

# GAIF Daily

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## The Arab Insurance Launch Strategy

Happy 50th anniversary.

It is a great milestone and a great responsibility for this GAIF Conference to set the tone and direction for the next phase of the Arab insurance industry. The theme of "Launch Strategy to Arab industry" is ambitious as it creates expectations of a clear and definite answer to the current challenges facing the Arab insurers today.

GAIF, with over 320 member Arab insurance companies and 1,400 delegates at this Conference, has the critical mass to make a difference with conviction. At least, there are expectations that GAIF at Sharm El Sheikh must walk away with at least one major strategy for the launch.

The launch of a common Arab Insurance Day across the region to salute the important role of insurance in life, society and economy seems timely. And as the divers at Sharm will testify, you don't have to dive too deep to enjoy the great view. Hence, the obvious answers are blowing in the wind.

### Banking on the numbers

Everyone is always talking of the "great potential" and "great expectations" for the Arab markets, bearing in mind the very low penetration rate in the region, the below-global-average contribution of the insurance industry to the GDP growth of the region, and the massive infrastructure developments taking place in the region. In real terms, based on extrapolated comparative *sigma* figures, GAIF markets accounted for some US\$30 billion or 0.6% of global premiums though their GDP, at about \$2,600 billion in 2013, amounted to 3.5% of world total. Insurance penetration was only

1.6% compared to world average of 6.3%, while the per capita spend at \$306 was less than half the global average of \$652.

The sheer economics of these figures underscore the rush of new players into the market, seeking greener pastures even as existing players are feeling the need to merge, consolidate or pump in more capital to take advantage of the economies of scale. Then there is also the rise of more and more takaful players in the region with a different set of rules but on the same turf too. So the pie has to be increased with new products and new coverages responding to the changing lifestyles of the Arab people who are by Google standards very tech-savvy and plugged into the world of social media. There is a need for leaders to bring forth new visions, even as regulators come out with new rules and demand stricter compliance.

### Voting with their feet

Despite the uncertainties, tensions and political turmoil in the region, the rising scare of the Ebola virus and MERS, this biennial GAIF Conference has, in a major salute to its brand, drawn some 1,500 delegates from 40 countries. The UK, still the reigning capital of the insurance world, has more than 100 delegates attending, making it the largest non-Arab contingent, followed by France with some 40 and Germany with 20. The Asian contingent is noticeably small this time with less than 50 in total.

The Arab markets are of course very well-represented, led by host country Egypt with almost 300 delegates and the UAE with 225 delegates, followed by Lebanon with 130 and Bahrain, Jordan, and Saudi with about 70 each.

### The Yellow Brick Road

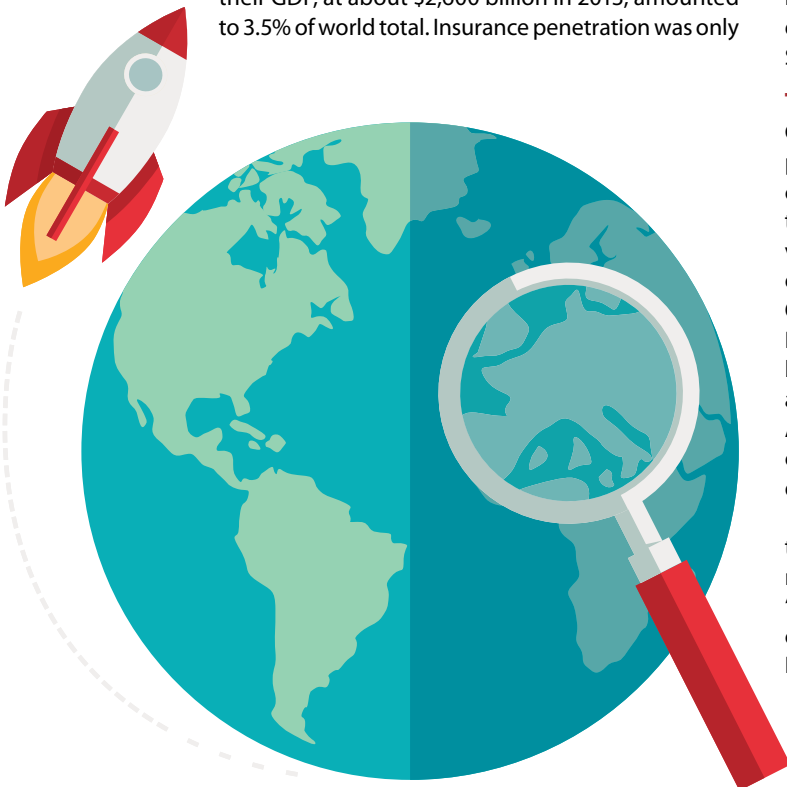
GAIF has been a very active force in the region with the towering presence of its Secretary General everywhere. In striving to bring a common bond and closer ties with Arab insurers, GAIF's service to the industry has been invaluable and irreplaceable. Aside from its vital networking facilities and being a platform for insurance industry experts to share their knowledge and experience, GAIF has set up the Orange Card for motor insurance, an insurance data bank and the Arab Insurance Institute. It has also taken measures to boost retention levels by setting up pools and Arab Re, along with publishing insurance books and quarterlies. It is now working on setting up an Arab rating agency as well, though early ideas for compulsory cessions to Arab reinsurers have been dropped.

As Secretary General Abdul Khaleq R Khalil, says, the "market is full of potential and promise, it just needs great measures to upgrade". And we add: "quickly". The need is there for urgent action with a clearly spelt-out vision. Let the clear waters of Sharm El Sheikh symbolise this launch.

May the next 50 years be even more rewarding!

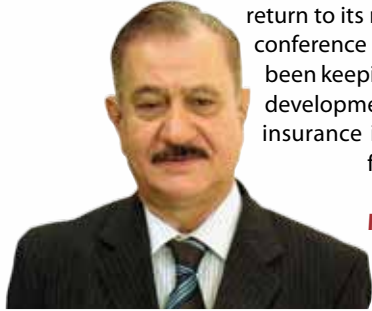


Mr Abdul Khaleq R Khalil



# Welcome to Sharm el Sheikh!

"It is with great pleasure and honour that I welcome all distinguished delegates to the 30th GAIF Conference in Sharm El Sheikh. This year marks a significant year for GAIF as we celebrate our Golden Jubilee. The theme, 'Launch Strategy to Arab Insurance Industry' signifies GAIF's role as a launch pad and foundation for the industry, as well as GAIF's return to its roots and the place where the first GAIF conference was held in 1964. Since then, GAIF has been keeping pace with regional and international developments to boost the prospects of the Arab insurance industry despite the many challenges faced."



**Mr Abdul Khaliq R Khalil,**  
Secretary General,  
**GAIF**

"I am delighted to welcome my friends and colleagues who are here in large numbers representing Arab and international markets. Egypt welcomes you and I do hope (and am confident) that our decision to host the conference in Sharm El Sheikh will be a success."

"With the difficult and unpredictable period our region is going through and the challenges ahead, it is crucial that our insurance industries are well prepared and that our regional cooperation is at unprecedented levels. I truly believe that our business relations and our meetings here today and throughout the year play a powerful role in bringing our countries closer together economically, socially and politically."



**Mr Abd El Raouf Kottb,**  
Chairman of the Organising Committee  
and of the **Insurance Federation of Egypt**

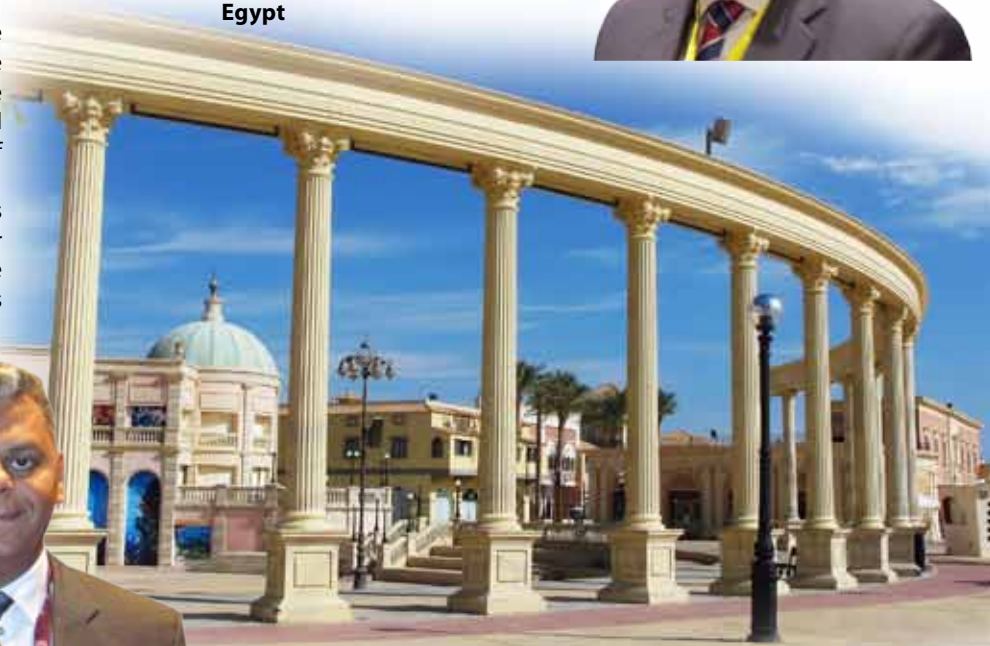
"As the largest Arab and international insurance gathering, this GAIF conference is a highly valuable platform for senior insurance and reinsurance executives, enabling the industry to strengthen and deepen relationships and investigate new areas of growth and business development."

We aim for this conference to introduce and discuss new ideas that will contribute to formulating our future strategy that highlights the Arab insurance industry's role and achieves the conference's goals and its underlying theme.

Over the years, GAIF has helped in improving cooperation among members, mainly through forming successful pools and syndicates, and I am sure that there is room for new bodies to cater for the growing needs of member countries in many areas."



**Mr Alaa El Zoheiry,**  
Egypt representative, **GAIF**  
**Board of Directors;** and  
Managing Director, **AMIG-gig**



Colonnade in Sharm El Sheikh

## Salutes to GAIF

Regulators and companies offer their congratulations to GAIF as it commemorates its Golden Jubilee.



**Dr Mohamed Ahmed Maait,**  
Deputy Chairman,  
**Egyptian Financial Supervisory Authority**

The title of the conference in its Golden Jubilee reveals the perfect and professional performance of the Federation, acquired through 50 years of serving the Arab insurance industry, providing a precious opportunity to discuss and exchange trends in insurance coverage for catastrophic risks in the region.

We take this opportunity to congratulate GAIF and ourselves on 50 years of achievements in serving the Arab insurance industry, and we expect more achievements in the next 50 years for this industry which is fundamental to the Arab economy.

We would like to congratulate GAIF on the occasion of its Golden Jubilee and on its achievements in the past five decades. GAIF is one of the most important and successful Arab institutions, thanks to its excellent achievements and success stories in the development and integration of pan-Arab insurance industry, which has become one of the pillars of the Arab economy and a key contributor to increasing economic growth and social stability.

We also wish for further success and progress for the Federation, for the benefit of the insurance sector and the Arab economy as a whole.



**H.E. Ebrahim Obaid Al Zaabi,**  
Director General,  
**Insurance Authority, UAE**



**Mr Steve Dixon**  
Managing Director,  
MENA  
ACE Group

**W**e congratulate the members of GAIF on this special anniversary of the organisation's formation. It has overseen 50 years of dedicated work in building a robust Arab insurance federation that represents, to its fullest ability, the interests and aspirations of all its members' needs.

The Arab insurance industry has evolved in this time to what it stands for today: a dynamic, diverse and growing marketplace that can boast of many achievements. As a company with a deep commitment to the region, ACE is delighted to join our peers from across the industry as we converge again to meet where it all began 50 years ago – Egypt. Mabrook!

**F**or half a century, GAIF's dedication to championing dialogue and stimulating progress in the Arab (re) insurance sector has contributed to significant strides made in integrating the knowledge, resources and networks beneficial to the region's risk management landscape. GAIF's commitment to promoting cooperation and innovation in the industry is a value that resonates deeply with ACR.

I have great confidence that GAIF will continue to play a key role in leading the Arab (re)insurance industry's collective development in managing the region's risks in the next 50 years and beyond. On behalf of the ACR group of companies, I warmly congratulate GAIF on its 50th anniversary. We look forward to more successful years ahead in support of the Arab economies' current and future risk solutions needs.



**Mr John Tan**,  
Group Chief  
Executive,  
ACR Capital  
Holdings

**O**n behalf of Arab Re and Arab Re Pool's family, we extend our warmest wishes to the GAIF as it celebrates a remarkable 50 years of dedicated service to the Arab (re)insurance industry. Without this prominent federation, Arab Re would have not existed and we are honoured to have been established by the consensus of the GAIF members in 1972 as a successful project of true Arab collaboration.

Throughout the years, GAIF has provided all the necessary commitment and support to this industry, and it has never failed in defending its mission as well as Arab Re's mission that transcends traditional reinsurance support to embrace spreading insurance awareness and providing technical know-how and second-to-none value-added services to the insurance companies in the region, with the ultimate objective of contributing to a sound insurance market growth.

Again, we recall our congratulations to GAIF on its 50th anniversary, crowned with our sincere wishes of ceaseless successes and rewarding achievements for the decades to come.



**Mr Ronald Chidiac**,  
General Manager,  
Arab Re



**Mr Yassir Albaharna**,  
CEO,  
Arig

**G**AIF has come a long way since its formation 50 years ago. Today, it is a uniting force building and strengthening relationships among Arab insurance markets and between regional markets and the world. At a time when so many other conferences are abound, the GAIF Conference continues to draw ever-increasing numbers with its quality presentations and excellent networking opportunities.

GAIF has supported the industry with many initiatives, among them the Orange card, the reinsurance pools and various measures to develop human capital through countless forums and seminars. I am confident that with its solid track record of achievements, coupled with the untiring leadership of its General Secretariat, GAIF will continue to flourish and better support the Arab insurance industry in the years to come.



**Mr Habib Jaalouk**,  
Executive Director,  
Chedid Re

**O**n the occasion of its 50th anniversary, GAIF continues to play a main role in developing and supporting the insurance industry in the Arab markets. The industry has shown a significant development over the past years. GAIF is the largest organiser of conferences and seminars, especially the one that is held once every two years, where the industry comes together to find practical solutions. We would like to thank Secretary General Abdul Khaliq Raouf Khalil and all GAIF employees for their great efforts, and we wish GAIF on its Golden Jubilee continuous success.

**C**ongratulations to GAIF on the occasion of its 50th anniversary and EIC's best wishes to all delegates at this year's special conference. Looking back over the last 50 years, we can all see the extraordinary progress of the Arab world's insurance industry and that has made an enormous economic contribution to the development of the region and to its peoples. We all look forward to even greater achievements in the next 50 years.



**Mr Jason Light**,  
CEO,  
Emirates Insurance  
Company

**E**naya Insurance would like to extend sincere thanks and appreciation to the GAIF organising committee and wishes them heartfelt congratulations on the auspicious occasion of GAIF's 50th Anniversary.

The invaluable service that GAIF provides in the region cannot be underestimated. Since its formation, it has served as a dynamic platform for insurance industry experts to share their knowledge and experience and has provided important networking opportunities.

Considering the current trend of ever-increasing globalisation, it is more important than ever to adapt business models to achieve scale, global reach and a more diversified product suite. A conference such as this is the best source for identifying the latest trends, practices and innovations. It is truly a benefit for multi-national professionals in the insurance field.

We are pleased to support GAIF initiatives and look forward to another 50 years of working together.



**Mr Anas Al Otaibi**,  
Insurance Group  
General Manager,  
Enaya Insurance  
Company



**Mr Nagib M Bahous**,  
President & CEO,  
MIG Holding SPC

**S**ince its establishment in 1964, GAIF has been playing an active and important role in enhancing professionalism in the insurance market in the MENA region. Over the years, GAIF has made invaluable efforts in bringing together insurance professionals from around the world to share their experience. I commend the Federation for its efforts in promoting the importance of the engagement of all the insurance companies in the Arab world.

Fifty years is an important landmark. I am sure the Federation will continue to contribute in the pursuit of constant professional development of the industry. On this special occasion, I wish the Federation every success in its future endeavours.



**Mr Antoine Gomot**, High Growth Markets, Head of Middle East & Africa, PartnerRe

PartnerRe is proud to congratulate GAIF on its 50th anniversary. GAIF has played a key role in the region by offering a unique opportunity for all market stakeholders to gather and discuss the many challenges we face as well as the opportunities in this fast-growing market.

We appreciate the commendable work GAIF is doing to strengthen the ties between the Arab insurance markets and to further develop the insurance industry in the region. As a strong reinsurance partner, PartnerRe supports GAIF's important effort so that the market may benefit from our capacity, international expertise and innovative solutions across multiple business lines.

It is with great honour and pride that PwC extends warm congratulations to GAIF. Over the last 12+ years, we have had the pleasure to witness the many contributions GAIF has made in convening all the required interests across the region - it is this convenor role we have found to both align with PwC's values and is critical to advancing the market.

As a broad cross-sector industry advisor, PwC is delighted to once again have the opportunity to participate in these important conversations and lend our industry, technical and personal expertise and experience. We look forward to the upcoming dialogue and once again thank GAIF for sharing this opportunity with all of us.



**Mr Ryder Smith**, Partner, Middle East Health Industries Leader, PwC

RAK Insurance Board of Directors, management team and staff would like to extend our heartfelt congratulations to GAIF on its 50th Anniversary.



**Mr Andrew Smith**, CEO, RAK Insurance

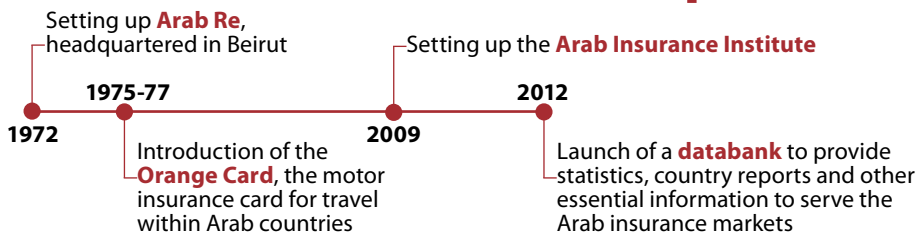


**Dr Irina Postnikova**, CEO, Transsib Re

I welcome all the participants of the conference dedicated to the 50th anniversary of GAIF!

Our company has collaborated with representatives of Arab insurance world for about 20 years. Trust, reliability, professionalism - these are the main distinctive features of this market. We would like to thank all our partners - insurers, reinsurers and brokers - for their effective further cooperation. We wish you business success, a fruitful conference and lucrative contracts. Everyone is welcome to join our club!

## GAIF milestones & accomplishments



Other **major accomplishments** include:

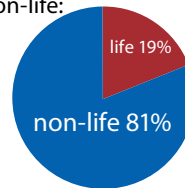
- Establishing **pools** among member companies, eg, the Arab reinsurance pool, fire pool and aviation pool
- Publishing a **quarterly magazine** covering all insurance-related topics
- Publishing **books** on insurance-related topics.

## GAIF stats & numbers

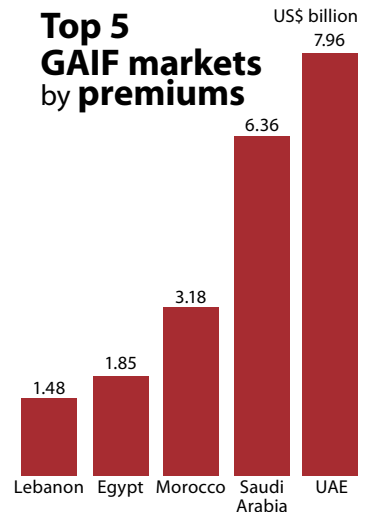
The current number of GAIF members is **325**

**Mr Abdul Khaliq R Khalil** has been GAIF's **Secretary General** since 1998.

Premiums for life and non-life:

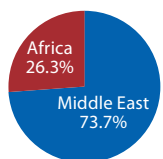
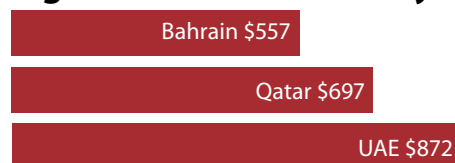


**Top 5 GAIF markets by premiums**



**Lebanon and Morocco** have the highest penetration rates, at around **3%**

**Top 3 GAIF markets by highest insurance density**



The **Middle East** generated **\$20.5 billion** in premium income, while **Africa** produced **\$7.3 billion** worth of premiums.

Total premiums of **12 GAIF member countries** grew by **9.2%** to US\$27.8 billion, or **0.6%** of global market share.

Sources: Swiss Re sigma, Atlas magazine. All figures as of 2013 unless otherwise stated.

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