

For Immediate Release

Competition is top challenge facing the MENA market, MICC survey shows

28 January 2016 – Competition and socio-political conditions are seen as the key challenges facing the region today, overtaking regulations, said members of the MENA Insurance CEO Club (MICC) in a new survey titled “Prospects and Challenges in MENA”.

Reflecting current realities, the survey showed that competition/ pricing was ranked as the top challenge facing the MENA market today (86%), followed by socio-political instability (71%) and regulation/ capital standards (50%). Regulatory change was named as the top challenge (60%) in a previous survey done by the MICC.

“Both commercial and personal lines in the region are affected by excessive competition, with new and smaller companies being the biggest victims,” said Mr Yassir Albaharna, CEO of Arig and MICC Steering Committee Member. “We would recommend that the insurance market makes a concerted effort to achieve pricing discipline and utilise opportunities for consolidation. Also, striving for premium growth instead of bottom-line returns could further exacerbate pricing conditions and ultimately, market capitalisation.”

The survey, which was conducted between December 2015 and January 2016, also showed that uncertain economic growth was named by the majority (86%) of respondents as a key challenge facing their companies over the next one year, followed by changing demographics and socio-economic trends (50%). Talent availability and new product development were seen by only 36% as key challenges.

Looking ahead, members named customer data analytics and improving operational processes (64% each) as key opportunities for companies over the next 12 months. Better use of capital was cited by 43% as another key opportunity. As for challenges, uncertain economic growth was named by 86% of respondents as a key challenge facing their companies over the next one year, followed by changing demographics and socio-economic trends (50%).

Dr Bassel Hindawi, Steering Committee Member said: "This year's survey, the third since 2012 and aimed at collating the collective wisdom of MICC members on the prospects and challenges they are facing, is in line with MICC's vision to be the mouthpiece and think tank of the region's insurance industry. The report is available to all on the Club's website to add to the pool of research material in the market."

To download the full report, please visit
www.menainsuranceceoclub.com/pages/Library/Reports.aspx.

About the MICC

The MICC was set up in 2010 as a by-invitation-only Club by pro-active leaders in the industry, with the vision to become the mouthpiece of and think tank for the MENA insurance industry. The Club is led by the Steering Committee consisting of Dr Bassel Hindawi, Chairman/ CEO of the DIFC Insurance Association; Mr Yassir Albaharna, CEO of

Arig; and Mr Sivam Subramaniam, Editor-in-Chief of Middle East Insurance Review and Asia Insurance Review. Its members include:

- Mr Imad Abdel Khaleq, Jordan Insurance Company, Jordan
- Mr Christos Adamantiadis, Oman Insurance Company, UAE
- Mr Mahomed Akoob, Hannover ReTakaful, Bahrain
- Mr Fahad Al-Hesni, Saudi Reinsurance Company, Saudi Arabia
- Mr Nagib M Bahous, MIG Holding, Bahrain
- Mr Fateh Bekdache, AROPE Insurance, Lebanon
- Mrs Lamia Ben Mahmoud, Société Tunisienne de Réassurance, Tunisia
- Dr Michael Bitzer, National Health Insurance Company – Daman, UAE
- Mr Farid Chedid, SEIB Insurance & Reinsurance Company, Qatar
- Mr Ronald Chidiac, Arab Reinsurance Company, Lebanon
- Mr Mark Cooper, General Representative Middle East, Lloyd's of London, UAE
- Mr Julio Garcia-Villalon, MetLife, UAE
- Mr Ahmed Idris, Abu Dhabi National Insurance Company, UAE
- Mr Michael Jensen, AIG, UAE
- Mr Mohamed Larbi Nali, Société Centrale de Réassurance, Morocco
- Mr Elie Nasnas, AXA Middle East SAL, Lebanon
- Mr Brian Reilly, Zurich Insurance Company, UAE
- Mr Andrew Smith, Ras Al Khaimah National Insurance Company, UAE
- Mr Tarek A Hayel Saeed, United Insurance Company, Yemen
- Mr Christian Vogel, Gulf Reinsurance Limited, UAE

The MICC's secretariat services are provided by Middle East Insurance Review.