



**Financial Services Commission  
Mauritius**

**Speech at the inauguration of the Flacq branch of the Island Life Assurance Co. Ltd**

**Clairette Ah-Hen, Chief Executive of the Financial Services Commission  
Thursday, 12 July 2012**

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**Honourable Anil Kumar BACHOO**, VPM, Minister of Public Infrastructure, National Development Unit, Land Transport and Shipping

**Mr. Bashir Currimjee**, Chairman of Currimjee Jeewanjee Co.Ltd and of Island Life Assurance Co. Ltd

**Mr Vinayakumar Balakrishnan**, Island Life Assurance General Manager

**Distinguished guests,**

**Ladies & Gentlemen**

I wish you all a very Good Morning!

It is indeed a pleasure for me to be amongst you today for the inauguration of a new branch of Island Life Assurance Co. Ltd in the Flacq region.

I must, first of all, congratulate the Chairman of Island Life for this new branch in the Eastern region and for promoting this policy of expansion to reach out to new customers.

Island Life Assurance Co Ltd has been operating in the insurance sector for nearly three decades, and holds since December 2010 a long term Insurance business licence, under the Insurance Act 2005, to transact life assurance and pension business following the transitional provision.

The Company has developed over the years a full range of insurance products and services to serve the needs of its individual clients whether directly or through its network of sales representatives. Indeed, since its creation, Island Life has been diversifying its products to provide for endowment with profits policies, cash and cover with profit, children educational policies, Decreasing Term Assurance policies and pension policies.

With the New Private Pension Scheme Bill passed last Tuesday 10 July 2012, further new opportunities to increase savings and to provide for retirees after active working life are now available.

Island Life also actively participates in the socio-economic development of the country by granting loans for the construction or the purchase of residential properties. The Company granted an amount of Rs 124 million as Residential loans at 31st December 2011.

Ladies and Gentleman,

Our insurance sector has shown its resilience over the years. A growth of 4.5% was witnessed in 2011 for the sector. The domestic insurance industry continued to grow in 2011 with assets amounting to Rs 95.9 billion for 21 insurance companies, representing an increase of 8%. The total gross premium expanded by 9% from Rs 17.5 billion in 2010 to Rs 19.2 billion in 2011.

We have in place a sound regulatory framework with the Insurance Act 2005 which is in line with international standards – as set by the IAIS. The Act provides the regulatory and supervisory framework for the insurance industry, greater protection to policyholders and other beneficiaries. It focuses on specific issues relating to capital adequacy, solvency, corporate governance and early warning systems.

As the regulator, the FSC has to ensure that the challenges faced by financial centres today are met, that the Mauritian regulatory system keeps pace with international norms and that the

reputation of Mauritius as a sound jurisdiction is not unjustly tinted by identification with financial crime.

We believe that the knowledge and awareness of the functioning of financial markets, including products, processes and procedures is of crucial importance. The FSC is committed to promote public understanding of the financial system so that consumers are aware of their rights as well as understand better the markets, the benefits and risks associated with different kind of investments and other non-banking financial services.

At the FSC, our consumer strategy also aims at:

- ensuring that consumers are treated fairly;
- ensuring dissemination of information in the field of financial services; and
- broadening access to financial services.

A new dimension was reached in relation to our strategy through the launching in December 2011 of the “Promoting Financial Literacy and Young Talent Competition”, a national Competition for secondary and tertiary level students in Mauritius. The objective of the Competition is to promote financial literacy and a better understanding of the financial services sector amongst the youth. It is poised to become a yearly feature for the FSC.

The FSC will launch a nationwide program for a better awareness of the non-bank financial services sector and financial products for the general public in the coming months. We believe that for Mauritius to emerge as the financial Hub linking Africa and Asia, there is a need for implementation of pioneering initiatives to spread financial literacy and financial inclusion.

Promoting the understanding of insurance products is crucial in our Consumer Education strategy. We rely on the collaboration of our stakeholders to ensure that policyholders are provided with quality and professional services.

I would like again to express my congratulation to Island Life Assurance for this achievement and I wish the Company well in its future endeavor.

Thank you.

## **Additional Information on Island Life**

### **Promoter**

- 2.1 Island Life is owned by Currimjee Jeewanjee and Company Limited (51%) and Soap & Allied Industries Limited (49%).
- 2.2 According to financial statements for year ended 31 December 2011, the company has equity amounting to Rs 72, 986, 324.

### **Financial Highlights**

- 5.1 Based on audited figures for the year ended 31 December 2011:

<b>Year</b>	<b>2012(projected)</b>	<b>2011</b>	<b>2010</b>	<b>Change</b>
<u>Life Assurance Fund</u>				
Gross Premium		149,086,055	103,574,207	44%
<u>Market share</u>				
Total asset		982,494,145	945,058,122	4%
Equity		72,986,324	77,986,324	-6%
Surplus		35,651,030	76,802,748	-54%
Management expenses		43,677,102	37,894,274	15%
Number of Policies		13,258	10,926	21%
Investment returns		4.3%	13.5%	-68%
Solvency Margin	153,672,000	138,530,000	112,749,000	23%
CAR	116,690,000	101,788,000	104,769,000	-3%
Solvency Ratio	132%	136%	107%	27%

- 5.2 The investment portfolio posted a return of about 4%. Low return on investment is a result of European Sovereign credit crisis and its spill-over effect on local stock market.

From the Actuarial report ending December 2011, it is noted that Island Life's investment Committee has decided to move out of foreign equity by investing in local fixed securities with the aim to rebalance the portfolio according to investment benchmark.

- 5.3 The Actuary in his report certified that the amount of policy liabilities makes appropriate provision for all policyholders' obligations and that the policy liabilities do not exceed the amount of the respective funds.

### **Additional information on ICP**

The Insurance Core Principles (ICP) of the International Association of Insurance Association (IAIS) provides a globally-accepted framework for the regulation and supervision of insurers and reinsurers. The IAIS principles, standards and guidance papers expand on various aspects of the ICPs. They provide a basis for the evaluation of insurance legislation, supervisory systems and procedures.

The IAIS periodically conducts self-assessment exercises to provide a snapshot of the overall level of observance of the ICPs amongst IAIS members. While considering and carrying out the assessment the diversity in regulatory frameworks and supervisory approaches is well recognised. Aspects related to the domestic context, industry structure and stage of development of the financial system and overall macroeconomic conditions are taken into account. While good implementation practices should be kept in mind, there is no mandated method of implementation.

In July 2011 Mauritius has undergone an FSAP Assessment of the level of observance with ICPs of the IAIS and the results of the assessment are as follows:

Observed	7
Largely Observed	15
Partly Observed	6

As you are aware the IAIS has come up with a set of 26 ICP's in October 2011. As a jurisdiction we will have to ensure that we adhere to those principles.