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CASABLANCA FINANCE CITY
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LONDON REINSURANCE ROUNDTABLE | WINTER 2013/14

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Roundtable participants

Said Ibrahimi
CEO,
Casablanca Finance City

Said Ibrahimi was appointed as CEO of Casablanca Finance City (CFC) in April 2010 by HM King Mohammed VI. CFC was created by the Moroccan Government to position the kingdom's economic centre, Casablanca, as a leading regional hub for international financial institutions, including reinsurance firms and brokers, wishing to access the fast-growing markets of Africa.

Said has 30 years of global experience. Before joining CFC, he was General Treasurer of the Kingdom, appointed by HM King Mohammed VI in 2003. Previously, he was CEO of the bank Caisse Nationale du Crédit Agricole (now Crédit du Maroc), appointed by HM the late King Hassan II.

Najwa El Iraki
Head of Business Development,
Casablanca Finance City

Najwa joined CFC in 2010 as Principal Advisor. She is responsible for business development and advising prospective institutional investors. Before joining CFC, Najwa was Senior Manager within Mazars' financial services group in London. She has well over a decade of experience in the financial services industry having previously worked in Lehman Brothers/Nomura and KPMG in London where she qualified as a chartered accountant. She advised banks, insurers and funds in various consulting areas including tax, corporate finance and restructuring.

Introduction

The Insurance Insider's London Reinsurance Roundtable generated a broad consensus that Africa's emerging market holds exciting potential for global reinsurers. With continuing global economic uncertainty and new and emerging catastrophe risks, demand for (re)insurance is on the rise – not least in Africa. The continent is growing in visibility on the reinsurance radar, with development driven by its oil and gas sector but also from significant investment in infrastructure – driving the need for greater levels of reinsurance.

For now, the market remains small, according to figures from Casablanca Finance City, the regional financial services centre and gateway to the African markets. But with reinsurance hubs becoming preferred locations for international reinsurers to operate in both domestic and offshore markets, both the African market and the CFC look set to grow.

Enjoy the read,

Myles Neligan
Managing News Editor
The Insurance Insider

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Pool Re

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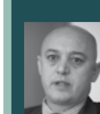

Alex St James
CUO/COO,
One Re

The London Reinsurance roundtable 2013/14

Myles Neligan
Welcome to the London Reinsurance Roundtable, in association with Casablanca Finance City (CFC). I'll start with a broad question to get us going – does the London (re)insurance market do enough to attract business from the African continent and is Africa sufficiently on London's radar?

Howard Jones
I don't think it does really. It's focused in the traditional areas and one has to look at political reasons in the various African countries as to why there is a need for insurance. Instability is one of the biggest problems that we face. Obviously there are tremendous resources there and hence any form of export process requires insurance. But it's being able to have certainty, and that is one of the big things that London offers.

Julian Enoizi
I don't think it's been a focus for London historically. The Middle East has become much more so recently, so it may well be that Africa is next. South Africa obviously is different, with the linguistic and cultural and political links down there. But for the rest of the African continent, I have not seen any evidence of either underwriters wanting to write the business down there or, coming the other way, people seeking out the London market as an opportunity.

Achim Klennert
If you ask me whether Africa is emerging as a reinsurance market I would say yes, but – the "but" comes in because Africa is politically as well as economically quite a fragmented continent, with lots of different countries, jurisdictions and so on. The same applies to the reinsurance market. One of the biggest holdups at the moment is this trend to localise reinsurance and keep it in the country.

Thomas To
From what we've seen in terms of our clients' expansion plans, Latin America, the Middle East and the Far East have been the focus for now. And what's particularly attractive in those regions is the increasing political stability, financial stability, tax regime stability and regulatory interpretation. So Africa has not been on the radar, but I can see it being something for the future.

Lukas Mueller
Africa is a sleeping giant that is slowly but surely waking up. It's a continent which was underestimated in the past, and which certainly has significant potential in the next five to 10 years. We expect GDP to grow between 4-8 percent depending on the country, and if you compare that to continental European markets, that's significantly higher.

Darren Powell
Things are changing, but traditionally there hasn't been a plethora of opportunities in the region. At recent conferences there have been more African clients and brokers in attendance and the London market needs to recognise the emerging opportunities there. It's a massive continent with many markets. Thomas mentioned Latin America – another huge market with multiple countries and jurisdictions. [In Africa] you see the historical Francophone connections and there's quite a lot of that business going through Paris and probably Monte Carlo as well. We are also seeing Portuguese brokers establishing operations in Angola. London needs to make sure that it doesn't miss out.

Myles Neligan
So things seem to be gathering momentum?

Darren Powell
I am not seeing huge volumes of business being placed in the London market but there seems to be more awareness, and more desire on both sides to do business. This will continue to increase as many of the countries in Africa become more stable and established.

Achim Klennert
You have a patchwork of local reinsurance companies that are protected within their territories so companies need to go there first before they go to international markets. But we do see the potential and we're monitoring it. Nigeria will clearly be a significant economy in the world, but it will take time.

Lukas Mueller
If you look at maybe some less obvious countries, Ethiopia has tremendous potential for agriculture. Ethiopia has one of the biggest water reserves of the whole continent, and this is an area that will develop very fast.

"Casablanca is designed to serve as a springboard into Africa to gather opportunities and offer a friendly business environment to access this region"
Said Ibrahimi

Alex St James
Darren has hit the nail on the head. Twenty years ago you could not move around most countries in Africa without coming across somebody representing a Lloyd's syndicate or a Lloyd's broker. The appetite has always been there for quality risk. The problem is African insurance companies seldom present business in a manner or standard that meets the requirements of international reinsurers. In previously owned companies in Africa we have been able to place risk into the London market over a 20-year period out of Angola, Mozambique, Kenya and Zimbabwe even. However, the London market requirements for full and detailed underwriting disclosure, compliance issues and the aversion of underwriters to anything new or unknown makes it hard for many African insurers to engage with this market. It's not that there's a lack of appetite internationally to do business in Africa, so much as a lack of understanding of the benefits of firstly diversifying risk outside of local or regional markets and secondly a lack of ability or understanding of how to present risk to international markets.

Said Ibrahimi
When people from the UK think about Africa, they think about Anglo-speaking Africa and ignore the French-speaking parts – which represent about half of the continent. Africa is a huge continent but it has a GDP that can be compared to India or Russia. There are 54 countries in Africa compared with a single country when you talk about India or Russia, and it's quite difficult to do business in these separate countries because the economies are sub-scale and the numbers are too small.

Mounir Kabban
We also have to talk about the fact that many international (re)insurers established in London have started to establish themselves in Dubai. And these are now writing North African and some East African business. The cost of doing business in London is rising sharply. If you go to the same (re)insurers that are based in London and are also based in Dubai, then Dubai will give you a much better deal cost-wise than London. So the reality is that although we have a presence here in the London market and place a lot of business from Africa, a fair amount of the North African business in London is moving to the Dubai International Finance Centre (DIFC). Unless we start controlling costs, we will not see some of the business that has come to London in the past.

Tarik Brahimi
On the direct side we place too much Moroccan business in London, but when you're talking about direct investment we have never seen any British company setting up offices in Morocco. And I think Morocco is geared towards this – it is very politically stable, it has a constitutional monarchy, a very educated workforce. Many people think that we are Francophone in our country but we actually have people who are very skilled in English. So Morocco can be a window on West Africa for the British insurance market.

Africa doesn't contribute a lot of global market premium, maybe 1.66 percent, but still it is a large number if you do it selectively. Our experience of doing business in Africa is that it is very profitable. We are focusing more on Africa – mainly Western and Central Africa – because there is no accumulation of risk. We are big players in Asia, but when we have a shock loss there, we lose everything. For Africa this is not the case. And the African insurance market is the second most rapidly growing market after Southeast Asia.

Myles Neligan
Mohamed, would you echo those views?

Mohamed Larbi Nali
Yes of course. We think that Casablanca will make a good place for developing business. Of course this part of Africa is a small market, an emerging market, but we think we can build a new market in Casablanca for African risks. For example, the experience of Société Centrale de Réassurance (SCR) is that we have many relationships with French-speaking countries and other countries, but we cannot really support them all due to the lack of capacity, so 70 percent of the placement is done with London brokers, both in life and non-life insurance.

Mark Hardinge
I think Mr Kabban has articulated an extremely powerful argument in favour of the CFC. The cost base is very high in London. I read in one of *The Insurance Insider* publications recently that London is about a £50bn gross written premium renewal market. About half of that is outside of Lloyd's, and about 20-25 percent of that is sourced through overseas offices of UK-based insurers and reinsurers. So it seems to me there is a very powerful argument for us to take London to the CFC, where overheads are dramatically reduced.

It seems to me that Morocco is secure and it has got good strategic location – very near to Paris, London and Stuttgart. It sits on top of a huge economic growth opportunity, both in terms of GDP and population – the demographics look interesting. If I was underwriting or brokering infrastructure business – bridges, hospitals, tunnels – I would want to be in the CFC.

Achim Klennert
There are a lot of engineering projects and that has quite

"London is about a £50bn gross written premium renewal market. About 20-25 percent of that is sourced through overseas offices of UK-based insurers and reinsurers"
Mark Hardinge

big potential. But the question is: "Who are the investors?" because often they bring their own insurance providers. A lot of investment at the moment is Chinese, and that's not really business that is available in a big way. They bring the whole package.

Lukas Mueller

In general, I expect that most business lines will grow significantly. One line that will benefit [in particular] is engineering, because there is a lot of inflow of foreign money into the infrastructure area, and that will certainly help to boost the economy and open opportunities for the insurance and reinsurance markets. Energy is also a very promising line of business, with the discovery of oil in East Africa. The third major area I would mention is agriculture. For me, Africa has the potential to be the food basket of the world.

Gavin Coull

My job is to pick up the pieces when things go wrong, so it is a very clear case of synergies and opportunities for London and international reinsurers generally. Picking up on two points – on the longer-term relationships, that's absolutely a question of the African market and London understanding each other's needs. And secondly, I believe that with the concept of buying cheap, what we will see developing is a change from reinsurance purchasing on a purely transactional basis – as a full fronting arrangement you buy the cheapest cover possible – because that's where there is a mismatch between what local market expectations are and reinsurers' expectations are. So for long-term relationships, buying what is covered rather than for price is important.

Mounir Kabban

There is a prevailing attitude that London, when it comes to know-how, is second to none. However, when it comes to education, there are people outside the London market who are highly educated and experienced. So the question of London having the monopoly over know-how is a thing of the past. London until many years ago was indeed in a monopoly position. Now we have different (re)insurance hubs – Singapore, Dubai, Miami, etc. – and all of this is largely because brokers and reinsurers are moving closer to their clients. Unfortunately, some of our political leaders are not sufficiently appreciative of developments in insurance outside London. The volume of foreign investments in Africa is growing. As we know very well, the Chinese moved in with major investments and now some of the Western powers want to balance the Chinese influence.

Myles Neligan

Mounir has raised an interesting question. I wonder does anyone else want to come in on the point that there is insufficient political leadership?

Alex St James

My experience is that governments – and particularly the French and English governments – and their trade attachés are incredibly active. A lot of client introductions out of our previous companies in Angola came through both the French and the British embassies and trade missions. And the same applied in Mozambique and Ghana – it doesn't matter whether the countries themselves are Anglophone, Francophone or Lusophone, the British government and the French government are quite active with trade delegations into Africa.

Myles Neligan

Said, you were going to talk us through benefits that reinsurers stand to gain from setting up shop at CFC. What is it that you can offer them?

Said Ibrahimi

Most reinsurers set up offices in reinsurance hubs due to favourable regulatory and tax structures, and also to gain access to neighbouring markets.

Casablanca is designed to serve as a springboard into Africa and, specifically, into what was originally called Greater North West Africa – which is a collection of 28 countries, most of them French-speaking. The growth of Africa is fuelled by natural resources, of course, but also through having a growing working-age population, the emergence of a middle class and the big need for infrastructure. And Casablanca aims to serve as a hub for this region, to gather opportunities and offer a friendly business environment for people to access this region.

So Africa is a real opportunity. The growth is real growth and global governance in Africa is improving, day by day. But why should Morocco serve as a hub for this region? First of all, it has a strategic geographical position at the crossroads of Europe and Africa as well as the Arab world and the Middle East. Secondly, it has political stability, a friendly economic environment and stable macroeconomic fundamentals. Morocco's political stability has been shown during the last years of the Arab Spring. We have had a monarchy dating back 1,300 years.

Other key assets include strong historical ties with French-speaking African countries, where many of our home-grown companies are expanding and pursuing growth opportunities; a leading air connectivity within the continent through our local airline, which has direct flights to 30 cities in Africa; and a cost-competitive and very skilled local workforce. We are obviously a French-speaking country, but I read in a

"I don't think Africa has been a focus for London historically. The Middle East has become much more so recently, so it may well be that Africa is next"

Julian Enoizi

report this morning on the EF English proficiency index that Morocco is third in the Arab world, which is quite significant.

Finally, the Moroccan government has set up CFC as a financial gateway for businesses looking to access the fast-growing markets in Africa, including foreign reinsurers and brokers considering a local presence in Morocco. We have established an attractive framework at CFC and we are in particular offering an onshore trading environment built on our existing advanced legal system, which we are consistently improving and aligning with international standards.

Today, we know that this is not an easy time for western financial institutions, but CFC is a long-term project whose ultimate aim is regional financial integration, though we are already open for business and we have been thrilled by the responses received so far.

We already have 30 companies that have set up shop in Casablanca and we have at least five commitments from the insurance sector.

Najwa El Iraki

Recently a CEO from a new reinsurance company which is setting up shop shortly in Morocco told me that he definitely thinks that there's strength in having a local presence because you can adapt quickly to market changes, whilst when you are not there it can take longer to react. Effectively, the player who invests locally enjoys an adequate return on investments, as opposed to those who tie their investment to foreign markets with marginal returns.

Mark Hardinge

Two points before we move on. One is that we probably need to get Spain on the table. My friends in Spain tell me that the Morocco is hugely important for them as well, particularly from a marine point of view. And I would just like to echo something that Mr Ibrahimi said which was really interesting. I once asked the late, great Bob Clements, the founder of Bermuda as an offshore domicile, what the drivers were for that decision. And, paraphrasing, this is what he said to me: "Everybody thinks we did it because of tax. But in those days, you could offset your underwriting losses for tax in the US onshore anyway. The reason we chose Bermuda was because it was a three hour flight from Boston, New York and Atlanta – and because it had the infrastructure, lawyers, accountants, highly educated people, on the ground, to service the business."

Myles Neligan

Najwa, perhaps you could talk us through the criteria for getting a licence to set up in CFC?

Najwa El Iraki

We are different from the Qatar Financial Centre Authority (QFC) or the DIFC in the sense that we are not an independent regulator. So we are actually integrated within the existing financial regulatory framework. There are two options that reinsurers may follow. The first option is for reinsurers that would like to set up a regional marketing office for Africa. In that case, there is no licence to be obtained – there is only what we call the CFC status, which gives substantial advantages for business facilitation and also specific tax incentives, both personal and corporate.

The second option is for reinsurers that would like to actually set up an underwriting business. In that case, they need to be authorised by our local insurance regulator. But we have put in place a streamlined application process and the reinsurer needs to only make one application to CFC. The minimum capital requirement is about $6mn and the process takes a maximum of 45 days.

Myles Neligan

How does that compare to other jurisdictions?

Alex St James

It took three years to authorise and license our previous company in Angola. Not because of a lack of streamlining or failure on the part of the local regulators – we are currently in the authorisation process in this market. Having been involved in many insurance and reinsurance company license applications in Africa and internationally, the level of regulatory oversight dictates how long an authorisation process takes. And 45 days in my opinion, with respect to the CFC, is not sufficient to scrutinise and authorise a reinsurance company.

Najwa El Iraki

Forty-five days is obviously once everything is complete. So we start discussions months before with the investors, they present business plans to us, and 45 days is once everything has been completed and a decision is taken from both sides.

Darren Powell

Allied World opened its first office in Bermuda in November 2001, after 9/11. So the time it takes to establish in Casablanca is probably comparable to Bermuda.

Najwa El Iraki

In the QFC or in Bermuda it is a very quick process indeed – so we have to be competitive. We are not comparing ourselves to Angola but to other established jurisdictions.

Alex St James

No, of course, Angola was difficult,

> "Difficulty with travelling is your biggest problem [in Africa] but we have never seen language as a challenge, travelling through [the region]"
> **Alex St James**

because it was a new market – it was a privatisation process of the insurance industry as applications were received. But the length of time that it takes to scrutinise an application, it speaks to the regulatory environment that exists there, in terms of the credibility that the company will have once it's registered.

Gavin Coull

That's a key point – the confidence in the regulatory framework. Bermuda is very well regulated now, as are the DIFC and QFC. African countries are now looking at Solvency II and South Africa has now got the Solvency and Asset Management regime. That's something that is very important to people investing – that it is not seen as a quick ticket to market penetration.

Said Ibrahimi

When it comes to regulation, our financial regulation is recognised by the International Monetary Fund as the benchmark of the Middle East and North African (MENA) region. For mediation and arbitration we are currently setting up an international centre, which will be announced very shortly.

Mounir Kabban

In my opinion, the CFC has got to look at the question of regulation, because professional firms like to work within a well-regulated market. Like other countries, we may have to call on London practices to see how to regulate the CFC market in a way that is satisfactory for clients and other interested parties. In reality what is required is for the CFC to be an offshore hub like, for the example, the DIFC, where it enjoys a separate legal and regulatory regime and even has its own court.

Myles Neligan

It might be helpful at this point to get some figures on the size and growth of the African reinsurance market.

Najwa El Iraki

In the African insurance market we have about 600 insurance companies with a total insurance premium income of $68bn. Out of this, 10 percent ($6.8bn) is ceded to reinsurers. This might be classified as small by global standards as it represents 3 percent of the global reinsurance premium income. But the region has an attractive insurance market because of its low penetration levels and its major GDP growth potential. The whole of Africa, excluding South Africa, had a penetration rate of 1.7 percent in 2011, much lower than the global averages of 7 percent.

However, insurance penetration could in the longer term rise slightly above 5 percent, in line with the economic thinking that insurance penetration increases faster than GDP per capita in emerging economies. As for reinsurance, according to a recent Swiss Re report, this is forecasted to grow at about 6.5 percent annually over the next decade.

"Now we have different (re)insurance hubs – Singapore, Dubai, Miami, etc. – and all of this is largely because brokers and reinsurers are moving closer to their clients"

Mounir Kabban

Julian Enoizi

Of that $68bn, do you have any breakdown? Is that non-life reinsurance premiums? Motor?

Najwa El Iraki

About 60 percent comes from life. But out of the 10 percent ceded on the reinsurance, 84 percent obviously comes from non-life, with life being at early stage of development. The principal risks covered by the reinsurance industry include fire, general accident and casualty, property, engineering and technical risks and transportation (auto, maritime and aviation).

Myles Neligan

What about the profitability of the African reinsurance market?

Najwa El Iraki

Well, the sustained profitability of the Africa's insurance market makes it attractive to both local and foreign reinsurers. There are at least 35 reinsurance companies domiciled in Africa including the big four foreign reinsurers. Foreign reinsurers are attracted to the continent since local reinsurers do not have enough capacity to satisfy the African insurance market. For example, in Morocco we have one main state-owned reinsurer, SCR, but 22 reinsurers are also operating in the country.

As a result, half of the life and non-life reinsurance income is ceded out to foreign-based reinsurers and retrocession is also profitable, with a large chunk of premium income leaving Africa. The African reinsurance industry is a profitable market that I think will continue to attract big players from around the world.

Howard Jones

Are there any tax incentives in the CFC?

Najwa El Iraki

Yes, we have corporate tax incentives. Any company that wants to set up within with CFC will have 0 percent tax on their offshore turnover and net gain from foreign sources for the first five years, and then it goes up to 8.75 percent. For onshore businesses reinsuring local interests, it is the same as the standard regime, which is 37 percent for insurance firms. We also have personal tax incentives with a flat rate of 20 percent for five years.

Myles Neligan
What about the challenges in the African insurance market? What are the pitfalls in the region?

Alex St James
Difficulty with travelling is your biggest problem. You will never find assessors and adjusters in the territories to manage large losses. So you've got to import that ability and retain, as we do, a panel of loss adjusters who have to keep their visas in constant validity for all the countries we do business in. There is a minimum of a two-week wait to get a visa issued in some countries – by which stage, after a major burnout in a facility, there's very little left. Once it's been picked clean it is very difficult to contain a site.

Language has never been an issue at all in our experience. We have never seen language as a challenge, travelling through Africa. I am not Portuguese but we started an insurance company in Mozambique in 1992, which is a Portuguese-speaking territory, and from there we went to Angola, another Portuguese-speaking country. And 40 percent of our client base is French and I am not a French speaker either. So language has never been a particular problem. But the level of professional resource that you have in the territory is often very small. So for staff, you have to find recent graduates from school and essentially what we do as a company is we put them on the Insurance Institute courses – we send them here to London to do their exams. There is no other way for us to get them trained up. There is no pool of talent locally in these countries such as exists in London.

Myles Neligan
So there are cost implications there.

Alex St James
Well that's the next thing I was coming to – the cost of doing business in Africa is incredibly high. African countries represent some of the most expensive places in the world to do business. Nigeria and Angola are incredibly expensive places to live, and companies that wish to do business in Africa are going to need to send foreign staff there and are going to find that they have to spend an awful lot of money providing them with a safe and secure environment in which they can live comfortably. And there are day-to-day hidden costs of doing business in Africa. We've never found running an insurance company especially difficult in Africa, but we've found running a business difficult in Africa – because of local bureaucracy, local corruption, local challenges in terms of dealing with various ministerial government departments and the legal framework in each country, which can be old and out-dated or completely incomprehensible to anybody other than a local lawyer. These are all hidden costs. Trying to find a lawyer in sub-Saharan Africa who has even a basic understanding of insurance and international contract law is not an easy thing to do.

Myles Neligan
You mentioned corruption and bureaucracy, is that something that is changing at all?

Alex St James
It will not change in the short to medium term. Our experience was that the procurement officers of large companies would frequently ask our marketers to pay them something or other for facilitating a deal. It is just one of those things that has become a fact of life and business, where you are coming from a very poor and poverty-stricken environment and where people feel that there is an opportunity to increase their fortunes, then they will. Not all African countries are like that and some are better than others, but in sub-Saharan Africa, particularly in the newly emerging territories gathering international interest, corruption is one of those massive issues that you have to overcome.

Myles Neligan
Are there any of those emerging countries that stand out for the lack of corruption and relative ease of doing business?

Alex St James
No. I am surprised to find South Africa is ranked highly for ease of doing business. A reason international investors and reinsurers have withdrawn from South Africa over the years is because of the difficulty of doing business there, where capital requirements for solvency purposes are undermined by the political requirement to have significant local shareholding in a business.

We have had to give, in each country we have previously done business, up to 30-40 percent of our company away to local partners, which means that we have had to find 130 to 140 percent of the capital that we would have normally needed, as a international reinsurer, where your capital quality is critical to your credit rating and standing, the local partners you are forced to deal with are seldom able to add value or credibility. The reason these challenges exist is because Africa has been left alone for so long to sort its own problems out. It has become very insular through its self-reliance and regional markets have become very dependent on each other for the sharing of business. Reinsurance with professional international companies is often seen negatively as the loss of premium from local markets instead of something that aids risk diversification and growth of the local markets.

"African countries are now looking at Solvency II. That's something that is very important to people investing"
Gavin Coull

So in most markets you will find a complete and utter spiral of all the companies participating on every single risk, over and over again.

Najwa El Iraki
Regulatory frameworks are also an issue. Progress has certainly been made in most African countries, including a move towards risk-based supervisory regimes. For example, in Kenya, Morocco and South Africa guidelines have been introduced on corporate governance and solvency requirements based on Solvency II. However, legal and regulatory frameworks need to be enhanced within the continent whilst maintaining flexibility and removing operational constraints. Overall, the African convergence and integration efforts should be reinforced to facilitate cross border doing business.

Howard Jones
What about currency controls?

Alex St James
It's a massive problem when trying to pay international reinsurers. In most countries in Africa you can hold forex, it's not difficult having a dollar account. The problem is when it comes to making a reinsurance payment and the central bank, which has to approve all the foreign exchange transfers, tells you that there is not sufficient dollar liquidity in the market to make such a payment. So your dollar account states you have got $10mn in it for instance but you can't access it, you can't transfer it. The country doesn't have sufficient forex liquidity to make the deal. We have to go to auction every two weeks and basically buy dollars in chunks so we have got enough to pay our reinsurers.

Myles Neligan
Is that an issue in Morocco?

Said Ibrahimi
In Morocco it is quite different. In the CFC we have put in place specific processes for doing business. Alex mentioned visas for travelling within the countries. We have put in place a specific process to allow people visiting the CFC to get their visa within a very short time period, whether they come from the north or the south. It is a commitment of our Minister of Foreign Affairs and the Minister of the Interior. And it works.

"The African reinsurance industry is a profitable market that I think will continue to attract big players from around the world"
Najwa El Iraki

We mentioned lifestyle and education. When it comes to education, there are French schools of course, but are also American, British, Spanish schools, and so on. So there is no trouble for expatriates to have their children educated within Casablanca.

For forex control, we have also put in place facilitation measures for CFC companies. These can freely manage assets from foreign sources.

When you are a foreign investor, you may own 100 percent of the capital of your company and you have no restriction on repatriation of dividends, capital gains or profits. So Casablanca has really decided to respond to these quite difficult issues that arise when you are doing business in Africa. And in the CFC, we have an existing ecosystem with regional headquarters for financial institutions, including multinational companies and also all the core professional services such as top international law firms, the big four accounting firms and so on.

Myles Neligan
This is probably a good moment to talk about political risk. In the light of the Arab Spring, which is closer to home for you, is that a deterrent for foreign reinsurers?

Mounir Kabban
The King of Morocco has a long-term vision. As soon as the Arab Spring started, he took the initiative and now we have a constitutional monarchy with reduced royal power and more power to the Prime Minister and Parliament.

If you look at the Arab Spring in general it was due to the fact that there were leaders who stayed in power for 40 years, like Gaddafi and so on, yet there was enormous corruption and social injustice.

Unlike other Arab countries, Morocco has avoided the Arab Spring because of the political wisdom of the king and the fact that the country enjoys a high degree of religious tolerance.

The CFC is part of the global effort in Morocco to create employment opportunities for the newly educated people, and at the same time promote social justice and transparency.

Najwa El Iraki
It's true that the Arab Spring is often associated with the MENA region, but the MENA region is a wide range of countries with very different strengths, political development and regulatory frameworks, so one should not tar everyone with the same brush. Also the Arab Spring will, over time, bring in higher democracy and transparency and a more favourable economic environment.

Said Ibrahimi
I suppose when you have increased political risk, one of the things that investors want to see is stability in the political environment in the country they operate in, and as mentioned earlier, this is clearly the case in Morocco.

Myles Neligan
I think we will wrap it up there. Thank you very much for your thoughts.

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Know the news…

Lloyd's to name Inga Beale as new CEO

Lloyd's is set to name Inga Beale, head of Lime Street (re)insurer Canopius, as its new chief executive, with a formal announcement expected early next week, *The Insurance Insider* understands.

Beale will be confirmed within days as the

follow-form broker facilities, exemplified by Aon Benfield's "sidecar" deal with Berkshire Hathaway, threatens to take business away from some of the market's smaller syndicates.

Another key challenge for Beale will be

How *The Insurance Insider* cut through the rumours to confirm Beale's appointment as new Lloyd's CEO on 13 December 2013…

Before it happens…

Lloyd's confirms Inga Beale as chief executive

Former Converium chief executive will take over from Richard Ward next month

Inga Beale has been confirmed as the new chief executive of Lloyd's. She will take up the role in January 2014.

She will leave her role as group chief executive of Canopius to take the position.

Beale previously spent four years with Zurich, following a stint as group chief executive of Converium before it was acquired by Scor in 2007.

Beale said: "Lloyd's is already an international leader, but this unique market has an extraordinary opportunity to increase its footprint and to cement its position as the global hub for specialist insurance and reinsurance. I'm looking forward to working with the Lloyd's team and the wider market to deliver a strategy for profitable and sustainable growth alongside Lloyd's robust market oversight."

Canopius said its executive chairman, Michael Watson, will also now assume the role of group chief executive, subject to the necessary consent.

Inga Beale CV

January 2012 to date: Canopius, group chief executive

2008-2011: Zurich Insurance Company, global chief underwriting officer (Jun 2009-Nov 2011), head of mergers and acquisitions, organisational transformational and internal consulting (Jan 2008-May 2009)

2006-2007: Converium, group chief executive

How Insurance Day confirmed the appointment on 16 December 2013, following the official announcement…

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