

A la une



**Cyber Insurance Market
Growth Hindered by Uninsured
Risks**

05/04/2024

Despite a maturing cyber insurance market, Munich Re’s report reveals a significant gap in coverage, with 87% of decision makers feeling inadequately protected against cyberattacks.

The cyber insurance market is maturing, yet a significant proportion of cyber risks remain uninsured, according to a report by Munich Re.

The report highlights the increasing demand for cyber insurance, driven by the rapid advancement of technology such as artificial intelligence and cloud technology, and the growing dependence on IT, IoT, and digital services across global industries.

Despite this, 87% of global decision makers believe their companies are not adequately protected against cyberattacks, indicating a gap in the level of protection offered by the insurance industry, per the report.

The past year has seen a surge in cyberattacks, with annual ransom crypto payments doubling to \$1.1 billion in 2023 from \$567 million in 2022. The manufacturing sector was the most susceptible to ransomware attacks, with 67% of respondents in this sector facing such attacks. Business & professional services, retail and health care all followed with 61% of each sector facing ransomware attacks.

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Tunisian Insurance Hackthon

04/04/2024

La FTUSA organise un Hackathon lors du 17ème Rendez-vous de Carthage des Assurances, mettant en lumière l'IA et les Data Sciences. Les lauréats se verront attribuer des prix ainsi qu'un accompagnement pour concrétiser leurs idées en startups.

Les sujets abordés seront le machine learning et le deep learning dans le domaine de la data science, ainsi que l'élaboration de business plans à l'aide de Python. Les résultats seront annoncés et les prix remis le 20 mai, avec deux équipes gagnantes.

Pour participer, dix équipes seront sélectionnées d'ici le 7 mai 2024, chaque équipe étant constituée de 2 à 4 candidats.

Les critères de sélection exigent que les candidats soient des étudiants, des doctorants ou des diplômés depuis moins de 2 ans, âgés de moins de 30 ans.

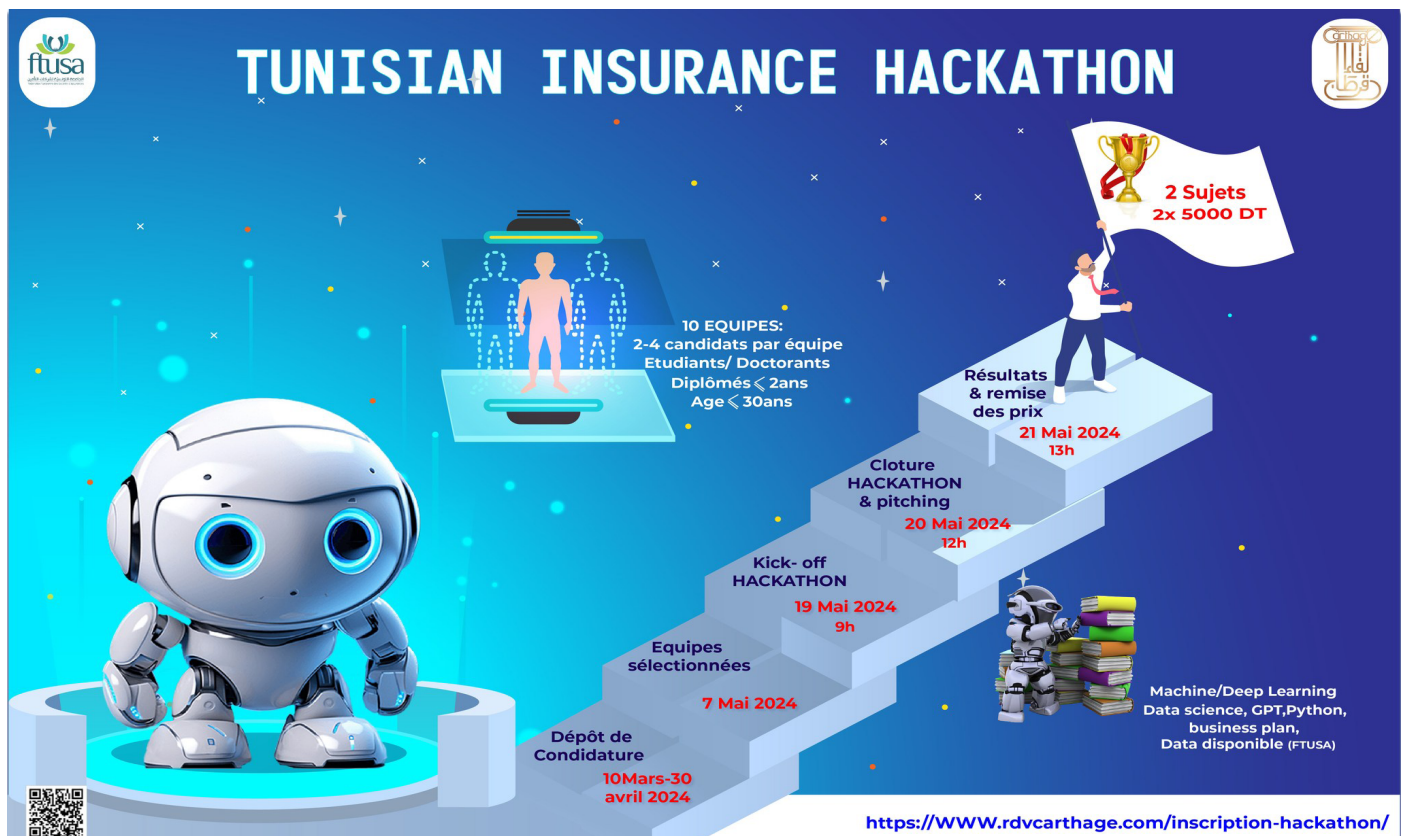
L'inflation reste stable à 7,5 % en mars

05/04/2024

Au mois de mars, le taux d'inflation demeure inchangé à 7,5%. Cette stabilité est principalement due au maintien du même rythme de la hausse des prix des produits alimentaires entre le mois mars et le mois de février, soit 10,2% en glissement annuel, indique l'Institut national de la statistique (INS) dans un rapport publié, vendredi 5 avril 2024.

L'INS indique qu'au mois de mars 2024, les prix à la consommation ont augmenté de 0,7% après une hausse de 0,2% le mois précédent. Cette augmentation est principalement attribuée à la hausse des prix de l'alimentation de 1,2%, des prix des produits de l'habillement de 1,1% et des prix du groupe « Logement, eau, gaz et électricité » de 0,7%.

D'autre part, le rythme d'augmentation des prix du groupe « Logement, eau, gaz et électricité » a enregistré une accélération (4,3% au mois de mars contre 3,8% au mois de février), compensée par un ralentissement au niveau du groupe « meubles, articles de ménage » (6,4 % au mois de mars contre 6,7% au mois de février).



TUNISIAN INSURANCE HACKATHON

10 EQUIPES:
 2-4 candidats par équipe
 Etudiants/ Doctorants
 Diplômés < 2ans
 Age < 30ans

Dépôt de Candidature
 10 Mars-30 avril 2024

Equipes sélectionnées
 7 Mai 2024

Kick-off HACKATHON
 19 Mai 2024
 9h

Cloture HACKATHON & pitching
 20 Mai 2024
 12h

Résultats & remise des prix
 21 Mai 2024
 13h

2 Sujets
2x 5000 DT

Machine/Deep Learning
 Data science, GPT,Python,
 business plan,
 Data disponible (FTUSA)

<https://WWW.rdvcarthage.com/inscription-hackathon/>

Managers

BCT : Les avoirs nets en devises en hausse à 107 jours d'importation

08/04/2024

Au cours du premier trimestre de 2024, la Tunisie a enregistré une augmentation de ses recettes touristiques, atteignant 1,2 milliard de dinars, soit une hausse de 6% par rapport à l'année précédente, selon l'agence TAP. Parallèlement, les revenus du travail ont connu une croissance de 4%, passant de 1,7 à 1,8 milliard de dinars.

Par ailleurs, selon les indicateurs monétaires et financiers, publiés vendredi par la Banque centrale de Tunisie (BCT), les services de la dette extérieure cumulés ont plus que doublé, à fin mars 2024, pour s'établir à 5,8 milliards de dinars contre 2,6 milliards l'année précédente.

Quant aux avoirs nets en devises de la Tunisie, ils se sont élevés à 23,4 milliards de dinars au 5 avril 2024, représentant 107 jours d'importation. Cela marque une amélioration par rapport aux 22 milliards de dinars, ou 95 jours d'importation, enregistrés à la même période en 2023.



Tunisie : Secteur bancaire et financier: Quel rôle dans la mise en œuvre de la refonte du code des changes ?»

08/04/2024

Le secteur bancaire et financier joue un rôle crucial dans la mise en œuvre d'une refonte du code des changes en Tunisie. En tant qu'intermédiaires principaux dans les transactions financières internationales, les banques et autres institutions financières sont au cœur du processus de change. Mohamed Adem Mokrani, avocat en droit des affaires et consultant économique, a dévoilé que l'une des premières tâches pour le secteur bancaire sera de se mettre à jour avec les nouvelles réglementations.

Le secteur bancaire et financier joue un rôle crucial dans la mise en œuvre d'une refonte du code des changes en Tunisie. En tant qu'intermédiaires principaux dans les transactions financières internationales, les banques et autres institutions financières sont au cœur du processus de change. Leur capacité à s'adapter aux nouvelles

réglementations, à offrir des services conformes aux standards internationaux et à répondre efficacement aux besoins des clients est essentielle pour le succès de cette réforme. A cet effet, Mohamed Adem Mokrani, avocat en droit des affaires et consultant économique, a dévoilé que l'une des premières tâches pour le secteur bancaire sera de se mettre à jour avec les nouvelles réglementations.

Renforcer les systèmes de conformité et de surveillance

«Cela implique non seulement des modifications dans les systèmes informatiques et opérationnels, mais, aussi, une formation approfondie du personnel pour assurer une compréhension et une application correctes des nouvelles dispositions. Les banques devront, également, développer de nouveaux produits et services financiers qui tirent parti de la flexibilité accrue permise par la refonte du code. Par exemple, elles pourraient proposer des services de gestion de devises plus sophistiqués, de nouveaux instruments de couverture pour se protéger contre les risques de change, ou des solutions pour faciliter le commerce électronique et les paiements internationaux », a expliqué Mokrani.

En outre, la collaboration étroite entre les banques, la Banque centrale de Tunisie et les autres régulateurs est indispensable pour assurer une transition en douceur vers le nouveau régime. Cette coopération peut prendre la forme de groupes de travail conjoints, de séminaires de formation et d'échanges réguliers sur les meilleures pratiques et les défis rencontrés. Selon cet expert, il est également important que le secteur bancaire renforce ses systèmes de conformité et de surveillance pour détecter et prévenir les transactions illégales, en particulier dans le contexte de l'ouverture accrue des transactions en cryptoactifs. Des mesures strictes de conformité aideront à maintenir la réputation du système financier tunisien et à prévenir le blanchiment d'argent et le financement du terrorisme.

«Pour garantir le succès de cette réforme, il est essentiel que le secteur financier développe une compréhension approfondie des besoins des différents segments de clients, en particulier les PME, les start-up et les entrepreneurs. Des solutions sur mesure pour ces groupes aideront à maximiser les avantages de la refonte du code pour l'économie tunisienne », a assuré Mokrani. Et d'ajouter : « Une sensibilisation et une communication efficaces avec le grand public et les entreprises sur les changements et les nouvelles opportunités créées par la refonte du code des changes sont cruciales. L'importance de cette réforme pour l'économie du pays, plusieurs stratégies sont envisagées pour atténuer ces risques.

MAGHREB


Algeria: Prospects seen as upbeat for takaful business

08/04/2024

Takaful, an emerging insurance branch gaining ground in Algeria, is expected to increase its share of the insurance market thanks to growing demand boosted by the benefits introduced by the 2024 finance law.

Professionals in the sector are counting on an increase in the market share of shariah insurance from 1% currently to 5% in the medium term, by focusing on online takaful services in particular, reported Algeria Press Service (APS)

In recent years, Shariah insurance, which includes general insurance and family insurance, has recorded notable growth thanks to the creation of two specialised companies, namely El-Djazair Takaful and El-Djazair El-Moutahida Family Takaful. They join Salama Assurances and Société Générale Assurance Méditerranéenne (GAM). Salama started offering takaful services in 2021 before the promulgation of the 2024 finance law. GAM opened the first takaful window in Algeria in 2022.

In a statement to APS, El-Djazair El-Moutahida Family Takaful CEO Chakib Kacimi El-Hassani said that the tax measures contained in the 2024 finance law in favour of takaful allow this branch to develop and thus benefit from favourable financial and management incentives in this start-up phase.

Mr El-Hassani said that the development of takaful so far was due to the educational and publicity efforts of insurance companies, as well as work carried out by banks to encourage the switch to takaful products.

Automobile business drives takaful

El-Djazair Takaful CEO Mahfoud Ziane Bouziane said that the prospects for takaful in Algeria are «promising» thanks to the dynamics experienced by Islamic finance, on the one hand, and to the growth of the automobile industry in Algeria, on the other hand.

He said, «The financing of the acquisition of a vehicle according to the Islamic principles must be accompanied by motor takaful.»

El Djazair Takaful, which received licensing approval

from the Ministry of Finance in May 2022, offers various products, including home insurance, property insurance, professional insurance, agricultural insurance, transport insurance and industrial insurance, said Mr Bouziane. He added that automobile insurance represented almost half of the company's turnover.

He added that the company was preparing for the launch of an online platform, which would allow customers to inquire about the different insurance products offered by El-Djazair Takaful and to subscribe to takaful policies.



Maroc: Insurtech : L'ACAPS lance un appel à candidatures pour les porteurs de projets innovants

09/04/2024

L'Autorité de Contrôle des Assurances et de la Prévoyance Sociale (ACAPS), en partenariat avec FSD Africa, lance, pour la deuxième année consécutive, un appel à candidatures pour les porteurs de projets innovants dans le secteur de l'assurance au Maroc.

Il est à rappeler que cette initiative s'inscrit dans le cadre d'un programme baptisé « Bimalab Insurtech Accelerator » (BimaLab) ciblant les insurtechs africaines et visant à promouvoir l'innovation au sein du continent.

Ce programme vise, d'une part, à renforcer les compétences des insurtechs et à les aider à relever plusieurs défis, tels que l'accès au financement et aux partenariats stratégiques, et d'autre part, à leur garantir un environnement propice au développement de leurs projets à travers notamment le renforcement du réseautage et des partenariats stratégiques. Ainsi, les startups sélectionnées seront accompagnées pendant une période de six mois et auront l'occasion de présenter leurs projets à de potentiels investisseurs et entreprises.

Les insurtechs gagnantes se verront attribuer un prix pouvant aller jusqu'à 20 000 USD chacune à l'issue de ce programme.

Il convient de noter que le Maroc, à travers l'ACAPS, ainsi que d'autres pays africains participent à la session 2024 du programme BimaLab qui a déjà permis d'accompagner quelque 63 insurtechs africaines lors des sessions précédentes. Dans ce cadre, plus de 20 insurtechs ont jusqu'à présent réussi à signer des accords de partenariat stratégique et à commercialiser leurs produits.

Maroc :72pct des primes pour les 3 premières catégories du classement

09/04/2024

Suivant les dernières statistiques du secteur, émises fin mars 2024, les 3 premiers postes accaparent 72 % des primes émises.

16 catégories se succèdent dans la structure des primes d'assurance du classement 2024 de l'ACAPS. Les 3 premiers postes qui représentent 72% du volume des primes émises de l'année (41 milliards sur 56,692 milliards de primes globales émises), sont, par ordre respectif, l'épargne en dirhams, l'automobile, et les accidents corporels.

L'épargne en dirhams représente pratiquement 38% de l'ensemble des primes totales annuelles, avec un volume de 21,263 milliards. Cet engouement pour l'épargne, comme premier poste d'assurance des marocains, est dû à l'étendue des réseaux bancaires qui propose multitudes de formules d'épargne sous le label bancassurance.

En queue de placement, on trouve les risques techniques (459 millions Dhs), les crédits caution, avec 288 millions Dhs. La fin du classement, pour 1 millions de Dhs est composée de valeurs dites "Opérations Vie", autres que l'épargne en dirhams, le décès, et les Unités de compte.

L'automobile, deuxième du classement, est la première assurance dans le secteur non vie, avec un volume d'affaires émises de 14,370 milliards de Dhs

South Africa general insurance to exceed \$10bn by 2028

09/04/2024

The general insurance sector in South Africa is predicted to grow at a CAGR of 4.8% from ZAR159.5bn (\$9.4bn) in 2024 to \$10.4bn in 2028 in terms of GWP. This is according to GlobalData, which also expects general insurance in South Africa to grow by 3.9% in 2024. The growth is thanks to motor and property insurance lines, which accounted for around 83.6% of the market in 2023. Sravani Ampabathina, insurance analyst at GlobalData, said: "The South African general insurance industry's growth rate slowed down by 2.8 percentage points (pp) in 2023, driven by weak business sentiment, as the country's real GDP grew marginally by 0.5% last year. While the slowdown is expected to continue in 2024, general insurance industry growth is poised to gain traction from 2025 onwards in line with the economic recovery."

South Africa General Insurance - Gross written premiums (ZAR billion) and annual growth, 2019–2028f



GlobalData.

Source: GlobalData Insurance Intelligence Center | Note: e: estimate, f: forecast

Motor insurance is the leader in South Africa general insurance, making up 42.6% of the sector in terms of GWP in 2023. It also grew by 4.8% in 2023 despite flat vehicle sales.

In addition, motor insurance growth is also expected to be driven by increased premium rates due to high instances of vehicle theft. According to Statistics South Africa, vehicle theft incidences increased to around 98,000 in 2022–23 from around 42,000 in 2021–22. Moreover, GlobalData forecasts motor insurance to grow at a CAGR of 4.9% over 2024–28. Ampabathina added: "Increasing claims from nat-cat events have also prompted reinsurers to increase reinsurance rates. This will increase the premium rates of home and construction insurance policies, which will support property insurance growth."

Old Mutual cède au groupe britannique Emple ses filiales d'assurance vie et générale au Nigeria

07/04/2024

Après la vente en janvier 2024 de sa filiale d'assurance à court terme en Tanzanie, Old Mutual poursuit son retrait de certains marchés africains. Le groupe, qui a pour 1er actionnaire le sud-africain Public Investment Corporation (16,76%), a lancé la vente de ses activités d'assurance vie et générale au Nigeria.

Le groupe sud-africain de services financiers Old Mutual a conclu un accord de cession des parts majoritaires qu'il détenait dans ses filiales d'assurance vie et d'assurance générale au Nigeria. Si le montant de la cession n'a pas été divulgué, on sait que l'acquéreur est le groupe britannique Emple.

La finalisation des accords de vente est prévue pour cette année. Les parties prenantes devront satisfaire à un ensemble d'approbations réglementaires et contractuelles d'usage.

Old Mutual, qui a pour premier actionnaire avec 16,76 % de parts, le gestionnaire d'actifs sud-africain Public Investment Corporation (PIC), avait déjà cédé en janvier 2024 la totalité de sa participation dans son activité d'assurance à court terme en Tanzanie. L'opération est en attente d'approbations.



« Joker Bailleur », nouveau produit de Saar Assurances Côte d'Ivoire

05/04/2024

Saar Assurances Côte d'Ivoire met sur le marché un nouveau produit dénommé « Joker Bailleur ».

Destinée aux propriétaires de biens immobiliers à usage locatif, la solution garantit :

le paiement des loyers impayés pendant douze mois
la prise en charge des détériorations immobilières causées par le locataire, la prise en charge des dommages subis en cas d'incendie dans le bâtiment
la prise en charge des frais de procédure amiable et contentieuse, le paiement du loyer en cas de vacance locative pour cause de décès pendant 6 mois
le paiement du loyer pendant 2 mois en cas de vacance locative consécutive à un sinistre couvert

ARAB NEWS

Saudi insurers lead GCC region in net profit and revenues, study shows

08/04/2024

The net profit of insurance companies in Saudi Arabia surged by 1,221.3 percent year-on-year in 2023 to \$861 million, driven by favorable economic conditions.

According to the report released by research firm Insurance Monitor, in association with Lux Actuaries and Consultants, four firms from the Kingdom grabbed their spots on the list of the 10 largest coverage companies in the Gulf Cooperation Council region in terms of revenue. The rankings come as 2023 saw the start of operations of the Insurance Authority in Saudi Arabia, described in the study as "a significant structural reform well-timed with the robust growth in insurance revenue to pave the way for regulatory independence and sectoral advancement."

Saudi insurers Bupa Arabia and Tawuniya were placed first and second respectively on the list, with revenues in 2023 amounting to \$4.2 billion for the former, and \$4.07 billion for the latter. Al Rajhi Takaful, which placed eighth on the list, had revenues of \$1.12 billion, while MedGulf, with revenues of \$888 million, was placed ninth. Overall, insurance firms in Saudi Arabia witnessed a revenue rise of 26.6 percent to \$15.14 billion in 2023 compared to the previous year.

According to the research firm, this increase was attributed to price hikes and the surge in demand from regulatory enforcement.

Bupa Arabia also topped GCC firms with a net profit of \$251 million. The report said 2023 was a record year for listed insurers in Saudi Arabia, adding: "With revenue growth sustained at 27 percent and profit yielded by all 25 insurers, averaging the sector's ROE (return on equity) at 16.8 percent compared to 1.4 percent last year when more than half the market reported losses," The study also highlighted notable developments in the Kingdom last year, including the issuance of a license to Saudi Mortgage Guarantee Services Co., also known as Dhamanat, to conduct life and non-life coverage business in Saudi Arabia. In 2023, Cigna was granted the first foreign branch license to commence operations in the Kingdom.

The permit issuance was part of the Saudi

Central Bank's strategy to encourage foreign direct investments, increase the sector's competitiveness, and utilize the Kingdom's economic potential.

GCC insurer's revenue soars 19% to \$32.2bn in 2023

Overall, GCC insurers' revenues surged by 19 percent to \$32.2 billion in 2023 compared to the previous year. According to the report, this positive performance by insurance firms in the region was spearheaded by regional heavyweights Saudi Arabia and the UAE. In the UAE market, insurers' revenues grew by 20.3 percent year-on-year to \$8.25 billion in 2023. Net profit of these firms stood at \$861 million last year, representing an increase of 19 percent compared to the same period of the previous year.

UAE's Orient Insurance grabbed the fourth place of the biggest insurers in the region with a revenue of \$1.73 billion, while Sukoon, also from the Emirates, was placed sixth in the list with \$1.26 billion.

The total revenues of insurance companies in Qatar, however, fell by 0.7 percent year-on-year in 2023 to \$3.29 billion.

Qatari firms' net profit also declined 68 percent to \$107 million in 2023 compared to the previous year.

For the remaining region, earnings growth has been largely sustained by strong investment returns, while underwriting performance has generally weakened, with the highest deterioration of 3.8 percent points observed in the UAE.

"An example is Oman, where the combined net profit of listed insurers rose by 19 percent to \$50.8 million in 2023, boosted by a 32 percent increase in investment income that was largely generated by the sultanate's top three insurers," said the report.

For LIVA, Oman's leading provider, 2023 was conceivably a foundational year following the acquisition of RSA Middle East in July 2022.

Following the large-scale regional integration and group rebranding, LIVA reported a 43.2 percent rise in revenue to SR809 million, helping the company earn a spot among the top 10 insurers in the region.

The analysis also pointed out that the earnings of coverage firms in the region have been largely sustained by a significant increase of 92.4 percent in investment income while underwriting performance has generally weakened.

UAE: Listed insurers post higher combined insurance revenue and pre-tax profits but credit risk looms

08/04/2024

The combined insurance revenue of listed insurance companies in the UAE saw a 20% surge to AED30bn (\$10.9bn) in 2023, compared to AED25bn in 2022, according to an analysis by Badri Management Consulting of the financial statements of the insurers which number 25.

In a report titled "UAE Listed Insurance Industry Performance Analysis - Year 2023", Badri says the combined profit before tax increased from AED1.5bn in 2022 to AED1.8bn in 2023, reflecting a 19% growth.

Among the top five insurers in terms of profits, earnings saw a 28% surge to AED1.6bn (2022: AED1.3bn), while the remaining companies showed a decline of 28% to AED173m (2022: AED 240m).

The listed insurers' average Return on Equity (ROE) increased from 8% in 2022 to 9% in 2023. Eight out of the 25 listed companies had a negative ROE.

Credit risk rising

Badri also highlights that the insurance industry is experiencing an increase in credit risk. It anticipates escalating challenges within the sector due to the amplified influence of expected credit losses (which is akin to provision for doubtful debt).

The combined insurance service results saw a 16% decrease, falling to AED1.1bn in 2023 from AED1.3bn in the previous year. Similar to IFRS4's underwriting profits (net of expenses), these outcomes have experienced a decline.

Solvency ratios of the insurance companies are progressively facing greater strain. Out of the 24 that disclosed their solvency positions, five did not meet the 100% solvency requirement.

In the 2023 financial year, insurance companies began adopting IFRS17, marking a shift from highlighting gross written premium to emphasising insurance revenue.

Jerusalem Insurance Company (JICO) Unveils New Logo and Announces Significant Developments

07/04/2024

Jerusalem Insurance Company (JICO) has announced in a statement the unveiling of its new logo, while preserving its leading name in the insurance sector in Jordan. The company adopted a logo that reflects authenticity and heritage, retaining the Dome of the Rock, a symbol of heritage and civilization present in the previous logo. This move reflects the company's commitment to combining ancient heritage with modern development.

Since its establishment in 1975, Jerusalem Insurance Company (JICO) has succeeded in maintaining its prestigious position in the insurance sector in Jordan, thanks to the trust of its clients and the efforts of its creative employees. The company also emphasizes investment in developing the infrastructure for information technology over the past years, aiming to improve the quality of its services and facilitate access to them.

As part of its renewal, the company announced its new identity, promising to provide the best services at all times. Additionally, it will soon move to its new headquarters, a development to be announced later.

Jerusalem Insurance Company stands out for delivering top-tier insurance services to individuals and businesses, prioritizing customer-centric operations. With a commitment to innovation, reliability, and closeness to the community, the company aims to achieve its vision



Cyber Insurance Market Growth Hindered by Uninsured Risks

05/04/2024

Despite a maturing cyber insurance market, Munich Re's report reveals a significant gap in coverage, with 87% of decision makers feeling inadequately protected against cyberattacks

The cyber insurance market is maturing, yet a significant proportion of cyber risks remain uninsured, according to a report by Munich Re.

The report highlights the increasing demand for cyber insurance, driven by the rapid advancement of technology such as artificial intelligence and cloud technology, and the growing dependence on IT, IoT, and digital services across global industries. Despite this, 87% of global decision makers believe their companies are not adequately protected against cyberattacks, indicating a gap in the level of protection offered by the insurance industry, per the report.

The past year has seen a surge in cyberattacks, with annual ransom crypto payments doubling to \$1.1 billion in 2023 from \$567 million in 2022. The manufacturing sector was the most susceptible to ransomware attacks, with 67% of respondents in this sector facing such attacks. Business & professional services, retail and health care all followed with 61% of each sector facing ransomware attacks.

While ransomware dominates, other costly attack vectors include business email compromise (BEC) and supply chain attacks, Munich Re noted.

Looking ahead, Munich Re predicts that artificial intelligence will shape the threat landscape in 2024 and beyond. AI is expected to automate and personalize cyberattacks, making them cheaper and faster to distribute. However, AI will also augment the efforts of cyber defenders, improving detection and response capabilities.

"In terms of AI's impact on cybersecurity, Munich Re experts expect cyberattacks to become increasingly automated and personalized, as well as cheaper and faster to distribute at scale in all languages. For example, attackers are using AI driven phishing e-mails and vishing calls to scam victims," the report stated.

Stefan Golling, Board of Management member responsible for Global Clients and North America, emphasized the importance of expertise and

knowledge in understanding and underwriting cyber risk. “Technological developments, especially the potential use cases of AI, will also change the insurance industry. Nevertheless, our investment in talent, expertise and knowledge to ensure an excellent understanding and underwriting of cyber risks remains a central pillar of Munich Re’s business,” he said.

The rise in nation-state cyber activities and disinformation poses a serious threat to cybersecurity globally. The potential social, economic, and geopolitical impact could be enormous. In addition to disinformation, misinformation will become a costly threat to risk owners.

Cyber Market Outlook

The global cyber insurance market, currently worth \$14 billion, is expected to double to \$29 billion by 2027, driven by the escalating frequency of cyber-attacks and growing regulatory requirements, according to the report.

The cyber insurance market has nearly tripled in size over the past five years, largely due to the commitment of reinsurers and the emerging interest from capital markets in cyber risks. Despite this, only a fraction of the risks has been insured so far. Large corporations still account for the majority of premiums, while small and medium-sized enterprises (SMEs) largely bear their cyber risks independently.

The report highlights the significant challenge insurers face in bridging the gap between economic losses and insured losses. “Given the very dynamic growth of risks in a digitized economy, higher insurance penetration for cyber risks is the paramount aim,” the report states.

The projected growth of the cyber insurance market indicates a significant opportunity for insurers to expand their services and reach, particularly towards SMEs. The increasing sophistication of cyber-attacks and their potential financial repercussions underscore the need for airtight cyber insurance policies.

The report’s findings also suggest a broader trend in the insurance industry towards recognizing and addressing the evolving risks associated with digitalization. As cyber threats continue to grow in complexity and frequency, the demand for cyber insurance is likely to rise, providing a fertile ground for the growth of the cyber insurance market.

Insurable losses from Taiwan earthquake to be between \$0.5-\$1bn CoreLogic estimates

09/04/2024

CoreLogic estimates insurable losses from the 7.2 magnitude earthquake that hit Taiwan on April 3, 2024 will be between \$0.5 and \$1.0 billion (note, CoreLogic has reduced its figures from a range of \$5bn-\$8bn).

This is considered the largest quake to hit the country in the last 25 years. Having occurred at 7.58 am local time, it was followed by nearly 30 strong aftershocks, including a Mw 6.4 earthquake 13 minutes later.

According to CoreLogic’s model loss from this earthquake, losses include ground shaking and fire-following damage to only residential, commercial, industrial, and agricultural properties in Taiwan.

Estimated losses do not include any damage to government buildings and transportation infrastructure such as bridges or roads. Demand surge is included.

The insurable losses represent ground up damage and do not consider the application of policy deductibles or limits.

Additionally, the estimate does not exclude losses ceded to the Taiwan Residential Earthquake Insurance Fund, a non-profit organisation which operates as an earthquake insurance pool system designed to build consensus to strengthen the earthquake insurance mechanism.

The country has relatively high levels of insurance penetration, yet this catastrophe has caused meaningful loss for the local insurance industry.

The quake’s epicentre was located about 22.0 km (13.7 miles) south-southeast of the city of Hualien in Hualien County on Taiwan’s east coast, which will likely see the most damage according to experts.

Taiwan’s long history of development, implementation, and enforcement of seismic codes may mitigate some loss, CoreLogic noted. However, there remains a mix of modern, well-designed buildings and older, unreinforced masonry and non-ductile concrete buildings.

The country has faced a number of disastrous earthquakes before. In the past 50 years, there have been six 7.0 or stronger earthquakes that have struck within 250 km of the April 2024 7.4 event.

The most recent catastrophic earthquake was the 7.6 Chi-Chi Earthquake in 1999m which caused approximately 2,400 deaths and 11,000 injuries.

The Chi-Chi earthquake also damaged over 100,000 buildings – destroying approximately 52,000 buildings and severely damaging another 54,000 – at an estimated cost of \$14.1 billion, according to the International Disaster Database, EM-DAT as of 2012.

According to CoreLogic, the initial monetary impact estimates from the April 7.4 earthquake and subsequent aftershocks are not expected to be as devastating as the Chi-Chi Earthquake.

Turkish Non-Life Sector Stabilises amid Stronger Pricing and Higher Rates; Risks Persist

11/04/2024

The operating environment for Turkish insurers is improving following lower inflation and stronger pricing practices, in particular in motor damage insurance, Fitch Ratings says in a new report.

In March 2024, Fitch upgraded Turkiye’s sovereign rating to ‘B+’ from ‘B’ and revised its Outlook to Positive from Stable. The upgrade benefits our assessment of insurers’ asset quality. We also expect insurers to benefit from a new system of indexing motor third-party liability (MTPL) insurance premiums recently announced by the regulator.

However, challenges persist, driven by volatile economic conditions, high, albeit stabilising, inflation affecting claims costs, increased costs of reinsurance protection following the February 2023 earthquake and unresolved pricing issues in the MTPL line. We see these as key risks for insurers earnings and capital in 2024.

The report ‘Turkish Insurance Update: Non-Life Sector Stabilises amid Stronger Pricing and Higher Interest Rates, but Risks Persist’ is available at [fitchratings.com](https://www.fitchratings.com) or by clicking the link above.

Additionally, Fitch reports that all of the reinsurers maintained a very strong capital adequacy as of year-end 2023.

“Strong earnings generation and positive market effect broadly offset capital deployment for new business and higher capital repatriation to shareholders. Financial debt leverage improved slightly on average,” says the firm.