Boeing insurers in turmoil

Two air crashes, occurring within several months, were enough to rock the Boeing Empire, triggering an outstanding aviation event.

Boeing, whose image has been tarnished among customers and pilots, ended up, after lengthy prevarication, admitting its defective MCAS (Maneuvering Characteristics Augmentation System), the defect behind the crash of Lion Air and Ethiopian Airlines planes.

While aircraft manufacturer is held sole accountable for both accidents, the prejudice sustained by third parties affected several Boeing partners including airliners poised to undergo heavy operating losses. The sole grounding of 371 aircrafts delivered to airliners for several months is likely to set Boeing back between 7 and 10 billion USD. The bill will get even heavier if we add the delayed delivery of the aircrafts ordered and not delivered, the cost pertaining to the maintenance of the grounded planes, cancellations,...

Some airline companies have already submitted their compensation requests. In this respect, American Southwest Airlines estimated its daily losses at 5 million USD for the 34 aircrafts received.

The second aspect of compensation pertains to the training of pilots which is likely to hinder a quick restart of operation for these aircrafts. Boeing, having just one flight simulator for 737 MAX in possession, is expected to disburse huge sums to upgrade its crews.

Moreover, suppliers and sub-contractors are also likely to require compensation for the loss of income. The 737 MAX production slowdown and cancellations will certainly weigh down their finances, with 79.5% of the craft manufacturer’s order backlog being accounted for by the airplane in question by April 30, 2019.

Found guilty, Boeing will face lawsuits that will be filed by the insurers of Ethiopian Airlines and Lion Air. Subrogatory action will, therefore, pertain to the amount of compensation of the aircrafts and the damages disbursed to victims’ families.
Marine insurance: the Lloyd's raises risk level in the Gulf

Five days following the sabotage attacks of four ships off the United Arab Emirates, the Lloyd's decided to raise the level of marine insurance risk in the Gulf. It was during an emergency meeting held on May 16, 2019 that the Lloyd's market Association (LMA) took such a decision.

Therefore, the Persian Gulf, part of the Gulf of Oman and the waters off Saudi Arabia, the Emirates and Oman have been added to the list of risk areas currently in force. The previous list already included areas threatened by war and maritime piracy in the Middle East among which Iran, Iraq, Israel, Syria and Yemen.

The rising risk level obviously results in an increase of insurance premiums for ships that travel in these areas.

Global insurance market: 2018 toll

Allianz Research has published its report entitled «Global Insurance Market: At a crossroads», a study which focuses on the state of the global insurance market in 2018 and outlines the outlook for the future.

According to this report, the global insurance premiums (excluding health) reached 4 180.56 billion EUR (4 781.68 billion USD) in 2018, an increase of 3.3% over one year and of 3% in a decade.

Life insurance reported 2 258 billion EUR (2 582.68 billion USD), representing a growth of 2.54% compared to the turnover achieved in 2017 (2 637.7 billion EUR). Non-life insurance amounted to 1 396 billion EUR (1 596.73 million USD) at the end of 2018, increasing by 4.65% against 1 334 billion EUR (1 597.95 billion USD) achieved one year earlier.

The American insurance market is the first premium producer with 1 115 billion EUR (1 275.33 billion USD). The Chinese market is far behind with 417 billion EUR (476.96 million USD).

The American continent generates 32.86% of the global premium volume, that is 1 201 billion EUR (1 373.69 billion USD). Western Europe achieves 1 002 billion EUR (1 146.08 billion USD) and Asia 1 199 billion EUR (1 371.41 billion USD).

Coverage against emerging risks deemed inadequate

According to the World Insurance Report, published by Capgemini and Efma, more than 75% of companies and 85% of individuals consider they have an inadequate cover against emerging risks. The study conducted upon 8 000 insured in 28 countries shows that both firms and people are insufficiently protected against cyber and environmental risks, climate change, the impacts of the economic evolution along with the medical risks.

The level of satisfaction of the cyber risk coverage, as the major threat, reached 18% for the companies and 3.3% for the individuals. When it comes to the natural disaster risks, considered as the second fundamental threat, the satisfaction rate has reached 22% for companies and 12.6 for individuals.

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3. Morocco: 26th FAIR Conference
4. Insurance companies in Saudi Arabia: Ranking 2018
5. Tunisia, Maghrebia: results 2018
6. Non-life insurance companies in South Africa: 2017 ranking pertumover
A company, a story
Santam

Date of creation:
March 28, 1918, South Africa
Class of business: Non life
Network of distribution:
3 600 intermediaries and direct channels
Rating: Standard & Poor’s: «BB+» stable
Regional presence:
Africa, South Asia and Middle East
Number of employees: 6 043

VP Khanyile
Chairman of the board of directors

Lizé Lambrechts
Chief executive officer (CEO)

Management

Vusumzi Phillip Khanyile
Chairman of the board of directors

Lizé Lambrechts
Chief executive officer (CEO)

Hennie Nel
Chief financial officer (CFO)

Keven Wright
Chief operating officer (COO) & IT

Asher Grevler
Corporate risk officer (CRO)

John Melville
Chief underwriting officer

Mokaedi Dilotsotla
Marketing manager

Sanlam
61.5%
Public Investment Corporation (SOC)
5.44%
Investec Asset Management (Pty)
3.84%
Old Mutual Life Assurance (South Africa)
1.53%
The Vanguard Group
1.21%
Liberty Group Ltd. (Investment Portfolio)
1.04%
Alexander Forbes Investments
0.99%
Prescient Investment Management (Pty)
0.75%
Dimensional Fund Advisors LP
0.72%
Goldman Sachs Asset Management Inter.
0.69%

Santam
Is in 2018:
• a share capital of 7 147 000 USD
• a turnover of 2 297 000 000 USD
• Assets of 3 129 350 000 USD
• a shareholder’s equity of 649 837 000 USD
• an et result of 175 000 000 USD
• a non life net loss ratio of 60.61%
• a non life net expenses ratio of 37.63%
• a non life net combined ratio of 98.24%
Main technical highlights: 2014 - 2018

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross written premiums</strong></td>
<td>22,710</td>
<td>24,319</td>
<td>25,909</td>
<td>29,720</td>
<td>33,109</td>
</tr>
<tr>
<td><strong>Net written premiums</strong></td>
<td>17,635</td>
<td>18,884</td>
<td>19,772</td>
<td>21,693</td>
<td>24,068</td>
</tr>
<tr>
<td><strong>Net earned premiums</strong></td>
<td>17,222</td>
<td>18,523</td>
<td>19,826</td>
<td>21,330</td>
<td>22,812</td>
</tr>
<tr>
<td><strong>Net incurred losses</strong></td>
<td>10,878</td>
<td>11,510</td>
<td>12,911</td>
<td>14,066</td>
<td>13,827</td>
</tr>
<tr>
<td><strong>Net loss ratio</strong>(1)</td>
<td>63.16%</td>
<td>62.14%</td>
<td>65.12%</td>
<td>65.94%</td>
<td>60.61%</td>
</tr>
<tr>
<td><strong>Management expenses</strong></td>
<td>6,064</td>
<td>6,570</td>
<td>7,033</td>
<td>7,937</td>
<td>9,056</td>
</tr>
<tr>
<td><strong>Net expenses ratio</strong>(2)</td>
<td>34.39%</td>
<td>34.79%</td>
<td>35.57%</td>
<td>36.59%</td>
<td>37.63%</td>
</tr>
<tr>
<td><strong>Net combined ratio</strong>(3)</td>
<td>97.55%</td>
<td>96.93%</td>
<td>100.69%</td>
<td>102.53%</td>
<td>98.24%</td>
</tr>
<tr>
<td><strong>Net result</strong></td>
<td>1,667</td>
<td>2,464</td>
<td>1,331</td>
<td>1,807</td>
<td>2,529</td>
</tr>
</tbody>
</table>

(1) Net loss ratio = net incurred losses / net earned premiums
(2) Net management expenses ratio = management expenses / written premiums net of reinsurance
(3) Net combined ratio = net loss ratio / net expenses ratio

Figures in millions USD

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross written premiums</strong></td>
<td>1,957</td>
<td>1,579</td>
<td>1,898</td>
<td>2,406</td>
<td>2,297</td>
</tr>
<tr>
<td><strong>Net written premiums</strong></td>
<td>1,520</td>
<td>1,226</td>
<td>1,449</td>
<td>1,756</td>
<td>1,670</td>
</tr>
<tr>
<td><strong>Net earned premiums</strong></td>
<td>1,484</td>
<td>1,203</td>
<td>1,453</td>
<td>1,726</td>
<td>1,583</td>
</tr>
<tr>
<td><strong>Net incurred losses</strong></td>
<td>938</td>
<td>747</td>
<td>946</td>
<td>1,139</td>
<td>959</td>
</tr>
<tr>
<td><strong>Management expenses</strong></td>
<td>523</td>
<td>427</td>
<td>515</td>
<td>642</td>
<td>628</td>
</tr>
<tr>
<td><strong>Net result</strong></td>
<td>144</td>
<td>160</td>
<td>98</td>
<td>146</td>
<td>175</td>
</tr>
</tbody>
</table>

Exchange rate as at 31/12/2018 : 1 ZAR = 0.06939 USD; 31/12/2017 : 1 ZAR = 0.08094 USD; at 31/12/2016 : 1 ZAR = 0.07327USD; at 31/12/2015 : 1 ZAR = 0.06494 USD; at 31/12/2014 : 1 ZAR = 0.08619 USD
### Breakdown of turnover per class of business: 2014 - 2018

#### Figures in millions ZAR

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor</td>
<td>9,629</td>
<td>10,247</td>
<td>11,004</td>
<td>12,125</td>
<td>12,801</td>
<td>38.66%</td>
<td>5.57%</td>
</tr>
<tr>
<td>Property damage</td>
<td>6,552</td>
<td>7,213</td>
<td>7,972</td>
<td>9,000</td>
<td>10,031</td>
<td>30.30%</td>
<td>11.46%</td>
</tr>
<tr>
<td>Engineering</td>
<td>1,127</td>
<td>1,176</td>
<td>1,196</td>
<td>1,290</td>
<td>1,335</td>
<td>4.03%</td>
<td>3.49%</td>
</tr>
<tr>
<td>Third party liability</td>
<td>1,246</td>
<td>1,327</td>
<td>1,202</td>
<td>1,227</td>
<td>1,250</td>
<td>3.78%</td>
<td>1.87%</td>
</tr>
<tr>
<td>Agricultural insurance</td>
<td>1,044</td>
<td>840</td>
<td>984</td>
<td>829</td>
<td>729</td>
<td>2.20%</td>
<td>-12.06%</td>
</tr>
<tr>
<td>Marine</td>
<td>734</td>
<td>686</td>
<td>676</td>
<td>714</td>
<td>721</td>
<td>2.18%</td>
<td>0.98%</td>
</tr>
<tr>
<td>Accident and health</td>
<td>350</td>
<td>371</td>
<td>374</td>
<td>482</td>
<td>535</td>
<td>1.62%</td>
<td>11%</td>
</tr>
<tr>
<td>Others (1)</td>
<td>75</td>
<td>211</td>
<td>95</td>
<td>186</td>
<td>309</td>
<td>0.93%</td>
<td>66%</td>
</tr>
<tr>
<td><strong>Total conventional insurance</strong></td>
<td><strong>20,757</strong></td>
<td><strong>22,071</strong></td>
<td><strong>23,503</strong></td>
<td><strong>25,853</strong></td>
<td><strong>27,711</strong></td>
<td><strong>83.70%</strong></td>
<td><strong>7.19%</strong></td>
</tr>
<tr>
<td>Alternative insurance</td>
<td>1,953</td>
<td>2,248</td>
<td>2,406</td>
<td>3,686</td>
<td>5,398</td>
<td>16.30%</td>
<td>39.59%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22,710</strong></td>
<td><strong>24,319</strong></td>
<td><strong>25,909</strong></td>
<td><strong>29,720</strong></td>
<td><strong>33,109</strong></td>
<td><strong>100%</strong></td>
<td><strong>11.40%</strong></td>
</tr>
</tbody>
</table>

(1) Including bond

#### Figures in millions USD

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor</td>
<td>830</td>
<td>665</td>
<td>806</td>
<td>981</td>
<td>888</td>
<td>830</td>
<td>665</td>
<td>806</td>
<td>981</td>
<td>888</td>
</tr>
<tr>
<td>Property damage</td>
<td>565</td>
<td>468</td>
<td>584</td>
<td>728</td>
<td>696</td>
<td>565</td>
<td>468</td>
<td>584</td>
<td>728</td>
<td>696</td>
</tr>
<tr>
<td>Engineering</td>
<td>97</td>
<td>76</td>
<td>88</td>
<td>104</td>
<td>93</td>
<td>97</td>
<td>76</td>
<td>88</td>
<td>104</td>
<td>93</td>
</tr>
<tr>
<td>Third party liability</td>
<td>107</td>
<td>86</td>
<td>88</td>
<td>99</td>
<td>87</td>
<td>107</td>
<td>86</td>
<td>88</td>
<td>99</td>
<td>87</td>
</tr>
<tr>
<td>Agricultural insurance</td>
<td>90</td>
<td>55</td>
<td>72</td>
<td>67</td>
<td>51</td>
<td>90</td>
<td>55</td>
<td>72</td>
<td>67</td>
<td>51</td>
</tr>
<tr>
<td>Marine</td>
<td>63</td>
<td>45</td>
<td>50</td>
<td>58</td>
<td>50</td>
<td>63</td>
<td>45</td>
<td>50</td>
<td>58</td>
<td>50</td>
</tr>
<tr>
<td>Accident and health</td>
<td>30</td>
<td>24</td>
<td>27</td>
<td>39</td>
<td>37</td>
<td>30</td>
<td>24</td>
<td>27</td>
<td>39</td>
<td>37</td>
</tr>
<tr>
<td>Others (1)</td>
<td>7</td>
<td>14</td>
<td>7</td>
<td>15</td>
<td>22</td>
<td>7</td>
<td>14</td>
<td>7</td>
<td>15</td>
<td>22</td>
</tr>
<tr>
<td><strong>Total conventional insurance</strong></td>
<td><strong>1,789</strong></td>
<td><strong>1,433</strong></td>
<td><strong>1,722</strong></td>
<td><strong>2,093</strong></td>
<td><strong>1,923</strong></td>
<td><strong>1,789</strong></td>
<td><strong>1,433</strong></td>
<td><strong>1,722</strong></td>
<td><strong>2,093</strong></td>
<td><strong>1,923</strong></td>
</tr>
<tr>
<td>Alternative insurance</td>
<td>168</td>
<td>146</td>
<td>176</td>
<td>313</td>
<td>375</td>
<td>168</td>
<td>146</td>
<td>176</td>
<td>313</td>
<td>375</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,957</strong></td>
<td><strong>1,579</strong></td>
<td><strong>1,898</strong></td>
<td><strong>2,406</strong></td>
<td><strong>2,297</strong></td>
<td><strong>1,957</strong></td>
<td><strong>1,579</strong></td>
<td><strong>1,898</strong></td>
<td><strong>2,406</strong></td>
<td><strong>2,297</strong></td>
</tr>
</tbody>
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(1) Including bond
Breakdown of turnover per geographical area (2014-2018)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>20 565</td>
<td>21 909</td>
<td>23 360</td>
<td>26 520</td>
<td>29 742</td>
</tr>
<tr>
<td>Rest of Africa (1)</td>
<td>1 837</td>
<td>2 245</td>
<td>3 479</td>
<td>3 810</td>
<td>3 684</td>
</tr>
<tr>
<td>Southeast Asia, India and Middle East</td>
<td>308</td>
<td>840</td>
<td>1 009</td>
<td>1 549</td>
<td>1 969</td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>223</td>
<td>261</td>
</tr>
<tr>
<td><strong>Total group</strong></td>
<td>22 710</td>
<td>24 994</td>
<td>27 848</td>
<td>32 102</td>
<td>35 656</td>
</tr>
<tr>
<td><strong>Additional costs (2)</strong></td>
<td>-</td>
<td>-675</td>
<td>-1 939</td>
<td>-2 382</td>
<td>-2 547</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>22 710</td>
<td>24 319</td>
<td>25 909</td>
<td>29 720</td>
<td>33 109</td>
</tr>
</tbody>
</table>

(1) Including gross written premiums underwritten in Namibia
(2) Costs related to underlying investments in Sanlam Emerging Market (SEM) and SAN JV Proprietary Limited

Geographical breakdown of 2018 turnover

- South Africa: 83.41%
- Rest of Africa: 10.33%
- Southeast Asia, India and Middle East: 5.52%
- Other regions: 0.74%

Exchange rate as at 31/12/2018: 1 ZAR = 0.06939 USD; 31/12/2017: 1 ZAR = 0.08094 USD; at 31/12/2016: 1 ZAR = 0.07327USD; at 31/12/2015: 1 ZAR = 0.06494 USD; at 31/12/2014: 1 ZAR = 0.08619 USD
Evolution of net ratios: 2014-2018

Breakdown of 2018 turnover per class of business

Contact

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Bellville, Western Cape 7530
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Fax: +27 21 914 0700
Email: info@santam.co.za
Website: www.santam.co.za
Grounding of Boeing 737 MAX, an unprecedented crisis in the history of air traffic

Boeing 737 MAX is about to create one of the most onerous claims in the history of civil aviation. The exorbitant tag is not only accounted for by the crash of Ethiopian Airlines, nor is it related to that of Lion Air. The cost also includes the grounding of 371 aircrafts in operation worldwide, the cancellation of current orders, losses sustained by airliners affected by the cancellation of thousands of flights...

Two successive crashes

October 29, 2018: 13 minutes after takeoff, flight 610 of Indonesian airliner Lion Air crashed in the Java Sea. The aircraft, a Boeing 737 MAX 8, manufactured in 2018 and put in service in August of the same year, was ensuring connection between Jakarta and Pangkal Pinang, Island of Bangka off the coast of Sumatra. 189 passengers on board and 8 crew members perished in the accident. The airline company admitted that the aircraft had experienced some technical failures in a previous flight, which prompted investigators to consider manufacture defect as the prime suspect, invoking in the first place issues pertaining to altitude and speed gauges.

March 10, 2019: 6 minutes after takeoff, flight 302 of Ethiopian Airlines crashed south-east of Addis Ababa with 157 passengers and 8 crew members on board. The aircraft was on a regular flight connecting Addis Ababa to Nairobi, Kenya. The aircraft, a Boeing 737 MAX 8, built in October 2018 and delivered in November 2018, had flown for just 1330 hours done over 382 flights. According to preliminary report of the National Transportation Safety Board, striking similarities were noted with the previous Java crash: display of erroneous speed and altitude indications.

The Maneuvering Characteristics Augmentation System, MCAS, designed to warn against stalling, blamed for both crashes.
Flights suspension

Following both disasters, occurring within five months and implicating the new version of Boeing 737, aircraft flights of the same type have been suspended worldwide. By April 1, 2019, American manufacturer had delivered 387 aircrafts, 371 of which are in operation. Following the Addis Ababa accident, civil aviation authorities throughout the world, immediately decided to ground their fleets, banning, as of March 13, 2019, any flight of this aircraft from crossing their air space.

Boeing 737 MAX

The 737 MAX is the latest generation of the Boeing 737 family whose initial program started out in the 1960s. Dating back in 2006, the 737 MAX project, had been postponed on several occasions. In October 2014, due to technical reasons related to engine issues, Boeing suspended its test flight, with even delivery delays expected and with backlog orders amounting to 2 326 confirmed orders. The first commercial flight done by the 737 MAX was on April 13, 2017, or 50 years after the first 737 flight. The very first 737 MAX was delivered on May 16, 2017 to Indonesian company Lion Air. The 737 MAX family is broken down into several versions: 737 MAX 7, 737 MAX 8, 737 MAX 8 High Capacity and 737 MAX 10.

Different models of the 737 MAX family

<table>
<thead>
<tr>
<th>Aircraft type</th>
<th>737 MAX 7</th>
<th>737 MAX 8</th>
<th>737 MAX 9</th>
<th>737 MAX 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum capacity</td>
<td>172 seats</td>
<td>210 seats</td>
<td>220 seats</td>
<td>230 seats</td>
</tr>
<tr>
<td>Range</td>
<td>7 130 kilometers</td>
<td>6 570 kilometers</td>
<td>6 570 kilometers</td>
<td>6 110 kilometers</td>
</tr>
</tbody>
</table>

Source: [www.boeing.com/commercial/737max/#/updates](http://www.boeing.com/commercial/737max/#/updates)

Boeing order book

By April 30, 2019, the order book of Boeing 737 MAX reported 5008 aircrafts for a hundred airline companies, with the single cost of one craft ranging between 99.7 and 13.5 million USD.

<table>
<thead>
<tr>
<th></th>
<th>Ordered aircrafts</th>
<th>Delivered aircrafts</th>
<th>Aircrafts not yet delivered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boeing 737 MAX</td>
<td>5 008</td>
<td>387</td>
<td>4 621</td>
</tr>
<tr>
<td>Total Boeing 737 orders</td>
<td>15 232</td>
<td>10 542</td>
<td>4 690</td>
</tr>
<tr>
<td>Total Boeing orders</td>
<td>29 056</td>
<td>23 190</td>
<td>5 866</td>
</tr>
</tbody>
</table>

(1) All types of 737
(2) All types of aircrafts manufactured by Boeing

Source: [http://active.boeing.com](http://active.boeing.com)
Impact on the manufacturer

The impact of both disasters were quickly felt, with the suspension by Boeing of the delivery of 737 MAX which already accounted for 79% of the total number of aircrafts waiting to be delivered.

Over the first four months of 2019, the American manufacturer has reported a 25% decrease of its deliveries in civilian planes in addition to a 20% decline of its production.

Its 2019 order book is diminished by at least 119 aircrafts. Net orders for the 737 model amount to -171 aircrafts, that is, 25 orders and 196 cancellations (1).

The manufacturer’s image has been seriously tarnished following the latest findings regarding the aircraft’s design defect. On May 18, Boeing admitted to a dysfunction of its simulator software designed to reproduce flight conditions and with which pilots get trained.

The crisis is poised to linger on, especially as the international aviation authorities, gathered on May 23, 2019 in Texas, failed to come to an agreement over the resumption of flights. For Boeing, the ordeal is far from over even if the manufacturer announced on May 12 that its 737 MAX is ready for a new certification which is normally granted on the country-per-country basis.

The manufacturer is required to not only compensate operating costs for the benefit of the 47 airline companies whose aircrafts have been grounded but also the 33 new customers for future-lost earnings. As of March 13, Boeing has failed to honor its obligations to deliver the aircrafts in time.

(1) www.boeing.com/company/about-bca/index.page%23/prices#/orders-deliveries

Orders and deliveries

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of 737 MAX ordered</td>
<td>150</td>
<td>908</td>
<td>668</td>
<td>861</td>
<td>409</td>
<td>530</td>
<td>759</td>
<td>720</td>
<td>7</td>
</tr>
<tr>
<td>Number of 737 MAX delivered</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>74</td>
<td>256</td>
<td>57</td>
</tr>
</tbody>
</table>

Source: http://active.boeing.com

(1) www.boeing.com/company/about-bca/index.page%23/prices#/orders-deliveries
Impact on airline companies

Approximately fifty airline companies have been compelled to cancel thousands of flights, sustaining very high operating cost which can only be definitively determined after several months. This unprecedented aviation crisis is set to linger on until the end of the 2019 summer season, according to most upbeat forecasts.

American Airlines, a very important customer for Boeing and one of the hardest-hit companies, has initiated the cancellation of 1200 flights in the course of the first quarter, putting off scheduled flights for its 24 aircrafts until August 19, 2019, that is, 115 flights a day. An initial bill amounting to 350 million USD has been considered.

Southwest, an equally important customer of Boeing, is also in dire straits. The company, using 34 aircrafts and expecting the delivery of another 280, cancelled 10 000 flights in the first quarter of 2019. The carrier, whose net profits decreased by 16%, had to suspend all flights scheduled for its 737 MAX aircrafts until August 5, 2019.

The three major Chinese airline companies, with 45 aircrafts in their possession, and awaiting the delivery of another 79 planes, have been seriously affected. China Southern, China Eastern and Air China are demanding damages sustained following the grounding of their fleets and for the delayed delivery of new units.

The list of companies demanding financial redress is getting longer day after day. In addition to American and Chinese companies, Turkish Airlines, Flydubai, Norwegian, Ryanair, are submitting their bills to Boeing.

According to many experts, the compensation of affected airline companies is undoubtedly to cost Boeing several billion dollars.
Inquiries and legal procedures

Review of certification methods
According to a survey published on March 17, 2019 by The Seattle Times, the manufacturer’s certification procedures are not in compliance with the standards. The Federal Aviation Administration (FAA), has delegated to Boeing the responsibility to certify the compliance of its products on its own. On March 19, 2019, the United States Transportation Department launched an audit into the certification process which is monitored by the American Congress and the FBI, both of which mandated to probe into this certification process.

Legal procedures
The families of the victims of both crashes have lodged lawsuits in the US courts for manslaughter against American carrier and the FAA but the amounts of damages claimed has not been disclosed.
Boeing is being sued for having:
- neglected training of pilots and failed to report to them important specific information regarding the anti-stalling software MCAS,
- sold a plane while being aware that the safety device was not in good working order,
- advanced their financial interests over those of passengers and crews,
- expedited the process of design, manufacture and certification of the incriminated aircraft.

FAA is accused, on its part, of failure to:
- verify or approve the design and functioning of the MCAS system,
- carry out in-depth examination of the MCAS during conformity procedure that precedes certification of Boeing 737-8 MAX,
- conduct an investigation after the first crash, that of flight Lion Air.

Cost for the insurance business
At the level of the aviation insurance market, the impact will be huge, with total compensation costs expected to reach several tens of billions of USD. The businesses affected are: haul of the missing aircrafts, death-related compensations, operating costs for carriers, costs incurred for the upgrading of grounded aircrafts, the costs related to the replacement of the grounded aircrafts, loss of brand image,....

According to Willis Re estimates, global insurance and reinsurance leaders would be impacted by up to 171 million USD, with Swiss Re disbursing 90 million USD and Allianz 57 million USD. As for Hannover Re, the crash will trigger a net cost of 13.3 million USD.
Executives’ remuneration

The remuneration policy for wage earners, employees and executives is a key variable on which the good functioning of a company, its dynamics and its future depend. This policy varies according to the sectors of activity and the specific positioning of each company. In a globalized world, employees and managers are not assessed and paid based on the same standards. While salary policy governing employees still meets in-house corporate criteria, that of major leaders is gradually distancing itself from those criteria, focusing on external factors such as competition, reputation on the international market,... Nowadays, executive remuneration, which is often in the headlines, is sometimes a source of unease within the company itself, raising the opposition of some shareholders in some cases.

From annuity-based policy to stock options

Economic history has been marked by profound mutations. Shifting from an economic model in which the primary and secondary sectors were the preferred sources of value creation, the trend is now turning to a global world where finance reigns supreme. The land and “estate”, which were run by family businesses, small links in a large chain, are replaced by large, multinational, cartelized companies. The prevailing economic gigantism needs capital and ship captains, capable of leading enormous entities. In a short time, we went from the “farm” to the “factory” and then to the “bank”, that is from an economic microcosm to a global macrocosm.

The tertiary sector is currently sprawling, with stock indexes acting as beacons and draining capital from one sector to another within a single market logic. This shift to total financialization has created a new economic model in need of an institutional framework and executives capable of managing huge capital and most importantly, of generating profits for shareholders. These leaders, imbued with the American model, have become real stars that companies are snapping up at gold prices; hence, their remuneration hypertrophy.

But why are these executives so over-paid?

Response to this question requires the examination of certain criteria like salary, remuneration and the analysis of these executives’ evolution and role.
Salary and remuneration

Remuneration is not salary. The two terms do not have the same meaning and the nuance between the two is significant.

Salary can be defined as the amount paid to an employee in exchange for a job or service provided. The concept of remuneration is broader than that of salary. It includes a set of amounts and benefits of which salary is only one component. Remuneration therefore includes:

► direct salary,
► bonuses paid in exceptional circumstances, such as performance reward,
► performance-related bonus,
► bonuses, i.e., amounts paid regularly such as vacation, school reentry bonuses,…

Listed companies may be added to this list as follows:

► shares: sale of bonus shares for a certain number of purchased shares,
► stock options: call option at an agreed price of a certain number of shares.

Remuneration may also include:

► social welfare: complementary health insurance and / or supplementary pension financing,
► benefits in kind, company car, company housing, children's studies,…

The total remuneration of an executive staff is therefore the outcome of salary and afore-mentioned benefits. Each company, however, shall have discretion to include in its remuneration paradigm the category or categories it deems appropriate. The company may also add other types of benefits.
**Remuneration structure**

The remuneration structure of the executives of large companies is today completely different from that of employees whether they are employees or managers. For the vast majority of employees, salary is essentially fixed, ranging from 80% to 90% with a low variable. On the other hand, for large company executives, the variable part of the remuneration is very high. It can reach 70% to 85% of total revenues. As a result, for senior executives, the use of the term compensation or remuneration is more appropriate than that of salary which better fits the reality of the company’s employees and executives.

**Executive’s remuneration model**

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock-options</td>
<td>12%</td>
</tr>
<tr>
<td>Shares</td>
<td>54%</td>
</tr>
<tr>
<td>Long-term remuneration: 66% of total</td>
<td></td>
</tr>
<tr>
<td>Fixed salary</td>
<td>12%</td>
</tr>
<tr>
<td>Bonus</td>
<td>20%</td>
</tr>
<tr>
<td>Others</td>
<td>2%</td>
</tr>
<tr>
<td>Short-term remuneration: 34% of total</td>
<td></td>
</tr>
</tbody>
</table>

(1) Case of a S&P 500, CEO 2015 data
Remuneration: public-private sector

While by and large, the private sector is sometimes less competitive in terms of remuneration than the public sector, this rule applies only to the categories of employees, supervisors, middle and senior managers. It does not concern the category of senior executives.

Remuneration of executives of big private companies is not to be compared to that paid to the executives of public companies and State high officials.

In the public sector, remuneration, including that of senior executives, is regulated and comes within the long term framework with a priority to job security and career.

In the private sector, remuneration policy is less rigid. It obeys the laws of the market only and can therefore be subject to strong fluctuations. The emergence of new activities and the resulting scarcity can propel a sector and its leaders to new heights. This is currently the case for new technologies Google, Facebook, and Microsoft. Financial activity, banking and insurance, is one of the most attractive sectors. Private sector executives enjoy a "risk premium" over their counterparts in the public sector, with perspectives set over the short term rather than the long term.

Remuneration and company size

Being the boss of a small structure or a large company seems, a priori, to be the same job. In fact, that is absolutely not the case. Running a team of less than 10 people or managing several subsidiaries in an international group does not represent the same burden, nor does it require the same skills.

In fact, executive remuneration is correlated with firm size. This observation is particularly true for those with an international dimension. With the increase since the 1960s in the size of companies, particularly in the financial sector, the responsibility of senior executives has steadily increased, pushing up the remuneration. Those of the executive of large enterprises, which were, on average, 20 times the minimum wage in 1965 can, today, reach 200 times and even in some cases 500 times that of the lowest wage paid by the enterprise.

Average net annual salary of a French company per size in 2015

<table>
<thead>
<tr>
<th></th>
<th>Less than 20 employees</th>
<th>From 20 to 49 employees</th>
<th>50 employees or more</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial and insurance activities</strong></td>
<td>106 863</td>
<td>178 452</td>
<td>241 789</td>
<td>125 250</td>
</tr>
<tr>
<td><strong>Scientific and technical activities</strong></td>
<td>68 402</td>
<td>128 879</td>
<td>200 703</td>
<td>95 280</td>
</tr>
<tr>
<td><strong>Information and communication</strong></td>
<td>59 613</td>
<td>101 503</td>
<td>152 284</td>
<td>86 683</td>
</tr>
<tr>
<td><strong>Industry</strong></td>
<td>49 570</td>
<td>88 340</td>
<td>137 656</td>
<td>78 587</td>
</tr>
<tr>
<td><strong>Primarily market services</strong></td>
<td>60 691</td>
<td>94 722</td>
<td>134 856</td>
<td>77 389</td>
</tr>
<tr>
<td><strong>Trade</strong></td>
<td>51 820</td>
<td>84 900</td>
<td>114 717</td>
<td>69 056</td>
</tr>
</tbody>
</table>

*Source: www.insee.fr/fr/statistiques/2381342*
Remuneration and business line

The terms scarcity, shortage, and increased needs are particularly true in certain activities such as finance, communication and new technologies. The surge in wages and/or remuneration in the IT sector has been accounted for by the explosion of needs in robotics, big data, modeling,... Likewise in high finance that has abundant need for high-level leaders capable of brewing huge capital.

Top annual executives’ remuneration by business line, year 2017

<table>
<thead>
<tr>
<th>Sector</th>
<th>Company</th>
<th>Country</th>
<th>Payment (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cosmetics</td>
<td>Estée Lauder</td>
<td>USA</td>
<td>51.03</td>
</tr>
<tr>
<td>Banking</td>
<td>J P Morgan</td>
<td>USA</td>
<td>29.71</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>Pfizer</td>
<td>USA</td>
<td>27.31</td>
</tr>
<tr>
<td>Oil</td>
<td>Chevron</td>
<td>USA</td>
<td>22.88</td>
</tr>
<tr>
<td>Automotive</td>
<td>General Motors</td>
<td>USA</td>
<td>22.40</td>
</tr>
<tr>
<td>Automotive suppliers</td>
<td>Magna</td>
<td>Canada</td>
<td>21.44</td>
</tr>
<tr>
<td>Aeronautics</td>
<td>Lockheed Martin</td>
<td>USA</td>
<td>20.72</td>
</tr>
<tr>
<td>Hotel industry</td>
<td>Hilton</td>
<td>USA</td>
<td>19.88</td>
</tr>
<tr>
<td>Softwares</td>
<td>VMware</td>
<td>USA</td>
<td>18.81</td>
</tr>
<tr>
<td>Insurance</td>
<td>Marsh &amp; McLennam</td>
<td>USA</td>
<td>17.37</td>
</tr>
<tr>
<td>Food industry</td>
<td>Mondelez</td>
<td>USA</td>
<td>15.93</td>
</tr>
<tr>
<td>Airline companies</td>
<td>Delta Air Lines</td>
<td>USA</td>
<td>13.78</td>
</tr>
</tbody>
</table>

(1) Including fixed, variable, valuation of shares and stock options granted for 2017. Excluding pensions and benefits in kind

Source: Capital Magazine of 29/1/2019

No European company executive stands at the top of industry-based pay list.
Remuneration in insurance

Under insurance label, we find companies of different forms and targeting different markets: public limited companies, mutuals with intermediaries, mutuals without intermediaries, tontines, direct insurance companies, reinsurance, brokerage, ...

Most of the market players do not provide extraordinary remuneration to their managers. The mutual sector as a whole, a significant part of the market, is safe from this problematic.

Some limited insurance and reinsurance companies and the large-scale brokerage firms are particularly concerned by the high remuneration of managers. Besides, these are international companies that are among the top leaders in terms of business line.

Insurance : remuneration of the top 10 CEO or GM, year 2017

<table>
<thead>
<tr>
<th>Group</th>
<th>Position</th>
<th>Fixed salary</th>
<th>Variable (1)</th>
<th>Remuneration 2017</th>
<th>Remuneration 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marsh &amp; McLennan</td>
<td>Chief executive officer</td>
<td>1 198 375</td>
<td>13 363 494</td>
<td>14 561 869</td>
<td>13 813 956</td>
</tr>
<tr>
<td>Aon</td>
<td>Chief executive officer</td>
<td>1 284 946</td>
<td>11 230 161</td>
<td>12 515 107</td>
<td>13 366 749</td>
</tr>
<tr>
<td>Prudential</td>
<td>Chairman and chief executive of North American Business Unit,</td>
<td>995 531</td>
<td>9 889 840</td>
<td>10 885 371</td>
<td>8 691 521</td>
</tr>
<tr>
<td>Prudential</td>
<td>Group chief executive</td>
<td>1 247 851</td>
<td>8 597 377</td>
<td>9 845 228</td>
<td>7 794 796</td>
</tr>
<tr>
<td>Zurich Insurance</td>
<td>Group chief executive officer</td>
<td>1 373 743</td>
<td>6 010 439</td>
<td>7 384 182</td>
<td>10 918 800</td>
</tr>
<tr>
<td>Scor</td>
<td>Board chairman and chief executive officer</td>
<td>1 200 000</td>
<td>5 120 020</td>
<td>6 320 020</td>
<td>7 959 350</td>
</tr>
<tr>
<td>Generali</td>
<td>Managing director and CEO</td>
<td>1 400 000</td>
<td>4 786 417</td>
<td>6 186 417</td>
<td>4 400 065</td>
</tr>
<tr>
<td>Allianz</td>
<td>Chairman of the board of management</td>
<td>1 157 000</td>
<td>4 774 000</td>
<td>5 931 000</td>
<td>6 202 000</td>
</tr>
<tr>
<td>Aviva plc</td>
<td>Chief executive officer</td>
<td>1 163 097</td>
<td>3 740 476</td>
<td>4 903 573</td>
<td>4 918 194</td>
</tr>
<tr>
<td>Axa</td>
<td>Chief executive officer</td>
<td>1 450 000</td>
<td>3 208 956</td>
<td>4 658 956</td>
<td>1 721 842</td>
</tr>
</tbody>
</table>

(1) Including various benefits in kind, attendance fees, performance shares and stock options

Source: La tribune de l’assurance, N°238, September 2018
Remuneration-setting rules

Remuneration of corporate executives is not subject to any particular grid, giving free rein to market where competition plays out in full swing.

Each company or group embarks on outbidding tactics by offering a more attractive remuneration than that offered by the competition. The irrational snowball effect triggered by this system sometimes leads to anachronistic situations. Executive remuneration can, therefore, substantially increase while the results obtained by this same leader are deteriorating sharply.

By spending a fortune, companies rely on the optimal candidate to ensure a high “return on investment”. An executive staff, endowed with rich experience, having achieved convincing results in a company of similar size and activity, can be considered as an optimal candidate. A company can also bet on candidates endowed with curriculum, know-how and talent.

Mergers and acquisitions can be a good opportunity for executives to gain higher stature, propelling them into higher dimensions. As a result, size and globalization have an impact on the remuneration policy, with international market rules turning sovereign.

Finally, peer co-optation can also be considered as a criterion for appointment to these exposed positions.
Focus

Who sets remuneration? Who decides what?

"It's not my fault, blame it on the Board." This confession made in the early 2000s by the boss of a large group, criticized for his high pay while his company is in the red, illustrates the embarrassment that hovers over the extremely sensitive subject of pay.

To avoid this kind of misunderstanding, companies have gradually devised a remuneration-setting process whereby a special committee specifically designed to assist and make proposals to the board of directors became in charge of setting remuneration. After examining the proposal submitted to it, the Board generally submits the draft remuneration to the general shareholders' meeting. This process is not without negotiations, bargaining,... In this regard, a director confides: "On sensitive topics, some exchanges were getting rough. There may be pressure from the corporate officer, who argues vehemently to make more money. Board members must be brave enough to say no."

In general, executives are paid by the company according to their corporate mandate. In theory, wages are not an obligation. Several studies have found that the executive's impact on financial results is more or less limited to almost 30%.

Transparency

In the vast majority of countries, remuneration, especially for executives, is traditionally not disclosed to the public. It's a taboo subject that we do not talk about.

However, in recent years under the pressure of the authorities, stock exchanges, unions, employees and other minority shareholders, companies are increasingly forced to report on all salaries including those of the bosses.

For their part, employees are mostly in favor of remuneration transparency even if some companies are not willing to abide by the rules, introducing more clarity in their remuneration policy, which is often discretionary.

In all cases, and for the sake of transparency, the authorities and shareholders are inciting big bosses to publish their remuneration. In the United Kingdom, companies with more than 250 employees are required to publish their salary statistics. In France, the PACTE (Plan d’Action pour la Croissance et la Transformation des Entreprises) law recently passed by Parliament, is supposed to introduce transparency in large companies in addition to those listed on the stock market. In fact, this transparency remains limited as it requires companies with more than 1000 employees in France and 5000 worldwide to publish an annual information note mentioning the average remuneration, the median remuneration, the first quartile remuneration (a quarter of employees who earn less) and that of the third quartile (a quarter of employees earning more). Companies are also required to publish the ratio between the highest and the lowest remuneration.

Total transparency in Sweden where everything is public. A citizen has online access to the salary of any other citizen as well as his declaration of assets, his assets,...

In the United States, where money is the standard for success, big bosses are more willing to publishing their pay. There are, however, huge income gaps between the CEO and the employees. This difference can range from 1 to 300.
### Difference between the highest remuneration of a manager and that of an unskilled worker in France and the United States

<table>
<thead>
<tr>
<th></th>
<th>1979</th>
<th>2012</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>1/40</td>
<td>1/162</td>
<td>1/257</td>
</tr>
<tr>
<td>United States</td>
<td>1/46</td>
<td>1/422</td>
<td>1/312</td>
</tr>
</tbody>
</table>

### Pay gaps worldwide, year 2017

The ranking below based on the gap between the national average income and that of a leader always brings out the United States in the first place, with India, the United Kingdom, South Africa following in descending order.

<table>
<thead>
<tr>
<th>Country</th>
<th>Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 United States</td>
<td>265</td>
</tr>
<tr>
<td>2 India</td>
<td>229</td>
</tr>
<tr>
<td>3 United Kingdom</td>
<td>201</td>
</tr>
<tr>
<td>4 South Africa</td>
<td>180</td>
</tr>
<tr>
<td>5 Netherlands</td>
<td>171</td>
</tr>
<tr>
<td>6 Switzerland</td>
<td>152</td>
</tr>
<tr>
<td>7 Canada</td>
<td>149</td>
</tr>
<tr>
<td>8 Spain</td>
<td>143</td>
</tr>
<tr>
<td>9 Germany</td>
<td>136</td>
</tr>
<tr>
<td>10 China</td>
<td>127</td>
</tr>
<tr>
<td>11 Australia</td>
<td>110</td>
</tr>
<tr>
<td>12 Hong Kong</td>
<td>89</td>
</tr>
<tr>
<td>13 Israel</td>
<td>85</td>
</tr>
<tr>
<td>14 Finland</td>
<td>71</td>
</tr>
<tr>
<td>15 France</td>
<td>70</td>
</tr>
<tr>
<td>16 Denmark</td>
<td>68</td>
</tr>
<tr>
<td>17 South Korea</td>
<td>66</td>
</tr>
<tr>
<td>18 Sweden</td>
<td>60</td>
</tr>
<tr>
<td>19 Japan</td>
<td>58</td>
</tr>
<tr>
<td>20 Singapore</td>
<td>56</td>
</tr>
<tr>
<td>21 Austria</td>
<td>49</td>
</tr>
<tr>
<td>22 Norway</td>
<td>20</td>
</tr>
</tbody>
</table>

**Source:** Global CEO pay Index, published by Bloomberg 2017
Transparency policy does not always showcase rosy perspectives, it also has drawbacks.

**Soaring salaries**

The transparency imposed on senior management has oftentimes prompted higher remuneration instead of slowing it down. By asking big bosses to go public with their remuneration, the authorities hoped to put an end to the abuses, but the outcome proved to be sometimes contrary to expectations. Bosses, with lowest salaries, and who discovered that their colleagues from other companies earned much more than them, lobbied and demanded from their shareholders substantial pay increases. The goal is to win as much or more than their counterparts, hence the relentless skyrocketing remuneration.

**List of the five highest CAC 40 remunerations, year 2018**

<table>
<thead>
<tr>
<th>Name</th>
<th>Year of taking office</th>
<th>Company</th>
<th>Activity</th>
<th>Salary</th>
<th>Variable remuneration</th>
<th>Total remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bernard Charlès</td>
<td>1995</td>
<td>Dassault Systèmes</td>
<td>Computer services</td>
<td>1.590</td>
<td>24.545 including 22.82 of stock option</td>
<td>26.193</td>
</tr>
<tr>
<td>François-Henri Pinault</td>
<td>2005</td>
<td>Kering</td>
<td>Luxury group, clothing and Accessories</td>
<td>1.373</td>
<td>12.562 including 10.236 of stock option</td>
<td>13.954</td>
</tr>
<tr>
<td>Jean-Paul Agon</td>
<td>2006</td>
<td>L’Oréal</td>
<td>Industrial group specializing in cosmetics</td>
<td>2.516</td>
<td>8.384 including 6.051 of stock option</td>
<td>10.900</td>
</tr>
<tr>
<td>Jean-Marc Chery</td>
<td>2005 et 2018</td>
<td>STMicroelectronics</td>
<td>Electronic microchips</td>
<td>0.898</td>
<td>9.379 including 3 of stock option</td>
<td>10.294</td>
</tr>
</tbody>
</table>

In millions USD

Other disadvantages

► firms with full transparency policy have too little flexibility to introduce exceptions to the rule. Moreover, as soon as the pay is revealed, the company has trouble back tracking, which sends it into an inflationary spiral.
► transparency policy requires excellent communication within the company.
► transparency may have adverse effects on the motivation. Executives and managers who consider themselves underpaid can be discouraged and end up quitting the company. This uprising of executives and employees can even create a climate of permanent protest in the company, with transparency turning into a source of conflict.

The benefits of transparency

Even though few companies have made the choice to disclose all their salaries, transparency has undeniable advantages. It introduces a healthy relationship between employees and acts as a brake on glaring inequalities.

Remuneration of senior managers, difficulty in applying transparency

It is extremely difficult to compare disparate elements. Remuneration of big bosses can entail a large number of elements each of which requires a different method of calculation.

The multitude of sources of remuneration, some of which having an immediate or deferred nature, based on performance objectives or not, being temporary or permanent, strains the task of comparing salaries of different bosses.

This variable sources of remuneration includes:
► a fixed annual salary,
► a bonus associated with the achievement of a profit level,
► a bonus associated with qualitative objectives,
► a golden parachute for non-wage-earning managers. This golden parachute is considered as a severance pay,
► stock options whose value is undetermined until these shares have been exercised,
► free shares,
► a housing savings plan,
► benefits in kind: function housing, company car,...
► executives' fees,
► supplementary pension,
► a corporate savings plan.

The transparency imposed on senior management has oftentimes prompted higher remuneration instead of slowing it down.

By asking big bosses to go public with their remuneration, the authorities hoped to put an end to the abuses, but the outcome proved to be sometimes contrary to expectations.
Total executives’ remuneration in some countries in 2017

The amounts shown below reflect the average remuneration (excluding retirement contributions, severance pay or equivalent) of corporate chief executives listed in 2017 in the Dow Jones, FTSE 100, AEX, Euro Stoxx 50, CAC 40 and IBEX 35.

<table>
<thead>
<tr>
<th>Country</th>
<th>Average Annual Remuneration (in millions USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>20.7</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>9.5</td>
</tr>
<tr>
<td>Netherlands</td>
<td>7.1</td>
</tr>
<tr>
<td>Average Europe</td>
<td>6.6</td>
</tr>
<tr>
<td>Germany</td>
<td>6.2</td>
</tr>
<tr>
<td>France</td>
<td>5.9</td>
</tr>
<tr>
<td>Spain</td>
<td>4.1</td>
</tr>
</tbody>
</table>

Conflicts

Remunerations awarded to certain large bosses do not only trigger discomfort within the company, they also shock the public outside, hence sometimes a sense of unjustified enrichment. A population, dragged in the turmoil of a social crisis and faced with structural unemployment tends to believe that it is living in an unjust world. It hardly understands the attribution of such privileges especially when they are granted to senior executives who are disconnected from the company and from the generally applicable salary standards.
Angola

AngoRe: Creation of a national reinsurer in Angola

The Angolan Agency for Regulation and Supervision of Insurance has announced the forthcoming establishment of a national reinsurer company, named AngoRe. Being finalised, the project should be presented to potential shareholders in three months. The roundtable will include the Angolan State as well as local and foreign private investors. AngoRe should increase the retention capacity of the local market.

Cameroon

Premiums 2018 of the Cameroonian insurance market

The total premiums' volume achieved by the Cameroonian insurance market reached 205 billion FCFA (356 million USD) in 2018 compared to 161 billion FCFA (338 million USD) in 2013, that is an increase of 27.4% over five years. However, the insurance penetration rate remains low, of less than 2%.

These figures were revealed by Théophile Gérard Moulong, General Manager of Saham Assurances, during the 2nd edition of "the insurance day", which was held from 29 May to 1 June in Douala. This low penetration rate goes hand in hand with a very high level of non-insurance, even for compulsory covers such as motor third party liability. According to the ASAC President, less than 40% of vehicles are insured in Cameroon.

The company's overall investments amounted to 370.8 billion FCFA (645 million USD) in 2018, representing 2.1% of GDP.

Côte d'Ivoire

Atlantique Assurances launches a new product for cotton producers

Atlantique Assurances, a subsidiary of the Moroccan group Banque Centrale Populaire has launched a new product designed for cotton farmers in Côte d'Ivoire. Named "Atlantique Assur'Coton", the offer is an index-based microinsurance that covers the loss of yield caused by the occurrence of natural disasters such as floods or drought. Farmers who underwrite this cover will benefit from compensation per hectare in the event of a loss.

This new offer is launched in partnership with the International Finance Corporation (IFC) and Mamda Ré.

Gabon

SCG-Ré: Results 2018

Despite one of the most difficult business environment, the Société Commerciale Gabonaise de Réassurance (SCG-Ré) achieved a turnover of 12.88 billion FCFA (22.41 million USD) in 2018, compared with 12.27 billion FCFA (22.45 million USD) in 2017, a 5% increase. The incurred losses sharply declined by 26.49%.

Despite these good technical performances, the net result fell by almost 30%, from 1.21 billion FCFA (2.21 million USD) in 2017 to 870 million FCFA (1.51 million USD) in 2018. SCG-Ré also recorded a decrease in its financial investments by 21%. Meanwhile, the shareholder's equity increased by 10.6% from 8.11 billion FCFA (14.84 million USD) in 2017 to 8.97 billion FCFA (15.60 million USD) in 2018.

Nigeria

Capital increase for insurance and reinsurance companies

The National Insurance Commission (NAICOM) published a new circular on 20 May, increasing the minimum paid-up capital of insurance and reinsurance companies. The new regulations stipulate that:

- For life insurance companies, the minimum paid-up capital will increase to 8 billion NGN (22.2 million USD) against 2 billion NGN (5.5 million USD) currently.
- For non-life insurance companies, the minimum capital threshold is expected to reach 10 billion NGN (27.6 million USD) against 3 billion NGN (8.3 million USD) currently.
- For composite companies (life and non-life) the minimum paid-up capital will be raised to 18 billion NGN (49.7 million USD) against 5 billion NGN (13.8 million USD) currently.
- For reinsurance companies, the minimum paid-up capital will increase from 10 to 20 billion NGN (27.6 to 55.3 million USD).

These new capitalization requirements will come into effect as of June 30, 2020 for the existing companies and are applicable since May 20, 2019, date of publication of the circular for the new companies. It should be recalled that in December 2018, NAICOM gave up a previous recapitalisation, following the refusal of insurers who had filed a lawsuit against the Commission.
Republic of Congo

Consolidation of the Congolese insurance intermediary market

The ministry of finance, the regulatory authority of the Congolese market, has established a new list of intermediaries authorized to practise insurance activities. The updated list of about 30 brokers was sent to the control commission and insurance companies operating in the Congo. According to a circular note published on May 8, 2019, "no insurance company is authorized to underwrite insurance contracts via brokers other than those mentioned on the new list, otherwise, it will be subject to penalties according to article 312 of the insurance code."

A stricter control and a better enforcement of laws and regulations on the underwriting of insurance policies are also considered. The supervisory authority intends thus to clean up the insurance market and reduce fraud.

Rwanda

Bank of Kigali to acquire Sonarwa

Bank of Kigali intends to purchase the local insurance company Société Nouvelle d’Assurances du Rwanda (Sonarwa). Discussions have been underway for a while and would result in an acquisition transaction by the end of 2019. Created in 1975, Sonarwa covers a variety of risks such as aviation, motor and marine. The company, whose main shareholder is the Nigerian group General Insurance with 35% of shares, manages more than 14 billion RWF (15.68 million USD) of assets.

Togo

CICA-RE: Capital increase

The Compagnie Commune de Réassurance des États membres de la CIMA (CICA-RE) will increase its capital by 20 billion FCFA (34.8 million USD) by 2020, from 30 billion FCFA (52.2 million USD) to 50 billion FCFA (87 million USD). In order to achieve this increase, the reinsurer intends to approach potential investors. As from January 2020, CICA-RE will benefit from a legal cession of 5% on all the direct business of the insurance companies of the CIMA zone, excluding health and life savings.

CICA-RE will, for its part, cover the claims of these companies up to 5%.

Uganda

Kenya Re to get settled in Uganda

Kenya Re intends to strengthen its presence in East Africa through the establishment of a subsidiary in Uganda. It is during the next annual general meeting, scheduled for June 14, 2019, that the reinsurer will unveil the financial and regulatory terms of the new entity. Kenya Re is already present in Uganda through a share of 11.5% in the capital of Uganda Re. According to Jadiah Mwarania, CEO of Kenya Re, the company has been penalized in recent years by the creation of State-owned reinsurers and by the domiciliation of premiums in several markets such as Uganda, Ethiopia, Zimbabwe, Ghana, Sri Lanka, Nepal and Vietnam. To address these constraints, the reinsurer plans to create regional offices and conquer new markets in North Africa, the Middle East and Asia.
India

The license of ITI Re cancelled

The Insurance Regulatory and Development Authority of India (IRDAI) has withdrawn the license granted three years before to ITI Re, the first Indian private reinsurer. According to the market regulator, this decision is accounted for by the inability of ITI Re to start its activities within the set deadlines. Created in December 2016, ITI Re had a period of two years to begin its underwritings.

GIC Re remains, therefore, the only Indian reinsurance company. The market however counts several foreign reinsurers operating from locally created structures. This is the case of Munich Re, Swiss Re, Hannover Re, Scor and RGA.

Indonesia

Indonesian company exchanges waste for health insurance

Garbage Clinical Insurance (GCI), a microinsurance company has launched an innovative health coverage designed to low-income Indonesians. The health insurance is paid by means of garbage which is first collected and then brought to the Garbage Clinical Insurance.

The waste is then, valued by the domestic waste management companies. In return, the individual, taking part in this program, is provided with a medical health insurance, given access to healthcare, rehabilitative healthcare, in-clinic counselling and laboratory checks.

The innovative idea was put forward by a group of Indonesian students with the objective of helping the people in need. According to The Guardian, nearly 60% of the population do not benefit from a health coverage.

Moreover, generating 200 000 tons of garbage every day, Indonesia is one of the major countries responsible for the oceans’ plastic pollution.

Philippines

AIA Group to invest 58 million USD in its subsidiary Philam Life

AIA Group plans to invest, over the next three years, 3 billion PHP (60 million USD) in its subsidiary Philam Life (Philippines). The funds will be used to expand the business base of the life insurer and develop its distribution network.

The investment will allow to recruit and train 5 000 full-time financial advisors. The 8 000 employees already in office will also benefit from the training programmes.

AIA Group intends to take full advantage of the potential offered by the Philippines, a country with an insurance penetration rate below 2%.

Thailand

Compulsory health insurance for foreigners over 50 years visiting Thailand

People aged 50 years and above wishing to have a long stay in Thailand will have to comply with the requirements of the new immigration regulations. The latter requires the underwriting of a health insurance cover for any long-stay visa application.

The cover must be of 40 000 THB (1 264 USD) for ambulatory treatment and of 400 000 THB (12 600 USD) maximum for hospital treatment.

The measure introduced aims at ease the financial burden of public health care bodies, overwhelmed by the management of foreign patients who do not have any sufficient resources.

The government has established a first list of countries whose citizens will have to present an insurance policy. Insurance policies underwritten outside the country are accepted.
Algeria

The net profit of Alliance Assurances on the rise by 7%

In 2018, the Algerian insurer Alliance Assurance reported a net profit worth 462 million DZD (3.86 million USD), increasing by 7%.

For its part, the turnover grew by 4.2% at 5 billion DZD (41.84 million USD) against 4.8 billion DZD (41.92 million USD) in 2017. The agreed dividend to be paid out is worth 45 dinars DZD (0.38 USD) per share, that is a global amount of 261.2 million DZD (2.19 million USD).

CAARAMA Assurance launches «Sihati»

CAARAMA Assurance puts on the market a new product called "Sihati". It is a health insurance product designed for individuals and their families. The offer is available in three ranges: Silver, Gold and Platinium and targets a large audience among whom employees, non-employees, liberal professionals, traders and artisans and even people without social security. The compensation limit varies according to the underwritten coverage. It can thus reach up to 300 000 DZD (2510 USD) for the Silver range, 500 000 DZD (4184 USD) for the Gold range and 800 000 DZD (6694 USD) for the Platinium one. Two underwriting formulas are offered to customers. The individual formula at 600 DZD (5 USD) in premium per month and the family formula at 500 DZD (4.1 USD) in premium per month and per member. For a group underwriting, a 20% discount on the premium is granted.

Morocco

Results 2018 of the Moroccan insurance market

According to the Moroccan federation of insurance and reinsurance companies (FMSAR), the turnover of the Moroccan insurance market amounted to 41.345 billion MAD (4.323 billion USD) in 2018, against 38.966 billion MAD (4.149 billion USD) in 2017, an increase of 6.1%. This performance follows three years of a two-digit market evolution.

Non-life insurance reported 23.155 billion MAD (2.421 billion USD) in written premiums with an annual growth of 5.3%. This performance is higher than that of 2017 set at 4.7%. Non-life insurance accounted for 56% of the market.

As for life and capitalization activity, it recorded 18.19 billion MAD (1.901 billion USD) in premiums, up by 7.1% compared to 2017. This growth rate is in sharp decline compared to the 35.4% achieved between 2016 and 2017.

The ranking of companies remains unchanged. Wafa Assurance still at the top with a turnover of 8.371 billion MAD (875 million USD) and a market share of 20%. The Royale Marocaine d'Assurance comes second with a turnover worth 6.543 billion MAD (684 million USD) and a market share of 15.8%. Saham Assurance ranks third with 5.223 billion MAD (546 million USD) in premiums and a market share of 12.6%. It should be noted that these three companies alone account for almost half of the market premiums (48.4%).

26th FAIR Conference

Morocco will host the 26th Conference of the Federation of Afro-Asian Insurers and Reinsurers (FAIR). Organised by the Société Centrale de Réassurance (SCR), the meeting will be held from 23 to 25 September 2019 in Marrakech under the theme: "the new economic barriers to the insurance of Afro-Asian markets". More than 1000 insurance, reinsurance and finance professionals from Asia, Africa and Europe will take part in this biennial event.

It is recalled that SCR has been managing the activities of the FAIR Aviation pool since its inception in 1989.

Tunisia

The Tunisian insurance market in 2018

According to the Tunisian federation of insurance and reinsurance companies (FMT), the turnover of the Tunisian insurance market amounted to 2228.2 million TND (740 million USD) in 2018, increasing by 6.7% compared to 2017. The activity is dominated by motor insurance which recorded 975.5 million TND (324 million USD) of premiums, that is a market share of 43%.

On the rise by 13.1%, life insurance ended the year with 500.6 million TND (166 million USD) in premiums' collection, representing a market share of 22.46%. All other non-life classes of business accounted for 34.54% of the 2018 turnover.

The total number of the underwritten contracts amounted to 2 556 974, an increase of 4.1%. Investments reached 5 437.5 million TND (1 806 million USD), up by 11.2% in comparison with 2017.
Bahrain
Arig to cease its activity
The board of directors of Arab Insurance Group (Arig) has decided to cease its underwriting activities. This decision is yet to be approved by the Bahraini authorities.
Founded in 1980, Arig’s shareholders involve the Emirati, Libyan and Kuwaiti governments along with other private investors. In 2018, the company recorded a turnover of 262.7 million USD, compared to 225.6 million USD in 2017.

Egypt
Compulsory motor insurance tariffs for electric and hybrid cars in Egypt
The Financial Regulatory Authority (FRA) has released the compulsory motor insurance tariffs for electric and hybrid cars in Egypt.
The insurance premium for a passenger car is 12 EGP (0.71 USD) per month and 120 EGP (7.12 USD) per year. For commercial vehicles and trailers, an additional premium is set according to the weight. The premium for cars with provisional license plates is 120 EGP (7.11 USD) per month, 150 EGP (8.89 USD) for two months and 200 EGP (11.86 USD) for three months.
For taxis, buses, and tourist cars boarding up to seven people, compulsory insurance is charged to the number of passengers.
For electric or hybrid motorcycles, the insurance costs 10 EGP (0.59 USD) per month or 100 EGP (5.93 USD) per year. The premium is higher for a vehicle with a cylinder capacity exceeding 500 cc, a quad bike or a tricycle.
The financial intermediation and insurance activities are the most highly paid in Egypt
According to Central Agency for Public Mobilization and Statistics (CAPMAS) the financial intermediation and insurance sectors provide their employees with the best wages in Egypt.
Their average weekly wage reached 3.289 EGP (183.4 USD) in 2018 compared to 3.106 EGP (174.4 USD) in 2017.
In Egypt the average weekly wage, all activities combined, is of 1.104 EGP (61.5 USD) per week for employees in both public and private sectors.

Kuwait
Suspension lifted for three insurers in Kuwait
The supervisory authority has proceeded to the lifting of sanctions for three insurance companies:
- Aman Takaful Insurance
- Dar Al Salaam Takaful Insurance
- Kuwait-Qatari Insurance
The three companies concerned were suspended from activity for non-payment of their supervision and monitoring fees.

A.M. Best affirms the A- rating of Kuwait Re
A.M. Best has affirmed the Financial Strength Rating of A- (Excellent) and the Long-Term Issuer Credit Rating of “a-” of Kuwait Reinsurance Company with a stable outlook. The agency’s rating is based on the balance sheet strength, the quality of the operating performance, the neutrality of the business profile and the efficiency of the company’s risk management. A.M Best has also acknowledged the company’s suitable capitalization, its good profitability and the decrease of the volatility of the technical results. According to A.M. Best, Kuwait Re’s portfolio is well-diversified geographically and by class of business.

Oman
Omani insurance market: Results 2018
The Capital Market Authority (CMA) has released the results of the Omani insurance market for 2018. The total direct premiums in the Sultanate reaches 463.5 million OMR (1.2 billion USD) against 451.5 million OMR (1.17 billion USD) in 2017, thus increasing by 2.6%. Despite a critical economic and political situation, the market has maintained a stable growth rate during the last four years. For the record, it is the first time that the health insurance surpasses the motor activity with 152 million OMR (394 million USD) in premiums and a 33% market share. The health business’s premiums grew by more than 30% between 2011 and 2018. This mainly results from the increase in demand in the private sector. With 145 million OMR (375 million USD) of premium collection, the motor activity contributes up to 31% of subscriptions.
The Takaful insurance records 53 million OMR (137 million USD) in premiums, rising by 17% compared to 2017. The insurance sector contribution to Gross Domestic Product (GDP) decreases to 1.52% in 2018 compared to 1.63 one year before.
**Saudi Arabia**

**Walaa Insurance to increase its capital**

The Capital Market Authority (CMA) has authorized Walaa Cooperative Insurance to increase its capital from 440 million SAR (117 million USD) to 528 million SAR (140 million USD). This increase shall be made by transferring 88 millions SAR (23 millions USD) from the retained earnings.

In late 2018, the company recorded a turnover of 1 105 million SAR (294 million USD) against 1 102 million SAR (293 million USD) a year before. The net profit of 2018 amounted to 114 million SAR (30 million USD) compared to 148 million SAR (39 million USD) in 2017.

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**United Arab Emirates**

**Autonomous vehicles will represent 25% of Dubai’s fleet**

With its new “self-driving transport strategy”, Dubai intends to replace 25% of its fleet with autonomous vehicles by 2030.

It is the Roads and Transport Authority (RTA) which is responsible for implementing this project. The RTA's mission is to:

- study the technical aspects and standards applicable to autonomous vehicles,
- set up the necessary infrastructure for this type of vehicle,
- enforce the regulation.

The 25% rate of autonomous vehicles will allow Dubai to achieve 22 billion AED (5.98 billion USD) of annual savings. To reach this objective, the Emirate intends to achieve substantial savings through a better transport efficiency, a reduction in the number and cost of accidents and a decrease in pollution taxes.
France

AG2R La Mondiale and Matmut part way

"AG2R La Mondiale Matmut", the insurance and social protection group, born from the rapprochement between AG2R La Mondiale and Matmut, breaks down. The two entities have launched the separation process, due to different vision and methods. This decision was jointly taken during an extraordinary meeting of the board. The Union will have last a few months only. Concluded in January 2019, this rapprochement would lead to the creation of a major player in French and global insurance.

Italy

Generali sells the portfolio of its British life insurance branch to RGA

Generali has signed an agreement to sell the life run-off portfolio of it British branch, worth 680 million EUR (758.82 million USD) by the end of 2018, to Reinsurance Group of America (RGA). Thanks to this transaction, the amount of which has not been disclosed, Generali’s solvency will improve by one point.

In less than a year, the Italian insurer cedes its second life portfolio. In April 2019, Generali finalized the sale of Generali Leben in favour of Viridium. The transaction included 89.9% of the capital of the German subsidiary. This transaction enabled Generali to improve its solvency by 2.6 points. According to Moody’s rating agency, the European life insurance market is expecting many mergers and acquisitions. The solvency of insurers under pressure and the low interest rates lead to the market concentration.

In 2018, two major merger-acquisition operations took place in the UK: the acquisition of Rothesay Life by Prudential for 12 billion GBP (16.8 billion USD) and the sale of Standard Life Aberdeen to Phoenix Group for 3.28 billion GBP (4.25 billion USD).

Slovenia

Sava Re Group: 2019 first quarter results

Sava Insurance Group and Sava Re Company d.d. have published their financial results ending March 31st, 2019.

The gross written premiums of Sava Insurance Group have reached 171.6 million EUR (192 million USD) increasing by 2.8% compared to the same period of last year. The net result amounted to 10.9 million EUR (12.2 million USD), thus increasing by 135.7%. The net combined ratio improved by 3.2 points at 94.3%. The loss ratio attained 60.1%.

As for the reinsurance activity, managed by Sava Re Company d.d., the turnover reached 59.2 million EUR (66.4 million USD) rising by 4.3%. The company reported a net result of 37.7 million EUR (42.2 million USD) up by 161.6%. In contrast, the combined ratio decreased by 4.3 points at 96.8%. The loss ratio reached 63.6% for the first quarter of 2019.

United Kingdom

The Lloyd’s: Digitization at the heart of the strategy

On the 1st of April 2019, the Lloyd’s of London revealed its new modernization plan. The objective is to improve the underwriting and risk management processes while providing the customers and the insured with a high technology service.

To achieve this objective, the Lloyd’s strategy was established upon six pillars:
- a platform for the underwriting and management of complex risks,
- a platform for the underwriting and management of less complex risks,
- a platform capable of offering the insured insurance solutions in minutes,
- a "Syndicate-in-a-Box "solution which allows syndicates to launch new products and activities on the market,
- a platform for risk management,
- a global system of services open to the overall market.

The implementation of this modernization policy shall start in October 2019.
### Bahrain 2017

#### Turnover per type of company: 2016-2017

<table>
<thead>
<tr>
<th></th>
<th>Turnover 2017</th>
<th>Turnover 2016</th>
<th>2016-2017(^{(1)}) evolution</th>
<th>2017 market shares</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In BHD</td>
<td>In USD</td>
<td>In BHD</td>
<td>In USD</td>
</tr>
<tr>
<td><strong>Traditional companies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>154 564</td>
<td>343 771</td>
<td>159 841</td>
<td>405 460</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Takaful companies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>62 403</td>
<td>138 792</td>
<td>60 430</td>
<td>153 290</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total national companies(^{(2)})</strong></td>
<td>216 967</td>
<td>482 563</td>
<td>220 271</td>
<td>558 750</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Foreign companies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>51 722</td>
<td>115 036</td>
<td>51 772</td>
<td>131 325</td>
<td></td>
</tr>
<tr>
<td><strong>Grand total</strong></td>
<td>268 689</td>
<td>597 599</td>
<td>272 043</td>
<td>690 075</td>
</tr>
</tbody>
</table>

Figures in thousands

Exchange rate as at 31/12/2017: 1 BHD = 2.22413 USD; at 31/12/2016: 1 BHD = 2.53665 USD

\(^{(1)}\) Change in local currency

\(^{(2)}\) Traditional companies and takaful companies

#### Breakdown of 2017 turnover per type of company

- **Traditional companies** 57.53\%
- **Takaful companies** 23.22\%
- **Foreign companies** 19.25\%
Bahraini market : Turnover per class of business: 2016-2017

<table>
<thead>
<tr>
<th>Class of Business</th>
<th>2017 turnover (In BHD)</th>
<th>2017 turnover (In USD)</th>
<th>2016 turnover (In BHD)</th>
<th>2016 turnover (In USD)</th>
<th>2016-2017 evolution</th>
<th>2017 market shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire</td>
<td>22 144</td>
<td>49 251</td>
<td>28 392</td>
<td>72 021</td>
<td>-22.01%</td>
<td>8.24%</td>
</tr>
<tr>
<td>Property damage</td>
<td>5 620</td>
<td>12 500</td>
<td>5 705</td>
<td>14 472</td>
<td>-1.49%</td>
<td>2.09%</td>
</tr>
<tr>
<td>Marine</td>
<td>4 947</td>
<td>11 003</td>
<td>5 436</td>
<td>13 789</td>
<td>-9.00%</td>
<td>1.84%</td>
</tr>
<tr>
<td>Aviation</td>
<td>1 478</td>
<td>3 287</td>
<td>530</td>
<td>1 344</td>
<td>178.87%</td>
<td>0.55%</td>
</tr>
<tr>
<td>Motor</td>
<td>80 909</td>
<td>179 952</td>
<td>78 879</td>
<td>200 088</td>
<td>2.57%</td>
<td>30.11%</td>
</tr>
<tr>
<td>Engineering</td>
<td>16 305</td>
<td>36 265</td>
<td>18 092</td>
<td>45 893</td>
<td>-9.88%</td>
<td>6.07%</td>
</tr>
<tr>
<td>Third party liability</td>
<td>6 166</td>
<td>13 714</td>
<td>6 217</td>
<td>15 770</td>
<td>-0.82%</td>
<td>2.29%</td>
</tr>
<tr>
<td>Health</td>
<td>66 264</td>
<td>147 380</td>
<td>62 108</td>
<td>157 547</td>
<td>6.69%</td>
<td>24.66%</td>
</tr>
<tr>
<td>Others</td>
<td>12 434</td>
<td>27 653</td>
<td>15 064</td>
<td>38 209</td>
<td>-17.45%</td>
<td>4.64%</td>
</tr>
<tr>
<td>Total non life</td>
<td>216 267</td>
<td>481 005</td>
<td>220 423</td>
<td>559 133</td>
<td>-1.88%</td>
<td>80.49%</td>
</tr>
<tr>
<td>Total life</td>
<td>52 422</td>
<td>116 594</td>
<td>51 620</td>
<td>130 942</td>
<td>1.55%</td>
<td>19.51%</td>
</tr>
<tr>
<td>Grand total</td>
<td>268 689</td>
<td>597 599</td>
<td>272 043</td>
<td>690 075</td>
<td>-1.23%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Exchange rate as at 31/12/2017 : 1 BHD = 2.22413 USD; at 31/12/2016 : 1 BHD = 2.53665 USD

Breakdown of 2017 turnover per class of business

Source: Central Bank of Bahrain
Rwanda

42nd OESAI (Organisation of Eastern & Southern Africa Insurers) Annual conference
From 25 to 28 August 2019, Kigali, Rwanda
Contact: Chipo S Mapungwana
Tel: +263 (0)778702051
Email: marketing@oesai.org
Website: www.oesai.org

Singapore

11st Bancassurance Asia Summit 2019
From 26 to 29 August 2019, Singapore
Website: www.equip-global.com/11th-bancassurance-asia-summit-2019

Maroc

26th Conference of the Federation of Afro-Asian Insurers and Reinsurers (FAIR)
From 23 to 25 September 2019, Marrakech
Thème: « The new economic barriers to the insurance of Afro-Asian markets »
Website: www.fair2019.com
Bermuda

Qatar Re

Michael van der Straaten has been appointed CEO of Qatar Re. He joined the company in 2016 where he served as Chief Underwriter Officer and later acting executive officer following the departure of Gunther Saacke, former CEO of Qatar RE. The Bermudan reinsurer has also appointed Pantelis Koulovasiopoulos Chief Underwriter Officer (CUO), long tail & specialty classes.

Egypt

Misr insurance

Appointment of Moumen Moukhtar as board chairman of Misr insurance, taking over from Hussein Atallah.

France

SCOR global P&C

John Jenkins has been appointed CEO of P&C Reinsurance Operations in the Americas. He previously held the position of Chief Underwriting Officer, P&C Treaty for the Americas. Frank Coglianese has been nominated Chief Underwriting Officer, P&C Treaty for the Americas. He takes over from J. Jenkins. Nick Nudo has become Chief Underwriting Officer for US P&C Treaty. Maura Haynes is henceforth Senior Vice President, Team Leader of General Liability US Treaty.

Saudi Arabia

Saudi Re

Abdelfattah Chami has been appointed Chief Underwriting Officer (CUO) at Saudi Re. A. Chami, who has more than twenty years of experience in the reinsurance sector, previously held the position of Head of Non-Life underwriting. Prior to joining Saudi Re, A. Chami worked with other reinsurance companies such as Gulf Re and Hannover Re.

World

Insurance Europe

Frédéric de Courtois, General Manager of Generali Group, has been elected Vice-President of Insurance Europe, the insurance and reinsurance federation, for a three-year term. He succeeds Torbjörn Magnusson, CEO of Sampo Insurance group. F. de Courtois will continue to work for Generali.