

# Arab Insurance Commissioners and Hawkamah Launch Regional Corporate Governance Initiative for the Insurance Industry

*Corporate Governance in the Insurance Industry Paramount for the Development of the Sector*

The Arab Forum of Insurance Regulatory Commissions (AFIRC) and Hawkamah Institute for Corporate Governance launched a regional initiative to address corporate governance of the insurance industry.

The regional initiative called for the establishment of a Task Force in April, 2007 which is expected to accomplish its mission in December 2007, aiming to bring the insurance industry and regulators together and to develop a corporate governance framework for the insurance industry in the Arab World. The Task Force will undertake a corporate governance assessment of the insurance sector in participating Arab countries; develop an insurance corporate governance policy brief to include conventional insurance and takaful; develop corporate governance guidelines for the insurance sector; and build the corporate governance capacity of the industry.

Industry leaders and regulators view the development of guidelines and good Corporate Governance practices as essential for the success of economic reforms. Good corporate governance enhances confidence in the regional and local economies, protects investors, and builds competitive businesses able to compete in the global marketplace.

Dr. Bassel Hindawi, the Director General of the Insurance

Commission in Jordan and Chairman of AFIRC, noted” Corporate Governance issues became one of the most vital economic issues worldwide. Commitment of corporate governance standards would reflect positively on the management of the insurance companies, by efficient use of its resources, improve market competitiveness, and strengthening the stability of financial markets, which subsequently, represents an important element of attracting investment.”

Dr. Nasser Saidi, Executive Director of Hawkamah, said, “Effective corporate governance is an integral element of sustainable economic growth and development. Abiding by international standards and adapting corporate governance codes and principles to regional realities will help grow the insurance industry. Better corporate governance standards will enable insurance companies to link with the financial markets, imply better performance and company valuations, and allow insurers to help develop the market and grow themselves.”