

Opportunities galore

Despite the recent CATs in Asia, the panel was positive about the opportunities the region holds. Mr Norman Sorensen, IIS Chairman, who moderated the panel, said: "Every minute, there are 40 new households joining the middle class in Asia". The growing young and affluent group represents the opportunities available in the region, especially with its favourable demographic trends and low penetration rates.

Not to be neglected are the opportunities also available in the Western, more developed markets, with wealth management and retirement savings being the areas of growth.

The key question to answer for the insurance industry, according to Mr Ramadoss is, "Opportunities exist, but how to turn them to profit"?

Dragon vs Elephant

The panel identified Asia as the land of abundant opportunities in insurance, with China and India leading the way. China is already an emerging leader, with its insurance industry at a more advanced stage than that in India, thanks to an earlier introduction of economic reforms. However, India does not lag too far behind, having experienced tremendous growth in both life and non-life sectors.

Nonetheless, Mr Guloien said that compared to China, India is still a difficult market to enter, given the tougher restrictions on foreign ownership. Mr Catlin shared the same view, saying that China's infrastructure is ahead of India's and that it has a more stable regulation.

Mr Ramadoss said that this is not the case. He stressed that the country's regulatory systems are definitely more stable, especially given India's standing as the world's largest democracy.



And the Survey Says: It's All about Price!

With the world being seized by the growing number and intensity of catastrophes and a volatile investment environment, it is no wonder that more than half of the 350-odd delegates at the Seminar yesterday ranked competitive pricing and inadequate profitability as the top issue facing the insurance industry today. In the instant survey, where delegates pressed a remote response card, a quarter of the participants ranked pricing as the top challenge.

On the key threats facing the industry, regulatory requirements came up number one, as ranked by a third of the participants, followed by capital constraints, which got 23% of the votes.

Mr Greg Maciag, President of ACORD, USA, who facilitated the survey, said the findings were not surprising given the concerns of the industry today. The survey, with 45% of the participants coming from North America, 25% from the Asia Pacific, 15% from Europe and 5% each from the Middle East and Latin America, had 42% of the respondents writing all lines of business, 24% doing only life, 23% doing only non-life and 11%



Mr Greg Maciag

writing specialty or other lines of business.

On the split in priorities between life and non-life, inadequate premium was ranked by 40% of the respondents as the most significant area of concern. For life, 36% ranked the challenge of finding investment opportunities to meet the desired benefits level as the top area of concern.

It was surprising though that efficient distribution was rated by only 2% of the participants as the most significant area of concern for the non-life industry. It was slightly higher for life, with 15% ranking it as the top issue. Insurance, which is still very much sold rather than bought, has traditionally viewed distribution as King.

On the human capital front, 69% of the respondents rated finding and retaining talent as the most important issue, while in terms of operating environment, a third of the participants rated productivity efficiency and expense cutting as the key issue. Risk management-wise, more people rated applying risk analysis as the key factor over understanding and anticipating risks and building a strong risk culture. ERM and measuring risks and assessing new CAT exposures each received less than 10% each of the votes.

Mapping the MENA Unrest

TUNISIA
Tunis
Tripoli

LIBYA

EGYPT
Cairo

SYRIA
Damascus

Mohammed Bouazizi set himself on fire last December in protest after years of police bullying, sparking nationwide protests. After weeks of revolt, President Zine el-Abidine Ben Ali lost power and fled the country. UN estimates 219 people died during unrest.

Almost 50 years of emergency rule had ended. Military actions against civilians had led to defections and clashes among soldiers. As UN Security Council debates a draft resolution, Syrian security forces continue their violent crackdown. Rights activists estimate more than 1,000 Syrians have died.

Fights between local tribes and government forces had intensified. President Ali Abdullah Saleh had left the country after being injured in an attack. More than 350 people are estimated to have died from the fights.

Protests turned into armed revolt with violent crackdowns, which led to international intervention with offensive airstrikes on Colonel Gaddafi's forces. He vows to stay in Libya "dead or alive" as

Weeks of clashes and deaths led strongman Hosni Mubarak to quit as president and hand over power to the military after