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No Takers To Run The Insurance Industry



Although the question was addressed squarely, there were no volunteers to run the insurance industry.

The responsibility was placed on the broad collective shoulders of "Service Management" and "Board of Directors".

Mr David Strachan, Director of Insurance Firms Division, Financial Services Authority, UK, pronounced loudly to dispel any doubt that the FSA has no interest to run the business of insurance. It is up to the Board to run the business bearing in mind the regulation requirements, he said.

Rating agencies, customers, and shareholders activism can, to an extent, exert a positive influence on the way the business is being run, he added.

Rating agencies in the meantime were demurred that they ran the business – they merely analysed the figures churned out by the companies, they said.



Report Card on the Market

Looking at the recent M&As and expansion, Mr Grahame Chilton, Chief Executive Benfield Group Limited UK, said that European insurers and reinsurers have achieved global status at a high price.

He said, in many cases, now older and wiser companies are seeking to reverse or mitigate their expansionist strategies as few mergers have delivered tangible shareholder value.

But looking ahead, he was optimistic that management may deal with expansion, consolidation and rationalisation better in the future. With improved financial modellings and analysis, they can make strategic decisions better.

He added: "Greater pressures for regulators, rating agencies and investors for consistent profit may also help to focus management minds on deliverable results rather than size as an end in itself."



Change Is Still The Main Challenge

Noting that the insurance industry is particularly complex, with sophisticated distribution arrangements, complicated accounting and very clever staff and managers, Mr David Prosser, Group Chief Executive, Legal & General UK, said the main management challenge

is to succeed in a continually changing marketplace by keeping close to the end customers' needs, to get operational efficiency and deliver good-value products, thereby ensuring that capital can obtain a return given the risk.





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5th Asian CEO Insurance Summit Creating a World-Class Management Culture in Asia

The successful series of CEO Summit comes to Taipei next March set for the first day of Spring (21 March) with the all important focus on getting the management culture up to mark in Asia.

To ensure efficient management of insurance companies, there are multiple dimensions involved:

- For domestic insurers, it is about getting executive management to be driven by expertise and skill, not just tenure, politics and/or family inheritance;
- For regional management of insurance MNCs, their roles need to adequately defined for each country operations with the realisation that one size doesn't fit all and where headoffice must either step its involvement in some cases or release more of the strings;
- For joint ventures, the priority is to manage each other's expectations to

sing the same tune as they face the vagaries of the competitive marketplace outside.

The CEO Summit, to be organised with the support of the Ministry of Finance and the newly set-up Financial Supervisory Commission Insurance Bureau of Taiwan, will provide a unique forum for global, MNC and local company CEOs to get together to look at how Asia can spell out its own brand of professionalism in insurance management.

Asia is still very much on a vibrant growth path. The Summit will be about smoothening the journey with macadam roads and high-speed rails.

So mark your dates:
21 and 22 March 2005, Taipei.
For details contact:
jennifer@asiainsurancereview.com

SPOT THE

Gherkin



The IIS London will end in glitzy fashion with the closing reception held at the Swiss Re office. So don't miss your chance to be among the first to enjoy the breathtaking view from London's newest architectural icon, 30 St Mary's Axe, affectionately known as the Swiss Re "Gherkin".



"Gherkin" Photographs:
Grant Smith

IIS HONG KONG 2005

From the River Thames to the Fragrant Harbour

Next year, the IIS moves from the birthplace of insurance to the heart of Asia's business world, Hong Kong.

Speaking to the Asia Insurance Review's IIS Daily, Mr Victor Apps, Executive Vice President and General Manager for Asia, Manulife Financial, who will also be leading the organising committee of the Hong Kong IIS 2005, said that the prestigious event will take place from the 10 - 13 July 2005 at the Grand Hyatt Hotel.

Although in recent years, the IIS has been held in Asian cities like Singapore, Manila, Taipei, Seoul, and Tokyo, this will be the first time Hong Kong will play host to the event.

"Hong Kong is a great venue for the IIS conference as its insurance industry is among the fastest growing in the world. Hong Kong is a premier city in Asia for regional insurance offices with almost every foreign insurer and reinsurer setting up its

regional base there. With extensive expertise on all levels, Hong Kong is the place to be if you want to learn more about Asia," said Mr Apps.

The organising committee is already working on a programme, and Mr Apps notes that undoubtedly there will be a strong focus on China.

"With restrictions for foreign joint ventures being lifted in December 2004, there will be a lot of interest on joint-venture entry into China, and this often takes place with Hong Kong as a base, so there will be presentations on market entry into China and operations on the mainland."

Visit www.iisonline.org for further details.

See you in Hong Kong!



Dialogue Between International Regulators And The Industry CEOs

If you want to engage the regulators in dialogue, then you must attend the 11th IAIS Annual Conference. Theme: Globalised Insurance Markets - Challenges and Opportunities. 5 - 7 October 2004, Amman, Jordan.

Amman hosted the World Economic Forum early this year with 1,200 delegates and the meeting of the regulators of the securities industry with 700 delegates.

Aside from the incentive of the dialogue, Amman, the modern and ancient capital of Jordan, is a must visit with its many Biblical references made to the city, which had become the Ammonite capital of Rabbath-Ammon and which is now referred to as the white city, due to its canvas of stone houses.

More details at www.iais2004.com



2004 Honors Ceremony & Dinner

▼ The highlight of the evening was the Awards ceremony that saluted insurance luminaries into the Hall of Fame and recognised outstanding contributions and achievements from individuals.

The Roll of Honour (from top)

- Kenneth Black Jr Distinguished Service Award:
Mr Martin Sullivan,
Co Chief Operating Officer and Vice Chairman, AIG, USA
- John S Bickley Award Gold Medal for Excellence:
Mr Frederick Reiss (1924 - 1993)



▲ The evening ended with a dazzling performance by the Irish International Dance Company. The dancers literally stomped the house down, delighting participants with their quick and snazzy footwork.



▲ *The Insurance Hall of Fame (L-R):*

- Mr Per Hansson (1905-1994);
- Mr Takeo Inokuchi, Chairman and CEO, Mitsui Sumitomo Insurance, Japan;
- Mr Kees Storm, Retired Chairman of the Executive Board, AEGON

▼ It was a night of true entertainment as delegates were treated to the harmonious sounds of the London Welsh Male Voice Choir.

