

KINGDOM OF MOROCCO



acaps

The Supervisory Authority of
Insurance and Social Welfare

ACTIVITY REPORT

20
18



HIS MAJESTY KING MOHAMMED VI
MAY GOD ASSIST HIM

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CHAIRMAN'S MESSAGE

Mr. Hassan BOUBRIK

CHAIRMAN OF ACAPS

The year 2018 marks the Supervisory Authority of Insurance and Social Welfare's third year in existence. The first two years allowed for the completion of the governance system as well as the Authority's internal organization. Many regulatory projects have also been launched or continued in the insurance and social welfare sectors.

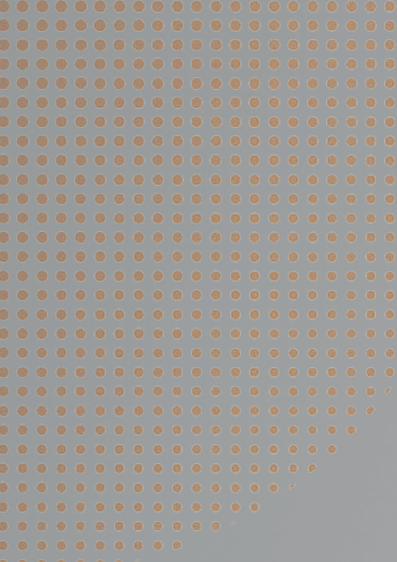
During this third year, significant efforts have been made in order to consolidate past achievements and initiate new structuring projects. A new strategic plan for the 2018-2020 period has also been approved by the Board of the Authority.

In the insurance sector, this ambitious plan aims to align Moroccan regulations with international standards, to adopt a new risk-based supervision approach and to

substantially strengthen standards and control of market practices, in an effort to better protect the Policyholders in their day-to-day relationship with companies as well as insurance intermediaries.

Flagship projects of this plan include the establishment of the Risk-Based Solvency reference system. In the year 2018, the first impact study relating to pillar1 (quantitative requirements) was conducted. There has also been very significant progress on the draft circular relating to pillar2 (Governance and qualitative requirements).

In terms of social welfare, the Authority has developed guidelines regarding the conditions for supervising pension plans and the CNRA. It also actively contributed to the preparation of implementing texts relating to the social



welfare schemes applicable to self-employed workers. At the same time, efforts to implement the control of mutual insurance companies and pension funds have continued. The strategic plan aims to complete the regulatory system for monitoring social welfare and to make the monitoring of social welfare more effective, like in the insurance sector.

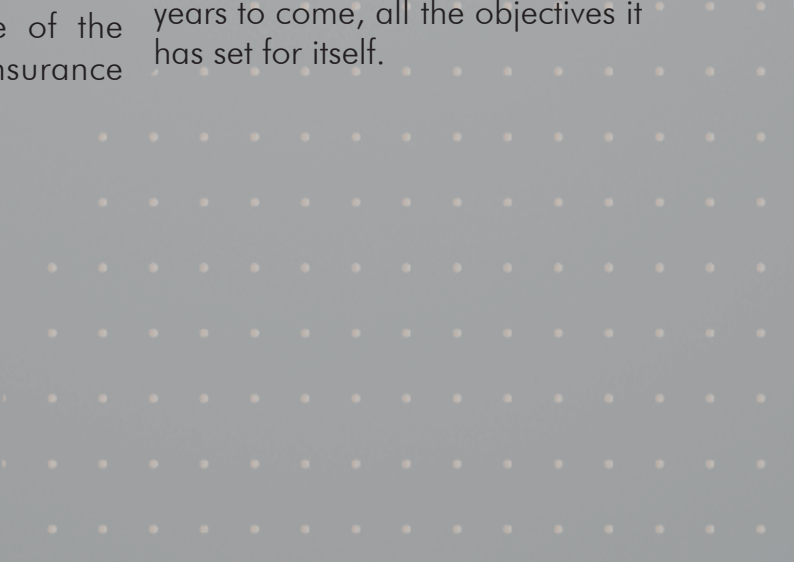
Concerning fight against money laundering and the financing of terrorism, 2018 was marked by the preparation of a draft amendment to the circular on the application for the insurance sector of the provisions of Law 43-05 in order to comply with the recommendations of the FATF. Moreover, numerous training and awareness-raising actions have been carried out for the benefit of market players.

At the international level, ACAPS continued its efforts to strengthen its presence in international supervisory bodies (IAIS, IOPS, etc.) as well as its partnerships with counterpart institutions. Several partnerships have been concluded, notably with the Insurance Authority of the United Arab Emirates as well as the General Directorate of the Treasury, in charge of the supervision of the insurance sector in Madagascar.

In three years, our Authority has been able to fulfill its missions and assert its positioning, both on the national and international level. This would not have been possible without significant investments in its human capital and its capacities. For the year 2018, more than 40 training sessions were conducted for the benefit of 119 employees out of a total of 154. Work tools have also been modernized, especially in the terms of information systems. In this regard and after putting the application dedicated to intermediaries into operations, a major project was launched for the establishment of an electronic data exchange platform with insurance companies. This project should bring considerable advantages in terms of reliability and the time required to collect and process data essential for monitoring.

We have set ourselves ambitious goals for 2018-2020!

Thanks to the continued support of the Board and the efforts of the staff of the Authority, I am sure that ACAPS will achieve, in the years to come, all the objectives it has set for itself.





1 PRESENTATION OF THE AUTHORITY

1. MISSIONS AND SUPERVISED ENTITIES
2. GOVERNANCE
3. ORGANIZATION

1. MISSIONS AND SUPERVISED ENTITIES

1.1 Missions

The Authority is in charge of the control and supervision of insurance and reinsurance companies, insurance intermediaries and social welfare bodies. As such, it ensures the protection of the insured, affiliates and beneficiaries of rights through:

- Controlling, ensuring, Monitoring of the solvency of insurance and reinsurance companies and the financial sustainability of social welfare systems;
- Ensuring compliance with the rules applicable for each sector by the operators under its control;
- Monitoring of insurance products, commercial practices and review of complaints relating to the transactions practiced by the entities under its control.

This control is based on Law No. 64-12 establishing the Authority, Law No. 17-99 on the Insurance Code and Laws Governing Mandatory Pension Schemes, the National Pension and Insurance Fund (Caisse Nationale de Retraites et d'Assurances - CNRA) and the Compulsory Health Insurance (Assurance Maladie Obligatoire-AMO). As for the mutuals sector, control is exercised together with the Ministry of finance and the Ministry of Labor, on the basis of Dahir No. 1-57-187 relating to the statute of mutual funds.

The Authority also ensures compliance with the provisions of Law No. 43-05 on money laundering and the financing of terrorism by the operators within the sectors under its control.

To this end, the Authority issues the necessary circulars to carry out its missions, and can, upon its own initiative or upon request of the Government, proposes draft laws and regulations related to its scope of action. Moreover, it represents the Government in matters of international cooperation in the areas within its field of competence.

1.2 Entities subject to the Authority's supervision

Entities that are subject to the Authority's supervision are :

- Insurance and reinsurance companies;
- Insurance intermediaries that carry out insurance and reinsurance operations;
- Managing bodies of pension schemes regulated by specific laws (CMR: Régime de Pensions Civiles et Régime de Pensions Militaires

(Civil Pension Plan and Military Pension Plan), RCAR : Régime Collectif d'Allocation de Retraite (Collective Retirement Allowance Plan), CNSS: Régime de Sécurité Sociale (Social Security Scheme);

- Private-sector bodies with defined contribution and defined contribution and defined benefits pension schemes (Mutual Insurance Companies);
- Internal pension funds within public law bodies managing schemes operating by defined contribution or by defined contribution and defined benefits;
- AMO - Assurance Maladie Obligatoire (Bodies that manage basic Compulsory Health Insurance)
- Mutual insurance companies, except for those established within the Royal Armed Forces and Auxiliary Forces;
- CNRA - Caisse Nationale de Retraites et d'Assurances (The National Pension and Insurance Fund).

Furthermore, the Authority can subject any person acting as an underwriter of a group insurance policy to its supervision, without prejudice to additional controls that are specific to the legislation to which that person is subject.

Entity	Number
Insurance and Reinsurance Companies	24
Insurance intermediaries (Agents and Brokers)	2 084
Direct offices	597
Authorized bank branches	6195
Authorized financing companies	2
Authorized Micro-credit associations	1
Pension organizations including CNRA	7
Mutual insurance companies	28
Bodies managing AMO	2

Table 1: Number of entities subject to the control of the Authority

2. Governance

2.1 Bodies of the Authority

The Board and the Chairman constitute the governing bodies of ACAPS.

The board¹

The Board of ACAPS is responsible for the administration of the Authority, and to that end, it has broad responsibilities, which include:

- Defining the general policy of the Authority;
- Making decisions regarding the granting of authorizations to Insurance and Reinsurance Companies and approving the statutes of the pension organizations;
- Making decisions on sanctions regarding the total or partial withdrawal of the authorization of an Insurance or Reinsurance Company and the withdrawal of the approval of the statutes to a pension organization;
- Determining the contributions of entities subject to control;
- Approving the budget and financial statements;
- Appointing the statutory auditor and deciding on all audit reports;
- Determining the regulation laying down public procurement procedures;
- Establishing the organization chart and staff regulations and appointing directors on the Chairman's proposal.

In addition to its Chairman, the Board is composed of the Chairman of the Moroccan Capital Market Authority (AMMC), the Director of the Treasury and External Finance within the Ministry of Economy and Finance, a judge of the Court of Cassation and three independent members appointed by decree of the Head of Government and chosen for their competence in the fields of insurance or social welfare.

¹ - The responsibilities of the Board are detailed in Appendix I



Mr. Hassan BOUBRIK
Chairman



Mrs. Nezha HAYAT
Chairman of the Moroccan Capital
Market Authority (AMMC), member



Mrs. Imane EL MALKI
Adviser to the Court of
Cassation, member



Mrs. Fouzia ZAABOUL
Director of the Treasury and
External Finance, member



Mr. Abdelaziz TALBI
Independent
Member



Mr. Mohammed Bachir RACHDI
Independent Member



Mr. Ahmed ZINOUN
Independent Member



Mr. Hicham EL MDAGHRI
Government Commissioner

Figure 1: Composition of the Authority's Board

Committees set up by the Board:

- Audit and Risk Committee : Mrs. Nezha HAYAT and Mr. Abdelaziz TALBI
- Remuneration Committee : Mr. Mohammed Bachir RACHDI and Mr. Ahmed ZINOUN

Chairman²

The Chairman shall ensure the proper functioning of the Authority and the proper execution of the decisions made by the Board. After consulting the advisory bodies, he issues the necessary circulars to carry out the missions of the Authority and takes all the sanction decisions within the limits of his prerogatives. The President shall have all the powers required for the management of the Authority, with the exception of those explicitly vested in the Board.

2.2 Advisory Bodies

The Authority's governing bodies are supported by two advisory bodies, the Disciplinary Commission and the Regulatory Commission³.

Regulatory Commission

The Regulatory Commission is responsible for giving an advisory opinion to the Chairman of the Authority on the draft circulars of the Authority and the draft legislative or regulatory texts related to its scope. It also issues opinions on the applications for authorizations submitted by insurance and reinsurance companies as well as the applications for approval of the statutes submitted by pension organizations and mutual insurance companies.

Disciplinary Commission

The Disciplinary Commission is responsible for giving an advisory opinion to the Chairman of the Authority on certain sanctions and financing, recovery or adjustment plans submitted by insurance and reinsurance companies and mutual insurance companies.

2.3 Committees Audit and Risk Committee set up by the Board

The role of the Audit Committee is to monitor the process according to which accounting information is developed, the statutory audit of the annual accounts and the independence of the statutory auditor as well as the effectiveness of the internal control and risk management systems.

It may, at the request of the Board, consider any matter related to the Committee's attributions, in particular the draft budget and the performance report for that budget.

2 - The prerogatives of the Chairman of the Authority are listed in Appendix II.

3 - The composition of both advisory bodies is presented in the Appendices.

Remuneration Committee

The remuneration committee is responsible for reviewing and giving an opinion to the Board on the Authority's remuneration policy.

2.4 Management Board

The Management Board is composed of the Chairman, General Secretary and Directors of the Authority. This committee meets on a weekly basis and constitutes a mechanism for an exchange of information and coordination of the Authority's various projects.

3. Organization

The Authority's organizational chart is organized around six directorates, including four business directorates and two cross-functional directorates.

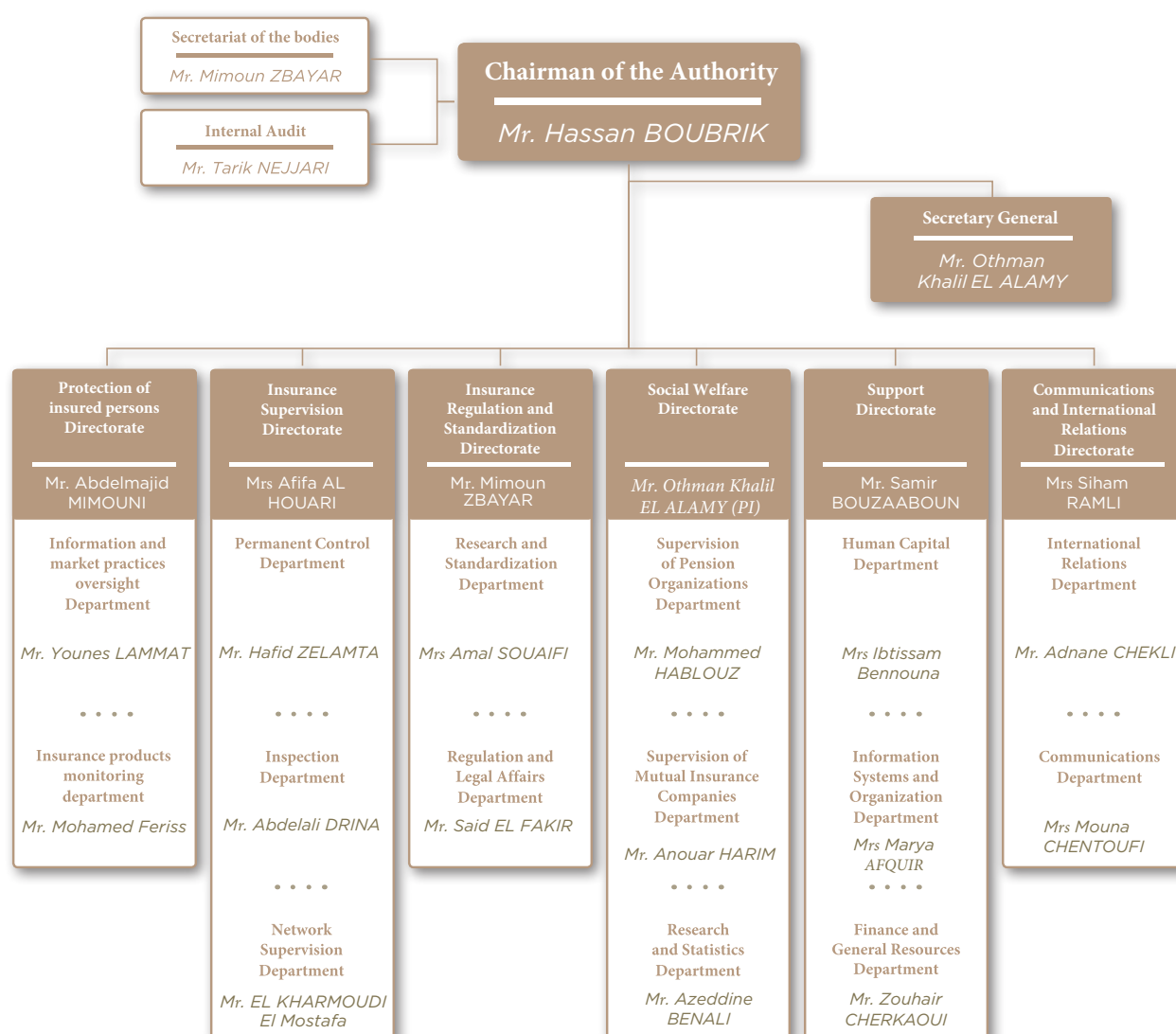


Figure 2: ACAPS organizational chart

Protection of policyholders directorate (DPA)

The DPA proposes and rolls out the Authority's strategy for the protection of the policyholders and beneficiaries of insurance policies. It supervises and monitors business practices, while reviewing insurance products and insurance coverage to protect the interests of the policyholders. It is also responsible for investigating the claims of the policyholders and beneficiaries of insurance policies.

Insurance Supervision Directorate (DCA)

The DCA is responsible for the prudential and regulatory supervision of Insurance and Reinsurance Companies and monitors their solvency. It also exercises regulatory control over the network for the marketing of insurance operations.

Insurance Regulation and Standardization Directorate (DRNA)

The DRNA is responsible for defining the standards and regulatory framework applicable to the insurance sector. It develops draft legislative and regulatory texts and is in charge of regulation and examines the authorization applications of insurance companies and intermediaries.

Social Welfare Directorate (DPS)

The DPS ensures the supervision and control of social welfare organizations and ensures compliance with regulations governing the protection of members and affiliates. It conducts the necessary studies for the development of the sector and contributes to strengthen cooperation with other organizations that share a similar mandate with ACAPS.

Support Directorate (DS)

The DS is a cross-functional directorate that proposes and implements the Authority's policy in terms of managing human, financial and logistical resources. It monitors information systems and supports operational activities.

Communications and International Relations Directorate (DCRI)

The DCRI proposes, develops and rolls out the Authority's communication strategy, both internally and externally. It also implements the Authority's strategy in terms of international relations and develops cooperation with counterparts and international bodies.



2 EVOLUTION OF THE SECTORS UNDER CONTROL

1. GENERAL BACKGROUND
2. INSURANCE SECTOR
3. SOCIAL WELFARE SECTOR

1. GENERAL BACKGROUND

1.1. At the international level

In an unfavorable environment marked by geopolitical tensions and the tightening of financial conditions, the global economy recorded a decrease in growth dropping to 3.6% in 2018 compared to 3.8% last year.

For developed economies,, the US economy stood out with an increased growth from 2.2% to 2.9%, thanks to an expansionary fiscal policy. As for the Euro zone, economic activity decreased from 2.4% to 1.8%, due to the economic slowdown in the United Kingdom with the uncertainties linked to Brexit, the fall in domestic demand in France and the weakening of private consumption combined with the disruption of automobile production in Germany. The Japanese economy, for its part, suffered natural disasters in the third quarter of 2018, which led to a 0.8% growth compared to a 1.9% growth in 2017.

In emerging and developing countries, GDP growth stood at 4.5% compared to 4.8% in 2017. This is due to a low growth in Asian and Eastern European countries. Thus, the growth of the Chinese economy decreased from 6.8% in 2017 to 6.6% at the end of 2018, due to new US customs measures and the tightening of regulations aimed at reducing debt. At the same time, GDP in Turkey dropped from 7.4% to 2.6% in 2018, as a result of the monetary crisis and the adoption of restrictive economic policies.

The GDP of the economies of the Middle East and North Africa region fell to 1.4% compared to 1.8% in 2017. The economic recovery in oil-exporting countries has been impacted by the contraction of GDP in Iran due to US sanctions, as well as in Sudan and Yemen due to geopolitical conflicts.

In sub-Saharan Africa, GDP growth reached 3.0%, compared to 2.9% in 2017, thanks to the rise in commodity prices. This growth benefited in particular the countries of the CEMAC⁴ region (0.1% to 1.7%) and the East African Community⁵ (5.6% to 6.3%), while in the WAEMU⁶ zone, it fell by 0.3 points (6.6% to 6.3%).

4 - CEMAC: The Central African Economic and Monetary Community is made up of six countries: Cameroon, the Central African Republic, the Republic of Congo, Gabon, Equatorial Guinea and Chad.

5 - East African Community: The East African community is made up of five countries: Burundi, Kenya, Rwanda, Tanzania and Uganda.

6 - WAEMU: The West African Economic and Monetary Union is a monetary zone grouping together eight West African countries: Benin, Burkina Faso, Ivory Coast, Guinea-Bissau, Mali, Niger, Senegal and Togo.

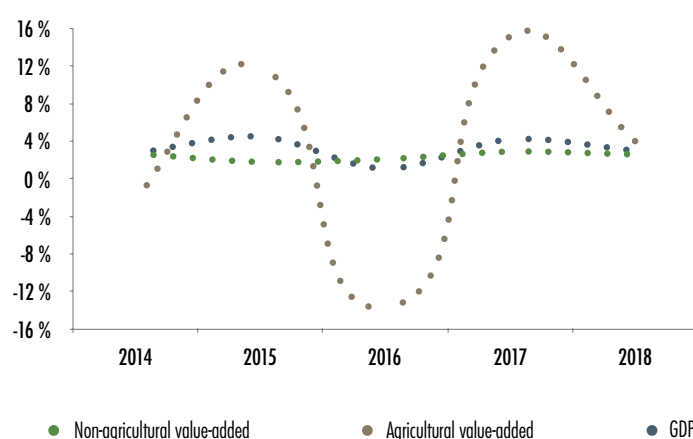
Table 2: Global economic growth
(Source : IMF)

Economic growth rate	2014	2015	2016	2017	2018
Advanced economies	2.1%	2.3%	1.7%	2.4%	2.2%
Emerging and developing economies	4.7%	4.3%	4.6%	4.8%	4.5%
Sub-Saharan Africa	5.1%	3.2%	1.4%	2.9%	3.0%
Middle East and Africa	2.7%	2.4%	5.3%	1.8%	1.4%
Global	3.6%	3.4%	3.4%	3.8%	3.6%

1.2. At the national level

In 2018, the national economy recorded a 3.0% growth compared to 4.2% in 2017, due to the slowdown in non-agricultural activities (2.6% against 2.9%) and the decline in growth in agricultural value added (4% against 15.2%).

Figure 3: Growth of GDP and agricultural and non-agricultural value-added
(Source: HCP)

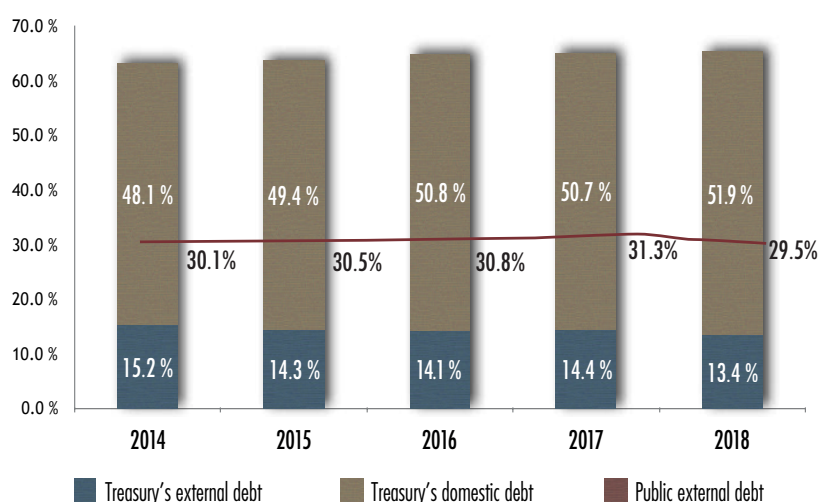


The labor market recorded an increase with the creation of 112,000 new jobs (91,000 in urban areas and 21,000 in rural areas) against 86,000 the previous year. As for the unemployment rate, it dropped from 10.2% to 9.8% (from 14.7% to 14.2% in urban areas and from 4% to 3.5% in rural areas).

Regular revenue of the Treasury increased by 1.4% compared to 2017 to reach 233.9 billion dirhams. As for overall spending, it recorded an increase of 2.8%. Ordinary expenditure reached 213.2 billion dirhams, including 65.7 billion in investment expenditure. Taking into account the drop in the surplus in the special accounts of the Treasury from 33.7% to 3.6 billion dirhams, the overall budget deficit stood at 41.4 billion dirhams or 3.7% of GDP against 3.5% in 2017. To make up for this deficit, the Treasury used domestic financing for an amount of 40.0 billion dirhams.

On the other hand, the outstanding Treasury debt increased by 4.4% to reach 722.6 billion dirhams (65.3% of GDP), made up of domestic debt which increased by 6.6 % to reach 574.6 billion dirhams (51.9% of GDP) and external debt which decreased by 3.4% to reach 148.0 billion dirhams (or 13.4% of GDP).

Figure 4: Evolution of the Treasury's debt and public external debt as a % of GDP
(Source: DTFE)



The amounts raised by the Treasury on the primary market stood at 115.1 billion dirhams, up 3.9% compared to 2017. This increase mainly concerned short-term maturities which increased by 18.2% to reach 61.1 billion dirhams, or 53.1% of the total raising of the Treasury against 46.8% a year earlier. Moreover, medium and long term issues fell by 8.5% to settle at 53.9 billion dirhams, or 46.9% of the total raising of the Treasury against 53.2% a year earlier.

At the end of 2018, the market capitalization stood at 582.2 billion dirhams, down 7.1% compared to 2017. The two indices MASI and MADEX recorded respective underperformances of 8.3% and 8.6%. The same is true for the overall volume of transactions which decreased from 17.0 billion dirhams to settle at 52.7 billion dirhams.

A FEW HIGHLIGHTS

- **Transition to a more flexible exchange rate regime**

Morocco has decided to adopt, starting January 15, 2018, a new exchange rate regime where the parity of the dirham is determined within a fluctuation band of $\pm 2.5\%$, according to a central rate set by Bank Al-Maghrib on the basis of a basket of currencies comprising the euro (EUR) and the US dollar (USD) at 60% and 40% respectively.

- **First issue of Sukuk certificates**

Participatory financing issued the first Sukuk certificates in October 2018. These certificates are the Ijara type and amount to 1.0 billion dirhams depreciable over a period of 5 years.

2. INSURANCE SECTOR

2.1. Insurance throughout the world⁷

The global premium growth rate decreased following the decline in emerging markets. Premium volume reached \$ 5,193.2 billion in 2018 compared to 4,957.5 billion a year earlier, an increase of 1.5% compared to 3.2% in 2017 (in nominal value⁸, this represents a 4,8% increase in 2018).

Life insurance premiums amounted to \$ 2,820.2 billion this year compared to 2,724.0 billion in 2017, a slight increase of 0.2% compared to 3.4% in 2017. This slow growth is due to the decline in emerging markets of 2.0%, explained mainly by the decrease in premiums recorded in China (-5.4%).

Non-life insurance premiums reached \$ 2,373.0 billion, up 3.0% compared to 2.9% in 2017. This rate increased from 5.9% in 2017 to 7.1% in 2018 in emerging markets, while it went from 2.1% to 1.9% in advanced markets.

The African continent achieved a total volume of premiums of 68.4 billion dollars against 65.2 billion dollars the previous year, thus recording an increase of 0.9% against a decline of 1.5% in 2017. This development was strongly impacted by the stagnation of the continent's leading market, South Africa, due to the weakness of its macroeconomic environment and the high level of unemployment.

Life insurance premiums increased 1.3% from the previous year to \$ 46.3 billion. Premiums for non-life insurance amounted to \$ 22.1 billion compared to \$ 21.7 billion the previous year.

Positioning of the Moroccan insurance sector

With a turnover of 4.4 billion dollars recorded in 2018, the Moroccan insurance sector is ranked 51st in the world. It remains in 2nd place in Africa behind South Africa and 3rd in the Arab world behind the United Arab Emirates and Saudi Arabia.

This year, the Moroccan insurance market year has a penetration rate of 3.74% which allows it to rank 1st in the Arab world and 4th in Africa after South Africa, Namibia and Zimbabwe.

7 - Source: The publication of Swiss Re Institute, Sigma 3/2019. The evolutions in this section are in real terms. The retained turnover of Sigma is estimated for the year 2018.

8 - This value takes into account price changes, i.e. inflation.

2.2 . National insurance sector

2.2.1 Market players

The insurance sector comprises twenty-four operational companies, including twenty limited companies and four mutual insurance companies:

- Eight companies that carry out both non-life insurance operations and life insurance and capitalization operations;
- Three companies that are limited to non-life insurance operations;
- Two companies exclusively specialized in life insurance and accumulation operations;
- Six companies that carry out assistance operations;
- three companies that perform credit insurance;
- Two exclusive reinsurers.

The distribution network includes 2084 insurance intermediaries, 597 direct offices and 6195 bank branches.

2018 Key indicators of the Insurance sector

24 Insurance and Reinsurance Companies

2 084 Insurance intermediaries

1 635 agents

449 brokers

597 bank branches authorized to offer certain insurance operations

6 195 bank branches

Penetration rate : 3,74%

43.1 billion dirhams in written and accepted premiums

163.8 billion dirhams of assets allocated

3.8 billion dirhams of total net income

40.1 billion dirhams of shareholders' equity

Solvency margin ratio: 395.3%

Table 3: Key indicators

A FEW HIGHLIGHTS

- **The takeover of SAHAM ASSURANCE and SAHAM ASSISTANCE by the South African group SANLAM.**

In early 2018, SANLAM signed an agreement with the SAHAM group for the takeover of the group's insurance subsidiaries. Under this agreement, SANLAM increased its stake from 46.6% to 100%. The transaction was completed on October 09, 2018 after obtaining the necessary authorizations from the relevant authorities.

- **Approval of the company "RMA ASSISTANCE"**

In November 2018, RMA Assistance, a newcomer to the market, obtained its authorization to practice assistance and reinsurance operations linked to assistance.

2.2.2 Premiums written

In 2018, the insurance and reinsurance sector achieved a business volume, including acceptances, of 43.1 billion dirhams and posted growth of 6.0%. This growth was driven more by direct insurance operations (+ 6.2%) than by reinsurance acceptances (+ 0.7%).

Direct transactions by insurance and reinsurance companies reached 41.2 billion dirhams, marked by a slowdown in the growth rate of life insurance and capitalization (+ 7.1% compared to 18.8%) and continued growth in non-life insurance (+ 5.6%).

In billions of dirhams

	2017		2018		Change
	Amount	Share	Amount	Share	
Life insurance and capitalization	17.0	43.9%	18.2	44.2%	7.1%
Motorized land vehicles	10.5	27.1%	11.1	27.1%	6.3%
Personal injury - Sickness - Maternity	3.9	10.1%	4.1	9.9%	3.9%
Occupational accidents and occupational diseases	2.2	5.7%	2.2	5.5%	1.0%
Assistance	1.2	3.2%	1.4	3.3%	10.2%
Credit	0.2	0.5%	0.2	0.5%	14.6%
Fire and natural forces	1.3	3.4%	1.4	3.4%	6.5%
General civil liability	0.5	1.4%	0.6	1.4%	6.0%
Transportation	0.6	1.6%	0.6	1.5%	3.4%
Technical risk insurance	0.2	0.6%	0.3	0.7%	24.0%
Other	1.0	2.5%	1.0	2.4%	2.3%
Total	38.7	100.0%	41.2	100.0%	6.2%

Table 4: Breakdown of written premiums on direct business by sub-category

The structure of premium issues remains unchanged, with 44.2% coming from life and capitalization insurance, followed by "Automobile" insurance and Personal Injury insurance with 27.1% and 9.9% respectively.

Moreover, the premiums accepted in reinsurance remained almost stable at 1.9 billion dirhams. With 89% of market share, the two exclusive reinsurers see their turnover stagnating at 1.7 billion dirhams. As for reinsurance acceptances by insurance companies, they increased by 13.7% to reach 212.6 million dirhams.

2.2.3 Claims and operating expenses

● Benefits and expenses paid

Benefits and expenses paid by insurance and reinsurance companies increased from 24.4 billion dirhams in 2017 to 25.6 billion. They recorded an increase of 5.0% and accounted for 61.8% of total issues. Reinsurers' share of these benefits and expenses paid amounted to 1.7 billion dirhams, or 6.7% of the amount of benefits and expenses paid.

As for exclusive reinsurers, they contributed with 1.4 billion dirhams compared to 1.8 billion dirhams in 2017, a 22,5% decrease. The share of retrocessionaires in benefits and expenses paid represented 27.3%, or 377.7 million dirhams.

Table 5 : Change in benefits and expenses paid

	in billions of dirhams		
	2017	2018	Variation
Direct insurers	24.4	25.6	5.0%
Exclusive reinsurers	1.8	1.4	-22.5%
Total	26.1	27.0	3.1%

Technical operating expenses

Technical operating expenses of insurers and reinsurers increased by 9.6%, from 8.1 billion dirhams in 2017 to 8.8 billion dirhams, i.e. 20.5% of premiums written compared to 19.8% in 2017.

This growth, which is stronger than that of premium issues, can be explained by the increase in other operating expenses (+ 231.8%), staff costs (+ 9.3%) and taxes (7.9%):

	In millions of dirhams			
	2017	2018	Change amount	Percent change
Technical operating costs	8 068.5	8 846.5	778.0	9.6%
Business acquisition costs	3 355.7	3 531.3	175.6	5.2%
Purchases of materials and supplies used	401.7	410.9	9.1	2.3%
Other external charges	1 225.5	1 278.3	52.8	4.3%
Taxes and duties	258.3	278.6	20.3	7.9%
Personnel charges	1 781.8	1 948.2	166.4	9.3%
Other operating charges	130.5	433.0	302.5	231.8%
Operating allowances	914.9	966.2	51.4	5.6%

Table 6: Change in technical operating expenses

2.2.4 Underwriting profitability of the sector

Comprehensive analysis

The underwriting net income of the insurance sector, excluding exclusive reinsurers, decreased by 17.3% (4.0 billion dirhams against 4.9 billion last year). When including exclusive reinsurers, this income amounts to 4.4 billion dirhams against 5.5 billion dirhams the previous year, down 20.1%. This decrease is mainly explained by the combined effect of the following:

- The decrease in the gross operating margin of insurance and reinsurance companies by 100.5% to reach -7.0 million dirhams compared to 1.4 billion in 2017. This decrease is mainly due to the strong decline in the operating margin on non-life operations (-71.1%);
- The improvement in the reinsurance balance in favor of reinsurers, which went from 1.4 billion dirhams to 736.9 million.
- The decrease in the financial balance of 3.1%, amounting for 4.8 billion dirhams against 4.9 billion in 2017.

With an amount of 3.3 billion dirhams, non-life insurance contributed 81.2% to the underwriting net income.

Figure 5: Evolution in underwriting income by insurance line

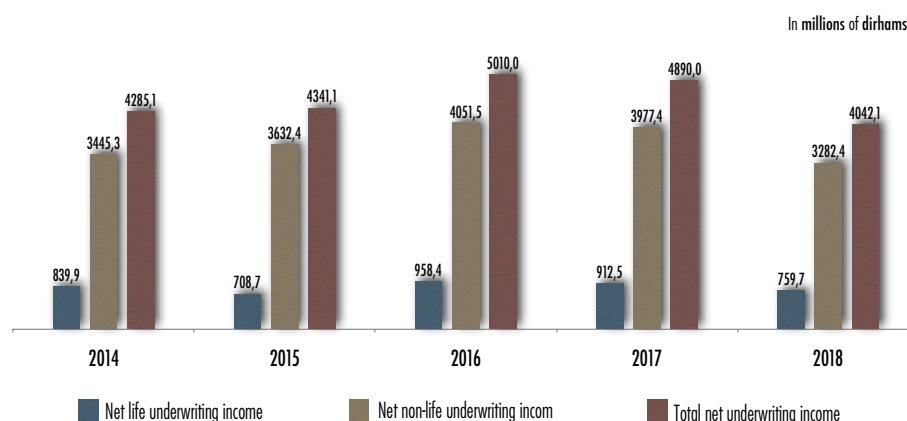
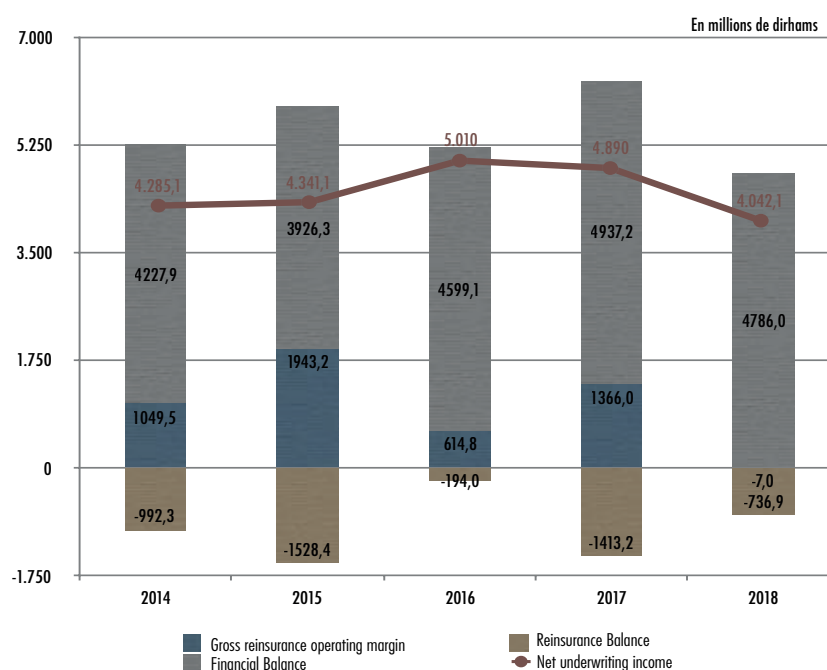


Figure 6 : Evolution in the components of the net underwriting income



Analysis by line of business

Claims ratio

The combined claims/premiums ratio (C/P) for non-life business increased from 96.1% in 2017 to 102.6%. This is due to an decrease in insurance claims for "Motorized land vehicles" which represents 49% of non life insurance and which saw its combined ratio increase by 5 points to settle at 99.7 %, technical risks (236.0% against 134.4% in 2017) and fire and natural forces whose combined ratio reached 100.6% against 72.0% a year earlier.

SUB-CATEGORIES / YEAR	2014	2015	2016	2017	2018
Motorized land vehicles	95.2%	89.2%	93.7%	93.0%	99.7%
Including general liability (vehicle liability)	92.2%	85.6%	88.8%	87.1%	94.2%
Occupational accidents and occupational diseases	104.0%	106.5%	114.7%	137.5%	136.2%
Personal injury/Illness/Maternity	107.2%	109.0%	106.4%	107.5%	107.9%
Including Illness - Maternity	124.3%	124.1%	120.3%	119.0%	121.2%
Fire and natural forces	70.7%	70.0%	81.9%	72.0%	100.6%
Comprehensive general liability	70.1%	74.3%	87.0%	60.3%	63.5%
Technical risk insurance	59.3%	20.4%	42.8%	134.4%	236.0%
Transportation	60.0%	77.1%	124.2%	68.3%	88.5%
Assistance/Credit/Bond	99.4%	92.2%	102.6%	91.0%	92.7%
Other non-life	86.4%	91.3%	157.7%	56.1%	59.4%
Non-life acceptances	82.0%	66.4%	92.5%	78.8%	71.8%
Non-life insurance	94.1%	91.1%	99.9%	96.1%	102.6%

Table 7 : Evolution in the combined ratio by non-life sub-categories

◆ Non-life net underwriting income

Non-life net underwriting income decreased by 17.5%, from 4.0 billion dirhams in 2017 to 3.3 billion, following the decline in the gross operating margin which decreased from 1.3 billion dirhams to 534.9 million, due to the decrease of claims expenses, mainly from "Motorized land vehicles", "technical risks" and "Fire and natural forces" insurance.

However, the decline in net underwriting income was offset by the improvement in the reinsurance balance in favor of reinsurers, which went from 1.4 billion dirhams to 665 Million Dirhams.

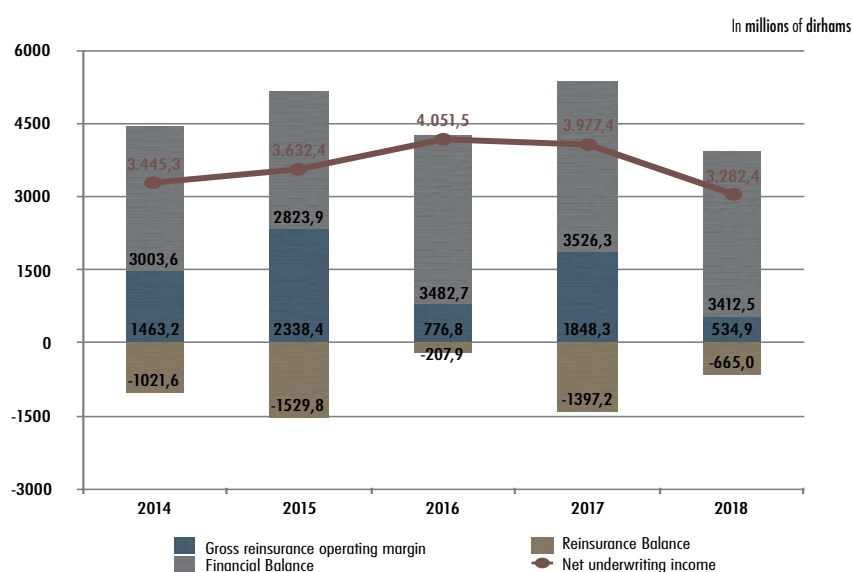


Figure 7 : Evolution in the composition of non-life net underwriting income

With the exception of personal injury insurance, all the non-life sub-categories recorded a surplus in terms of net underwriting income.

In millions of dirhams

SUB-CATEGORIES / YEAR	2014	2015	2016	2017	2018
Motorized land vehicles	2 473.9	2 857.4	3 052.9	2 998.4	2 294.3
Including general liability (vehicle liability)	2 519.9	2 879.6	3 201.5	3 220.9	2 657.9
Occupational accidents and occupational diseases	400.8	456.7	550.4	384.1	412.2
Personal injury/ Illness /Maternity	-151.6	-213.7	-150.7	-221.4	-217.1
Including Illness - Maternity	-587.8	-595	-573.4	-577.5	-665
Fire and natural forces	44.3	109.9	160.5	163.8	171.3
Comprehensive general liability	137.7	89.9	158.3	219.6	216.6
Technical risk insurance	153.6	81	57.3	18.3	20.4
Transportation	99	53.1	5.4	169.8	110.7
Assistance/Credit/Bond	128.4	159.9	142.1	172.1	201.5
Other non-life	21.1	11.1	63.1	36.6	9.3
Non-life acceptances	138.2	27.1	12.2	36.1	63.4
TOTAL	3 445.3	3 632.4	4 051.5	3 977.4	3 282.4

Table 8: Change in non-life net underwriting income by sub-category

◆ Life net underwriting income

The net underwriting income for life insurance and accumulation of insurance and reinsurance companies amounted to 759.7 million dirhams compared to 912.5 million in 2017. This income decreased to 16,8% following the decline of the income of individual insurance (-208.0%).

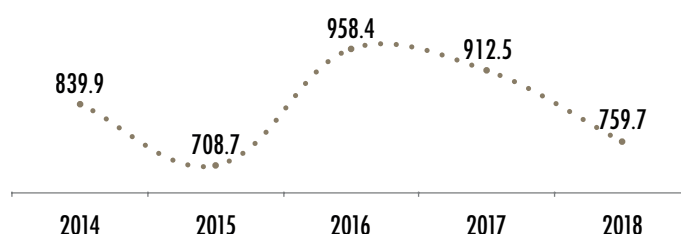


Figure 8: Evolution in life net underwriting income

Life insurance recorded a negative net technical result of -3.7 million, compared to 30.9 million dirhams in 2017.

Life insurance in the event of death recorded a positive net underwriting income of 1.0 billion dirhams, up 7.3% compared to 2017.

In millions of dirhams

SUB-CATEGORIES / YEAR	2014	2015	2016	2017	2018
Life insurance (Death in service)	885.9	931.9	1055.9	958.1	1 028.5
Life insurance	-26.9	-130.1	25.9	30.9	-3.7
Accumulation	8.1	-67.1	-101.5	-45.8	-193.3
Variable life insurance contracts	-26.8	-28.9	-20.3	-36.7	-67.8
Life acceptances	-6.5	-0.5	-4.8	0.8	0.9
Other life insurance	5.9	3.4	3.3	5.1	-4.8
TOTAL	839.9	708.7	958.4	912.5	759.7

Table 9: Evolution in the life net underwriting income by type of coverage

2.2.5. Net investments

The net investments of insurance and reinsurance companies amounted to 183.6 billion dirhams in inventory value against 172.4 billion dirhams in 2017, an increase of 6.5%. Investments allocated to cover commitments inherent in insurance and reinsurance operations represent 89.1% of total investments, representing an outstanding amount of 163.7 billion dirhams compared to 154.9 billion in 2017, an increase of 5, 7%.

These investments remain dominated by fixed income assets (46.4%) and equity assets (46.3%), followed by real estate with a share of 4.3% and other assets which represent 3.0 % of all investments.

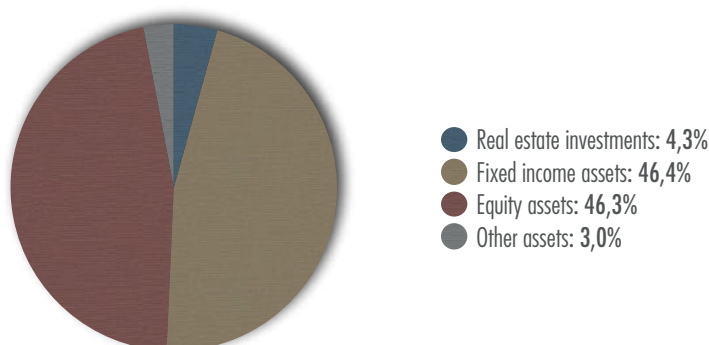


Figure 9: Investment structure

Insurers' investments, at market value on December 31st, 2018, totaled 200.0 billion dirhams against 196.3 billion the previous year. The amount of unrealized capital gains stands at 27.5 billion dirhams against 34.8 billion. Listed shares represent 34.2% against 15.4% invested in bonds.

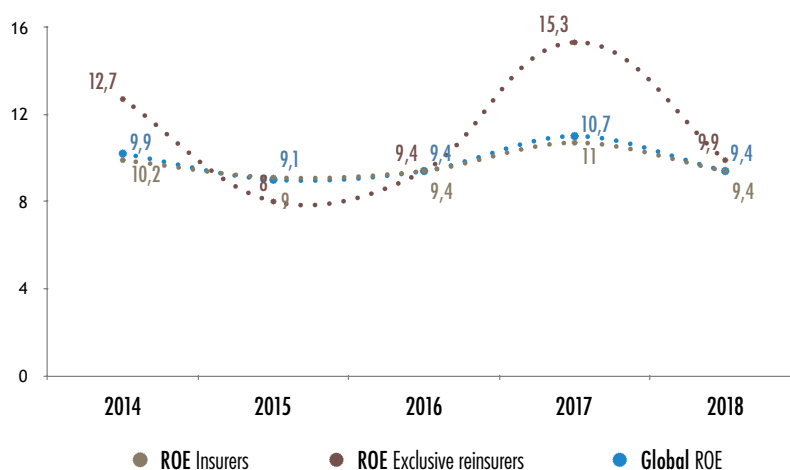
2.2.6. Profitability and shareholders' equity

The amount of shareholders' equity of insurance and reinsurance companies reached 40.1 billion dirhams (including 37.0 billion held by insurers), increasing by 2,1% compared to the previous year.

The insurance and reinsurance sector generated a net profit of 3.8 billion dirhams in 2018 (including 3.5 billion for insurers and 303.3 million for exclusive reinsurers) against 4.3 billion in 2017, a 12.8% decrease.

The overall return on equity (ROE) was 9.4% compared to 11.0% in 2017.

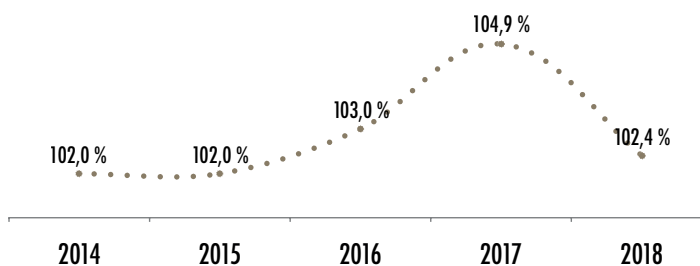
Figure 10: Evolution of ROE



2.2.7. Regulatory coverage of commitments

The rate of coverage of technical provisions by assets representative of the sector reached 102.3% this year compared to 104.9% in 2017 (102.4% for insurers and 101.7% for exclusive reinsurers).

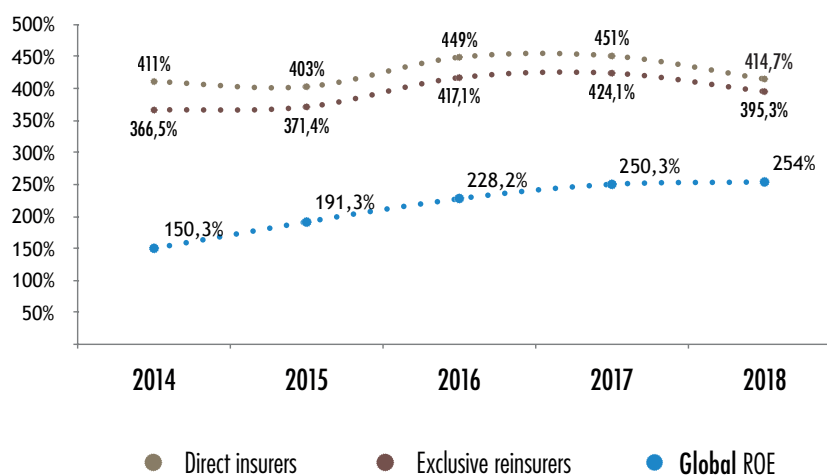
Figure 11: Evolution of the regulatory coverage rate of commitments of insurers



2.2.8. Solvency margin

The average rate of the solvency margin is 395.3% (414.7% for direct insurers and 254.0% for exclusive reinsurers).

Figure 12 : Evolution of the coverage rate of the solvency margin



A FEW HIGHLIGHTS

- ***Issuance of the legislative decree establishing the transitional provisions relating to the automatic exchange of information for tax purposes***

Legislative Decree No. 2-18-117 of February 23rd, 2018 establishing the transitional provisions relating to the automatic exchange of information for tax purposes has been published in the Official Bulletin. This text governs the automatic exchange of information for tax purposes with the local authorities of the countries with which the Kingdom of Morocco plans to conclude agreements allowing this type of exchange. In particular, it will allow the implementation of the provisions of the US FATCA (Foreign Account Tax Compliance Act) legislation, which came into force on July 1, 2014.

- ***Risk Based Solvency - First Quantitative Impact Study***

The Authority launched the 1st Quantitative Impact Study (EIQ1), which mainly focused on establishing the balance sheet for insurance and reinsurance companies, valued according to the economic vision provided for in the draft circular relating to the SBR. This study was also an opportunity to collect and gather the data necessary for a first exercise to adjust the required solvency capital, relating to the various risk modules planned.

3 THE SOCIAL WELFARE SECTOR

The social welfare sector in Morocco is made up of basic and complementary pension plans, basic compulsory health insurance schemes established by law No. 65-00 and mutual insurance companies governed by Dahir No. 1-57-187 relating to the statute of the mutuality.

3.1 Pension sector

The pension sector is composed of six basic plans, namely, the Civil and military pension plans managed by the Caisse Marocaine des Retraites (CMRRPC and CMR-RPM), the Régime Collectif d'Allocation de Retraite - Régime Général (Collective Retirement Benefit Scheme - General Scheme - RCAR-RG), The General Social Security Scheme managed by the Caisse Nationale de Sécurité Sociale (National Social Security Fund - CNSS) as well as two internal pension schemes for employees of Bank Al Maghrib and the Office National de l'Électricité et de l'Eau Potable⁹ (National Office of Electricity and Drinking Water).

The pension system also includes three optional complementary plans, namely the Caisse Interprofessionnelle Marocaine de Retraite (Moroccan Interprofessional Pension Fund - CIMR), the complementary Plan of RCAR (RCAR-RC) for RCAR-RG members, as well as the ATTAKMILI Plan managed by CMR for the benefit of members of both CMR- RPC and CMR-RPM plans.

3.1.1 Demographic indicators

As of December 31, 2018, the basic plans covered 4.6 million active contributors, an increase of 2.2% compared to 2017.

	2014	2015	2016	2017	2018
CNSS	2 995 726	3 101 861	3 283 679	3 379 000	3 465 685
CMR (RPC +RPM)	983 373	976 693	961 466	967 358	954 490
RCAR-RG	115 138	107 707	107 935	126 700	152 645
Internal plans	7 871	7 608	7 266	6 814	6 189
TOTAL	4 102 108	4 193 869	4 360 346	4 479 872	4 579 009

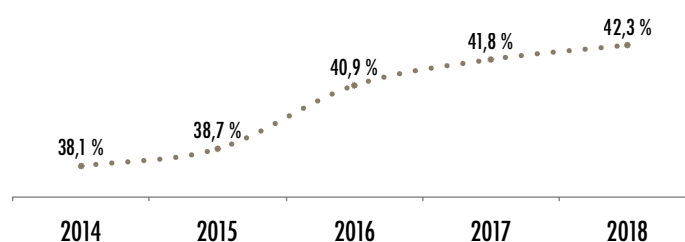
Table 10: Evolution in active contributors of basic plans

Thus, the pension coverage rate stood at 42.3% of the employed working population¹⁰ against 41.8% the previous year, thus marking an increase of 0.5 points compared to 2017 and 4.2 points over the past five years.

9 - Semi-closed scheme since 2011 and to which the employees of the electricity branch are affiliated. Employees in the water branch are affiliated to the civil pension scheme (CMR-RPC).

10- The active population employed for the year 2018 is 10.81 million (source: HCP).

Figure 13: Evolution in the pension coverage rate of the working population



The number of beneficiaries of these plans amounted totaled 1.4 million people, 73.1% of whom are main pensioners and 26.9% were beneficiaries of reversionary pensions (spouses and orphans).

Tableau 11 : Evolution of beneficiaries of basic plans

	2014	2015	2016	2017	2018
CNSS	478 774	492 411	513 487	543 375	568 296
CMR (RPC +RPM)	510 910	546 416	590 569	678 334	711 900
RCAR-RG	112 372	116 228	122 009	125 782	129 563
Internal plans	8 529	9 001	9 434	9 892	10 540
TOTAL	1 110 585	1 164 056	1 235 499	1 357 383	1 420 299

The significant increase in retirements combined with the drop in the number of CMR-RPC contributors over the 2014-2018 period led to a sharp drop in the demographic ratio of this plan, from 3.3 people of working age for every pensioner to only 2.3 people of working age. That of RCAR-RG recorded an increase in 2017 and 2018, mainly due to the affiliation to the teachers' plan¹¹ of the Regional Academies of Education and Training. Its demographic ratio remains, however, at a low level compared to its mode of operation. The pension branch of the CNSS still benefits from the demographic dynamics experienced by the private sector despite the drop in its demographic ratio between 2014 and 2018, which went from 9.3 to 8.8 people of working age for every pensioner.

Table 12: Demographic ratio of the main basic plans

	2014	2015	2016	2017	2018
CNSS	9.3	9.2	9.3	9.0	8.8
CMR-RPC	3.3	2.9	2.6	2.5	2.3
RCAR-RG	1.7	1.5	1.4	1.6	1.9
TOTAL BASIC PLANS	5.3	5.2	5.0	4.9	4.8

3.1.2 Financial indicators

Contributions collected by pension plans¹² represented 54.9 billion dirhams (including 85.6% for basic plans), increasing by 8.0% compared to 2017.

¹¹ - New recruits were previously affiliated with CMR-RPC

¹² - Excluding CMR-RPM and short-term branch of the general CNSS plan.

The benefits paid by these plans represented to 54.7 billion dirhams (+ 6.2% compared to 2017), including 49.7 billion for basic plans. Over the past five years, the benefits paid have recorded a greater increase than that of the contributions collected (8.6% compared to 6.8%).

The favorable demographics of the private sector has enabled the CNSS¹³ to achieve underwriting surpluses over the last five years to stand at 6.5 billion dirhams in 2018. Since recording its first deficit in 2014, the technical balance of the CMR-RPC continued to deteriorate over the rest of the period, albeit at a slower pace since the entry into force of its parametric reform in 2017, to stand at -6.0 billion dirhams. For its part, the underwriting balance of RCAR-RG which has been negative since 2004, improved slightly in 2018 to reach -2.5 billion dirhams against -2.8 billion a year earlier.

Complementary pension plans (CIMR and RCAR-RC) continue to record positive underwriting balances. These balances reached, in 2018, 2.7 billion dirhams and 114.0 million dirhams, respectively.

In billions of dirhams

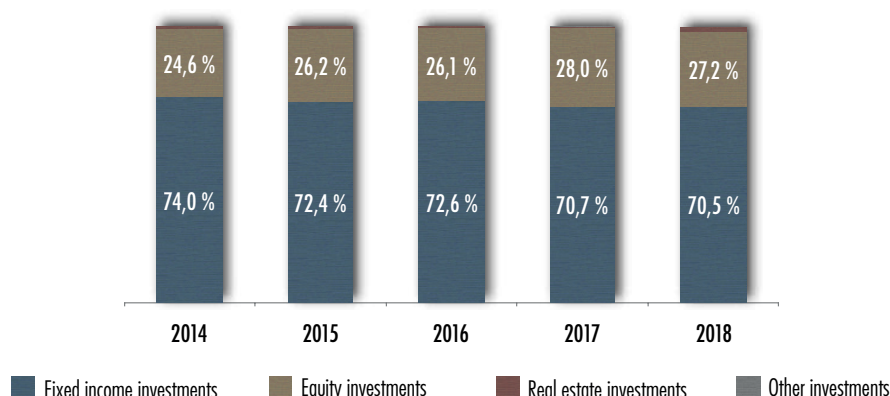
	CONTRIBUTIONS					BENEFITS					UNDERWRITING BALANCE				
	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018
CNSS (LT+AF)	16.9	17.2	21.3	21.9	22.9	13.6	14.7	16.0	16.0	16.3	3.3	2.5	5.4	5.9	6.5
CMR-RPC	15.9	15.9	16.5	18.7	20.3	16.7	18.5	21.2	24.2	26.3	-0.9	-2.6	-4.7	-5.6	-6.0
RCAR-RG	2.3	2.3	2.9	2.7	3.3	4.4	4.7	5.1	5.5	5.8	-2.1	-2.4	-2.2	-2.8	-2.5
Internal plans	0.3	0.3	0.3	0.3	0.5	0.8	0.9	1.0	1.0	1.2	-0.5	-0.6	-0.7	-0.7	-0.7
Basic plans	35.4	35.7	41.1	43.5	47.0	35.5	38.8	43.3	46.7	49.7	-0.2	-3.1	-2.2	-3.2	-2.6
CIMR	6.4	6.6	6.6	7.2	7.7	4.1	4.3	4.5	4.8	5.0	2.3	2.3	2.0	2.4	2.7
RCAR-RC	0.1	0.1	0.1	0.1	0.2	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Complementary plans	6.5	6.7	6.7	7.3	7.9	4.1	4.3	4.6	4.8	5.1	2.4	2.4	2.2	2.5	2.8
TOTAL	41.9	42.4	47.8	50.8	54.9	39.7	43.2	47.8	51.5	54.7	2.2	-0.7	0.0	-0.7	0.2

Table 13: Evolution in contributions, benefits and underwriting balance of pension plans

Pension plan investments reached 308.8 billion dirhams, up 4.7% compared to 2017. The structure of these investments is characterized by a predominance of fixed income investments with a share of 70.5% against 27.2% for equity investments.

13 - On the two long-term branches and family allowances

Figure 14: Evolution in the investment structure of pension plans



3.1.3 Demographic and financial perspectives of the main pension plans¹⁴

Actuarial valuations have been carried out by the Authority over a 60 year projection (2078) based on data for the 2018 financial year and projection assumptions derived from the demographic, economic and financial developments of the plans. The results of these valuations suggest that the demographic ratio of the basic plans would continue to decrease. It would settle in 2078 at 2.7, 1.9, 1.3 and 1.5 respectively for the CNSS, CMR-RPC, RCAR-RG and CIMR.

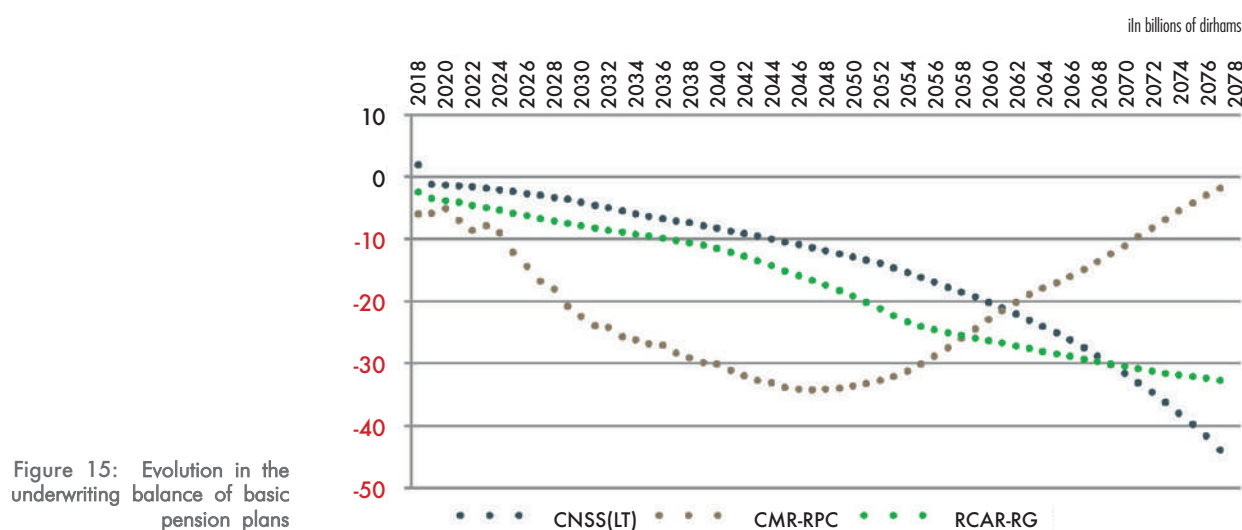
Table 14: Evolution in the demographic ratios of pension plans

	2018	2020	2025	2030	2040	2050	2060	2070	2078
CNSS	8.8	7.3	6.5	5.7	4.5	3.8	3.3	2.9	2.7
CMR-RPC	2.3	2.4	2.1	1.9	2.0	2.2	2.2	1.9	1.9
RCAR-RG	1.9	2.0	1.5	1.3	1.2	1.2	1.2	1.2	1.3
CIMR	2.8	2.5	2.1	1.9	1.8	1.7	1.6	1.5	1.5

Despite the parametric reform of the CMR-RPC, which took place in 2016, the weight of the plan's significant commitments will continue to weigh on its viability. The change in the underwriting balance of the plan would reach 33.9 billion dirhams in 2049 before recovering over the rest of the period to settle at 0.7 billion in 2078. The CNSS should register its first overall deficit (Long Term Branch) in 2024 while its reserves would be depleted in 2040.

The underwriting balance of RCAR-RG, which has been in deficit for several years, would no longer be offset by financial performance by 2025. From that date, the overall deficit would be covered by the plan's reserves until 2045.

¹⁴ - The CMR-RPC, the CNSS (Long-term Branch), the RCAR-RG and the CIMR



As regards the CIMR and despite recording a deficit underwriting balance towards the end of the projection period (2078), the plan would continue to record overall surplus and accumulate reserves over the entire projection period.

3.2 Basic Medical Coverage Sector

Compulsory Health Insurance, established by law No. 65-00 on the code of basic medical coverage, is insured through three plans: a plan for employees and pensioners in the private sector, managed by the CNSS (AMO-CNSS), a plan for employees and pensioners in the public and semi-public sector, managed by the Caisse Nationale des Organizations de Prévoyance Sociale (AMO - CNOPS) and a plan for students, also managed by CNOPS (AMO-Students).

The AMO gives the insured the right to reimbursement or to direct reimbursement of the costs of curative, preventive and rehabilitation care.

3.2.1 Compulsory Health Insurance (AMO) for employees and pensioners

◆ Demographic and financial indicators

The population of employees and pensioners in the public and private sectors covered by Compulsory Health Insurance reached 9.5 million beneficiaries (67.3% of which are covered by AMO-CNSS) against 9.0 million in 2017, recording an increase of 5.4%. Contributors also experienced an increase of 6.1% compared to 2017, thus reaching 4.1 million people.

Figure 16: Evolution in beneficiaries of AMO plans

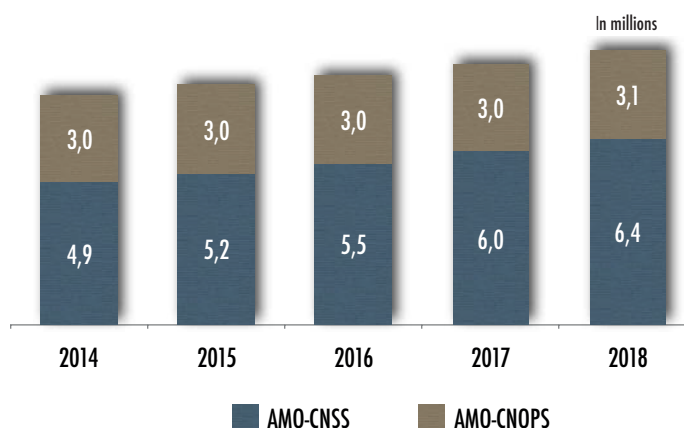
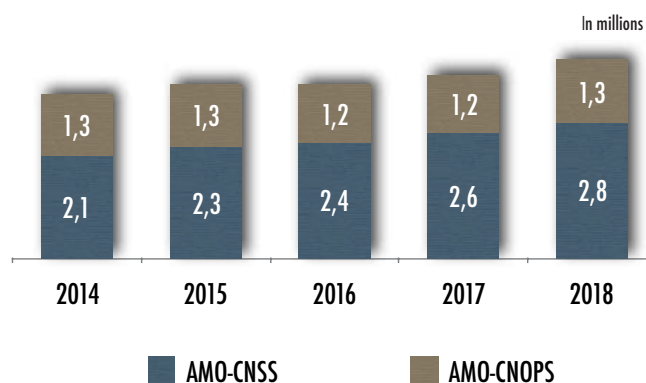


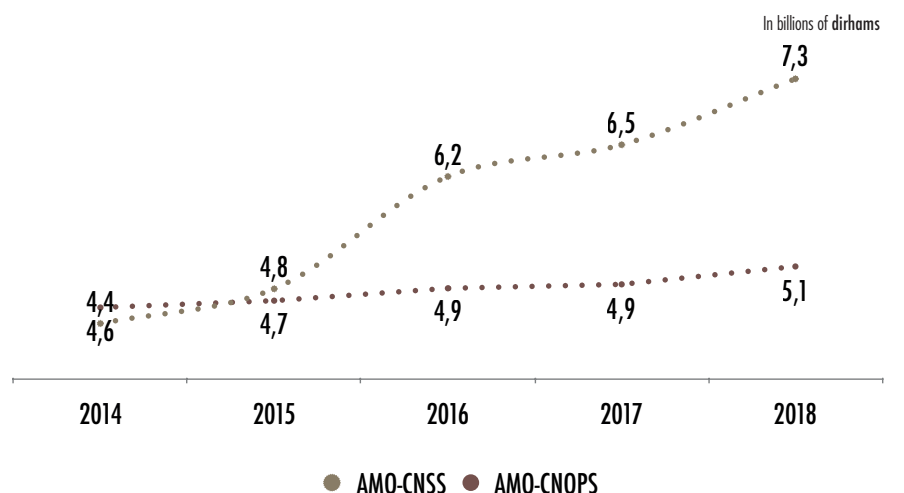
Figure 17: Evolution in contributors of AMO plans



Contributions to the two plans amounted to 12.4 billion dirhams (including 58.8% paid under the AMO-CNSS plan), an average annual growth rate of 8.2% over the last five years. This trend remains lower than that recorded by benefits under the two plans over the same period (9.5%). The latter reached in 2018, 9.1 billion dirhams against 8.3 billion recorded in 2017, an increase of 10.3%.

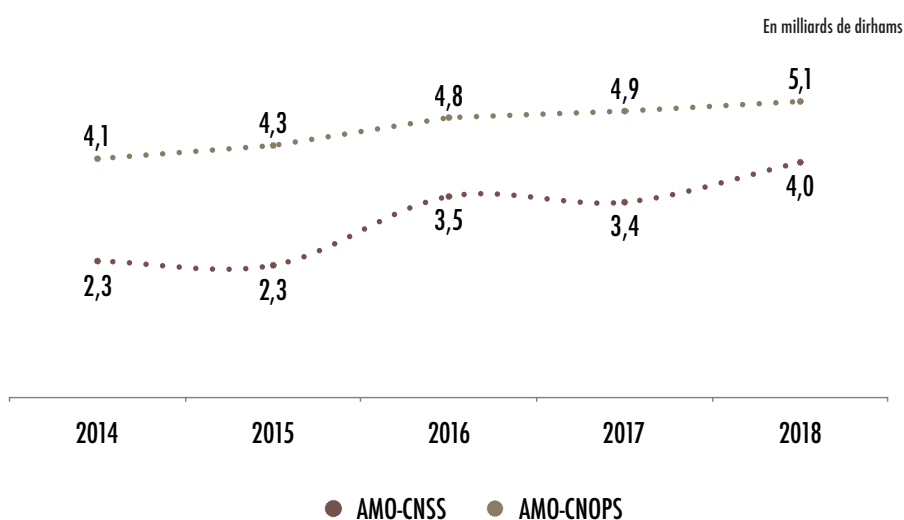
The technical reserves amounted to 4.0 billion dirhams against 3.9 billion in 2017, representing an increase of 4.3%. The surpluses made by the AMO-CNSS plan for the fiscal year reached 3.8 billion dirhams. The AMO-CNOPS plan recorded a deficit of 2.8 million dirhams. The amount of accumulated surpluses has thus increased to 36.1 billion dirhams (29.0 billion for AMO-CNSS and 7.0 billion for AMO-CNOPS) against 32.3 billion in 2017.

Figure 18: Evolution in contributions to AMO



En milliards de dirhams

Figure 19: Evolution in benefits paid by AMO



◆ Financial balances

The AMO-CNOPS plan recorded in 2018 an underwriting balance (contributions, benefits and costs) in excess of 30.1 million dirhams against a deficit balance of 12.6 million in 2017. The overall result, although in deficit for the second consecutive year, improved in 2018 to stand at - 2.8 million dirhams compared to - 22.5 million in 2017.

The AMO-CNSS plan retains its positive results with an overall balance of 3.8 billion dirhams against 2.9 billion recorded in 2017.

3.2.2 AMO for students

For its third year of operation, the compulsory health insurance plan for students recorded an increase of 2.5% in the number of insured persons compared to 2017 to reach 73,473 students covered, 99.8% of which attend public sector institutions and 43.8% of the total number represents students from vocational training institutions (public and private).

The contributions collected by CNOPS under this plan decreased by 10.1% compared to 2017 and reached an amount of 17.6 million dirhams. Benefits and costs paid amounted to 4.0 million dirhams against 2.9 million a year earlier.

The AMO-Students plan recorded, for the third consecutive year, a underwriting surplus balance which amounted to 13.0 million dirhams and an overall surplus of 6.7 million dirhams.

ISSUANCE OF THE DECREE-LAW ON THE ESTABLISHING OF THE MOROCCAN FUND FOR HEALTH INSURANCE

The Decree-Law No. 2-18-781 establishing the Moroccan Health Insurance Fund (CMAM) was issued on October 11, 2018. Created as a public establishment, the CMAM is responsible for the management of plans of the compulsory health insurance currently managed by CNOPS and, under specific legislation or an agreement approved by its Board of Directors, the management of any AMO plan intended to cover other categories of people.

3.3 Mutual Insurance Sector

The mutual insurance sector, governed by the provisions of the Dahir of 12 November 1963 on the statute for mutual insurance, is made up of 28 mutual insurance companies formed for the benefit of employees in the public, semi-public and private sectors. These provide their members and their family members with basic and/or additional medical coverage as well as coverage, within the framework of autonomous funds, against the risks of death, old age, disability and accidents. Mutual insurance companies can also manage social welfare activities for the benefit of their beneficiaries through the social works they create.

Mutual insurance companies had, at the end of 2017¹⁵, 1.3 million members against a population of 3.0 million beneficiaries. They collected an amount of 2.0 billion in contributions in near-stagnation compared to 2016. Benefits amounted to 1.6 billion dirhams, up 0.9% from a year to the other. For their part, the reserve funds and technical reserves set up by mutual companies amounted to 6.2 billion dirhams, recording an increase of 5.1% compared to 2016.

¹⁵ - The latest data communicated by mutual insurance companies subject to the control of the Authority relating to the 2017 financial year. In fact, some mutual insurance companies were unable to communicate the data relating to the 2018 financial year within the time limits and justified this by the delay in their approval by their general assemblies, despite the efforts made by the services of the Authority to this end.

ORGANIZING THE FIRST NATIONAL SOCIAL WELFARE MEETINGS

The Ministry of General Affairs and Governance organized the first National Meeting on Social Welfare on November 12th and 13th, 2018 under the theme: “Together for an integrated and sustainable social welfare system”. This event, which involved the participation of the various ministerial departments and public institutions concerned, economic and social players, civil society organizations and several experts, aimed to set up a roadmap for the reform of social welfare in Morocco.



3

ACTIVITIES OF THE BOARD AND ADVISORY BODIES

1. BOARD
2. REGULATORY COMMISSION
3. DISCIPLINARY COMMISSION
4. AUDIT AND RISK COMMITTEE

1.The Board

The Authority's Board held 3 meetings in 2018:

- The first meeting, on March 30th, concerned the approval of the Authority's financial statements for the 2017 financial year. Several other subjects were also dealt with by the Board, including in particular the management and mapping reference system for risks of the Authority and the takeover of Saham assurance and Saham assistance by the Sanlam group;
- The second meeting, on July 5th, concerned the approval of the CIMR statutes as amended by its Annual General Meeting of April 26, 2018 as well as the granting of approval to the insurance and reinsurance company "RMA Assistance" to provide assistance and reinsurance for this insurance category. The Council also approved the Authority's strategic plan for the period 2018-2020;
- The third meeting, on November 15th, focused on the review and approval of the Authority's budget for 2019. The Council also examined the report on the results of the control of operations of retirement or annuity practiced or managed by the persons governed by public law, for the year 2017, presented to the Head of Government.

STRATEGIC PLAN

The Authority's Strategic Plan (PSA 2018-2020) represents the Authority's first three-year roadmap after its creation. It draws its foundations from the guidelines of the Council, the established diagnosis and the values of the Authority.

The Authority's strategic plan is based on six strategic axes: Four fundamental pillars and two transversal axes forming the basic foundation of the strategic plan. The roadmap of the PSA 2018-2020 is as follows:

- **AXIS 1 - Strengthening the role of the Authority in the supervision of the insurance sector:** The Authority intends to pursue its mission of regulation and control of the insurance sector while ensuring the implementation of new regulatory mechanisms responding to the current challenges of the sector in accordance with the most advanced international standards. The first strategic axis addresses the desire to consolidate the supervisory role through two major objectives: the modernization of prudential supervision and the strengthening of the role of the Authority in terms of macro-prudential supervision.

- **AXIS 2 - Strengthening and developing the protection of policyholders :** In addition to prudential supervision which aims to ensure that insurance companies are able to honor their commitments for the benefit of policyholders and beneficiaries of contracts, the Authority is responsible for ensuring that the rights of the insured are protected in their relations with insurance companies and intermediaries. With this in mind, the Authority intends to set up the bases for overseeing market practices for better policyholders the insured and to continue its efforts in the area of insurance promotion and education.
- **AXIS 3 - Working for the development of a favorable environment of the insurance sector :** The insurance sector in Morocco has experienced sustained growth in recent years. It is necessary to build on this trend and on the developments that the market is experiencing both at the national and international level to continue this development. The Authority will support the development of the sector by setting up favorable regulatory frameworks and by encouraging initiatives aimed at broadening coverage through product innovation or the emergence of new distribution methods.
- **AXIS 4 - Strengthening the role of the Authority in terms of supervision and support of the social welfare sector:** The Authority oversees the three components of the social welfare sector: pension plans, mutual insurance companies and the bodies responsible for compulsory health insurance (AMO).
- **AXIS 5 - Strengthening the influence of the Authority on the national and international levels:** With a view to establishing the institutional positioning of the Authority as an independent authority in charge of the supervision, regulation and control of insurance and social welfare sectors, it is necessary to conduct a willful and proactive communication strategy. The influence of the Authority, both on the national and international scene, is therefore a priority within the framework of the strategic orientations.
- **AXIS 6 - Strengthening capacities and investing in the performance of the Authority:** The first two years of operations of the Authority focused on transversal and structuring projects in order to set up the operational bases of the Authority (organization chart, procedures, etc.). A ramp-up of business projects in the coming years, which aims to improve the efficiency of the Authority, has been undertaken.

Afin d'assurer la bonne mise en œuvre du plan stratégique de l'Autorité, une gouvernance spécifique et un mode de pilotage adapté sont mis en place.

2. REGULATORY COMMISSION

The Regulatory Commission held two meetings and issued advisory opinions concerning:

- The draft implementing texts of law No. 110-14 establishing a plan of coverage for the consequences of catastrophic events, amending and supplementing law No. 17-99 relating to the insurance code:
 - Decree implementing the aforementioned law No. 110-14;
 - Decree implementing Chapter V of Title II of Book 1 and of article 248-2 of Law No. 17-99 on the Insurance Code;
 - Decree relating to the first title of law No. 110-14, fixing the modalities and parameters relating to the benefit system, in particular the members of the commission for monitoring catastrophic events, the modalities for lodging the claim for compensation with the Solidarity Fund for Catastrophic Events as well as the procedures for determining and allocating the compensation granted by this Fund to victims;
 - Three orders relating to the insurance system, setting the parameters and operating methods of the compulsory guarantee against the consequences of catastrophic events, dealing with the fixing of the premium relating to this guarantee and setting the compulsory clauses to be contained in the insurance contracts.
- The draft implementing texts of the provisions of Law No. 17-99 relating to the insurance code relating to compulsory construction insurance ("Construction All Risks" (CAR) and "Decennial Civil Liability" (DCL)):
 - Decree issued for the application of Law No. 17-99, giving the Minister of Economy and Finance authority to fix the provisions for the application of Title IV (Construction Insurance) of Book II of Law No. 17-99 mentioned above;
 - Order fixing the parameters of compulsory CAR and DCL insurance (ceilings, deductibles and list of insurance exclusions);
 - Order fixing the standard terms and conditions of contracts relating to these two insurance policies.
- The request for approval of the modifications of the CIMR statutes;
- The draft circular relating to the documents to be produced by legal persons practicing or managing pension operations;
- The authorization request from the insurance and reinsurance company RMA Assistance.

3. DISCIPLINARY COMMISSION

No request has been referred to the commission in 2018.

4. Audit and Risk Committee

The Audit and Risk Committee held meetings in accordance with its internal regulations.

The first meeting focused on:

- The examination of the Authority's statements for the financial year 2017;
- The review of the Authority's risk management and mapping framework;
- The internal audit report for the 2017 financial year as well as the audit program for the 2018 financial year.

The second meeting focused on:

- The review of the Authority's budget for the 2019 financial year;
- Examination of the results of the additional work on the Authority's risk management system;
- The progress of the execution of the internal audit program for the year 2018.

RISK MANAGEMENT

The Authority has adopted a risk management system in order to have sufficient assurance on the control of risks that may impact the conduct of its activities and the accomplishment of its missions.

This system is based in particular on the following elements:

- Governance involving the Board for the definition of the main orientations as well as risk appetite, the Audit Committee, an internal risk management committee and an internal risk management structure;
- Tools and processes, including the risk appetite statement, the incident database, the risk inventory and the risk mapping.

In 2018, the tasks of the Audit Committee also involved examining the Authority's risk management system and presenting an opinion on this system to the Board.

Its new name, Audit and Risk Committee, thus reflects this new mission.

At the same time, an internal risk management committee was set up. This committee prioritizes in particular the action plans intended to deal with major risks and validates the risk mapping. It also carries out continuous monitoring of internal control and risk management systems, ensures follow-up within the framework of a risk-based approach of the Authority's strategic projects and meets, for this purpose, at minimum twice a year.



4 SUPERVISORY ACTIVITIES

1. REGULATION
2. SUPERVISION
3. PROTECTION OF THE INSURED, AFFILIATES, MEMBERS AND BENEFICIARIES OF RIGHTS
4. PARTICIPATION IN MACRO-PRUDENTIAL SUPERVISION

1. Regulation

1.1. Insurance sector

1.1.1 Organization of the insurance market

Among its regulatory duties, ACAPS oversees the organization of the insurance sector. As such, the Authority is responsible for taking decisions and granting authorizations relating to:

- The carrying on of insurance and reinsurance activities by an insurance and reinsurance company (granting of authorization, extension of authorization, etc.);
- The presentation of insurance operations by insurance intermediaries and the alternative network;
- The transfer of portfolios of contracts and/or claims from one insurance and reinsurance company to another;
- The merger between insurance and reinsurance companies;
- The takeover of an insurance and reinsurance company.

In 2018, the Authority:

- Licensed the RMA Assistance insurance and reinsurance company to carry out assistance operations and reinsurance relating to these operations;
- Authorized the takeover of SAHAM ASSURANCE and SAHAM ASSISTANCE by the South African group SANLAM;
- Took 430 decisions concerning insurance intermediaries:

	2017	2018
New entries	13	270
Change of address	82	48
Change of name	16	16
Change of legal form	12	7
Extension of authorization	0	6
Replacement of the designated representative	28	30
Change in position (agent - broker)	3	2
Withdrawal of authorization	20	51
Total	174	430

Table 15: Breakdown of decisions relating to insurance intermediaries in 2017-2018

In addition, the Authority granted:

- 10 approvals of general regulations governing repurchase and advance transactions for life insurance contracts and accumulation, in accordance with the Insurance Code;
- 48 authorizations to underwrite insurance contracts with foreign insurance companies, in accordance with article 162 of the insurance code;
- 14 favorable technical opinions for the transfer abroad of capital constituted under savings contracts underwritten in Morocco.

A 10x10 grid of dots forming a circular shape. The dots are arranged in a 10x10 square, with the outer dots forming a circle. A small 'x' is located at the center of the grid, specifically at the intersection of the 5th and 5th rows and columns (assuming 1-indexing from the top-left).

366 candidates successfully passed the exam, including 330 agents and 36 brokers.

Following the issuance of Decree-Law No. 2-18-117 of February 23rd, 2018 enacting transitional provisions relating to the automatic exchange of information for tax purposes, the Authority has published the list of insurance companies subject to to this law. It held several meetings with these companies in order to raise awareness of the challenges of the said law and support them in implementing all the due diligence necessary for its proper application.

In this context, the Authority has launched a study, in consultation with the various parties involved (MEF, FMSAR, CNRA, GIZ), entrusted to a firm specialized in the subject to develop a national diagnosis for the development of inclusive insurance in Morocco. The main objective of this diagnosis is the establishment of a detailed roadmap, specifying the actions to be taken in the fields of regulation, supply, demand and financial education in order to improve access of target populations to insurance.

1.1.2 Strengthening the regulatory framework

Law No. 64-12 gave the Authority the power to issue circulars for the performance of its tasks. It has also provided it with the opportunity to propose to the Government draft legislation or regulations concerning the sectors falling within its scope of action.

In this context and following the publication of Law No. 59-13 amending the Insurance Code and Law No. 110-14, establishing a scheme to cover the consequences of catastrophic events, the Authority continued the process of preparing, examining and approving draft implementing texts for both of these laws.

Implementation of the provisions relating to construction insurance (TRC-RCD)

The Authority continued the process of developing and consulting with the sector on the draft implementing texts relating to compulsory insurance “Construction All Risks” (CAR) and “Decennial Civil Liability” (DCL). These are the following texts:

- A draft decree issued for the application of Law No. 17-99 on the Insurance Code. This decree gives the Minister of Economy and Finance the authority to fix the implementing provisions for Title IV (Construction Insurance) of Book II of the aforementioned Law No. 17-99;
- A draft decree setting the parameters of the compulsory CAR and decennial civil liability insurance (caps, deductibles and list of insurance exclusions);
- A draft decree setting out the standard general terms and conditions of contracts relating to these two insurances.

Preparation of implementing texts relating to the scheme to cover the consequences of catastrophic events

Law No. 110-14 established a scheme to cover the consequences of catastrophic events. This law provides for a mixed system combining two systems :

- An insurance system for the benefit of persons who have taken out insurance contracts through the mandatory inclusion of catastrophic risk coverage in these contracts;
- An allocation system guaranteeing compensation for bodily injury and loss of principal residence in the event of a

As part of the implementation of this scheme, the Authority has prepared the following draft texts:

- Decree implementing Law No. 110-14. This law provides in particular for the list of natural agents that could constitute a catastrophic event, the provisions relating to the reporting of the event, the procedures for maintaining the register of catastrophic events and the registration of victims in that register and the mode of governance of the scheme;
- Decree implementing Chapter V of Title II of Book 1 and of article 248-2 of Law No. 17-99 on the Insurance Code. This decree gives the Minister of Economy and Finance the power to fix the operating methods of the coverage against the consequences of catastrophic events and the premiums or contributions relating to this coverage as well as the commission rates for insurance operations under the said coverage;
- Decree relating to Title I of Law No. 110-14, which sets out the terms and parameters of the allocation system, in particular the members of the commission monitoring the catastrophic events, the procedures for submitting a claim for compensation to the Solidarity Fund for Catastrophic Events and the procedures for determining and awarding compensation granted by the Fund to victims;
- Three decrees relating to the insurance system, setting the parameters and operating procedures for the compulsory coverage against the consequences of catastrophic events, dealing with the determination of the premium relating to this coverage and laying down the mandatory clauses to be included in insurance contracts.

Moreover, in order to complete the regulatory framework relating to the insurance component of the plan to cover the consequences of catastrophic events, the Authority has prepared a draft circular relating to the accounting and financial management of the coverage against the consequences of catastrophic events. This project fixes the terms of unbundling of the accounts of this coverage from other operations. It also provides for the creation of a provision for fluctuation in claims.

Continued implementation of the regulatory framework for Takaful Insurance:

Law No. 59-13 established the legal framework for Takaful insurance and reinsurance. This law introduced the basic principles relating to the functioning of this type of insurance and its management by the Takaful insurance or reinsurance company. It also requires that any draft circular or regulatory text concerning Takaful insurance be submitted to the Higher Council of Islamic Scholars (CSO) for approval.

Following the recommendations made by the CSO, a draft amendment to the “Takaful” legal framework provided for by the insurance code was prepared by the Authority in collaboration with the General Secretariat of the Government and the Ministry of Economy and Finance.

After the assent of the CSO, this draft amendment was adopted by the Government Council on October 18, 2018 and submitted to Parliament.

At the same time, the Authority proceeded to aligning the draft implementing texts with the amendments introduced at the level of the insurance code:

- The draft decree giving the Minister of Economy and Finance the authority to fix the general conditions relating to Takaful insurance contracts, the methods of remuneration of insurance and reinsurance companies for the management of the Takaful insurance account as well as the methods of sharing of the technical and financial surpluses of the Takaful insurance accounts between the participants in these accounts;
- A draft decree of the Minister of Economy and Finance on takaful insurance, which provides in particular, for the measures necessary for the full application of certain provisions of the Insurance Code with regard to this type of insurance. It also provides for the remuneration of the insurance and reinsurance company for the management of the Takaful insurance account and for the distribution of the technical and financial surpluses of the Takaful insurance accounts;
- A draft circular defining the specific provisions of Takaful insurance, which sets out in particular the conditions for exercising this type of Takaful insurance, the specific prudential rules applicable to it, the procedures for determining the technical and financial surpluses in Takaful accounts, the procedures for granting and recovering the Takaful advance and the rules specific to internal control and compliance with CSO;

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The draft circular as well as the aforementioned draft regulatory texts have been sent to the Ministry of Economy and Finance and to the General Secretariat of the Government.

Draft circular relating to the application of the provisions of Law No. 43-05 on anti-Money Laundering and Combating the Financing of Terrorism

In order to comply with the FATF standards in the fight against money laundering and the financing of terrorism, the Authority has prepared a draft amendment to the circular relating to the application by the insurance sector of the provisions of the Law No. 43-05 on the fight against money laundering and combating the financing of terrorism (AML/CFT). This project takes into account the recommendations of the FATF and aims to remedy the shortcomings identified during the application of the circular in force.

The main contributions of this draft amendment relate to:

- The requirement to set up a risk-based approach appropriate to each market player and the introduction of the principle of simplified vigilance in terms of identification in the least risky activities;
- Strengthening the rules for identifying beneficial owners, in particular for certain legal persons;
- The accountability of the board of directors or the supervisory board on the establishment, approval and implementation of a permanent AML / CFT vigilance and internal watch system as well as its regular updating.

Preparation of the draft instruction on the implementation of the provisions of Article 247 of the Insurance Code:

Among the amendments introduced by Law No. 59.13 is the overhaul of the Authority's control system for specimen insurance contracts, with the aim of making insurance companies more accountable for the compliance of their insurance contracts.

In fact, Article 247 of the Insurance Code as amended gives insurers the possibility to issue specimen insurance contracts on the market without prior submission to the Authority. The insurers are obligated now to validate specimen contracts before they are issued, in accordance with the procedures set by ACAPS.

To this end, a draft instruction setting out the modalities of the above-mentioned validation has been prepared.

1.2. Social welfare sector

1.2.1 Approvals and authorizations

Pension sector

The Authority approved the new version of the statutes and the general pension regulations presented by the Moroccan Interprofessional Pension Fund (CIMR).

Mutuals sector

The Authority has examined five applications for approval of the statutes of mutual insurance companies (two establishments and three amendments) and three applications for approval of the regulations of autonomous funds (one establishment and two amendments).

The Authority also reviewed:

- An authorization for the acquisition of buildings by a mutual insurance company to establish its headquarters;
- An authorization for the sale of a building by a mutual company;
- An authorization for the construction of a building by a mutual fund to establish its headquarters;
- An authorization for the execution of building development work by a mutual fund;
- Four requests for exemption from the investment rules provided for in Article 20 of Dahir No. 1-57-187.

1.2.2 Contribution to the enhancement of the regulatory framework

Circulars

During 2018, the Authority submitted to the Ministry of Economy and Finance, for approval, a draft circular intended to set the form and deadlines for the production of documents and statements required from public-law bodies practicing or managing retirement operations (CMR, CNSS, RCAR and the internal schemes of BAM and ONEE), in application of the provisions of article 11 of law No. 64-12 establishing the authority. This project also determines the conditions for establishing an actuarial balance sheet, the objective of which is to assess the financial sustainability of the operations carried out or managed by these organizations.

Legislative and regulatory texts

The Authority has proposed to the Ministry of Economy and Finance two draft decrees and a draft order as part of the implementation of the recommendations contained in the annual

report on the supervision of pension plans presented to the Head of the government. These texts relate to:

- The management methods of the National Pension and Insurance Fund (CNRA) by the Caisse de Dépôt et de Gestion, in order to establish rules of good governance and better transparency in management. The draft decree lays down the principles to be respected with regard to the organization of the CNRA, the rules of its governance, its financial management and the consideration for this management method;
- The establishment of a new mechanism for reviewing the rate of the RCAR's variable contribution, making it possible to maintain a minimum level of the plan's available funds and to ensure the balance between plan revenues and expenses over a minimum period of 10 years;
- Review of the mechanism for revaluing retirement pensions paid by RCAR;
- Adjusting the interest rate at which the employee contribution and the fixed employer contribution recorded in the individual book of an RCAR affiliate, are well funded.

The Authority also issued opinions on two draft laws concerning the amendment of Law No. 24-92 establishing a pension scheme for the benefit of members of the House of Representatives. The purpose of these two draft laws from different parliamentary groups was to change certain operating parameters of the pension system in order to guarantee its sustainability.

Moreover, the Authority contributed to the drafting of the implementing texts of laws No. 98-15 and 99-15 relating respectively to the compulsory health insurance scheme and to the pension scheme for professional categories, self-employed workers and self-employed persons exercising a liberal profession. These are 4 decrees and 2 orders to be implemented:

- A draft decree comprising provisions relating to the two regimes which specify the implementing texts for Law No. 65-00 on the code of basic medical coverage applicable to this population, the information to be communicated to the CNSS, certain relative terms upon retirement and the composition of the categories of this population;
- A draft decree fixing the rate of contributions under the compulsory health insurance scheme for the categories of professionals covered by the law. This rate has been set at 6.37% of the flat-rate income of each category for working people (same rate as that of AMO-CNSS) and 4.52% of the total amount of pensions received for pensioners;

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2. SUPERVISION

2.1. Supervision of insurance and reinsurance companies and the distribution network

● Permanent supervisory activities

The permanent supervisory operations of insurance and reinsurance companies and the missions carried out on-site led to the following conclusions:

◆ *Surplus coverage of insurers' commitments to the insured and contract beneficiaries*

All companies have reserves covered by eligible assets in accordance with regulations and within the prudential limits set by them; a company has been asked to reduce the funding deficiency. The average coverage rate as of December 31, 2018 is 102.3%.

◆ *A surplus solvency margin*

Insurance and reinsurance companies meet the required solvency margin with the exception of a company that has been subject to a recovery plan since 2013. The Authority required this company to carry out a quantitative audit of the progress made in the execution of the plan.

The Authority has also found that the shareholders' equity of a local company is below the minimum capital required by the regulations, although the solvency margin is met. This company has been called upon to strengthen its shareholders' equity.

Similarly, a newly approved insurance company has increased its share capital at the request of the Authority, following the difference noticed between the solvency ratio provided for in its business plan and that generated from its activity.

The solvency margin constituted by insurance companies represents 414.7% of the required regulatory threshold. For the reinsurance sector, this margin lies at 254% of this threshold.

◆ Improving governance of the sector

In terms of good governance, the regulatory provisions relating to internal control are generally well implemented.

Moreover, several meetings were organized with those responsible for internal audit in order to encourage them to improve the quality of the reports produced.

Furthermore, the Authority approved the appointment of new officers and the appointment of auditors of insurance and reinsurance companies, in application of the new provisions of the insurance code which strengthened the prerogatives of the Authority in matter.

◆ Improving the quality and deadlines of financial and statistical information provided to the Authority

In order for the Authority to have reliable and timely data, the following actions have been carried out:

- The recasting of certain statistical and financial documents provided for by the regulations in force;
- Training and awareness sessions were organized for the benefit of the sector in collaboration with the Moroccan Federation of Insurance and Reinsurance Companies (FMSAR);
- Imposing financial penalties in accordance with the new regulatory framework, which increased the amount of fines from MAD 500 to MAD 1000 per day and per statement and which can reach up to MAD 5000. 18 companies were concerned by these fines.

- ◆ *Monitoring compliance with insurance rates*

Regarding the pricing criteria for automobile liability insurance, several actions taken by the Authority have contributed to compliance with the pricing rules by companies and insurance intermediaries. These actions focused mainly on compliance with the no-claim bonus and premium load (Coefficient de Réduction et de Majoration (CRM)), the conditions for granting the price reduction applicable to the Saharan provinces and the border insurance rate.

◆ *The continuation of efforts to control non-payments by the insured and insurance intermediaries*

The Authority's draft general circular, which is currently being adopted, requires insurance companies to set aside provisions for their receivables from the insured and insurance intermediaries. Thus, in preparation for the entry into force of this circular, the Authority ensured during 2018 that insurance companies continued to carry out the clearance of balances of receivables accumulated in previous years, through various audits and reconciliations of balances between the parties

◆ *Progress in the liquidation of companies whose authorization has been withdrawn*

Monitoring the liquidation of companies whose authorization has been withdrawn before the promulgation of the insurance code is the responsibility of the Ministry of Economy and Finance. Nevertheless, and at the request of the Minister, the Authority continues to supervise this liquidation operation.

At the end of 2018, the liquidation rate of the five insurance companies Arabia, Cada, Renaissance, Remar and Victoire, reached more than 96%.

In addition, the closing of an insurance delegation that ceased its activity in the 1970s was declared.

●●● **Inspection activities**

Inspections are aimed at carrying out a global on-site audit of insurance and reinsurance companies. This may cover all or part of the company's activities.

Two insurance companies were audited in 2018 and were the subject of a report focusing mainly on shortcomings in terms of their governance and risk management.

Moreover, specific missions were carried out and focused on:

- The use of the no-claim bonus and premium load by insurance intermediaries and companies. The involvement of insurance companies in this process and the improvement of the operation of the IT solution have made it possible to drastically reduce the number of cases of infringement;
- The non-settlement of "borrower's death" files for lack of information produced by the beneficiaries justifying the cause of death of the insured. On this subject, an agreement was reached with the sector to clear the unpaid files under certain conditions, while waiting to find a final solution with the Ministry of health concerning the death certificate.

2.1.2 Control of the Distribution Network

The distribution network is subject to the Authority's supervision in order to ensure compliance with the operating and management conditions provided for in Book IV of Law No. 17-99 on the Insurance Code and the texts adopted for its application. In addition to the missions scheduled each year and covering the entire network across the national territory, the Authority carries out missions initiated on the basis of the review of the statements communicated and the complaints received.

Control carried out

◆ 308 insurance intermediaries were inspected.

As a continuation of 2017, the Authority has stepped up its efforts to supervise the distribution network with the objective of covering all the Kingdom's points of sale within five years. As a result, it inspected 308 insurance intermediaries operating in the 12 regions of the country.

This inspection focused on compliance by intermediaries with the legal and regulatory provisions provided for by the Insurance Code and its implementing texts. Particular attention was paid to:

- Ensuring compliance with the provisions of the circular on the collection of insurance premiums ;
- Ensuring the implementation of the CRM by the network;
- The verification of the implementation of the pricing criteria relating to the geographical location of the automobile civil liability risk.

Disciplinary measures and withdrawal of authorizations

In addition to the administrative fines, several disciplinary measures were taken against insurance intermediaries. These measures can be broken down as follows:

NATURE OF THE SANCTION	AGENT	BROKER	TOTAL
Injunctions	68	7	75
Warning notice	32	3	35
Reprimand	37	9	46
TOTAL	137	19	156

Table 16: Sanctions imposed by ACAPS against insurance intermediaries

Moreover, 683 awareness letters were sent to insurance intermediaries.

Finally, 28 authorizations were withdrawn due to expiry.

2.1.3 Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)

The year 2018 was marked by the establishment of a roadmap, developed on the basis of:

- The conclusions of the mutual evaluation of the national AML / CFT system by the Financial Action Task Force for the Middle East and North Africa (MENAFATF) of which Morocco was the subject;
- The National Risk Assessment (NRA) work;
- The status report of the insurance sector prepared by the Authority.

As for the mutual evaluation of the national AML / CFT system by MENAFATF, the Authority actively participated, through meetings and exchanges between the evaluators and the Moroccan delegation, in improving the rating of the two components "Technical compliance" and "efficiency" of the Moroccan financial sector.

Moreover, the Authority contributed to the national risk assessment (NRA) on the analysis of threats and vulnerabilities related to money laundering and the financing of terrorism at the national level. This assessment was carried out in conjunction with the Financial Intelligence Processing Unit (UTRF) and the financial sector supervisory authorities.

These assessments have enabled the Authority to identify the priority projects of the aforementioned roadmap which are perfectly in line with its strategic vision focused on a risk-based supervision approach, strengthening of national and international cooperation actions, permanent adaptation of the legal framework and support for economic players in understanding and implementing an effective AML / CFT system.

In 2018, several actions included in the aforementioned roadmap were carried out:

- At the regulatory level, the project to update the AML / CFT circular was undertaken in line with the recommendations of the FATF;
- On the operational level, several control missions dedicated to AML / CFT with economic players have been carried out;
- In terms of cooperation, several coordination actions have been carried out with the Financial Intelligence Processing Unit (UTRF) and the financial sector supervisory authorities.

In terms of supporting economic players, several meetings to raise awareness and promote the AML / CFT system were held.

2.2 Technical and prudential supervision of social welfare institutions

2.2.1 Pension sector

In addition to permanent supervisory activities, the Authority carried out in 2018:

- A control of the governance, information systems and risk management of public-law persons managing pension or annuity operations. The results of this control were the subject of a report addressed to the Head of Government;
- The launch of a control mission focusing on the accounting process for CNSS contributions and benefits. This mission will continue in 2019 while focusing on the other pension funds.

2.2.2 Mutuels sector and AMO

In 2018, the Authority carried out the following work:

- Inspection of accounting, financial and statistical documents communicated by mutual insurance companies and AMO management bodies;
- Carrying out an on-site inspection mission of a mutual fund working in the public sector and another in the private sector. This control concerned aspects related to management and operation, in particular governance, the existence and efficiency of procedures, financial balance, the quality and reliability of accounting and financial information and the proper use of resources;
- Participation in the work of the control commissions of eleven mutual insurance companies created by public administration and public service employees. These commissions are responsible for submitting a report on accounting management to the General Meeting of these mutual insurance companies;
- Carrying out an actuarial study in order to assess the financial balance of a mutual insurance company over a 10-year period.

3. PROTECTION OF THE INSURED, AFFILIATES, MEMBERS AND BENEFICIARIES OF RIGHTS

In accordance with the missions entrusted to it by Law No. 64-12, the Authority ensures that the entities under its supervision comply with the rules for the protection of the insured, beneficiaries of insurance contracts and affiliates. It also has the power to investigate any claim regarding the operations carried out by this entities to such entities relating to the transactions they carry out or manage.

The strategy for the protection of the insured as adopted in 2017 revolves around the following areas:

- To ensure the fair treatment of the insured;
- To ensure that underwriters, the insured and beneficiaries of insurance contracts are informed;
- To develop the insurance culture and raise citizens' awareness of it;
- to expand insurance coverage;
- to handle complaints submitted to the Authority against insurance companies and intermediaries.

To this end, the Authority undertook the following actions in 2018:



Development of a frame of reference for the fair treatment of the insured and keeping them well informed

The Authority has carried out an analysis of the national legal and regulatory framework in force, international standards and foreign experiences concerning the two fundamental aspects of the protection of the insured, namely fair treatment of customers and keeping them well informed.

This analysis concluded that there is a need to supplement the existing frame of reference with new requirements to achieve these two goals of fair treatment of customers and keeping them well informed.

These new requirements essentially revolve around the following points:

- Making sure the fair treatment of customers is established as a fundamental element of the culture and governance of insurance companies;
- Designing and marketing the insurance products that comply with regulations and take into account the interests of the targeted consumer group;
- The diligent processing of claims and claims, in a fair manner

- Providing customers with accurate, clear, understandable, sufficient and non-misleading information enabling them at any time to make an informed decision as to their choice and the exercise of their rights.

Implementation of the validation process of insurance contracts by insurance companies

To this end, the Authority has made the following tools available to the sector:

- These tools would allow insurers to simplify their internal validation process and to substantially reduce the risk of non-compliance with marketed contracts. They would also allow the Authority to facilitate compliance monitoring of these contracts.

Following the review of the compliance of sample insurance contracts with the regulations in force, in 2018, the Authority issued 83 decisions relating to the marketing of new contracts, compared to 60 in 2017. These decisions are broken down by category of insurance contracts as follows:

Table 17: Number of decisions concerning new contracts by category

INSURANCE CONTRACTS	NUMBER OF DECISIONS
Assistance	42
Pension savings	13
Sickness/Accidental injury	10
Life insurance	3
Automobile	5
Multi-risk home	3
Professional multi-risk	2
Multi-risk school	1
Credit	2
Machinery breakdown	1
Monetary loss	1
TOTAL	83

The improvement of the coverage conditions for certain products

In order to improve the scope of coverage and the compensation process for certain types of insurance contracts, consultation with the sector was carried out and resulted in:

- For assistance: the integration of a new option in assistance contracts allowing to expand the coverage to all illnesses excluded from the basic guarantee, up to a flat-rate ceiling fixed in the contract;
- For auto insurance:
 - The implementation of underwriting options to fix the difficulties associated with estimating the market value of the vehicle and its impact on the compensation levels for damage to insured vehicles;
 - Full compensation of passengers for "Automobile liability insurance" insurance by the first insurer referred, regardless of the decision on extent of responsibility.

Improvement of the coverage offer

With a view to fixing the issues associated with covering certain long-term civil liability risks, the Authority has developed a draft amendment to the insurance code aimed at setting up a new framework enabling insurance companies to market claim-based liability insurance products.

Control of business practices

As part of its mission to monitor business practices, the Authority has developed a control procedure drawing inspiration from best practices

Moreover, the Authority carried out a first audit mission in an insurance company focusing on automobile insurance compensation. The identified shortcomings were the subject of a report sent to the company concerned so that it presented a solution.

The authority launches its new website

In a constant effort to improve and facilitate access to information for the public, the Authority launched, in September 2018, the new version of its website www.acaps.ma.

The redesign of the website is part of the actions implemented by the Authority to improve services for the general public and its various partners. The new website of the Authority has been redesigned to facilitate access and search for information and offers a more lively and user-friendly interface presenting a broad overview of the Authority's missions and activities.

The website is accessible in three languages (Arabic, French and English), and offers simplified access to a large number of content: publications, regulatory texts, sector statistics, guides, etc.

Information intended for the general public is also available through the new website. While keeping in mind that the protection of the insured, affiliates and members requires information and awareness-raising, the Authority has provided its new website with rich outreach content: a section dedicated to citizens "ACAPS and You", which aims to inform about the rights and obligations of the insured, affiliated and members. This section also presents the basic concepts and definitions in insurance and social welfare: Frequently Asked Questions (FAQ), Glossary, access to the claims management platform, etc.

With a view to adapting to new uses of the web, the new website of the Authority has been developed with a responsive design in mind, which adapts to the different screen resolutions and devices used (smartphone, tablet, etc.).

Financial education

As part of the Finance Days for Children and Youth (JFEJ), and in collaboration with the Moroccan Foundation for Financial Education, the Authority opened its doors to 250 high school students who were educated on the usefulness and the basic principles of insurance and social welfare.

Awareness campaign for insurance intermediaries on the protection of the insured

The Authority launched this year an awareness program for insurance intermediaries on the Authority's missions, regulatory requirements and best practices in terms of protecting the insured, with a view in particular to help them meet their obligations towards policyholders. Several workshops were organized in the Casablanca-Settat, Fès-Meknès, Tangier-Tetouan-Al Hoceima, Oriental, Marrakech-Safi and Souss-Massa regions. These workshops benefited 450 intermediaries operating in these regions.

Furthermore, an information and awareness-raising workshop on the protection of the insured was organized for the benefit of managers of insurance and reinsurance companies.

Preservation of the rights of beneficiaries of mutual insurance companies

As part of the implementation of the agreement relating to the problem of incorrectly paid contributions, the committee responsible for monitoring the agreement held, in 2018, 8 meetings which resolved 48.0% of the 501 cases identified.

As a reminder, the said agreement, signed in 2017 between the five mutuals concerned, has set up a framework enabling the latter to pay the benefits due to their members and to appeal to the mutuals that have improperly received their contributions.

Complaints management

1288 complaints from the policyholders, affiliates and beneficiaries of rights

Insurance:

The Authority received 1,229 complaints compared to 618 in 2017, recording an almost 100% jump. Of this total, 348 were sent via the

electronic complaints management platform, i.e. 28%.

Complaints from lawyers for the enforcement of court judgments continue to rank first with 832 complaints, or 67% of the total number of complaints.

854 complaints relate to automobile insurance and 196 relate to work accidents.

	Lawyers	Other	Total
Occupational Sickness/Accident	163	33	196
Assistance		20	20
Other	12	38	50
Other supplementary schemes	20	12	32
Sickness		23	23
Supplementary automobile bodily injury scheme	605	89	694
Supplementary automobile material damage scheme	23	137	160
Multi-risk	6	11	17
Life and accumulation	3	34	37
Total	832	397	1229

Table 18: Number of insurance complaints

Social welfare:

In 2018, the Authority processed 59 complaints relating to social welfare, 34 (57.6%) of which relate to pension plans and 25 (42.4%), medical coverage (AMO and Mutuals).

4. PARTICIPATION IN MACRO-PRUDENTIAL SUPERVISION

ACAPS actively contributes to the stability of the financial system by conducting ongoing analysis and monitoring of risks to the sector in order to identify, at an early stage, trends, potential risks and weaknesses that could have an impact on financial stability.

Moreover, ACAPS takes all measures necessary to facilitate and coordinate supervisory actions aimed at stabilizing the financial sector, in particular through its active participation in the efforts of the Systemic Risk Coordination and Monitoring Committee (CCSRS).

Contribution to the biannual meetings of the Systemic Risk Coordination and Monitoring Committee (CCSRS)

The Authority took part in the two bi-annual meetings of the CCSRS. During these meetings, the committee examined the monitoring of risk indicators within the national financial market, the state of progress of the financial stability roadmap (2016-2018) and the establishment of a roadmap dedicated to managing cyber risks.

The members of the committee also validated the 2017 financial stability report, published in July 2018.

Strengthening of the financial stability framework

In order to strengthen the Authority's role in the stability of the financial sector, a draft amendment to Law No. 64-12 establishing the Authority has been prepared. This draft provides for the Authority to be entrusted with the mission of monitoring financial stability.

Furthermore, a draft amendment to the Insurance Code has been prepared and aims to establish a legal framework for the identification of systemic insurers, preventive measures, early response, and crisis management and resolution. This draft also provides for the establishment of a framework to ensure the fault handling of insurance companies, while aligning with international standards including those decreed by the Financial Stability Board (FSB).

The three Supervisory Authorities and the Ministry of Economy and Finance have prepared a draft circular setting out the requirements to be observed by the bodies which control the financial conglomerates. These requirements relate to the rules to be respected in terms of governance, internal control system, risk management and financial communication.

The draft circular comes under article 21 of law No. 103-12 on credit institutions and similar bodies. This law instructed the CCSRS to coordinate the supervision of financial conglomerates and set up the methods of application of this article by joint circular of the Financial Sector Supervisory Authorities.

The draft circular has been submitted for approval to the CCSRS.

CONCEPT OF FINANCIAL CONGLOMERATE

Article 21 of Law No. 103-12 on credit institutions and similar bodies, defines a financial conglomerate as any group meeting the following three conditions:

- Be under the sole control or significant influence of a group entity having its head office or main activity in Morocco;
- At least two of the group's entities must belong to the banking and / or insurance sector and / or the capital market sector;
- The financial activities carried out by the group are significant.

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- The financial activities carried out by the group are significant.

The analytical framework for the financial stability of the insurance sector consists of two essential components:

- A global risk mapping based on a set of quantitative and qualitative indicators used to identify, measure and monitor the risks to the insurance sector;
- A Stress Test system aimed at evaluating the resilience of the sector to these risks.

In order to further strengthen this analytical framework, the Authority has completed the range of indicators by incorporating

a new indicator to measure the concentration of the insurance market, drawing inspiration from the "Herfindal-Hirschman" index.

The Authority has also developed a Macro Stress Tests model for the insurance sector, aimed at measuring the impact of exceptional shocks emanating from the macroeconomic environment and assessing the resilience of insurers against these shocks. A first Macro Stress Test exercise was carried out in 2018, the results of which show that the insurance sector generally absorbs the effects.



5 SUPPORT ACTIVITIES

1. Human capital
2. Information systems

1. Human capital

1.1. Workforce The Authority has a workforce of 154 employees, 51% of whom are women and 49% men. The average age is 40 years old and the management to staff ratio is 82%.

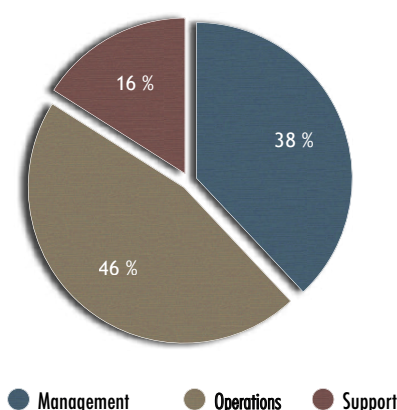


Figure 20: Breakdown of workforce by profession

1.2. Recruitment The year 2018 was marked by the expiration of the two-year secondment period for officials from the Ministry of Economy and Finance to the Authority. Thus, out of a staff of 103 seconded officials:

- 66 have definitively joined the Authority;
- 37 have decided to return to the Ministry of Economy and Finance.

At the same time, the Authority has increased its workforce by recruiting 4 managers, 13 executives and one agent, covering the business operations and the support.

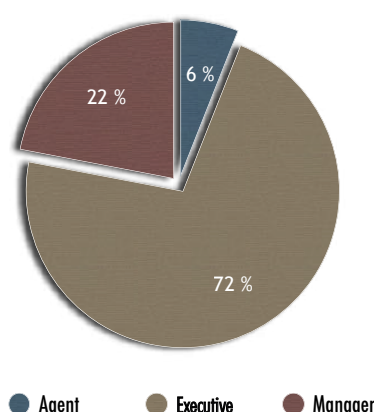


Figure 21: Breakdown of recruits in 2018

1.3. Training The development of skills is one of the Authority's priorities. As such, training represents a strategic investment of the institution and a fundamental component of the policy for managing its human capital

The training plan, which is based on business needs, was developed using a participatory approach, derived from the Authority's strategic guidelines.

Therefore, 43 training sessions, including 23 in-company and 20 inter-company, were organized. The Authority also contributed to the funding of 3 degree courses. The average educational satisfaction rate for these training sessions is 85%.

A total of 119 employees received at least one training, representing an access rate of 75%, and 902 days of training. Budgetary consumption stands at MAD 1,738,775, or 76.2% of the allocated budget.

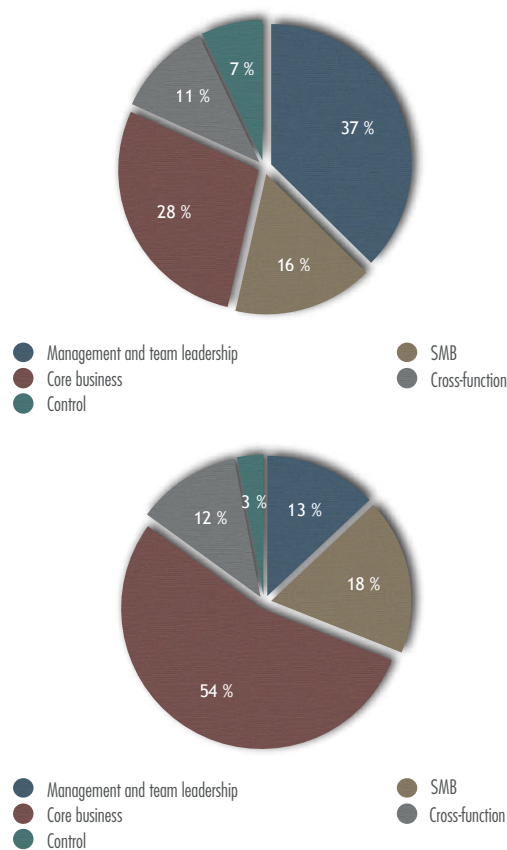


Figure 22: Investment and workforce trained by subject area

1.4. Mobility and career policy

The Authority has also implemented a mobility and career policy for employees aimed at:

- Clarifying career development opportunities, in particular through career paths as well as priority access to job openings;
- Establishing clear and natural career paths within each sector with clear promotion rules;
- Setting up Individual Development Plans focused on the skill gaps to be filled in order to apply for a position;
- Promoting the integration of employees, in particular through the sponsorship system;
- Using the expertise of the Authority to improve employee retention through mobility.

2. Information systems

After the implementation of several cross-functional applications (HR tool, digitizing of EDM mail (Electronic Document Management), budget monitoring, etc.), the Authority set out to modernize business applications in 2018, particularly in terms of the management of insurance intermediaries and interactions with the insurance sector. Major projects have thus been carried out with the network (Management of intermediaries) as well as with insurance and reinsurance companies (EAR exchange platform).

In order to best support these projects of modernization and digitalization of applications, the Authority placed, in 2018, the information system security at the heart of its priorities through projects aimed at strengthening the security system.

2.1. Management of intermediaries

With the aim of improving and digitizing the services intended for insurance intermediaries and direct offices, a new module for managing approvals and authorizations has been integrated into the Web 'Inter platform that was developed in 2017.

These developments have covered the following features:

- Management of approvals / authorizations;
- Administrative actions affecting the data sheet of the distribution network.

2.2. Platform for exchanges with insurance and reinsurance companies

In 2018, the Authority initiated a structuring project to set up an platform for exchanges with insurance and reinsurance companies which aims to optimize, standardize and simplify the reporting of statistical data

This platform will ultimately consolidate the data of insurance and reinsurance companies and generate dashboards.

This project will be implemented in 2019.

2.3. Information system security policy

2018 was marked by the development of a security policy aimed at strengthening the security of the Authority's information system, by using good practices in this area.

2.4. Security Operating Center

In 2018, the Authority set up a system for securing and monitoring the information system (Security Operating Center - SOC) in order to monitor and detect failures in the computer system

This device ensures:

- The detection of vulnerabilities and unusual behavior that can affect the computer system;
- The comprehensive analysis of security incidents: identification, investigation and reporting;
- The remediation and troubleshooting of security incidents.



5 INTERNATIONAL ACTIVITIES

1. INTERNATIONAL ORGANIZATIONS AND BODIES
2. BILATERAL COOPERATION

1. INTERNATIONAL ORGANIZATIONS AND BODIES

Within the framework of the missions assigned to it, ACAPS represents the Kingdom of Morocco in many key international bodies where it is involved in the supervision and regulation of the insurance and social welfare sectors.

International Association of Insurance Supervisors (IAIS)

IAIS is the standard-setting body for the international insurance industry. The association brings together nearly 200 jurisdictions which account for more than 97% of insurance premiums worldwide. IAIS defines the standards applicable to the supervision, insurance players and the insurance markets operations. It also assists in their implementation in the various member jurisdictions. IAIS is a member of the Financial Stability Board.

The Authority is an active member of the International Association of Insurance Supervisors (IAIS) and takes part, on a regular basis, in the meetings and work of the IAIS committees. In fact, the Authority is a member of the main committees of the association, including the Executive Committee, Audit and Risk Committee and Implementation and Evaluation Committee.

International Organization of Pension Supervisors (IOPS)

IOPS is an independent organization bringing together observers from about fifty countries with different levels of economic development. It aims to:

- Establish international standards;
- Promote best practices in the supervision of private pensions (schemes not covered by Social Security);
- Foster international cooperation;
- Provide a platform for the exchange of information and skills.

ACAPS joined the International Organization of Pension Supervisors (IOPS) in June 2017.

Association of African Insurance Supervisory Authorities (3ACA)

The African Insurance supervisory authorities have gathered to create a dedicated association called AAISA (Association of African Insurance Supervisory Authorities), in order to coordinate their actions and initiatives.

AAISA has two main objectives:

- Promote effective and comprehensive supervision of the African insurance industry to develop and maintain equitable, safe and stable insurance markets for the benefit and protection of policyholders.
- Contribute to regional financial stability.

The Authority, member of the executive committee of this association, intends to contribute to the work of AAISA in order to benefit from a forum of exchange with its African regulatory counterparts.

International Social Security Association (ISSA)

The International Social Security Association (ISSA) is an international organization that brings together social security institutions and organizations, it aims to promote and develop social security throughout the world.

The mandate of this association, including 150 countries and 320 organizations, covers the promotion of best practices in the administration of social security, knowledge sharing as well as assistance and support services to its members.

The Authority is an observer member of the International Social Security Association (ISSA).

The Arab Forum of Insurance Regulatory Commissions (AFIRC)

At the regional level, the Authority is a member of the Arab Forum of Insurance Regulatory Commissions (AFIRC). AFIRC brings together insurance supervisory and regulatory authorities from different Arab countries.

The Authority is an active member of the Arab Forum of Insurance Regulatory Commissions (AFIRC). ACAPS chaired the Forum for 4 years before handing over the presidency to the Insurance Authority of the UAE during the meeting held in Dubai on September 30th, 2018.

The Sustainable Insurance Forum (SIF)

SIF is a network of insurance supervisors and regulators who seek to strengthen their understanding and responses to the challenges of sustainable development in the insurance industry. It is a global platform for knowledge sharing, research and collective action. The Authority was one of the founding members of SIF in December 2016 in San Francisco.

During 2018, the Authority took part in the SIF meeting organized on November 10th in Luxembourg.

Group of French-speaking IAIS Regulators

The Group of French-speaking IAIS Regulators aims to develop cooperation between its members to promote the exchange of experience and information and best supervision practices.

The first meeting of this group was held in Luxembourg on the sidelines of the IAIS annual conference. Nearly twenty participants representing 9 French-speaking countries attended this meeting including CIMA (which brings together 14 French-speaking African countries).

Middle East and North Africa Financial Action Task Force (MENAFATF)

MENAFATF is a regional group of FATF (Financial Action Task Force) operating in the Middle East and North Africa regions and mainly deals with issues related to the fight against money laundering and the financing of terrorism.

Morocco is a founding member of MENAFATF and actively participates in its various actions.

The Authority took part in the group's 2nd plenary organized in Beirut (Lebanon) from November 23rd to 29th, 2018. During this meeting, Morocco's assessment report on the fight against money laundering and the financing of terrorism was examined.

Exchange of expertise and capacity building

- ***Inclusive insurance training program***

The Authority organized, together with the Access to Insurance Initiative (A2ii), the International Association of Insurance Supervisors (IAIS) and the Toronto Center, an inclusive insurance training program for insurance supervisors on the African continent from June 18th to 22nd, 2018 in Rabat.

This training, intended for executives and officials of African supervisory authorities involved in the regulation and supervision of the insurance sector, is part of the Authority's regional and African cooperation policy.

15 African countries took part in this regional seminar which allowed participants to look into subjects relating, in particular, to the adoption of a proportionate approach to regulation and supervision to improve access to insurance services and ensure adequate protection for low-income customers.

- ***Assessment mission and analysis of training needs of the Authority***

The Authority welcomed from October 8th to 10th, 2018 two experts from the Toronto Center who were working on a training needs assessment mission for the employees of the Authority. The objective of this mission was to:

1. Assess the needs of the Authority based on interviews with the top and middle management;
2. Provide risk-based solvency (RBS) training.

- ***IAIS technical assistance***

The Authority welcomed the Deputy Secretary-General of IAIS on October 22nd and 23rd as part of the assistance that IAIS provides to members of the Association on themes and subjects of common interest.

In this context, training on the prudential framework of Risk-Based Solvency (RBS) was provided to members of the team in charge of the RBS project.

- ***Workshop: CBIRC insurance supervision and control model***

The Authority participated in a workshop organized by the China Banking & Insurance Regulatory Commission (CBIRC) on the insurance regulation model in China, in particular risk-based solvency.

- ***Workshop on the supervision of pension organizations***

The Authority, in partnership with the IOPS, organized a workshop from December 5th to 7th, 2018 on the supervision of private pension organizations.

This workshop is part of the technical assistance that the IOPS provides to its members in order to strengthen the knowledge and skills of supervisors in terms of the supervision of pension organizations.

Participation in international events

- ***"Etats Généraux de l'Assurance"***

The Authority took part in the "Etats Généraux de l'Assurance", organized by The Inter-African Conference of the Insurance Markets (CIMA), in collaboration with the Federation of African National Insurance Companies (FANAF) in Abidjan (Ivory Coast).

Insurance industry players in Africa have come together to examine the issues hampering the development of insurance in the 14 CIMA member states in order to find appropriate solutions.

- ***National Association of Insurance Commissioners - NAIC (USA)***

The Authority participated in Washington, D.C. (USA) in the NAIC International Insurance Forum. This event, which brings together representatives of supervisory authorities around the world, deals with various subjects relating to the insurance sector.

The NAIC is the United States' standards and regulatory support body. It brings together insurance supervisors and regulators from the 50 states, the District of Columbia, and five territories in the United States.

- ***Understanding Risk Forum 2018***

The Authority participated in the 2018 Understanding Risk Forum organized by the World Bank in Mexico City (Mexico).

This forum brings together a global community of experts and practitioners who address issues related to the identification and assessment of catastrophic risks.

- ***Insurance Forum work in preparation for the G20***

The Authority took part in the work of the Insurance Forum organized in San Carlos de Bariloche in Argentina.

This forum, which is organized in preparation for the G20 meetings, aimed to bring together regulators, market players as well as stakeholders of the insurance sector.

- ***The Interafrican Conference on Social Welfare (CIPRES)***

The Authority participated in the 2nd International Forum on Retirement organized by the Interafrican Conference on Social Welfare (CIPRES) in Abidjan.

This forum, which had the theme "old age insurance, a tool for fighting poverty", allowed for in-depth discussions on the establishment of comprehensive and viable protection systems against the risk of old age.

It aims to ensure that the benefits provided contribute fully to the fight against poverty, vulnerability and social exclusion.

2. BILATERAL COOPERATION

The Authority is committed to a policy of proactive bilateral cooperation with the foreign authorities in charge of the supervision of the insurance and social welfare sectors. In fact, article 5 of law 64-12 establishing the Authority empowers the latter to conclude bilateral or multilateral conventions with bodies charged, in foreign states, with a mission similar to that entrusted to it. In this sense, various exchange agreements and expertise sharing missions have been carried out.

Memorandum of Understanding with the General Directorate of the Treasury of Madagascar

The Authority signed a partnership and exchange of expertise agreement with the General Directorate of the Treasury of Madagascar in June 2018.

The purpose of this memorandum of understanding is to develop partnership and cooperation between the two parties in matters of insurance sector supervision and regulation. In fact, the objective of this memorandum of understanding is to help develop the skills necessary to guarantee the protection of insured persons and beneficiaries of insurance contracts, and to promote the integrity, stability and efficiency of the insurance sector.

The General Directorate of the Treasury, reporting to the Ministry of Finance, is the body responsible for the supervision and regulation of insurance in Madagascar.

Memorandum of Understanding with the Insurance Authority (UAE)

As part of the development of its international cooperation strategy, the Authority proceeded, on September 30th, 2018 in Dubai, to the signing of a memorandum of understanding for cooperation and exchange of expertise with the Insurance Authority (IA) of the United Arab Emirates.

This memorandum of understanding aims to promote cooperation and the exchange of knowledge, expertise and skills between the two authorities. Thus, the main aspects of cooperation covered are the regulation of the insurance sector, the organization of the market in particular through the exchange of good practices relating to the granting of authorizations as well as control practices.

The Insurance Authority (IA) is the authority responsible for the supervision and control of the insurance industry in the United Arab Emirates.

Skills exchange missions at ARCA, DRC

As part of the partnership agreement between the Authority and the Insurance Regulatory and Control Authority of the Democratic Republic of Congo (ARCA), the Authority conducted two five-day training courses for the ARCA teams in Kinshasa in July and October 2018.

These missions are part of the technical assistance and exchange of expertise that the Authority provides to its Congolese partner.



6 FINANCIAL DATA

BALANCE SHEET - ASSETS

Year ending on: 31/12/18

	Items	Year			Previous Year
		Gross	Depreciation and Provisions	Net	
FIXED ASSETS	NIL VALUE ASSETS(a)	1.476.250,00	583.100,00	893.150,00	597.400,00
	Preliminary fees	-	-	-	-
	Deferred charges	1.476.250,00	583.100,00	893.150,00	597.400,00
	Bond redemption premium	-	-	-	-
	INTANGIBLE ASSETS (b)	6.603.869,00	1.771.544,16	4.832.324,84	3.866.290,14
	Research and development assets	-	-	-	-
	Patents, trademarks, rights and similar assets	6.103.869,00	1.771.544,16	4.332.324,84	2.950.690,14
	Goodwill	-	-	-	-
	Other intangible assets	500.000,00	-	500.000,00	915.600,00
	TANGIBLE ASSETS(c)	18.624.720,48	5.900.912,25	12.723.808,23	7.859.708,27
	Land	-	-	-	-
	Buildings	-	-	-	-
	Technical installations, machinery and equipment	-	-	-	-
	Transport equipment	1.302.975,42	532.316,72	770.658,70	654.470,95
	Furniture, office equipment and miscellaneous fittings	17.321.745,06	5.368.595,53	11.953.149,53	7.205.237,32
	Other tangible fixed assets	-	-	-	-
	Tangible assets in progress	-	-	-	-
	FINANCIAL ASSETS (d)	-	-	-	-
	Long-term loans	-	-	-	-
	Other financial receivables	-	-	-	-
CURRENT ASSETS	Equity securities	-	-	-	-
	Other long-term securities	-	-	-	-
	TRANSLATION DIFFERENCES - ASSETS (e)	-	-	-	-
	Decrease in long-term receivables	-	-	-	-
	Increases in financing debts	-	-	-	-
	TOTAL I (a + b + c + d + e)	26.704.839,48	8.255.556,41	18.449.283,07	12.323.398,41
	INVENTORY (f)	612.045,91	-	612.045,91	667.258,51
	Goods	-	-	-	-
	Consumable materials and supplies	612.045,91	-	612.045,91	667.258,51
	Work in progress	-	-	-	-
	Intermediate and residual products	-	-	-	-
	Finished products	-	-	-	-
	CURRENT ASSETS RECEIVABLES (g)	87.542.538,83	930.000,00	86.612.538,83	64.787.124,26
	Advances and down payments to suppliers	166.930,81	-	166.930,81	-
	Accounts receivable	61.483.517,66	-	61.483.517,66	-
	Personnel	-	-	-	-
	Government	20.274.518,04	-	20.274.518,04	3.885.821,47
	Shareholder accounts	-	-	-	-
	Other receivables	4.330.550,74	930.000,00	3.400.550,74	60.543.063,55
	Accruals and deferrals	1.287.021,58	-	1.287.021,58	358.239,24
	SECURITIES AND INVESTMENT SECURITIES (h)	85.993.441,12	-	85.993.441,12	30.092.400,00
CASH	TRANSLATION ADJUSTMENT - ASSETS(i) (Current items)	3.811,88	-	3.811,88	585,57
	TOTAL II (f + g + h + i)	174.151.837,74	930.000,00	173.221.837,74	95.547.368,34
	CASH - ASSETS	9.939.471,04	-	9.939.471,04	18.095.243,93
	Checks and bills awaiting collection	-	-	-	-
	Bank deposits, cash and post office deposit accounts	9.932.001,79	-	9.932.001,79	18.072.463,23
	Cash, imprest accounts and letters of credit	7.469,25	-	7.469,25	22.780,70
	TOTAL III	9.939.471,04	-	9.939.471,04	18.095.243,93
	TOTAL GENERAL I+II+III	210.796.148,26	9.185.556,41	201.610.591,85	125.966.010,68

BALANCE SHEET - LIABILITIES

Year ending on: 31/12/18

	Items	Year	Previous year
LONG-TERM FINANCING	EQUITY CAPITAL	135.841.383,37	92.154.024,67
	Social capital or personal assets (1)		
	minus: Shareholders, subscribed, uncalled capital		
	minus: called capital		
	minus: including paid		
	Issuance, merger and transfer premiums		
	Revaluation reserve		
	Legal reserve		
	Other reserves	92.154.024,67	54.343.579,92
	Retained earnings (2)		
CURRENT LIABILITIES	Net income for the year (2)	43.687.358,70	37.810.444,75
	Net income pending allocation (2)		
	TOTAL EQUITY CAPITAL (a)	135.841.383,37	92.154.024,67
	QUASI EQUITY (b)	2.095.060,98	3.312.542,22
	Investment grants	2.095.060,98	3.312.542,22
	Regulated provisions		
	FINANCING DEBTS (c)		
	Bond issues		
	Other financing debts		
CASH			
	PLONG-TERM PROVISIONS FOR LIABILITIES AND CHARGES (d)		
	Provisions for liabilities		
	Provisions for charges		
	TRANSLATION ADJUSTMENT - LIABILITIES (e)		
	Increase of long-term receivables		
	Decrease of financing debt		
	TOTAL I (a + b + c + d + e)	137.936.444,35	95.466.566,89
	DEBT OF CURRENT LIABILITIES (f)	63.670.335,62	30.498.858,22
	Accounts payable and related accounts	9.317.868,41	3.576.472,99
CASH	Advances and prepayments		
	Personnel	14.827.193,09	12.920.025,36
	Social organizations	1.352.817,11	1.113.098,07
	Government	34.078.244,43	12.833.133,44
	Shareholder account		
	Other creditors	4.094.212,58	56.128,36
	Accruals and deferred income		
	OTHER PROVISIONS FOR LIABILITIES AND CHARGES (g)	3.811,88	585,57
	TRANSLATION ADJUSTMENT - LIABILITIES (h) (current items)		
	TOTAL II (f + g + h)	63.674.147,50	30.499.443,79
CASH	CASH LIABILITIES		
	Discount loans		
	Cash loans		
	Banks (credit balances)		
	TOTAL III		
	TOTAL I+II+III	201.610.591,85	125.966.010,68

(1) Personnel assets with a negative balance

(2) Profit (+) . Loss (-)

INCOME AND EXPENSE ACCOUNTS (EXC. TAXES)

Year ending on: 31/12/18

	Items	Transactions		Total of the year	Previous year
		This year	Previous years		
		1	2	3 = 1 + 2	4
O P E R A T I N G	I OPERATING INCOME				
	Sales of goods (as is)				
	Sales of goods and services produced =	162.169.632,98	382.342,69	162.551.975,67	
	Turnover	162.169.632,98	382.342,69	162.551.975,67	
	Change in product inventory				
	Self-constructed asset				
	Operating grant				
	Other operating income	4.771.500,00		4.771.500,00	154.084.632,82
	Operating reversals; expense transfers				
	TOTAL I	166.941.132,98	382.342,69	167.323.475,67	154.084.632,82
O P E R A T I N G	II OPERATING EXPENSES				
	Cost of goods sold				
	Purchases of materials and supplies used	960.520,81	239.502,44	1.200.023,25	245.959,32
	Other external charges	22.561.859,24	236.447,37	22.798.306,61	20.920.319,44
	Taxes and duties	890.002,85		890.002,85	873.210,68
	Personnel charges	76.113.502,55	-426.937,62	75.686.564,93	75.367.280,40
	Other operating charges	2.500.000,00		2.500.000,00	
	Operating allowances	4.075.120,25		4.075.120,25	3.788.385,83
	TOTAL II	107.101.005,70	49.012,19	107.150.017,89	101.195.155,67
	III OPERATING INCOME (I - II)	59.840.127,28	333.330,50	60.173.457,78	52.889.477,15
F I N A N C I A L	IV FINANCIAL INCOME				
	Income from investment securities and other long-term securities				
	Foreign exchange gains	168,74		168,74	1.046,40
	Interest and other financial income	1.634.501,92		1.634.501,92	396.024,78
	Financial reversals; transfer of expenses	585,57		585,57	
	TOTAL IV	1.635.256,23		1.635.256,23	397.071,18
	V FINANCIAL EXPENSES				
	Interest expenses				
	Foreign exchange losses	1.702,49		1.702,49	4.780,24
	Other financial expenses				
	Dotations financières	3.811,88		3.811,88	585,57
	TOTAL V	5.514,37		5.514,37	5.365,81
F I N A N C I A L	VI FINANCIAL INCOME (IV - V)	1.629.741,86		1.629.741,86	391.705,37
	VII CURRENT INCOME (III + VI)	61.469.869,14	333.330,50	61.803.199,64	53.281.182,52
N O N C U R R E N T	VIII NON-CURRENT INCOME				
	Income from the sale of assets	36.255,00		36.255,00	
	Balancing grants				
	Reversals on investment grants	1.217.481,24		1.217.481,24	1.217.481,24
	Other non-current income	497.025,03		497.025,03	930.507,00
	Non-current reversals : expense transfers				
	TOTAL VIII	1.750.761,27		1.750.761,27	2.147.988,24
	IX NON-CURRENT EXPENSES				
	Net depreciation of fixed assets sold	47.101,31		47.101,31	
	Grants				291.666,67
	Other non-current expenses	27,65		27,65	132.568,34
	Non-current depreciation and provisions				
	TOTAL IX	47.128,96		47.128,96	424.235,01
N O N C U R R E N T	X NON-CURRENT INCOME (VIII- IX)	1.703.632,31		1.703.632,31	1.723.753,23
	XI PRE-TAX INCOME (VII+ X)	63.173.501,45	333.330,50	63.506.831,95	55.004.935,75
	XII INCOME TAX	19.819.473,25		19.819.473,25	17.194.491,00
	XIII NET INCOME (XI - XII)	43.354.028,20	333.330,50	43.687.358,70	37.810.444,75
	XIV TOTAL INCOME (I + IV + VIII)	170.327.150,48	382.342,69	170.709.493,17	156.629.692,24
	XV TOTAL EXPENSES (II + V + IX + XII)	126.973.122,28	49.012,19	127.022.134,47	118.819.247,49
	XVI NET INCOME (Total income - Total expenses) (XIV - XV)	43.354.028,20	333.330,50	43.687.358,70	37.810.444,75

(1) Evolution in inventory: final inventory - initial inventory; increase (+) ; decrease (-)

(2) Purchases sold or used: purchases – change in inventory

Deloitte.

**AUTORITE DE CONTROLE DES ASSURANCES ET DE LA
PREVOYANCE SOCIALE**

**RAPPORT GENERAL DU COMMISSAIRE AUX COMPTES
EXERCICE DU 1^{ER} JANVIER AU 31 DECEMBRE 2018**



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AUTORITE DE CONTROLE DES ASSURANCES ET DE LA PREVOYANCE SOCIALE

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Rabat

RAPPORT GENERAL DU COMMISSAIRE AUX COMPTES EXERCICE DU 1^{er} JANVIER AU 31 DECEMBRE 2018

Conformément à la mission qui nous a été confiée par votre Conseil, nous avons effectué l'audit des états de synthèse ci-joints de l'**Autorité de Contrôle des Assurances et de la Prévoyance Sociale** comprenant le bilan, le compte de produits et charges, l'état des soldes de gestion, le tableau de financement et l'état des informations complémentaires (ETIC) relatifs à l'exercice clos le 31 décembre 2018. Ces états de synthèse font ressortir un montant de capitaux propres et assimilés de 137.936.444,35 MAD dont un résultat net de 43.687.358,70 MAD.

Responsabilité de la Direction

La direction est responsable de l'établissement et de la présentation sincère de ces états de synthèse, conformément au référentiel comptable admis au Maroc. Cette responsabilité comprend la conception, la mise en place et le suivi d'un contrôle interne relatif à l'établissement et la présentation des états de synthèse ne comportant pas d'anomalie significative, ainsi que la détermination d'estimations comptables raisonnables au regard des circonstances.

Responsabilité de l'Auditeur

Notre responsabilité est d'exprimer une opinion sur ces états de synthèse sur la base de notre audit. Nous avons effectué notre audit selon les Normes de la Profession au Maroc. Ces normes requièrent de notre part de nous conformer aux règles d'éthique, de planifier et de réaliser l'audit pour obtenir une assurance raisonnable que les états de synthèse ne comportent pas d'anomalie significative.

Un audit implique la mise en œuvre de procédures en vue de recueillir des éléments probants concernant les montants et les informations fournis dans les états de synthèse. Le choix des procédures relève du jugement de l'auditeur, de même que l'évaluation du risque que les états de synthèse contiennent des anomalies significatives. En procédant à ces évaluations du risque, l'auditeur prend en compte le contrôle interne en vigueur dans l'entité relatif à l'établissement et la présentation des états de synthèse afin de définir des procédures d'audit appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité de celui-ci. Un audit comporte également l'appréciation du caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, de même que l'appréciation de la présentation d'ensemble des états de synthèse.

Nous estimons que les éléments probants recueillis sont suffisants et appropriés pour fonder notre opinion.

Opinion sur les états de synthèse

Nous certifions que les états de synthèse cités au premier paragraphe ci-dessus sont réguliers et sincères et donnent, dans tous leurs aspects significatifs, une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine de l'**Autorité de Contrôle des Assurances et de la Prévoyance Sociale** au 31 décembre 2018 conformément au référentiel comptable admis au Maroc.

Casablanca, le 11 mars 2019

Le Commissaire aux Comptes

DELOITTE AUDIT

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Associé

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7 APPENDICES

APPENDIX I: BOARD DUTIES

The Board shall be responsible for the administration of the Authority in accordance with the provisions of Law 64-12. To this end, the Board:

- Sets the general policy of the Authority;
- Approves the rules of procedure;
- Sets the contribution of the entities subject to the Authority's control;
- Reviews and approves the annual report of the Authority's activity and work, its financial statements, its budget and any changes made to it during the financial year;
- Appoints the auditor responsible for the annual audit of the Authority's accounts and sets its remuneration;
- Decides on the auditor's report and on any audit report;
- Decides on the acquisition, sale and exchange of immovables;
- Adopts the regulations laying down the rules and methods of awarding contracts, subject to compliance with the fundamental principles laid down in the legislation and regulations on public procurement;
- Approves the Staff Regulations and the general remuneration, allowances and benefits scheme for the Authority's staff, on the proposal of the Chairman;
- Approves the organization chart of the Authority proposed by its Chairman;
- Appoints the directors of the Authority on the proposal of the Chairman;
- Makes decisions on the granting of authorizations to insurance and reinsurance companies and the approval of the statutes of pension organizations, after consulting the regulatory commission;
- Makes decisions on sanctions for the total or partial withdrawal of authorization for an insurance and reinsurance company, for the total or partial transfer of its portfolio and for the appointment of a provisional administrator for an insurance and reinsurance company. It also makes decisions on sanctions to withdraw approval of the Statutes of a Pension Organization when it does not operate in accordance with its Statutes, does not comply with the laws or regulations in force or does not fulfil the financial guarantees provided for in Articles 116 and 117 of Law No. 64-12. These sanctions are taken after consultation of the Disciplinary Commission.

APPENDIX II: PREROGATIVES OF THE CHAIRMAN

In accordance with article 19 of Law No. 64-12 establishing ACAPS, the Chairman of the Authority:

- Chairs the Board, convenes and sets the agenda for its meetings;
- Takes the circulars necessary for the Authority to carry out its missions after consulting the regulatory commission provided for in Article 27 of Law No. 64-12;
- Makes all decisions on sanctions except those vested in the Board;
- Prepares the draft annual budget and any amendments made to it during the financial year and closes the Authority's accounts;
- Organizes the Authority's departments in accordance with the organization chart approved by the Board and defines their functions;
- Proposes to the Board the appointment of directors, recruits and appoints to all other ranks and positions in accordance with the Authority's organization chart and under the conditions laid down in the special Staff Regulations of the Authority;
- Arranges for all acquisitions, dispositions or exchanges of immovables approved by the Board;
- Approves and implements any agreement concluded by the Authority;
- Represents the Authority with regard to third parties. He/She initiates, prosecutes and defends legal actions. He/She shall take all enforcement and protective measures he/she deems appropriate;
- Prepares the draft annual activity report of the Authority for consideration and approval by the Board;
- Keeps the Board informed of the conduct of the Authority's business and the performance of its missions;
- Executes the deliberations of the Board and takes all necessary measures to this end and ensures the control of the execution of these deliberations;
- Makes any decision necessary for the performance of the missions and powers conferred by law on the Authority.

The President is assisted by a Secretary General who, under his/her authority, coordinates between the various departments.

The Secretary General shall exercise the powers and functions vested in him/her by the Chairman. He/She replaces him/her in the event of absence or incapacity and performs his/her duties with the exception of the chairmanship of the Board.

APPENDIX III: DUTIES AND MEMBERS OF THE REGULATORY COMMISSION

The Regulatory Commission shall be responsible for giving the Chairman of the Authority an advisory opinion on:

- Draft circulars and legislative or regulatory texts in relation to its field of work;
- Applications for authorization submitted by insurance and reinsurance companies;
- The constitution of a federation of mutual insurance companies, the accession and withdrawal of a mutual insurance company from the federation;
- Merger, demerger or takeover transactions;
- Approval of requests for the partial or total transfer of a portfolio of an insurance and reinsurance company;
- Applications for approval of the statutes submitted by pension organizations and the transfer of all rights and obligations from one pension organization to another;
- Requests for approval of the statutes submitted by mutual insurance companies and amendments thereto.

In accordance with article 28 of Law No. 64-12 establishing ACAPS, this commission is composed of three representatives of the Authority, including the Secretary General as Chairman, two representatives of the administration and representatives of the sectors subject to the Authority's supervision.

MEMBERS OF THE REGULATORY COMMISSION

Mr. Othman Khalil EL ALAMY	Secretary General of the Authority. Chairman
Mr. Mimoun ZBAYAR Mr. Abdelmajid MIMOUNI	Representatives of the Authority, appointed by the Board.
Mr. Abdeljalil EL HAFFER Mrs. Safaa TALBI	Representatives appointed by the Minister in charge of finance.
Mr. Mohamed Hassan BENSALAH	Chairman of the Fédération Marocaine des Sociétés d'Assurances et de Réassurance (FMSAR).
Mr. Ramsses ARROUB Mr. Bachir BADOU	Representative of FMSAR, appointed on the proposal of FMSAR.
Mr. Khalid AOZAL Mr. Jamal DIWANI	Representatives of insurance intermediaries, appointed by the Board.
Mr. Saïd AHMIDOUCH	CEO of the Caisse Nationale de Sécurité Sociale, representing pension schemes, appointed by decree.
Mr. Lotfi BOUJENDAR	Director of the Caisse Marocaine de Retraites, representing pension schemes, appointed by decree.
Mr. Ali BENSOUDA	Director of the Régime Collectif d'Allocation de Retraite, representing pension schemes, appointed by decree.
Mr. Khalid CHEDDADI	Chairman and CEO of the Caisse Interprofessionnelle Marocaine de Retraite, representing pension schemes, appointed by decree.
Mr. Miloud MAASSIDE	Chairman of the Mutuelle Générale de l'Éducation Nationale, representing mutual insurance companies, appointed by decree.
M. Lahcen ACHIBANE	Chairman, Mutuelle de Prévoyance Sociale des Cheminots, representing mutual insurance companies, appointed by decree.
Mr. Abdelaziz ALAOU	Chairman, Caisse Mutualiste Interprofessionnelle Marocaine, representing mutual insurance companies, appointed by decree.
Mr. Khalid LAHLOU	CEO (PI) of the Agence Nationale de l'Assurance Maladie.

APPENDIX IV: DUTIES AND MEMBERS OF THE DISCIPLINARY COMMISSION

The Disciplinary Commission is responsible for giving the President of the Authority an advisory opinion on:

- The disciplinary measures to be taken by the Authority in application of the legislative and regulatory provisions with the exception of those provided for in articles 167, 241, 255, 278, 1) and 2) of 279, 279-1, 308, 320, 323 , 1) to 3) of 324 and 325 of law No. 17-99 on the insurance code enacted by dahir No. 1-02-238 of 25 rajeb 1423 (October 3, 2002) as well as those provided for in 1) and 2) of article 121, by article 122 and by c) of article 123 of Law No. 64-12;
- The recovery plans presented by insurance and reinsurance companies in application of article 254 of the aforementioned law No. 17-99 and their eligibility, as such, to the Insurance Solidarity Fund created by article 39 of the dahir bearing law No. 1-84-7 of 6 rabii II 1404 (January 10, 1984) enacting financial measures pending the enactment of the finance law for the year 1984;
- The recovery plans presented by the pension organizations in application of articles 117 and 119 respectively of Law No. 64-12.

The Disciplinary Commission, whose members are appointed by the Board, is composed of:

- A magistrate of the Court of Cassation, member of the Board, chair;
- One member appointed as Vice-Chairman from among the independent Board members;
- A representative of the Authority appointed from among its staff;
- Three members each representing one of the sectors subject to ACAPS supervision;
- An independent member.

MEMBERS OF THE DISCIPLINARY COMMISSION

Ms. Imane El Malki	Advisor to the Court of Cassation, Chair
Mr. Ahmed ZINOUN	Member of the Authority's Board, Vice-Chairman
Ms. Afifa AL HOUARI	Representative of the Authority
Mr. Loffi BOUJENDAR	Director of the Caisse Marocaine de Retraite, representative of pension plans, full member
Mr. Ali BENSOUDA	Director of the Régime Collectif d'Allocation de Retraite, representative of pension plans, alternate member
Mr. Moulay Mhamed ELALAMY	Representative of insurance and reinsurance companies, full member
Mr. Abderrahim DBICH	Representative of insurance and reinsurance companies, alternate member
Mr. Ali BENJELLOUN	Representative of insurance intermediaries, full member
Mr. Youssef BOUNOUAL	Representative of insurance intermediaries, alternate member
Mr. Miloud MAASSIDE	Chairman of the Mutuelle Générale de l'Éducation Nationale, representative of mutual insurance companies, full member
Mr. Abdelaziz ALAOUI	Chairman of the Caisse Mutuelle Interprofessionnelle Marocaine, representative of mutual insurance companies, alternate member
Mr. Hamid BESRI	Independent member

APPENDIX V: PREMIUMS ISSUED FROM INSURANCE AND REINSURANCE COMPANIES

	In millions of dirhams	Premiums issued ¹
ALLIANZ MAROC		1 367,1
ATLANTA		2 432,9
AXA ASSURANCE		4 231,1
AXA ASSISTANCE		93,1
COFACE MAROC		55,2
COMPAGNIE D'ASSURANCES TRANSPORT		688,8
EULER HERMES ACMAR		134,6
LA MAROCAINE VIE		1 825,5
MAROC ASSISTANCE INTERNATIONALE		541,7
MUTUELLE AGRICOLE MAROCAINE D'ASSURANCE		1 000,7
MUTUELLE ATTAMINE CHAABI (MAC)		4 253,0
MUTUELLE CENTRALE MAROCAINE D'ASSURANCE		1 418,5
MUTUELLE D'ASSURANCES DES TRANSPORTEURS UNIS		317,7
ROYALE MAROCAINE D'ASSURANCES		6 543,7
SAHAM ASSISTANCE		555,0
SAHAM ASSURANCE		5 223,2
SANAD		2 022,4
Wafa ASSURANCE		8 371,0
Wafa IMA ASSISTANCE		268,4
SMAEX		20,2
CHAABI ASSISTANCE		0,0
TOTAL INSURERS		41 363,6
SOCIETE CENTRALE DE REASSURANCE (SCR)		1 600,2
MAMDARE		119,1
TOTAL EXCLUSIVE REINSURERS		1 719,3

¹ - Net of cancellations (including acceptances). For exclusive reinsurers, premiums are recorded net of deductions.

ABREVIATIONS LIST

AAISA	Association of African Insurance Supervisory Authorities
A2ii	Access to Insurance Initiative
ACAPS	The Supervisory Authority of Insurance and Social Welfare
AF	Allocations Familiales
AFIRC	Arab Forum Insurance Regulatory Commissions
AMMC	Autorité Marocaine du Marché des Capitaux
AMO	Assurance Maladie Obligatoire
ARCA	Autorité de Régulation et de Contrôle des Assurances
AT/MP	Accidents de Travail et Maladies Professionnelles
BAM	Bank Al-Maghrib
CBIRC	China Banking & Insurance Regulatory Commission
CCSRS	Comité de Coordination et de Surveillance des Risques Systémiques.
CIMA	Conférence interafricaine des marchés d'assurance
CIMR	Caisse Interprofessionnelle Marocaine de Retraites
CIPRES	Conférence Interafricaine de la Prévoyance Sociale
CMAM	Caisse Marocaine de l'Assurance Maladie
CMR	Caisse Marocaine des Retraites
CNOPS	Caisse Nationale des Organismes de Prévoyance Sociale
CNRA	Caisse Nationale de Retraites et d'Assurances
CNSS	Caisse Nationale de Sécurité Sociale
CRM	Coefficient de Réduction et de Majoration
CSO	Conseil Supérieur des Ouléma
DTFE	Direction du Trésor et des Finances Publiques
EAR	Entreprises d'Assurances et de Réassurance
ENR	Evaluation Nationale des Risques
FANAF	Fédération des Sociétés d'Assurance de Droit National Africaines
FAQ	Frequently Asked Questions
FATCA	Foreign Account Tax Compliance Act
FMI	Fonds Monétaire International
FMSAR	Fédération Marocaine Des Sociétés d'Assurances et de Réassurance
FSB	Financial Stability Board
FSMA	Financial Services and Markets Authority
FATF	Financial Action Task Force
MENAFATF	Middle East and North Africa Financial Action Task Force
GED	Gestion Electronique des Documents
HCP	Haut-Commissariat au Plan
IA	Insurance Authority of United Arab Emirates
IAIS	International Association of Insurance Supervisors
INSEE	Institut National de la Statistique et des Etudes Economiques
IOPS	International Organisation of Pension Supervisors

IPE	Indemnités de Perte d'Emploi
ISSA	International Social Security Association
LBC/FT	Lutte contre le Blanchiment de Capitaux et le Financement de Terrorisme
LT	Long Terme
MADEX	Moroccan Most Active Shares Index
MASI	Moroccan All Shares Index
MEF	Ministry of Economy and Finance
MENA	Middle east and North Africa
NAIC	National Association of Insurance Commissioners
ONEE	Office National de l'Electricité et de l'Eau Potable
PIB	Produit Intérieur Brut
PSA	Plan Stratégique de l'Autorité
RC	Régime Complémentaire
RCAR	Régime Collectif d'Allocation de Retraite
RG	Régime Général
ROE	Return on Equity
RPC	Régime des pensions Civiles
RPM	Régime des pensions Militaires
S/P	Sinistres sur Primes
RBS	Risk-based Solvency
SIF	Sustainable Insurance Forum
SNIF	Stratégie Nationale de l'Inclusion Financière
SOC	Security Operating Center
TRC-RCD	Tous Risques Chantier et Responsabilité Civile Décennale
TVA	Taxe sur la Valeur Ajoutée
UAE	United Arab Emirates

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