

A professional office setting with two men in business attire. One man is gesturing with his hands while the other points at a laptop screen. The desk is covered with documents, a pen, and a stack of books. A large window in the background shows a cityscape with a grid pattern of small squares.

# **BRAXTONE**

Expanding Possibilities

**Managing Run-Offs in MENA**

# Who We Are

Braxtone is an insurance manager, licensed by the Central Bank of Bahrain.

In the UAE, Braxtone is licensed by the Insurance Authority as a Surveyor and Loss Adjuster.

Braxtone is the only company in the MENA region that manages the entire run-off operations of two insurers and one reinsurer across the markets in Bahrain and Saudi Arabia:

Chartis  
Takaful  
Enaya BSC  
(c)

Arabian  
American  
Insurance  
Company

New  
Hampshire  
Insurance  
Company





# What We Do

**Portfolio Management, Run-off and Liquidation**

**Claims Management**

**Captive and MGA Management**

**Operational Reviews and RFPs**

## Market Overview

The Middle East market has seen more than 10 Run-Offs in 2017 & 2018.

PwC stated in their “Global Insurance Run-Off Survey” that the reasons are:

- Overcapacity,
- Competitive pricing,
- Squeezed profit margins, and
- Tighter regulations



## Companies who decided to exit the market

Takaful Re  
(UAE)

Generali  
(UAE)

Zurich Insurance  
(General Business)

CHUBB  
(Bahrain)

Sanad  
Cooperative  
(Saudi)

Qatar General  
(UAE)

ACR  
(Bahrain)

HDI  
Global SE  
(Bahrain)

## Run-Off Strategies in MENA

Companies exiting the MENA market select one of two options:

- Run-Off the operation themselves
- Completely or Partially outsource management of the Run-Off

Other region adopt different strategies, like:

- Business or Portfolio Acquisition
- Business or Portfolio Consolidation



## Holistic Run-Off view

### Official Representation

- Office and Telecom Hosting, etc.
- Front Desk Support
- Management of Policies, Claims, Relationships with clients

### Receivables and Claims Management

- Expediting collection of O/S premium
- Accelerated Claims Closure
- Management of Recoveries

### Legal and Compliance

- Management of Statutory Reporting and Regulatory Communication
- BOD, EGMs and AGMs Management
- Up-to-date records with Govt. Entities (MOIC, SIO, LMRA, etc.)

### Portfolio Management/ Transfer

- Management and Support for Renewals (Client Retention)
- Analysis and Advice on Transfer Options
- Regulatory and Clients Pre-approvals
- Execution of Portfolio Transfer

### Liquidation and Deregistration

- Appointment of Liquidator
- Completion of Liquidation & Deregistration





## Challenges

- Shareholders' consent to outsource the Run-Off
- Portfolio transfer complications, litigated claims
- Clearing assets and liabilities
- Securing regulator's approval
- Employees and Customer
- Premium Collection
- Policies and claims data availability
- New office for client; services facilities and IT

## Lessons Learned

We have seen clear differences in the run-off of different operation, like:

- Branch vs. Locally Incorporated Insurer
- Direct vs. Reinsurer
- Conventional vs. Takaful



## Branch vs. Locally Incorporated Insurer

- Locally incorporated easier than a branch
- Pressure tactics with regulators to expedite approvals
- No parent company approval required on milestones
- Parent company regulatory reporting is not required
- Management of reinsurance treaties less complicated

## Direct vs. Reinsurer

- Direct insurer is more complicated, time consuming
- Clients with little or no knowledge about insurance
- A comparatively larger clients base
- A large number of litigated claims
- More stringent regulatory control



## Conventional vs. Takaful

- Takaful operation is different, more complicated
- Maintaining Sharia compliance.
- Sharia Board approval is required at every stage
- Sharia limits options for Portfolio transfer
- Limited or no experience with most regulators



# BRAXTONE

“This run-off conducted by Braxtone is the most efficient and cost-effective for the group in the MENA Region.”

Braxtone client



A professional office setting with two men in business attire. One man is gesturing with his hand while the other points at a laptop screen. In the foreground, there are blurred documents with blue charts and a black pen. A white rounded rectangle with the text 'THANK YOU' is centered over the image. The background features a glass wall with a grid pattern and bright sunlight filtering through.

THANK YOU