



# FAIR Federation of Afro-Asian Insurers & Reinsurers

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## Insurance News

### Bangladesh

#### Insurance industry in Bangladesh is grappling with a major crisis with unpaid to reinsurers

The insurance industry in Bangladesh is grappling with a major crisis as a shortage of US dollars has made it difficult for local insurers to make premium payments to foreign reinsurers.

According to The Business Standard, unpaid premiums worth over \$50 million have been stuck for the past five months, raising deep concern among local insurance companies about the future of their businesses.

[Read more](#)

### Ghana

#### Over 7.5 million insurance policies to be affected by DDE programme – CIIG

The Chartered Insurance Institute of Ghana (CIIG) is warning that over 7.5 million policies will be affected by the Domestic Debt Exchange (DDE) programme in its current form.

According to its President, Solomon Lartey, this is because more than 40 per cent of insurance premiums were invested in government securities, particularly bonds.

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### Middle East

#### Middle East Insurers – Peer Review February 2023

Lower IPOEs Constrain Business Profiles: Middle Eastern insurers' company profiles are heavily influenced by the regional industry profile and operating environment (IPOE) ranges. Middle Eastern countries tend to have low IPOE ranges due to limited technical sophistication and financial market development and local sovereign constraints. However, Fitch-rated insurers in the region tend to have good company profiles due to strong business profiles and moderate/favourable corporate governance relative to peers.

[Read more](#)

### Nigeria

#### Nigeria's political environment will define insurance in 2023 – Augusto & Co

As Africa's most populous nation, Nigeria embarks on a general election to elect its next president on 25th February 2023, experts at Augusto & Co see the political environment shaping insurance activities this year. Augusto & Co. Limited, the pan-African credit rating agency and the foremost business information provider says the first half of 2023 would be characterised by electioneering activities while the second half would bring a new administration and fresh ideas for fiscal and economic transformation.

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### Singapore

#### Singapore life insurance records lower 2022 sales as single-premium sales dip in Q4

SALES of single-premium products fell 28.8 per cent on year in weighted premiums in the fourth quarter of 2022, according to data released by the Life Insurance Association, Singapore (LIA) on Monday (Feb 13).

This resulted in a 9.2 per cent year-on-year decline in weighted premiums throughout 2022 to S\$2.35 billion. LIA said this may be attributed to rising interest rates and a volatile macroeconomic environment.

Such conditions could have impacted consumers' investment choice and preferences across various financial products in the market, it added.

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### UAE

#### AMAN shareholders approve sale of insurance portfolios and transformation to investment company

The general assembly of Dubai Islamic Insurance and Reinsurance Company (AMAN) have approved the exit and sale of its insurance portfolios.

The general assembly authorised the company's board of directors to complete all procedures with the official authorities and policyholders to exit the insurance business.

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# FAIR Federation of Afro-Asian Insurers & Reinsurers

## Syria & Turkey

### Best's Commentary: Devastating Earthquakes Add to an Already Challenging Operating Environment for (Re)insurers in Türkiye

The impact of two powerful earthquakes in south-eastern Türkiye on 6 February, 2023, represents another blow for the local (re)insurance industry, according to a new commentary from AM Best.

While initial information indicates that insurance penetration in the region is relatively low compared with the most populous centres in Western Türkiye, the tremors occurred against a backdrop of a prolonged period of extreme economic turbulence, which AM Best believes significantly weakened the creditworthiness of the local (re)insurance market.

[Read more](#)

### High portion of Turkey's earthquake losses to be covered by insurance

A relatively high portion of losses caused by the earthquake that shook Turkey on February 6 are expected to be covered by insurance, according to Aon.

This is given penetration rates resulting from compulsory earthquake insurance – offered to the public via the Turkish Natural Catastrophe Insurance Pool (TCIP), which is reinsured.

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### Insured losses for Turkey-Syria quake could reach \$1B: Fitch

Insured losses from the earthquake that hit Turkey and Syria are estimated at \$1 billion while total economic, or insurable, losses may reach as high as \$4 billion, according to a note from Fitch Ratings Inc.

Fitch noted that “low insurance coverage in the affected regions” was a factor in determining the estimates.

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### Insurers' body announces measures to ease plight of policyholders and agencies in quake region

The Insurance Association of Türkiye (TSB) has proposed several measures to facilitate quake claim payments.

In a statement, TSB says that its board of directors took the following decisions regarding the damages caused by the earthquakes that occurred in Kahramanmaraş and surrounding provinces on 6 February.

[Read more](#)

### Allianz commits 6 million euros to earthquake relief and recovery

Allianz Group announced that it would make available six million euros to support relief and recovery efforts following the earthquakes in Türkiye and Syria, including up to one million euros to match the donations of its employees and tied agents.

[Read more](#)

### TCIP made the first claims payments within 24 hours of the earthquake; Türk Reasürans reports on TCIPs activities during the first week post-quake

A report on Turkish Natural Catastrophe Insurance Pool (TCIP) operations throughout the first week after the catastrophic earthquakes that hit Türkiye on 5-6 February 2023.

According to Mrs. Eren's, CEO of Türk Reasürans AŞ, the reinsurance company that carries out the technical operations of TCIP, TCIP performed the following activities during the first week:

- Emergency disaster management procedures were initiated within minutes of the earthquake.
- TCIP claims operations were transferred to the Disaster Management Center in Ankara in accordance with the procedures.
- A mobile field office with the pre-designated staff was set up in the disaster area the day after the earthquake.
- The first claims were received from the call center and digital channels starting from the first day.
- Experts and loss adjusters were mobilized within the first few days.
- First claims payments were made within 24 hours of the earthquake.
- Reinsurers were notified with a preliminary information package within the first week.

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# FAIR Federation of Afro-Asian Insurers & Reinsurers

## Reinsurance News

### Global

#### **Strong Pricing in Property and Specialty Dominate 2023 Reinsurance Renewals**

The global reinsurance industry reached a tipping point during the January 2023 renewals as their bargaining power vis-à-vis their cedents moved substantially in reinsurers' favour. Most notably, property and specialty lines entered into a hard market. As a result, Fitch Ratings expects underwriting margins after retrocession to expand by 4pp on average in 2023.

[Read more](#)

### Global

#### **S&P Predicts Reinsurers Will Continue Pricing Momentum During 2023**

A hard market in short-tail lines – such as property and property catastrophe – across global geographies is likely to continue throughout 2023, after beginning the year with multi-decade-high pricing increases during the January reinsurance renewals, according to a report published by S&P Global Ratings.

The January 2023 renewals rival those of 2006 in the aftermath of the 2005 Hurricanes Katrina, Rita, and Wilma, said S&P, quoting industry executives. However, unlike 2006 when increases were mostly in the U.S., January 2023 renewals price increases were global and broad, S&P explained.

[Read more](#)

### Global

#### **Reinsurance renewals bring little comfort to insurance buyers**

As the dust settles on the latest reinsurance renewal season, what does it all mean for multinationals and risk managers? Will it prolong the hard market, or at least stop dead in the tracks any moves to a softer market? Or will its effects only be seen in certain areas, such as property nat cat? Global Risk Manager talked to two leading brokers about the impact on insurance buyers.

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### Global

#### **Reinsurance Potential for Cyber Risk Transference through ILS Issuances**

Two recent public announcements of cyber risk transference by (re)insurers to the capital markets through insurance-linked securities (ILS) issuances represent the potential for a broader reinsurance source for the risk.

According to Fitch Ratings, capital markets solutions for cyber (re)insurers present the potential for counterparty diversification and an opportunity to lessen “tail risk” for a rapidly growing product line of property & casualty insurance.

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### Asia Pacific

#### **Reinsurance renewal pressures to persist for APAC buyers: Aon's Attard**

The same reinsurance renewal pressures experienced at the January renewals this year are anticipated to persist for the April and July 1st renewal seasons for buyers in Asia Pacific, according to Aon Reinsurance Solutions APAC CEO George Attard.

george-attard-aon-apac-reinsurance However, Attard notes that the placement process should be “significantly more orderly” with lessons learned and established risk appetite from reinsurance carriers.

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# FAIR Federation of Afro-Asian Insurers & Reinsurers

## Regulation News

### Egypt

#### **FRA develops the controls governing the management of investment portfolios of insurance companies**

The new amendments gave flexibility to insurance companies in contracting with investment managers licensed by the Authority, according to several conditions, the most important of which is that these companies have practiced the activity for at least five years, and that the average value of the portfolios they managed should not be less than two billion pounds in the year preceding their contract with the insurance company, after excluding the value of the portfolio or funds transferred to it from the insurance company, provided that the value of the portfolio entrusted with its management does not exceed 50% of the value of the portfolios with the investment manager.

[Source](#)

### Oman

#### **Decennial Liability Insurance In The Omani Law**

The Omani Law impose upon contractors and architects/engineers (referred to as “engineers” hereafter) to guarantee the design and construction works they implemented for ten years. The provisions related to the decennial liability insurance determine as a public order as stated in article 636 of the Civile Transaction Law No. 29/2013 which says: “Any clause that exempts the contractor or the engineer from the liability or limits such liability shall be void.”

As a result, the law prohibits agreeing on exemption or limitation of the decennial liability.

[Read more](#)

### Pakistan

#### **SECP for effective implementation of Motor Third Party Liability Insurance**

PRESS RELEASE: The Securities and Exchange Commission of Pakistan (SECP) has formed a working group to explore the possibilities and mechanism for effective implementation of “Motor Third Party Liability (TPL) Insurance” in the country.

The group, comprises industry experts, representatives of Insurance Association of Pakistan (IAP) and SECP officials, will formulate a detailed proposal for effective implementation of Motor TPL Insurance including mechanism for coordination with relevant authorities.

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### Saudi Arabia

#### **Issuance of the updated Unified Compulsory Motor Insurance Policy**

The Central Bank “SAMA” of Saudi Arabia issued a circular on the updated Unified Compulsory Motor Insurance Policy.

This Policy shall specify the minimum limit of civil liability coverage against Third Party for compulsory motor insurance in accordance with the terms, conditions and exceptions provided within this Policy or attached to it, and the Insurer agrees to provide insurance coverage up to the amounts and limits stated in this Policy in consideration of the Insured having paid the Premium to the Insurer. The Insurer and the Insured shall not be entitled to agree on liability limits lower than those set within this Policy.

[Download the Policy Source](#)

### South Africa

#### **Insurance Law: No More Cover For Electricity Grid Failure?**

South Africa is suffering from the worst loadshedding ever implemented. This is causing significant headaches for the insurance industry, particularly the short-term insurance companies. The energy crisis comes on the back of the major calamities of recent years, such as Covid-19, the July 2021 unrest, and the Durban floods of April 2022. As a result, there have been reports of global pressure from reinsurers that South Africa is becoming riskier to insure.

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# FAIR Federation of Afro-Asian Insurers & Reinsurers

## Rating News

### **AM Best rating updates:**

#### **AM Best affirms Africa Re's Financial Strength Rating of A (Excellent) with a Stable Outlook**

The Financial Strength Rating of the African Reinsurance Corporation (Africa Re) has been affirmed by AM Best at "A (Excellent)", and the long-term issuer credit rating affirmed at "a (Excellent)", all with a Stable Outlook.

The rating agency continues to consider Africa Re's balance sheet to be comfortably at the strongest level, underpinned by the strength of its risk-adjusted capitalisation. AM Best also considers Africa Re's operating performance to be strong during the current tough economic, political and financial climate.

[Read more](#)

#### **AM Best Affirms Credit Ratings of The Dai-ichi Life Insurance Company, Limited**

AM Best has affirmed the Financial Strength Rating of A+ (Superior) and the Long-Term Issuer Credit Rating of "aa-" (Superior) of The Dai-ichi Life Insurance Company, Limited (DL) (Japan), the wholly owned operating subsidiary of Dai-ichi Life Holdings, Inc. (DLH). The outlook of these Credit Ratings (ratings) is stable.

DLH is the ultimate parent for the entire Dai-ichi organisation.

[Read more](#)

#### **AM Best Affirms Credit Ratings of Halyk Insurance Company JSC**

AM Best has affirmed the Financial Strength Rating of B++ (Good) and the Long-Term Issuer Credit Rating of "bbb" (Good) of the Joint-Stock Company Subsidiary of Halyk Bank of Kazakhstan Halyk Insurance Company (Halyk Insurance) (Kazakhstan). The outlook of these Credit Ratings (ratings) is stable.

These ratings reflect Halyk Insurance's balance sheet strength, which AM Best assesses as very strong, as well as its strong operating performance, limited business profile and marginal enterprise risk management..

[Read more](#)

### **Fitch Last week rating updates:**

#### **Fitch Assigns Chubb Life Insurance Taiwan 'AA-(twn)' First-Time National IFS Rating; Outlook Stable**

Fitch Ratings has assigned Chubb Life Insurance Taiwan Company (CLITC) a National Insurer Financial Strength Rating (IFS) of 'AA-(twn)' with a Stable Outlook.

The rating reflects its moderate company profile and good financial performance, supported by sound capitalisation on a consolidated pro forma basis. The rating also takes into consideration the challenges it faces in further developing its business presence and operating performance as a merged entity against intense market competition..

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# FAIR Federation of Afro-Asian Insurers & Reinsurers

## Movement News

### Africa Specialty Risks, UK

#### Ciaran O'Donnell, as new CFO

Ciaran O'Donnell has been appointed Chief Financial Officer (CFO) of Africa Specialty Risks (ASR). He is taking over from Bryan Howett (also co-founder of ASR) who is leaving the pan-African company.

C. O'Donnell has been in the insurance industry for over 30 years and has held senior financial positions at several U.S. companies including AIG, Prosgight, Argo and FM Global.

Founded in 2020 and based in London, ASR provides comprehensive solutions tailored to African clients.

[Read more](#)

### Aon, Asia

#### Rudman as Head of Marine, Asia

Aon plc has announced that it has appointed Gallagher's Stephen Rudman as head of Marine for Asia.

Within the role, Rudman will be based in Singapore, where he will be part of Aon's global marine executive team.

He will also report to Paul Young – Head of Commercial Risk Solutions for Asia at Aon.

Rudman joins Aon from broker Gallagher, where he worked for the past 10 years. In his most recent role at the firm, he served as Head of Marine, Transport and Logistics for Australia.

[Read more](#)

### WTW, Singapore

#### Doshi as Executive Director of Credit & Political Risk, Singapore

Global brokerage firm WTW has announced the appointment of Deesha Doshi as an Executive Director of its Credit & Political Risk practice in Singapore.

Doshi holds almost two decades of banking experience, having served at firms such as Westpac, JP Morgan and ABN AMRO in Singapore, Mumbai and London.

[Read more](#)