



Financial Services Commission
Mauritius

Speech of Max Fulton, Director of Surveillance at the FSC for the launch of the Metropolitan brand in Mauritius and the rebranding of Momentum Mauritius into Metropolitan Health as well as the rebranding of Mauritian Eagle Life into Metropolitan Life on 15th August 2013

Mr Nicholas Maigrot – CEO of IBL
Mr Mervyn Cookson – CEO Metropolitan International
Mr Gerhardt Van der Mer – Regional Director
Mr André Chung Shu- Managing Director of Mauritian Eagle
Members of the Press
Distinguished Guests
Ladies & Gentlemen

Good evening,

I am delighted to be invited to join you this evening for the launch of the Metropolitan brand in Mauritius and the rebranding of Momentum Mauritius into Metropolitan Health, as well as the rebranding of Mauritian Eagle Life into Metropolitan Life.

First of all I would like to thank Mauritian Eagle, Momentum Mauritius and Metropolitan, now collectively known as MMI Holdings Limited (MMI), for giving me the opportunity to address you this evening. As the Director of Surveillance at the Financial Services Commission and a representative of the independent regulator of financial services (other than banking) and Global Business in Mauritius, one can only be encouraged when looking at the path that the insurance sector and companies like Mauritian Eagle and Momentum Mauritius, have taken over the years. Your association now with Metropolitan is a key stepping stone for the insurance industry in Mauritius.

Metropolitan, I am told has over 110 years history operating in the African Market and is regarded as the pioneer of emerging markets, providing financial services and products to a large number of Africa's people. On the other hand, Momentum was established in 1966 and

has developed from a dedicated life insurer, into now offering a diversified range of insurance products to customers both in Africa and Mauritius. On a more local front, the Mauritian Eagle, which has been in existence since 1973, is considered as one of the leading insurance companies in Mauritius. The merger of these three companies can only be the beginning of bigger things to come, especially for the Mauritian economy.

As you know, the financial sector has become a vital pillar of the Mauritian economy. Financial Services on our island as well as globally have grown in leaps and bounds. In 2012 alone Financial and insurance activities contributed Rs 31,263 bn to the Mauritian GDP.

The Insurance industry in Mauritius currently consists of 12 General and 7 Long Term insurance companies carrying on insurance business on the domestic market. During the year 2012, the FSC approved amalgamation schemes for 3 other leading local insurance companies. The FSC is keen to promote such ventures as we know that given the current economic conditions, there is a greater need for diversification in order to remain competitive.

Let me give you a few interesting facts as to where the insurance industry is today in Mauritius:

- In the decade 2001 to 2011, the contribution of the insurance sector to GDP in Mauritius increased by approximately 30%, which tells you that the sector is becoming an increasingly more important part of the Mauritian economy each year.
- Three insurers contributed 90% to the total gross premiums generated by the long term insurance business sector. The remaining market share was consequently spread among the other seven long-term insurers (three of them being on run-off).
- Likewise, the general insurance business sector was concentrated with five insurers representing 79% of the market share.
- The total gross premium of the domestic market grew by 5%, from Rs 19.2 bn to Rs 20.0 bn in 2012.
- The number of policies in force in the general insurance business sector in 2012 stood at 469,615 as compared to 419,516 the previous year.

- The long-term insurance sector registered an increase of 7% in gross premium to reach Rs 13.8 bn in the year 2012. Total consolidated assets of the long-term insurers stood at Rs 92.6 bn as compared to Rs 84.2 bn the previous year, representing an increase of 10%.

While these figures are very encouraging, the insurance penetration rates for the long term and general insurance in Mauritius, while ahead of Africa as a whole, lag well behind South Africa and to a lesser extent behind Namibia and the overall world figures. So the industry still has work to do to educate the Mauritian public about the benefits of insurance.

The FSC have always aimed to forge a robust regulatory framework with the right balance between the need for regulation and business development. Since the adoption of the Financial Services Act in 2007 (FSA), the FSC has been operating within a modern and internationally recognised legal framework which also includes the Securities Act, the Insurance Act and the Private Pension Scheme Act.

However, in this uncertain business climate, better financial regulation remains a pivotal aspect of making the financial sector safer and more stable. Regulators adapt financial regulation to international norms and standards to promote stability by preventing systemic failure but simultaneously provide a leeway for market development.

The challenge of financial centres, such as Mauritius, remains at ensuring that their reputation is not damaged by identification with financial crime and other abusive practices. The FSC belongs to a number of international regulatory organizations : the International Association of Insurance Supervisors (IAIS), the International Organisation of Securities Commissions (IOSCO), the International Organisation of Pension Supervisors (IOPS), the Islamic Financial Services Board (IFSB) and as well as belongs to the regional regulatory organization the Southern African Development Community (SADC) through CISNA and fully supports international initiatives aimed at combating money laundering and terrorist financing and at promoting the exchange of information.

Only last week, the FSC hosted a four-day training program with presenters from the United States Securities and Exchange Commission. Delegates attended from the regulators of 14 countries, with people attending from as far away as Singapore and India. The course was designed to cover best practices in regulation and the US SEC experts presented an in-depth look at the Bernie Madoff ponzi scheme in the US to teach the regulators present techniques for investigating such schemes and prosecuting the people perpetrating these frauds. As well as the technical training, it was also an opportunity for the regulators from all these different countries to network and, in future, those present will be able to contact other delegates when they need to discuss matters affecting their joint jurisdictions.

The FSC's vision is to be an internationally recognised financial supervisor committed to the sustained development of Mauritius as a sound and competitive Financial Services Centre. Therefore, we have always aimed to set a good platform for all our licensees to flourish; hence our approach to the entry of foreign insurance companies into the Mauritian market is a positive and encouraging one.

Many of you will know that Mauritius has developed very strong economic and cultural ties with both Africa and Asia over the years, and is now being heralded more and more as one of the major investment platforms into Africa. It has one of the most stable and successful economies in Africa and is ranked highly in terms of competitiveness, investment climate and governance. Mauritius has grown and continues to grow into a major business hub to service the region.

And now with MMI Holdings Ltd in our midst, this will assist with achieving the African vision as the company is set to operate in South Africa, other African countries and selected international markets.

On this note I wish this new venture and merger every success.

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