

Gokhan Aktas (Milli Re)

Milli Re adapted to the “new normal” due to its flexible business processes supported by the technological infrastructure and the skilled workforce

On the occasion of its special annual issue, Al Bayan Magazine shares a conversation with Milli Re’s International Underwriting Manager Gokhan Aktas. He is a professional leader with many years of experience in the insurance industry. Aktas has always believed that leadership is personified through one’s character and stature and that as a leader, one must be firm with his decision. His approach has always been characterized through a strong mindfulness of the goal at hand and the steps to complete the goal and ultimately win the business. According to Aktas, the Covid-19 pandemic deeply impacted not only the social life but also the economy, noting that climate change is a growing concern and that Milli Re has taken significant steps for its digital transformation project. Below is an account of the interview.



*** Covid-19 has accelerated changes in the insurance industry in so many different ways. How did you adapt to these changes and what is your business model to deal with the current circumstances and to ensure the current and future success of your company?**

- The Covid19 pandemic deeply impacted not only the social life but also the economy. In this period, new practices such as remote working and online education came into our lives. Testing its disaster plans and procedures regularly, our Company had the opportunity to challenge its technological infrastructure and operational resilience during these unprecedented conditions caused by the pandemic. Shifting to remote working as of March 2020, Milli Re seamlessly adapted to the “new normal”, thanks to its flexible business processes supported by the technological infrastructure and the skilled workforce.

Cybersecurity has become a great risk concern due to the shift to the digital during Covid-19 pandemic

*** It said that cyber is now a matter of concern to insurers & reinsurers who would need states backing to be able to cover it. Do you share this view?**

- Although it is not a direct result of the Covid-19, it has been observed that there has been a significant increase in cyber-attacks and IT-related crimes globally since the beginning of the pandemic and this has brought the cyber insurance to the top of the agenda in discussions as to the future of the insurance industry. Hence many factors, such as the lack of historical data to allow for accurate pricing as well as the fact that cyber-attacks target many institutions simultaneously leading significant losses cause the reinsurance capacity provided to cyber insurance to be limited for now and because of these factors even though there is an increasing demand, providing coverage for cyber risks is still a niche area for the reinsurance industry and it is likely to remain niche for a while. Accordingly, states’ support during this transition period may be needed.

*** What are your top risk concern?**

- Climate change is a growing concern, and we believe that it has the potential to have the biggest impact on our industry in the following years. Additionally, Cybersecurity has become an even greater risk concern due to the shift to the digital during Covid-19 pandemic.

The impact of pandemic unexpectedly changed the world agenda in 2020

*** Global reinsurance companies have settled huge compensation due to Covid-19 & natural catastrophes. Are we starting to see an increase in the**

prices and conditions of some lines in the Middle East and North Africa similar to the rest of the world?

- The impact of pandemic, which unexpectedly changed the world agenda in 2020, was felt intensely in insurance and reinsurance industry like many other sectors. Especially in mature insurance markets, lines such as Life and Health, which were directly affected by the pandemic, as well as Organization / Event Cancellation, Contingent Business Interruption, Directors and Officers Liability Insurance and similar covers have faced high loss payments due to the negative impact of the economic recession and quarantine measures on industrial production, trade, services. In addition to claims related to pandemic, insurance and reinsurance markets have been facing significant losses from natural catastrophes. Combined with the low profitability environment and the decline in investment revenues in recent years, the pressure created by the losses on balance sheets forced many reinsurers to make rate increases and restrict terms and conditions in order to compensate for the adverse circumstances. As far as MENA Region is concerned, although there has been hardening in the rates, this has been capped at lower levels as a result of continued capacity supply. However, we believe the rise in the rates along with the improvement in the contractual wording will encourage the market to retain more and increase the number of real risk carriers.

Our company has managed to reinforce its lead position

*** What are the latest achievements and developments of your company?**

- During a time when the agenda and market dynamics have changed so rapidly, our company has managed to reinforce its lead position and market share of treaty reinsurance and facultative placements in local market, while successfully continuing its activities in international markets, in line with our sustainable growth targets -thanks to our strong capital structure, technical know-how, experienced staff and a profit-oriented risk management approach. Our Company has completed the new underwriting platform project and launched the system which integrates all reinsurance applications used in the Head Office and Singapore Branch. Moreover, significant steps were taken for our digital transformation project, which aims to improve efficiency, ensure a more agile structure, and increase integrity and transparency of business processes in all our operations. The unprecedented circumstances created by the pandemic have given us the opportunity to test our operational strength and technological infrastructure, being the keys to adapting to the “new normal”. Thanks to the harmonious combination of technical foundation with our flexible processes and qualified workforce, our company has undergone a smooth transition to remote-working conditions.