



Insurers' Association of Mauritius

47th Annual General Meeting

Monday 27 July 2020 at 14.30 pm, Ebene.

Speech of Mr Bertrand Casteres, President

Dear Members

Good afternoon and welcome to the 47th Annual General Meeting of the Insurers Association of Mauritius.

With the various challenges that the country has faced over the past few months, 2019 is seeming quite far behind us. Each had its own distinct challenges, not just for the insurance industry, but for the economy and society at large.

Few months ago, as we entered the new decade at the start of 2020, the positive performance witnessed by the industry in 2019 was reflecting a positive outlook with increased growth potential expected in 2020. Unfortunately, the outlook for the insurance industry as a result the COVID-19 crisis has shifted to a less positive one in just few months.

Therefore, before elaborating on the Association's activities during 2019, I would like to say a few words on COVID-19 which is still impacting our industry in multiple ways.

Over the last few months, we have been responding to COVID-19 outbreak on multiple fronts - as employers, claims payers and capital managers.

When the outbreak was announced in Mauritius, our immediate concern was to protect the health and safety of our employees and our partners as we all strived to maintain business continuity. Moreover, we had to review and update our crisis management plans and take steps to continue operations

with a minimum of disruption to our clients.

Moving forward in the near to medium term, the negative impact of COVID-19 on the economic environment will have a directly proportional impact on our industry BUT as the economic situation will evolve, the insurance industry will emerge even stronger and continue to serve as shock absorbers for the economy and society.

Coming back to 2019, it is good to remind that, in spite of difficult market challenges, the long-term insurance industry continued to sustain growth. On the general insurance business side also, we have witnessed positive performance of the industry in terms of both net-earned premium and underwriting profit despite various challenges. The industry is, however, still dominated by the motor sector which accounts for more than 55% in terms of net premium, with continued increase of motor claims cost and continued increase of motor claims ratio which is more than 70%.

It will not be possible for me to detail every single activity that required our attention during the year under review. I will therefore highlight on what I believe are key areas and milestones in which we played a part.

In 2019, we once again devoted considerable time and effort aimed at improving many aspects of motor insurance such as reforms on total loss and motor surveyors, the efficiency of the Motor Vehicle Insurance Arbitration Committee, the improvement of competition on spare parts, the

bonus/malus system and the review of the mandate of the hit and run fund amongst others. Besides, the Insurers Association published a new insurance Code of Practice. The aim of the new Insurance Code of Practice is to provide clear and consistent standards for the insurance industry for a more informed relationship between insurers and their policyholders, thereby improving policyholders' confidence and trust in the insurance industry.

On the long-term business, we must all agree that there are indeed economic benefits that are derived from a dynamic life insurance industry. In 2019, the Association actively participated through the Ministry of Financial Services and Good Governance in collaboration with the Financial Services Fund to a successful campaign, aimed at sensitising consumers, entrepreneurs, investors, employees, students and retired people on the need and adoption of long-term insurance and pensions.

Moving forward, with the adoption of the new fee structure which led to an increase in our budget, the Association will continue to push for reforms to be undertaken to strengthen the sector in terms of risk management framework, improve market penetration for both long term and general insurance, implement existing and new initiatives to improve road safety and drive progress through technology and innovations.

On behalf of the Managing Committee, I would like to thank Mr Vasish Ramkhalawon, the Secretary General, Ms Sabrina Claite, Personal Assistant, members of subcommittees and working groups for their contribution and

active participation. Let's together strive for greater success ahead.

On a personal note: It was an honour serving as the President of the Insurers Association of Mauritius and I therefore take this opportunity to put on record my deep appreciation for your continuous support and guidance.

Your active support is crucial in carrying out our shared objective for a progressive, productive and inclusive insurance sector.

Thank you once again for your attention.