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CEO and Chief Underwriting Officer - ConnectUW

Last year was an excellent year for us and our core underwriting business continues to go from strength to strength

Jamil Elbahou, CEO and Chief Underwriting Officer of London-based MGA, Connect Underwriting Limited shares his view on some of the challenges facing the reinsurance market and the potential impact on pricing and reserving going forward.



“Over-regulation in the Middle East has caused operating challenges in the past few years”

• **What are the emerging challenges that insurance companies face?**

- The emerging challenges for the Middle East differ from the rest of the world. The rising cost of reinsurance is a big issue, putting pressure on the bottom line. The region has seen a surge of new entrants, which leads to competition for business and a reduction in margins. The insurance market has always been highly regulated, but over-regulation in the Middle East has caused operating challenges in the past few years. These combined with the turbulent geo-political and economic uncertainty relating to world events creates a tricky landscape to navigate.

• **Reinsurance companies have paid huge compensation for natural catastrophes in most parts of the world. Will there be a direct impact on the prices and conditions of all insurance lines in the MENA region or on specific lines?**

- Natural Catastrophe exposures vary from region to region and country to country. Where NatCat exposure is higher, prices will continue to increase. This will mainly affect the property market where the higher costs of reinsurance in the retro market will likely be passed on over time to the local insurers in the MENA region, who have previously enjoyed Cat free pricing for the past few years.

• **How do you see reinsurers dealing with reserving requirements?**

- Reinsurers base their reserving on a combination of the local regulations in force and their own internal actuarial models. It also depends on the class of business. Reserving is very different for example in the life and health space versus the property and casualty space.

• **What are the latest achievements and developments of your company?**

- Our core underwriting business continues to go from strength to strength, focusing on XOL Property, Energy, and Political Violence. We are experimenting with the tech space once again and strengthening our underwriting capabilities in the international market. last year was an excellent year for us and we hope to see some of the new initiatives yield results in 2024.

