

15^{ème} Rendez-Vous De Carthage de l'assurance

Cyberattaques, Pandémies, Changements climatiques... Quelles Solutions Assurancielles ?

**Du 6 AU 9 FÉVRIER 2022
DJERBA TUNISIE**
rdv-carthage.com








EDITORIAL

The health crisis COVID-19, has had a deep impact on the regional events plan and it is with great delight that Tunis Re participated in the holding of the 15th Carthage RDV edition, marking the revival of an important professional meeting tradition between the various actors of the national, regional and international insurance and reinsurance markets.

The meeting, supposed to be organized in 2020, took place this year 2022 in Djerba, from 06 to 09 February. The Meeting topic was the insurance solutions for the most feared major risks for the coming years in terms of technology, health and environment.

Nowadays, it is no longer the nature of the risk which has changed, but the context in which it appears and the insurance industry capacity to manage, which has changed significantly.

Within this context, the focus was on cyber, pandemic and climate change risks.

This Rendez-vous rounded up professionals from the insurance & reinsurance world which give them an opportunity interaction and exchange on all these issues.

This meeting was an opportunity for the participants from 24 partner countries to join business with pleasure and to discover a jewel of Tunisia: Djerba the island of dreams.

Tunis Re would like to express its sincere thanks to all participants and speakers for those fruitful moments of exchange and sharing that distinguished this event.

Looking forward to seeing you again in an upcoming event.

Lamia Ben Mahmoud



The Evolving Role of Insurance & Reinsurance Brokers



By Nahla Haouel

The role of brokers in the insurance and reinsurance industry has changed over the past 20 years. Companies involved in large commercial and industrial risks are facing a rapidly changing risk environment, driven by economic changes, the legal environment and the emergence of new classes of risks. The role of the broker has evolved from simple intermediation to providing additional services to clients and insurance companies. Today, brokers use complex risk modeling skills to provide their clients with more adapted solutions.



Historical Overview

The origin of the insurance brokerage profession is not known for certain, but it is probably associated with the development of marine insurance.

In Europe, brokers from the United Kingdom are dominating. Based for a long time in the Commonwealth countries, they are the leaders of the British market, particularly Lloyd's.

After the second world war, most of the leaders of the British brokerage firms were Lloyd's underwriters, which explains the strong links between the London market and the broking industry.

In France, the existence of insurance brokers has been linked to the marine field since 1574 with about forty brokers. The development of property insurance in the mid-19th century was followed by the creation of property insurance brokers in France and in other industrial countries.

In the United States, the insurance brokerage industry experienced a boom after the economic crisis of the 1930s. They were the first to develop the modern brokerage instruments.

The added value of brokers in the insurance and reinsurance sector

« We are able to support cedants in their risk management strategy from a global point of view » Thierry Myara (Willis Re)

The growing demand for insurance policies is one of the main factors driving the growth of the insurance brokerage market.

The decision for underwriting an insurance policy is a key financial decision for clients as it helps to minimize future financial uncertainties and risks.

Brokers are involved in several steps of risk management:



Source : Swiss Re Economic Research & Consulting

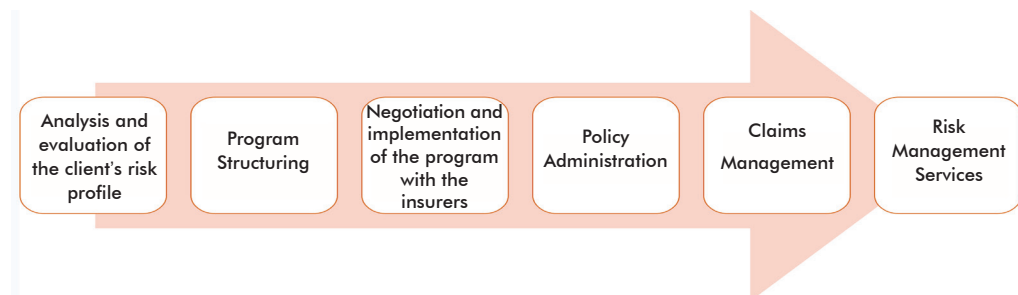
What is the role of an insurance and reinsurance broker?

Insurance companies all over the world are more and more depending on the services of brokers for both strategic and operational support in order to achieve sustainable growth. The brokers help insurers and reinsurers to maintain a profitable portfolio of business by improving premium income, reducing risk exposure and reducing operational costs through outsourced processing and services.

The large quantity of information they manage allows them to reduce both product or service uncertainty and information asymmetry between insured and insurer.

As insurance needs and exposures have developed, brokers have evolved from basic service providers to risk advisors offering a wide variety of fee-based services such as claims management, risk management, asset management, employee benefits, HR consulting, risk hedging and actuarial consulting.

The value chain of an insurance and reinsurance broker:



The main roles of a broker are:

- Assess and analyze the insurance risks faced by a (re)insurance company;
- Identify (re) insurance risks based on the risk appetite and portfolio objectives of (re)insurers;
- Provide market research and analysis: the broker is able to gather and monitor data to identify trends and opportunities for insurers and reinsurers. Their knowledge of the market will play an important role in getting business that are accepted by insurers;
- Structuring, and negotiating a reinsurance program through technical consulting services that may include catastrophe modeling and Enterprise Risk Management. Some brokers are even able to underwrite risks on their own responsibility before offering them to reinsurers (especially in facultative reinsurance);
- Provide actuarial, loss monitoring and claims management services that optimize the relationship between reducing exposure, purchasing insurance coverage and retaining risk;
- Access to the various international reinsurance markets allowing insurers to benefit from international reinsurance solutions and capacities;

The role of the broker has evolved from simple intermediation to providing additional services to clients and insurance companies.

The brokers help insurers and reinsurers to maintain a profitable portfolio of business.

Insurance brokerage firms have moved to online distribution strategies to minimize the impact of direct purchases.

Intermediaries with highly sophisticated financial modeling tools offer the opportunity for cedants to enhance decision-making.

- Advise on potential reinsurers for their solvency risk and credibility in order to protect the interests of insurers;
- Negotiate and obtain the most competitive rates and conditions for the client;
- Finalize (re)insurance contract clauses;
- Delegate the management of claims and recoveries so that insurers can focus only on the needs of the insured.
- Manage reinsurance contracts and settle balances. Once a reinsurance contract is concluded, brokers may assume the heavier tasks. For treaties, this may include quarterly accounts; For facultative reinsurance, monthly statements of account are generated automatically.

Brokerage market trends and outlooks

■ The new technologies are changing the way brokers do business

Globally, the increase in internet and smartphone use has contributed to the rise of direct sales of insurance policies. The emergence of online channels has led to improved product knowledge, increased customer expectations and changed buying behavior. Clients are seeking direct advice from insurance companies for specific insurance products. This makes intermediaries uncertain of their role and creates inefficiencies in the value chain. As a result, insurance brokerage firms have moved to online distribution strategies to minimize the impact of direct purchases and provide a better client experience.

■ A market under pressure

In a context characterized by both economic downturn and new prudential requirements (Solvency II), the role of the brokers have become more complex.

Today, each ceding company has its own vision about risk, resulting from a mix of models, history and good sense. This is how brokers are obliged to provide solutions adapted to this context and to the changes required by the sector.

This evolution has pushed brokers themselves in their expertise of integrating modeling into decision-making processes.

Intermediaries with highly sophisticated financial modeling tools offer the opportunity for cedants to enhance decision-making, increase performance, improve customer service, and achieve high profits.

As risk management needs to be further enhanced, insurers are becoming very selective in the choice of their agents, who must be transparent and may be subject to audits.

Also, insurance brokers are concerned by the regulation of the fight against money laundering and terrorism financing. This requires more vigilance and the implementation of the necessary tools to analyze and detect these risks.

■ Balance of power of the brokers

Today, insurance brokers are facing rising acquisition costs and are looking for sufficient size to contain the erosion of their margins. In order to maintain their market positions and satisfy their clients, they sometimes put pressure on insurance premiums to the detriment of the technical rules of pricing, which can be damaging to the equilibrium of some lines of business.

They even offer coverages that do not meet insurance standards, apply excessive discounts or commissions that are too high in relation to the base premium. They sometimes offer policies with no deductible, which reduces the ethical sense of risk management that represents one of the pillars of an insurance agreement.

The power of representation of the insurance broker is also more important when he manages the whole process from the direct client to the reinsurance.

This can lead to a real conflict of interest between insured, insurance and reinsurance and increase the risk of fraud.

■ Structure of the global insurance brokerage market

Insurance brokers, play a very important role in the global market, their turnover and position sometimes exceeds that of the major insurance and reinsurance companies.

The strong presence of some brokers is generally linked to their access to specific lines of business such as aviation, marine, energy, political risks, etc.

The placement of such complex risks are always insured by brokers at Lloyd's who are known for their special technical expertise.

The top 10 global insurance and reinsurance brokers are ranked in 2020 as follows :

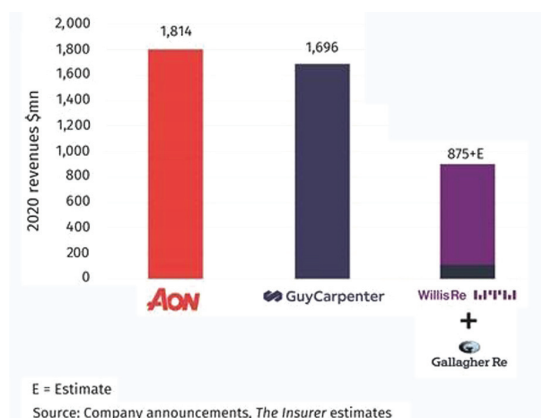
2020 Ranking	Broker	Total Premiums 2020 In US\$ million
1	Marsh & McLennan Cos.	17 200
2	Aon plc	11 070
3	Willis Towers Watson	9 350
4	Arthur J. Gallagher & Co.	6 000
5	Hub International Ltd.	2 700
6	Brown & Brown Inc.	2 610
7	Truist Insurance Holdings Inc.	2 440
8	Lockton Inc.	2 100
9	Acrisure LLC	2 040
10	USI Insurance Services	1 980

The global insurance brokerage market is expected to grow at a rate of nearly 5% during the period 2018-2022.

For the year 2020, Marsh McLennan maintains the top position with \$17.2 billion of premiums, \$6.13 billion more than Aon, which is in the second position. Because the merger agreement between Aon and Willis Towers Watson was not completed, it did not affect the annual ranking of global insurance brokers.

The power of representation of the insurance broker is also more important when he manages the whole process from the direct client to the reinsurance.

Reinsurance Market Structure: Willis & Gallagher Re joins the top three



The merger and acquisition movement of two large firms has dominated the news over the past 18 months.

Gallagher and Willis Towers Watson both filed statements with the Securities and Exchange Commission announcing the end of their deal after the proposed \$30 billion purchase of Willis by Aon was withdrawn.

■ The consolidation trend within the brokerage market

The pandemic has not slowed M&A activity in the brokerage industry, according to Agent & Broker’s 2020 year-end M&A report. In 2020, there were 774 total transactions in 2020, nearly 20 percent more than in 2019. With the insurance brokerage industry’s margins worsening and competition, firms are increasingly looking for ways to merge in an effort to diversify, generate more commissions, and serve their clients efficiently.

Brokers also want to grow their business by exploring new risks, such as cyber risk, climate change and, now, coronavirus.

The Changing Role of Brokers in the MENA region

Despite slower economic growth forecasts and political instability in the area, the oil-rich countries of the MENA region are still of real interest to the international insurance market.

The role of brokers in the MENA region is growing every day. They provide a valuable link between the client and the markets, not only helping to place business, but also advising companies on the latest developments in risk management and corporate governance best practices. As new financial centers develop in the region, the regulatory environment is also changing, creating a real challenge for them in the future.

The ranking of the top 10 reinsurance brokers operating in the MENA region for the year 2020 are presented :

2020 Ranking	Broker	Country	Total Premiums 2020 In US\$ million
1	UIB	UK	1 160
2	NASCO RE	Lebanon	1 070
3	CHEDID RE	Lebanon	1 000
4	APEX	Jordan	364
5	MALAKUT	UAE	363
6	FENCHURCH	Jordan	218
7	COGENT ME	UAE	208
8	LINK	Lebanon	78
9	PLATINUM	Lebanon	66
10	PREMIUM	Lebanon	60

Firms are increasingly looking for ways to merge in an effort to diversify, generate more commissions, and serve their clients efficiently.

The insurance and reinsurance landscape is changing, as well as the insurance and reinsurance brokerage market that covers the whole scope of risk and capital, redefines innovation and revitalizes the industry.

Insurance brokers in Tunisia

The emergence of the insurance brokerage activity in Tunisia was in 1981 with the initiative of GAT Assurances by creating the Société d'Etudes et de Conseil en Assurances (SECA). Two years later, there was certification of two other brokerage firms.

And since then, the number of brokers operating on the Tunisian market has grown and is characterised by the presence of major international brokers such as Gras Savoye, AON which has become ARS Tunisia and CECAR which has become Marsh.

In 2020, the number of brokerage offices totalled 62 and represents 14.2% of the total written premiums of the market.

The activity of insurance brokers in Tunisia is regulated by the Tunisian Insurance Code, issued by the law number 92-24 of March 9, 1992. The regulator has defined in this law the role of the broker in order to establish a balanced power between the two parties involved in the contract and to preserve the interests of the insured, who is considered the weaker party, during all the stages of the execution of insurance contract.

Before the promulgation of the Insurance Code, brokers were paid through a commission they received from the companies to which they brought business and which was calculated as a percentage of the net premiums, which was considered absurd because brokers were the agents of the clients and not of the insurers.

The implementation of the Insurance Code states that the broker is mandated by the insured but does not give any precision as to their remuneration.

The broker is obliged to give his advice and to propose the adequate covers to the insured with the best price. This proposal is based on the needs expressed by the client. However, the insured who generally chooses the basic and cheapest coverages does not leave too much margin for the broker to provide the best after-sales service.

The most efficient brokers will distinguish from the others by respecting the code of ethics towards their client and the insurer.

The insurance and reinsurance landscape is changing, as well as the insurance and reinsurance brokerage market that covers the whole scope of risk and capital, redefines innovation and revitalizes the industry.

Insurance brokers will continue to be relevant in the insurance industry and their role will need to change and adapt to the digital ecosystem.■

NEWS

National

Tunis Re Flash Infos

- Tunis Re & RMS: The international leader in catastrophe risk management solutions and Tunis Re have signed a consultancy agreement to strengthen the monitoring of exposures and accumulations, focusing on floods, terrorism and other natural catastrophes.
- Tunis Re in collaboration with FTUSA and GAIF, is co-organizing the 15th Carthage Insurance Rendezvous which will be held from 6 to 9 February 2022 in Djerba - Tunisia.

Compensation for flood victims in Nabeul

According to Law N°2019-24, which extended the scope of intervention of the Insured's Guarantee Fund "FGA", to the compensation of damages resulting from the floods occurred in 2018, Tunis Re has been charged to manage the section dedicated to compensate the victims for material damages in the governorate of Nabeul.

Hereafter, the situation as of January 28, 2022:

Files Number :	
- Deposits	872
- Treated	207
- Accepted	163
Approved funds in TND	6 090 351.059
Aamounts paid in TND	6 048 803.990

By order of the Finance Minister in dated October 19, 2021

Mr. Mostpha Kotrane was appointed representative of the company «Tunis Re» in charge of the management of the guarantee fund of the insured persons following Mr. Adnen Saïem.

By order of the Finance Minister dated October 19, 2021

Mr. Iskander Harizi was appointed member of the commission of guarantee of the insured representing the companies of life insurances following Mrs. Mariem Ezzine.

The «CGA» invites insurance companies to obtain the «L.E.I» certificate

The General Committee of Insurance has required the Tunisian insurance companies to acquire the legal entity identifier «Legal Entity Identifier, L.E.I».

It should be noted that Tunis Re is the first company of the Tunisian insurance sector to be certified «LEI» Legal Entity Identifier.

AMI Assurances successfully closes the issue of equities reserved for the «BNA»

AMI Assurances announced that the equities underwriting procedures reserved for the National Agricultural Bank «BNA» for its global amount for an amount of 40 million dinars, was successfully closed on 29/12/2021.

Creation of General Assistance Senegal

General Assistance signed on November 19, 2021 a partnership agreement with the Senegalese companies ASKIA Assurances and SONAM Assurances.

The agreement concerns the creation of «Générale Assistance Senegal», and this, within the context of the development strategy of the Tunisian company.

Zitouna Takaful elected best «Customer Service 2022

Zitouna Takaful won, for the third consecutive year, the label «Best Customer Service» in the Insurance category. This award was attributed to it at the end of the 3rd edition of the Tunisian Customer Service Election.

UBCI: A new visual identity

On the occasion of its 60th anniversary, UBCI presented, on November 29, 2021, its new visual identity during a press briefing.

This change of visual identity took place a few months after the BNP Paribas group transfer their shares in the capital of UBCI to the CARTE Group.

Mr. Amine Hamdi reappointed as Chairman of the Director Board of «MAE»

The Elective General Assembly of the Mutual Insurance Company of Education «MAE» which was held on November 14, 2021 reappointed Mr. Amine Hamdi as Chairman of the Director Board of the company.

Tunisian vaccination certificates recognized by the European Union

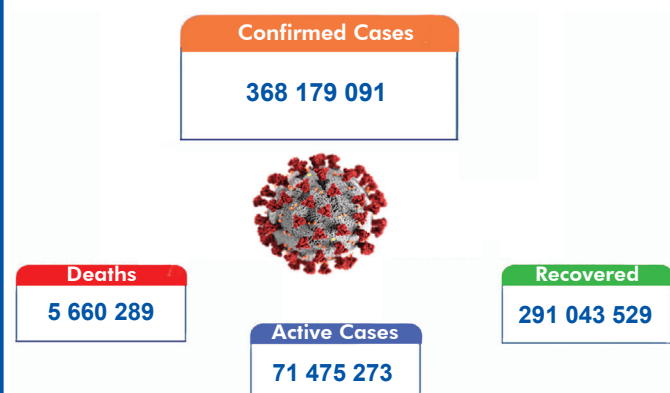
The Tunisian vaccination certificates have been recognized in the European Union (EU). Indeed, Tunisia will be connected, from Wednesday, December 22, 2021 to the system of digital certificate Covid of the EU, thereby facilitating travel between the two spaces.

The European Commission has adopted, Tuesday, December 21, 2021, a decision of equivalence, stating that the Tunisian vaccination certificates are accepted in Europe and vice versa.

NEWS

International

Pandemic Tracker (COVID-19)



Last update: 28 January 2022

Source: <https://www.worldometers.info>

Insurance premiums in Lebanon to be paid in US dollars

The Association of Insurance Companies in Lebanon (ACAL) announced that the underwriting and renewal of insurance policies will be done in «Fresh Dollars» as of 2022.

This decision comes with regards to the challenges facing the insurance market following the significant depreciation of the Lebanese Pound.

Morocco: Increase in the written premiums as at end of October 2021

The Supervisory Authority for Insurance and Social Welfare (ACAPS) declared an increase in premiums issued by insurance and reinsurance companies which reached nearly 43.1 billion dirhams (MDH) during the first ten months of 2021, that's to say an increase of 9.3% compared to the end of October 2020.

ACAPS grants three Takaful Licenses

The Moroccan Supervisory Authority for Insurance and Social Welfare (ACAPS) has approved the takaful license to Wafa Takaful, Attakafulia Assurances and Taaouiniyate Taamine Takafuli. Licenses will also be submitted to the SGG (General Secretariat of the Government) for approval.

Algeria: Two new approvals for the Takaful activity

The Algerian government has provided licenses to GAM Assurances and Cardif El-Djazair to carry out Takaful activities in Algeria in the form of a «window».

«IMAN» New insurance company launched in Mauritania

«IMAN Assurances» has been approved to carry out life and non-life insurance activities in Mauritania.

Mr Mohamed Taghiyollah Ould Moma has been appointed CEO of the new company.

EAU: Al Hilal Takaful rebranding

Al Hilal Takaful rebrands «YAS Takaful» and announces the appointment of Mr. Andrew Smith as General Manager.

Mergers & Acquisitions

- ARIG Signs Engagement Letter for Appointment of Emirates NBD Capital as Financial Advisor. This engagement letter is related to finding a buyer for divesting of upto 100% equity stake in ARIG to potential investor.
- On December 16, 2021, Covéa signed a final agreement with Exor for the sale of PartnerRe. The transaction amounts to 9 billion US\$ payable in cash. Subject to obtaining approvals from the applicable regulatory and competition authorities, it is expected that the transaction will finalized in mid-2022.

- The American broker Arthur J. Gallagher finalized the acquisition of Willis Re, the reinsurance brokerage subsidiary of Willis Towers Watson. The transaction amounts to 3.25 billion USD.

The activities of Gallagher and Willis Re will be merged into a single entity named Gallagher Re.

Appointments :

- Mr Moamen Mokhtar has been elected Secretary General of the Federation of Afro-Asian Insurers and Reinsurers (FAIR) starting from January 2022.
- Mr Deogratias Mutombo has been elected Chairman of the Board of Directors of the General Management of the Insurance Regulatory and Control Authority (ARCA) of the DRC. The general management of the authority is run by Mr Alain Kaninda Ngalula, assisted by Mrs Fanny Mbilo Eale Nkata, Deputy General Manager.
- Mr. Salah El-Din Musa Mohamed Sulieman has been appointed as Managing Director of Shiekan Insurance & Reinsurance Co.
- Mr. Tarik Lefriyekh has been appointed Managing Director of Rawsur SA.

Events

The 2022 Ordinary General Assembly of the Federation of African National Insurance Companies (FANAF) will be held in two phases: the statutory assembly will be held on 24 February 2022 in Dakar. (Works of the Executive Committee can be followed virtually).

The second phase will be held from 23 to 25 May 2022 in Dakar. Participants will be able to attend either in person or virtual.

Activity Figures of The Tunisian Insurance Market As at 30.09.2021

In MDT

At September 30th, 2021, The Insurance sector in Tunisia has been characterized by :

- The market generated a total turnover of TND 2094 million, showing an increase of 7% over the same period last year.
- Total compensations reached TND 1042 million up by 23% compared to 30.09.2020.
- A total number of issued policies of 2 042 899 with an increase of 6%.
- A total number of reported claims equal to 1130 715 up by 7% over the same period last year.
- Investments reached TND 7 184 million, up by 10% compared to 31.09.2020.

	2019	2020	EVOL 20/19	30/09/2020	30/09/2021	EVOL 21/20
Turnover	2 414	2 572	7%	1 948	2 094	7%
Motor	1 057	1 112	5%	872	944	8%
Life	559	624	12%	434	468	8%
Others	798	836	5%	642	682	6%
Claim Charges	1 421	1 349	-5%	846	1 042	23%
Motor	740	636	-14%	416	450	8%
Life	179	204	14%	120	237	97%
Others	502	509	1%	309	355	15%
Nbr of issued policies	3 176 044	2 989 300	-6%	1 923 788	2 042 899	6%
Motor	1 850 518	1 838 573	-1%	1 142 821	1 233 511	8%
Life	643 546	593 013	-8%	467 178	512 130	10%
Others	681 980	557 714	-18%	313 789	297 258	-5%
Nbr of Reported Claims	1 402 967	1 268 185	-10%	1 054 611	1 130 715	7%
Motor	288 398	223 430	-23%	157 696	182 363	16%
Others	1 114 569	1 044 755	-6%	896 915	948 352	6%
Investments	6 199	6 843	10%	6 551	7 184	10%

Happy Retirement to our dear colleagues

Mrs Naoufel Fatmi Mouelhi, Mrs Ibtissem Krichene & Mrs Radhia Chaieb



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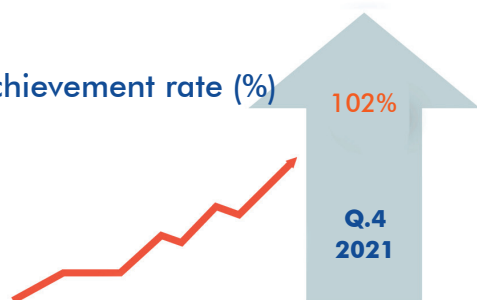
Société Tunisienne de Réassurance

12, Avenue du Japon Montplaisir - B.P 29 - 1073 Tunis - Phone : (216) 71 904 911 Fax: (216) 71 904 930 R.C. : B1115971996

Activity Figures of Tunis Re 4rd Quarter 2021

Turnover **153.207** M TND

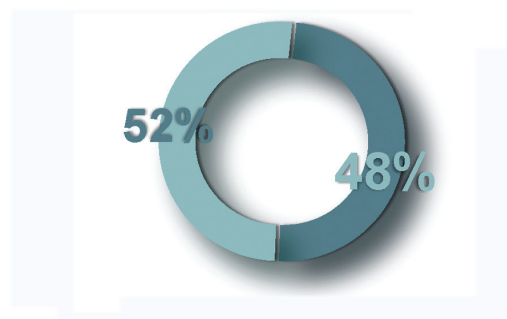
Achievement rate (%)



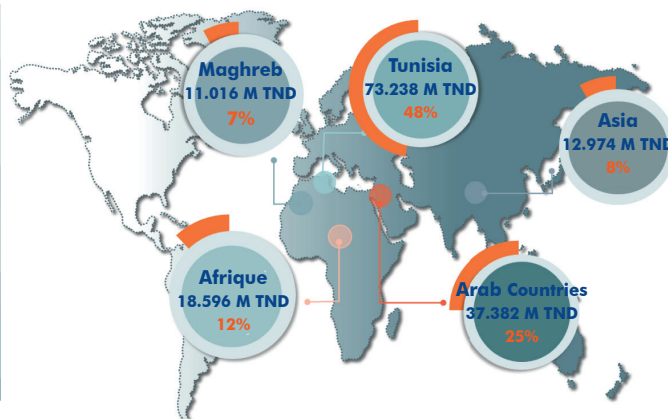
Retention
Rate

106.959 M TND

Retained Premium



■ Tunisia ■ Overseas



78.227 M TND

Claims Charge

- **57%**



Loss
Ratio

52%



449.6 M TND

Investments



23 M TND
investments
Income

Stock market : Figures as at 31.12.2021 of the listed Insurance Companies

(In M TND)

Compagny	Premiums			Gross Claims Charge			Investments		
	Dec-21	Dec-20	Var%	Dec-21	Dec-20	Var%	Dec-21	Dec-20	Var%
STAR	369.273	362.216	1.9%	258.244	226.333	14.1%	92.261	85.291	8.2%
ASTREE	186.345	175.127	6.4%	111.320	91.671	21.4%	41.983	41.265	1.7%
BH Assurance	147.488	127.589	16%	82.065	61.467	34%	16.311	15.361	6%
Assurances Maghrebia*	203.854	187.442	8.8%	102.516	90.991	12.7%	19.506	19.016	2.6%
Tunis Re	153.207	158.267	-3%	78.227	183.696	-57.4%	23.428	24.058	-2.6%

* Net Claims Charge