

Tunis Re

New Letter

Numéro Spécial

Mars 2020

كورونا الجديد

أما هو؟
سلسلة جديدة من فيروسات كورونا تم التعرف عليها لأول مرة في جمهورية الصين الشعبية.

	أما هي أعراض الإصابة بفيروس كورونا الجديد؟
	هل ينتقل فيروس كورونا الجديد من شخص إلى آخر؟
	هل يوجد لقاح ضد فيروس كورونا الجديد؟
	هل يوجد علاج ضد فيروس كورونا الجديد؟
	أما هي طرق الوقاية من الإصابة بفيروس كورونا الجديد؟
	أما هي الإجراءات بالنسبة للأقارب من البلدان الموبوءة؟

www.sante.tn
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وزارة الصحة

COVID-19

CORONAVIRUS, POUR SE PROTÉGER ET PROTÉGER LES AUTRES

- Se laver très régulièrement les mains**
- Tousser ou éternuer dans son coude**
- Utiliser un mouchoir à usage unique et le jeter**
- Saluer sans se serrer la main, éviter les embrassades**

EDITORIAL

We are currently witnessing an exceptional situation with the covid19 pandemic, which is going to put us to the test. This is a health crisis which has already led to a financial crisis. It is announcing a major economic crisis, with supply chain-based business closures, a sharp rise in unemployment and a test of social protection systems in all regions of the world.

In the shadow of this crisis, however, flames of hope light up. Our army of doctors is mobilizing without counting. Law enforcement agencies are serving public health goals; The teaching staff is showing great solidarity, and making significant efforts to ensure educational continuity. Social workers are working hard. Our youth are offering their voluntary services to babysit or to do shopping for the elderly and frail persons. Tailors are urgently preparing protective masks. Employers are inventing, with their staff, new ways of working remotely. We are witnessing an incredible experience of accelerated group learning.

We knew what had to be done. We know at present how, in the face of new circumstances, are we able to adapt and make radical transformations in the way we operate, on the individual and collective levels. We will emerge from this crisis « INCHALLAH » stronger, more united, and above all more human.

STAY SAFE, STAYHOME & DON'T PANIC

Lamia Ben Mahmoud

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PANDEMIC RISKS,

The COVID-19 Case

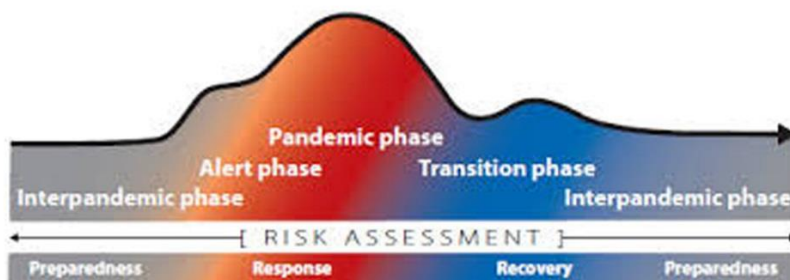


In epidemiology we can distinguish three terms: "endemic", "epidemic" and "pandemic":

ENDEMIC: is defined as the usual presence of a disease, generally infectious, in a given population or region, with a stable incidence (example: malaria).

EPIDEMIC: This is the rapid growth in the spread of a disease over a specific region and time period. Epidemics occurs when there is an abnormal increase in the number of cases of an endemic infectious disease in a particular region or population (e.g., outbreaks of influenza, gastroenteritis, or cholera). Nowadays, new diseases such as AIDS and hemorrhagic fever due to the Ebola virus are included within this category.

PANDEMIC: The term pandemic, derived from the ancient Greek "pān" (all) and "dēmos" (people), refers to a disease that has spread so widely that it affects an entire population. From a purely literary point of view, a pandemic refers to a disease that has affected the entire population. A pandemic can be defined as a large-scale epidemic that reaches a large number of people in a very large geographical area.



Phase pandémiques OMS source : Pandemic Influenza Risk Management, WHO Interim Guidance, 2013

The major pandemics that have marked history:

- **The black plague:** The epidemic would have started since 1340 in Central Asia, it reached Europe ; it was a disaster for European demographics.
- **The Smallpox:** (1518-1522) Cuba, Mexico and Latin America. Half the population had disappeared.
- **Cholera:** Several attacks occurred, all over the world, especially in the 19th century.
- **The Spanish flu:** At the end of the First World War, an extraordinarily virulent influenza caused the death of 40 to 50 million patients.
- **AIDS:** Appeared in 1981. The age of the pandemic is measured in decades, the number of deaths exceeded 30 million.
- Recent pandemics: The latest pandemics recognized by the WHO have not been especially severe or fatal :
 - **The SARS influenza in 2003:** 900 deaths worldwide.
 - **Avian influenza (H5N1) in 2005:** 300 deaths
 - *Swine flu (A/H1N1):* 20,000 deaths
 - **EBOLA hemorrhagic fever since 2013:** part of Guinea in December 2013, Ebola has caused more than 10,800 deaths, mainly in Liberia, Guinea and Sierra Leone.

«Slowdown in the world economy and expect a decline in global GDP of at least 0.5%»

Tunisian economy : A sharp downturn which may be down by -1,86%

«Pandemic Risk is one of the excluded guarantees »

Impact of the Covid-19 Pandemic

Pandemic influenza COVID-19 is expected to affect a large proportion of the world's population and put a high pressure on health care systems. A pandemic of medium to high severity would also constrain other core services and cause substantial economic and social impacts.

The covid-19 pandemic emerged at the end of 2019. Three months later, more than 160 countries or areas around the world are affected, with more than 3 billion people confined worldwide. The impact is felt everywhere, in a global economy. We will have to wait for the official indicators of the first quarter of 2020 before measuring the extent of an unprecedented sanitary and economic crisis. The global economic impact of the coronavirus is still "difficult to predict", however experts estimate a slowdown in the world economy and expect a decline in global GDP of at least 0.5% (global economic growth is expected to be 2.9% in 2019).

The pandemic will have major economic implications. The first fallout has appeared on different levels and in many markets. In particular, the financial markets were hit on Thursday 12 March 2020 with an unprecedented crash, which led some analysts to describe it as a Black Thursday, similar to the financial crises of 1929 and 2008.

The spread of the coronavirus (Covid-19) throughout the world has also significant repercussions on the Tunisian economy. According to experts, economic activity has suffered a sharp downturn as a result of this health crisis which may be down by -1.86%, as well as a significant drop in local consumption which could vary between -1.56% and -5.23%. As a result, Tunisia could experience so-called deflation marked by a significant slowdown of growth, a dramatic rise in unemployment and an increase in inflation.

The Insurance of Pandemic Risks

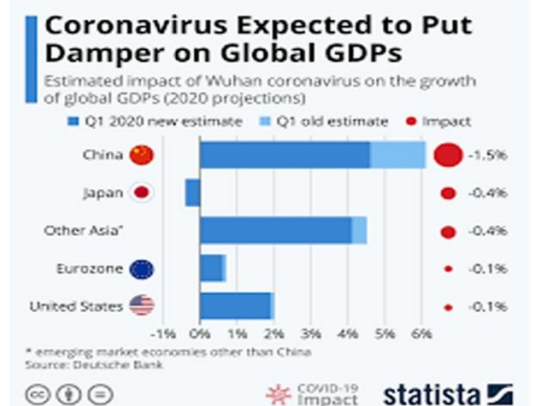
The pandemic risk is known as an extreme risk for insurers. The reason why insurers do not issue, or do not offer much, coverage against the risk of a pandemic, is that they are difficult to assess. Indeed, it is a complex risk to model for actuaries who are in charge of calculating the probability of occurrence of a claim and its cost to the insurer, based on various statistical parameters.

The insurer then refers to the actuaries' calculations in order to prepare an insurance offer and a premium quotation. However, in the case of the pandemic, the contribution of actuaries becomes limited, and insurance companies are therefore unable to provide an adequately adapted offer.

However, Pension Insurance policies offer protection against all unfortunate life events, including the risk of a pandemic. The costs of care, death, disability or work disruption will be well covered under pension or health insurance policy.

Nevertheless, pandemic is one of the excluded guarantees for cancellation cover included in travel insurance contracts. The cancellation of a trip to a country that turns out to be an infected area will therefore not be covered by the insurer. In addition, if a person is infected by the virus during his trip abroad, the travel insurance assistance will be applicable.

As regards property damage and contingent business interruption following an epidemic or pandemic, there is no insurance solution available today, as contingent business- interruption cover can only be granted for limited scope, i.e. for non-systemic risks. And epidemics and pandemics are by definition systemic since they are spreading all over the world, as in the case of COVID 19.



"Stop Loss" treaties, provide efficient and easy insurance cover to deal with costly scenarios in equity.

The Reinsurance of Pandemic Risks

Insurers need to protect themselves against this risk, either through reinsurance or by increasing their own funds. Otherwise, they could face financial difficulties or even insolvency if they were required to pay large amounts of compensation under group pension policies at the same time. To avoid this situation, the Solvency II reform has obliged insurance companies to manage, quantify and control all of their risks more accurately.

The pandemic requires specific coverage that is not available through a traditional catastrophe reinsurance treaty. In order to avoid excessive accumulation of capital, insurance companies generally transfer their risks to reinsurers, in particular by using "Stop Loss" treaties, that provide efficient and easy insurance cover to deal with costly scenarios in equity. This technique is used to absorb a shock or deviation of the loss ratio through reinsurance, beyond a level of losses / premium (L / P) determined in advance. In other words, the ceding company has to start losing money before reinsurance intervenes. Stop-Loss treaties limit risk exposure and simultaneously reduce the capital requirement; It perfectly meets the prudential requirements of Solvency II in terms of capital adequacy for a given risk (Solvency Capital Requirement - SCR).

Regarding risks other than pension insurance, since 2017 some reinsurers have been offering "Epidemic Risk Solutions" to cover specific risks associated with epidemics, including business interruption, temporary closing of work sites, cancellation of events and prevention services. Unfortunately, demand for these covers has been very limited.

Pandemic bonds

Many have heard about the Coronavirus only this year, after the explosion of the epidemia in China. However, the disease was well known to health professionals, but also to the financial markets. Evidence of this was provided by the "pandemic bonds".

Launched in 2017 for an amount of 320 millio dollars The pandemic bonds are subject of great debate.

How the Pandemic Emergency Financing Facility (PEF) Works



Launched in June 2017 by the World Bank for an amount of 320 million dollars, these bonds, very generous in coupons, are now a subject of great debate.

Inspired by the hedging instruments used to cover natural disasters (Cat bonds), these "pandemic bonds" were developed as a kind of insurance to support poor countries in the event of a pandemic being declared.

In fact, during the maturity of these bonds, investors receive an interest rate of 7 or 12%, according to the class to which they have invested. If no pandemic which meets the criteria occurs from now until the bond expires on July 15, the investors will get their initial bid amount back. But if a disease covered by the contract occurs, investors will lose their capital, which is transferred to the affected countries via a World Bank entity.

In theory, this financial innovation would therefore be a good option and a win-win situation for all parties involved. But in practice, this mechanism has several limitations. First of all, a number of criteria must be met before the insurance mechanism can be launched. To initiate payment, at least 250 deaths would have to occur in the origin country of the epidemic and 20 deaths in a second country. The guidelines also stipulate that 84 days must be required between the first WHO situation report and the first instalment of the payment.

The impact of the COVID 19 Pandemic on Insurance and Reinsurance

According to Moody's, the pandemic impact of the Covid19 pandemic will be limited on the life insurance sector, the consequences would not be as serious as those of the seasonal flu, and the same applies to the property and casualty sector, where most insurance policies exclude the pandemic risk from their cover. Reinsurance will also be little affected by the current health crisis.

Nevertheless, the most important shock will be of a financial nature, with the recession of the world economy following this pandemic and the drop in interest rates, the financial equilibrium of insurers and reinsurers will be directly affected.

Post-Pandemic:

After this pandemic crisis, the world will be different. The pandemic has not only put pressure on the financial markets and long-term growth, it has caused a re-evaluation of many of the principles of the global economy.

The current health catastrophe makes us look at the structural causes : a globalisation of economic exchanges which has facilitated the transmission of the virus; a consequential production of CO2 which accentuates global climate warming; the weakening of the nation-state and its sovereignty; the increasing globalisation of the economy. A new model needs to be built!

Insurers too will have to respond to a different demand. It is important to note that existing standard covers offer limited protection against the effects of events related to infectious diseases. Insurance professionals need to review policy wordings to respond to different scenarios and changing circumstances. In this context; a public/private partnership is strongly recommended through the establishment of compulsory coverage for pandemic risk in the same way as for the risk of natural disasters.

The pandemic impact of covid 19 on Insurance & Reinsurance will be limited.

Today, our challenge is to know how to deal with these crises in order to rebuild our lives together around strong, positive and shared values that are in line with the limits of the globe. Our duty is not only to learn, but also, not to forget. From these new ways of producing and consuming, of helping each other and moving around, of learning and taking care of each other, a new vision of society can be created: a society of friendship and solidarity, which respects world-wide limits.

**Tomorrow world
will no longer be
as yesterday..**



In view of the exceptional situation that our country and the world are facing, Tunis Re has adopted measures to fight against the spread of the Coronavirus based on the recommendations of the Ministry of Health.

Following the confinement decisions taken by the State in an attempt to contain the spread of coronavirus (covid-19), we have activated our business continuity plan to ensure the protection of our employees and partners, while guaranteeing the continuity of our services.

We have implemented the appropriate measures to assure continued operations and to provide you with the best possible service during this exceptional period.

We reassure our partners that all our teams are remotely mobilized to meet your needs.

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Tunis Retakaful Division

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Internal Audit & Risk Management Division

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Corporate Function Division

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NEWS

National

Insurance companies' donation to the 1818 fund:

An initial contribution from insurance companies amounting to **2 million dinars** for the benefit of the COVID-19 pandemic prevention Fund, has already been disbursed.

FTUSA has announced that this donation aims to mobilize the necessary financial means to strengthen the State's efforts in response to this deep coronavirus crisis.

Measures taken by the insurance sector in favor of their policyholders:

Following the total containment approval for the period from March 22 to April 4; then extended to 19 April 2020; And in order to protect the interests of the insured and beneficiaries of insurance contracts, as well as those of employees and stakeholders in the insurance sector, and also to prevent the spread of contamination with the corona virus. It was decided that:

_ The commitment of insurance companies to provide a minimum service during the period of total containment. For this purpose, the central services of insurance companies, direct offices and insurance brokers can be contacted through any means of telecommuting available on their websites.

- The extension for a period of seven (07) days of Motor insurance contracts validity which expire from 22 March 2020, starting from the date of the end of the total containment announced by the official authorities.

BH Insurance is mobilizing against the Covid-19 pandemic:

Starting from 30 March , 2020, all BH Insurance customers, individuals and professionals, will be able to access to the new customer area **WinInti**; This digital tool makes it possible, in real time, to consult via the customer area the various contracts, to follow the claims settlement, health care, the portfolio insurance and many other directly line actions. Online payment, for all products, as well as complaint management will also be available on the Web & Mobile customer area.

Customers will also be able to receive a quotation for Motor insurance in a matter of minutes and purchase it without having to move anywhere.

Ernest & Young Tunisia launches the "Hack4Covid"

Inspired by previous initiatives in other countries around the world, the Tunisian edition will be an intense weekend in which several teams will work remotely on various social problems, all linked to the coronavirus crisis (COVID-19). This online public event invites developers, innovative companies, technological players, creatives and all those who want to join forces to, virtually, pooling minds and bringing together innovative and practical solutions to address this crisis.

The Hackathon will take place on the weekend of 5 April and will bring together the Tunisian community of startups, associations and any idea-bearer around the common movement «Hack4covid».

International

COVID-19 CORONAVIRUS PANDEMIC

Last updated: April 03, 2020, 14:50 GMT

Coronavirus Cases:

1,041,119

Deaths:

55,203

Recovered:

222,332

Saudi Arabia

Saudi Arabia has taken sweeping steps to stem the spread of the coronavirus, notably by suspending numerous airlines and temporarily stopping the entry of religious pilgrims who come to the kingdom for the Hajj, a journey made by some two million Muslims each year.

Given this situation, the Saudi government has taken decisive action and prepared urgent initiatives to support the private sector, in particular small and medium enterprises and the economic activities most affected by the virus. The financial stimulus package of these initiatives reaches more than SAR 120 billion (\$32 billion), which consists of exemptions and postponement of some government dues to provide liquidity to the private sector thereby enabling them to manage continuity of their economic activities.

In addition, SAMA has announced a package of SAR 50 billion, to support the banking sector, financial institutions and SMEs.

Atlanta Assurances launches a remote volunteer service

Due to the current health situation in Morocco, Atlanta Assurances is launching a remote volunteer service. Called "Nt3awnou men Dar" or (Help from home), this initiative allows volunteers to contribute to the psychological, educational and recreational support of citizens in critical situations.

Anyone who wishes to volunteer is welcome to visit the following link: www.nt3awnou.ma/coronavirus.

Coronavirus: Egyptian insurance regulators adopt exceptional measures

Due to the outbreak of the pandemic, the Egyptian insurance regulator allow insurance companies to offer premiums payment delays to their policyholders:

- Policyholders of ordinary life insurance are offered a 60-day grace period to pay premiums due between March 1 and June 30, 2020. In addition, they can also renew their contracts free of charge until December 31, 2020.
- Policyholders of health and motor insurance, who have had their contracts expired or terminated by the insurer within the last 30 days, have 30 days to renew the latter.
- Group life and property and casualty policyholders may pay their premiums within 30 days following the due date of the contract

Battle against the Covid-19 on the continent: the African Union (AU) sets up continental anti-COVID-19 fund

The decision was taken at recent teleconference of the Bureau of AU heads of state and government, which President Matamela Cyril Ramaphosa, President of South Africa convened in his capacity as Chairperson of AU, has agreed for immediate contribution of 12.5 million U.S. dollars as seed funding, according to an AU statement.

The Bureau has urged the AU member states, the international community and philanthropic entities to contribute to the Fund.

Noted the critical role of the Africa Center for Disease Control and Prevention (Africa CDC), and its under-funding, the member states of the Bureau have agreed to contribute an amount of 4.5 million dollars towards boosting the capacity of the Africa CDC.