

FAIR Daily


 Day 1

Published by:


 MIDDLE EAST
INSURANCE REVIEW

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A FAIR bid to be in tune with market needs

What do insurers and reinsurers in Asia and Africa need today? What is that unique role that FAIR can play aside from being that unique body bringing Africa and Asia together along with the Arab markets? More pools? More technology? More innovation? More capital?

The answer of course is: "All of the above and more!"

The most important critical need is the mindset to beef up regional cooperation as a matter of business priority for mutual rewards. There is a need to silence critics who say that "regional cooperation is nice to have, but not a priority" or that "regional cooperation works better for those who cannot compete in the mainstream and use regional sentiments to get priority business concessions".

FAIR must go to town singing its kudos. The four FAIR pools are concrete tangible proof that FAIR works. Collectively, they handle premiums in excess of US\$1 billion. So they are not to be laughed at. FAIR is also looking at more pools.

With global warming, climate change and the increasing frequency of natural disasters with greater severity of damages in today's world, insurers must step up the protection they can offer society against these catastrophes. A FAIR CAT Pool has been launched and the fine print is being sorted out. But it can play a real active role in the FAIR markets, bearing in mind that in most FAIR member countries, insurance penetration is low and insured losses are a miniscule part of economic losses after a disaster. More importantly, these CAT covers should be aimed at serving the needs of the masses of poor people in disaster-prone areas.

Political support

FAIR has long-standing political and spiritual support from industry players. Why else were there some 400 delegates registered even before the topics and speakers were announced? The biennial FAIR conference is eagerly awaited. Members compete to host these events though they have to wait their regional turns. The lure of the unique networking potential offered by FAIR events cannot be under-estimated.

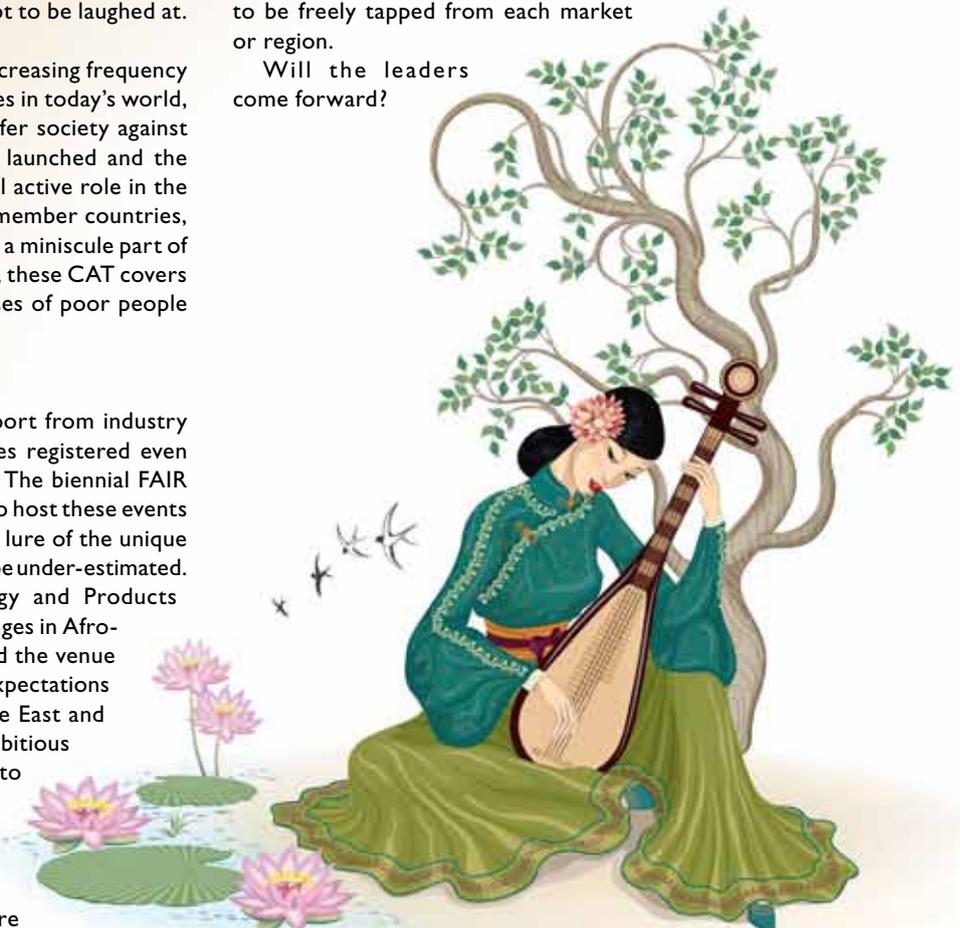
This year, with the theme "New Technology and Products Innovation: Meeting the Opportunities and Challenges in Afro-Asian Insurance & Reinsurance Development", and the venue being the largest market in FAIR, there are greater expectations of FAIR, coming at a time of turmoil in the Middle East and global economic uncertainties. The theme is an ambitious one, inspiring insurers to be ready, willing and able to tap the opportunities in the Afro-Asian markets. Africa is seeing the latest "El Dorado" rush in the insurance world, the Arab region is in revival, social tensions notwithstanding, and Asia hosts two of the biggest emerging economies in the world. There

should also be concerted efforts to overcome the challenges of the region, including offering protection to the masses of lower income people hit by increasing number of natural disasters.

FAIR must inspire

In the Forbidden City of yore, modernity beckons. FAIR must inspire big dreams to ensure that its future is entrenched as it enters its 50th Anniversary next year. Longevity and sustainability must be the order of the day in Beijing as FAIR grapples with making insurance modern and harnessing technology. The ultimate aim must be to make insurance a buzzword in society and in the economy. Sounds simple and yet the road is long, though FAIR has a wide hinterland with 275 member companies from 57 markets providing a fertile stretch of cross-pollination of resource and business ideas. There are strengths to be freely tapped from each market or region.

Will the leaders come forward?



欢迎 Welcome!

"It is with great pleasure that I welcome all delegates to the historic city of Beijing for the FAIR Conference. The Organising Committee of the Conference has worked very hard to make this year's Conference a memorable event, and I am confident that FAIR 2013 will be a successful conference attended by many delegates. Furthermore, it will be encouraging for members to participate this year since China is one of the main pillars in establishing the Federation."

As with previous FAIR Conferences, I expect this year's Conference to be a great success and to conclude with resolutions that are beneficial to all members."

Mr Hammam Badr
FAIR Secretary General



"China Reinsurance (Group) Corporation has the great honour of welcoming delegates to the 23rd FAIR Conference in the historic city of Beijing. This is the second time that the FAIR Conference will be held in China, and China Re, together with government agencies and the local insurance industry, have exerted all efforts to make it a successful event."

This year's Conference, like previous FAIR Conferences, will be a golden opportunity to further deepen the relationship between the Asian and African insurance markets, by providing a worthy platform to share issues concerning both regions. We are confident that with everyone's participation, the 23rd FAIR Conference will meet the objectives of many."

Dr Li Peiyu
Chairman, China Reinsurance (Group) Corporation and Chairman, 23rd FAIR Organising Committee



"The theme of this year's conference, 'New Technology and Products Innovation: Meeting the Opportunities and Challenges in the Afro-Asian Insurance & Reinsurance Development', has been smartly chosen to cope with the developments in the insurance industry."

The chosen topics under the timely theme of the conference, the high-profile speakers and the excellent programme will make FAIR Conference in Beijing a successful event. It will underline key solutions to the current challenges and shed light on a road map for future opportunities. This is in addition to the invaluable networking opportunities which the conference avails to delegates."

Mr Abd El Raouf Kotb
Outgoing FAIR President



FAIR in numbers



FAIR celebrates its **50th anniversary** in September **2014**

Total premiums of FAIR markets grew by **7.3%** to **\$612.9 bln** in 2012,

making up **13.3%** of the global market share

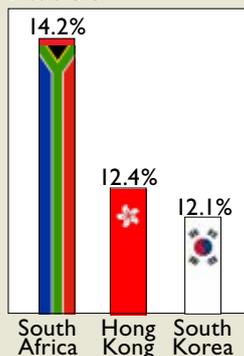
Only **4 countries**



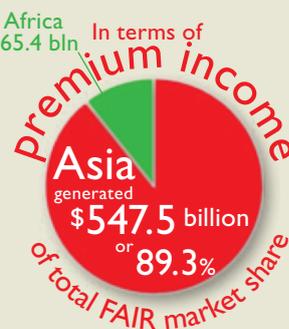
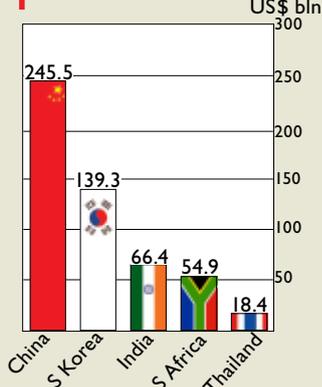
have average insurance spending per capita of more than **\$1,000**

Source: sigma. All currency figures in US\$

Top **3** FAIR countries with highest penetration rates



Top **5** FAIR countries with highest premiums



"All FAIR markets are emerging markets with low insurance penetration. GIC Re plays a balancing act by building a long-term relationship and helping in upgrading the underwriting skills of fellow members in the FAIR markets. We are always open to extending our arms for cooperation and development of the insurance industry in Asia and Africa, depending on the needs identified by the FAIR forum."



Mr Ashok K Roy,
Chairman cum Managing Director, GIC Re

FAIR has **275** member companies from **57** countries

The 'X' factor in insurance

With the Conference's call for innovation, we go in search of recent launches by Asian and African insurers and find some promising ideas that have come to fruition. Some samples below.

Kenya

Safety for farmers

Kilimo Salama, Kiswahili for "safe farming", won the 2012 Financial Times' Award for Technology in Sustainable Finance, recognising their ground-breaking work to provide smallholder farmers with insurance cover.

A partnership between the Syngenta Foundation for Sustainable Agriculture, UAP Insurance and telecoms operator Safaricom, the programme offers farmers in Kenya who plant on as little as one acre insurance against significant financial losses due to drought or excess rain.

The pay-as-you-plant, index-based microinsurance scheme is the first of its kind in terms of its distribution and use of technology. It is distributed through local agro-vets which register Kilimo Salama using a scanner with tailor-made software that allows for paperless registration and immediate confirmation to the farmer of the policy. The technology allows transaction costs to be as little more than the cost of an SMS. Agro-vets collect premiums and transfer these to the insurer.

Kilimo Salama is also made affordable through its partnerships with agri-businesses who sponsor half of the premiums, leaving farmers to pay 5% on top of the cost of the inputs.



India

A restorative health plan

One of India's most recent innovations is Apollo Munich Health's Optima Restore, which restores coverage each time it is used up within the year. Its multiplier benefit even increases coverage by 50% for the first claim-free year and doubles it the year after if there are no still no claims.

Optima Restore won the Innovation of the Year Award at the 2012 Asia Insurance Industry Awards organised by *Asia Insurance Review*.



UAE

Protecting domestic workers

Insurance coverage for domestic workers may be seen by some employers as a low priority, but Noor Takaful went against the grain by launching its Domestic Aid Medical Plan just last month.

The Plan allows employers of privately sponsored domestic workers to provide their drivers, cooks, cleaners, housemaids and gardeners with up to AED50,000 (US\$13,612) medical insurance coverage, as well as an additional capital sum of AED50,000 in the event of loss of life.

"Many of the UAE's 400,000 privately sponsored domestic workers have very little protection against the sudden expense of serious illness, or accidents," said Mr Andrew Greenwood, Chief Operating Officer of Noor Takaful. "In addition, these workers' families are often heavily dependent on financial support from their UAE relatives, so the Domestic Aid medical plan is designed to provide financial support when it is most required."



Over the moon

The Chinese celebrate the Mid-Autumn Festival every year and this year, it coincides with the FAIR Conference. Here's a quick guide to what the Chinese call 中秋节 (pinyin: zhong qiu jie)

Date Celebrated on the **15th** day of the **8th** month of the Chinese lunar calendar This year, it falls on **19** September

Importance **4** It is one of **4** major traditional festivals in China, and was declared a national holiday in **2008**

Origins It started as a harvest festival during the autumn full moon

History The festival dates back to more than **3,000** years

Etymology Also known as Moon Festival, Mooncake Festival, Reunion Festival and Lantern Festival

Legend Probably the most popular legend of the festival is that of Goddess Chang'e flying to the moon
China's Lunar Exploration Programme takes its name after this Moon goddess

Food Mooncakes consist of a thin pastry skin enveloping a sweet, lotus paste filling, & may contain one or more salted egg yolks

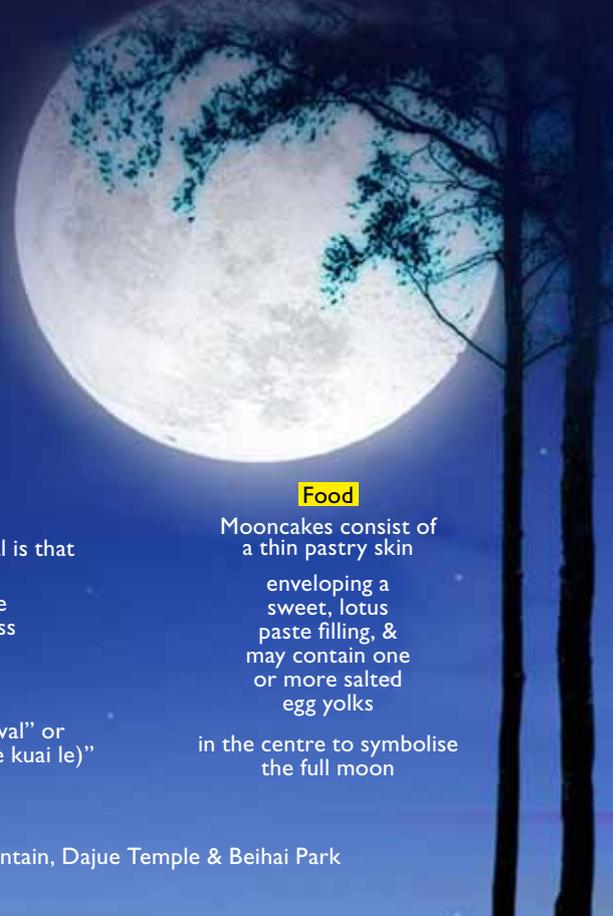
Celebrated by Admiring the full moon, eating mooncakes and lighting lanterns

Greetings "Happy Mid-Autumn Festival" or "中秋节快乐! (zhong qiu jie kuai le)"

in the centre to symbolise the full moon

Great places to celebrate the festival in Beijing

Lugou Bridge, Shichahai, The Summer Palace, Yangtaishan Mountain, Dajue Temple & Beihai Park



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12th Singapore International Reinsurance Conference

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Register now at www.sirc.com.sg

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Booth in Exhibition Area B Meeting Room #9, Business Centre, Mezzanine Floor, Beijing Intercontinental Hotel

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