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Message from the President



We hope that all the recipients are finding value in the information contained within this regional publication. Since our launch a month ago, we have received positive feedback regarding the content and format and we encourage you to continue providing us with insight that will allow us to enhance all aspects of our newsletter in order to make this a useful resource for each of you.

October has been a productive month for the region and included the launch of Enaya, AIG's Takaful company, in Bahrain on October 1st. This marks a milestone event for AIG with the release of our first suite of Sharia compliant insurance solutions. We are proud of the direction we are taking to integrate ourselves in the region and align our goals with the culture and traditions of the countries. Enaya allows us to provide alternative means of protecting a segment of the community while adhering to their religious guidelines. This is another example of AIG's ability to create innovative products and services to address the community's needs.

Enaya benefits from AIG's disciplined global underwriting standards and 87 years of experience in delivering innovative insurance solutions to the international community through a network that currently spans more than 130 countries and jurisdictions, reaching 65 million customers.

Welcome to global insurance with a local perspective "while you keep your eye on the opportunity, we will take care of the risk".

Best regards,

Charles Bouloux  
Regional President  
AIG MEMSA, Inc.



**AIG Events****TURKEY: THE INSURANCE SEMINAR FOR THE CONSTRUCTION COMPANIES****THE INSURANCE SEMINAR FOR THE CONSTRUCTION COMPANIES**

Turkey has many construction companies that are taking part in global projects. The value of these projects is around 2 billion USD.

On 7<sup>th</sup> of September, Marine Department of AIG Sigorta organized a seminar in Swissôtel Ankara, for these companies. The seminar hosted 70 delegates. Following the introductory speech of Phil Schwarz, Country Manager of AIG Turkey, selected speakers from Marine, Property and Casualty Profit Centers informed the delegates about the products & solutions offered by AIG for the construction industry. A cocktail party concluded the program.

## Corporate Kidnap and Ransom/Extortion Insurance

*Kidnap and extortion are a very real and growing threat in today's world. As many as 12,500 kidnaps are reported each year in over 40 countries, mainly in Latin America, Russia and Asia, with the average ransom payment doubling in the last four years and some payment demands exceeding USD 50 million. Whilst the most vulnerable companies are those that have employees based or travelling overseas; organisations which have high profiles, handle large amounts of cash, or work with sensitive information or technologies can be attacked as well.*

*AIG's Corporate Kidnap and Ransom/Extortion Insurance not only protects against financial loss but also provides the services of Clayton Consulting, leading crisis management and security consultants, to manage incidents on the policyholder's behalf.*

### Cover

#### **Kidnap / Alleged kidnap**

A seizure or detention of an insured person for the purpose of demanding ransom moneys.

#### **Extortion**

Payment demands following a threat to injure, or kill an Insured Person; damage property; contaminate products; divulge trade secrets or destroy electronic data by computer virus.

#### **Wrongful Detention**

Involuntary confinement by a government entity or insurgent organisation.

#### **Hijack**

Illegal holding under duress of an Insured Person while travelling on any aircraft, motor vehicle or waterborne vessel.

### **Cover includes**

- Ransom Monies
- Loss in-transit of payment
- Related expenses: salary, personal financial loss, medical costs, rest & rehabilitation, travel & accommodation, loan interest, reward, interpreter, forensic analysis, other reasonable & necessary expenses, recall expenses, business interruption etc.
- Consultant Costs
- Judgement, settlements and defence costs
- Death or Dismemberment arising from a covered incident
- 24 hour emergency response help line

### **Cover options**

- Evacuation and repatriation
- Child abduction

### **Client Profile**

- Any company with employees either travelling to, or based in, overseas countries, particularly Latin America, Asia, Eastern Europe and Africa.
- Cash rich or high profile companies operating in Europe or overseas.
- Manufacturers or retailers of consumer goods.

### **Underwriting considerations**

A variety of factors will be considered when evaluating insurability and determining premium, including:

- Type of industry
- Revenue of the Insured
- Country of residence
- Travel patterns of employees

**MEMSA Newsroom (see articles below)**

[Egypt: Authority to demand E£ 30mn for oil spill](#)

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[Kuwait: Campaign to fight software piracy to be boosted](#)

[Syria: US\\$ 700mn losses due environmental deterioration](#)

**Egypt: Authority to demand E£ 30mn for oil spill**

The Daily Star (Egypt), 09 Oct 2006,;--

The Canal Authority of Egypt would demand some E£ 30mn (US\$ 5.23mn EUR 4.12mn) from Trade Maestro, the owner of a Liberian tanker P C Anna, which spilled oil in the country's Suez Canal. Apart from that, tourist resort owners and local fishermen are also seeking E£ 15mn in damages, while Egypt's environmental agency has demanded a further E£ 10mn in compensations, bringing the aggregate claims against the P C Anna to E£ 55mn. .

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**Bahrain: AIG forms takaful unit**

Gulf Daily News, 02 Oct 2006,;--

"AIG has recently formed a new Takaful Company in Bahrain that will offer a full range of takaful products. The company, named AIG Takaful - Enaya, will provide property, accident and health, motor, casualty and personal contents insurance products to local customers. The Sharia supervisory board of the firm will consist of several Sharia scholars including Dr Imram Usmani, Sheikh Nizam Yaquby and Dr Mohammed Elgari."

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**Egypt: Banque du Caire to merge with Banque Misr**

Khaleej Times, 08 Oct 2006,;--

n an effort to overcome bad debt woes, Egypt's third largest state-owned bank, Banque du Caire, is set to merge with Banque Misr by 2006-end. Early retirement for both banking firms' workforce will not be a compulsion. Banque Misr is the second biggest state-owned bank in Egypt.

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### **UAE: Recall on Actifed with erroneous printed packaging**

Gulf News, 09 Oct 2006, :-

With a printing error found on the dosage intake of Actifed cold medication in Abu Dhabi, the General Medical Services Authority has retracted all products with the faulty package at markets and pharmacies in Abu Dhabi of the United Arab Emirates (UAE). The packages will be recalled and sent to local distributors and agent for amends to be done. The imprint mistake is the 5.2ml dosage stated for children aged from two to five years old, when it should be 2.5ml.

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### **UAE: ICCS for faster cheque-clearing process**

Gulf News, 19 Oct 2006, :-

According to information technology service provider Raqmiyat, 35 of the 46 banks in the United Arab Emirates (UAE) had registered themselves for a cheque-clearing system with shorter clearance process called Image Cheque Clearing System (ICCS). UAE is expected to launch the system before the close of 2006 or in early 2007, when minimum 40 banks in UAE would have been prepared to adopt the system.

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### **Bahrain: Smart card project to go ahead**

Gulf Daily News, 17 Oct 2006, :-

As part of its e-government project, Bahrain has given final approval for its new smart card system to go ahead, with the new cards to carry personal data including health records and to have an option of also serving as an electronic wallet. The cards will replace the old CPR card, with citizens to pay BD 2 (US\$ 5.31 EUR 4.18) for a basic card and BD 5 for the wallet version.

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### **Turkey: Citigroup pays US\$ 3.1bn for 20% of Akbank**

Middle East Times, 18 Oct 2006, :-

On 17 October 2006, the US-based Citigroup has revealed that it was acquiring a 20% stakeholding of Akbank, the third biggest bank in term of assets in Turkey. The stake is priced at approximately US\$ 3.1bn (EUR 2.44bn). According to the two parties, Citibank has obtained the first refusal's right to purchase any other Akbank shares that might be offered by Turkey's conglomerate Sabanci Holding, Akbank's major stakeholder.

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### **Egypt: AUB secures IFC loan to acquire Delta**

Middle East Economic Digest Online, 19 Oct 2006, :-

The International Finance Corporation (IFC) is reported to be gearing to extend a US\$ 200mn loan to a consortium led by Ahli United Bank (AUB). It is understood that AUB will use the ten-year loan to finance the acquisition of an 89.3% stake in Egypt's Delta International Bank. IFC will also take a 10% stake in Delta.

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### **UAE: Per capita traffic death rate inches down**

Gulf News, 18 Oct 2006, :-

The per capita death rate for each 100,000 [accidents] has inched down from 19.6 in 2005 to 17.5 in 2006, says the Director of Dubai Police's Traffic Department in the United Arab Emirates (UAE), Brigadier Mohammad Saif Al Zafein. In the year 2005, there was 170,000 minor accidents. Pedestrians made up of 40% of all the road accident deaths on average, particularly on highways.

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### **Qatar: Guidelines on the disposal of medical waste**

The Peninsula, 19 Oct 2006,:-

In Qatar, private and government health centres, pharmaceutical units, research centres, pharmacies and pathological laboratories are required to adhere to guidelines, which are published in an official gazette, on how to dispose their medical waste. Laboratories, medical research centres, healthcare providers and pharmacies have been requested to establish proper waste storage facilities, which are easily accessible, in their premises. These storage facilities with temperatures from 15 degree Celsius to 18 degree Celsius, are disallowed to store waste for over 24 hours. The medical wastes should be categorised into non-hazardous and hazardous and be kept either in red or bright yellow plastic bags before disposing them to the waste producer. The Supreme Council for Environment and Natural Reserves would undertake the supervisory role to strictly monitor the medical waste disposal activities of pharmacies, laboratories and health centres in the country.

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### **Saudi Arabia: Report on card fraud cases**

Arab News, 17 Oct 2006,:-

In Kuwait, authorities will boost their campaign for combating software piracy via a line of conferences, training sessions and seminars aimed at certain groups in society such as students, private and public sector organisations, information technology resellers and the public. The campaign will focus on the disadvantages of software piracy as well as the negative effects of software piracy on the economy. The campaign will be boosted in alliance with Business Software Alliance. The software piracy rate of the nation was lowered to 66% in 2005 from 68% in 2004. Lowering the local software piracy rate by 10 percentage points could add close to US\$ 350mn (EUR 275.83mn) to the economy. This was revealed in an International Data Corporation (IDC) study.

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### **Kuwait: Campaign to fight software piracy to be boosted**

Khaleej Times, 17 Oct 2006,:-

The per capita death rate for each 100,000 [accidents] has inched down from 19.6 in 2005 to 17.5 in 2006, says the Director of Dubai Police's Traffic Department in the United Arab Emirates (UAE), Brigadier Mohammad Saif Al Zafein. In the year 2005, there was 170,000 minor accidents. Pedestrians made up of 40% of all the road accident deaths on average, particularly on highways.

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### **Syria: US\$ 700mn losses due environmental deterioration**

Syria Times, 18 Oct 2006,:-

In Syria, losses due to environmental deterioration are more than US\$ 700mn (EUR 0.55bn) annually. A sum of US\$ 350mn projected to be needed annually over a 10-year period is needed to finance the preventive methods against random urbanisation, health problems due to air pollution, depletion of water resources and soil productivity deterioration. The figures were mentioned in a World Bank research recently. In 2006, cost of desertification will reach SY£ 17bn (US\$ 325.61mn EUR 256.61mn). Also, cost of air pollution in the cities is SY£ 3bn. Total economic cost of environmental deterioration is slated to be SY£ 30bn.

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## **AIG Events**

### AIG World

- October 11, 2006 - [AIG FINANCIAL PRODUCTS AND GLOBAL INFRASTRUCTURE PARTNERS AGREE ON THE ACQUISITION OF LONDON CITY AIRPORT](#)
- October 2, 2006 - [AIG PRIVATE CLIENT GROUP INTRODUCES COMPLIMENTARY RESIDENTIAL ENGINEERING SERVICES FOR HIGH NET WORTH INSUREDS](#)
- October 2, 2006 - [AIG SUBSIDIARY PURCHASES ARCH'S U.S. OCEAN MARINE BUSINESS](#)
- October 19, 2006 - [AIG CAPTIAL INDIA PRIVATE LIMITED RECEIVES RBI APPROVAL FOR NBFC VENTURE](#)