

Events, developments, and opportunities in the international marketplace.

Middle East and North Africa



Insurance markets across the Middle East and North Africa (MENA) have seen rising commercial insurance rates over the last 12 months, including in the construction, cyber, trade credit, professional liability, and energy and power lines of business. These increases are largely a consequence of the transitioning global insurance market and COVID-related claims. D&O rates continue to increase across the region (and globally), with insurers concerned about COVID-19's impact on liquidity risk and future insolvencies. Property rates are rising,

especially for organizations with poor loss records, high asset values, or high-risk exposures due to reinsurers imposing more restrictions on risks they are willing to accept. Cyber insurance rates continue to rise, due to an increase in frequency and severity of global ransomware claims. Motor insurance rates in the UAE, Saudi Arabia and Oman decreased due to a rise in competition among insurers. In MENA, local insurers are generally unable to act as a leader on large insurance programs, due to limited local capacity and are more dependent on the reinsurance market. As a result, larger insurance programs in MENA have been affected by changes to the international reinsurance market, which is seeing widespread rate increases and reduced capacity. As such, international reinsurers are taking less share of many risks in the region.

Cameroon

The mandate of the Association of Insurance Companies of Cameroon (ASAC) includes increasing the insurance market in Cameroon. As an indicator of the insurance gap in the country, Cote d'Ivoire, with population size and purchasing power comparable to those of Cameroon, generated insurance turnover of XOF415bn (\$768m) in 2020 whereas the figure was XAF210bn (\$389m) in Cameroon, 1% of its GDP. One lever to be used to increase premium income in Cameroon is compulsory insurance. Third-party liability auto insurance is mandatory, yet 50% of cars in circulation are uninsured. As a second lever, the plan is to press the government to enforce compliance with a 1975 law that obliges those engaged in construction projects with a value of at least XAF100m to take out "All Risks" construction insurance. The same law obliges architects, design offices, and technical inspection companies to take out 10-year inherent defect insurance. The intent is that this obligation is inserted into the documentation for issuance of a building permit. It is also hoped a 2018 law providing for compulsory insurance for containers leaving ports will be made effective. The insurance industry in Cameroon has 28 companies operating in it, comprising 17 non-life companies and 11 life companies.



Cambodia



Cambodia's insurance sector saw gross premiums nationwide increase by 7.8% to \$264.9m in 2020 despite the COVID-19 pandemic. Non-life insurance sales grew by 10.5% but with ample room for growth as insurance penetration is lower than 1%. Property and medical insurance represented the largest percentage of premiums, at 35%, with medical insurance rising in popularity as a result of COVID-19. But the vast majority of the population remains uninsured. Factors that will contribute to the growth of insurance include favorable macroeconomic conditions, political stability, a more robust regulatory framework as well as trust in the insurance industry.

Recent Success Stories

- Placed a standalone Management Liability policy in Australia on behalf of an importer and distributor of outdoor furniture and outdoor games.
- Bound a Marina Operators Liability policy in the Caribbean with a \$5m limit for a private island organizing fishing tournaments and destination weddings.
- Placed a local General Liability / Premises and Operations policy with an EL extension in Spain for a global industrial manufacturing services company.
- Bound a difficult to place high value homeowners policy along with ancillary coverages in the recently hurricane damaged area of the Abaco Islands.

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