



**FARID CHEDID, CHAIRMAN AND CHIEF EXECUTIVE, CHEDID RE**

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# WHEN OPPORTUNITY KNOCKS

In spite of challenging market conditions,  
Chedid Re continues to rise to the top

**By Samera Owusu Tutu**

through the brand name Chedid Insurance Brokers.

We've completed two acquisitions – one in Mauritius and one in the UAE – for insurance broking companies. So now we are rebalancing our portfolio and our business in order to grow our insurance broking business. For us, this is a major strategic change, one which we started in 2010.

#### **What made you decide to expand into insurance with the launch of Chedid Insurance Brokers?**

From our perspective, we are doing very well in the reinsurance industry, but we are in a segment that effectively is not keeping pace with Chedid Re's growth. The insurance industry in the Middle East, however, is growing quite fast. So we decided that we wanted to develop not only on the reinsurance side, but also in insurance. Due to the fall in the price of oil, the insurance industry is no longer growing as fast as it was, with the exception of compulsory lines of business – but there are still a lot of opportunities. It is challenging in the Middle East, just like everywhere else around the world, but we're resilient and we have the resources to grow and develop.

#### **Have you experienced growth in other areas?**

In terms of market reach and geographical scope, we are currently covering the entire MEA region with the exception of South Africa, in addition to Greece, Cyprus and Turkey.

If you look at our growth, we have doubled our revenue every two years – this is a major achievement taking into consideration the market conditions. The reason we've been so successful in growing is that we have been very close to our clients and we have offered solutions catered to their needs and requirements.

#### **Can you tell me a bit about your expansion into Sub-Saharan Africa?**

We are currently doing business through our representative office in Casablanca, and we also have acquired a broker in Mauritius. Mauritius is a very good financial and administrative hub, and it is part of some of the economic zones that are covering East Africa, so it is an advantage to be there. We've been covering East Africa

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through our Dubai office and presence in Mauritius, and Casablanca is covering North and West Africa.

In East Africa, we're looking at Kenya, Uganda and Rwanda markets for expansion. From an insurance standpoint, Kenya is the largest market, so any presence in East Africa requires that we're present in Kenya.

#### **How is Chedid Re exploring capital markets?**

We have the knowledge and the resources in-house to provide capital market solutions through our associations with some of the main players in this field – in particular around investment banking. The challenge is that advanced modelling is required to enable the issuance of a cap bonds. If we look at the Middle East, the difficulty in using capital market solutions is that the natural perils are not modelled in the Middle East and the Gulf area, meaning capital market solutions cannot be provided.

An investor in a cat bond needs to see a model and needs to see what his exposure is. These are not traditional reinsurers who are used to accepting and assuming hazard risks; these are investors that are looking to assume a financial risk for a return. So without a model it's very difficult.

#### **Will you be exploring any of the new emerging risks, particularly the intangible risks such as cyber?**

There are some solutions in the market that we're providing to our clients. It's a work in progress because the Internet of Things, cyber and the cloud are all evolving very fast, so in turn the risks and the exposures are evolving. We as an industry have to try to keep up and provide new solutions to tackle the risks that are increasing in this area. ■

**C**hedid Re has been on the up for the past two years. After becoming a Lloyd's registered broker in 2015, the Lebanon-based reinsurance broker has been on a trajectory to success. At the 2016 MEA Risk & Insurance Excellence Awards, Chedid Re chairman and chief executive Farid Chedid took home the top honour of MEA Industry Achiever of the Year. Ahead of his win, he spoke with Global Reinsurance editor Samera Owusu Tutu about success and expansion for Chedid Re.

#### **What developments has Chedid Re experienced recently?**

The past 18 months have been eventful, with us becoming a Lloyd's broker in June 2015. We have also recently obtained FCA approval, and have set up an office and operation in London.

As a group, Chedid is no longer exclusively doing reinsurance broking, but is also doing insurance broking