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4th – 10th Sept 2015

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Aim for the moon. If you miss, you may hit a star - W. Clement

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Insurance Industry

At $8 billion, Mumbai tops in terrorism risks among global centres: Lloyd's – The Financial Express – 4th September, 2015

The megapolis has the largest exposure to terrorism at almost USD 8 billion and the second highest exposure to power outages with USD 1.92 billion of GDP at risk among the large global cities, says a report.

Mumbai has the largest risk with a USD 47.38 billion worth of exposure and almost one quarter of the city's potential losses are related to pandemic risks, followed by terrorism at 16.77 per cent, market crash at 12.94 per cent and floods at 12.89 per cent, the global insurance major Lloyd's said today citing its report 'City Risk Index'.

The study presents the first-ever analysis of economic output at risk in 301 major cities from 18 manmade and natural threats over a 10-year period. India's 10 largest urban centres of economic growth have USD 179.8 billion worth at risk from a series of threats over the next decade.

Across the 10 cities combined, the largest economic exposure is to pandemic risks, which could put USD 39.65 billion at risk, followed by floods at USD 33.84 billion, market crash at USD 21.13 billion, oil price spike at USD 20.81 billion and terrorism at USD 16.07 billion.

Catastrophes caused by natural events such as extreme weather, pandemics and plant epidemics account for just over half (USD 98.1 billion) at risk in the 10 cities, it said.

The city risk index says Ahmedabad, Bangalore, Delhi, Chennai, Hyderabad, Kanpur, Kolkata, Mumbai, Pune and Surat together will generate an average annual GDP of USD 1.4 trillion in the coming decade. However, 12.6 per cent of this growth is at risk from the combination of 18 manmade and natural threats.

"The city risk index highlights the economic exposure of 301 major cities across the world. Governments and businesses, together with insurers, must work together to ensure that this exposure – and the potential for losses – is reduced," Lloyd's Director (Global Markets) Vincent Vandendael said while unveiling the report here.

"Insurers, governments, businesses and communities need to think about how they can improve the resilience of infrastructure and institutions. Insurance is part of the solution," he added.

Source

Later, talking about Llyod's plans to enter India, Vandendael said "we're in dialogue with the regulator Irdai to explain them our nature of business. We are a market for speciality products and operate through syndicates. "In what form shall we enter Indian market is yet to be decided. But lots of syndicates are keen to be part of our Indian operation and we will also introduce products for local market in India like cyber insurance."

Back

India to utilise PMJDY account to extend pension, credit facilities – Financial Chronicle – 4th September, 2015

India aims to utilise bank accounts created under Pradhan Mantri Jan-Dhan Yojana to extend insurance, pension and credit facilities to those excluded from these benefits, Finance Minister Arun Jaitley has said, as the country joined a UN initiative to enable nations transition to electronic payments.

Taking a step closer to becoming a cashless economy, India has joined the 'Better Than Cash Alliance', a United Nations Capital Development Fund (UNCDF) initiative that helps enable countries transition to electronic payments.

The announcement comes on the first anniversary of Prime Minister Narendra Modi's flagship financial inclusion programme Pradhan Mantri Jan-Dhan Yojana (PMJDY).

The new partnership with the Better Than Cash Alliance, made up of governments, companies, and international organisations, is an extension of Indian Government's commitment to reduce cash in its economy, according to a statement released here by the alliance.

"The scale of ambition of Pradhan Mantri Jan-Dhan Yojana has been much higher than for any other financial inclusion initiative in the past. The project has been instrumental in bringing almost all families of the country into the formal financial system and enabling citizens at grassroots level to perform financial transactions and keep their hard-earned money safe," Jaitley said in the statement.

"As a next step, the aim is to utilise these accounts for extending insurance, pension, and credit facilities to those who are currently excluded from these benefits," he said, adding that India has been recognised by the Guinness World Records for opening over 1.8 crore bank accounts in a week.

Under PMJDY, in one year, 175 million new accounts have been opened, with deposits totaling more than $3.4 billion.

India's announcement comes ahead of next month's United Nations special summit here when Modi and other world leaders will launch the adopted Sustainable Development Goals (SDGs).

Digital financial services are a key tool for the implementation of the goals, and advocates hope India's leadership inspires other governments to harness the power of digital payments as a strategy for achieving the SDGs, the statement added.

"India's leadership and progress are inspirational for countries around the world," said Dr. Ruth Goodwin-Groen, Managing Director of the Better Than Cash Alliance.

Source

"By making the digitization of payments to achieve financial inclusion a top priority, the Indian Government is showing its commitment to improving the lives of its people and driving inclusive growth."

Back

Bose panel wants Irdai, PFRDA to harmonise function with Sebi – Financial Chronicle – 6th September, 2015

In order to bring uniformity and proper oversight over investment products, insurance regulator Irdai and pension regulator PFRDA should sync their investment regulatory function with that of capital market regulator Sebi, according to a government-appointed committee.

The panel, headed by former finance secretary Sumit Bose, said that the differential regulatory norms should not favour any particular financial product. To ensure that, the panel suggested that the redress available to consumers should be of same high quality across sector regulators and they should ensure that consumers of products under a particular regulator are not placed at a disadvantage.

The committee, set up to suggest ways for curbing mis-selling and rationalising distribution incentives in financial products, recommend that enforcement should be strengthened around manufacturers of financial products like mutual funds or insurance companies for payment of commissions and fees over and above the prescribed limit to the distributors.

The panel also said that over time, Indian markets should move to an advisory model where customers seek advisors, and remunerate them directly for holistic portfolio advice, plus the over the counter (OTC) model, where customers purchase products over the counter without any intermediation. "In this world, product provider-led commissions will not be permissible, and advisors will function under a regime of higher fiduciary standards," it said.

On Ulips, the panel said, "Mortality and investment should be bifurcated, and upfront commissions should be allowed only on the mortality part of the premium and investment portion should on trail basis. For the investor, this would mean a clear understanding of what part of the premium goes to service the life cover and what part of the premium goes to work as an investment."

In case of mutual funds, the panel said the extra commission in B15 should be removed and a level playing field be created in the country. It wants mutual funds and distributors to tap such unexplored markets to increase their sales and market share on their own.

The panel also observed that competition has not reduced costs much below the expense ratio that was fixed when the AUM of the industry was much lower. So, it suggested that the regulator should lower the cost caps as the AUM rises over time. "The recommendations of the panel if implemented could reduce mis-selling of financial products across sectors and the rationalisation of commission structure for various products is a welcome move," said Suresh Sadagopan, founder, Ladder 7 Financial Advisors.

The panel also wants regulators to put additional disclosures requirements on banks to disclose products that originate from their group companies and the comparable products as comparison when selling products originating from their group companies.

Source

It also observed that banks and other institutions tend to over-sell and as a result could often mis-sell products belonging to their group companies. It said similar products should have similar service tax, stamp duty and rural and social sector norms. It also suggested that mutual fund NFOs should also have an Asba process like in the case of IPO markets.

Back

Ulips drive private players' growth - The Financial Express – 4th September, 2015

Source

Private life insurers reported a 24% growth in individual annualised premium in July as unit-linked products continue to drive premium volumes. Insurers focused on Ulips are growing at a faster clip than others. State-owned Life Insurance Corporation of India reported an 18% decline in individual annualised premium. However, it recently launched a linked-product, which could drive its market share in the next few months. Category-wise, single premium accounts for 30% of the business for private sector.

Back

Life Insurance

Rising frauds forcing life insurers to make medical tests mandatory – Financial Chronicle – 7th September, 2015

Rising number of frauds in small cover term plans is forcing life insurers to stop selling them and make medical tests mandatory. Private life insurer HDFC Life Insurance, the market leader in term plans, has stopped selling term policies below Rs 50 lakh besides making it mandatory for prospective buyers to undergo medical tests.

HDFC Life Insurance had launched Click2 Protect Plus in August last year. It was an enhanced version of its flagship term plan Click2protect with added options and benefits. Faced with large number of frauds from smaller cover policies, a month back, HDFC Life decided not to sell term plans below Rs 50 lakh and made medical test mandatory. Earlier, HDFC Life was offering a minimum sum assured of Rs 25 lakh while medical tests were not mandatory.

A senior official at HDFC Life said, "As part of our risk monitoring process, we take suitable corrective actions in order to ensure that the risks that we underwrite are in line with what is assumed in the price we charge. This is a common practice in the industry."

Munish Sharda, MD & CEO, Future Generali Life Insurance, said, "We don't have an online term plan but offer offline term plan (sold by agents). We have seen challenges in some areas and segments on account of non-disclosure of the existing diseases and also because of misrepresentation and fraud. We have strengthened our due diligence process and have made medical tests mandatory for policies coming from fraud prone areas."

Ashish Vohra, senior director and chief distribution officer, Max Life Insurance, said, "In our case, medical tests were made mandatory around three years ago. There is a certain component of fraud in the industry. There are examples, where we have caught incorrect representation both in term plans and savings plans driven by middlemen who have put together a false file. We invest in front end controls and underwriting to pick up cases where frauds could be higher."

Another official at a private life insurance company said, "There are certain areas where we witness a large number of frauds. Certain districts of Gujarat, Bihar and Andhra Pradesh have turned out to be hotbeds of fraud. So we have earmarked these pockets. In these districts the medical practitioners are hand in glove with agents and customers. So we do a lot of fact finding while underwriting policies from these areas. Frauds are higher from agency business and not from bancassurance business."

Term plans are the cheapest insurance policies available since there is no saving/investment component. To gain market share many life insurers are offering them at competitive pricing. Yashish Dahiya, CEO and co-founder, Policybazaar.com, said, "Due diligence is constantly increasing by life insurers and they will keep tightening in areas where risks are identified."

Source

This month, the life insurance industry through the Life Insurance Council has selected Experian, a global data analytics company, to build a data repository and fraud-monitoring framework.

Back

General Insurance

Units using hazardous chemicals must take insurance – The Hindu Business Lines – 7th September, 2015

Industries using 179 types of chemicals and compounds and other classes of flammable substances will have to take a special insurance policy to cover liabilities arising out of a possible accident/disaster.

The Ministry of Environment and Forests on Monday directed the Central Pollution Control Board to ensure better implementation of the Public Liability Insurance (PLI) Act, 1991, an official statement said.

Under the PLI Act, an Environment Relief Fund is to be established and subscribed to by all user-industries by an amount equal to the annual premium of such insurance policies.

The CPCB will now direct state pollution control boards and ensure that such industries are not allowed to operate and renewal of licences of such industries are cancelled if they do not comply with the provisions of the PLI Act.

In order to ensure the implementation of the Act, the Ministry has already advised state pollution control boards and pollution control committees of Union Territories for including PLI insurance policy as a part of their checklist.

Source

The Ministry has also had a meeting with general insurance companies to sensitise them and written a letter to the Insurance Regulatory and Development Authority on July 1, to draft a standard PLI policy for uniformity. The advisory has also been issued on the matter to big industrial houses and industry associations, the Ministry said in its statement.

Back

Cyber liability insurance must for entrepreneurs – Business Standard – 7th September, 2015

If you are planning to start an online business, along with regular fire and natural peril insurance for your office premises, and protection for your employees, you must secure your company against cyber crime. Cyber liabilityinsurance will protect your company from online frauds and data breach and their consequences. While demand for such policies is still low, awareness is slowly increasing, say experts.

"For start-ups, the priority is customers and often their information technology systems and process are also geared towards providing customer convenience. They may tend to overlook the security part of their processes. That is why, in their case, it becomes even more important to have insurance in place," says Sushant Sarin, senior vice-president (commercial lines) at Tata AIG General Insurance.

For online companies, data is the biggest asset and it is not tangible. This data could be information about customers such as credit card details. This could be stored on the companies' servers, as it will make it easier for customers to carry out their transactions. This could be linked to the customer;s profile, such as preferences, likes and dislikes. This information is used to help the customer make the decision quicker while shopping. However, there is a chance of data breach from e-commerce firms that store this kind of data.

Other than the stored and controlled data with e-commerce firms, a lot of IT companies deal with processed data, which is also vulnerable to breach. Such companies, too, should have cyber liability insurance.

"As per law, any person whose data is leaked, can sue the company and if the company does not maintain confidentiality, it has to pay a penalty or compensation to the customer," says Sarin.

In case of a data breach or leak, the company has to notify all customers whose data has been leaked. It could be a leak due to a hacker, an insider such as an employer or due to faulty systems.

"Cyber liability insurance will cover any compensation the company may have to pay, forensics to determine how the data branch happened, expenses incurred to notify all customers and expenses incurred for good public relations which is important to restore customers' faith in the company,'' says Sarin.

How much cover you need will depend on the volume of data, how sensitive the data is and where the customers are based. For instance, a company that has records of 100 million customers will require more cover than a company that has records of one million customers. A company that has personally identifiable information of customers might not require as much insurance as a company that has financial or health-related data about customers. If the company's customers are in foreign markets, it will require more data than a company that caters to domestic markets. In case of the former, reaching out to the customers and notifying them in case of a data breach will cost more. Also, the company might have to pay compensation according to the rules of the foreign country. Broadly, for a cyber liability policy with cover of Rs 5 crore, the premium will work out to Rs 5-6 lakh annually.

Cyber liability policies are global in scale and, therefore, have the capability to provide worldwide coverage, says Mukesh Kumar , executive director, HDFC ERGO General Insurance Company.

Since start-ups tend to be people-intensive, they can also consider an 'errors and omissions' policy, Kumar says. This could cover financial loss due to breach of contract owing to negligent act, error or omission in performance of services and a commercial crime policy to cover loss of money, securities and tangible property due to fraud committed by employees alone or in collusion with others, he adds.

Source

Key-man insurance for the founder is also critical for start-ups. "In a start-up, there may not be a well-established machinery in place in case something happens to the promoter. At least for the fist two years, not having a chief executive officer could impact the fortunes of the company in a big way," says Arvind Laddha, CEO, Vantage Insurance Brokers.

Back

Bumper insurance for Ganpati mandals in Maharashtra – Business Standard – 9th September, 2015

The 10-day Ganesh Chaturthi festival set to begin from Friday has seen a bumper season for the insurance sector. Insurance officials said about Rs 480-500 crore worth of cover has been taken by mandals across Maharashtra.

Last year, Ganpati puja organisers had taken Rs 400-420 crore worth of insurance coverage, which offers protection against damage to idol and pandal due to fire or other incidents, jewellery, personal accident for devotees, apart from insurance against terrorist attacks.

GSB Seva Mandal Kings Circle has taken a cover of Rs 237 crore for the Ganesh festival.

Satish Rama Nayak, Sr Trustee of the mandal, said that this includes an all risk policy for for gold and jewellery of Rs 16.9 crore. This mandal's Ganesh is called "gold ganpati" as it is covered with several kilograms of gold. The cover also includes public liability policy of Rs 20 crore, accident insurance for 1,989 people of Rs 10 lakh each. The total package also covers standard fire and special perils with a terrorism cover.

GSB Seva Mandal had taken a coverage of Rs 258.9 crore from a nationalised general insurer last year.

Like the previous year, the most popular Ganesh mandal, Lalbaugcha Raja, at Lalbaug in Mumbai, has been insured for Rs 51 crore by New India Assurance. This includes coverage for the set, pandal, settings and electricals, apart from cover for third-party risks (prasad or edible offerings for incidents of poisoning). Further, this also includes accident insurance for officials, volunteers and residents. The insurance cover also includes protection for the gold and other valuables for the idol.

Lalbaugcha Raja Sarvajanik Ganeshotsav Mandal officials said they have insured immersion activities. This policy worth Rs 15 crore has been taken from Oriental India Insurance. Under this, if there is a death or disability due to any accident during immersion processions, a compensation to the kin of victims would be provided.

The mandal officials said this would cover immersion-related incidents on all days of immersion, including second day, fifth day, seventh day, 10th day and 11th day and would also give protection against drowning-related accidents/deaths. Different mandals have different dates for immersion of the Ganesh idol.

Similarly, Pune's Dagdusheth Ganpati temple, which has the highest footfalls during the festival, has taken a cover of Rs 40 lakh for the mandap and decorations around it and has been taken for a one-month period. Officials said they are also taking a cover of Rs 50 crore for its devotees and it may even extend beyond the annual Ganpati festivities.

Another popular mandal Andhericharaja has secured a cover of Rs 5.98 crore from National Insurance. This includes the mukut (crown) of 100 gram, apart from the 38 kg silver items, decorations and will have fire and terrorist insurance covers.

The general manager in a public general insurance company said the number of Ganesh mandals taking insurance had seen a 30-40 per cent rise. “While the sum assured might not be very high, mandals usually have an average cover of Rs 50 lakh to Rs 1 crore. We are now seeing smaller mandals also have taken basic covers for fire, theft and personal accident, since the footfalls have increased across mandals,” said the official.

Source

For these insurance policies, the premium can range between a few thousand and several lakhs depending on the size of the coverage. For a coverage of Rs 15 crore, the premium could be Rs 12-13 lakh, though it is on for a period of 10 days.

Back

Insurance Regulation

Irdai to develop revenue sharing model for vehicle database – Financial Chroncile – 8th September, 2015

The Insurance Regulatory and Development Authority of India (Irdai) on Tuesday announced that it has constituted a committee to develop a revenue sharing model between insurers and state-level entities to help build a motor vehicle database. General insurance companies would use the data to decide on billing and claim settlement frequency and processes.

“It is expected that Insurance Information Bureau of India would be in a position to obtain data from various national level entities such as Aadhar, ministry of road transport and highways, state governments, among others, which could be transferred to the insurance companies in a seamless manner subject to concurrence/agreement with respective entities. Such sharing of data in a seamless manner could bring efficiencies in the insurance sales and services. More particularly in relation to the motor vehicles insurance, there is scope for improving the current system of data entry etc by doing away with it. Some of these entities are likely to press that further sharing of data could be made for commercial use only on a revenue sharing model,” Irdai said in a statement.

The non-life insurance market is dominated by motor insurance business with a share of around 45 per cent in the gross written premium. Over 55 percent of vehicles plying on Indian roads are uninsured according to insurers.

Source

The committee comprises Bhargav Dasgupta, chief executive officer, ICICI Lombard General Insurance, Abhishek Dutta, head motor insurance, Information Bureau of India, A Hoda, general manager, United India Insurance and Anil Agarwal, additional director, Shriram General Insurance.

Back

Norms empower Irdai to tell insurers to go public – Financial Chronicle – 10th September, 2015

The Insurance Regulatory and Development Authority of India (Irdai) in its draft norms on issuance of capital by life insurance companies has empowered itself to instruct a life insurer to go public.

The law, prior to the passage of Insurance Laws Act, 2015, mandated life insurers to go from a mandatory listing after 10 years of operations. Thus the listing of life insurers has now moved form the act to the regulator, to be decided on a case-to-case basis. The draft norms ruled out mandatory divestment by life insurance companies and also dispensed life insurers from the requirement of having embedded value twice of the shares capital plus securities premium, a key condition in the old laws that did not allow several life insurers to list.

Embedded value of a life insurance company is the present value of future profits plus adjusted net asset value. “The norms empower the authority to issue directions to an Indian insurance company to go for IPO if the circumstance warrants so. The company shall comply with these regulations within a period of one year from the date of such direction,” Irdai said in the draft norms. RM Vishakha, MD & CEO, IndiaFirst Life Insurance, said, “The draft norms allow application of judgement by the regulator instead of having a prescriptive norm for listing applicable to all insurance companies.” The Insurance Laws Act, 2015, has deleted Section 6AA, which provided for compulsory divestment of the holding of Indian promoter. The act also carried out amendments to the Section 6A.

The draft regulations allow an insurance company to go for IPO subject to compliance of lock-in period specified by the regulator at the time of grant of certificate of registration.

The draft norms do not have any provisions for mandatory divestment. The applicant company can issue the shares as fully paid up. In case partly paid up shares have been issued, an applicant company shall not allow any period exceeding one year for payment of calls on the shares said the draft norms.

Irdai, in consultation with the insurance advisory committee, proposes to substitute the Insurance Regulatory and Development Authority (issuance of capital by life insurance companies) regulations, 2011, with the draft Regulations.

The embedded value report of the applicant company shall be prepared by an independent actuarial expert in the manner prescribed by the actuarial practice standard issued by the Institute of Actuaries of India. However, such report shall not be subject to peer review by another independent actuary, said the regulator.

Source

Insurers will have to make additional disclosures on agent productivity; value of new business; investment in equity and bonds, exposure to each industry and total investment; reinsurance strategy; and significant accounting policies.

Back

Insurers need to link top management payouts with risks: IRDA – The Economic Times – 10th September, 2015

Insurers should ensure that compensation doled out to top level management personnel, including CEOs, are adjusted to risks in the business, according to insurance regulator IRDAI.

Issuing draft guidelines on remuneration of Chief Executive Officer/Whole-time Director/Managing Director of insurers, the watchdog said the risk-adjusted method should have both qualitative and judgmental elements.

"Insurers should formulate and adopt a comprehensive compensation policy and conduct annual review," it said.

Noting that payouts should be adjusted for all types of risks, IRDAI said that compensation outcomes are symmetric with risk outcomes as well as "sensitive to the time horizon of the risk".

"The mix of cash, equity and other forms of compensation must be consistent with risk alignment," the draft guidelines said.

At present, there is no laid down guidelines for insurers on remuneration paid to top level management.

Source

In effect, there are no limits imposed by IRDAI on the remuneration structure barring the fact that remuneration beyond Rs 1.50 crore should be debited to shareholders' Fund, the regulator said.

"It is felt that there is an immediate need to lay down guidelines on compensation of the CEO/MD/WTD which needs to be kept in view while processing the remuneration application," it noted.

Back

Global News

Taiwan: Regulator to probe insurers for drastic price cutting – Asia Insurance Review – 4th September, 2015

The Financial Supervisory Commission (FSC) head has said that the island's insurance industry is a laggard in the financial sector in innovation and that it competes instead by price cutting. To address the problem, the FSC will focus first on the insurance industry, the worst offender in the financial sector in cut-throat pricing, he said.

Mr William Tseng, FSC Chairman, admonished the financial sector for pushing their prices for products and services down to "unreasonable levels", reported the China Post. "This problem is particularly serious in the insurance industry," he said.

“We are aware that some policies are being sold below cost; whether they are the work of insurers or their intermediaries, such as insurance brokers, there will be consequences,” he said.

As a result, the regulator plans to step up monitoring of monthly updates by financial institutions, and would launch probes if necessary, he added.

Source

Mr Tseng, who was speaking at an event earlier this week to promote banking innovation strategies, said that the FSC will publicise the names of price-slashing firms and "leave them with no room to hide".

He said that in later stages of its crackdown on "unreasonable" price competition, the FSC will address the practice in the securities and banking industries.

Back

Pakistan: SECP eyes wider group insurance coverage for workers -Asia Insurance Review – 10th September, 2015

The Security Exchange Commission of Pakistan (SECP) has recommended to the Ministry of Finance to implement group insurance coverage for all employees. It has also written to the federal government to get the relevant federal and provincial labour laws amended.

The provision of compulsory group insurance has been made mandatory through a 1968 ordinance, requiring employers who have to take up the cover for their permanent staff, provided that the minimum number of employees in an industrial establishment is 50 and that of in a commercial establishment is 20. Contract and temporary workers are excluded from the scope of the compulsory group life insurance, reported Pakistan Today.

The SECP has determined that despite the fact that group insurance is legally mandatory; a significant part of the labour force remains uninsured because their employers do not procure group life insurance. As a result, the families of such uninsured employees remain financially vulnerable in case of death or disability of the breadwinner.

The SECP has pointed out that the minimum sum cover, which was last fixed by the federal government in 2001, stands at PKR200,000 (US$1,920). The minimum sum cover amount needs to be substantially raised, noted the regulator. It also wants to address the fact that not all employees are covered under the 1968 law.

Source

In order to resolve the several concerns, the SECP has recommended certain legal amendments to the federal and provincial labour laws. The recommendations seek to enhance the scope of coverage of group insurance, link the minimum sum cover to the minimum wage, widen the applicability of compulsory group insurance and impose significant penalties for non-compliance.

Back

Qatar: Finance academy works with insurers to develop talent – Middle East Insurance Review – 9th September, 2015

The Qatar Finance Business and Academy (QFBA) is collaborating with leading and established insurance and takaful institutions under Kafa'a, its training and competency (T&C) framework, which offers programmes and conferences targeted at strengthening, developing, and bridging training and educational gaps for the sector's workforce.

QFBA CEO Dr Abdulaziz al-Horr said: “The Kafa’a project is designed and is continuously honed to actively tackle a broad knowledge-based gap that is stifling the potential of the insurance and takaful arenas in Qatar – even more so at a time when both are attracting a widening swath of specialisations, as well as talents and institutions."

He said: “To this end, the project is guided by a focused vision to raise the competency standards and skill sets of sector professionals in the State of Qatar to meet international, competitive benchmarks, as well as to set up an integrated, holistic framework at the service of rehabilitation, training, and evaluation stage built on world-class best practices and standards.”

Also, he said the Kafa’a project will be actively tackling demand and supply of training, limited access to facilities, lack of consistency in defining competency, and a highly-fragmented structure for continuing professional development within Qatar’s financial industry.

Dr Al-Horr said Kafa’a will work closely with major financial and banking institutions in Qatar under the supervision of the Qatar Central Bank, Qatar Financial Market Authority (QFMA), and Qatar Financial Centre Regulatory Authority (QFCRA) to provide advanced training services that promote a knowledge-based sharing economy, networking opportunities, mutual skills, and principle exchange.

Source

He said the collaboration aims to develop technical, management, and leadership capabilities of sector professionals while building an inter-connected network of experts, whose expertise and experience will pour into Kafa’a’s curriculums and programmes.

Back

Egypt: Microinsurance law to be completed "within weeks" – Middle East Insurance Review – 10th September, 2015

A law for microinsurance in Egypt is expected to be completed "within weeks", according to the Chairman of the Egyptian Financial Supervisory Authority (EFSA), Mr Sherif Samy.

EFSA has been actively promoting microinsurance as a way to ease access to insurance for most of the population as part of its financial inclusion initiative. It has been working on the microinsurance law as a means to enable insurance penetration.

Microinsurance is important because small enterprises employing less than 10 workers account for 97% of Egypt’s businesses, according to a 2012/13 census published last year by state-run statistics body CAPMAS, reported Ahram Online. In addition, 40% of the population live below the poverty line.

The challenges to developing microinsurance in the country include lack of technical experience, lack of awareness, lack of microinsurance products, distribution channels, and lack of reliable data.

Source

The regulator is also looking at easing access to credit for small and medium-sized enterprises (SMEs). The value of collateral needed for a loan to small firms and medium firms, which represent the majority of businesses in Egypt, represents 296% and 317% of the value of the loan respectively, compared to a regional MENA average of 203%, according to a World Bank Enterprise survey. Only 6% of Egyptian firms have a loan or line of credit according to the 2013 survey.