



Contact us

Issue 4 | January 2007

Newsletter Sections:

- » Product Highlight
- » AIG Events in the Region
- » MEMSA Newsroom
- » AIG World

- |         |              |
|---------|--------------|
| BAHRAIN | MALTA        |
| CYPRUS  | OMAN         |
| EGYPT   | PAKISTAN     |
| GREECE  | SAUDI ARABIA |
| INDIA   | SRI LANKA    |
| KUWAIT  | TURKEY       |
| LEBANON | UAE          |

Message from the President



With the start of a new year we look forward to the continued success of our operations in an effort to achieve the production and growth expected from the dynamic markets that make up the ever growing MEMSA region. We begin the year with a solid infrastructure in our existing core countries and our plans to open and expand our presence in the region with new markets and

relationships. We continue to grow through retention and recruitment of qualified and talented staff and management as they represent the strongest part of our foundation and a driving force in our path to success.

We start each year by taking our experiences from the last year and capitalizing on our unique knowledge of the market and the environment to further develop our business and achieve our goals. This year brings great opportunities with the opening of new countries and the development of new products to address the needs of our market and provide solutions to businesses and individuals. Above all, we rely on the talented men and women working in our offices throughout the region that have put forth the effort and dedication to make 2006 a success and we are confident in their continued drive to make 2007 even better.

We wish all of you and your families a very healthy, happy and prosperous New Year and look forward to an exciting and challenging year.

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.





Issue 4 | January 2007

### **AIG Events in the Region**

#### **Crisis Communication Product Seminar to be held in 4 Cities - Mumbai, Delhi, Kolkatta and Bangalore**

Presenters: Omur Arkan & Representatives from Clayton

Dates: Second and Third Week of February 2007

#### **"Corporate Governance: An uncertain world for corporations and professionals"**

In an effort to increase the visibility of D&O insurance in the Greek business community, AIG Greece will co-organize with the **Hellenic - American Chamber of Commerce** a major event addressed to the Athens Stock Exchange listed companies. The event will be supported by the leading Greek business school, **ALBA Graduate Business School**.

Held on **Wednesday, February 7, 2007** at the Grande Bretagne Hotel in Athens, the event will cover a wide range of "liability" issues pertaining to today's dynamic enterprises. Apart from AIG's speakers Christos Adamantiadis, Country Manager and David Wood, Regional FL VP, external speakers will include the head of the Stock Exchange Regulator, Mr. Alexis Pilavios and the Dean of ALBA, Mr. Nico Ebeoglou. Participants will include top-level executives from Greek companies listed at the Athens Stock Exchange and foreign stock exchanges, as well as state-controlled and private organizations from various sectors of the Greek economy.

The subjects that will be broadly touched upon by the noted speakers include:

- The legal framework of Corporate Governance and its effect on business practices
- Corporate Social Responsibility
- Directors & Officers liability insurance in Europe - coverage analysis and claims issues

**Product Highlights: MANAGEMENT GUARD****The idea**

A large portion of the Greek Market is composed of Small and Medium Enterprises. These entities mainly need infidelity cover but are also interested in D&O liability insurance to some extent. The general D&O policy does not fully tally with insurance requirements of Small and Medium unlisted companies that are less exposed to shareholders claims. Thus, we've decided to launch ManagementGuard, a more suitable product for this type of enterprises that combines D&O and "Loss of Money" (Infidelity) Cover.

**Target Market**

Target Market includes Small and Medium enterprises that fit the following criteria:

1. Private - non listed Commercial Companies
2. Activity : worldwide excluding NA
3. Maximum Annual Turnover : €50 mil
4. Clean loss history
5. Companies with no financial / liquidity problems

ManagementGuard is suitable for all legal entity forms: SA (AE), Ltd (epe), ??-?? (small family entities). The product is not offered to Financial Institutions and Hi Tech Companies.

**Limits**

Annual Aggregate limit of liability is applied to the policy. Range is from €250,000 to €5,000,000.

**Main Insurance covers**

1. D&O's liability - cover A and B : Full Limit including defense expenses
2. Entity Cover : Full Limit including defence expenses
3. Infidelity: Sub-limit €250.000 eel and in the aggregate

**Extensions of cover**

1. Sub limit for loss of money kept on premises or in transit with a sub-limit of €25k
2. OH&S: Defence / investigation costs : partially carve out of BI&PD exclusion for occupational health and safety laws: sub-limit of 100k
3. Pecuniary penalties (where permitted by law): sub limit €10k
4. Pollution: Defence / investigation costs for insured persons only (not the Company): sub-limit €100k
5. Moral damages: sub-limit €250k
6. Heirs, Estates, Legal Representatives, Spouses
7. Outside Directors
8. New Subsidiaries

**Deductibles**

Level of Deductible is relevant to the annual turnover of the company. Deductibles are applied to:

- D&O Cover B
- Entity Cover
- Employment Practices Claims
- Fidelity Claims

**Rating Methodology**

A rater has been developed based mainly on the annual turnover and the limit of liability.

**MEMSA Newsroom (see articles below)**

[Lebanon: THG suing government over compensation](#)

[UAE: Expatriates to get insurance cover for children](#)

[UAE: Vice Versa to lure big-spenders with loyalty plan](#)

[Turkey: Oyak Group yet to sign deal to sell Oyakbank](#)

[Greece: Food firms fined with EUR 130,500 by EFET](#)

[Greece: Three environmental warnings by the Commission](#)

[Greece: Insects found in Inda Polska's chocolates](#)

[Middle East: New health insurance law underway](#)

**Lebanon: THG suing government over compensation**

The Daily Star (Lebanon), 16 Dec 2006,;-

Advertising, media and marketing company The Holding Group (THG) is suing the Lebanese government for failing to provide complete compensation for damages to its offices during cartoon riots in February 2006. Angry demonstrators had previously set fire to 812 Tabaris, where THG occupied two floors. The company has taken the case to the Shoura Council.

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[Link to original article](#) in English.

[Back to Top](#)

**UAE: Expatriates to get insurance cover for children**

Khaleej Times, 18 Dec 2006,;-

Expatriates working or residing in the United Arab Emirates (UAE) may obtain a health insurance cover for their newborns within 30 days after the newborns' birth from their employers. UAE employers are now required to insure expatriate employees, their spouses and maximum three of the employees' children aged below 18 years. The measure will be adopted from 1 January 2007.

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[Back to Top](#)

**UAE: Vice Versa to lure big-spenders with loyalty plan**

AME Info, 17 Dec 2006,;-

Early in 2007, United Arab Emirates (UAE)-based Vice Versa International FZ-LLC (Vice Versa) will be introducing its Vice Versa tourist card to high-spending tourist in Dubai. The company is partnering premium providers of tourist services, culture and art, salons and spas, food and drinks, and retail for the UAE's first independent loyalty card network.

The card has a smart chip for data storage and is a Card-Cash due to its technology for instant point redemption and reward. The network terminals for the loyalty programme is being installed and will enable partners to link to the network via an existing phone line to begin operations.

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[Back to Top](#)

**Turkey: Oyak Group yet to sign deal to sell Oyakbank**

Turkish Daily News, 13 Dec 2006,;-

Turkey's Oyak Group is reported to have not yet signed an agreement to sell its medium-sized bank Oyakbank. An Oyakbank spokesman has denied the news that his group has reached a deal to sell the bank to Standard Chartered. Oyakbank has 300 branches and had assets of US\$ 7.3bn at the end the first half of 2006. Standard Chartered and France's Credit Agricole are understood to have previously expressed interest in Oyakbank, nevertheless, Credit Agricole said last week that it was not interested.

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[Back to Top](#)

**Greece: Food firms fined with EUR 130,500 by EFET**

Imerisia, 15 Dec 2006,;-

The Greek food authority, Eneios Foreas Eleghou Trofimon (EFET), has issued a total of EUR 130,500 (US\$ 175,001.01) in fines to a number of food companies health and safety violations. According to EFET's officials, the companies were penalised after its inspectors found several items that were classified as unfit for human consumption in their premises.

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[Back to Top](#)

### **Greece: Three environmental warnings by the Commission**

europa.eu, 13 Dec 2006,-

The European Commission has decided to take legal action against Greece, for breaches of three EU laws to protect the environment and public health. More specifically, Greece will be issued by the Commission with a written warning over its failure to comply with a ruling by the European Court of Justice, for the development of a plan to manage dangerous waste in the polluted area of Thriasio Pedio. Meanwhile, Greece will be also issued with a final written warning for continuing to allow the use of fuels with a higher than allowed sulphur content, above the EU limit of 1%, and for several breaches of the EU law on urban waste water treatment.

[Back to Top](#)

### **Greece: Insects found in Inda Polska's chocolates**

Enet, 22 Dec 2006,-

The Greek food authority, Enieos Foreas Eleghou Trofimon (EFET), has ordered the recall from the domestic market of the chocolate bars that are being produced by Polish company, Inda Polska, after its inspectors found insects in them, in products that were sold in Thessaloniki. The 100-gram chocolate bars is being exclusively produced by Inda Polska on behalf of the Greek supermarket chain Carrefour-Marinopoulos

[Back to Top](#)

### **Middle East: New health insurance law underway**

Trade Arabia, 19 Dec 2006,-

New laws related to compulsory health insurance provision are in the process of implementation by the authorities of Saudi Arabia, Bahrain, Qatar and United Arab Emirates (UAE). Meanwhile, talks are being held by Nexus, the biggest independent financial advisor in the Middle East, with local and foreign healthcare insurance brands on the prospect of widening the choice of health insurance products in the region.

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[Back to Top](#)



Issue 4 | January 2007

**AIG World**

[AIG TO WITHDRAW TRADING ON NYSE ARCA](#) - December 22, 2006