

Brokerslink

**BROKERSLINK: FROM IDEA TO REALITY –
A TRANSFORMATION STORY**

**BROKERSLINK IN AFRICA: GHANA
AND TANZANIA**

INTERVIEWING JIŘINA NEPALOVÁ
RENOMIA FOUNDER AND CEO

BROKERSLINK NEWS

Brokerslink: From idea to reality

A transformation story

BY PAUL BITNER, MANAGING DIRECTOR BROKERSLINK AG

An idea.

The setting and time was Portugal, the land of explorers sometime in 2004. Driven by the need to provide quality service to clients on an international basis, with no acceptable solution available, José Manuel Fonseca and MDS set out beyond their borders to find like minded, independent insurance brokers in order to forge a regional network. Brokerslink was born.

Much like fine wines evolve over time, good ideas, accompanied by vision and a sense of direction, become a continuum of ideas that evolve over time. Brokerslink, a fine idea, started its evolution.

The first phase of the evolution centered on geographical expansion in order to be able to service clients around the globe and formalization of the structure as an association. By 2009, a mere 5 years after starting as an idea, Brokerslink was a global insurance alliance present in over 50 countries with strong reinsurance brokerage support. 2009 also marked a significant shift in strategy. Half way across the globe from Portugal, in Hong Kong, the site of the first global conference, Brokerslink starts transforming into an offensive organization in search of new business. The second phase was under way.

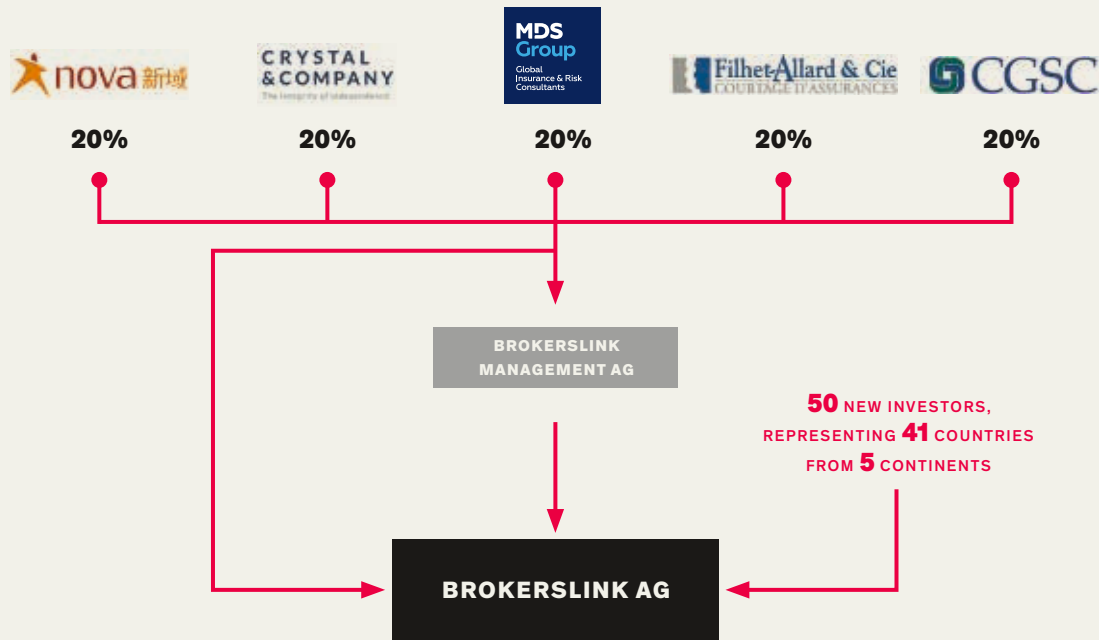
The transformation of the nature of the organization required further geographical expansion, creating a complete risk solution offering and market visibility. The

explorers set their sights upon Middle East and Africa, until then, key unexplored regions. They also heightened their efforts to forge new relationships in key countries around the globe where Brokerslink lacked presence.

Along the way, relationships were forged with high quality specialty brokerage and risk consulting firms. Brokerslink also focused efforts on strengthening strategic relationships with key global insurers launching a website with a collaboration platform. By 2013, Brokerslink had presence in over 85 countries, 10 world-class specialty broking or risk consulting offerings, strategic agreements with key insurers and increased visibility.

During this time, another idea in the continuum started forming. What about becoming a different kind of global broking? You may ask: what was it that drove this idea? The simple answer is to provide a long-term viable differentiated option in the market. However this simple answer has subcomponents. The incorporation further differentiates Brokerslink from the existing independent insurance broker networks and provides an alternative to the publicly traded global brokers.

Brokerslink becomes a global broking company owned by independent insurance brokers who retain their operating identity. The capital obtained from the incorporation will enable additional investment in human capital, software, branding and the individual operating brokers geared towards providing the market with a differentiated service experience and set of risk solutions.



This time the setting was Brokerslink's 5th Global Conference, October 2013 in Singapore. Brokerslink's members took the first step by voting to transform the association into a corporation. The third phase of Brokerslink's existence was under way.

The complex and time-consuming incorporation process got under way. The first step in the process was completed by 2014, when Brokerslink Mananagement AG was created, registered and capitalized in Switzerland with five shareholders, all key players in Brokerslink's evolution, are shown in the chart above.

In 2015, Brokerslink AG, the global broking company was created, registered and capitalized by Brokerslink Management AG. At that time, the share offering process was launched to be completed in May of 2016.

A new type of global broking company has come into existence. Now owned by 47 independent insurance brokers and consulting firms from all regions of the world, Brokerslink AG is capitalized and in a position to deliver a different client experience through a robust central team and a network of 90 affiliates with a global footprint and a broad range of industry expertise.

A reality with more good ideas coming. •

The incorporation further differentiates Brokerslink from the existing independent insurance broker networks and provides an alternative to the publicly traded global brokers.



José Manuel Fonseca, Mohammed Jaffer, Youness Rhallam and Eric Addo-Mensah at EMEA Brokerslink Conference, Porto 2016.

Brokerslink in Africa: Ghana and Tanzania

Brokerslink is going from strength to strength in Africa, a fast developing continent where many companies and clients are undertaking increasing amounts of business. Midas Insurance Brokers from Ghana and Tanzania-based Tan Management Insurance Brokers are new African members. Eric Addo-Mensah, COO of Midas and Mohammed Jaffer, CEO of Tan Management, were in Porto for the Brokerslink EMEA meeting where **FULLCOVER** caught up with them. They discussed their careers, their companies, their markets and reasons for joining Brokerslink.

The companies

Eric started his career as a teacher but then decided to study insurance in the UK (being a teacher he knew the importance of knowledge). Ten years - and many hours of study later - Eric returned to Ghana and joined the largest insurance broking company in the country. In 2008, the opportunity arose to set up his own company and within three years, the firm was one of the top 10 insurance brokers in Ghana.

Midas employs 12 people working out of two branches in Tamale and Accra and between them they manage around US \$8-9 million premium income. Eric has plans to expand into other cities.

Mohammed's story is somewhat different, even if there are certain similarities. He studied at the American university in Sharjah (United Arab Emirates). After graduating at 20, Mohammed returned home to Tanzania (his family owned several businesses such as real estate, medical facilities and bakeries). Although keen to complete his

masters degree, this required some professional experience so Mohammed's family suggested he secure a role outside the family businesses. Mohammed's first job was with Jubilee Insurance - the largest insurer in East Africa - where he worked for nine years. It was only after promotion to regional manager that Mohammed thought it was time to bring his insurance sector experience into the family businesses. In 2009, he bought an insurance agent - not even a broker - with a premium income of US \$200,000. In 2015, the business reported around US \$3 million premium income. Such is its growth, KPMG ranks Tan Management as the fifth top midsize company in Tanzania and the firm is ranked ninth out of 120 brokers in Tanzania.

Tan Management employs 26 people working in three branches in Dar Es Salaam, Moshi and Arusha and Mohammed, like Eric, is looking to grow the business further.

Midas and Tan Management - two businesses born out of chance.

The markets

Their portfolios and lines of business may vary, but both markets face the same challenges: servicing clients with multiple demands in differing business classes, reducing the need for specialisation. Although generalists, in certain market areas they have more experience, for example, in terrorism and political risks cover. As Eric says: "With the exception of South Africa and maybe Morocco, in most of the other parts of Africa, you do everything, you are forced to be a 'Jack of All Trades', but that's also one of the reasons why joining a group like Brokerslink for me is very important. When I was studying in the UK there was an advert that used to play on TV with a guy who said 'If I don't know it, I know a man who can'. We try our best to follow this ethos so if we do not have the experience we have access to someone who does." In Ghana or Tanzania, for the moment, specialization is out of the question.

In Tanzania the corporate market accounts for 65% of total premium income. The retail market is currently at 35% but has huge growth potential. Mohammed says: "Outside of business, people do not consider insurance a necessity. Micro-insurance is definitely helping and the regulator estimates the insurance penetration rate to triple by 2019-2020." In Ghana the retail market is even smaller, around 15%. Both markets comprise mandatory insurances, such as third-party and employer's liabilities in Tanzania and motor insurance and commercial liabilities linked to construction in Ghana. In the Tanzanian market, soon-to-be-enforced regulations will establish mandatory fire insurance for schools and mandatory engineering policies for construction projects. A health insurance programme for employees will also be put in place, justifying estimates the market will triple in the next few years. As for Ghana, since there is no mandatory workmen's compensation insurance, construction firms are required to have third-party liability cover that indemnifies the companies' own employees as well as third-parties in the case of injury. When asked about the consequences of not having mandatory motor insurance, Eric tells us the police is very strict and if you do not display proof of insurance in your car, you could get arrested (he wryly smiles).

Ghana Insurance Market

Market size – The total market size in 2012 was broken down as follows. Figures for personal accident and health premiums are not available:

	LIFE	NON-LIFE	TOTAL MARKET
WPREMIUM IN GHS MN	355.77	494.89	850.66
% OF TOTAL MARKET	41.82	58.18	100.00

	LIFE		NON-LIFE (P&C)		PERSONAL ACCIDENT & HEALTHCARE*		TOTAL	
	%	PER CAPITA	%	PER CAPITA	%	PER CAPITA	%	PER CAPITA
GHANA	0.45	7.20	0.57	9.15	0.03	0.40	1.05	16.75
CAMEROON	0.28	3.49	0.62	7.76	0.20	2.57	1.10	13.81
NIGERIA	0.16	2.28	0.47	6.92	n/a	n/a	0.62	9.20

Tanzania Insurance Market

Market size – In global terms the Tanzanian non-life insurance industry in 2013 ranked at 97th position and the life industry 119th. The total market size was broken down as follows:

	LIFE	NON-LIFE	PERSONAL ACCIDENT & HEALTH	TOTAL MARKET
PREMIUM IN TSZ MN	56,411.00	338,972.00	78,702.00	474,085.00
% OF TOTAL MARKET	11.90	71.50	16.60	100.00

	LIFE		NON-LIFE (P&C)		PERSONAL ACCIDENT & HEALTHCARE*		TOTAL	
	%	PER CAPITA	%	PER CAPITA	%	PER CAPITA	%	PER CAPITA
TANZANIA	0.11	0.72	0.64	4.30	0.15	1.00	0.89	6.01
KENYA	0.93	11.63	1.32	16.38	0.51	6.30	2.76	34.32
UGANDA	0.09	0.53	0.51	2.90	0.13	0.75	0.73	4.18

Note: * PA & Healthcare data represents PA & Healthcare business other than life riders, whether written by life, non-life or specialist healthcare insurers.

The strategies

With growth potential in both markets, it's interesting to discover what the future strategies are for Midas and Tan Management. Eric reports in addition to increasing property and casualty for corporate clients, life cover will be a future focus: "There's a burgeoning middle class and because of the way society is structured, where everybody depends upon relations, most of the young and up-coming middle-class people need to have life insurance for their children, particularly if they want to safeguard their education." In the last two years major life insurers, such as Credential and Old Mutual, have established themselves in Ghana.

For Tan Management, the situation is slightly different; each region is unique so the branches must adopt different strategies. Mohammed comments: "It's difficult to focus on corporate lines in a place like Moshi¹ and in Dar-es-Salam the retail market is becoming slightly difficult with the introduction of bancassurance which allows banks to sell insurance." He continues: "In order to sell insurance, banks have to register as brokers. This means they will not have the necessary technical expertise when it comes to offering certain classes of cover, such as marine."

Having moved away from the retail market, Tan Management has identified medical insurance as a growth area (similar to life insurance in Ghana). Numbers look set to triple in this line of business and so this, alongside corporate business, is the main focus. Mohammed is also keen to expand out of the country, either through affiliates in Tanzania or via international placements for clients.

The broking and insurance sectors

Conversation now switches to the broking sector in both countries. Mohammed, in addition to his Tan Management role, is President of the Tanzania Insurance Brokers' Association (TIBA). He explains: "In my capacity, I see a number of changes such as brokers becoming more educated. In a market so young, 120 brokers competing for business is a challenge. Out of these, 95 are based in Dar-es-Salam, so everybody is fighting for the same pie. Unfortunately not all are professional, making it worse for those who are." Mohammed adds: "This concentration is apparent when you look at the regulator's reports – brokers control 60% of a market worth approximately US \$300 million. Of this US \$200 million, the top 15 brokers control US \$180 million and the top five control almost 50%."

The lack of expertise worries the Association, so TIBA has partnered with KPMG as their training partners in East Africa, helping brokers become more professional and better serve their clients. The sector is evolving at a fast pace; the regulator has developed a national insurance policy (still in draft) and a national insurance education strategy to include insurance within the curriculum in schools and universities. The regulator has also introduced Takaful insurance² and bancassurance and unlike other African countries, accepts the industry should become more self-regulating.

In addition to his role as President of TIBA, Mohammed is vice-president of the East African Brokers Association (EABA). This comprises five countries: Tanzania, Kenya, Uganda, Rwanda and Burundi. He points out: "The challenges we face in East Africa and Africa in general are quite different from those of the European market and when faced with such challenges there are only two options – either sit back and say 'ok, this is what it is, this is Africa', or move forward in the belief 'it's our industry, our market, our country' and if we don't utilise the experience we have, what's the point of having it? Mohammed's enthusiasm and passion for his work is clear; even if he confides: "These positions are very taxing - the travelling, dealing with government officials etc, but it's definitely worth it when your work is recognised."

And recognised he is. Last year, Mohammed was given the Tanzania annual young professionals award in the under 35 category and identified as the youngest achiever in the country on a national level at the Tanzania Excellence Awards. Achievements to be rightly proud of, but ones he says, are a result of a lot of work.

Development is also prevalent in the Ghanaese market. Eric explains: "Insurance in Ghana has evolved over a number of years, with the oldest companies over 80 years old. In the 1970s there was a change of government and it was decreed all insurance companies should have at least 40% Ghanaese ownership. This forced a number of global firms to leave the country, so locals took them over." But in the last few years things have changed and foreign companies have come back into the market, some of them Nigerian, but also others such as Allianz and Saham. While the 40% ownership is no longer required, local participation is still needed.

He continues: "The number of insurance companies has grown and they've separated into life and non-life. We have close to 50 insurers; 26 non-life and around 24 life. Insurance brokers have equally increased in numbers. Twenty years ago when I joined the first broker I worked with, there were about 20 brokers, now the number has risen to 70-odd. And, as in Tanzania, the top brokers account for 89% of commissions. It's quite a challenge as many of the large accounts come from major state-sponsored projects and of course you have to be in the front line. But we've been there, we keep pushing, we never give up and will endeavour to retain our top 10 position."

Like Mohammed, Eric is also involved in sector activities, serving on the Technical Committees of the Ghana Insurance Brokers Association and co-opted to serve on the Technical Committee of the Ghana Insurance Institute.

¹ Moshi is a small but typically vibrant Tanzanian market town with an urban population of 150,000 and rural population of 402,400. It is the regional capital of the Kilimanjaro region.

² According to Investopedia Takaful Insurance is defined as a type of Islamic insurance, where members contribute money into a pooling system in order to guarantee each other against loss or damage. Takaful-branded insurance is based on Sharia, Islamic religious law, and explains how it is the responsibility of individuals to cooperate and protect each other.

Joining Brokerslink

Eric and Mohammed share the same view when asked about how they see Brokerslink in the international insurance landscape and why they have become members. They joined because, as 'generalists' in their own markets, they need to have access to specific knowledge when their clients require it. As Mohammed puts it: "We do not have access to a reinsurance broker in Tanzania; Brokerslink gives brokers like us, in countries like ours, a backbone to rely on. Someone calls me and asks about Kidnap & Ransom and I just have to send one email and I get a reply from a Brokerslink member somewhere across the globe. We want to provide the same support mechanism for Brokerslink members which is why we've expanded to East Africa. We don't want Brokerslink to feel the need to go to countries like Malawi, for instance, when we already have somebody there. For example, when Dutch member Léons³ wanted a risk placement in Malawi, we handled it; we know the region and were able to advise them. And they felt confident because they knew us. Brokerslink can have a strong position in Africa - we have the local knowledge and our colleagues know they can trust us."

Eric wholeheartedly agrees: "When we set up Midas, I recognised how this kind of synergy can help start-up companies like mine, so I was looking for an international relationship with a network I could tap into for information and knowledge. As Mohammed mentioned, there are times when we need expert knowledge or insight and this is something Brokerslink provides. When I was approached by the Nigerian member of Brokerslink, I didn't have to think about it at all, it was what I had been looking for, for a long time. These things take time however, you have to develop a relationship and get to know people. When people ask me 'what have you been able to get from your association with Brokerslink?' I tell them it's not a one-day thing, it's relationship-building; getting to know people and knowing where to go for information. Brokerslink will always have somebody able to provide the answers where you have none. As I said before, 'if I can't, I know someone who can'."

³ The Dutch member of Brokerslink.



Mohammed Jaffer, CEO of Tan Management Insurance Broker.

A health insurance programme for employees will also be put in place, justifying estimates the market will triple in the next few years.

The people

Eric is married with two children, a son aged 26 and reading Law and a 24 year-old daughter with a degree in Food Processing Engineering. Apart from business, he enjoys playing golf, has been golf club secretary for three years, was recently re-elected for another term and loves playing every Wednesday afternoon and on weekends. Eric says: "It's one sport for business. You can go and sit at a CEO's office and talk for 20 minutes, but if you have a game, six hours on and you are still talking!" We cannot resist telling him we have fantastic golf courses in Portugal, having organised a golf tournament at MDS some years ago, one of which was held in a beautiful course near the sea, in a unique landscape.



Eric Addo-Mensah, COO of Midas Insurance Broker.

Coincidentally – or maybe not – Mohammed also plays golf, having taken it up four years ago. Always a keen sportsman, he plays football, squash and badminton and enjoys scuba diving. Mohammed also likes extreme sports, and the day before Brokerslink's EMEA meeting, he went to Évora, a Portuguese city in the Alentejo region, to practise skydiving. He is also an avid reader, always keeping a book by the Indian spiritual teacher Osho on his bedside table. Mohammed is married with a seven year-old son. His wife, as are all the women in his family, is deeply involved in the company. He explains: "Being a family business, women are involved in it and although from the Muslim culture, our women have business responsibilities; my wife is an administrator at our Dar-es-Salam office, my sister, a director handling the northern region and my mother, a director in one of the investment companies we own." He concludes: Women bring balance to the company, every time we win an award we dedicate it to them."

With the conversation coming to an end, we learn from Eric that Ghana is a famous chocolate producer – he shares some of Ghana's specialties – and Mohammed confirms Tanzania is a wonderful market to invest in. There are many exciting things happening in East Africa, one of them being the East African Community, where governments are working on a similar model to the EU, with plans for a single passport, for instance. As we bid farewell and thank Eric and Mohammed for sharing their stories and dreams, again we feel that unique relationship which can only be enjoyed between Brokerslink members; business partners and friends we can trust all over the world – and now in Ghana and Tanzania. •

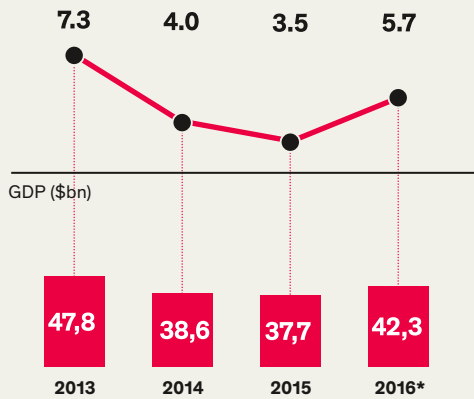
Tan Management and Midas joined Brokerslink because as 'generalists' in their own markets, they need to have access to specific knowledge when their clients require it.

GHANA



Population **25,9 million**
 Population growth **2,1%**
 GDP per capita **\$1,401**
 Life expectancy **61,1**
 Adult literacy **76,6%**
 Inflation **15,3%**
 Human development index (out of 187 countries) **138**
 Foreign direct investment **\$3,4bn**
 Current account as % of GDP **-8,3%**
 Mobile phone penetration **108%**
 Key export **Petroleum and crude oil**
 Last change of leader **2012**

GDP growth (%)



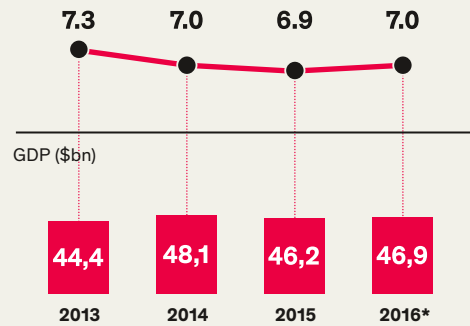
*Estimated Oct. 2015

TANZANIA



Population **49,3 million**
 Population growth **3%**
 GDP per capita **\$968**
 Life expectancy **61,5**
 Adult literacy **80,3%**
 Inflation **5,6%**
 Human development index (out of 187 countries) **159**
 Foreign direct investment **\$2,1bn**
 Current account as % of GDP **-8,2%**
 Mobile phone penetration **55%**
 Key export **Tobacco**
 Last change of leader **2015**

GDP growth (%)



*Estimated Oct. 2015

WEST AFRICA
POPULATION (MILLIONS)

358,6 2016

510,6 2030

789,6 2050

EASTERN AFRICA
POPULATION (MILLIONS)

299 2016

425,6 2030

538,9 2050



**RENOMIA: BROKERSLINK @CZECH REPUBLIC
& CENTRAL AND EASTERN EUROPE**

Jiřina Nepalová

An example of top expertise in the insurance industry

Jiřina Nepalová, Founder and Chief Executive Officer of Renomia, is at the pinnacle of the Czech insurance industry; her expertise and professionalism is unrivalled, as evidenced by the national accolades she frequently receives.

FULLCOVER found out more about this amazing woman and her business.

Jiřina Nepalová began working in insurance in 1978 and is one of the most recognised insurance experts in the Czech Republic. This is mainly due to her extensive experience of implementing insurance programmes and managing claims for companies from a wide range of sectors.

In 1993, she founded and continues to run Renomia with her two sons, building its position as the leading insurance broker in the Czech Republic and in central and eastern Europe.

Renomia has been a partner of Brokerslink since 2007 and currently handles some €240 million in clients' premiums. The firm has more than 1000 colleagues operating in the Czech Republic, Slovakia, Hungary, Bulgaria, Romania and Serbia and is constantly expanding its services. In November 2015, it launched a new Company – Britanika - focusing on financial consulting, insurance services, mortgage loans and investments for retail clients.

Ms Nepalová was elected Chairwoman of the Association of Czech Insurance Brokers in 2015 and her many awards include: Manager of the Year 2014, Banking and Insurance sector; named as one of the FORBES Top 10 most influential women in the Czech Republic and Ernst & Young City of Prague Entrepreneur of the Year, 2016.

Why did you decide to work in the insurance industry?

It was by chance, maybe luck. Thirty-eight years ago, Česká pojišťovna, then the only insurance Company on the market and State-owned, was looking for a motor loss adjuster – I was studying electrical engineering so they approached me. This was a big life change. From the start it was highly interesting work and it essentially became a lifelong hobby. Another big change came when my son Pavel who, after the political regime changed in the Czech Republic, was studying at the Sorbonne in Paris in 1993. He discovered brokers play a very important role in the world of insurance and along with my other son Jirka (also a university student), convinced me to build upon my years of insurance experience and establish a brokerage company. This decision further strengthened my relationship with insurance. The role of an insurance broker is to be on the side of the client, to search out and negotiate the best conditions for them, to deal with claims and in general protect clients' interests. I find great meaning in this.



AWARDS

RENOMIA

2011/2013

Insurance Broker of the Year
Ruban d'Honneur (European Business Awards)

Top 10 best employers in Europe

2015

Employer of the Region (Sodexo)

JÍŘINA NEPALOVÁ

2014

Manager of the Year in Banking and Insurance

Top 10 Manager of the Year (run by the Czech Management Association, the Czech Confederation of Employer and Entrepreneur Associations and the Czech Confederation of Industry)

LADY PRO (run by Czech 100 Best)

2014/2015

TOP 25 Women in Business (run by Hospodářské noviny, the 9th most widely-circulated paper with a circulation of 43,000 in September 2013)

50 most influential women in the Czech Republic (run by FORBES magazine, 10 page article and cover pictures in November 2015 issue)

2016

City of Prague Entrepreneur of the Year 2015 (run by Ernst & Young)

What did you find the most difficult when building up Renomia, which today is one of the strongest insurance brokerages in central Europe?

Definitely the beginning. In my case it meant starting the business from scratch in a small town with no capital. I had to apply for a loan while mortgaging our family house. I also had to convince future colleagues – professionals from within the insurance industry – to join me in a start-up business which was hard. For that reason I started working with people outside the sector, teaching them everything. This must have been a good move as some are still working with Renomia now and are recognised as top insurance experts. It helped having my two sons with me as they were committed to building the business too.

What was it like to be a successful entrepreneur and mother at the same time?

I was lucky that I started my business when my sons were already adults. What's more, we could combine our talents and take advantage of the fact that I had insurance experience and they had creative ideas, courage, vision and knowledge of foreign languages. As a mother I have been tolerant and listened to them. From the start-up to today, we have been excellent and equal partners in the business.

Do you think it's easier now for women to achieve leading positions in insurance?

There should be no difference between a woman or a man striving for a management position. It depends on the abilities and opportunities a person has. He or she, however, must be prepared to sacrifice something and have courage and perseverance.

What is your best memory in this journey?

I have lots of beautiful memories which I'll never forget. One that really moved the business forward was my first trip abroad by plane. I was flying to London with my sons and another colleague, who is now a Renomia shareholder, to meet a senior executive of one of largest brokerages in the world. We had to convince him to work with us to acquire a major account - a large Czech chemical holding. And we succeeded. Later on, we jointly won the tender defeating strong, international competition and have been servicing that client ever since.

What is your vision? How do you see Renomia's future?

My personal and business vision is to maintain the family character of the Company, expand in central and eastern Europe and provide the best services for clients. We continue to work in line with our values and mission which is 'we serve people and companies and contribute to a better life'. We share our vision with colleagues in all the countries we operate in so they identify with it, naturally want to be a part of it and are keen to build a strong brand in Europe.

Why is it important for Renomia to be a member of Brokerslink?

An important milestone in the successful development of Renomia was working with international broker networks and partners. We've been with Brokerslink since 2007 and this partnership has enriched us, enabling us to gain not only new knowledge and experience, but also friends. Thanks to Brokerslink we have the opportunity to provide services to our clients in countries where we are not active and at the same time this cooperation brings us new clients. We greatly appreciate the joint meetings and the open and friendly communication. •

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