



ANNUAL REPORT



2022



Message from the Secretary General

Mauritius has a well-developed insurance industry regulated and supervised by the Financial Services Commission (FSC) under the Insurance Act 2005. Over the last 20 years, the insurance industry has witnessed a major transformation of its business model.

The insurance regulatory framework is aligned with the International Association of Insurance Supervisors (IAIS) standards and principles and has many strong elements focusing on specific regulatory issues relating to capital adequacy, solvency, corporate governance, early warning systems and the protection of policyholders.

The Insurers Association of Mauritius is 50 years old this year. Over that past half century, the Insurers Association has been a key partner to the economic and social development of Mauritius.

Fifty years is indeed a major milestone for an industry association.

This is a solemn moment to pause and look back at this fifty-year journey but also a moment to look ahead at the bright future that we want to achieve with our vision.

We salute our founding members who in 1972 as a result of their tenacity, the Insurers Association of Mauritius known at that time as the Insurance Advisory Council of Mauritius was born.

It was a modest but important beginning. However, the journey was critical and testament to the inherent resilience, agility and adaptability of the sector to serve our businesses and communities.

Today the insurance sector through the Insurers Association of Mauritius has emerged as a strong force that is contributing substantially to the economic and social development of Mauritius.

Going ahead we are optimistic as we will continue to work closely with the government, the regulator and other industry stakeholders to drive the necessary reforms and further improve the insurance sector.

Insurance companies in Mauritius offer various services and also products and are categorized under long-term business insurance and general insurance.

With a contribution to GDP of 2.1%, the insurance sector is important for the stability of the financial system. Insurance companies are not only large investors which carry most of the investable assets in the country but they also safeguard the financial stability of households and firms by insuring their risks.

Moreover, Insurance companies employ around 2600 people directly as employees and the sector including brokers, accredited agents and insurance professional employs more than 3000 people.

2022 was indeed another challenging year, not just for the insurance industry, or for the Mauritian economy and society, but also for Global economy at large.

Despite all challenges, our members have sustained growth. This is mainly due to proper market conduct, prudent management, good governance, customer centricity and efficient distribution by our members.

The 2021 figures have been published by the FSC last month.

The figures show that the long-term insurance industry, in spite of difficult market challenges, remained sustainable. The life insurance and pension industry, in many countries, is a driver of economic growth and important to the overall health and financial well-being of the country.

The life insurance industry is a partner that encourages families and businesses to plan for the long term and protect their financial and retirement security. Policyholders use insurance products to build their personal safety net. Long-term insurers are vital to an efficiently functioning modern economy and society as they contribute to both long-term economic growth and improved living standards.

The increase in tax incentive in respect of an individual pension scheme would indeed further encourage private individuals to take greater responsibility for their future well-being.

On the other hand, the general insurance industry continued to witness positive performance despite various challenges. The industry is, however, still dominated by the motor sector which accounts for more than 50% in terms of net premium, with continued increase of motor claims cost and very high motor claims ratio.

The implementation by the FSC of a National Claims Database system to facilitate motor insurance claim and recoveries is a key reform and will also ensure the efficiency and effectiveness of other proposed reforms in this sector. We are all committed to accelerate this initiative.

We indeed welcome those positive initiatives that would support the insurance industry in its endeavour to be an uplifting force for its policy holders and society at large on our road to economic recovery whilst at the same time improving our social resilience.

I take this opportunity to thank all our members, the Ministry of Finance and Economic Planning and Development, the Ministry of Financial Services and Good Governance, the Financial Services Commission, the Ombudsperson for Financial Services, the Financial Services Institute and other government authorities for their invaluable support during the year 2022.

I also commend the government and the FSC for their continuous dialogue with operators through the association to align actions to tackle issues within the insurance and pension industry.

I wish you all a Merry Christmas and Happy New Year. We shall together strive for greater success ahead and a prosperous 2023.

Vasish Ramkhalawon
Secretary General

Profile

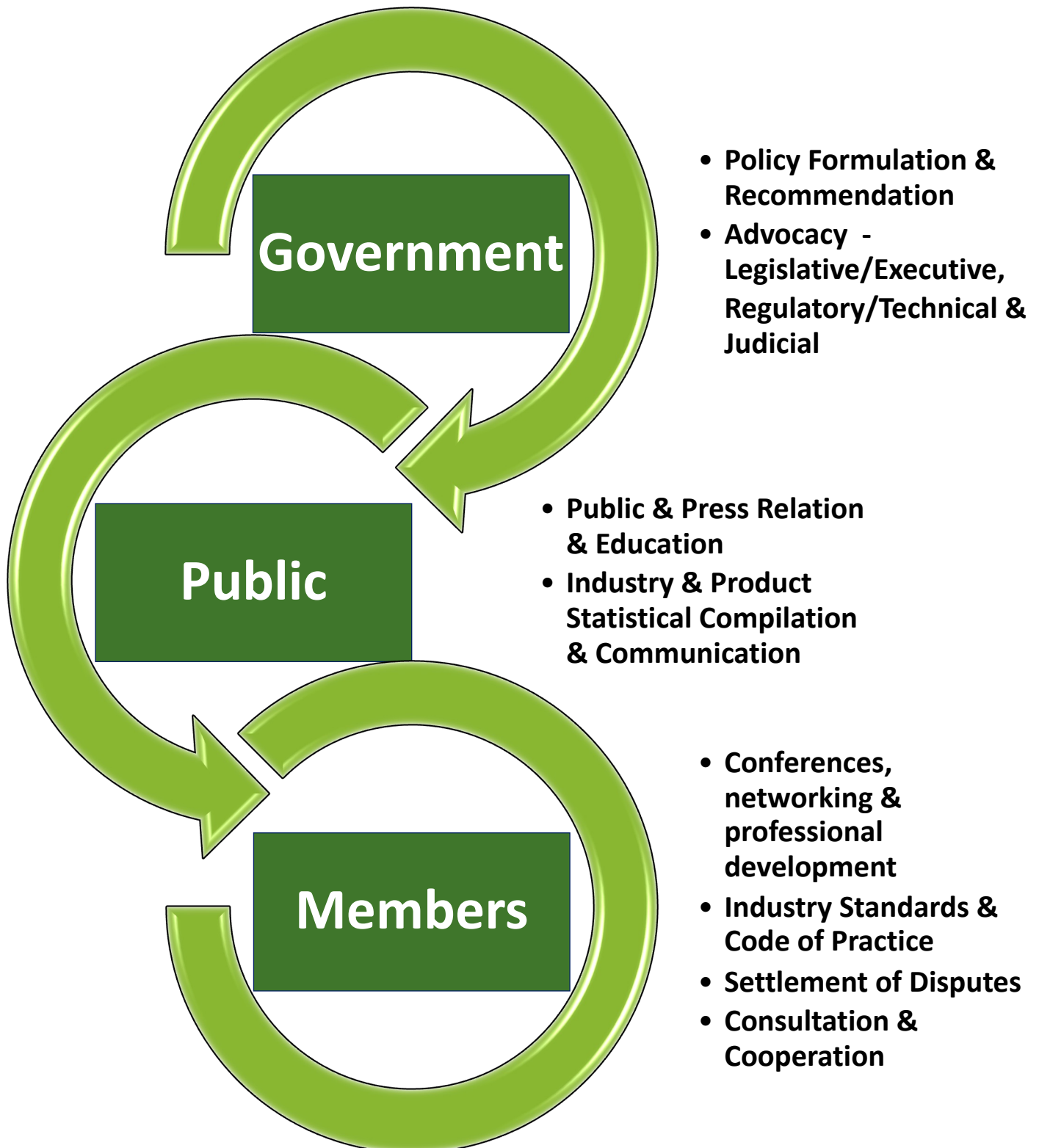
The Insurers' Association of Mauritius (IAM), which was previously known as the Insurance Council of Mauritius (IACOM), was set up in 1972. The Association's constitution was revised in 2001 to provide notably for the establishment of a full time secretariat and to update its objects.

By the nature of its coverage of the island's economic activities IAM interacts with many stakeholders including ministries, government bodies, business organisations, press and public at large.



In a nutshell IAM is a top level forum:

1. between government and insurance companies;
2. amongst members themselves and
3. between the public at large and insurance companies.



Vision

A trusted and knowledgeable voice for sustainable growth in insurance penetration to support the economic and social development of Mauritius.

Mission

We are committed to being a progressive insurance industry by collectively enhancing consumer understanding, business and professional skills, promoting industry best practices to build and sustain a reputation of excellence for insurers.



An Organisation fit to meet present and future challenges facing the Insurance Industry in Mauritius

Our Objectives are, inter alia to:

1. Unite insurers transacting business in Mauritius
2. Secure the advancement and promote the development of the industry on a sound basis
3. Promote a better understanding of insurance amongst all stakeholders
4. Afford opportunities for consultation and cooperation in all matters affecting the common interests of its members
5. Represent the insurance industry in all dealings with the government or any organisation on legislative and other matters
6. Promote and enforce the code of practice by members
7. Facilitate the prompt settlement of disputes between insurers.



Members





Member List

Afri Life Insurance Ltd

Eagle Insurance Limited

GFA Insurance Ltd

Guardrisk International Ltd PCC

Indian Ocean General Assurance Ltd

Island Life Assurance Co. Ltd

Jubilee Insurance (Mauritius) Ltd

Lamco International Insurance Ltd

Life Insurance Corporation of India

MUA Ltd

MUA Life Ltd

The New India Assurance Co. Ltd

NIC General Insurance Co. Ltd

The National Insurance Co. Ltd

Phoenix Insurance (Mauritius) Ltd


SICOM General Insurance Ltd

State Insurance Company of Mauritius Ltd

Sanlam General Insurance Ltd

Swan General Ltd

Swan Life Ltd



Managing Committee

Paméla Bussier	President
Delphine Ahnee	Vice President General
Reena Moonoosamy	Vice President Long Term
Abdel Ruhomutally	Treasurer
Vikramsing Ramlochun	Executive Member
Sailesh Koomar	Executive Member
Joerg Weber	Executive Member
Percy Rose	Executive Member
Rashid Latiff	Executive Member
Anil Kumar	Executive Member
Rahul Mathur	Executive Member
Derek Wong	Executive Member
Naresh Gokulsing	Executive Member
Louis Rivalland	Executive Member
Deepak Pathare	Executive Member
Tilak Fernando	Executive Member
Nandita Ramdewar	Executive Member
Bobby Cheeneebash	Executive Member
Didier Buon	Executive Member
Rishi Sookdawoor	Executive Member
Alan Goder	Executive Member
Kiran Ancharaz	Executive Member
Michel Thomas	Executive Member



The Insurance Industry

Mauritius has a well-developed insurance industry regulated and supervised by the Financial Services Commission (FSC) under the Insurance Act 2005.

Over the last 20 years, with the creation of the FSC as a full-fledged regulator, the insurance industry has witnessed a major transformation of its business model. The current regulatory framework is aligned with the International Association of Insurance Supervisors (IAIS) standards and principles and has many strong elements focusing on specific regulatory issues relating to capital adequacy, solvency, corporate governance, early warning systems and the protection of policyholders.

According to the Insurance Act 2005, the insurance business is a business which undertakes, by way of insurance or reinsurance, under long term insurance policies or general insurance policies, and might also include external insurance business and the business of a professional re-insurer.

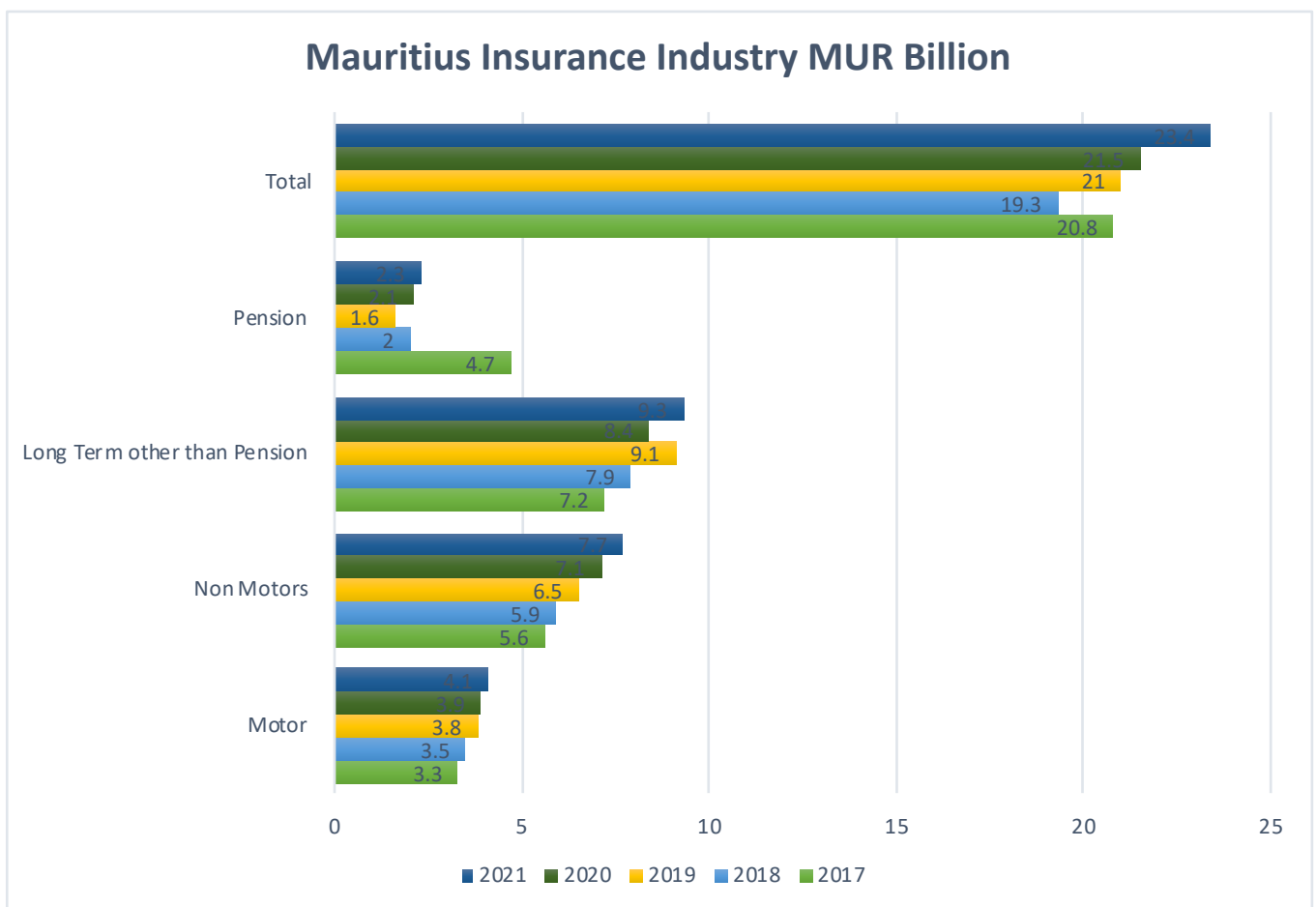
Insurance companies in Mauritius offer various services and also products which may include property and casualty insurance, motor insurance, financial risks, aviation insurance amongst others.

Strategic Analysis – The Insurance Sector

Insurance plays a crucial role in sustainable growth of an economy.

With a contribution to GDP of 2.1%, the insurance sector is important for the stability of the financial system.

Insurance companies are not only large investors which carry most of the investable assets in the country but they also safeguard the financial stability of households and firms by insuring their risks.



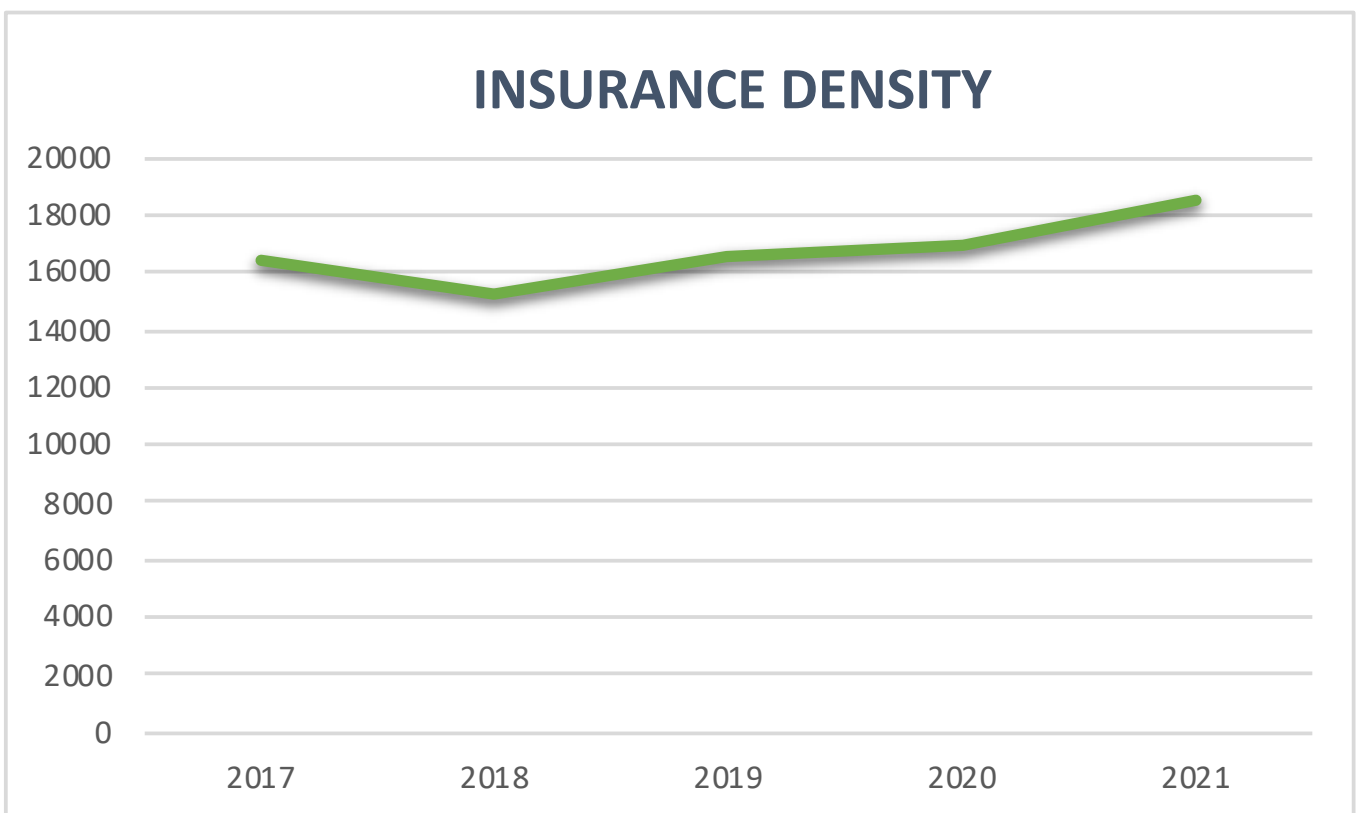
Source: Financial Services Commission (FSC) Mauritius

Insurance Density and Penetration in Mauritius

Insurance penetration and Insurance density reflects the country's level of development of insurance.

Insurance density of Mauritius is an indicator for the development of insurance within Mauritius and is calculated as the ratio of total insurance premium for both general and long term insurance to the whole population of Mauritius (per capita premium).

On the other hand, insurance penetration of Mauritius measures the contribution of insurance premium to the Gross Domestic Product (GDP) of Mauritius in percentage terms. It is calculated as the ratio of total insurance premium for both general and long term insurance to the GDP of Mauritius.



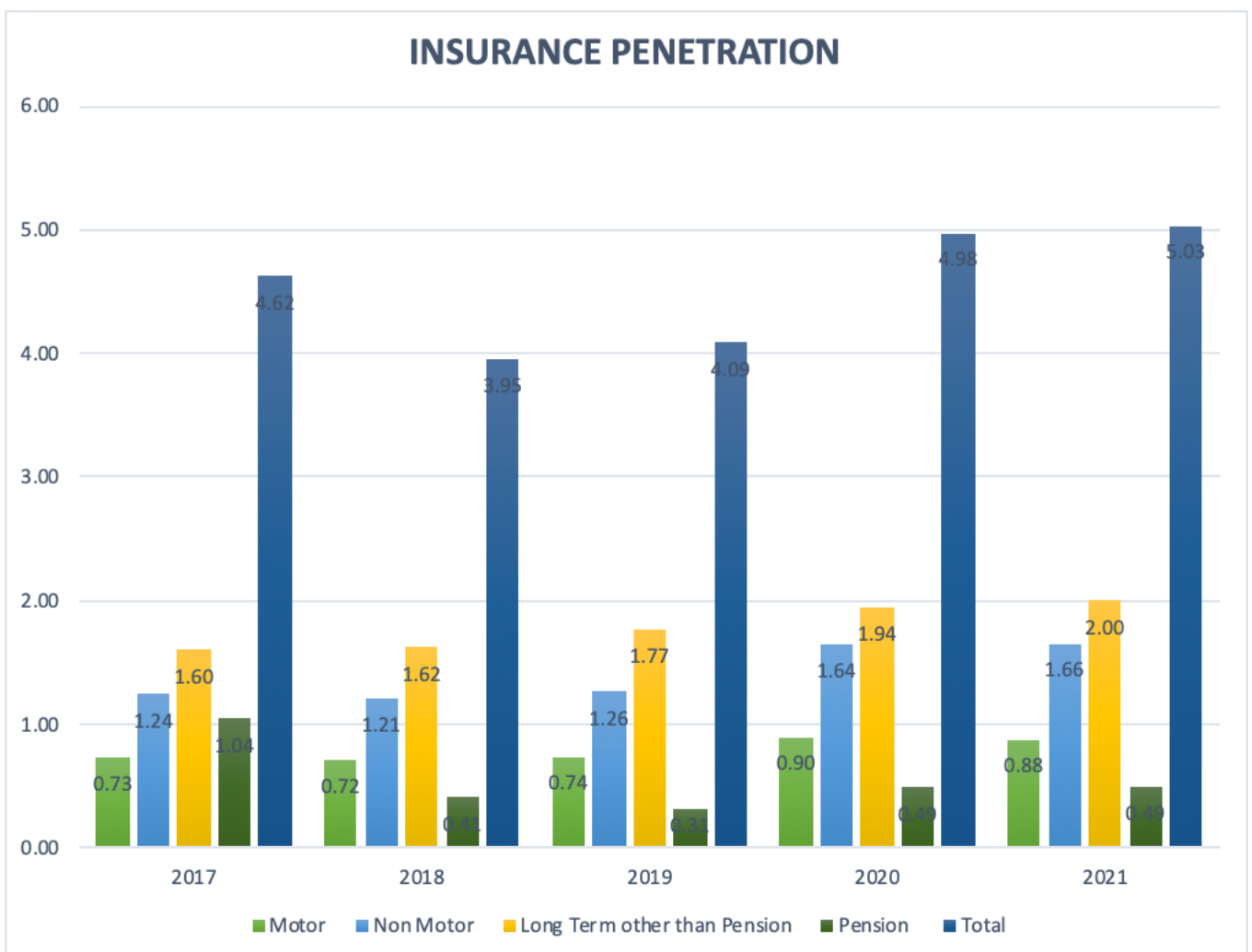
Source: Financial Services Commission (FSC) Mauritius

Insurance Penetration

In spite of the industry being well regulated, well organised and offering various competitive services and also products, the insurance penetration is less as compared to mature markets with similar GDP per capita and infrastructure.

Further breaking down the market will show that general insurance penetration by individuals and MSMEs (excluding motor as this is mandatory) is quite low.

For the long-term market, excluding pension and investment products, the penetration is quite low in spite of the requirement for a life insurance cover as a condition for obtaining mortgage facilities.



Source: Financial Services Commission (FSC) Mauritius



Long Term Insurance

BEING RELIABLE

If you have a partner, children or someone who relies on you for help or income, then you should consider long term insurance for the following reasons:

TO PROTECT YOUR FAMILY AND LOVED ONES

If your loved ones depend on your financial support for their livelihood, then long term insurance is a must, because it replaces your income when you die.

TO LEAVE AN INHERITANCE

Even if you don't have any other assets to pass to your heirs, you can create an inheritance by buying a long-term insurance policy and naming them as beneficiaries. This is a great way to set your kids up for a solid financial future and provide for any monetary needs that will arise.

TO PAY OFF DEBTS AND OTHER EXPENSES

In addition to providing income to cover everyday living expenses, your family needs insurance to cover any outstanding debts, like the mortgage, credit cards and car loans.

TO ADD MORE FINANCIAL SECURITY

Like most parents you probably want to know your kids will be well taken care of when you're gone. You not only want them to get a quality college education, but to provide for other life ventures like getting married or starting a business. For this reason, additional coverage is absolutely essential while your kids are still at home.

TO BRING PEACE OF MIND

We can't know when we'll pass away. It could be today, tomorrow or 50 years from now, but it will happen eventually. No amount of money could ever replace a person. But more than anything, long-term insurance can help provide protection for the uncertainties in life. Without a doubt, having long-term insurance coverage will bring you and your family peace of mind.

RETIREMENT PLANNING

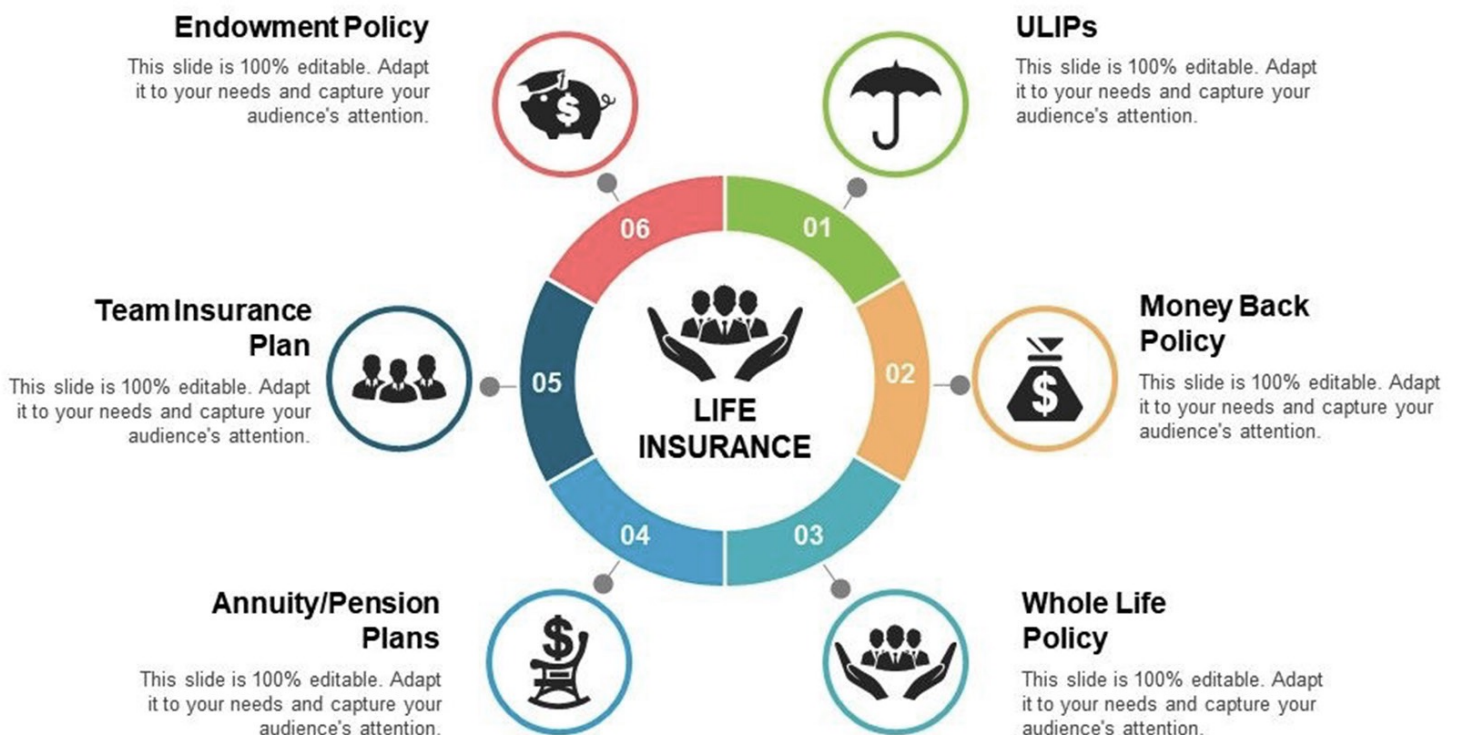
Retirement might seem complicated but the basic idea is a simple one. Give yourself the standard of living you hope for when you retire.

As people develop through their lifetime they have an expectation that a time will come when they will be able to retire. For some people, the Government pension is sufficient to provide a basic level of income. Others may have an opportunity to accumulate wealth without using pension schemes - perhaps through their business ventures or other assets. But most people will want to supplement what they have with some form of pension scheme.

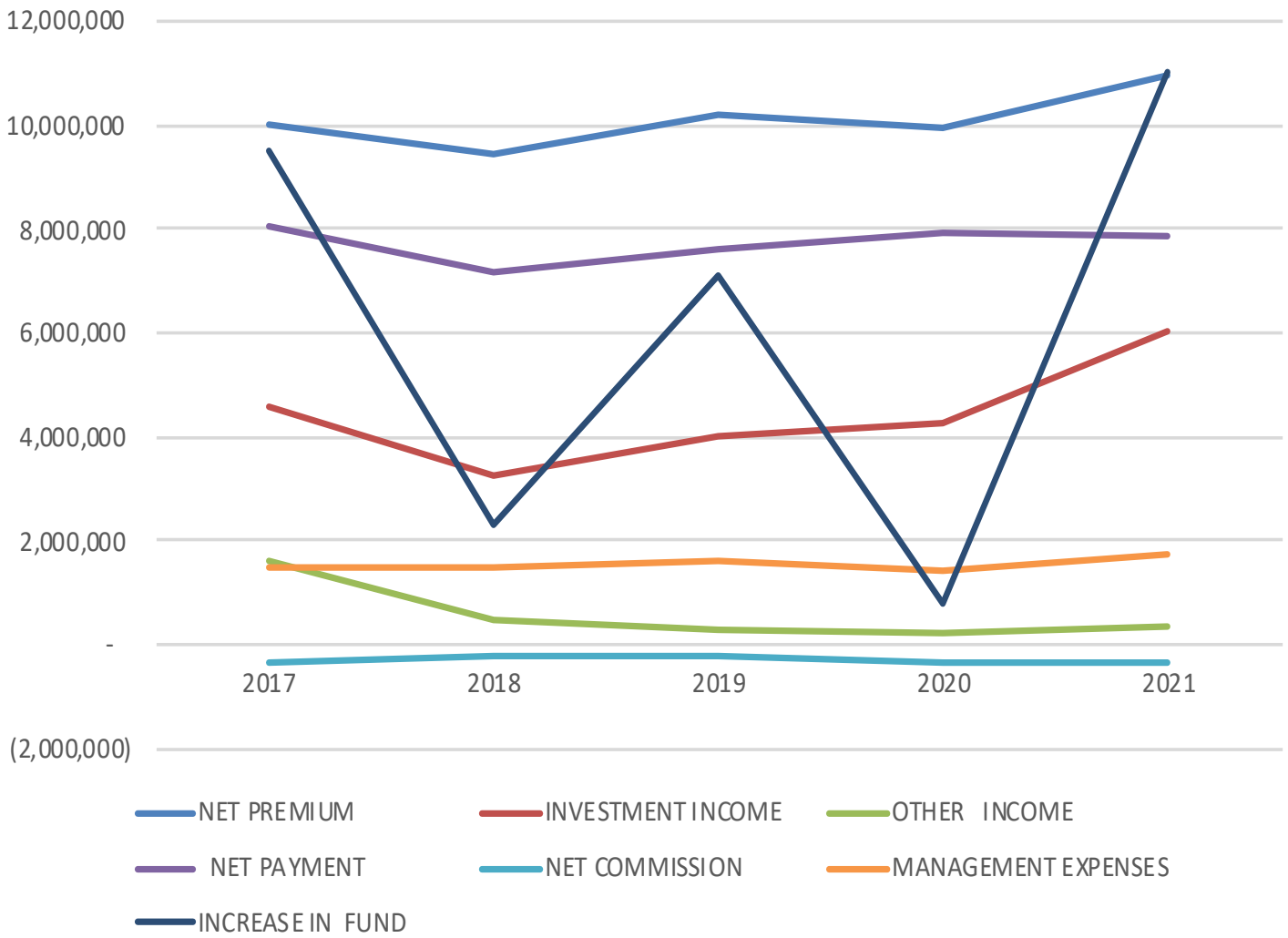
Strategic Analysis - LT Insurance

The long-term business insurance, meaning life insurance, pension and permanent health insurance business after excluding assets and liabilities which pertain to occupational/private pension schemes under management of life insurance companies, account for roughly 49% of total written insurance premiums.

Life Insurance Policies and Plan

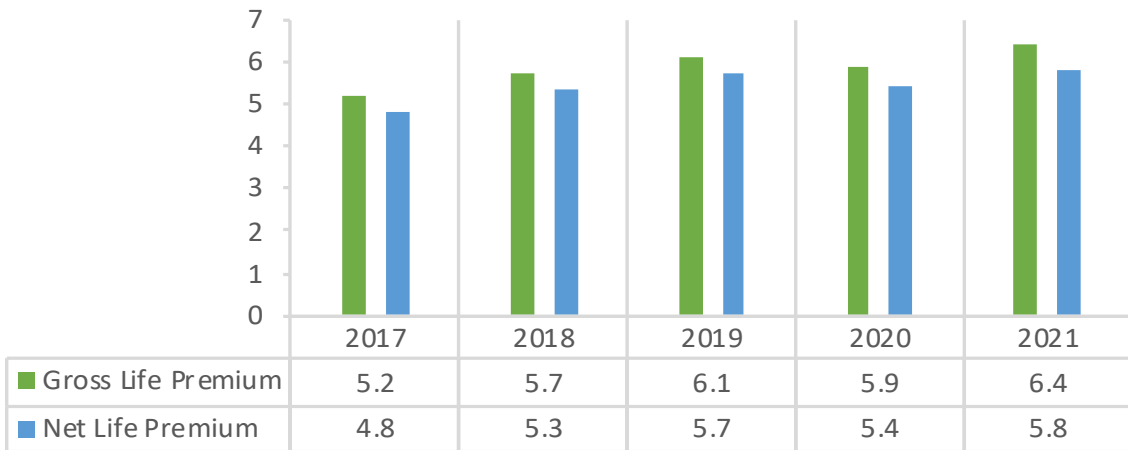


LT INSURANCE INDUSTRY in MUR 000

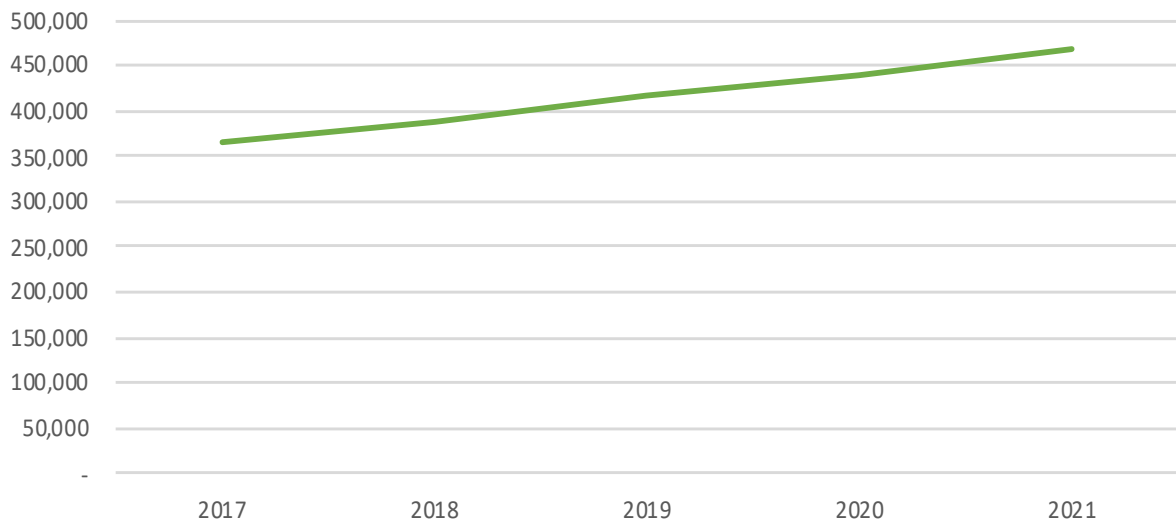


Source: Financial Services Commission (FSC) Mauritius

LIFE PREMIUM MUR BILLION

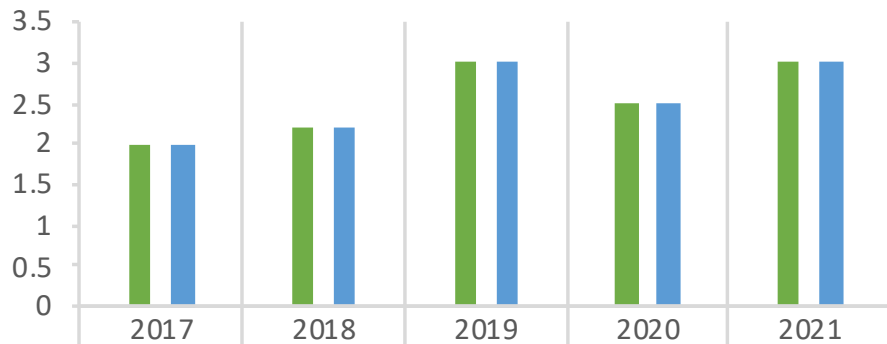


Life - Number of Policy Contracts



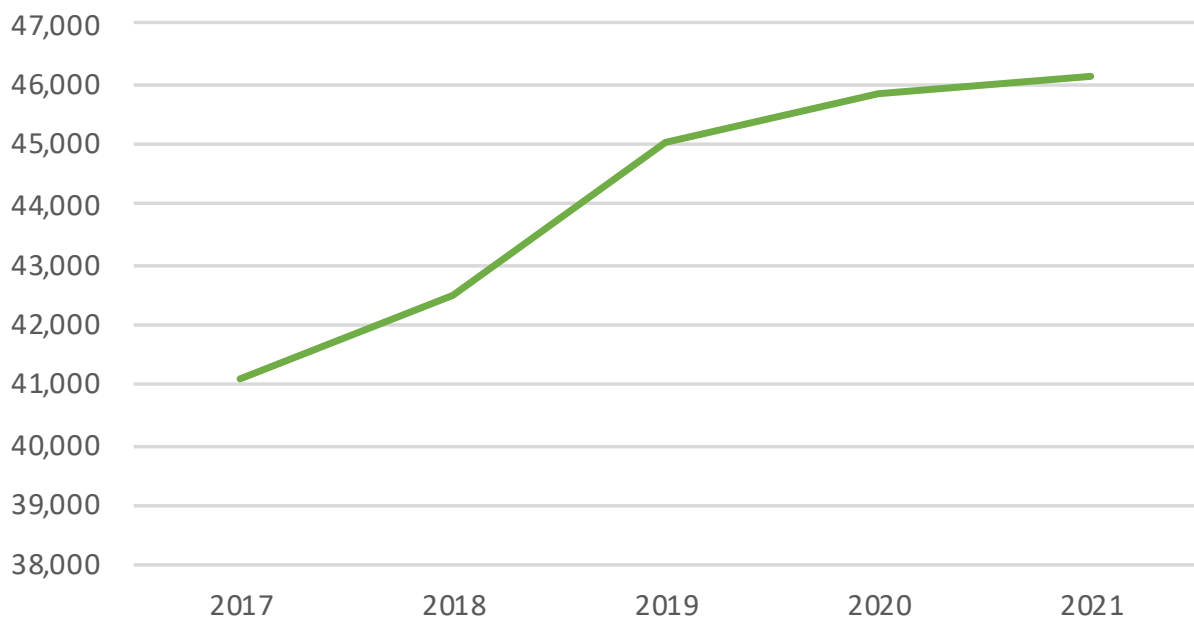
Source: Financial Services Commission (FSC) Mauritius

LINKED LONG TERM MUR BILLION



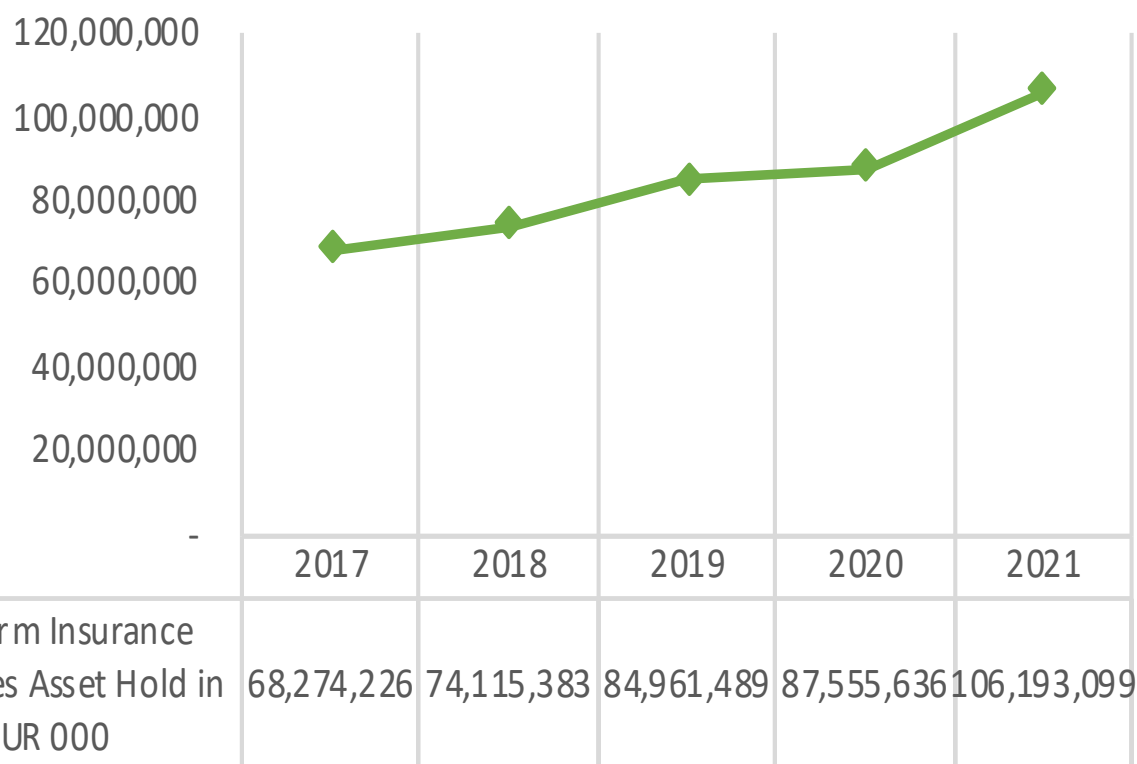
■ Gross Linked Long Term Insurance	2	2.2	3	2.5	3
■ Net Linked Long Term Insurance	2	2.2	3	2.5	3

Linked Long Term - Number of Policy Contracts



Source: Financial Services Commission (FSC) Mauritius

LONG TERM INSURANCE COMPANIES ASSET HOLD



Source: Financial Services Commission (FSC) Mauritius



General Insurance

Life is full of risks. That's what makes it so interesting and exciting. But some unexpected events can really set you back.

General insurance is a term used to describe all types of insurance, other than life insurance.

One, most likely, will need some form of general insurance at some time in one's life.

General insurance helps us protect ourselves and the things we value, such as our homes, our cars, our health, our business and our other valuables, from the financial impact of risks, big and small – from fire, cyclones, flood, to theft, car accidents, travel mishaps – and even from the costs of legal action against us.

Therefore, it is often wise to purchase the protection against possible financial loss. And we can choose the types of risks we wish to cover by choosing the right kind of policy with the features we need.

However, it is also a legal requirement in some instances.

The most common type of insurance, which is a requirement by law, is liability to third parties and third-party property damage, in respect of a motor vehicle.

Another common area of general insurance, where you may have to purchase the cover, is household insurance. If you have a mortgage, the loan company, in most cases, will require that you purchase adequate household insurance in the terms of your contract.

There are some types of insurance, which are not required by law, but are highly recommended. The best example of this is health insurance. Nothing is more important than your health, but medical bills can add up quickly, especially if you suffer a serious injury or illness.

In general, insurance works by spreading the cost of unexpected risks among a large number of people who share similar risks.

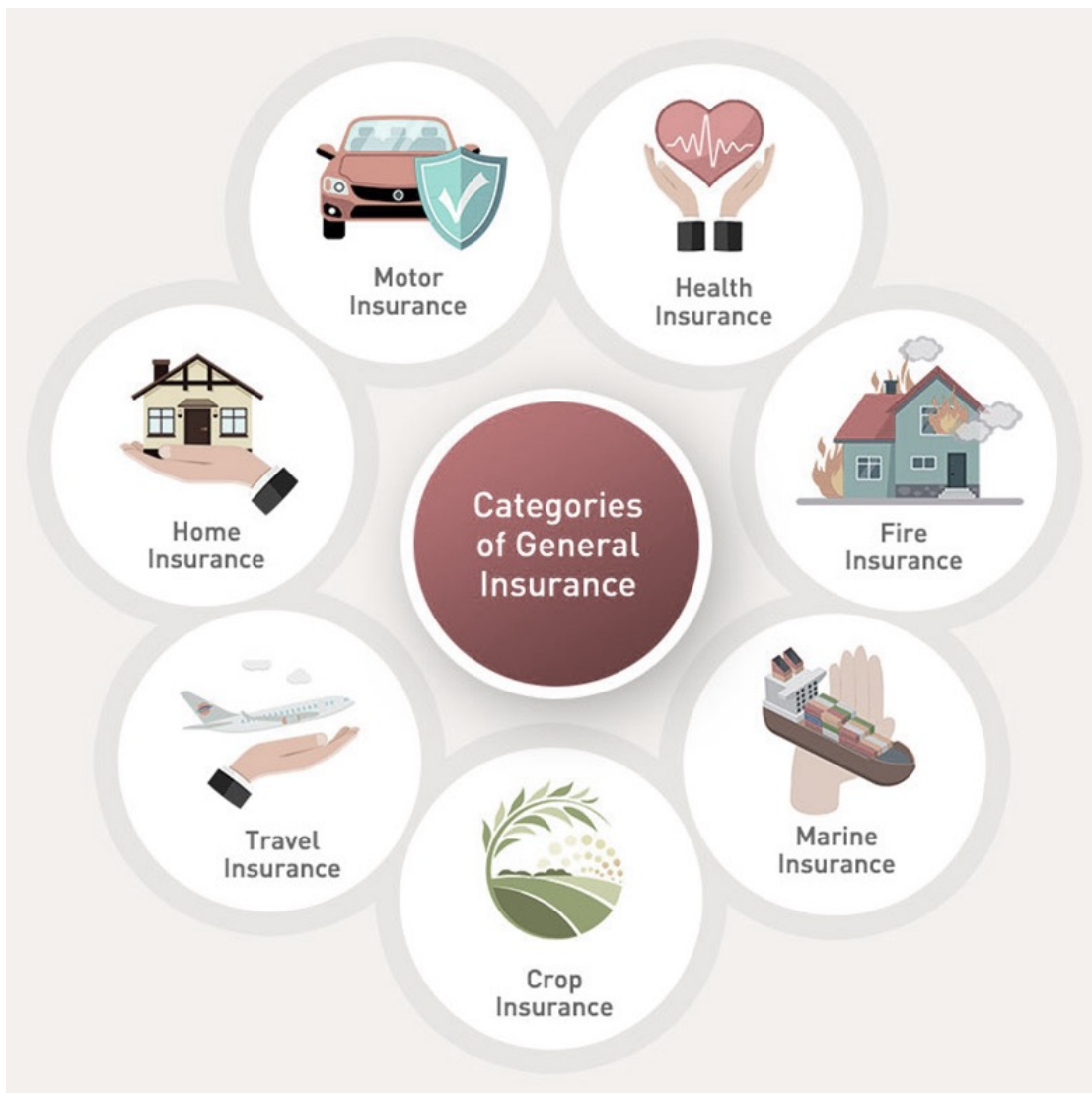
When you take out an insurance policy, you pay a monthly or annual premium. That money joins the premiums of many thousands of other policyholders and goes into a big pool of funds.

With any luck, you will never need to draw on that pool. But if you happen to be one of the unlucky ones affected by an unexpected calamity, perhaps through severe weather or accident, that pool of funds can be used to help you up to the limit you have selected in your policy.

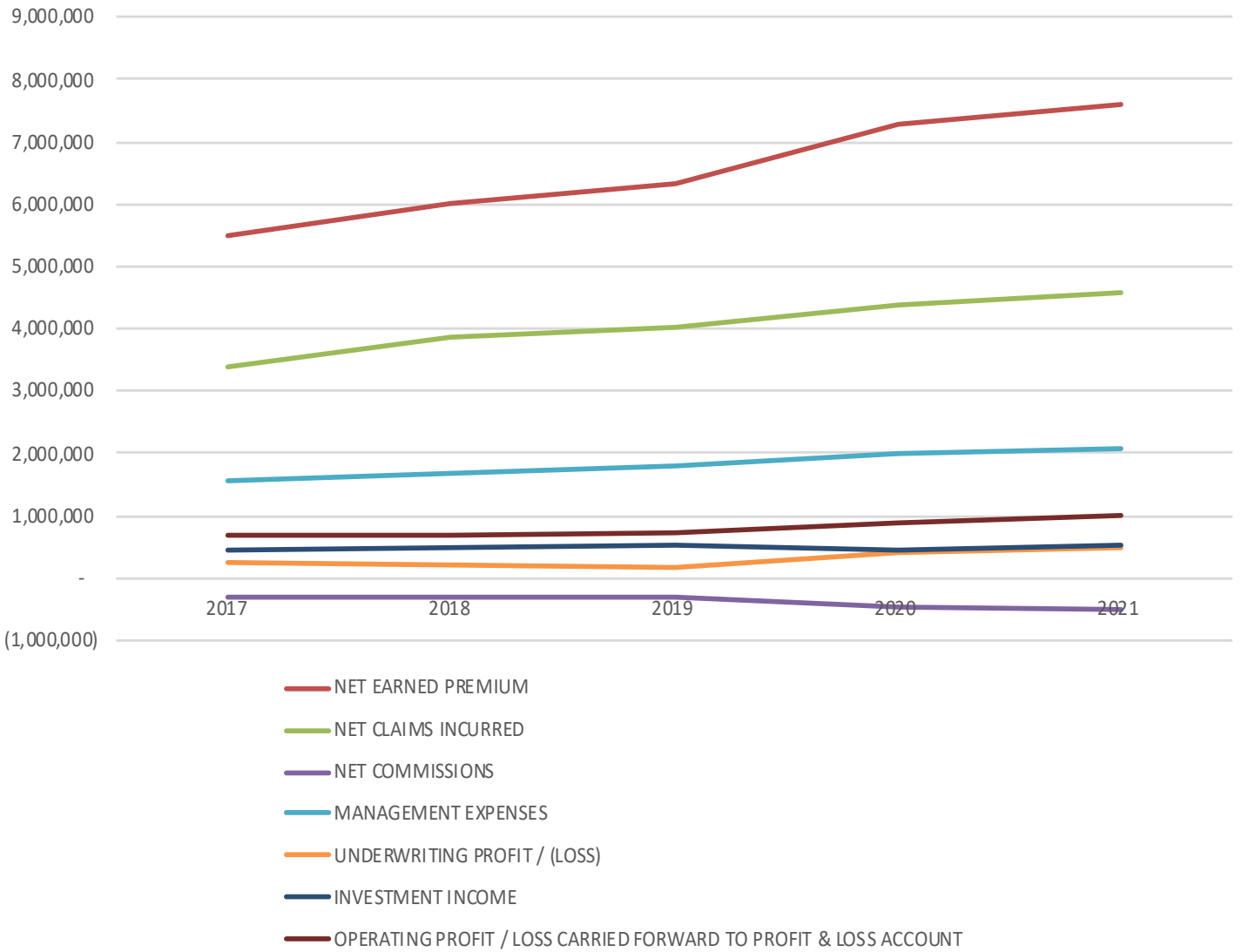
If things go wrong, your insurer may either repair or replace the items that have been lost or damaged, depending on the terms of your policy. You may also have the choice of receiving a cash settlement for the amount of money agreed in your policy.

Strategic Analysis – General Insurance

The general insurance business i.e. insurance business other than long term insurance business whereby policies are delivered with respect to accident & health, engineering, guarantee, liability, motor, property, transportation accounts roughly for the other 51 % of the written insurance premiums, constituting the largest segment of Mauritius’ insurance industry. However, large industrial and commercial risks are reinsured with top international companies.

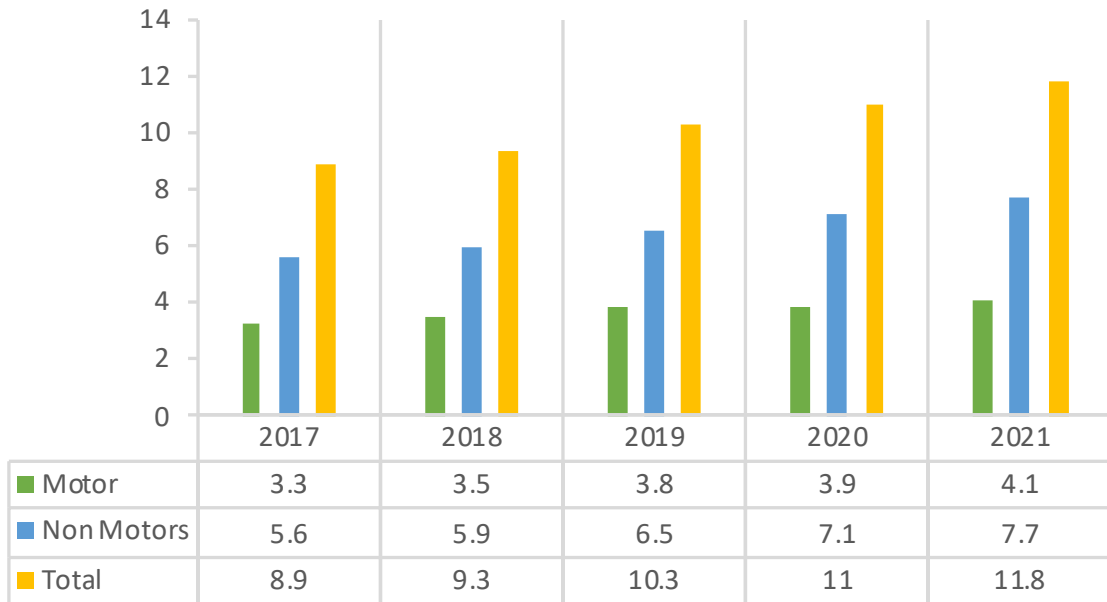


THE GENERAL INSURANCE INDUSTRY in MUR 000

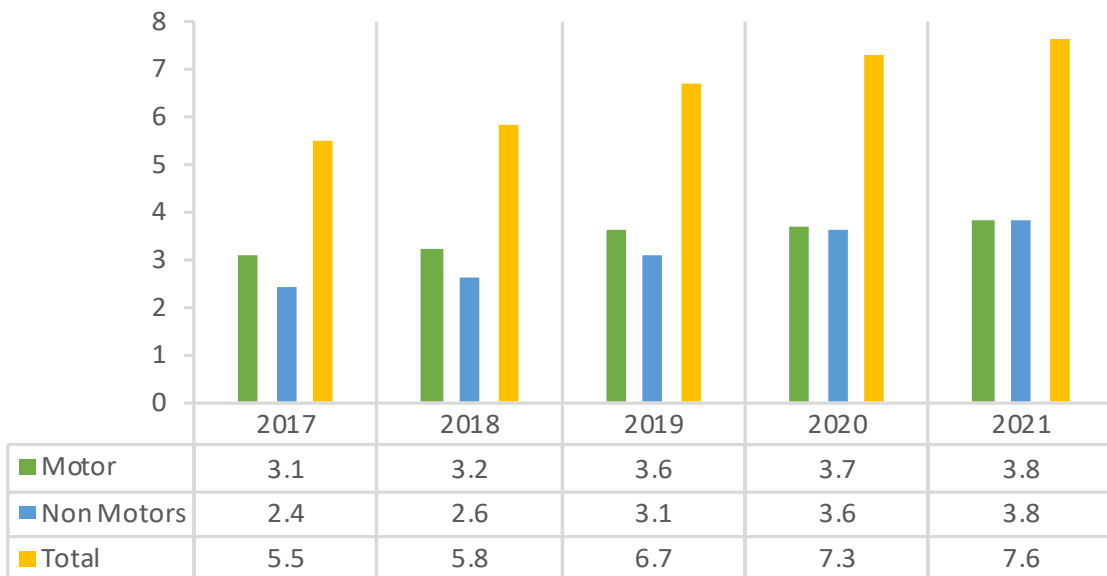


Source: Financial Services Commission (FSC) Mauritius

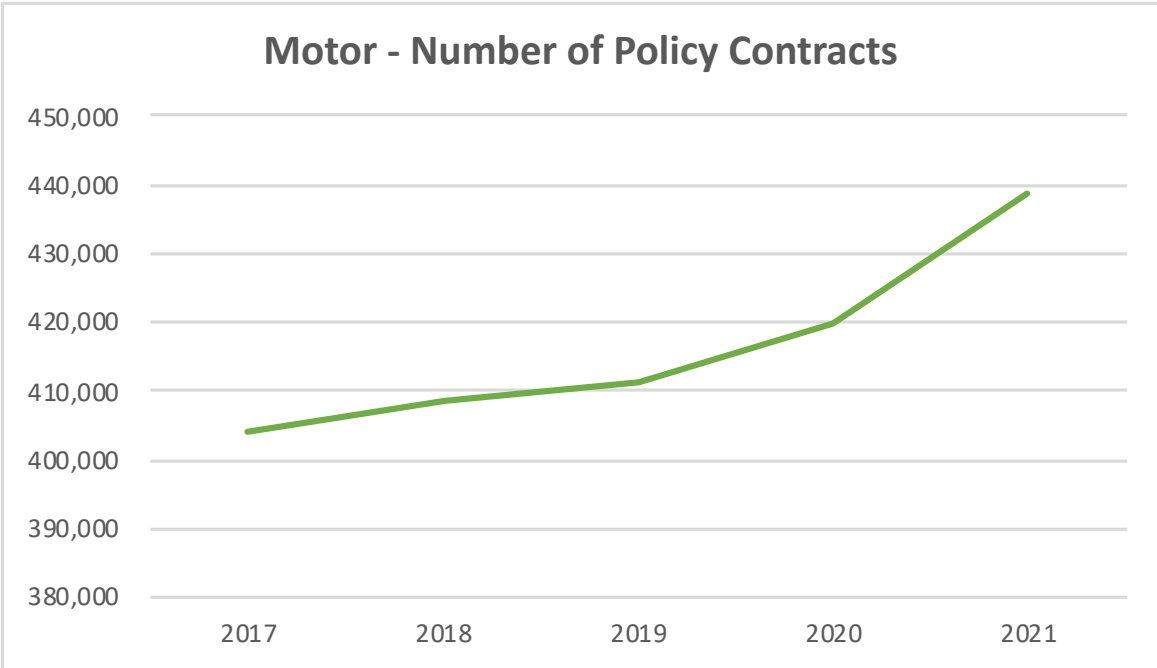
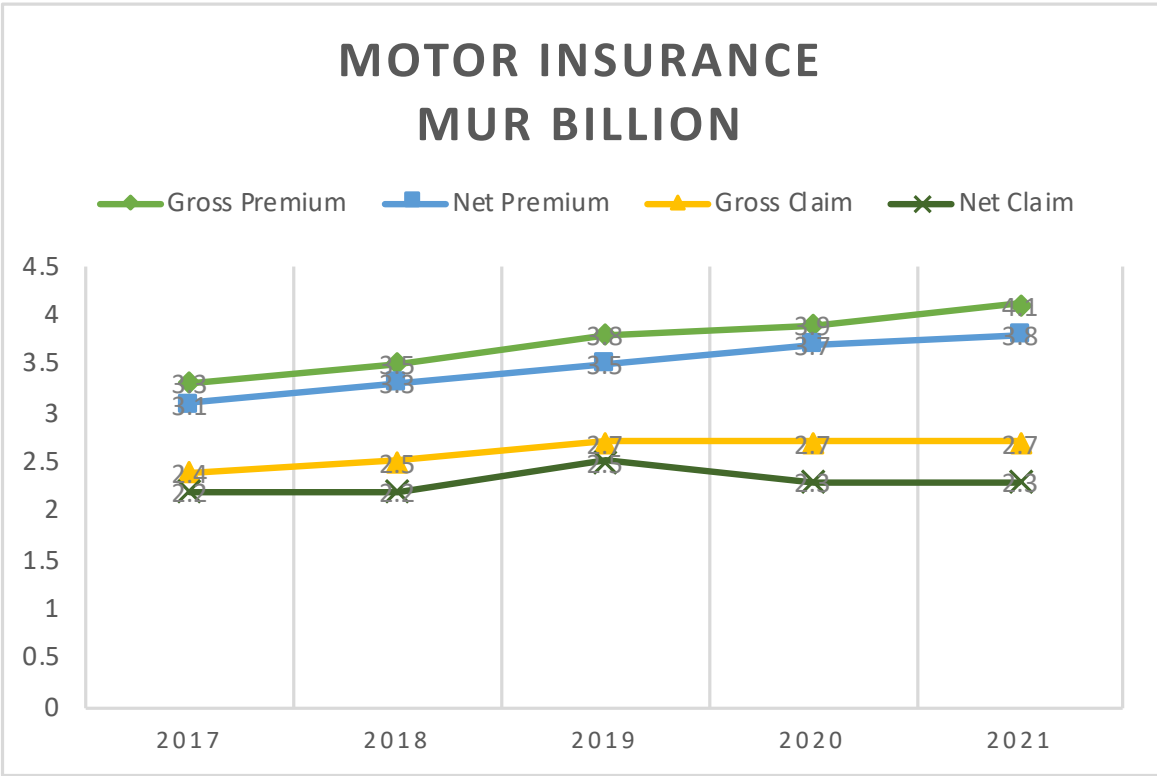
GROSS PREMIUMS



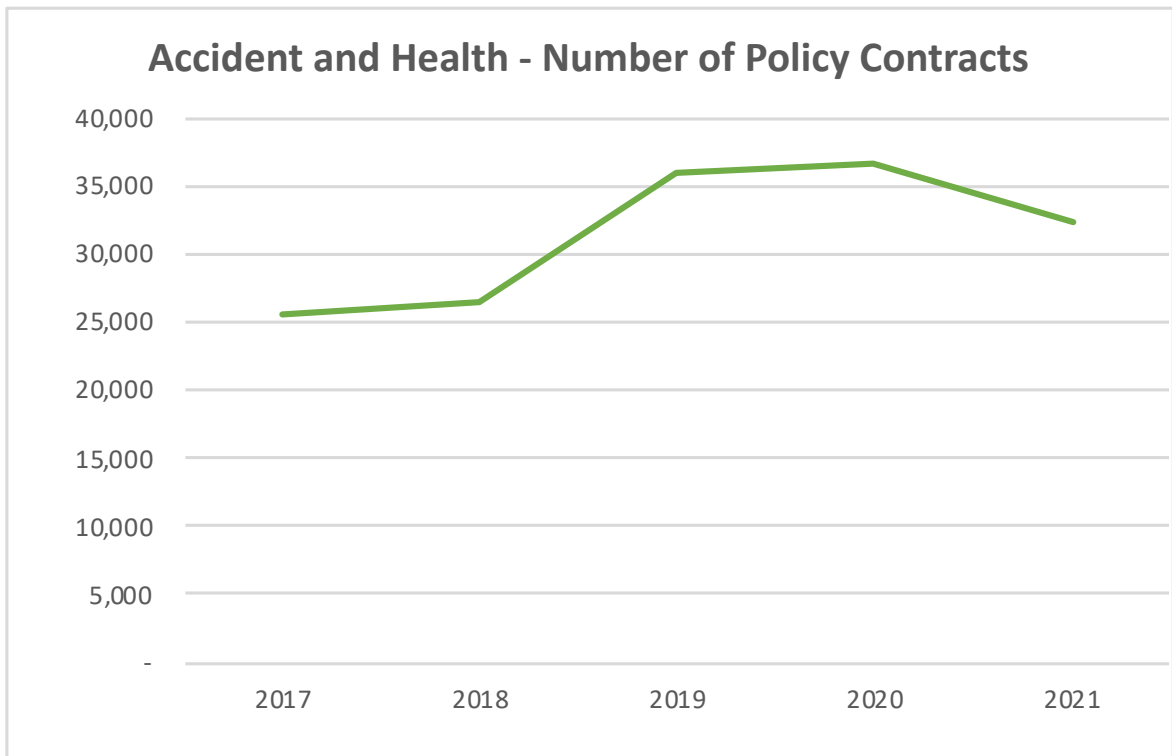
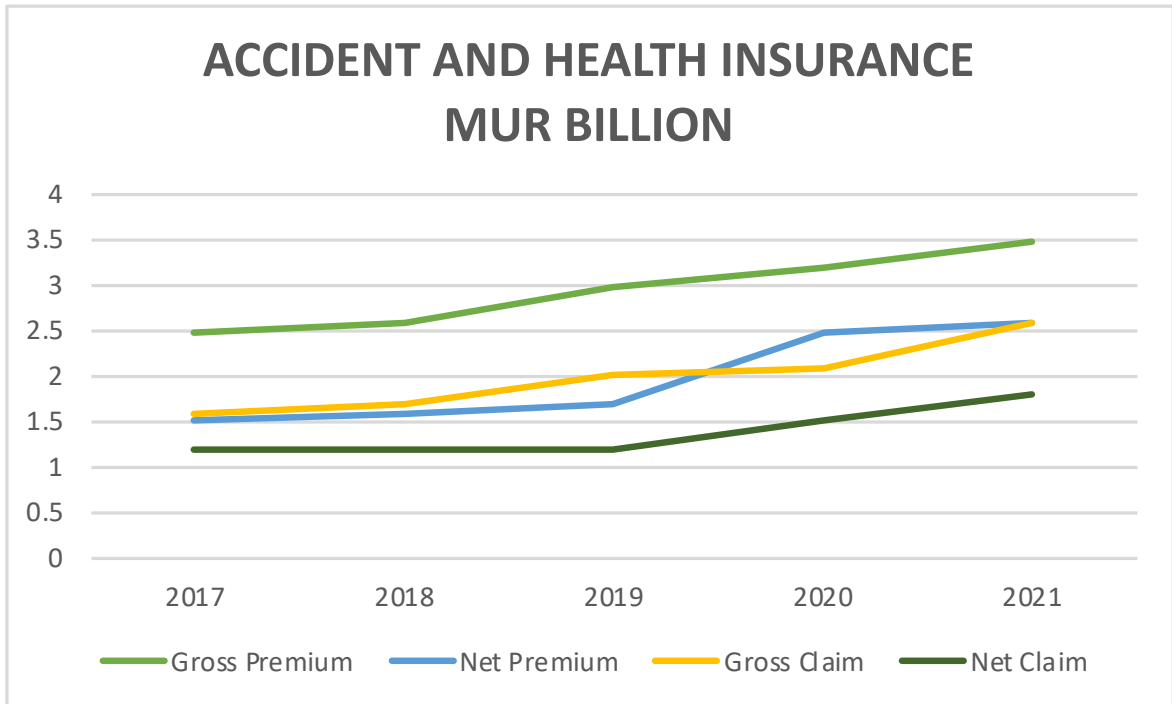
NET EARNED PREMIUMS



Source: Financial Services Commission (FSC) Mauritius

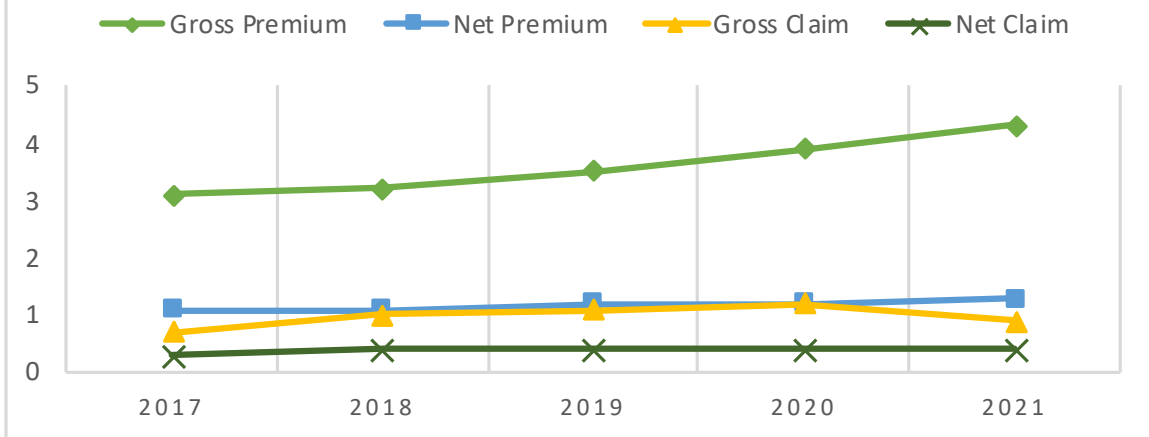


Source: Financial Services Commission (FSC) Mauritius

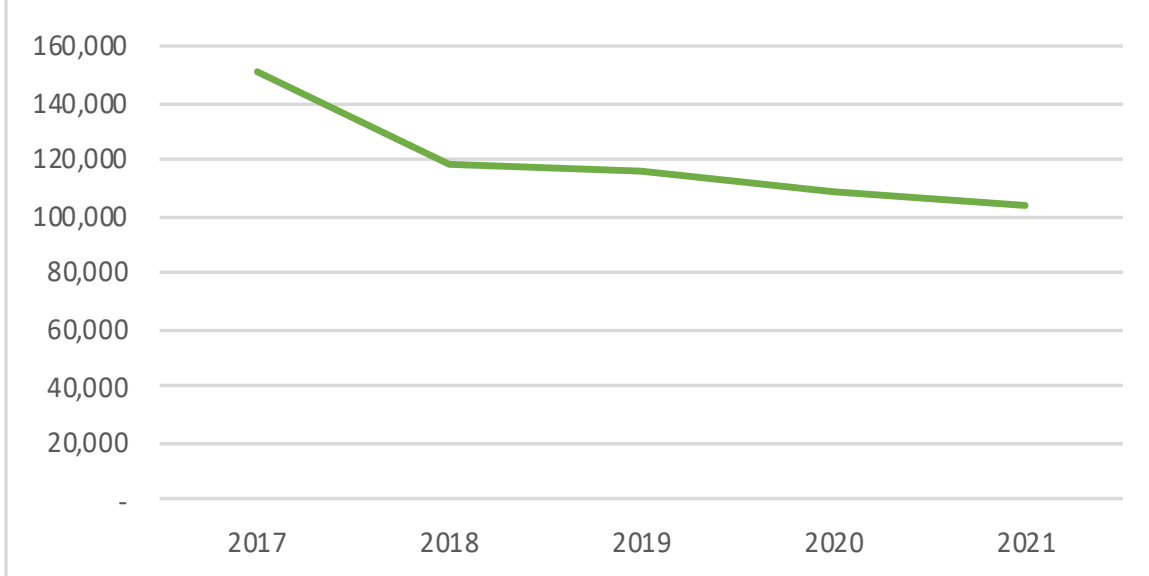


Source: Financial Services Commission (FSC) Mauritius

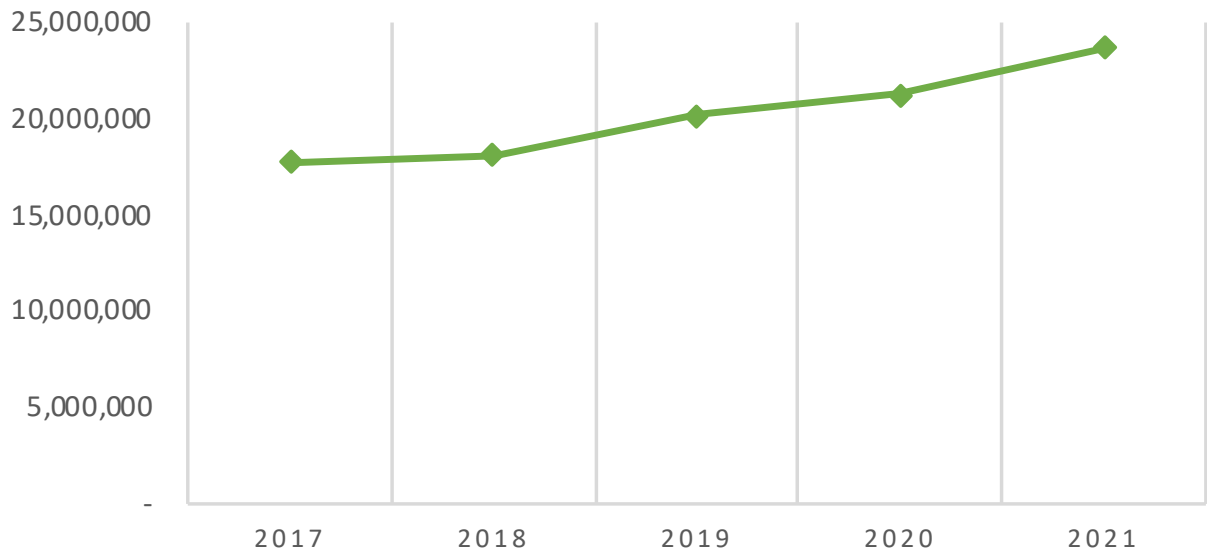
OTHER NON MOTORS MUR BILLION (ENGINEERING, LIABILITY, PROPERTY, TRANSPORTATION, GUARANTEE & MISCELLANEOUS)



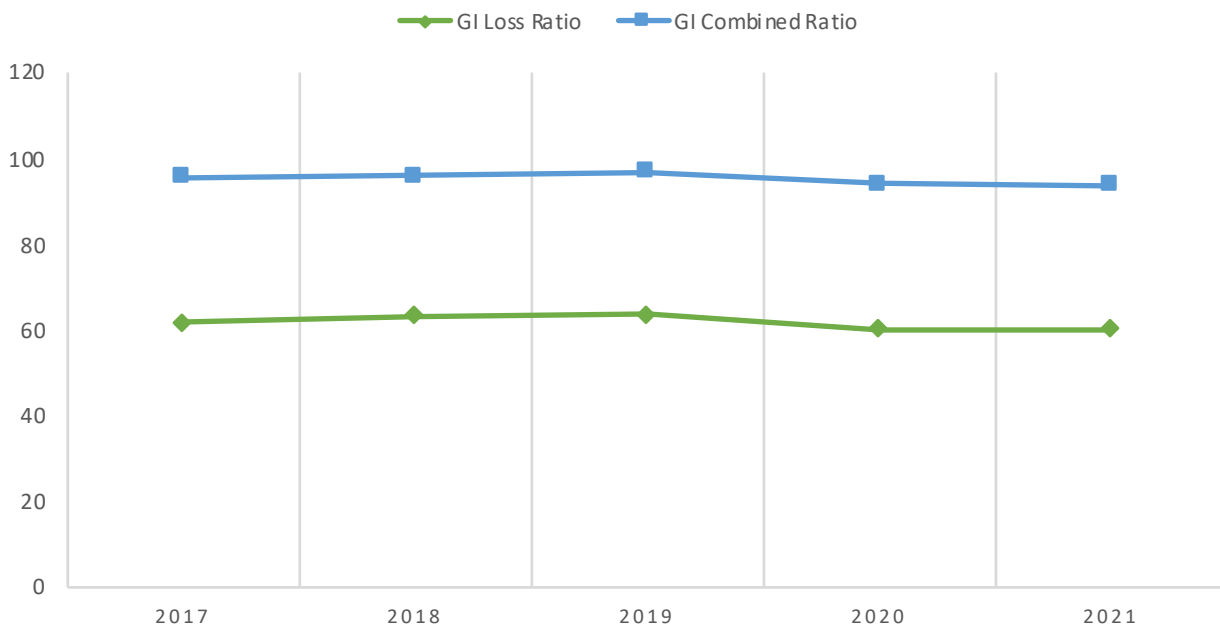
Other Non Motors - Number of Policy Contracts



GENERAL INSURANCE COMPANIES ASSET HOLD IN MUR 000

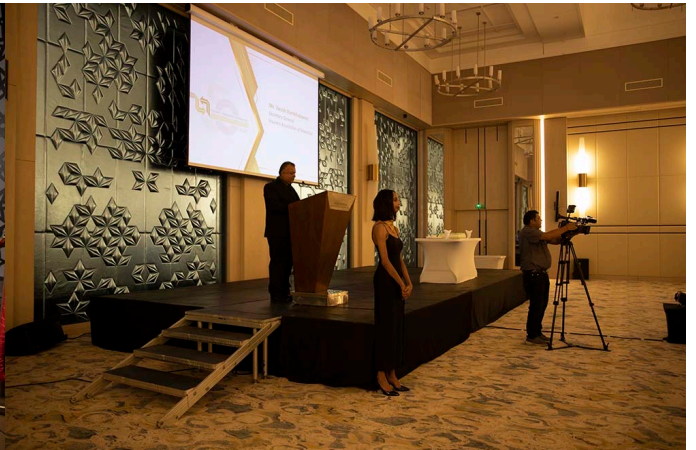


GENERAL INSURANCE LOSS RATIO & COMBINED RATIO (%)



Source: Financial Services Commission (FSC) Mauritius

50 YR CELEBRATION



MOVING FORWARD

Insurers will continue to step up and continue to provide solutions to support our businesses and communities.

Some of the areas where the insurance sector can strive towards even greater heights.

Responding to New and Emerging Risks

The insurance market is growing. The demand for protection against new risks are increasing in various areas such as environmental risk, cyber risk, supply chain interruptions just to mention a few.

These are all new risks that are emerging in a more complex economic environment. That means that there is more vulnerability and growing need for insurance to mitigate the economic impact of those risks.

Embracing Technology and Innovation

Technology is a key driver of innovation in the financial industry. We see this cutting across all areas of finance. Worldwide, insurers are already embracing the advent of InsurTech. We can all see the growth of InsurTech happening worldwide. The annual investment in InsurTech start-ups have risen five-fold over the last five years.

New technologies are offering new ways for insurance companies to manage their customers' needs. In Mauritius, our insurance industry is not stopping this tide of technology, and we are also embracing technology within our industry. We are all implementing technologies not because these are available but in order to meet customer needs and add value to the customer experience.

Building a strong pipeline of insurance professionals

Even though it is a world of automation, the insurance business has always been a people business where agents and brokers are used as intermediaries. We will still need the human touch in many areas. Our people are the drivers of growth in the insurance sector.

The industry is growing, and we will need more people in this industry. That's why the Insurers Association of Mauritius will support initiatives to foster a pipeline of young talents into the insurance industry as we hope to see more young professionals entering the insurance industry in line with our growing needs.

Strengthening Trust in the Insurance Industry

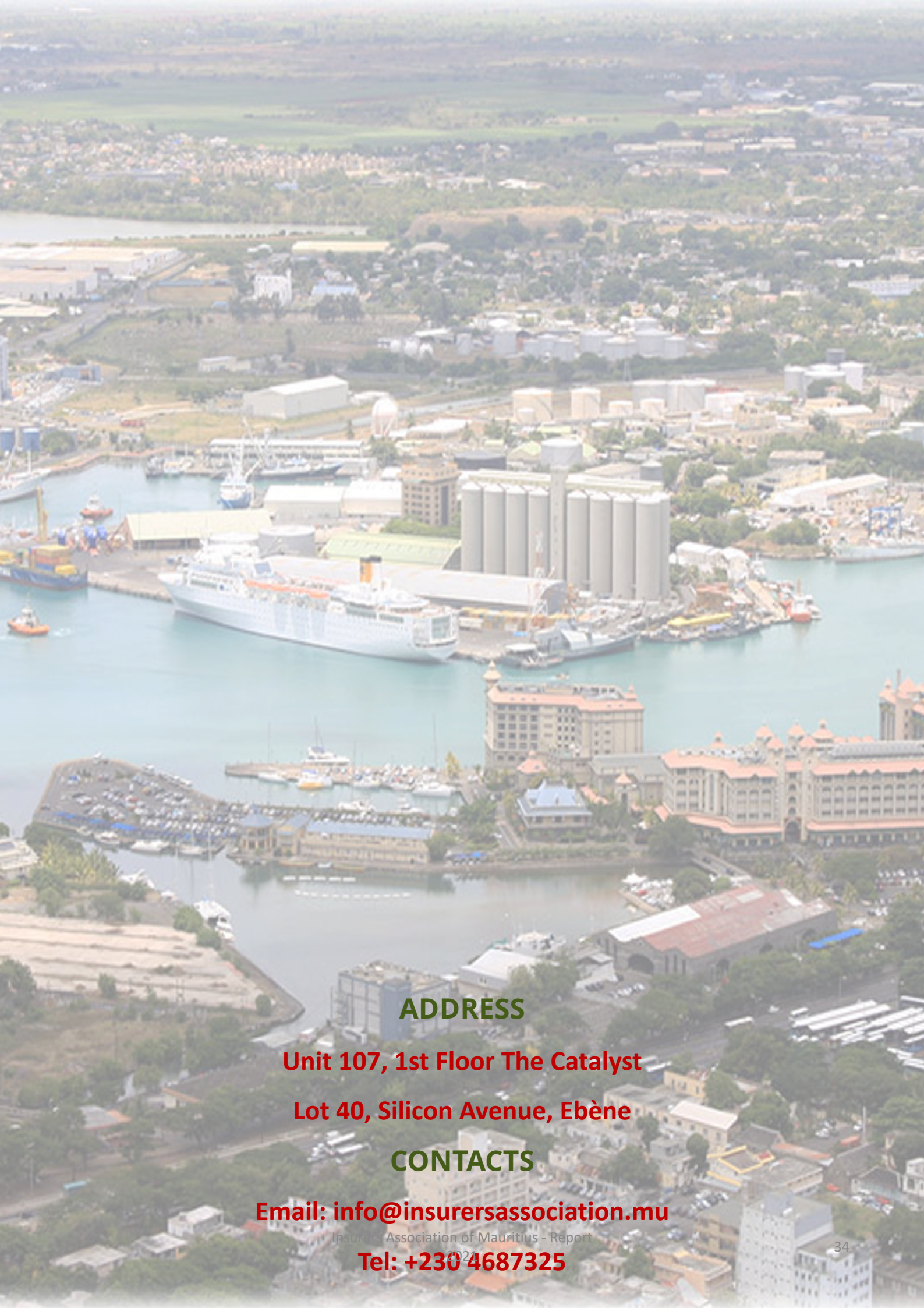
Even as we build up our workforce, even as we attract more people, and we provide skills upgrading, it is important ultimately to fall back on what is important in this industry. It is not just about skills, but ultimately the insurance industry is built on trust. So, we may have the most competent people but ultimately the insurance industry has to be built on people who are of integrity, who are of the right values and who can promote trust. We are not just selling a policy, we are making a promise - a promise to be there for our customers for good times and bad times. That is an important part of what makes the industry work and what creates values and what gets customers to buy insurance from us. That must never be eroded. That value, that ethos must always be there.

In many countries, trust deficit is created when ethics are compromised, when there is unfair dealing, when there is non-transparency, when there is a lack of integrity. Fortunately, we don't face this in Mauritius, and we must not allow such behaviours to creep into our insurance sector. All of us in the insurance sector, all our insurance professionals, must work harder to enhance customer confidence, to build trust - be it through consumers' education, through fair and proper disclosure or through fair dealings with our customers.



Getting insurance is YOUR
responsibility to your
family and loved ones. You
may hate it but it is your
responsibility.

JEREMIAH SAY



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