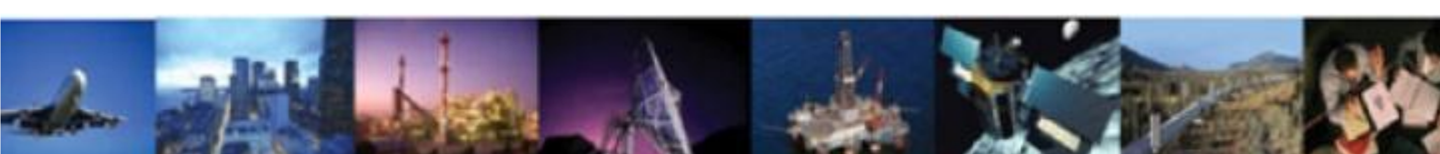
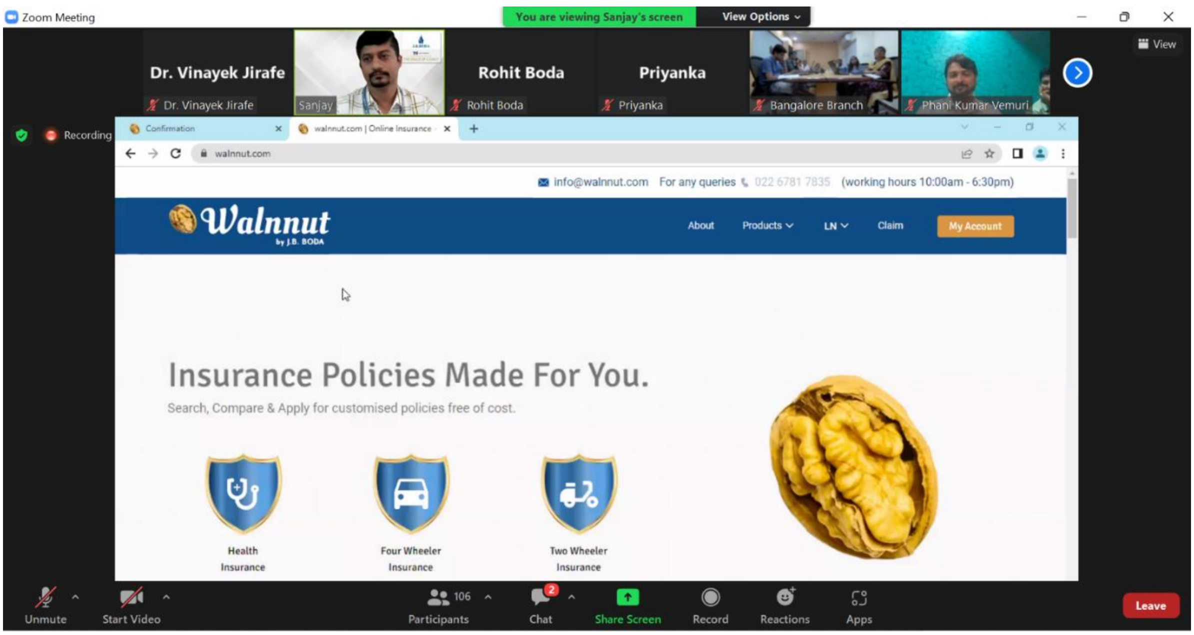
MEDIAN

Nov 2022

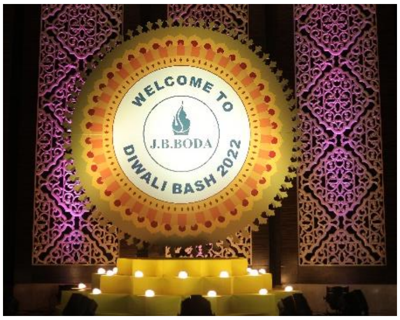
J.B.BODA



NEWS AT J.B.BODA



It was a proud moment for all of us at J.B.BODA in announcing the launch of its retail online insurance portal walnnut.com/in on 14th October 2022 virtually at 10:30 am.



Another great gala time at J.B.BODA – The DIWALI BASH 2022
At St. Regis on 21st October 2022

PRIME STORY

Expanded Health Scheme Likely To Impact Revenues

Morocco's mandatory social health insurance scheme is being reviewed to include workers such as artisans, taxi drivers and farmers. Insurers will have to manage the migration of customers and the expansion may impact premium income.

Morocco has made progress in getting coverage for its citizens under its mandatory health insurance scheme, also known as Assurance Maladie Obligatoire (AMO). The country's medical coverage rate reached 70% of beneficiaries at the end of 2021, according to a report by news outlet Atalayar. The report said this comprises 25.2m people, including 11.17m who are under AMO and 11m who benefit from the medical assistance scheme known as RAMED – a system that covers those without the means to pay.

Proposals are under review to expand AMO in 2022 to workers such as artisans, taxi drivers and farmers. The AMO provides full and comprehensive health coverage, including childbirth, medical/surgical hospitalisation and childcare up to the age of 12, medical devices and implants required for medical and surgical procedures, refundable medicines and prosthetic devices.

<u>Impact On Insurers</u>:
An expansion of the AMO is likely to bring both impact and opportunities for the health insurance sector in Morocco.

BMCE Capital senior analyst Khadija El Moussyli said that the expansion of the AMO would not be without impact both on the supply of health insurance and on non-reimbursable expenses (NR). She said this during a webinar which had the theme 'Insurance sector perspectives', according to a report in L'Opinion, an online electronic publication of the Rabat-headquartered press group ARRISSALA.

"The impact on turnover should be negative due to the migration of a category of customers to the public sector. On the other hand, the impact relating to NR can be positive in the sense that the broadening of AMO should push insurance companies to switch to complementary products that are much more profitable than basic ones," she said.

Since a clear deadline and milestones have been set for the implementation of the reform, the preparation of the insurance ecosystem has been accelerating, and the attitude has moved from slight apprehension in front of the changes to the realisation of the new doors that the reform open, said Nextcare Morocco general manager Laurent Billaud, speaking to Middle East Insurance Review.

J.B.BODA

Potential Restructuring:

Mr Billaud said insurers see the AMO as an important opportunity and have been preparing actively for the new developments. Some individual health products complementary to the AMO are already launched and he expects more to come to the market by the end of the year while some others are in preparation.

“Through the generalisation of AMO, an additional 22m Moroccans will have a better and more secure access to the healthcare system. This is the essence of a reform which is going well beyond a simple change affecting only the health insurance market,” he said.

He said that the expansion of the AMO is also expected to lead to restructuring of the health insurance market, especially in the group health insurance sector. He added that client companies already offering health insurance to their employees will, by law, have to maintain at least the same level of coverage, but the AMO premium will cover part of it for the private insurance market.

“Generalisation of AMO also means a shrinking premium cake which will affect the revenues and margins of all players. This new deal may have important consequences on the stability of a well-established market structure, organised around a dozen strong intermediaries managing the competition between the main insurers through group health insurance, which is always at the limit of profitability, but is the open door to more lucrative corporate business,” he said.

Details for implementing an expansion of the AMO have not been set out. Mr Billaud said social and economic acceptance of the reform would also depend on the articulation between public and private payers.

“Will there be a ‘guichet unique’ (a one-stop shop) which would allow insureds to claim at once for the AMO and complementary products? Who will be the main point of contact for the insured? Public payers, intermediaries, private insurers?” he said.

“For the time being not everything is clearly set – leaving the door open to different scenarios. In the more optimistic one, AMO generalisation nudges the players to increased collaboration, rationalisation, simplification and digitalisation of the processes and ultimately helps foster a reorganisation of the healthcare offering which is more transparent and accessible,” he said.

“The future surely lies somewhere in between these two extremes. It is time for all market players to take responsibility and leverage the generalisation of AMO as a tool for the necessary modernisation of the entire Moroccan health insurance market.”

Source: MEIL Team

J.B.BODA

NATIONAL

Regulator Forms Panel To Revamp Insurance Regulations

The (IRDAI) has formed a committee to overhaul the sector's regulations with the aim of making it easier for stakeholders to do business, said people familiar with the matter.

The 18-member committee was formed earlier this month and has been given six to eight weeks to conduct a comprehensive review of the 70 or so regulations governing the industry to ensure principle-based regulations.

"The committee's remit is streamlining regulations to weed out duplicates and simplify rules. Besides CEOs it also includes chief risk officers, compliance officers and actuaries of insurance companies who will bring different perspectives," one of the people cited earlier said.

The committee also includes representatives of intermediaries, like brokers and third-party administrators; officials from the IRDAI; and some large government insurance companies like Life Insurance Corp of India, The New India Assurance, and GIC.

Source: Economic Times

Regulator Seeks Valuation Experts

To equip itself to deal with the complexities of merger and acquisitions, the IRDAI is seeking consultants who can undertake the valuation of state-owned and private-sector insurers, and train its officials about valuation methodology and processes, as mergers and acquisitions will continue in the insurance sector.

Source: MEIR Team

GLOBAL

Qatar: Mandatory Health Insurance Premium For Visitors Announced

The authorities in Qatar have set a premium for mandatory health insurance for tourists entering Qatar, according to the Official Gazette published.

Visitors must pay QAR50 ($13.73) per month for the health insurance, which follows an earlier directive by the Ministry of Health which sets health insurance premiums for visitors.

The premium for visitors under the mandatory health insurance scheme was announced ahead of the 20 November opening of the FIFA World Cup 2022 in Qatar, with over 1m visitors expected in the Gulf state to attend the matches.

Previously, travelers could visit the Gulf nation without the need for any medical insurance. However, if any emergency occurred, the person would have had to pay the cost out of their own pocket.

Source: MEIR Team

UAE: Emirates Credit Insurance Predicted To Become Profitable In Next 3 years

Etihad Credit Insurance (ECI) is expected to become profit-making in the next three years as it grows its revenue faster than its expense base following its initial start-up phase.

ECI, founded in February 2018, writes profitable underwriting business but is currently overall loss making, having reported a net loss in 2021 of AED26m ($7.1m), mainly driven by high expenses relative to its premium base.

Underwriting is decided on a commercial basis and the company maintains conservative estimates for reserving purposes.

Fitch Ratings has affirmed ECI's Insurer Financial Strength (IFS) Rating at 'AA-' (Very Strong). Fitch has also affirmed the group's Long-Term Issuer Default Rating (IDR) at 'AA-' (Very Strong). The outlooks are 'Stable'.

The ratings of ECI are aligned to the Long Term Issuer Default Rating of the UAE (AA-/Stable), reflecting Fitch's view of an extremely high probability of support from the UAE authorities in case of need, given its systemic importance to the UAE and its specific government policy role in the diversification of the UAE's economy.

Key Rating Drivers
Apart from underwriting performance, ECI's ratings are driven by:

Systemically Important: ECI's systemic importance to the UAE is the primary driver of ECI's ratings. ECI was founded to insure UAE-based companies associated with non-oil export and re-export activities against non-payment, with a focus on the SME sector. The company also protects investments outside UAE against political risks and supports corporate bidding in international tenders. ECI plays a significant role in the promotion of UAE's non-oil exports, and strategic sectors' development in line with the economic agenda of the UAE.

Government Ownership Drives Ratings: Fitch views ECI's ownership by the UAE authorities, combined with the extremely high probability of additional support if needed, as supportive of the ratings. ECI is owned by the UAE federal government and the governments of five out of the seven emirates, including the governments of Abu Dhabi and Dubai.

Very Strong Capitalisation, No Debt: ECI's capitalisation is very strong, supported by a strong capital base with a total paid-in capital of AED250m ($68m), with a further AED750m committed by the shareholders. The UAE has over AED1tn of non-oil trade, of which ECI covers 1.5%. ECI does not have any financial debt under its capital structure.

Prudent Investments: ECI's investments are highly liquid and prudently allocated in short-term fixed deposits, of between three months and one year in duration, with five different UAE banks. The company may diversify the investment portfolio into investment-grade fixed-income bonds but we expect its asset allocation to remain conservative.

Strong Reinsurance Programme: Fitch views ECI's reinsurance panel as strong and well-diversified, mainly comprising companies rated 'A' and above. ECI uses treaty, facultative and quota-share agreements ceding 60% of its credit and surety business and more than 60% of its political risk business.

Source: MEIR Team

J.B.BODA

J.B.Boda Group of Companies

J.B.Boda & Co. Pvt. Ltd.	• Facilitating Employee Benefit Schemes and Life Actuarial • Valuation & Product Development • Facilitating Non Life Actuarial Services • Wellness Programmes • Risk Inspection • Training & Seminars
J.B.Boda Insurance & Reinsurance Brokers Pvt. Ltd.	• Non Life & Life Broking
J.B.Boda Insurance Surveyors & Loss Assessors Pvt. Ltd.	• Fire, Engineering, Miscellaneous Accident, Marine Hull and Cargo Surveyors & Loss Assessors • Marine Inspection • Superintendent Services • Tank Calibrators, Samplers & Analysts • Asset Valuation
Crowe Boda & Co. Pvt. Ltd.	• Protection & Indemnity Insurance Services Correspondents in India for : - Steamship Mutual Underwriting Association Ltd. (SMUA), London - Shipowners' Mutual Protection & Indemnity Association (SOP), Luxembourg

Head Office:

Maker Bhavan No. 1, Sir Vithaldas Thackersey Marg, Mumbai 400 020 (INDIA)

Telephone : + 91 22 6631 4949 / 6631 4917 * Telefax : + 91 22 2262 3747 / 2262 5112

E-Mail : jbbmbi@jbbodamail.com * Web : http://www.jbbodagroup.com * Follow us on

For any further enquiry regarding J.B.Boda Group kindly write to jirafe.vinayek@jbbodamail.com