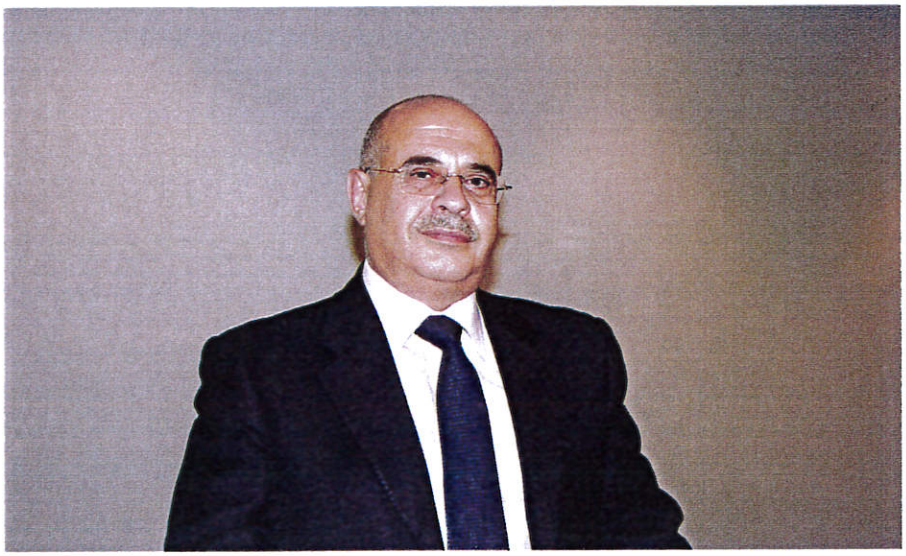
Growth Amid Challenges

In an effort to achieve the diversification which is required for the reinsurance portfolio to go global, Emirates Re's global expansion takes off with new markets such as Eastern Europe and South East Asia



Going global: Mohamed El Dishish, Chief Executive Officer of Emirates Re

Mohamed El Dishish, Chief Executive Officer of Emirates Re possesses over 38 years of wide experience and exposure in the field of Shari'a compliant insurance and Islamic finance. His longstanding practical experience has been in the renowned Shari'a compliant insurance and Retakaful entities. Prior to joining Emirates Re, El Dishish was the Chief Executive Officer of Al Fajer Re, prior to that El Dishish was the Chairman & Managing Director of Nile Family Takaful & Nile General Takaful.

However, recording success for Emirates Re within a short period is a proof of powerful management and hard work especially that during this period insurers tried hard to cope with the MENA's economic and political instability. The economic situation in the region, and that of individual countries, had worsened over the past few years, as unrest had deterred tourists and investors alike, and economics had come very much second to politics. Within this aggressive environment, Mohamed El Dishish draws out some of Emirates Re's most significant plans in an interview with BUSINESS LIFE magazine.

Emirates Retakaful, has already established itself in Dubai International Financial Center (DIFC) and has completed the transfer of Al Fajer Re's portfolio and the company's staff are busy in conducting the required operations. "We are taking Emirates Retakaful to its leading role, primarily in the MENA market, in addition, we are expanding our business into other areas such as Eastern Europe and South East Asia, in order to achieve the diversification which is required for the reinsurance portfolio to go global and maintain the growth in the top line without any compromising on the underwriting guidelines and maintain profitability. That's our strategy for the coming few years," notes El Dishish.

Therefore, Emirates Re is expanding globally, as well as expanding within its core market, "we are showing growth in our core market which is the Middle East and North Africa, and we are showing growth globally as well."

What is the role of regulators?

The target of the regulators in the MENA region is to protect the policy holders' interest. Insurance companies should maintain the reserves, the right price and avoid expansion in the top line. Some companies believe that the regulators are holding them from expanding. No, this is not true because the regulator will never hold any company from expanding, the regulator wants to insure healthy expansions.

The Egyptian market is a big market and Emirates Re is already working in this market, "we cannot exclude the Egyptian market from our expansion plan but again, we are really watching our profitability. We have reduced our participation for some companies in the Egyptian market and we have increased our participation for other companies because their business is profitable and they have underwriting discipline. Consequently, in order to maintain our profitability in the Egyptian market, we will continue to keep a close eye on the progress and stability in the Egyptian political arena. The Egyptian market is growing and has significant potential for future growth and we will tap into that growth to achieve our growth as well," he comments on the potential growth of the Egyptian insurance market.

Reinsurance involves risk transfer, risk distribution, risk diversification across more insurance companies, and coverage against insurance risk. The international reinsurers are coming to the MENA markets to diversify their portfolio, because the areas they are working in like Europe or Asia have catastrophe events but our area is not so vulnerable to catastrophe events. "Regional reinsurers cannot afford to work only in their region, for that reason they need to build their portfolio globally, but the disadvantage is that the size of the regional reinsurance is not big enough. Therefore, the only way to survive is to be big, I think whether the regional reinsurers like it or not, merger is the key and the way forward," El Dishish adds .

"Emirates Re has a Labuan license to write business in Malaysia and we conducted some business there in this renewal, thus we are maintaining our Labuan license," he says.

"We are eyeing Eastern Europe and Sub-Sahara Africa for business and we have already some business there, but we are exploring more business opportunities through some cooperation with the African countries. Additionally, Emirates Re has written new business in turkey in 1-1-2015. The company is showing growth and substantial profit," Emirate Re's CEO elaborates.