**3,36%**	**100,00%**

[1] Growth rate in local currency * Provisional turnover

Exchange rate as at 31/12/2024 : 1 FCFA = 0.00159 USD , as at 31/12/2023 : 1 FCFA = 0.00168 USD

Life insurance companies in Côte d'Ivoire

Figures In Thousands

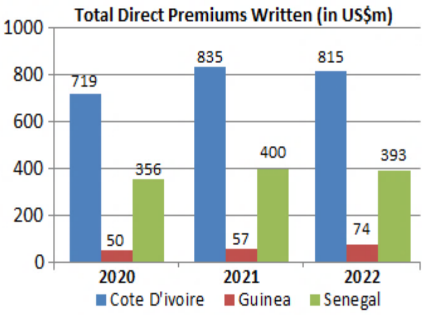
Rank	Non-life companies	2024 turnover		2023 turnover		2023-2024 evolution [1]	2024 shares
		FCFA	USD	FCFA	USD		
1	SUNU VIE	74384678	118272	73670974	123767	0,97%	27,89%
2	SANLAMALLIANZ VIE	65662378	104403	66854736	112316	-1,78%	24,62%
3	NSIA VIE	52344055	83227	46019142	77312	13,74%	19,63%
4	PRUDENTIAL BELIFE	21246856	33783	18209831	30593	16,68%	7,97%
5	WAFA VIE	20029545	31847	18084565	30382	10,75%	7,51%
6	ATLANTIQUE VIE	13564486	21568	12845610	21581	5,60%	5,09%
7	YAKO AFRICA VIE	12350320	19637	10617978	17838	16,32%	4,63%
8	LEADWAY VIE	5004233	7957	3500712	5881	42,95%	1,88%
9	SAAR VIE	1648249	2621	1337561	2247	23,23%	0,62%
10	SONAM ASSURANCES VIE	485285	772	675582	1135	-28,17%	0,18%
	TOTAL 2024	**266720086**	**424085**	**251816690**	**423052**	**5,92%**	**100,00%**

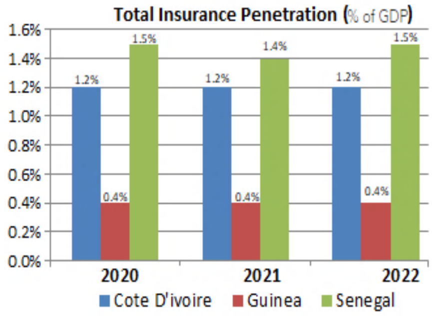
[1] Growth rate in local currency * Provisional turnover

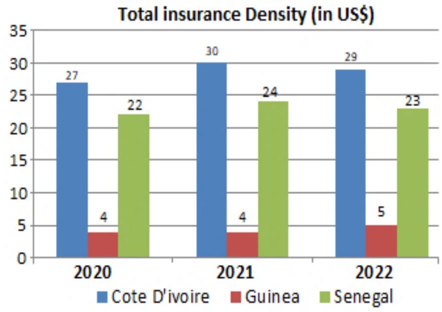
Exchange rate as at 31/12/2024: 1 FCFA = 0.00159 USD , as at 31/12/2023 : 1 FCFA = 0.00168 USD

Source: Atlas Magazine - 28/01/2025

CÔTE D'IVOIRE: Insurance Market Regional Comparison







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

Sub-Saharan Africa Insurance Risk/Reward Index

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

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

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

FitchSolutions

CÔTE D'IVOIRE: Insurance Market SWOT

The insurance market in Côte d'Ivoire is in the early stages of development, with potential to grow rapidly from a low base; however, political and economic stability will need to be nurtured and maintained.

Strengths	▪ Several multinationals have entered the market, bringing required expertise and capital. ▪ Non-life firms offer a broad range of products, primarily in key basic lines. ▪ Economic growth in the market is very strong, with CA'te d'Ivoire expected to prove a regional outperformer.
Weaknesses	▪ The overall market is small. ▪ Existing firms have limited capitalization. ▪ There are barriers to entry for foreign investors. ▪ Widespread poverty hampers the development of the non-life sector, while low life expectancy is a headwind to the life sector.
Opportunities	▪ A lack of coverage indicates potential to grow from a low base. ▪ Financial markets are gradually developing, with more consumers connecting with formal banking services. ▪ There is growing demand for health insurance due to a lack of public healthcare. ▪ Foreign investment in CA'te d'Ivoire is growing due to stable monetary policy.
Threats	▪ Potential slowdown in foreign investment. ▪ A mutiny within the military in January 2017 (the second in a three-year period) and military unrest in January 2018 underscore a continued high level of political and security risks ▪ Volatile cocoa prices and unpredictable weather generate risks for agriculture-oriented transport insurance.

Source: Côte d'Ivoire Insurance SWOT - by Business Monitor Online, 20 January 2025

CÔTE d'IVOIRE - Insurance Market Outlook

- We forecast premium growth across Côte d'Ivoire's insurance industry in 2025, supported by an expected stronger performance from the life segment. Non-life insurance premiums will also grow in 2025, but at a much slower pace than in 2024. Our medium-term forecast is broadly upbeat, although there will be some slowdown in both the life and non-life segments through to 2029.
- Reflecting the broadly positive economic backdrop, life premiums will rise by 7.4% in local currency terms to XOF277.6bn in 2025. Over the forecast period to 2029, premiums will rise by an annual average of 6.8% in local currency terms, driven by an improving economy and strengthening consumer profile.
- Non-life premiums are forecast to rise by 5.8% to XOF369.2bn in 2025, down from growth of 11.1% in 2024. Across our forecast period to 2029, premiums are expected to rise by an average of 6.2% per annum in local currency terms, taking the value of premiums to XOF469.7bn.

Headline Insurance Forecasts (Côte d'Ivoire 2025-2029)

Indicator	2022	2023e	2024e	2025f	2026f	2027f	2028f	2029f
Gross life premiums written, XOFbn	223.00	240.43	258.48	277.62	297.34	317.84	339.13	361.15
Gross life premiums written, XOF, % y-o-y	8.4	7.8	7.5	7.4	7.1	6.9	6.7	6.5
Gross life premiums written, USDmn	357.5	396.4	427.5	450.7	471.4	494.2	522.2	556.1
Gross life premiums written, USD, % y-o-y	-3.7	10.9	7.9	5.4	4.6	4.8	5.7	6.5
Gross non-life premiums written, XOFbn	305.00	314.13	348.93	369.24	398.82	421.56	445.53	469.66
Gross non-life premiums written, XOF, % y-o-y	17.4	3.0	11.1	5.8	8.0	5.7	5.7	5.4
Gross non-life premiums written, USDmn	489.0	517.9	577.1	599.5	632.3	655.5	686.0	723.2
Gross non-life premiums written, USD, % y-o-y	4.4	5.9	11.4	3.9	5.5	3.7	4.7	5.4

e/f = BMI estimate/forecast. Source: National sources, BMI

Business Monitor International – 20 January 2025

Statista Key View:

➢ Insurances

- The projected market size (gross written premium) of the Insurances market in Ivory Coast is estimated to reach US$2.57bn in 2025.
- Non-Life Insurances dominate the market with a projected market volume of US$1.42bn in 2025.
- The average spending per capita in the Insurances market in Ivory Coast amounts to US$84.82 in 2025.
- The gross written premium is expected to exhibit an annual growth rate (CAGR 2025-2029) of 2.44%, resulting in a market volume of US$2.83bn by 2029.
- In global comparison, the United States will generate the highest gross written premium in 2025, amounting to US$3,930.0bn.
- The insurance market in Ivory Coast is experiencing a surge in demand for health insurance policies due to the increasing awareness of the importance of healthcare among the population.

➢ Life insurance

- The Life insurance market in Ivory Coast is projected to reach a market size (gross written premium) of US$1.15bn in 2025.
- The average spending per capita in the Life insurance market in Ivory Coast is expected to amount to US$37.92 in 2025.
- With an annual growth rate (CAGR 2025-2029) of 2.11%, the gross written premium in Ivory Coast is projected to reach a market volume of US$1.25bn by 2029.
- In global comparison, the United States is anticipated to generate the highest gross written premium of US$1,339.0bn in 2025.
- Ivory Coast's life insurance market is experiencing steady growth as more individuals seek financial protection for their families and assets.

➢ Non-life insurances

- The Non-life insurance market in Ivory Coast is projected to reach a market size (gross written premium) of US$1,423.00m in 2025.
- The average spending per capita in the Non-life insurance market is expected to amount to US$46.89 in 2025.
- Furthermore, the gross written premium is predicted to display an annual growth rate (CAGR 2025-2029) of 2.63%, resulting in a market volume of US$1,579.00m by 2029.
- Ivory Coast's non-life insurance market is experiencing a surge in demand, driven by the growing middle class and increased awareness of the importance of insurance coverage.

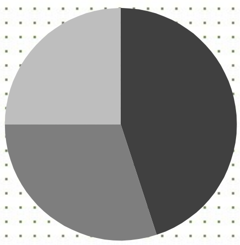
Source: Statista Market Insights - recent update: Sep 2024

FAIR AVIATION POOL

FAIR AVIATION POOL's UNDERWRITING CAPACITY

TREATY

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



FACULTATIVE

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

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

Managed by

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CRÉATEUR DE RÉSILIENCE DEPUIS 1960
RESILIENCE BUILDER SINCE 1960
GROUPE CDG

UZBEKISTAN

Insurance Market Overview

by Hussein Elsayed

(I) UZBEKISTAN: General Information

Region	Central Asia	UN membership date	02 March 1992
Population (000, 2024)	36 362[a]	Surface area (km2)	448 969[b]
Pop. density (per km2, 2024)	85.5[a]	Sex ratio (m per 100 f)	101.8[a]
Capital city	Tashkent	National currency	Uzbekistan Sum (UZS)
Capital city pop. (000, 2024)	2 490.3[c]	Exchange rate (per US$)	12 340.0[d,e]

Economic indicators	2015	2020	2024
GDP: Gross domestic product (million current US$)	86 196	60 225	80 392[b]
GDP growth rate (annual %, const. 2015 prices)	7.2	2.0	5.7[b]
GDP per capita (current US$)	2 785.1	1 796.3	2 321.6[b]
Economy: Agriculture (% of Gross Value Added)[f,g]	31.8	26.8	25.2[b]
Economy: Industry (% of Gross Value Added)[g,h]	24.5	33.4	33.4[b]
Economy: Services and other activity (% of GVA)[g,i]	43.7	39.7	41.5[b]
Employment in agriculture (% of employed)[j]	27.5	26.9	25.9[b]
Employment in industry (% of employed)[j]	22.9	23.7	24.2[b]
Employment in services & other sectors (% employed)[j]	49.6	49.4	49.9[b]
Unemployment rate (% of labour force)	5.2	5.3	4.3[j]
Labour force participation rate (female/male pop. %)	40.9 / 73.4[j]	39.5 / 72.2	39.8 / 72.7[j]
CPI: Consumer Price Index (2010=100)[k,l]	...	173	235[e]
Agricultural production index (2014-2016=100)	101	105	113[b]
International trade: exports (million current US$)	5 052[j]	13 281	19 649[j,e]
International trade: imports (million current US$)	20 016[j]	20 020	35 515[j,e]
International trade: balance (million current US$)	- 14 963[j]	- 6 740	- 15 866[j,e]
Balance of payments, current account (million US$)	896	- 3 028	- 7 788[e]

Major trading partners						2023
Export partners (% of exports)[j]	Areas nes[m]	29.9	Russian Federation	17.0	China	11.5
Import partners (% of imports)[j]	China	22.4	Russian Federation	21.4	Kazakhstan	11.4

Social indicators	2015	2020	2024
Population growth rate (average annual %)	1.7	1.9	1.9[a]
Urban population (% of total population)	50.8	50.4[c]	...
Urban population growth rate (average annual %)	1.5[n]	...	...
Fertility rate, total (live births per woman)	2.6	3.1	3.5[a]
Life expectancy at birth (females/males, years)	74.2 / 68.5	74.5 / 68.6	75.5 / 69.6[a]
Population age distribution (0-14/60+ years old, %)[o]	28.3 / 7.5	29.7 / 8.6	31.1 / 9.5[a]
International migrant stock (000/% of total pop.)	1 170.9 / 3.8[p]	1 162.0 / 3.5[p]	... / ...
Refugees and others of concern to the UNHCR (000)	86.8	92.8	38.4[e]
Under five mortality rate (per 1000 live births)	20.1	15.0	14.8[a]
Health: Current expenditure (% of GDP)	4.7	6.8	7.7[q]
Health: Physicians (per 1 000 pop.)	2.4	2.8	2.8[q]
Education: Government expenditure (% of GDP)	5.5[j]	4.9	4.6[q]
Education: Primary gross enrol. ratio (f/m per 100 pop.)	97.7 / 98.7	99.2 / 99.8	94.2 / 94.5[e]
Education: Lowr. sec. gross enrol. ratio (f/m per 100 pop.)	92.7 / 93.5	98.3 / 98.9	99.5 / 99.9[e]
Education: Upr. sec. gross enrol. ratio (f/m per 100 pop.)	90.6 / 91.3	79.2 / 76.9	65.5 / 67.3[e]
Intentional homicide rate (per 100 000 pop.)	1.6	1.3	1.4[q]
Seats held by women in the National Parliament (%)	16.0	32.0[r]	34.6[r]

Environment and infrastructure indicators	2015	2020	2024
Individuals using the Internet (per 100 inhabitants)	42.8[j]	71.1[s]	83.9[s,b]
Research & Development expenditure (% of GDP)	0.2	0.1	0.2[b]
Threatened species (number)	54	62	74[e]
Forested area (% of land area)	8.1	8.4	8.4[q]
CO2 emission estimates (million tons/tons per capita)	100.2 / 3.2	104.1 / 3.1	114.8 / 3.4[q]
Energy production, primary (Petajoules)	2 058	1 730	2 042[q]
Energy supply per capita (Gigajoules)	56	54	59[q]
Tourist/visitor arrivals at national borders (000)	1 918	1 504	5 233[b]
Important sites for terrestrial biodiversity protected (%)	13.2	19.4	20.5[e]
Pop. using safely mgd. drinking water (urban/rural, %)	87.7 / 56.5	88.6 / 66.8	88.8 / 70.7[b]
Pop. using safely mgd. sanitation (urban/rural, %)	64.2 / 84.4	63.6 / 85.5	63.4 / 85.9[b]
Net Official Development Assist. received (% of GNI)	0.52	2.45	1.67[q]

a Projected est. (medium fertility variant) **b** 2022. **c** 2019. **d** UN operational exchange rate. **e** 2023. **f** Exc. irrigation canals and landscaping care. **g** Data classified according to ISIC Rev. 4. **h** Exc. publishing activities. Inc. irrigation canals. **i** Inc. publishing activities and landscape care. Exc. repair of personal and household goods. **j** Estimate. **k** Calculated by the UN Statistics Division from national indices. **l** Base: 2016 = 100 **m** Areas not elsewhere specified. **n** Data refers to a 5-year period preceding the reference year. **o** Calculated by the UN Statistics Division. **p** Including refugees. **q** 2021. **r** Data at 1 January of the reporting year. **s** Population aged 10 years and over

World Statistics Pocketbook 2024

1- Country Risk

- ***Economic Risk***

Growth and Inflation: Uzbekistan has demonstrated robust economic growth, with GDP expanding by 6% in 2022 and projected to maintain similar growth rates through 2025. Inflation has been a concern, averaging 11.4% in 2022, but is expected to moderate to 9% by 2025.

Fiscal and Current Account Balances: The fiscal deficit was 4% of GDP in 2022, with projections indicating a slight improvement to 3.5% by 2025. The current account deficit widened to 3.2% of GDP in 2022 and is anticipated to reach 6% by 2025.

External Debt: External debt levels have risen, reaching moderate levels of less than 65% of GDP in 2022. This increase reflects the country's efforts to open its economy, leading to a deterioration in the current account balance.

External Risks: The economy faces external risks, including potential spillovers from geopolitical tensions, commodity price volatility, and global economic slowdowns.

- ***Political Risk:*** While Uzbekistan has implemented reforms under President Shavkat Mirziyoyev, concerns persist regarding governance and political stability. The recent assassination attempt on a prominent political figure in Tashkent highlights potential internal conflicts within the ruling elite, raising questions about the country's political environment.

- ***Regulatory Risk:*** Despite legislative efforts to improve the investment climate, challenges remain. The dominance of state-owned enterprises and banks can distort competition, and issues such as low-quality banking regulation, weak corporate governance, and a slow pace of privatization present regulatory risks for investors.

- ***Trade & Investment Risk:*** Uzbekistan's economy is largely cash-based, reflecting low trust in the banking sector and a significant informal economy. This environment poses challenges for foreign investors, including risks related to currency convertibility and profit repatriation.

- ***Social Risk:*** Social risks in Uzbekistan include issues such as limited political freedoms and human rights concerns. The absence of genuine political opposition, as evidenced by recent elections where parties loyal to the president secured all parliamentary seats, indicates restricted political pluralism and potential social discontent.

2- Natural Hazards Risks

Uzbekistan is susceptible to various natural hazards, including:

- ***Floods:*** The country experiences seasonal flooding, particularly affecting the agricultural sector.
- ***Drought:*** Uzbekistan ranks among the top 20 countries globally in terms of vulnerability to drought, with increasing frequency due to its arid climate and high temperatures.
- ***Landslides:*** The nation is prone to landslides, especially in mountainous regions, posing risks to communities and infrastructure.
- ***Extreme Heat:*** Rising temperatures and heatwaves are becoming more common, impacting public health and agriculture.
- ***Cyclones:*** The risk of cyclones in Uzbekistan is very low.
- ***Earthquakes:*** Uzbekistan is located in a seismically active zone, with a history of significant earthquakes causing substantial damage.
- ***Wildfires:*** The country is at high risk for wildfires, particularly during periods of severe drought.

(III) UZBEKISTAN: Insurance Market

Key Highlights

- *The National Agency of Perspective Projects (NAPP) assumed the task of insurance supervision since September 2023 instead of The State Inspectorate for Insurance Supervision under the Ministry of Finance.*
- *Composite insurance is not permitted in the Uzbek insurance industry*
- *FDI is not permitted in the Uzbek insurance industry*
- *Non-admitted insurance is prohibited in Uzbekistan*
- *Key classes of compulsory insurance include motor third-party liability insurance, professional indemnity cover for auditors, notaries, and customs officers' liability and employer's liability insurance*

(A) Insurance Market - Historical Landmarks and Regulatory Environment

Historical Landmarks

19th c: Some insurance was probably transacted by Russian companies during the Tsarist period, but no trace of this remains.

1921: The Soviet state insurance company Gosstrakh was established, initially to insure agricultural property, crop and livestock, and foreign trade.

1940: Agricultural property, crop and livestock insurance was made compulsory for collective farms.

1947: The foreign currency insurer Ingosstrakh was established as a share company owned by the Ministry of Finance.

1958: Gosstrakh was decentralised into separate bodies that became part of the finance ministry of each republic of the USSR.

1968: The Inter-Republic Agricultural Reserve Fund was established. Voluntary supplementary insurance for collective farms was abolished.

1976: Agricultural property, crop and livestock insurance for state farms on a compulsory basis was introduced.

1989: The law on co-operatives permitted the establishment of the first co-operative insurers, later transformed into joint stock companies. The insurance of state property was permitted. Ingosstrakh opened its first office in Tashkent.

1990-91: Private sector insurance companies grew rapidly and Gosstrakh USSR was broken up into independent national companies.

1993: The first Uzbek law on insurance was enacted. Ingosstrakh closed its Tashkent office.

1995: The foreign currency insurer Uzbek Ingosstrakh was established as a share company owned by the Ministry of Finance. AIG opened a joint venture in Tashkent. Uzbekinvest International Insurance Co opened in London as a joint venture with AIG to underwrite political risk insurance for foreign investments in Uzbekistan.

1998: Gosstrakhnadzor was set up as the supervisory authority for insurance.

1999: The insurance law was amended: the first regulations were issued.

2002: By a presidential resolution of 30 January, insurers were exempted from profits tax for three years provided the savings were used for certain specified purposes.
A new insurance law and regulations were enacted dividing the market into life and non-life sectors and introducing EU classifications of insurance.

2006: Insurers' exemption from profits tax was extended for a further three years. The first specialised reinsurance company, Transinsurance Re, was formed.

2007: Agents, brokers, surveyors, adjusters, assistance providers and actuaries were defined as professional participants in the insurance market by amendment to the insurance law of 2002.
- The Association of Professional Participants in the Insurance Market was formed in June 2007.

Membership of the association is not compulsory, and not all insurers belong to it, although the majority of the leading companies have joined. The association is funded by the membership.

2008: The Uzbek insurance supervisor, Gosstrakhnadzor, joined the International Association of Insurance Supervisors (IAIS). Compulsory Motor Third Party Liability (MTPL) became law, and a motor guarantee fund was created.

2009: Compulsory employers' liability became law. Insurers' exemption from profits tax was extended for a further three years, to 2012.

2010: Increases in minimum capital became effective from 1 January.

2012: In July, the first of two staged increases in statutory minimum capital requirements introduced by legislation dated May 2011 was applied. Insurers' exemption from profits tax ended.

2013: The only specialised reinsurance company, Transinsurance Plus, was closed.

2014: The second round of the staged increases in minimum capital introduced by legislation dated May 2011 came into effect.

2015: Compulsory carriers' liability insurance was introduced.

2017: Foreign exchange policy liberalised. Minimum capital requirements restated in local currency. Insurers permitted to purchase foreign currency without limitation when procuring reinsurance.

- Presidential Decree No 5197 dated 29 September 2017 repealed Resolution No PP-1544 On Additional Measures for the Further Strengthening of Insurers' Financial Stability and introduced the restated capital requirement for a reinsurer in Appendix No 2 of Resolution of the President No 618 dated 10 April 2007 as UZS 30bn (USD 3.79mn) (the equivalent of USD 3.70mn using the official exchange rate of 5 September 2017 established by the Central Bank).

2018: In 2018 the project On measures to reform and ensure accelerated development of the insurance market of the Republic of Uzbekistan was announced under the umbrella of Presidential Decree No UP-4947 of 7 February 2017 Action strategy for the further development of the Republic of Uzbekistan.

- In October 2018 there were 28 locally registered insurance companies, of which 24 are non-life. Several major insurers are either majority state-owned or have a government shareholding.

2019: Two non-life companies have recently established life companies. The state-owned non-life company Kafolat established Kafolat Hayot which was licensed from 22 November 2018; and the privately-owned non-life company Euroasia Insurance established Euroasia-Life which was licensed from 5 November 2018. In addition, on 5 April 2019 the non-life insurance company PSB Insurance was licensed. PSB Insurance is owned by the bank Uzpromstroybank and will offer property, motor, liability, credit, financial risks, aviation and marine insurance. The total number of insurance companies operating in Uzbekistan in April 2019 had increased to 31, with 25 non-life companies and 6 life companies.

2023: - In September 2023, regulatory oversight was transferred to a new supervisory body, the ***National Agency of Perspective Projects (NAPP)***, which is directly accountable to the president.

- At the end of 2023, there were 34 non-life insurers and 8 life insurers operating in the market. In non-life insurance, APEX INSURANCE ranked first, pushing last year's leader O'ZBEKINVEST to second place. KAFOLAT SUG‘URTA KOMPANIYASI closes the top-3 in the segment. The life insurance ranking was headed by APEX LIFE INSURANCE, and the former leader, NEW LIFE SUG‘URTA KOMPANIYASI, moved down to third place.

2024: - The National Agency for Prospective Projects (NAPP) of the Republic of Uzbekistan reported that work is underway to revise the MTPL tariffs established back in 2019.

- The National Agency for Prospective Projects (NAPP) of the Republic of Uzbekistan reported that from August 1, 2024, electronic registration of insurance contracts, as well as issuance of insurance policies for four types of compulsory insurance, was launched through the portal of the Unified Information System service. NAPP in its Unified Information System provides 4 types of compulsory insurance contracts:

* employer’s civil liability;
* carriers’ civil liability;
* civil liability for causing harm to life, health and (or) property and environment of other persons in the event of an accident at a hazardous industrial facility;

* technical capabilities for drafting compulsory construction risk insurance contracts have been created.

- Increasing regulatory risks for Uzbek insurers, especially smaller firms, as capital requirements rise. Since September 2023, the regulator has revoked licenses from 8 insurance companies, including life insurance firms, and temporarily suspended licenses for 9 others.
- In 2024, the government introduced a state health insurance mechanism in Tashkent that will provide free medical services and medicines.
- The United Nations Development Programme (UNDP) in cooperation with the National Agency of Perspective Projects of the Republic of Uzbekistan, organised a roundtable discussion and presented an analytical report on the topic 'Baseline review on Takaful (insurance) system and implementation recommendation'.
- On October 24, 2024, a roundtable in Uzbekistan—organized by the National Agency of Perspective Projects with IFC and Moody's—focused on introducing mortgage securities. Key stakeholders, including the Central Bank and financial institutions, discussed residential mortgage-backed securities (RMBS) and a draft capital market law. The event highlighted securitization's role in boosting housing finance, supporting bank lending, and aligning with global markets. Experts also examined risk assessment methods, concluding with recommendations to strengthen the legal and regulatory framework.
- According to National Agency for Prospective Projects (NAPP) data, as of 1 October 2024, there were 35 insurance companies operating in Uzbekistan, 7 fewer than in the same period of last year. Of these, 5 companies specialized in life insurance, a decrease of 3 companies year-on-year.

2025: A ranking system for insurance companies is being implemented in Uzbekistan. The goal of the new ranking is to help consumers choose reliable insurance organizations. The evaluation considers the quality of services provided, the financial stability of companies, compliance with legislation, and the timeliness of payments. To compile the ranking, 19 key indicators are used, including the processing of insurance claims, international ratings, financial stability, the introduction of innovative products, and potential violations of legislation.
- Uzbekistan has taken a significant step in integrating its insurance sector into the global financial system by engaging with the International Association of Insurance Supervisors (IAIS) for the first time. During a visit by the National Agency for Advanced Projects (NAAP), discussions focused on adopting international regulatory standards, including the Solvency II framework, and securing technical assistance to enhance oversight and resilience in Uzbekistan's insurance market. This collaboration aims to improve service quality, strengthen risk management, build public trust, and support the sustainable development and stability of the national insurance industry.

The ranking will be updated monthly (by the 10th) and posted on the official NAPP website, which will help make the insurance services market more transparent and increase its competitiveness.
- On April 4, 2025, a collaborative initiative involving the Insurance Development Forum (IDF), United Nations Development Programme (UNDP), German Government, and Uzbekistan's Ministry of Agriculture launched new agricultural insurance products tailored for smallholder horticulture farmers in Uzbekistan. Covering six key crops across five regions, the government subsidizes 50% of the premium cost to enhance accessibility. This scheme aims to mitigate climate-related risks, offering protection against events like frost for crops such as cherries, grapes, and apricots. Local insurers Uzagrosugurta and Semurg are distributing these policies, supported by capacity-building efforts for stakeholders. The initiative underscores the importance of public-private partnerships in enhancing climate resilience for vulnerable farming communities.

➢ *Insurance Market Supervision:*

- **Supervisory authority:**

  The **National agency of perspective projects of the Republic of Uzbekistan (NAPP)** is a state institution responsible for regulation, licensing, and permitting procedures in the sphere of crypto-assets turnover, capital market, insurance, e-commerce, lotteries and gambling activities.

NAPP
NATIONAL AGENCY
OF PERSPECTIVE PROJECTS

The Agency is a state institution with the right of legal entity and in its activities is accountable to the President of the Republic of Uzbekistan.

<u>The main tasks of the Agency are as follows:</u>

- *Development and implementation of a unified state policy in the spheres of crypto-assets turnover, capital market and insurance, e-commerce, the organization of lotteries, risk-based games on the Internet and betting activities;*
- *Ensuring the observance of the rights and legitimate interests of in the spheres of crypto-assets turnover and capital market;*
- *Implementing control over the activities of professional participants of the insurance market aimed at ensuring the protection of the rights and legitimate interests of participants in insurance relations;*
- *Participation in the development and implementation of measures to combat the legalization of proceeds from criminal activity, the financing of terrorism and the financing of proliferation of weapons of mass destruction;*
- *Initiating and facilitating the promotion of projects for the implementation of distributed data registry technology and other latest technologies in public administration and various areas of socio-economic development.*

➢ *Key Insurance Legislations:*

<u>The key insurance Laws in Uzbekistan are as follows:</u>

1. Law of the Republic of Uzbekistan on insurance activity from 05.04.2002 (as amended)
2. Law of the Republic of Uzbekistan on compulsory insurance of civil liability of the employer No. 210 dated 04.16.2009
3. Law of the Republic of Uzbekistan on Compulsory Insurance of Civil Liability of Vehicle Owners No. 155 dated April 21, 2008 (as amended)

    ❖ *<u>For decrees and regulations</u> (<u>Click here</u>)*

➢ *Insurance Association*

- **Insurance Association of Uzbekistan:** The Association of Professional Participants of the Insurance Market of Uzbekistan was established in 2007 in accordance with the Resolution of the President of the Republic of Uzbekistan.

  <u>The main tasks are as follows:</u>

- *study of the insurance market situation, development of proposals to ensure its greater transparency, development of competition, increase in volume, expansion of the range and improvement of the quality of insurance services;*
- *assistance to potential foreign investors in investing funds in the insurance sector of the Republic of Uzbekistan;*
- *implementation of active explanatory work among the population of the republic on insurance issues;*
- *improvement of the system of training and retraining of personnel for insurance, development of standards of professional ethics for professional participants of the insurance market.*

➢ *Company Registration and Operating Requirements:*

- Article 11 of the insurance law provides that the state registration of insurers, reinsurers and insurance brokers shall be carried out by regulator.
- A licence is issued either for non-life or life insurance, or reinsurance exclusively. Composites are not permitted. Insurers must apply for the individual classes of either non-life or life insurance that they propose to transact, and some classes have certain conditions attaching to them such as the requirement for a country-wide network of branches for several compulsory classes, membership of the guarantee fund for motor, and membership of the pool for carriers' liability.
- PA and healthcare (sickness) are considered as non-life classes in Uzbekistan.

- Insurers (and reinsurers) have to be established as commercial organisations (Civil Code, Article 925).
- Holding company structures including both life and non-life insurers are permitted.

➢ *Capital Requirements*

<u>*The minimum authorized capital for insurance companies operating:*</u>

- Non-life insurers - UZS 7.5bn (USD 947,207)
- Insurers writing compulsory classes - UZS 15bn (USD 1.89mn)
- Exclusively for reinsurance - UZS 30bn (USD 3.79mn).

➢ *Foreign Ownership*

- Article 27 of the insurance law states that foreign insurance and reinsurance organisations may participate as founders of Uzbek insurance companies. All discriminatory provisions have therefore been removed from the law. While there are at least three insurance companies with foreign equity participation, a wholly owned foreign insurer has yet to be licensed.
- Branches of foreign legal entities are not, however, permitted.

➢ *Compulsory Insurances*

<u>*List of key compulsory insurances:*</u>

- *Motor third party liability.*
- *Employers' liability.*
- *Carriers' third party liability (death, bodily injury and property damage of passengers).*
- *Third party and environmental liability for accidents at hazardous production facilities.*
- *Professional liability for the following: valuers, customs clearing agents, financial services consultants, auditors, real estate agents and notaries.*
- *Third party liability for hazardous cargo transportation.*
- *Ecological insurance.*
- *Contractors' all risks for objects built with state funds or under state guarantee.*
- *Insurance of items taken as loan pledges.*
- *Insurance of leased equipment.*
- *Insurance of property offered as security.*
- *Insurance of mortgaged property.*
- *Insurance of risks under concessionaires' contracts.*
- *Insurance of valuables in the post.*
- *Tourist insurance.*
- *Export contract insurance.*
- *Life and health insurance for participants in clinical trials (required by trial sponsors in order to obtain a licence - not a legal requirement).*

➢ *Pools:*

- Employers' liability insurance pool.
- Carriers' liability pool.
- There is no state pool or catastrophe fund for earthquake hazard.
- There is no terrorist pool in the country.
- There is no pollution pool.

(B) UZBEKISTAN: Insurance Market Performance & Statistics

➢ UZBEK Insurance Market Main Indicators 2019-2023

		2019	2020	2021	2022	2023
GDP, current prices	UZS billion [1]	532,712.49	605,514.90	738,425.20	888,341.70	1,047,869.37
	EUR billion [4]	50.14	47.36	60.40	74.26	76.31
GDP per capita, current prices	UZS [1]	16,018,779	17,859,057	21,367,150	25,185,964	29,087,364
	EUR [4]	1,508	1,397	1,748	2,106	2,118
Unemployment rate	% of total labor force [1]	8.98	10.53	9.63	8.85	8.35
Population	Millions [1]	33.26	33.91	34.56	35.27	36.03
UZS/EUR exchange rate	End of period [2]	10,624.70	12,786.03	12,224.88	11,961.85	13,731.82
Gross written premiums	UZS million [3]	1,635,206.55	1,635,206.55	3,732,024.00	6,231,726.00	8,059,726.00
	EUR million [4]	153.91	127.89	305.28	520.97	586.94
Paid claims	UZS million [3]	813,510.42	735,110.36	1,235,061.05	2,596,926	2,022,054
	EUR million [4]	76.57	57.49	101.03	217.10	147.25
Insurance penetration degree	% in GDP [4]	0.31%	0.27%	0.51%	0.70%	0.77%
Insurance density	EUR/capita [4]	4.63	3.77	8.83	14.77	16.29

[1] International Monetary Fund, World Economic Outlook Database, October 2023
[2] The Central Bank of the Repoublic of Uzbekistan
[3] The Insurance Market Development Agency under the Ministry of Finance
[4] XPRIMM calculations

➢ UZBEK Insurance Market portfolio as of December 31st, 2023

Business line	GROSS WRITTEN PREMIUMS			PAID CLAIMS			Weight in all GWP	
	2023	2022	Change	2023	2022	Change	2023	2022
	EUR m	EUR m	%	EUR m	EUR m	%	%	%
TOTAL	586.94	520.97	12.66	147.25	217.10	-32.17	100.00	100.00
Life insurance, including:	20.72	127.46	-83.75	32.08	125.24	-74.38	3.53	24.47
Compulsory	2.60	2.24	16.01	0.92	0.78	18.16	0.44	0.43
Voluntary	18.12	125.22	-85.53	31.16	124.46	-74.96	3.09	24.04
Non-Life insurance	566.22	393.50	43.89	115.17	91.86	25.38	96.47	75.53
Compulsory of which:	46.06	41.07	12.14	17.24	19.46	-11.44	7.85	7.88
employer's civil liability	16.07	13.10	22.63	5.31	5.44	-2.47	2.74	2.52
civil liability of vehicle owners	21.28	19.57	8.74	11.35	13.26	-14.41	3.63	3.76
Voluntary of which:	520.17	352.43	47.59	97.93	72.39	35.28	88.62	67.65
accidents	3.75	4.96	-24.47	0.63	0.37	69.85	0.64	0.95
illnesses	4.74	4.06	16.96	2.81	2.71	3.75	0.81	0.78
Motor Hull	87.99	50.55	74.07	6.70	4.80	39.55	14.99	9.70
cargo	8.97	9.38	-4.34	0.21	0.18	19.50	1.53	1.80
fire and natural disasters	0.12	0.20	-41.96	-	0.01	-	0.02	0.04
property damage	0.13	0.14	-8.71	-	-	-	0.02	0.03
GTPL	14.59	7.12	104.99	1.47	7.92	-81.38	2.49	1.37
credit insurance	94.73	60.35	56.96	63.81	44.07	44.81	16.14	11.58

1 EUR =11,961.85 Som - UZS (December 31st, 2022)
1 EUR =13,731.82 Som - UZS (December 31st, 2023)

Source: XPRIMM www.xprimm.com

FY2023: GWP increased by 29%, while paid claims decreased by 22%

At the end of 2023, the insurance sector of Uzbekistan grew by 29% to UZS 8,059.726 billion (EUR 586.94 million), as data published by the National Agency for Prospective Projects of the Republic of Uzbekistan show.

Compared to 2022, the share of life insurance in the market portfolio fell by more than 20% - from 24.47% to 3.53%. On the other hand, the share of non-life insurance increased significantly and reached 96%. The driver of the decline in life insurance was voluntary insurance, which decreased by 83% at the end of the year.

It is worth noting that 88% of all market premiums are generated in voluntary non-life insurance, in which the main contribution is made by credit insurance and motor hull.

Insurers' paid claims decreased by 22% to UZS 2,022.054 billion (EUR 147.25 million), mainly due to a decrease in voluntary life insurance by 71%. The largest increase in paid claims was observed in insurance against accidents.

At the end of 2023, there were 34 non-life insurers and 8 life insurers operating in the market. In non-life insurance, APEX INSURANCE ranked first, pushing last year's leader O'ZBEKINVEST to second place. KAFOLAT SUG'URTA KOMPANIYASI closes the top-3 in the segment. The life insurance ranking was headed by APEX LIFE INSURANCE, and the former leader, NEW LIFE SUG'URTA KOMPANIYASI, moved down to third place.

UZBEK Insurance Market in 2024

FY2024: voluntary non-life insurance generates almost 91% of all premiums

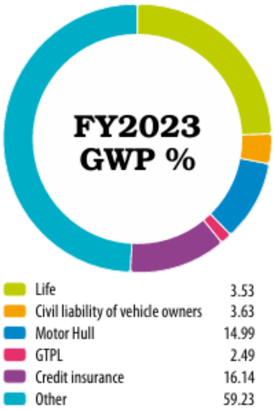
At the end of 2024, the insurance sector of Uzbekistan grew by 21.22% y-o-y and amounted to UZS 9.77 trillion (EUR 727.16 million), according to the data published by the National Agency of Prospective Projects (NAPP).

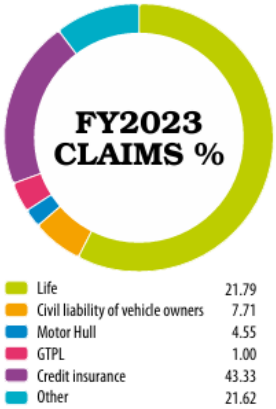
Almost 98% of all premiums came from non-life insurance, while life insurance accounted for only 2.45% of the market portfolio.

In the non-life insurance segment, voluntary insurance recorded significant growth (+24%), the largest classes of which are credit Insurance and Motor Hull. Voluntary non-life insurance accounts for almost 91% of the total market volume. At the same time, compulsory insurance grew by only 5%.

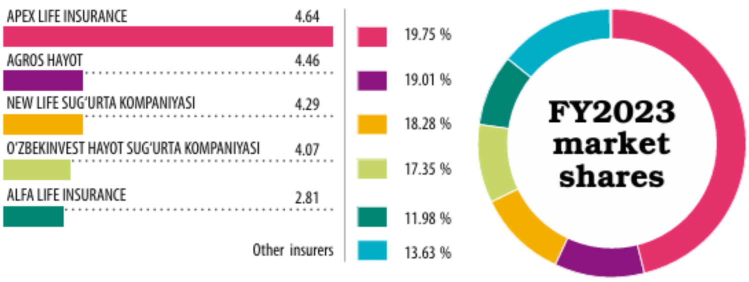
Insurers' paid claims increased by 9%, reaching UZS 2.02 trillion (EUR 164.08 million). It is worth noting that in life insurance paid claims fell by almost 75% y-o-y, while in non-life insurance they grew by 32.42%.

The leaders in terms of GWP in non-life insurance are Apex Insurance (UZS 2.75 trillion), O'zbekinvest (UZS 1.27 trillion) and Kafolat (UZS 738.65 billion). These three leaders remained unchanged. In life insurance, Apex Life Insurance continues to lead, occupying almost 78% of the segment.

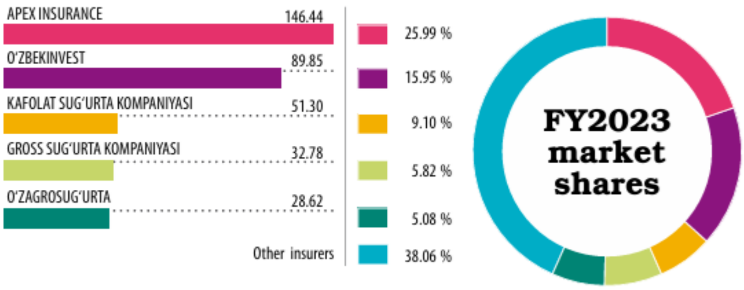




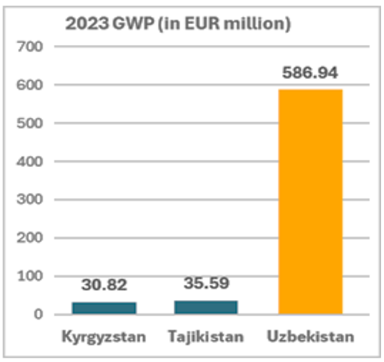
Top 5 Life insurance (GWP, EUR m)

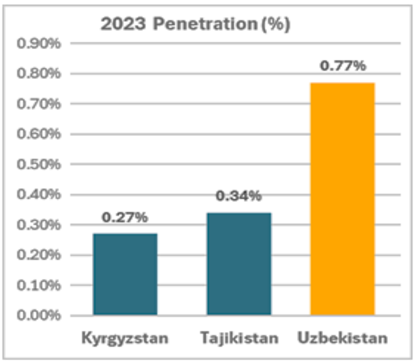


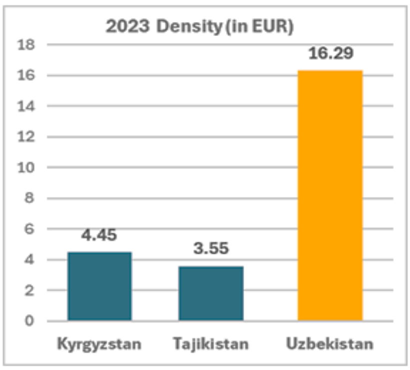
Top 5 Non-life insurance (GWP, EUR m)



UZBEKISTAN: Insurance Market Regional Comparison







Source: XPRIMM www.xprimm.com xprimm

UZBEKISTAN: Insurance Market Outlook

Fitch Ratings Key View:

- Regulatory Oversight Fitch Ratings believes regulatory oversight of the Uzbek insurance sector has been limited in terms of transparency and effectiveness of enforcement. However, the quality of regulatory scrutiny is improving. In September 2023, oversight responsibilities were transferred to a new supervisory body, the National Agency of Perspective Projects (NAPP), which is directly accountable to the president. The NAPP is working on sector digitalisation and transparency, and has implemented a system of regulatory ratings focusing on claims, solvency margin, regulatory compliance and international ratings. The aim is to standardise oversight and enhance information on sector development and its susceptibility to financial risks. According to new legislation, by end-3Q29, local insurance companies engaged in reinsurance will need to have a minimum capital of UZS120 billion. Non-life insurance companies involved in compulsory insurance will require UZS100 billion, while providers of compulsory life insurance will need UZS50 billion. For companies engaged solely in voluntary non-life or life insurance, the minimum capital will rise to UZS60 billion and UZS35 billion, respectively. The growth will be gradual, but this represents a substantial increase and should ensure better loss absorption capabilities, particularly small and medium-sized insurers.

- Uzbek insurance sector should continue its double-digit growth on the back of the economic growth boosted by household consumption and programme of investments in energy generation and distribution, Fitch Ratings says in a new report. The growth should lead to a gradual improvement of the country's modest insurance penetration rates.
  To maintain this growth, Uzbek insurers have become more active in the foreign reinsurance market through participation in non-life treaties, with the total assumed premiums grew by a sizeable 69% to UZS2.1 trillion in 2023 – almost equalling the sector's authorised capital.
  Fitch believes that higher exposure to reinsurance business could create volatility for Uzbek insurers' underwriting profitability and result in unexpected losses as they are still developing their expertise and understanding of the international reinsurance market.

- Uzbekistan's industry profile and operating environment (IPOE) range sits lower than more mature insurance markets due to limited technical sophistication and financial market developments and affects Uzbek insurers' company profiles. All Fitch-rated Uzbek insurers focus on primary business in their domestic markets, although there is a trend for growing foreign reinsurance business. Fitch ranks the company profiles of Gross, Kafolat and Uzagrosugurta as 'Favourable' compared with other Uzbek insurers. SQB Insurance and INSON have 'Moderate' company profiles, mainly due to their small size by international standards. Uzagrosugurta's rating benefits from state ownership, while SQB Insurance's benefits from bank ownership.

Fitch Ratings Report – March 2024

GlobalData Key View:

- The key trends impacting the Uzbekistan insurance market are growing awareness of health insurance and agriculture insurance. In addition, the rising popularity of digitalization and reinsurance will propel the market's growth.
- The key segments in the Uzbekistan insurance market are life insurance and general insurance. The general insurance sector was the major contributor to the Uzbekistan GWP share in 2023. The key lines of business (LoB) within the general insurance market are property, motor, liability, financial lines, MAT, and general insurance PA&H, among other miscellaneous insurances. Financial lines LoB had the highest share in the general insurance industry GWP in 2023.
- The gross written premium (GWP) of the Uzbekistan insurance market was UZS8.1 trillion ($686.8 million) in 2023. The market will achieve a CAGR of more than 20% during 2024-2028.

GlobalData Report – 24 July 2024

Statista Key View:

Insurances

- The projected market size (gross written premium) of the Insurances market in Uzbekistan is expected to reach US$3.82bn in 2025.
- Life insurances dominate the market with a projected market volume of US$2.06bn in 2025.
- The average spending per capita in the Insurances market amounts to US$105.60 in 2025.
- The gross written premium is anticipated to show an annual growth rate (CAGR 2025-2029) of 3.48%, resulting in a market volume of US$4.38bn by 2029.
- In global comparison, the United States is expected to generate the highest gross written premium of US$3,930.0bn in 2025.
- The insurance market in Uzbekistan is experiencing a surge in demand for life insurance policies due to the country's growing middle class and increasing awareness about financial security.

Life insurance

- The Life insurance market market in Uzbekistan is expected to see significant growth in the coming years.
- By 2025, the market size, measured by the gross written premium, is projected to reach US$2.06bn.
- This indicates a strong potential for the Life insurance market sector in the country.
- Furthermore, the average spending per capita in the Life insurance market market is estimated to be US$56.85 in 2025. This figure reflects the amount of money spent by individuals on Life insurance market policies, highlighting the importance of this market segment for the population of Uzbekistan.
- Looking ahead, the gross written premium is anticipated to exhibit an annual growth rate (CAGR 2025-2029) of 2.23%. This steady growth is expected to lead to a market volume of US$2.25bn by 2029.
- These numbers demonstrate the positive trajectory of the Life insurance market in Uzbekistan.
- In global comparison, it is worth noting that the United States is expected to generate the highest gross written premium in 2025, reaching a staggering US$1,339.0bn.
- Overall, the Life insurance market sector in Uzbekistan is poised for growth, with increasing market size and per capita spending. This presents ample opportunities for both insurers and consumers in the country.
- Uzbekistan's life insurance market is experiencing rapid growth as the country's middle class expands and demand for financial protection increases.

Non-life insurances

- The projected market size (gross written premium) of the Non-life insurance market in Uzbekistan is expected to reach US$1,764.00m in 2025.
- Furthermore, the average spending per capita in the Non-life insurance market is estimated to be US$48.79 in 2025.
- Based on the forecasted data, the gross written premium is expected to experience an annual growth rate (CAGR 2025-2029) of 4.75%. This growth rate will contribute to a market volume of US$2,124.00m by the year 2029.
- When compared globally, it is worth noting that the United States is anticipated to generate the highest gross written premium in the Non-life insurance market, reaching US$2,591.0bn in 2025.
- Uzbekistan's non-life insurance market is experiencing steady growth due to increasing awareness and demand for coverage among its population.

Statista Market Insights | Recent update: Sep 2024

Congratulations

FAIR Oil & Energy Insurance Syndicate 'FOEIS'

on ratings upgrade by AM Best

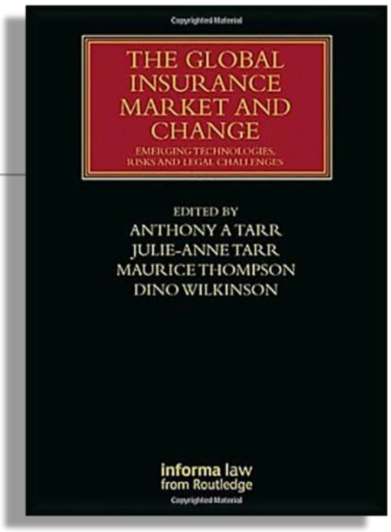
FAIR President, Members of the Executive Board, Team of the Central Office and Secretary General wishes to congratulate Mr. Nabil Hajjar, Managing Director of FAIR Oil & Energy Insurance Syndicate "FOEIS", the Chairman & Members of Technical Board, the Member companies, the managing company Trust Re, and the whole team of the Syndicate, on the rating upgrade AM Best announced on 2nd April 2025, upgrading the Syndicate **from FSR B+ to FSR B++ (Good) and ICR from bbb- to bbb (Good) with Stable Outlook for these credit ratings**.

To view A.M.Best Announcement, please click here

Book Review

The Global Insurance Market and Change:
Emerging Technologies, Risks, and Legal Challenges

Publisher: Informa Law / Routledge
Series: *Lloyd's Insurance Law Library*
Publication Year: 2024
Category: Insurance Law, Risk Management, Emerging Technologies



Overview

The Global Insurance Market and Change: Emerging Technologies, Risks, and Legal Challenges is a cutting-edge analysis of how the global insurance landscape is transforming in response to technological advancements, evolving risks, and regulatory developments. As part of the esteemed *Lloyd's Insurance Law Library* series, the book provides a comprehensive examination of the challenges and opportunities facing insurers, regulators, and policymakers in an era marked by rapid technological disruption.

The book delves into critical topics such as the role of artificial intelligence (AI) in underwriting, the risks associated with cybersecurity threats, climate change-driven insurance challenges, and the legal complexities arising from blockchain-based insurance solutions. By combining theoretical perspectives with practical insights, it serves as an essential resource for insurance professionals, legal practitioners, and researchers.

Key Themes and Topics

1. The Impact of Emerging Technologies on Insurance

The book explores how AI, big data, machine learning, and the Internet of Things (IoT) are reshaping the insurance sector. It highlights:

- *AI-driven risk assessment and underwriting models.*
- *The role of automation in claims management and fraud detection.*
- *The potential of blockchain and smart contracts in policy issuance and claims settlements.*

2. Cyber Risks and Digital Insurance Solutions

With the rise of digital transformation, cyber risks have become a growing concern for insurers. The book discusses:

- *The increasing frequency and severity of cyberattacks on businesses.*
- *The development of cybersecurity insurance policies and their coverage limitations.*
- *The legal challenges in attributing liability in cyber incidents.*

3. Climate Change and Sustainability in Insurance

Climate change poses unprecedented challenges to the insurance industry. This section examines:

- *The increasing cost of catastrophic weather-related claims.*
- *The role of insurers in promoting sustainability and green investments.*
- *Regulatory frameworks addressing climate-related risks in the insurance market.*

4. The Evolution of Insurance Regulation

The book provides an in-depth look at how insurance laws and regulations are adapting to new risks. It covers:

- *Global regulatory responses to fintech and insurtech innovations.*
- *The role of data protection laws (e.g., GDPR) in shaping insurance practices.*
- *Legal implications of automated decision-making in insurance contracts.*

5. The Legal and Ethical Challenges of AI in Insurance

As AI-driven models become more prevalent in the industry, ethical and legal issues arise. The book addresses:

- *The risk of algorithmic bias in underwriting and pricing.*
- *Transparency and accountability in AI-based decision-making.*
- *Legal disputes and case studies on AI in insurance litigation.*

Target Audience

This book is a valuable resource for:

- **Insurance professionals** seeking to understand the impact of emerging risks
- **Legal practitioners and policymakers** involved in regulatory frameworks.
- **Risk managers** navigating new challenges in insurtech.
- **Academics and researchers** studying insurance law and market evolution.

Why This Book Matters

In an industry that is constantly evolving, *The Global Insurance Market and Change* provides a timely and insightful perspective on the future of insurance. The book's multidisciplinary approach, integrating law, technology, and risk management, makes it an essential reference for anyone involved in the global insurance market. It highlights both the opportunities and challenges that insurers face as they adapt to digital transformation, regulatory shifts, and emerging threats.

Final Verdict

⭐ **Rating:** 4.7/5

This book is a must-read for professionals and academics looking to stay ahead of the curve in the ever-changing insurance landscape. Its combination of legal analysis, practical case studies, and future trends makes it an indispensable addition to the *Lloyd's Insurance Law Library* series.

Knowledge Hub

FAIR Review Market Reports

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2022

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