Market consolidation

The M&A market, all activities combined, reached record highs in 2021, with no less than 130 mega deals having been reported.

With 14% of the capital raised, investment funds are at the forefront of a vast movement to reshape the global economy.

The hope of a post-Covid-19 recovery was unfortunately short-lived. A few days after Russia invaded Ukraine on 24 February 2022, the IMF announced that the sanctions resulting from the armed conflict would have a significant impact on the global economy. The business and insurance world is entering a new phase of uncertainty.

Although this is not the first time that a geopolitical crisis has led to international imbalances, for many analysts, the Ukraine-Russia conflict is not just a casual phenomenon. Coming right after the health crisis that highlighted the fragility and dependence of certain powers, the conflict in Central Europe could mark the end of the globalization that has dominated the economic scene for the past three decades.

It is no longer time to conquer new markets or territories. Companies are more concerned with securing their investments than with expansion. In insurance business, many companies are limiting their international commitments, withdrawing into their immediate territories or environment. With the return of inflation, rising interest rates and high volatility in the financial markets, some investors are even reluctant to finalize pending transactions.

The race for competitive edge and the optimization of portfolios will result in M&A transactions targeted at limited territories and activities.

Sanlam’s takeover of Allianz’s African network fits perfectly into this logic. The South African giant is withdrawing from certain non-strategic European markets to focus on Africa, a continent it dominates head and shoulders.
London market: uncertain outlook and significant devaluation

The Bank of America (BofA) has warned investors to be wary of losses in the London market. The outlook for insurers and reinsurers will remain uncertain for some time due to the large exposure to risks related to the Russian-Ukrainian conflict.

According to the bank’s forecasts, results for Q2 2022 will be affected by the increase in loss experience in the political risk, credit, aviation and marine activities. Added to this is the cost of natural disasters in 2022. Nonetheless, the bank says the situation is largely manageable for the London market.

48th Conference and 50th Anniversary of the African Insurance Organization

The 48th Annual Conference and General Assembly of the African Insurance Organization (AIO) will be held from 25 to 30 June 2022 in Nairobi, Kenya.

At the same time, the Executive Committee will celebrate the 50th anniversary of AIO. The theme of the 48th conference is “Insurance and Climate Change: Harnessing Growth Opportunities in Africa”. The pan-African meeting will bring together more than 1,000 delegates from the insurance world including regulators, reinsurers, brokers and insurers.

The organization’s anniversary will be celebrated on 27 June 2022.

To register, interested parties are invited to visit the following website: https://africaninsurence-events.org/Home/en/61d5402e44a45.

Electric vehicles: 50% growth expected in 2022

Allianz expects the number of electric vehicles (EVs) to double by 2022. By then, EVs will represent 12% of the global market, an increase of four points compared to 2021.

In 2021, global investment in electric transportation will represent 36% of the total investment in the energy transition. In some countries, such as Germany and the United Kingdom, this rate exceeds 50%.

The number of electric vehicles sold worldwide will reach 6.75 million units by 2021. China will account for almost 50% of sales with 3.33 million units sold. During the same period, Europe sold 2.33 million EVs, while the United States sold only 607,567 EVs.

By 2030, light electric vehicles are expected to account for 50% of automotive market sales. However, the automotive industry could face a shortage of lithium, an essential material for battery manufacturing.


Top 10 most valued insurers in the Middle East

Brand Finance has published its annual “Brand Finance Middle East 150” ranking of the best insurers in the Middle East according to their valuation.

In 2022, ten insurers figured among the top 150 companies in the region.

Bupa Arabia has been selected as the first insurance brand with a valuation of 664 million USD.

Click to read more: https://www.atlas-mag.net/en/article/top-10-most-valued-insurers-in-the-middle-east

Most popular articles on www.atlas-mag.com

Atlas Magazine monthly offers you the top most popular articles on the website: www.atlas-mag.com

1. Top 15 insurers in Belgium according to 2020 turnover
2. Top 10 most valued insurers in the Middle East
3. Sanlam and Allianz establish a joint venture in Africa
4. War risk insurance
5. Dakar hosts the 46th General Assembly of FANAF
6. AM Best revises Dubai Insurance Company’s outlook upward
A company, a story
Qatar Insurance Group (QIC)

Date of creation: 1964, Doha, Qatar
Classes of business: Life and non-life insurance, reinsurance, funds management, ...
Rating: Standard & Poor’s: A / Negative
A.M Best: A / Negative
Regional and international structures:
More than 35 entities in 11 countries in Europe, Asia, the Middle East and North America

Qatar Insurance Group
Is, in 2021:
• a share capital of 892,135,000 USD
• a turnover of 3,454,519,000 USD
• assets of 11,934,254,000 USD
• a shareholder’s equity of 2,326,655,000 USD
• a net result of 172,167,000 USD
• a net non-life loss ratio of 68.81%
• a net non-life management expenses ratio of 34.4%
• a net non-life combined ratio of 103.21%

Management
Khalifa A. Al Subaey
Chairman of the Board of Directors & General Manager
Salem Khalaf Al Mannai
Group CEO
Varghese David
Group Chief Financial Officer (CFO)
C. M. Unnikrishnan
Deputy CEO - MENA
Ahmed El Tabbakh
Deputy CEO - international affairs
Mark Graham
Group Chief Risk Officer (CRO)
Chirag Doshi
Group Chief Investment Officer

Contact
Head office: Qatar Insurance Company, Tamin Street, West Bay PO Box: 666 Doha, Qatar
Phone: +974 44962222
Fax: +974 4 4831569
E-mail: info@qicgroup.com.qa
Website: www.qatarinsurance.com
Shareholding as at 31/12/2021

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government of Qatar</td>
<td>14.11%</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>8.91%</td>
</tr>
<tr>
<td>The Royal Family of Qatar</td>
<td>12.62%</td>
</tr>
<tr>
<td>Foreign institutional investors</td>
<td>7.63%</td>
</tr>
<tr>
<td>Others</td>
<td>56.73%</td>
</tr>
</tbody>
</table>

Main technical highlights: 2017 - 2021

<table>
<thead>
<tr>
<th>Highlights</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross written premiums</td>
<td>3 179 210</td>
<td>3 460 932</td>
<td>3 520 697</td>
<td>3 324 728</td>
<td>3 454 519</td>
</tr>
<tr>
<td>Gross non-life written premiums</td>
<td>2 811 117</td>
<td>3 102 324</td>
<td>3 159 027</td>
<td>3 194 077</td>
<td>3 342 413</td>
</tr>
<tr>
<td>Gross life and health written premiums</td>
<td>368 093</td>
<td>358 608</td>
<td>361 670</td>
<td>130 651</td>
<td>112 106</td>
</tr>
<tr>
<td>Net written premiums</td>
<td>2 604 170</td>
<td>2 967 623</td>
<td>3 042 560</td>
<td>2 221 845</td>
<td>2 323 313</td>
</tr>
<tr>
<td>Net non-life written premiums</td>
<td>2 256 536</td>
<td>2 635 551</td>
<td>2 707 041</td>
<td>2 159 239</td>
<td>2 222 793</td>
</tr>
<tr>
<td>Net earned premiums</td>
<td>2 434 746</td>
<td>3 115 036</td>
<td>2 969 380</td>
<td>2 430 060</td>
<td>2 362 738</td>
</tr>
<tr>
<td>Net non-life earned premiums</td>
<td>2 081 684</td>
<td>2 782 960</td>
<td>2 650 456</td>
<td>2 360 054</td>
<td>2 275 933</td>
</tr>
<tr>
<td>Net non-life incurred losses</td>
<td>1 629 756</td>
<td>1 862 547</td>
<td>1 807 721</td>
<td>1 946 300</td>
<td>1 566 132</td>
</tr>
<tr>
<td>Non-life management expenses</td>
<td>654 395</td>
<td>898 723</td>
<td>950 171</td>
<td>723 585</td>
<td>764 566</td>
</tr>
<tr>
<td>Net non-life loss ratio (2)</td>
<td>78.29%</td>
<td>66.93%</td>
<td>68.20%</td>
<td>82.47%</td>
<td>68.81%</td>
</tr>
<tr>
<td>Management expenses ratio (3)</td>
<td>29.00%</td>
<td>34.10%</td>
<td>35.10%</td>
<td>33.51%</td>
<td>34.40%</td>
</tr>
<tr>
<td>Net non-life combined ratio (4)</td>
<td>107.29%</td>
<td>101.03%</td>
<td>103.30%</td>
<td>115.98%</td>
<td>103.21%</td>
</tr>
<tr>
<td>Net result</td>
<td>115 513</td>
<td>182 347</td>
<td>183 918</td>
<td>34 352</td>
<td>172 167</td>
</tr>
</tbody>
</table>

(1) General and administrative expenses concern the group’s total activity
(2) Net non-life loss ratio = non-life incurred losses / net non-life earned premiums
(3) Net non-life management expenses ratio = management expenses / Net non-life reinsurance written premiums
(4) Net non-life combined ratio = net non-life loss ratio + net non-life management expenses ratio

Exchange rate as at 31/12/2021: 1 QAR = 0.27315 USD; 31/12/2020: 1 QAR = 0.27248 USD; 31/12/2019: 1 QAR = 0.27413 USD
at 31/12/2018 1 QAR = 0.27455 USD; at 31/12/2017: 1 QAR = 0.27269 USD
Turnover breakdown per class of business: 2017-2021

<table>
<thead>
<tr>
<th>Class of business</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2021 shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property damage and accidents</td>
<td>2 522 175</td>
<td>2 862 464</td>
<td>2 907 158</td>
<td>2 928 761</td>
<td>3 099 459</td>
<td>89.72%</td>
</tr>
<tr>
<td>Marine and aviation</td>
<td>288 942</td>
<td>239 860</td>
<td>251 869</td>
<td>265 316</td>
<td>242 954</td>
<td>7.03%</td>
</tr>
<tr>
<td>Total non-life</td>
<td>2 811 117</td>
<td>3 102 324</td>
<td>3 159 027</td>
<td>3 194 077</td>
<td>3 342 413</td>
<td>96.75%</td>
</tr>
<tr>
<td>Life and health</td>
<td>368 093</td>
<td>358 608</td>
<td>361 670</td>
<td>130 651</td>
<td>112 106</td>
<td>3.25%</td>
</tr>
<tr>
<td>Grand total</td>
<td>3 179 210</td>
<td>3 460 932</td>
<td>3 520 697</td>
<td>3 324 728</td>
<td>3 454 519</td>
<td>100%</td>
</tr>
</tbody>
</table>

2021 turnover breakdown per class of business

![Pie chart showing turnover breakdown per class of business]

Turnover breakdown by area of activity: 2017-2021

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2021 shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>International market</td>
<td>2 744 480</td>
<td>2 986 465</td>
<td>3 005 511</td>
<td>2 998 071</td>
<td>3 090 286</td>
<td>89.46%</td>
</tr>
<tr>
<td>Qatar</td>
<td>434 730</td>
<td>474 467</td>
<td>515 186</td>
<td>326 657</td>
<td>364 233</td>
<td>10.54%</td>
</tr>
<tr>
<td>Total</td>
<td>3 179 210</td>
<td>3 460 932</td>
<td>3 520 697</td>
<td>3 324 728</td>
<td>3 454 519</td>
<td>100%</td>
</tr>
</tbody>
</table>

Exchange rate as at 31/12/2021: 1 QAR = 0.27315 USD; 31/12/2020: 1 QAR = 0.27248 USD; 31/12/2019: 1 QAR = 0.27413 USD; at 31/12/2018: 1 QAR = 0.27455 USD; at 31/12/2017: 1 QAR = 0.27269 USD
### Net written premiums per class of business: 2017-2021

Figures in thousands USD

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property damage and accidents</td>
<td>2 043 924</td>
<td>2 448 471</td>
<td>2 516 480</td>
<td>1 973 925</td>
<td>2 056 637</td>
<td>3.93%</td>
</tr>
<tr>
<td>Marine and aviation</td>
<td>212 612</td>
<td>187 080</td>
<td>190 561</td>
<td>185 314</td>
<td>166 156</td>
<td>-10.56%</td>
</tr>
<tr>
<td>Total non-life</td>
<td>2 256 536</td>
<td>2 635 551</td>
<td>2 707 041</td>
<td>2 159 239</td>
<td>2 222 793</td>
<td>2.69%</td>
</tr>
<tr>
<td>Life and health</td>
<td>347 634</td>
<td>332 072</td>
<td>335 465</td>
<td>62 606</td>
<td>100 520</td>
<td>60.17%</td>
</tr>
<tr>
<td>Grand total</td>
<td>2 604 170</td>
<td>2 967 623</td>
<td>3 042 506</td>
<td>2 221 845</td>
<td>2 323 313</td>
<td>4.31%</td>
</tr>
</tbody>
</table>

### Net earned premiums per class of business: 2017 - 2021

Figures in thousands USD

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property damage and accidents</td>
<td>1 864 255</td>
<td>2 573 758</td>
<td>2 449 858</td>
<td>2 171 152</td>
<td>2 108 742</td>
<td>-3.11%</td>
</tr>
<tr>
<td>Marine and aviation</td>
<td>217 429</td>
<td>209 202</td>
<td>200 598</td>
<td>188 902</td>
<td>167 191</td>
<td>-11.71%</td>
</tr>
<tr>
<td>Total non-life</td>
<td>2 081 684</td>
<td>2 782 960</td>
<td>2 650 456</td>
<td>2 360 054</td>
<td>2 275 933</td>
<td>-3.80%</td>
</tr>
<tr>
<td>Life and health</td>
<td>353 062</td>
<td>332 076</td>
<td>318 924</td>
<td>70 006</td>
<td>86 805</td>
<td>23.69%</td>
</tr>
<tr>
<td>Grand total</td>
<td>2 434 746</td>
<td>3 115 036</td>
<td>2 969 380</td>
<td>2 430 060</td>
<td>2 362 738</td>
<td>-3.01%</td>
</tr>
</tbody>
</table>

(1) Evolution in local currency

Exchange rate as at 31/12/2021: 1 QAR = 0.27315 USD; 31/12/2020: 1 QAR = 0.27248 USD; 31/12/2019: 1 QAR = 0.27413 USD; at 31/12/2018: 1 QAR = 0.27455 USD; at 31/12/2017: 1 QAR = 0.27269 USD
### Incurred losses per non-life class of business: 2017 - 2021

**Figures in thousands USD**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property damage and accidents</td>
<td>1,433,093</td>
<td>1,685,744</td>
<td>1,645,731</td>
<td>1,846,782</td>
<td>1,468,436</td>
<td>-20.68%</td>
</tr>
<tr>
<td>Marine and aviation</td>
<td>196,663</td>
<td>176,803</td>
<td>161,990</td>
<td>99,518</td>
<td>97,696</td>
<td>-2.07%</td>
</tr>
<tr>
<td>Total non-life</td>
<td>1,629,756</td>
<td>1,862,547</td>
<td>1,807,721</td>
<td>1,946,300</td>
<td>1,566,132</td>
<td>-19.73%</td>
</tr>
</tbody>
</table>

(1) Evolution in local currency

Exchange rate as at 31/12/2021: 1 QAR = 0.27315 USD; 31/12/2020: 1 QAR = 0.27248 USD; 31/12/2019: 1 QAR = 0.27413 USD; at 31/12/2018: 1 QAR = 0.27455 USD; at 31/12/2017: 1 QAR = 0.27269 USD

### Net loss ratio per non-life class of business: 2017-2021

<table>
<thead>
<tr>
<th>Class of business</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property damage and accidents</td>
<td>76.87%</td>
<td>65.50%</td>
<td>67.18%</td>
<td>85.06%</td>
<td>69.64%</td>
</tr>
<tr>
<td>Marine and aviation</td>
<td>90.45%</td>
<td>84.51%</td>
<td>80.75%</td>
<td>52.68%</td>
<td>58.43%</td>
</tr>
<tr>
<td>Total non-life</td>
<td>78.29%</td>
<td>66.93%</td>
<td>68.20%</td>
<td>82.47%</td>
<td>68.81%</td>
</tr>
</tbody>
</table>

### Main entities of the QIC group

<table>
<thead>
<tr>
<th>Company</th>
<th>Country</th>
<th>Stakes</th>
<th>CEO</th>
<th>Activity</th>
<th>Branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>QIC, parent company of the group</td>
<td>Qatar</td>
<td>100%</td>
<td>Michael van der Straaten</td>
<td>Insurance, reinsurance, services</td>
<td>More than 35 entities</td>
</tr>
<tr>
<td>Qatar Re</td>
<td>Bermuda</td>
<td>100%</td>
<td>Michael van der Straaten</td>
<td>Reinsurance</td>
<td>Switzerland</td>
</tr>
<tr>
<td>QIC Europe Ltd</td>
<td>Malta</td>
<td>100%</td>
<td>Pantelis Koulovaslopolouos</td>
<td>Insurance</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>QIC Kuwait</td>
<td>Kuwait</td>
<td>82.04%</td>
<td>Hassan Al J aidah</td>
<td>Insurance</td>
<td>-</td>
</tr>
<tr>
<td>QIC Oman</td>
<td>Oman</td>
<td>58.02%</td>
<td>Hassan Al-Lawati</td>
<td>Insurance</td>
<td>-</td>
</tr>
<tr>
<td>QIC UAE</td>
<td>UAE</td>
<td>-</td>
<td>Ilango Thiyagarajan</td>
<td>Insurance</td>
<td>-</td>
</tr>
<tr>
<td>Antares Underwriting</td>
<td>United Kingdom</td>
<td>100%</td>
<td>Mark Graham</td>
<td>Insurance/reinsurance</td>
<td>Singapore</td>
</tr>
<tr>
<td>Markerstudy Insurance</td>
<td>Gibraltar</td>
<td>100%</td>
<td>Dimitris Papachristou</td>
<td>Insurance</td>
<td>-</td>
</tr>
</tbody>
</table>

*Figures in thousands USD, Exchange rate as at 31/12/2021: 1 QAR = 0.27315 USD, 31/12/2020: 1 QAR = 0.27248 USD, 31/12/2019: 1 QAR = 0.27413 USD, at 31/12/2018: 1 QAR = 0.27455 USD, at 31/12/2017: 1 QAR = 0.27269 USD.*
Due to the health crisis, the market of mergers and acquisitions (M&A), like all businesses, has sustained a slowdown in 2020. With the first signs of recovery appearing in the second half of 2021, investors’ appetite and their desire to optimize available capital have triggered a new wave of mergers and acquisitions. The pandemic also spurred the transformation process of companies, mainly those operating in financial services.

Deals have resumed, exceeding analysts’ expectations, reaching record highs in terms of number and value. In the first quarter of 2022, however, a new downturn was noted following the recent geopolitical crisis, triggered on the doorstep of Europe. The Russia-Ukraine war is once again likely to jeopardize plans for rapprochement, without disrupting them. Signs of caution have already been noted, such as the delay in the sales process, the revision of valuations and the reluctance of banks to finance transactions.

2021, a record year for M&A

As the post-covid economic environment started to improve, new deals have been sealed in the second half of 2021, while more transactions are announced for the coming months.

According to Bain & Company, by the end of 2021, 63,000 M&A deals across all sectors have been achieved globally with a total value of 5.9 trillion USD. This amount is up 64% from 2020, exceeding the record of 4.420 billion USD reported in 2007.

In addition, the number of mega-deals (valued at more than 5 billion USD) had increased from 111 in 2020 to 181 a year later, driving up the overall value of completions.
This boom period was stimulated by:
► the economic stimulus measures undertaken by the authorities,
► the influx of liquidity,
► the redefinition of the strategic interests of companies (business relocation),
► legislative tightening,
► low interest rates,
► the growth of funds raised,
► the infatuation with companies exhibiting rapid transformation potential,
► the wave of asset disposals across all industries, aided by portfolio review processes,
► the quest for profitability by institutional operators to reinvest and optimize their assets,
► historical fundraising.

The most active M&A sectors include technology, telecommunications and healthcare. Particularly targeted by M&A are companies operating in high technology. The value of such transactions is due to increase by 71% in 2021 to reach a record amount of 1 150 billion USD, which is almost one fifth of all M&A transactions worldwide. The number of deals amounts to 13 768, up 34% in one year.

Healthcare is the second largest growth driver in the M&A market. The total value of these transactions will reach 440 billion USD in 2021, up 44% compared to 2020.

The strategic telecommunications sector is also experiencing a significant jump, with the total deal value increasing by 48%.

A remarkable surge in M&A transactions was equally noted in 2021 in the financial sector with a 59% increase in deal volume.

Mergers and acquisitions in the insurance business

Insurance is one of the most buoyant economic sectors. The profession, which has recovered particularly well from the health crisis, is experiencing a series of major acquisitions, stimulated by the strong increase in demand and premiums.

Encouraged by optimistic forecasts, insurance companies are readjusting their external growth strategy to take advantage of the opportunities yielded by the market.

Many insurers are also making recourse to mergers and acquisitions tool in order to streamline their operations. These operations allow them to:
► reorganize their distribution network,
► strengthen their core business,
► achieve economies of scale that will help them adapt to rapid changes in the industry.

In 2021, a shift in the M&A strategy of insurance companies was noted. The latter have been engaging in transactions not only to expand their geographic reach but also to increase their capabilities, taking advantage of new business opportunities. This trend has materialized in the form of large-scale deals.

Photo credit: Gerd Altmann/pixabay
Mega deals relinquished

Despite the strong performance of the M&A market, 2021 had witnessed the cancellation of a number of mega-deals which unfortunately ran into obstacles, mainly of a regulatory nature. Some of these transactions include:

► In May 2021: Chubb’s offer to take over Hartford Financial Services Group for 23 billion USD, revised upwards to 25 billion USD, failed to obtain Hartford’s board approval.

► In July 2021: the attempted merger between Aon and Willis Towers for 30 billion USD has been abandoned following the veto of the American authorities.

In addition to purely economic and financial reasons, the cancellation of such mega merger projects sometimes involves strategic and political considerations such as:

► the loss of sovereignty of the States involved,
► the adverse impact on prices and the market,
► the limitation of competition in the market,
► the data security requirements of target companies,
► repressive measures and harsh conditions imposed by governments,
► antitrust enforcement primarily in the United States, Europe, and China.

Evolution of the number of transactions in the insurance sector: 2009-2021

Source: Clyde & Co
Insurance M&A deals in 2021

The total number of transactions carried out by the insurance market have amounted to 418 deals in 2021 compared to 407 in 2020, an increase of 2.7%. According to Clyde & Co, activity was driven by the second half of the year, which was particularly prosperous with 221 transactions.

Evolution of transactions in America: 2009-2021

The Americas (United States, Canada and Bermuda) remain the most active region in terms of mergers and acquisitions, accounting for more than 50% of deals, that is, 224 transactions. The United States alone completed 180 deals in 2021.

Evolution of transactions in Europe: 2009-2021

In Europe, the M&A market is supported by the post-covid economic recovery in the second half of 2021. The number of transactions is up 21% from 103 deals in 2020 to 125 in 2021.
Evolution of transactions in Asia: 2009-2021
After two relatively dynamic years, Asia-Pacific has seen a 44% drop in the number of deals. The number of transactions declined from 75 in 2020 to 42 in 2021.

Source: Clyde & Co

Evolution of transactions in the Middle East and Africa: 2009-2021
The Middle East and Africa are also experiencing a trend similar to that of the Asia-Pacific region. From 32 deals in 2020, this number dwindled down to 17 in 2021, a 47% decline in one year.

Source: Clyde & Co
## Breakdown of M&A transactions by region

<table>
<thead>
<tr>
<th>Regions</th>
<th>2009</th>
<th>2010</th>
<th>2015</th>
<th>2020</th>
<th>2021</th>
<th>2021 shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>America</td>
<td>201</td>
<td>211</td>
<td>211</td>
<td>192</td>
<td>224</td>
<td>53.6%</td>
</tr>
<tr>
<td>Europe</td>
<td>282</td>
<td>217</td>
<td>126</td>
<td>103</td>
<td>125</td>
<td>29.9%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>61</td>
<td>62</td>
<td>78</td>
<td>75</td>
<td>42</td>
<td>9.8%</td>
</tr>
<tr>
<td>Middle East and Africa</td>
<td>14</td>
<td>23</td>
<td>23</td>
<td>32</td>
<td>17</td>
<td>4.06%</td>
</tr>
<tr>
<td>Other regions</td>
<td>15</td>
<td>9</td>
<td>6</td>
<td>5</td>
<td>10</td>
<td>2.6%</td>
</tr>
<tr>
<td>Total</td>
<td>573</td>
<td>522</td>
<td>444</td>
<td>407</td>
<td>418</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Sizable deals

A rebound in the number of large transactions has been noted in 2021: more than 25 mega-deals worth more than 1 billion USD against 20 in 2020.

The most important takeover pertains to the acquisition of the British RSA Insurance Group by Regent Bidco, a subsidiary of the Canadian insurer Intact Financial Corporation, for 9.2 billion USD.

The French mutual Covéa has also signed a substantial purchase agreement by accepting the terms of the acquisition of the 12th global reinsurer PartnerRe for 9 billion USD, that is, 1.28 times the book value of the Bermudan company.

### Major mega-deals concluded in 2021 and early 2022

<table>
<thead>
<tr>
<th>Buyer</th>
<th>Target company</th>
<th>Transaction date</th>
<th>Transaction amount</th>
<th>Transaction result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berkshire Hathaway, United States</td>
<td>Alleghany Corporation, United States</td>
<td>2022</td>
<td>11.6 billions USD</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Regent Bidco, Canada</td>
<td>RSA Insurance Group, United Kingdom</td>
<td>2021</td>
<td>9.2 billions USD</td>
<td>Concluded</td>
</tr>
<tr>
<td>Covéa, France</td>
<td>PartnerRe, Bermuda</td>
<td>2021</td>
<td>9 billions USD</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Brookfield Asset Management, Canada</td>
<td>American National Group, United States</td>
<td>2021</td>
<td>5.1 billions USD</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Arthur J. Gallagher, United States</td>
<td>Willis Re, United Kingdom</td>
<td>2021</td>
<td>3.25 billions USD</td>
<td>Concluded</td>
</tr>
</tbody>
</table>

Market players are also attracted by the acquisition of small insurance entities with the aim of consolidating their core offer. The run-off market remained very active in the US, Europe and, to a lesser extent, the Middle East.
2022 trends

At the beginning of 2022, the M&A market seemed to be building on the momentum of 2021. The continuation of a favorable environment should logically lead to the same results: significant resources, high level of available capital, good financial health, still low debt costs, willingness of strategic players to accelerate their transformation and search for new growth levers...

Unfortunately, the outbreak of a serious geopolitical crisis in February 2022 has strained the entire global economic sphere. As a result, the M&A market sustained a sharp 29% drop in total deal value in the first quarter of 2022. According to Dealogic’s data, M&A transactions account for a volume of 1 010 billion USD compared to 1 430 billion USD, at the end of March 2021. The decline is due to market volatility related to Russia’s invasion of Ukraine and disruption of supply chains.

Notwithstanding this difficult environment, specialists expect M&A activity in the insurance market to keep up the momentum in 2022, with the number of transactions expected to exceed 420 worldwide.

The MENA region is poised to undergo a boom in the M&A market. The GCC countries, which have grown more active than before, will strengthen their regional presence while more mature insurers are still looking for targets and opportunities to expand their presence.

The pandemic, the driver of innovation

The global health crisis has accelerated innovation in the insurance market. As a result, insurance companies are among the most innovative companies, willing to buy, finance or partner with leading technology entities and startups to bring innovative products to market and gain a competitive advantage.

Expansion and development are now achieved through agreements with digital and innovative platforms. Such partnerships allow insurers to tap into new technologies such as automation, data analysis and modeling.

Note the remarkable growth of U.S. insurtechs, which are developing at a steady pace, with some of these firms having reached maturity, allowing them to plan acquisitions, increase their market share and transform themselves into full-fledged insurance companies.
Insurance and metaverse

It is no secret that the world of information technology is constantly evolving. Since the advent of the internet in the 90’s, cyber has been growing tremendously in terms of its importance. This evolution gathered more momentum with the Covid-19 health crisis.

Since 2020, a new term has emerged: the metaverse. Computer scientists predict that the digitalization brought about by the metaverse will change our world and of course insurance in the process.

In fact, the metaverse combines the virtual world and the computer avatar. It is the avatar that evolves in a virtual world, a duplication of man in the real world. Consequently, virtual environments have been created and made available to everyone. This evolution started with social networks, video conferences, virtual conferences in 3D and finally augmented reality applications. It is these digital transformations that have gradually brought us closer and prepared us for the second digital revolution, that of the metaverse.

The "metaverse" attempts to facilitate this digital transformation to finally include it in all aspects of our physical lives. It represents the vision of the immersive, even intrusive, gigantic and unified internet, an all-encompassing but still shared domain. This world appears today as futuristic realm, driven by technologies that are still emerging and, in their infancy, such as artificial intelligence, extended reality, blockchain and 5G. Yet our cyberspace and the digital big bang are not so far away.

In the following developments, we will try to explain what computer scientists now call the second digital wave. We will also present the resulting products, the related risks and consequently the expectations of insurers in this field.

Photo credit: 胡沁/pixabay
What is metaverse?

The metaverse is a virtual world, in which individuals have the possibility to evolve in three-dimensional persistent spaces. This would be the internet of the future, where we would no longer navigate online on a two-dimensional screen thanks to web browsers, but through 3D avatars. It would be an immersion in 3D with the help of virtual reality helmets.

This universe has been designed to mirror the real world, where each participant will have the feeling of a "real presence". The appropriation, consumption of unique goods and investment in financial assets would then be possible after payment.

How did this virtual world come about?

The term "metaverse" is a literary concept that first appeared in 1992 in the novel "Snow Crash" by American writer Neal Stephenson. This visionary work develops a theme that was new at the time: States are collapsing, dragged down by a loss-making economy. A handful of companies or giant firms take most of the power and rule over humans. To escape this fate, citizens use digital avatars to evolve in a virtual world.

The word metaverse is a contraction of "meta" meaning "beyond" and "universe". The theorization of the virtual world was therefore born, and from then on taken up by many films.

Video games have greatly facilitated the rapid evolution of the metaverse. They offer participants in these games new experiences, notably with the introduction of certificates of digital authenticity (Non-Fungible Tokens, unique and therefore extremely rare goods). Video games allow a certain immersion in the metaverse. This is the case of Sandbox, Axie Infinity, Sorare, Illuvium or Ultra, to name only the most popular.
Development of metaverse

The GAFAAs are also keeping an eye on the virtual world. Facebook is promoting it and investing in it. Last October, the Silicon Valley company announced the recruitment of a task force of 10 000 employees to develop the "IT platform of the future". For Facebook, this evolution is inevitable. As evidence of its commitment to this futuristic path, the company has changed its name to "Meta" instead of Facebook, as of last fall.

Since the 90s, the IT world has been forging ahead on the road to digitalization. Technological innovations impact our daily lives at all levels. The rapid progress in telecommunications, which has gone from 2G to 5G in less than thirty years, is pushing the movement. Entire areas of our environment will experience the same evolution. To move forward, not only must content be born directly in digital form, but the elements of the past must also be digitized. It is thanks to this dynamic that the metaverse is growing. It is about providing customers with products, content and services on connected platforms through the Internet or the use of a connected object. Businesses of all types, including insurance companies, will have to transform and integrate the digital age in all its aspects. Employees will be equipped with new tools, offer new kinds of products, and this will be reflected in the culture and services of the company.

For insurers, these digital developments stand as a challenge. It is essentially a question of evaluating the changes brought by the Metaverse to the profession. Another question is when should insurance products be introduced into the digital market? How and when will companies be able to participate and benefit from the Metaverse?

Business in the realm of the metaverse

The metaverse creates an ecosystem based on augmented reality and the virtual. As avatars, participants move in three dimensions in this virtual world, giving them a heightened sense of reality. The actions are not limited to games or simple exchanges but give participants the possibility to buy virtual goods. Major brands have already identified the potential of this market, offering their "virtual" products. World-renowned clothing or sports equipment brands such as H&M, Nike or Gucci are entering this sector:

► Since the end of 2021, H&M is marketing a 100% vegan virtual collection,
► Nike buys the virtual shoe firm "RTFKT" which it plans to integrate into its new virtual world named Nikeland,
► Gucci distributes a pair of virtual sneakers called "Gucci Virtual 25".

Photo credit: Lucrezia Carnelos/unsplash
Nowadays, buying virtual real estate, or even advertising space, remains the most buoyant medium. Real estate transactions are the most common item in this parallel life where the avatar not only needs a home but also needs to go to a store. Virtual actors buy land, apartments or houses. They can also buy stores, which are also virtual. At the beginning of 2022, the large French retailer Carrefour invested 300,000 EUR in a 36-hectare area in the imaginary world "The Sandbox". At the end of 2021, Republic Realm, an American real estate agency specialized in the virtual world, also invested 4.3 million EUR for a plot of land. For its part, the Canadian firm Tokens.com, engaged in dematerialized investments, paid 2.4 million USD to acquire 565 square meters on the Decentraland platform.

For large companies, this virtual space appears as an additional distribution channel, through which they reach out to young consumers, difficult to reach otherwise.

Today, the future exponential growth in the metaverse is no longer in doubt. It will inevitably lead to an increase in employment and the development of the companies involved. All of this activity requires traditional insurance at first, before looking at the insurance of virtual goods and products.

**Electronic payment in B2B (Business to Business)**

However, trading in the metaverse is only possible if the methods of payment are available for this type of transaction. The emergence of an ecosystem allowing payments in the metaverse would be an undeniable opportunity, especially for Fintechs. The latter would welcome this new source of revenue, even though, according to the consulting firm McKinsey & Company, virtual payments generated 2.2 trillion USD in revenue by 2020.

As the graph below shows, B2B e-payments have been on a clear evolution since 2017.

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**Evolution B2B payments between fintechs: 2017-2021**

![Graph showing the evolution of B2B payments between fintechs from 2017 to 2021](source: Cbinsights.com)
Mapping of companies that have revolutionized the B2B payment methods

In August 2021, analytics firm CBInsights released the map of companies that have revolutionized the payment method. According to the study, financial services related to virtual payment activities are the fastest growing. The majority of these companies focus on finance applications, known as decentralized, by leveraging blockchain technology.

E-commerce & point of sale

Infrastructure & application programme interface (APIs)

Mobile payments & digital wallets
Bill payments & accounting software

Cross-border payments & money transfer

Card payments

Marketing, loyalty & rewards

Security, fraud & compliance

Crypto & blockchain
There are many activities in this environment in which large payment companies have joined, such as Visa, which entered with its non-fungible token (NFT) in August 2021.

Currently, NFT represents one of the most promising marketable product for the metaverse. The arrival of NFTs, programmable records that uniquely represent digital assets (e.g., art, videos, music, property,...) and based on the blockchain, could help the circulation of monetary assets in this space. The metaverse is only embarking on these new horizons and is still in its infancy. Very few insurance companies are interested in this adventure because it offers few insurance outlets, and therefore few returns on investment. For the time being, insurance companies do not know how to transfer their activities to the virtual world so that they are compatible with the metaverse of tomorrow.

Digital insurance in the metaverse

In the real world, in exchange for the payment of a premium, the insurer provides compensation to its client when the latter has a claim within the framework defined in the insurance contract. The insurance covers both material losses, such as property, and immaterial losses, such as reputational damage.

In the metaverse, a tool that is by definition virtual, immaterial claims of all kinds may occur in connection with:

► crypto currencies used by avatars,
► game currencies such as V-Bucks in the game Fortnite,
► the tools used in games such as Minecraft (where the player shapes his own environment) as well as any virtual object that could be destroyed or damaged according to the control logic offered by the domain of any metaverse. In this last case, the “NFT” would be concerned, that is to say the “Non-Fungible Tokens” which are very rare virtual goods. Cars, real estate, companies, health, virtual lives can also be affected.

Creating new insurance products in the metaverse

Currently, the strategy of insurance companies is confined to developing a metaverse around their brand, a strategy consisting in building user-centric engagement by providing an immersive digital experience. In fact, insurers are seeking to automate, streamline and digitize every step of this process. Some insurers are already using this approach and are taking a technological option ahead of the rest.

Creating a virtual insurance policy would be a first step toward distributing a product in the dematerialized world of the metaverse.

Companies developing a brand or setting up a store in the metaverse, as well as individuals looking for personal coverage, would be able to purchase insurance to meet their coverage needs. The latter would be granted according to the criteria existing in the real world (quality of the insured, level of commitment, quality-price ratio...).
Emergence of new risks

As access to augmented reality and virtual reality increases, new risks concerning data security and health appear. Insurance companies and banks are trying to develop these innovative niches and services by guiding individuals and companies to them.

To understand the usefulness of insurance, it is important to keep in mind that digital twins are considered the basis of the metaverse. Digital twins are the virtual representation of the real world, of all physical objects, processes, each person, relationships between people and behaviors. In the metaverse, avatars are therefore used to correspond to the image of oneself as a form of identification. Users will then use an avatar that is linked to their own identity and is equivalent to their physical representation in the real world.

Identity theft

In 2019, 14.4 million U.S. consumers were victims of identity theft, that is, about 1 in 15 people. So, the possibility of identity theft in the virtual world is quite conceivable. Identity theft in the metaverse is possible through two means:

- traditional identity theft for the purpose of accessing the victim’s credits or possibly committing nefarious acts.
- the theft or hijacking of a virtual identity, that is, the usurpation of other avatars with the aim of impersonating someone else in the virtual world, with all the consequences that may follow.

Identity theft, therefore, stands as a new opportunity for insurance companies to expand their innovative product offerings.

Insurance dedicated to augmented reality games

One of the first insurance policies associated with an augmented reality game was set up to protect Pokémon Go players when it was released in 2016.

Fans of this game must walk in real life to catch beings called “Pokémons”. These Pokémons are viewable on mobile devices while walking through cities. However, walking while looking at a cell phone or tablet in the middle of pedestrian or vehicular traffic is dangerous. To solve this problem, the Mexican company Jiro y Asociados Seguros developed an insurance policy for Pokémon Go users. This policy offered policyholders and Pokémon Go players coverage against accidents, injuries and death triggered by the game.

Development of Metaverse Alliance

Heungkuk Life Insurance (South Korea), a subsidiary of the Taekwang Group, announced in August 2021 its decision to join the Metaverse Alliance. It is the first life insurance company to join the Metaverse Alliance, which has about 300 member companies, including Samsung Electronics, SK Telecom and Woori Bank.

Heungkuk Life Insurance plans to develop a service offering for people born in the 80s and 90s who are familiar with virtual reality through active collaboration with innovative companies in the Alliance.
Focus

The case of Uno Re

Uno Re is the first decentralized insurance and reinsurance platform, enabling the IT community to invest, trade risks and receive investment income made in safe asset classes in return. To attract more participants to its platform, Uno Re intends to:

► revise downward the amount of capital required to invest,
► introduce more transparency in the sector,
► offer innovative insurance products,
► boost a new generation of Insurtech companies.

While some insurers are taking their first steps into the virtual world, it takes time for the metaverse to spark a true revolution in the industry. To attract more insurers, the metaverse:

► should be more flexible,
► become more of a multiple platform,
► should acquire a larger scale and curb the creation of small independent virtual worlds,
► seek the collaboration of key industry players: governments, insurance companies, banks, other large entities, and nonprofit organizations.

Once these conditions are met, prospects (companies and individuals) seeking insurance will be able to more easily enter the metaverse to perform multiple transactions such as underwriting insurance, reporting a loss,...

The market value of metaverse

The market value of virtual objects, currently estimated at 50 billion USD, remains relatively small. According to specialists, the market potential allows a rapid development of its turnover which could quickly become quite significant. According to specialists, the average annual growth rate of the metaverse is poised to reach 23% in the coming years. It is a safe to determine that insurers will not make the same mistake as they did during the first digital wave, on which they surfed late, thus sustaining a considerable delay on other industries.

With big data, insurance companies already have access to a multitude of data, which allows them today and even more tomorrow to analyze hazards and calculate premiums according to the risk incurred. Moreover, with artificial intelligence, the use of this virtual model will become more and more fluid. The metaverse is set to have a bright future ahead of it.

Photo credit: Michael Wuensch / Pixabay

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Photo credit: Michael Wuensch / Pixabay
Sanlam and Allianz establish a joint venture in Africa

The Allianz and Sanlam groups have signed a partnership agreement to strengthen their respective activities in Africa (excluding South Africa). The alliance will lead to the creation of the largest pan-African non-bank financial services entity on the continent. The joint venture will operate in the 29 African countries (excluding South Africa) where one or both companies are operating. The equity value of the new joint venture has been estimated at 2 billion EUR (2.1 billion USD).

Cameroon

Assurances Générales du Cameroun: share capital increase

Assurances Générales du Cameroun (AGC) wishes to increase its share capital by 2 billion FCFA (3.2 million USD) to go from 3 billion FCFA (4.8 million USD) to 5 billion FCFA (8 million USD). The company's shareholders will examine the transaction's details at the mixed general meeting to be held on 25 May 2022 in Douala. Created in January 2002, AGC is a Cameroonian insurance company specialized in the non-life activity. In 2020, the insurer recorded a turnover of 4.3 billion FCFA (6.88 million USD), posting an increase of 13% compared to 2019.

Côte d'Ivoire

ACR-AFMA, new brokerage company in Côte d'Ivoire

The opening ceremony of the new ACR-AFMA company was held on 20 May 2022 in Abidjan. The Moroccan broker AFMA finalized, in December 2021, the acquisition of a majority stake in the capital of Assureurs Conseil Réunis (ACR), an Ivorian insurance brokerage company. The new entity, which is already the leading brokerage firm in Côte d'Ivoire, will be managed by Mamadou Kanté, founder of ACR and President of ANCARCI. Mr. Kanté will team up with an Ivorian-Moroccan team.

Democratic Republic of Congo

DRC insurance market: 221 million USD turnover in 2021

All insurers operating in the Democratic Republic of Congo (DRC) have recorded a 221 million USD turnover in 2021.

Vincent Mwepu, President of the Association of Insurance and Reinsurance Companies of Congo (ASAR), is urging the State to improve the sector's regulation in order to generate more premiums in the upcoming years. A proper regulation could increase the market's turnover to 3 billion USD within three to five years.

Ghana

Draft law regulating the activity of Ghanaian insurtech

The National Insurance Commission (NIC) has been working on a draft law to regulate Ghanaian insurtech. Once published, the new regulation will contribute to the consolidation and development of the Ghanaian insurance sector. The NIC is calling on local insurers to work with tech companies to speed up the digitization of insurance services in the country.

Nigeria

SUNU Assurance Nigeria: results 2021

SUNU Assurance Nigeria recorded a 45.2% increase in its turnover 2021 which amounted to 6.1 billion NGN (14.82 million USD) against 4.2 billion NGN (10.96 million USD) in 2020. This increase is mainly due to the company's improved business relationships. Despite the impact of the Covid-19 pandemic, pre-tax profit increased by 56% set at 488 million NGN (1.18 million USD) compared to 313 million NGN (816.930 USD) at the end of 2020.
Senegal

AVENI-RE opens a representative office in Dakar

As part of its expansion strategy, AVENI-RE has opened a representative office in Dakar, Senegal. The new office will be headed by Anna Ndiaye. Cheikh Diop has been appointed Underwriting Engineer of the same office. Through this initiative, the pan-African reinsurer intends to strengthen and boost its presence in West Africa. The Dakar office will henceforth cover the following countries: Burkina Faso, Cape Verde, Gambia, Guinea Bissau, Guinea, Liberia, Mali, Mauritania, Niger and Sierra Leone.

Less time required to settle claims in Senegal

A committee of experts have been working on a draft law to reduce the time limit for claim settlement. Once the text is adopted, Senegalese insurers will have four months, as opposed to the current eight months, to compensate the insured. Click to read more: https://www.atlas-mag.net/en/article/less-time-required-to-settle-claims-in-senegal

South Africa

Sanlam completes the sale of three UK subsidiaries

Sanlam has been granted regulatory approval for the sale of its three UK subsidiaries. As part of this transaction, the South African insurer is selling its asset management, investment and corporate finance activities Sanlam Private Investments UK Holdings and its wealth management activities Sanlam Wealth Planning Holdings UK to investment funds managed by Oaktree Capital Management. The British group Chesnara is acquiring the life insurance and pensions subsidiary Sanlam Life & Pensions UK. Click to read more: https://www.atlas-mag.net/en/article/sanlam-completes-the-sale-of-three-uk-subsidiaries

Tanzania

Allianz becomes majority shareholder of Jubilee General Insurance Company of Tanzania

The Allianz group has finalized the 51% acquisition of Jubilee General Insurance Company of Tanzania’s capital from Jubilee Holdings Limited and the Aga Khan Fund for Economic Development (AKFED). However, JHL and the six minority shareholders will retain a 15% and 34% stake in the Tanzanian subsidiary respectively. Click to read more: https://www.atlas-mag.net/en/article/allianz-becomes-majority-shareholder-of-jubilee-general-insurance-company-of-tanzania

Tanzanian insurers’ results penalized by high management fees

According to the Association of Tanzania Insurers (AII), Tanzania’s loss ratio and management expense ratio are higher than in other African countries. In Tanzania, the expense ratio stands at 46% and the loss ratio at 54%, which gives a combined ratio of 100%. In Uganda and Kenya, the combined ratio in each market amounts to 94%, resulting in a technical profit margin of 6%. This situation weighs heavily on the results of local insurance companies. In order to improve profitability, insurers would have to take measures to reduce expenses and claims.
**China**

**AXA Hong Kong and Macau launches a new accident insurance product**

AXA Hong Kong and Macau has launched a new accident insurance product called “SmartProtect Plus”.

The solution offers group coverage for all three generations of a family of up to ten members from the age of six months to 80 years. The coverage also includes an exclusive offer for families with more than one child. Once the premium is paid for one child, the other children are covered free of charge.

**Online underwriting of motorcycle policies in China**

The Chinese regulatory authority has agreed to promote and guide insurance companies in the development and marketing of online motorcycle insurance policies. Currently, this coverage can only be underwritten through an insurance company’s subsidiary. Insurers have not moved to digital means for this type of coverage due to the difficulty of online monitoring of motorcycle status. The CBIRC’s goal is to improve risk identification, explore and promote online motorcycle insurance coverage, optimize customer experience and better meet the needs of the public.

**India**

**Ageas becomes majority shareholder of its Indian life joint venture**

Ageas has acquired 25% of the capital of its Indian life insurance joint venture, Ageas Federal Life Insurance Company (AFLIC), from the Indian bank IDBI Bank. 


**Covid-19: pandemic-related costs for Indian life insurers**

According to the Insurance Regulatory and Development Authority of India (IRDAI), life insurers have settled 227 268 claims related to Covid-19 since the beginning of the health crisis in March 2020. The total cost of the pandemic amounts to 173.62 billion INR (2.24 billion USD).


**Generali becomes majority shareholder of its Indian non-life joint venture**

Generali has received the approval of the competent authorities to buy from Future Group 25% of the capital of its non-life subsidiary Future Generali India Insurance (FGII). The amount of the transaction amounts to 145 million EUR (152.982 million USD).


**Malaysia**

**Allianz launches bicycle insurance**

In partnership with broker Howden, Allianz General Insurance Company (Malaysia) Berhad has brought the first bicycle insurance policy to the Malaysian market. The new product provides coverage for accident and theft as well as accessories and spare parts. Allianz also provides an additional individual accident cover “Allianz Shield Plus” which gives other optional benefits including death, permanent disability and medical expenses.

**Low underwriting of flood risk insurance in Malaysia**

Malaysian Re reported that the floods that hit Malaysia from 16 to 21 December 2021 resulted in economic losses ranging between 5.3 and 6.5 billion MYR (1.2 and 1.4 billion USD). Local insurers have settled 20% to 30% of that amount; that is 1.5 to 2 billion MYR (342.08 and 456.1 million USD) of total damage costs. Malaysian Re is calling on insurers, regulators and the government to find a solution to better cover this type of risk and thus increase the penetration rate of flood insurance nationwide. Note that the December 2021 floods led to 14 deaths while over 71 000 people had to be evacuated.

**South Korea**

**AM Best maintains stable outlook for South Korean non-life insurance market**

AM Best maintains a stable outlook for the South Korean non-life insurance market. This decision goes back to the record profitability of insurers in this segment in 2021.

Algeria
Bancassurance partnership between the Société Nationale d’Assurance (SAA) and the Banque Nationale d’Algérie
The Société Nationale d’Assurance (SAA) has concluded a bancassurance partnership with the Banque Nationale d’Algérie (BNA). Through this agreement, the insurer can market its non-life products (comprehensive homeowner’s insurance and natural disasters) through the commercial network of the BNA. Other coverages will also be distributed. The agreement aims to reinforce the already existing exchanges between both institutions and improve the quality of the service offered to the common customers.

Morocco
Motor insurance: introduction of e-report in Morocco
According to the Moroccan Federation of Insurance and Reinsurance Companies (FMSAR), the last test phase of the e-report application was implemented during the first quarter of 2022. This initiative allows to digitize the amicable report which represents a key element when processing motor claims.


Holmarcom acquires 78.7% of Crédit du Maroc’s capital
Through its holding company Holmarcom Finance Company (HFC) and its subsidiary AtlantaSanad, Holmarcom has acquired 78.7% of the capital of Crédit du Maroc, from the French bank Crédit Agricole.

Click to read more: https://www.atlas-mag.net/en/article/holmarcom-acquires-787-of-credit-du-marocs-capital

Life insurance represents 46.1% of the Moroccan market
According to the data published by the Moroccan Federation of Insurance and Reinsurance Companies (FMSAR), local insurers recorded a 9.8% increase of their turnover in 2021 set at 49.809 billion MAD (5.329 billion USD). The life and capitalization activity alone accounts for 46.1% of the market’s premiums, that is 22.942 billion MAD (2.455 billion USD) in 2021.
Click to read more: https://www.atlas-mag.net/en/article/life-insurance-represents-461-of-the-moroccan-market

Moroccan insurance market: turnover as of 31 March 2022
The Supervisory Authority for Insurance and Social Welfare (ACAPS) reported that the turnover of the Moroccan insurance market reached 15.3 billion MAD (1.56 billion USD) in the first quarter of 2022.
Click to read more: https://www.atlas-mag.net/en/article/moroccan-insurance-market-turnover-as-of-31-march-2022

Tunisia
CARTE Assurances and CARTE Vie: 2021 results
The Tunisian-European Insurance and Reinsurance Company (CARTE) is publishing the financial statements of its life and non-life subsidiaries, as at 31 December 2021.
Click to read more: https://www.atlas-mag.net/en/article/carte-assurances-and-carte-vie-2021-results

UIB Assurances, new life insurance company in Tunisia
On 23 December 2020, the Union Internationale de Banques (UIB), a subsidiary of Société Générale, was authorized by the competent authorities to create a life insurance company in Tunisia. UIB Assurances will start its activities in Q4 2022. The new insurer will benefit from the support and guidance of its parent company.
Jordan

Arab Orient Insurance Company: results 2021

Arab Orient Insurance Company, 89.91% owned by Gulf Insurance Group (GIG), has closed the year 2021 with a 12.1% turnover increase. Written premiums rose from 82.2 million JOD (115.938 million USD) as of 31 December 2020 to 92.1 million JOD (129.902 million USD) one year later. Such performance allowed the company to maintain its leading position in the Jordanian insurance market.

Click to read more: https://www.atlas-mag.net/en/article/arab-orient-insurance-company-results-2021

IGI: 90% net income increase in Q1 2022

As of 31 March 2022, International General Insurance Holdings (IGI) has recorded a 27.3% turnover increase. Written premiums have increased from 100.6 million USD in the first quarter of 2021 to 128.1 million USD one year later. This increase is mainly due to the group’s new business and to the improved performance of existing business.

Click to read more: https://www.atlas-mag.net/en/article/igi-90-net-income-increase-in-q1-2022

Kuwait

Kuwait Re: Q1 2022 results

Kuwait Reinsurance Company (Kuwait Re) has reported a 6% drop in its Q1 turnover to 29.65 million KWD (97.3 million USD). Net profit has increased by 13% to reach 2.05 million KWD (6.7 million USD) in Q1 2022 compared to 1.82 million KWD (6 million USD) in the same period of 2021.

Click to read more: https://www.atlas-mag.net/en/article/kuwait-re-q1-2022-results

Gulf Insurance Group: results increase in Q1 2022

In Q1 2022, Gulf Insurance Group (GIG) has recorded a turnover of 232.6 million KWD (763.661 million USD), growing by 94.7% compared to 119.5 million KWD (394.45 million USD) posted at the end of March 2021.

Click to read more: https://www.atlas-mag.net/en/article/gulf-insurance-group-results-increase-in-q1-2022

Qatar

Mandatory health insurance in Qatar comes into effect

Legislation making it compulsory for expatriates and foreign visitors to Qatar to take out health insurance came into force on 6 May 2022. Under the new law, employers are required to provide basic health care coverage for their employees. The policy includes coverage for basic services and emergency cases for those under 60 years of age as well as coverage for chronic illnesses. According to the rating agency Standard & Poor’s, the new plan is expected to generate a premium ranging from 1 billion QAR (272.62 million USD) and 1.5 billion QAR (408.93 million USD).

Saudi Arabia

CMA approves share capital increase of two Saudi insurers

The Capital Market Authority (CMA) in Saudi Arabia has approved the increase of the share capital of Amana Cooperative Insurance and Arabia Insurance Cooperative Company. Both insurers will have a capital increase of 300 million SAR (79.9 million USD) and 265 million SAR (70.6 million USD) respectively. Amana’s share capital will thus reach 430 million SAR (114.505 million USD) while Arabia’s capital will be set at 530 million SAR (141.134 million USD).

Saudi insurance market: results 2021

According to the data published by the Saudi Central Bank (SAMA), the premiums realized by all local insurance companies in 2021 amount to 42.03 billion SAR (11.2 billion USD), which represents an 8.4% increase compared to 2020. Health remained the main class of business in 2021 with a turnover of 25.11 billion SAR (6.7 billion USD), that is 59.7% of the total portfolio. Motor insurance ranks in the second place with 19.4% of the total premium income. Motor premiums fell by 2.3% to be set at 8.16 billion SAR (2.2 billion USD). By the end of 2021, the 29 Saudi insurance and reinsurance companies recorded a net loss of 47 million SAR (12.5 million USD) against a net profit of 1.39 billion SAR (370.16 million USD) in 2020.
United Arab Emirates

**ADNIC: Q1 2022 results**

In Q1 2022, Abu Dhabi National Insurance Company (ADNIC) has recorded a 20% turnover increase. The latter reached 2.28 billion AED (620.64 million USD) as of 31 March 2022, compared to 1.9 billion AED (517.18 million USD) during the same period in 2021.


**Unemployment insurance in the United Arab Emirates**

The UAE government has approved the introduction of an unemployment insurance scheme. The program aims to compensate employees who lose their jobs during a specific period. The initiative aims to strengthen the competitiveness of the labor market, provide a social umbrella for employees and create a stable working environment.

**Merger between Dar Al Takaful and Watania**

The proposed merger between Dar Al Takaful and National Takaful Company (Watania) has been approved by the shareholders of both companies. The merger will give rise to the largest provider of Takaful insurance services in the United Arab Emirates. The merger will take place through an exchange of shares between both companies. The merged entity shall be owned by Dar Al Takaful. The transaction, pending regulatory approval, is expected to be finalized by late June 2022.
Bermuda

PartnerRe: Q1 2022 results
During Q1 2022, PartnerRe has achieved a 14.7% increase in its turnover set at 2.832 billion USD.
Click to read more: https://www.atlas-mag.net/en/article/partnerre-q1-2022-results

France

The AXA Group granted a reinsurance license
AXA has been granted a license by the French Prudential Supervision and Resolution Authority (ACPR) to conduct life and non-life reinsurance business in France.
The transformation of the group will result in the merger of AXA Holding with its reinsurance captive AXA Global Re.
The transaction, which is subject to the approval of the relevant authorities, is expected to be completed by the end of June 2022.

SCOR: quarterly results impacted by the Russian-Ukrainian war, natural disasters and Covid-19
In the first quarter of 2022, the SCOR group recorded a 14.3% increase in its premium income set at 4.715 billion EUR (5.25 billion USD).

Germany

Allianz: additional provision for litigation in the United States and impact on the quarterly result
Allianz has set up an additional provision of 1.9 billion EUR (2.1 billion USD) to settle a litigation related to the “Alpha” structured funds distributed by its asset management subsidiary Allianz Global Investors (USA). This sum is in addition to the 3.7 billion EUR (4.2 billion USD) already set up in the last quarter of 2021.

Munich Re develops validation service for artificial intelligence systems
Munich Re has set up a new validation tool for a more responsible use of artificial intelligence (AI)-based solutions.
CertAI, is available via the start-up CertX, in which the German reinsurer has held a stake since 2021.
The new system evaluates AI solutions based on six key factors: fairness, autonomy and control, transparency, robustness, functional and cybersecurity, and data protection.

Switzerland

Swiss Re sustains a quarterly loss of 248 million USD
Swiss Re has posted a net loss of 248 million USD in the first quarter of 2022, compared to a net profit of 333 million USD a year earlier.
The P&C and Corporate Solutions activities have been hit by a heavier than expected bill of 524 million USD for natural disasters claims after the floods in Australia and the storms in Europe.
Covid-19 claims have cost the group’s life and health (L&H) class of business up to 501 million USD.
The Swiss reinsurer has also set up reserves of 283 million USD to provide for the claims caused by the war in Ukraine.

United States

Credit insurance: strategic partnership between SCOR and Amynta Group
The American insurance group Amynta has signed a partnership agreement with the French reinsurer SCOR to create a Managing General Agent (MGA). The new entity, named Amynta Trade Credit Solutions, will provide trade credit insurance solutions in the United States.
Harpreet Mann will serve as president. Matthew Herzog and Donna Messick are named executive vice president and senior vice president, respectively.

Click here for more World news


## Morocco 2021

### Turnover 2020-2021 per company

<table>
<thead>
<tr>
<th>Company</th>
<th>2021 turnover</th>
<th>2020 turnover</th>
<th>2020-2021 evolution (1)</th>
<th>2021 shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wafa Assurance</td>
<td>9 088 900 MAD</td>
<td>8 374 200 USD</td>
<td>8.53%</td>
<td>18.25%</td>
</tr>
<tr>
<td>RMA</td>
<td>7 680 700 MAD</td>
<td>6 876 000 USD</td>
<td>11.70%</td>
<td>15.42%</td>
</tr>
<tr>
<td>Mutuelle Taamine Chaabi</td>
<td>6 308 400 MAD</td>
<td>5 787 300 USD</td>
<td>9.00%</td>
<td>12.66%</td>
</tr>
<tr>
<td>Saham Assurance</td>
<td>5 621 100 MAD</td>
<td>5 126 000 USD</td>
<td>9.66%</td>
<td>11.28%</td>
</tr>
<tr>
<td>Axa Assurance Maroc</td>
<td>5 567 400 MAD</td>
<td>4 871 700 USD</td>
<td>14.28%</td>
<td>11.18%</td>
</tr>
<tr>
<td>AtlantaSanad</td>
<td>5 400 800 MAD</td>
<td>4 937 600 USD</td>
<td>9.38%</td>
<td>10.84%</td>
</tr>
<tr>
<td>La Marocaine Vie</td>
<td>2 339 100 MAD</td>
<td>2 158 200 USD</td>
<td>8.38%</td>
<td>4.70%</td>
</tr>
<tr>
<td>MCMA</td>
<td>2 067 000 MAD</td>
<td>1 798 000 USD</td>
<td>14.96%</td>
<td>4.15%</td>
</tr>
<tr>
<td>Allianz Assurance Maroc</td>
<td>1 426 800 MAD</td>
<td>1 572 300 USD</td>
<td>-9.25%</td>
<td>2.86%</td>
</tr>
<tr>
<td>MAMDA</td>
<td>1 172 100 MAD</td>
<td>1 092 500 USD</td>
<td>7.29%</td>
<td>2.35%</td>
</tr>
<tr>
<td>CAT</td>
<td>779 800 MAD</td>
<td>694 100</td>
<td>12.35%</td>
<td>1.57%</td>
</tr>
<tr>
<td>MATU</td>
<td>714 100</td>
<td>525 700</td>
<td>35.84%</td>
<td>1.43%</td>
</tr>
<tr>
<td>Maroc Assistance Internationale</td>
<td>620 900</td>
<td>561 500</td>
<td>10.58%</td>
<td>1.25%</td>
</tr>
<tr>
<td>Africa First Assist (2)</td>
<td>322 000 MAD</td>
<td>325 800</td>
<td>-1.17%</td>
<td>0.65%</td>
</tr>
<tr>
<td>Wafa Ima Assistance</td>
<td>281 600 MAD</td>
<td>258 300</td>
<td>9.02%</td>
<td>0.57%</td>
</tr>
<tr>
<td>Euler Hermes ACMAR</td>
<td>134 200</td>
<td>136 300</td>
<td>-1.54%</td>
<td>0.27%</td>
</tr>
<tr>
<td>RMA Assistance</td>
<td>123 000 MAD</td>
<td>109 200</td>
<td>12.64%</td>
<td>0.25%</td>
</tr>
<tr>
<td>Coface Maroc</td>
<td>71 200</td>
<td>81 100</td>
<td>-12.21%</td>
<td>0.14%</td>
</tr>
<tr>
<td>Axa Assistance Maroc</td>
<td>55 800</td>
<td>47 000</td>
<td>18.72%</td>
<td>0.11%</td>
</tr>
<tr>
<td>Smaex</td>
<td>34 700</td>
<td>27 600</td>
<td>25.72%</td>
<td>0.07%</td>
</tr>
<tr>
<td><strong>Grand total</strong></td>
<td><strong>49 809 600</strong></td>
<td><strong>45 360 400</strong></td>
<td><strong>9.81%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

---

(1) Growth rate in local currency  
(2) SAHAM Assistance became Africa First Assist in 2021

Exchange rate as at 31/12/2021: 1 MAD = 0.107 USD; at 31/12/2020: 1 MAD = 0.11102 USD
## Turnover 2020-2021 per class of business

<table>
<thead>
<tr>
<th>Class of Business</th>
<th>2021 turnover (MAD)</th>
<th>2021 turnover (USD)</th>
<th>2020 turnover (MAD)</th>
<th>2020 turnover (USD)</th>
<th>2020-2021 evolution (%)</th>
<th>2021 shares (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor</td>
<td>12 988 700</td>
<td>1 389 791</td>
<td>11 964 500</td>
<td>1 328 299</td>
<td>8.56%</td>
<td>26.08%</td>
</tr>
<tr>
<td>Bodily injury</td>
<td>4 772 800</td>
<td>510 690</td>
<td>4 417 900</td>
<td>490 475</td>
<td>8.03%</td>
<td>9.58%</td>
</tr>
<tr>
<td>Workmen's compensation</td>
<td>2 319 600</td>
<td>248 197</td>
<td>2 207 000</td>
<td>245 021</td>
<td>5.10%</td>
<td>4.66%</td>
</tr>
<tr>
<td>Fire</td>
<td>2 053 600</td>
<td>219 735</td>
<td>1 920 900</td>
<td>213 258</td>
<td>6.91%</td>
<td>4.12%</td>
</tr>
<tr>
<td>Assistance, credit, bond</td>
<td>1 513 900</td>
<td>161 987</td>
<td>1 430 200</td>
<td>158 781</td>
<td>5.85%</td>
<td>3.04%</td>
</tr>
<tr>
<td>Marine</td>
<td>706 400</td>
<td>75 585</td>
<td>652 600</td>
<td>72 452</td>
<td>8.24%</td>
<td>1.42%</td>
</tr>
<tr>
<td>General third party liability</td>
<td>604 400</td>
<td>64 671</td>
<td>567 800</td>
<td>63 037</td>
<td>6.45%</td>
<td>1.21%</td>
</tr>
<tr>
<td>Natural catastrophes (2)</td>
<td>521 800</td>
<td>55 832</td>
<td>476 700</td>
<td>52 923</td>
<td>9.46%</td>
<td>1.05%</td>
</tr>
<tr>
<td>Technical risks</td>
<td>276 100</td>
<td>29 543</td>
<td>173 600</td>
<td>19 273</td>
<td>59.04%</td>
<td>0.55%</td>
</tr>
<tr>
<td>Other non-life operations</td>
<td>888 300</td>
<td>95 048</td>
<td>955 300</td>
<td>106 058</td>
<td>-7.02%</td>
<td>1.78%</td>
</tr>
<tr>
<td>Non-life acceptances</td>
<td>221 600</td>
<td>23 711</td>
<td>198 000</td>
<td>21 982</td>
<td>11.92%</td>
<td>0.45%</td>
</tr>
<tr>
<td>Total non-life</td>
<td>26 847 200</td>
<td>2 874 790</td>
<td>24 964 500</td>
<td>2 771 559</td>
<td>7.62%</td>
<td>53.94%</td>
</tr>
<tr>
<td>Life insurance and capitalization</td>
<td>22 942 400</td>
<td>2 454 837</td>
<td>20 395 900</td>
<td>2 264 353</td>
<td>12.48%</td>
<td>46.06%</td>
</tr>
<tr>
<td>Grand total</td>
<td>49 809 600</td>
<td>5 329 627</td>
<td>45 360 400</td>
<td>5 035 912</td>
<td>9.81%</td>
<td>100%</td>
</tr>
</tbody>
</table>

(1) Growth rate in local currency  
(2) Coverage against the consequences of catastrophic events

Exchange rate as at 31/12/2021: 1 MAD = 0.107 USD; at 31/12/2020: 1 MAD = 0.11102 USD

Source: The Moroccan Federation of Insurance and Reinsurance Companies (FMSAR)
France

Rendez-Vous ParisMat 2022
27 - 28 June 2022, Maison de la Chimie, Paris, France
Tel: (+33) 01 58 56 96 02 / 01 58 56 96 14
Email: pdubois@cesam.org
mdocquiert@cesam.org
rendez-vous@cesam.org
Website: www.cesam.org/fr/conference/lerendezvous/2022/menu.html

South Africa

Africain Insurance Forum
14-15 July 2022, Johannesburg, South Africa
Tel: +65 9381 8370
https://10times.com/insurance-africa-summit

Kenya

48th Conference and 50th anniversary of the AIO (African Insurance Organisation)
From 25 to 30 June 2022, Edge Convention Centre, Nairobi, Kenya
Theme: « Insurance and Climate Change: Harnessing the Opportunities for Growth in Africa »
Tel: (237) 233 42 01 63
Email: aio@africaninsurance.net
Website: https://african-insurance.org/OnePost/en/621c92f361e9f

Turkey

Turkey Rendez-vous 2022
10 - 11 October 2022, Istanbul, Turkey
Tel: +65 9381 8370
+6017 641 0492
Email: fazlan@asiainsurancereview.com
Africa

Allianz Global Corporate & Specialty

Allianz Global Corporate & Specialty (AGCS), Allianz's subsidiary specializing in large exposures, has made two new appointments.

Effective 16 May 2022, Mike Martin has been appointed Global Head of Property. He succeeds Maria Grace who left the group at the end of 2021. Martin will be based in Atlanta, USA, and will report to Shanil Williams, Chief Underwriting Officer at AGCS.

Martin holds a degree in mechanical engineering and technology from Texas Tech University. After stints at Velocity Risk Underwriters, Liberty Mutual, XL and Industrial Risk Insurers, he joined American International Group (AIG) in 2018 as Chief Underwriting Officer.

Srdjan Todorovic, meanwhile, has been promoted to Head of Global Political Violence & Hostile Environment Solutions. A graduate of the University of Nottingham in the United Kingdom, he joined AGCS in 2015, where in seven years he held two senior positions. Todorovic will be based in London.

France

SCOR

Alexandre Garcia has been appointed, Head of PR & Corporate Communications SCOR, effective immediately. Based in Paris, he will report to Nathalie Mikaeloff, head of communications and marketing.

Click to read more: https://www.atlasmag.net/en/article/scor-alexandre-garcia-head-of-pr-corporate-communications

Italy

Generali

On 29 April 2022, Generali held an ordinary and extraordinary general meeting. As planned, the company's shareholders voted to reappoint Philippe Donnet as CEO of the group for a third term (2022-2024).

The reappointment of P. Donnet was strongly opposed by two key shareholders Leonardo Del Vecchio and Francesco Gaetano Caltagirone. The latter had presented his own list of candidates at the beginning of the year.

The list of the outgoing Board of Directors led by the current CEO obtained 55.9% of the votes against 41.73% for that of F. Caltagirone, who is rejoining the Board of Directors of the group after having left in January 2022.

Morocco

Société Centrale de Réassurance

Deepak Kumar Mishra has joined Société Centrale de Réassurance (SCR) as agricultural risk manager. D. Mishra is a graduate of Odisha University of Agriculture and Technology, India, Insurance Institute of India and Institute of Rural Management, Jaipur, India.

He started his professional career in 2007 where in 15 years of activity, he held several senior positions with leading Indian insurance companies including ICICI Lombard, L&T General Insurance and broker J B Boda.