

# LEBANON IS THE MAIN SOURCE OF OUR HUMAN CAPITAL

This is a time of great change for the Arabian Gulf. Its countries' increasingly youthful, well-educated and affluent populations and their growing expatriate communities have both come to expect a variety and sophistication of products and services that would have been unthinkable two generations ago.

**F**INANCIAL SERVICES ARE NO exception, not least in the insurance and reinsurance sectors. At just 2%, the GCC has some of the lowest penetrations in a world where the global average is running at just over 6%. And as more of its countries introduce compulsory health and motor insurance and their governments increase their expenditure in infrastructure in a bid to reduce their economies' dependence on oil, both project and property insurance are set to grow.

One man who saw this coming was Farid Chedid, Chairman and CEO of Chedid Capital Holding. In 1998, after a spell working as a reinsurance broker in London, he decided to strike out on his own and what was to become a regional insurance and reinsurance powerhouse started operations from a single room in Cyprus.

The decision to set up shop in the Cyprus was taken to give the new company international status, but as time passed and the Arab world became his principal source of income, Chedid found it increasingly difficult to find the staff who were not only versed in insurance and reinsurance, but were also tri-lingual in English, French and Arabic. So in 2004, Chedid moved his headquarters to his home country.

**BY 2015 ITS REINSURANCE ARM CHEDID RE HAD BEEN RECOGNIZED AS ONE OF THE TOP 20 REINSURANCE BROKERS IN THE WORLD BY A JOINT REPORT FROM SWISS RE AND GLOBAL REINSURANCE AND AS NUMBER ONE IN THE MIDDLE EAST/ NORTH AFRICA (MENA) REGION;**

and with offices in Beirut, Casablanca, Dubai, Limassol, London and Riyadh, its 300-strong team of experts delivers comprehensive reinsurance, retrocession, treaty and facultative solutions to over 400 insurance companies across Europe, Africa and the Middle East. In 2015, the esteem in which it was held on the international stage was emphatically underlined when Chedid Re was registered as a Lloyd's broker after a long and successful cooperation that now dates back almost two decades.

This formalization of relations between Chedid Re and the oldest insurance market in the world was also emblematic of the rock-solid reputation that the company has built up over the years. "You need to instill confidence and peace of mind in the people that you deal with,

and that is closely related to the integrity of your operation," Chedid explains. "As a group, we have earned ourselves a very good reputation for both our integrity and our work ethic and corporate governance. We do not just deliver on our promise but we deliver really well."

This, along with Chedid's knack of spotting and recruiting the most talented individuals in the market place has enabled Chedid Capital Holding to grow at a fast but nevertheless sustainable pace. As well as Chedid Re (which currently accounts for around 65% of the group's turnover) it also runs an insurance broking arm with a network of brokers operating out of Lebanon, Saudi Arabia, UAE, Qatar and Mauritius, the last of which acts as a hub for the rest of East Africa. In 2009, it set up a third strategic business unit – Seib Insurance and Reinsurance Company LLC, a national Qatari company licensed by the Qatar Financial Center Regulatory Authority.

**CHEDID HAS ALSO PROVED ADEPT AT TURNING THIS OPERATIONAL AND GEOGRAPHICAL EXPANSION INTO FINANCIAL GROWTH.** Over the past ten years, the group has regularly posted a compound annual growth rate of over 30%, with the result that it had been doubling in size every two and half



**Farid Chedid**  
Chairman and CEO of Chedid Capital Holding

years. Recent turbulence in the market has put a brake on this rate of growth, but it remains on target to achieve its chairman's goal of expanding three times faster than the overall insurance market.

To keep that rate of expansion up, Chedid is increasingly turning to acquisition as much as organic expansion. Its brokering operations in Mauritius and UAE were both acquired and another deal is close to completion in Lebanon, with more almost certainly on the cards. "The way we plan to grow on the insurance broking side is much more aggressive than in reinsurance," says Chedid. "We want to become the market leader within five years. We have no intention waiting 15 years."

Nor has Chedid ruled out the possibility of raising capital through an IPO, although that is currently more likely to be realized through the flotation of a subsidiary rather than of the holding company itself.

Whichever direction Chedid chooses to take the company in the future, the Chedid Capital Holding chairman has every intention of sticking to the winning formula that has got him to where he is today. "For me, reputation comes first. We always do everything we can to make sure that the company has a fantastic reputation for meeting our clients' requirements spot on." ●

