



**SPEECH OF THE PRESIDENT OF THE AFRICAN INSURANCE ORGANISATION,
MR. BENHABILES CHERIF, AT THE OPENING OF THE 27TH AFRICAN
REINSURANCE FORUM FROM THE 30TH SEPTEMBER – 5TH OCTOBER 2023 IN
TUNIS, TUNISIA.**

The Honourable Minister of Finance and Chief guest,
Other Government Officials here present
Members of the Diplomatic Corps
Executive Committee Members of the AIO
The Chairman of the Local Organising Committee
The CEOs of Insurance Companies here present
Invited Guests
Dear Delegates
Ladies and Gentlemen,

It is with great pleasure that I welcome you to this 27th African Reinsurance Forum on behalf of the members and Executive Committee of the African Insurance Organisation.

I'll like to begin by recognising in a very special way, the authorities of the Republic of Tunisia for this extraordinary show of concern to the African insurance industry.

As you are all aware that this event was initially scheduled to hold in Libreville, Gabon from the 7th – 11th October 2023. Unfortunately, latest political developments could not enable us organise this forum there.

The Tunisia market jumped in on time to save this event through their willingness to host within two months to the date.

We therefore wish to thank the Fédération Tunisienne des Sociétés d'Assurances – FTUSA and TUNIS RE especially with its dynamic Managing Director, Mrs Lamia Ben Mahmoud for investing so much energy in making sure this Reinsurance Forum holds here in Tunis. We are therefore happy to welcome you all again to North Africa, after a successful 49th Conference which held next door in Algeria just four months ago.

Honourable Chief Guest,
Ladies and gentlemen,

Last year during the 26th Reinsurance Forum in Lomé, discussions centred on SUSTAINABLE GROWTH: THE ROLE OF AFRICAN REINSURERS IN ECONOMIC GROWTH AND DEVELOPMENT.

In what seems to be a logical follow up, this year, the AIO Secretariat is proposing another theme in line with the contribution of insurance/reinsurance to the development of the African continent.

During this 27th African Reinsurance Forum therefore, we are going to reflect on the theme "**Paradigm Shift: Can Africa's (re)insurance industry support a self-funded Africa?**"



At a time when Africa's infrastructure gap is not only huge but continues to grow at an alarming rate, the big questions are, can we talk about sustainable growth and development without addressing Africa's infrastructural problem? Can reinsurers play any role in financing the infrastructural development of Africa?

Bridging the infrastructure gap in Africa requires trillions of dollars. At the same time, it is generally believed that insurers are among the world's largest investors with huge funds at their disposal. So why don't more African insurers and reinsurers invest in the continent's large infrastructure projects?

Africa's reinsurance market has grown significantly over the last two decades, supported by sound economic growth, an improving regulatory environment and introduction of new and innovative products.

There is an opportunity to engage and incentivize reinsurance companies to fund development across the continent. Some of these reinsurers are sitting on substantial capital bases, which could be used to invest in a development fund for the continent, instead of cash balances placed in overseas investments.

The reinsurance premiums in the continent have grown tremendously over the years. Regrettably, these funds are currently not contributing meaningfully to finance Africa's infrastructure gaps.

Carter, Lauren (2020) in a publication on *Mobilizing Insurance Investment in Sustainable Infrastructure: The Role of the United Nations*, says "with careful design, insurance and investments can be mutually reinforcing. Greater resilience reduces risk, which is then reflected in lower insurance premiums, providing a strong financial incentive to make suitable investments".

However, there are some obvious barriers associated with investing in Africa such as governance, regulatory and compliance challenges, political instability, poverty and corruption and the cyclical difficulties around foreign exchange. As such, the continent has remained heavily dependent on foreign aid. However, foreign aid has failed to deliver sustainable economic growth and poverty reduction. In this regard, a paradigm shift in addressing Africa's economic development is required to become economically independent, also for the financing of the continent's infrastructural development projects.

This 27th African Reinsurance Forum should be able to examine critical issues such as Africa's pressing infrastructural development needs, the current level of investment, to what extent the insurance and reinsurance industry can get involved in public/private partnerships in enhancing infrastructural development projects, regulatory challenges and incentives, possible challenges reinsurers can face when investing in Africa, the link between investment in infrastructural projects and ESG, and more.

We all know how hard the realities within the reinsurance sector may be. A COGENT, BUSINESS & MANAGEMENT VOL 9 report, published in 2022 analysed Factors



affecting the profitability of reinsurance companies in sub-Saharan Africa to include gross domestic product, competition, premium growth, investment performance, underwriting risk, and operational efficiency.

Honourable Guest of Honour,

The idea to kick-start the Reinsurance Forum was born in 1995 in Lomé, Togo after it was discovered that discussions in major reinsurance fora centered mostly on global issues while there was no reference to the African insurance market or African insurance market experience. Also, foreign intermediaries were reluctant to place business with African reinsurers.

Since then, the African Reinsurance Forum has become an avenue to meet and network with industry leaders, a milieu for the examination of the reinsurance industry challenges and devising of solutions.

Through this Forum, the African Insurance Organisation encourages bilateral exchanges, business renewals, networking opportunities, exhibitions, and touristic outings.

The AIO Secretariat and the LOC have given the task of dissecting the theme of this forum to some fine insurance professionals Africa can be proud of. I am optimistic that at the end of this event, we shall indeed experience a paradigm shift.

Dear delegates,

Ladies and gentlemen,

The success of this 27th African Reinsurance Forum is also largely due to the support of our sponsors. Permit me to thank in a very special way the following companies that accepted to associate their images with our event. TUNIS RE, AFRICA RE, TAN RE, FBS RE, KENYA RE, SEN RE, WAICA RE, W-SAFE RE, SCG RE, NEM INSURANCE PLC, NAMIB RE, AVENI RE, AM BEST, Générale Assistance, STAR Assurance, IAA (Institut Africain des Assurances), Carte Assurances, Assurance Réassurance Solutions (ARS), COMAR, MAWDY AFRIQUE ASSISTANCE and C&C RE.

Dear Delegates,

Tunis is an easy-going capital city, which makes for a perfect introduction to Tunisia before setting off to explore the country further. The heart of the central city is the medina (old town), where simply strolling the squiggly alleyways is the major tourist attraction.

There is a lot to discover in this beautiful city. Therefore, as you reflect on how to bring about the paradigm shift we are gathered here to talk about, do not forget to catch some fun.

I wish you all very successful deliberations.

Thank you for your kind attention.



African Insurance Organisation