



NIC
NATIONAL INSURANCE COMPANY

Serving You
Serving The Nation



2019
ANNUAL REPORT

NIC General Insurance Co. Ltd

Serving You, Serving the Nation

Serving You, Serving the Nation





WE **SERVE** PROTECT EMPOWER

As we celebrate our cultural diversity and heritage that make our country and its people unique, we promise to Serve, Protect and Empower people from all walks of life, communities and cultures, to move forward in life and business.

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Chairman's Statement



OODAYE PRAKASH ISSARY
CHAIRMAN

On behalf of the Board, we are pleased to present the Annual Report and Audited Financial Statements of the NIC General Insurance Co. Ltd ('NIC General') for the year ended 30 June 2019.

Since its incorporation in 2015, the journey at NIC General has been challenging yet very rewarding. With the complex Transfer of Undertaking from BAI Co (Mtius) Ltd to NIC General, it warranted significant efforts to ensure a smooth transition process whilst ensuring seamless continuity of insurance covers for all our clients.

The complex nature of this Transfer of Undertaking required that we muster our forces to set a strong foundation for the NIC General whilst ensuring that the ensuing transitional aspects of the business, its legal and contractual matters, its financials, and more so the protection of policyholders' interests are all set right to enable us to honour our business commitments and service obligations vis-à-vis our policyholders, employees, salesforce and shareholder amongst others. The intricate and delicate nature of this transitional process required a longer time to settle in and we are today proud to close the period with a very positive outlook and some commendable achievements for NIC General.



Key Achievements

OF NIC General

1

The Transfer of Undertaking, comprising of the assets and policyholders' obligations amongst others, **has been completed with its inherent challenges resolved**;

2

The right foundations are in place with the required financial base, governance, service standards, products and services to meet the needs of our clients, and for our people to serve with passion and excellence;

3

The audit exercises have been successfully completed for the periods since the Transfer of Undertaking to date;

4

A successful transformation of the business challenges into a concrete **average annual growth rate of 38%** in Gross Premium Income over the last 4 years;

5

A positive turnaround in the bottom line performance from the first year loss in 2016, arising from the Transfer of Undertaking, to an increasing trend in **profit before tax to reach MUR 30.4m** in 2019;

6

A growing **client base which more than doubled** over the last 4 years;

7

A promising outlook of growth and expansion with the new product and service lines targeting both local and regional markets; and

8

Pursuing our promise towards “Serving You, Serving the nation” through our customer service standards, and active community engagement with 15,000+ lives touched.

Our DNA is built on a Can-Do attitude and a desire to fulfil stakeholders' interests; it defines who we are and what makes us different in our motives to engage, create, achieve and deliver on our promises through a passionate and collective results-oriented workforce that relentlessly challenges the status quo, anticipates future opportunities and brings sustainable improvements with an entrepreneurial spirit.

The principles of Service Excellence to All, Good Governance, Fairness and Collaborative Partnerships drive our activities, decisions and business undertakings.

We believe in collaborative and rewarding relationships with all of our stakeholders and we are committed to our broader societal role in **"Serving the Nation"** by touching people's lives, enhancing their lifestyles and empowering them through our programmes, product & service portfolio, initiatives and support to non-governmental organisations.

NIC General has marked the lives of some 15,000 people through its nation-wide **"Gethealthy"** programme providing free health checks, screening and awareness campaigns.

We have retained our pool of talents and uplifted our capabilities through leading industry knowledge specialists and on-the-job tools and coaching. We have strived to improve our service standards and customer satisfaction through an understanding of client needs, rigorous norms and our results-oriented objectives. We have also adjusted the employee grading system, benefit and remuneration structures, performance management and we are pursuing our technology journey to enhance the digitisation of our platforms and further enable the harmonious working environment in which we operate.

Against these realisations, we are confident of a promising future as we seek to consolidate and strengthen our expertise across the business lines, further streamline our processes and innovate our digital platform for enhanced efficiency, customers' convenience and ease of business. We shall aim for a growth rate of at least 20% over the coming year.

On this note, we wish to thank the Shareholder and the Board members for their unflinching support to bring NIC on the path of success. The Board and the Management join me to thank all our clients for their loyalty and trust in NIC and we wish to reassure all our current and prospective policyholders of our promise to serve them all with dedication and care. Our sincere and deep thanks to our employees and salesforce for their continuous dedication and great work.

Thank you!



1. THE VISION

We look forward to growing a significant market share for the NIC Group in the general insurance, life, pensions and lending marketplaces with innovative, competitive and value added products and services. Our goal is to make the NIC Group a promising regional brand in the insurance space over the next 5 years and continually add value to the lives of its policyholders, business partners and community at large.

2. THE GOVERNANCE

We recognise that insurance business rests on the continual safeguard of policyholders' interests, creating value for our Shareholder whilst carrying out our duty towards our workforce and the wider community. We have institutionalised strong governance structures to enable our insurance company to prosper through strict compliance with statutory and regulatory requirements, ethical business practice and sound risk management framework.

3. THE STRATEGY

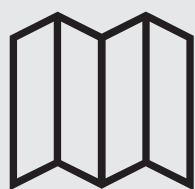
We aim to maintain our proximity strategy with our clients across the country to better listen to their needs and serve them at their door-steps. We will continue our investment in new technologies, in our people and the community to make the difference through sustainable choices. Our market approach will be geared towards financial literacy through our proprietary programme **"Ynsurance"** for a positive impact on the insurance industry.



A scenic sunset over a rocky coastline. The sky is filled with large, dark clouds, and the sun is low on the horizon, casting a golden glow over the water and rocks. The foreground shows dark, jagged rocks and some sparse vegetation. A semi-transparent white text box is overlaid on the right side of the image.

WE SERVE **PROTECT** EMPOWER

We are committed to build long term sustainable relationships and create long-term value for all our stakeholders through strong business standards, driven by our mission, and guided by our vision and company values



About NIC Group

NIC is a purpose-driven brand providing a broad range of innovative products and services for protection, savings, pensions, financing and general insurance for both the individual and corporate markets. NIC holds strong insurance capabilities to serve, protect and empower the nation at large, through its breadth of insurance solutions and services, with the ultimate objective of **“Serving You, Serving the Nation”**.

The NIC Group is owned by the Government of Mauritius and held through the National Property Fund Ltd. The NIC Group comprises of the National Insurance Co. Ltd (“NIC Life”), NIC General Insurance Co. Ltd (“NIC General”), NIC Healthcare Co. Ltd and NIC Services Co. Ltd. NIC Life has also set up a Trust (“NIC Multi-Employer Pension Scheme”) to promote and manage private pension schemes for SMEs and large corporates.

The National Insurance Co. Ltd and the NIC General Insurance Co. Ltd, were set up by the Government of Mauritius and licensed by the Financial Services Commission of Mauritius in 2015 to conduct long-term and general insurance businesses respectively.

NIC proudly serves, protects and empowers one of the largest client base of over 160 000, people and businesses combined, of all sizes and from all walks of life, to move forward in life and business.

LIFE Insurance

For Personal Needs

- Protection Plans
- Savings Plans
- Education Plan

For Corporate Needs

- Group Life Plans

GENERAL Insurance

For Personal Needs

- Accident & Healthcare Policy
- Motor Policy
- Travel Policy
- Home Policy

For Corporate Needs

- Group Healthcare Policy
- Group Personal Accident Policy
- Property Policy
- Motor & Fleet Policy
- Liability Policy
- Guarantee Policy
- Engineering Policy
- Transportation Policy
- Group Travel & Miscellaneous Policy

PENSIONS

For Personal Needs

- Retirement Plan

For Corporate Needs

- Group Pension Schemes

LOANS

For Personal Needs

- Home Loan
- Education Loan
- Policy Loan

KEY FACTS - NIC Group



160,000
Clients



MUR 1.9bn
Annual Revenue



800
Workforce



14
Branches



34
Customer
Touch Points

our mission

We adopt a sustainable approach to doing business and play a broad economic and societal role, by serving, protecting and empowering our customers, business partners, employees, salesforce, shareholder, local communities, and the nation at large.

We contribute to their financial security, protection, prosperity, empowerment and success, through a culture of elevated care and service, innovative and personalised products & services, and community outreach programmes.

our vision

We aim to be the company of choice for insurance and other financial products and services on the local and regional markets, and a meaningful contributing partner for the prosperity of all stakeholders.



our DNA

Our DNA defines who we are and what makes us different. It encompasses our core values and behaviour which we live through our 5Rs organisational culture built around: Respect, Relationship, Responsibility, Rigour and Results. These principles guide our thoughts, decisions and actions in our mission to Serve, Protect and Empower our customers, business partners, employees, salesforce, shareholder, local communities, and the nation at large



A sailboat with a red sail is visible on the left side of the image, sailing on a blue sea. The sky is blue with some clouds. The text is overlaid on a white rectangular background in the upper right quadrant.

WE SERVE PROTECT EMPOWER

our customers, people and businesses alike, to achieve financial security, protection, prosperity and success through our innovative tailored insurance products and services, so that they can pursue their goals, ventures and lives with peace of mind.



Performance Highlights

Officer in Charge & COO



RISHI O. SOOKDAWOOR

OFFICER IN CHARGE & COO

It is an immense pleasure for me to present the performance highlights of the NIC General Insurance Co. Ltd ('NIC General') for the year ended 30 June 2019; a year of significant foundational work on several fronts and realised achievements emanating from the collective and relentless efforts of the NIC workforce, Board and Shareholder.

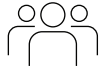
2018-2019 has been an eventful year marking a significant milestone in the transformation journey of the company. Since the transfer of the business undertaking in 2015-2016, which created a unique set of pervasive and unanticipated challenges, substantial work has been done collectively with the workforce and the support of the Board to reshape the business, transform the portfolio, ensure client retention, seamless continuity of insurance covers and service to policyholders, repositioning of the Company's brand, products & services, and rationalisation of its operations with a view to lay a strong foundation for growth.

At this juncture, it is worth highlighting the key realisations of NIC General, from the transition period to date, with a view to giving an evolutionary perspective of the journey the Company has been through.



Seamless Continuity of Service

Since the start of the transition process in 2015, NIC General has successfully mobilised its resources to enable a seamless continuity of insurance coverage for all its policyholders. Claims payments of nearly MUR 700 million have been made since start of operations in 2015 to date, representing over 150,000 payment transactions to our general insurance policyholders. **For the year 2018-2019, total payments of MUR 244m were effected in respect of nearly 40,000 claims.**



Customer Growth

The renewed trust of our clients in the products and services of NIC General enabled us to increase our overall client base from nearly 10,000 (in 2015) to over 25,000 (in 2019), representing an **average annual growth of around 37.5%**.



Broadening of General Insurance Offerings

Since April 2016 and successively in 2017 and 2018, NIC General has enlarged its portfolio of general insurance products and services to an all-encompassing suite covering now motor, travel, property, liability & guarantee, transportation, accident & health, and engineering insurance amongst others.

The health insurance plans for Individuals and Families were also redeveloped and launched with added value benefits and facilities to ease the accessibility to and affordability of such products for all segments of the population (“HealthSense for All”, “HealthSense Executive” and “HealthSense Platinum”).

These new insurance offerings brought the total number of **in-force policies to over 11,000 representing a growth of over 160% over the last 3-years**. The product expansion strategy also enabled the diversification of risks and premium base with a share of premium of 73% : 27% between health and non-health insurance classes.



Business & Profitability Growth

The business transformation strategies implemented over the last 3 years have placed NIC General onto a strong growth pathway characterised by the following key performance realisations:

- **Gross Premium Income grew by 38% on average per annum;**
- **Profit before tax grew** from a loss position of nearly MUR 56m in the first year of operations in 2016 to a sustained growth in profitability of nearly MUR 2m in 2017, MUR 22m in 2018 **to reach MUR 30.4m in 2019**. The first year's adverse result was primarily due to one-off adjustments that were required at the start of the business resulting primarily from the Transfer of Undertaking;
- **A sustained increase in underwriting profit reaching MUR 77m for the year 2018-2019, representing a growth of 64%** compared to last year, through its prudent approach to doing business; and
- **A renewal rate of 96% and 89% were realised for Group Motor and Health Insurance policies** respectively thanks to the renewed trust of our clients in the key offerings of the company.



Service Channels & Reach

NIC General also relied on its broad network of insurance advisors, business developers and customer service representatives (400+ people in total) who continue to support the organisation in its quest to honour its obligations vis-à-vis its policyholders to effectively reach out our client base and dispense the targeted service levels across the country, both in the Individual or Corporate segments. **A 24/7 service facility** is a complementary capability put in place to support our clients in times of need.



Extension of Business Partnership Network

To ensure seamless and prompt service to our clients in any adverse unexpected event, NIC General broadened considerably its network of service providers including reinsurance partners, hospital, clinics, healthcare service providers, repair centres and surveyors. A dedicated attention is also provided to our channel partners and brokers to ensure they can also assure the right service level to the end-clients. Today, NIC General prides itself in having a strong network of globally recognised reinsurers that stand behind it providing resilience to the business and paving the way for further growth.



Technology Enablement

To gear up the operations and support the future expansion and customer strategies, NIC General invested heavily in one of the leading and innovative systems that will shift customer experience to the next level with self-service platforms and smart integration. Implementation has reached the User Acceptance Phase and it is planned that the solution will go live in the coming months.



Community Engagement

The **“GetHealthy on Route8”** campaign, spearheaded by the NIC Health Caravan, has successfully covered its 8 prime routes set to cover the country and provide free health checks, screening and wellness related activities to the Mauritian public across the island. This campaign touched the lives of over 15,000 Mauritians who benefited from free health awareness campaigns and check-ups. Given the success of this initiative, we have customised and extended during the year the GetHealthy programme to reach out Kids (**“GetHealthy Kid Day”**), Elderly (**“GetHealthy Elders Day”**) & Women (**“GetHealthy Ladies Day”**). As a responsible economic and social player, NIC General pursues this journey in its unflinching mission of Serving the Nation with passion.



Our People, Our Enablers

Our people are our core assets that make the difference in delivering the Company's promise to our valued clients. With the growing business trends, the Board of NIC General has extended considerable budget to initiate a comprehensive learning and talent development programme for our employees and sales persons, using international expertise in the general insurance domains. This initiative is an empowerment journey to enable our people in their development and ensuring service quality.



A Positive Outlook

Against this backdrop setting the foundations and roadmap for further growth and sustained value for our stakeholders, we embrace the future with optimism and a responsible results-driven business approach. As we continue to pursue our business development goals, actions and decision making with a strong consideration for environmental, social and governance aspects, we are continually rethinking our business models and revitalising our internal processes and services standards within the ever-evolving statutory and regulatory regime. We are also nurturing our talent pool to better embrace the upcoming demands and we will pursue the journey to continually strengthen our corporate culture for the right mind set, accountability and responsibility to face future hurdles with serenity, resilience and in unity.

We are confident that with the unflinching support of our stakeholders and their renewed trust in our capabilities and promise, we shall be equipped to expand to new frontiers and enhance customer experience to meet the needs of an ever-changing global economic landscape and customer demands. In this regard, not only are we extending our “GetHealthy” programme further, but we are also broadening our community support programme to financial risk literacy and educating the market through our “Ynsurance” initiatives. In conclusion, as we look ahead, our destination remains clear and we shall continue to be guided by our promise of **Serving You, Serving the Nation.**

Acknowledgements

The current achievements of NIC General are the fruits of a collective and cohesive effort of various stakeholders. On this wave, I would like to extend a special note of thanks to the Board members for their strategic inputs, guidance and unflinching support; to our unified workforce that brings business to life and realisations to light; to our partners for the win-win working arrangements; to our Shareholder for providing the required support on the broader fronts; and especially to all our clients for their renewed trust and loyalty.

I seize this opportunity to also thank the Hon. Dharmendar Sesungkur, Minister of Financial Services & Good Governance (“Parent Ministry”), Mr Dhanunjaye Gaoneadry, Permanent Secretary of the parent Ministry & former Chairman of NIC General, Mr Anil Sewpaul, previous Chief Executive Officer, and Mr O. P Issary, Chairman of the Board for their guidance and unwavering support over the year 2018-2019.

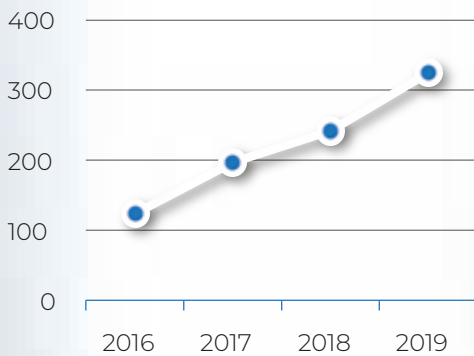
Thank you!



Performance Highlights

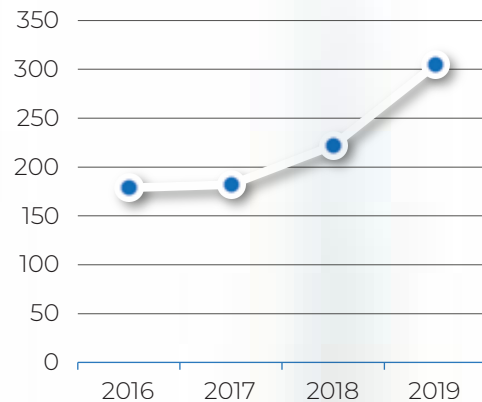
Gross Premium Income

MUR million



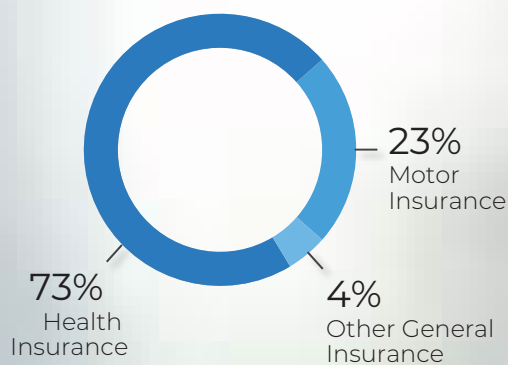
Total Assets

MUR million



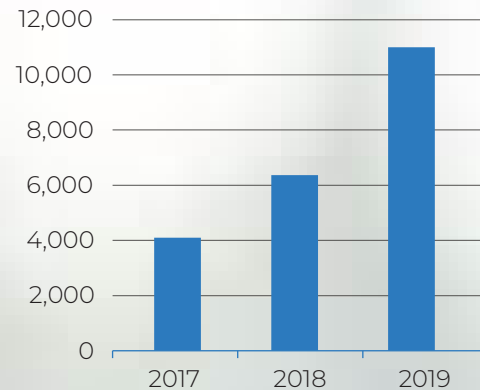
Insured Portfolio (API)

MUR million



Inforce Policies

Number



38%

Average growth in Gross Premium Income over last 4 years

160%

Growth in Gross Premium Income since launch of General Insurance Business

89%

Renewal rate on Group Health Insurance Policies

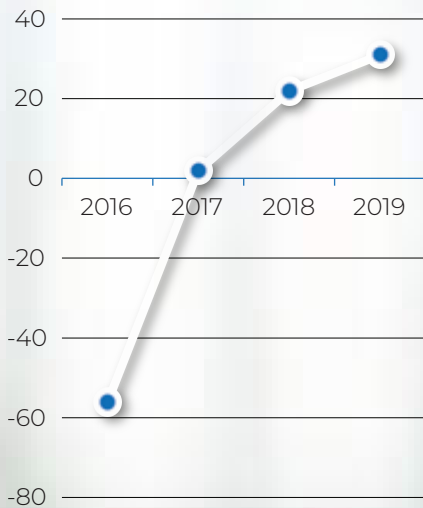
96%

Renewal rate on Motor Insurance Policies



Profit Before Tax

MUR million



Underwriting Results

MUR million



Gross Claims Paid

2019

MUR 243.9m

2018

MUR 179m

2017

MUR 164.6m

2016

MUR 102.9m



+25,000

Clients for General Insurance Business (since 2015)



+19,000

Insured Lives covered under Health Insurance



+6,000

Vehicles insured covered under Motor Insurance





WE SERVE PROTECT EMPOWER

our customers and all our stakeholders with the relationship at heart.

We create and add value by delivering on high standards and leveraging on our unique organisational culture and dynamics. Our internal agility and operational efficiency, our partnerships, distribution networks, and our ability to adapt and innovate our offerings are the key enablers to fulfill to their needs.



Year in Review

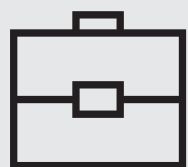
OUR BUSINESS

OUR PRODUCTS & SERVICES

OUR DISTRIBUTION CHANNEL & PARTNERSHIPS

OUR PEOPLE

OUR COMMUNITY



Our Business



Protecting and Empowering Mauritians to live safer and healthier

NIC General is a fast-growing general insurer fulfilling the financial and protection needs of 25,000+ citizens. With rising longevity in Mauritius, we are putting a greater focus on helping our customers and the community take charge of their health and live healthier lives through our health insurance products and services, and community engagement programmes.

We aim to meet Mauritians' healthcare, assets, business and financial protection needs, providing a comprehensive suite of healthcare insurance solutions, prudent assets coverage and business insurance solutions with personalised advisory services.

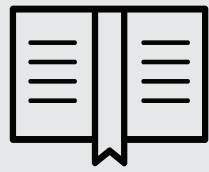
For our close customers, we are a trusted partner in their life and business decisions – how to protect their families' health, their cherished and hard earned assets, as well as protecting their business against diverse risks.

Underpinning our efforts was the recognition of being the fastest growing general insurance company in Mauritius awarded by the ***Global Banking & Finance Review Awards 2017***.

As a key insurer on the market, we contribute to the stability of our financial system and economy. We continue to invest in our 800-strong workforce to ensure that they are proficient and equipped to serve the needs of our customers.

We are committed to making a positive impact in our community through our healthy living focused community engagement programmes supported by our broad network of established and trusted health partners.

In 2019, we continued to bring innovative tailored-made and affordable products and services to the market using a customer centric approach, driven by our mission to Serve, Protect and Empower more Mauritians to live safer and healthier, and keep their business running and growing.



Our Products & Services

Making Private Healthcare accessible for all

To empower our customers to meet their different medical needs tailored to their lifestyle and budget, we launched HealthSense, a new and flexible individual health insurance plan specially designed to give our customers a comprehensive choice of health care coverage options, features and benefits under three cover levels.



HealthSense for All, offers our customers and their families health care coverage options at affordable premium, making private healthcare accessible to more Mauritians.



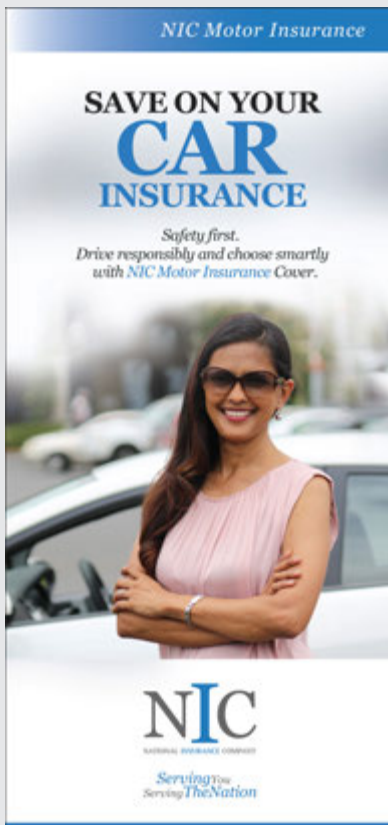
HealthSense Executive is an enhanced individual health insurance plan designed for professionals with a choice of comprehensive health care coverage options, features and benefits for more reassurance.



HealthSense Platinum is an all-inclusive individual health insurance plan with high end coverage and exclusive service to our customers.

Empowering our individual customers to protect their assets

We empower our customers to protect their prized assets with our insurance products and services ranging from motor, home to travel insurance for their personal needs at affordable premium.



NIC Motor Insurance offers our customers a comprehensive cover against accidents, fire, theft, natural calamities, and third party liability for affordable and competitive premium.

Our customers benefit from 24/7 emergency road assistance and personalised service across the island.

Other motor insurance benefits include: personal accident cover for car occupants, loss of use & alternative transportation cover, first claim excess waiver, replacement of a brand new car in case of total loss, car keys & lock replacement, windscreen & window damages replacement, alloy wheel replacement, fuel top up and free legal assistance amongst others.



NIC Travel Insurance offers our customers a broad range of coverage options to choose from to suit their travel needs and budget.

Our customers benefit from worldwide coverage and 24/7 international travel advice and emergency assistance from our global partner AXA Assistance.

Other travel insurance benefits include: up to MUR 75,000 in cover for emergency medical hospitalisation & related expenses, body repatriation in case of death, coverage for burial, cremation or the returns of mortal remains, personal accident and liability covers, delayed or loss of baggage indemnity, and indemnity for cancelled or missed departures and travel delays, amongst others.

Empowering our corporate customers to keep their business running and growing



Our tailor-made Individual, Fleet & Commercial comprehensive Motor Insurance provide covers against accidents, fire, theft, natural calamities & other insured losses, third party liability & personal accident cover, and 24/7 emergency road side assistance amongst others.



Our Group Travel Insurance is flexible and meets various business travel needs covering emergency medical expenses, loss and damage to luggage, important documents & other unforeseen losses, and 24/7 worldwide assistance from our global partner AXA, amongst others.



We offer our customers tailor-made Group Personal Accident cover against accidental death, permanent, partial & total disability, and for medical expenses incurred from accident.



We also offer tailor-made Transportation Insurance namely Marine Hull & Cargo and Goods in Transit coverage.

Empowering our corporate customers to keep their business running and growing



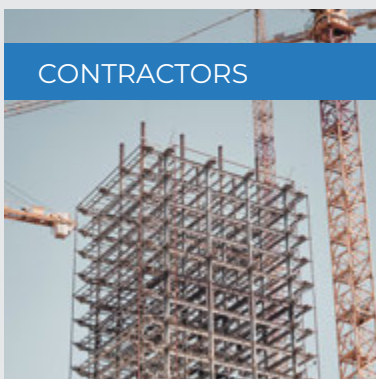
Our Liability & Guarantee (L&G) coverage namely Directors & Officers Liability, Employers' Liability, Public Liability, Fidelity Guarantee, Professional Indemnity and Money Insurance is designed to meet the needs of professionals, SMEs and large corporates.



We offer our customers tailor-made Engineering Insurance namely Machinery All Risks, Machinery Breakdown, and Electronic Equipment coverage.

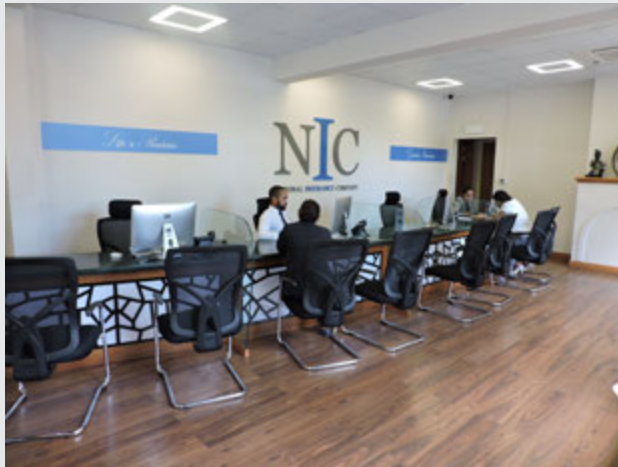


Our Property Insurance namely Fire & Allied Perils, Burglary and Tenant's Liability coverage supports enterprises in mitigating risks and damages to their properties.



We offer our customers tailor-made Contractors Insurance namely Contractors All Risks, and Contractors Plant & Machinery coverage.

Elevating the customer experience



Serving our customers at the Curepipe Customer Service outlet.

Our relationships are at the heart of everything we do. We focus on building and strengthening our long-term relationships with our customers based on trust, respect and transparency in all of our interactions, providing them with personalised, solution-driven and seamless customer care.

Every client is different, every challenge is unique. Today more than ever delivering an exceptional customer experience matters. We have elevated our service points across our contact centres, customer service outlets, home & tele-services, sms & online services, 24/7 service & assistance to deliver positive customer experiences.

Leveraging technology for transformative innovation

As we innovate for the future, we continue to leverage technology to develop new tools and services that will transform our business and keep us abreast with the ever-changing digital landscape.

We have implemented CRM Microsoft Dynamics with a 360° view of our customers, enabling us to provide seamless customer service, strengthen our customer relationships, improve our customer engagement and expand our growth opportunities.

We have also automated our backend legacy processes to operate more smartly and efficiently.

We have invested significantly in a digital best in class solution which will provide our customers and business owners, convenient and easy access to our insurance products and services in a seamless digital experience as well as empower our distribution channels to create better experiences for our customers.





Our Distribution Channel & Partnerships

Strengthening our distribution capabilities

We have expanded our multi-channel distribution platform comprising of our 400+ insurance advisors and 14 branch offices, our bancassurance partners, our broker partners, the Mauritius Post, our health care service providers, our garage partners, our 24/7 emergency roadside assistance partner ADA, and our global travel assistance partner AXA, to deliver our value-added product offerings and services to our customers.

Cultivating Partnerships for success

Our partnerships are based on mutual respect, trust and understanding with our strategies and processes aligned to meeting mutually rewarding goals and governance practices. Thanks to our close relationships with our partners, we leverage each other's strengths to innovate our product and service offerings and deliver greater value to our customers.

Our independent Auditors, Moore Stephens (Mauritius), have over 20 years of local expertise. They rank amongst the Top 10 accounting firms in Mauritius and are part of the Moore Stephens International (MSI), one of the world's leading international accounting and consulting organisations outside the Big Four, with a network of over 600 offices globally and 300 independent firms.

Our Statutory Actuary, QED Actuaries & Consultants (Pty) Ltd provides actuarial and consulting services to over 60 clients in South Africa and on the African continent. It has been providing actuarial services over the past 25 years and also delivering services in UK, Turkey and the Bahamas.

Our Reinsurers, Hannover Re, Africa Re, GIC Re, Munich Re, Allianz and ZEP Re amongst others have been supporting us over the past years, sharing their expertise in reinsurance, product development and risk sharing.



34

touchpoints



○ *NIC BRANCHES*

● *MAURITIUS POST OFFICE OUTLETS*



RODRIGUES

TRIOLET

GOODLANDS

PLAINE DES PAPAYES

PAMPLEMOUSES

TERRE ROUGE

RIVIÈRE DU REMPART

MONTAGNE LONGUE

PORT LOUIS

BELL VILLAGE

BEAU BASSIN

FLACQ

PETITE RIVIÈRE

ROSE-HILL

RÉDUIT

SAINT PIERRE

BEL AIR

QUATRE BORNES

PHOENIX

VACOAS

EAU COULÉE

GLEN PARK

CUREPIPE (Head Office)

FOREST SIDE

ROSE BELLE

MAHEBOURG

TROIS BOUTIQUES

CHEMIN GRENIER

RIVIÈRE DES ANGUILLES

SURINAM



Our People

NIC GROUP





Promoting Inclusion and Diversity

We believe that having people with varying backgrounds, experiences, perspectives and skills serve our diverse customers and communities, and drive performance.

We promote diversity, gender parity, competency and accountability through transparent processes, based on merits, recognition and reward. This is reflected in our 800-strong workforce.

Building our workforce for growth

Developing our people is critical to our growth and future business aspirations. To continue meeting the evolving needs of our customers, up skilling and proactive learning remain a priority. We take a broad approach to learning, leveraging experiential, social and formal learning to ensure our people have the skills they need to be successful.

To ensure our insurance advisors and employees are equipped with the necessary knowledge and skills, we conducted more than 10,000 hours of product knowledge, customer service, sales, legal, compliance & good governance training.

Embedding a Culture of Care

We lay a strong emphasis on building a culture of Caring and Service which is founded on our promise of "Serving You, Serving the Nation". It is about building the 'human touch' or 'humane' competency in service of our customers, our stakeholders and the community.

through regular conversations, active listening, genuine caring, problem solving and service.

It guides the way we cultivate our relationships and bond with our stakeholders and the community

Company-wide culture workshops help our workforce to understand our values and desired behaviours, reinforced with regular community and employee engagement activities.

Engaging our people to 100% commitment

Our people make the difference. Ensuring our people are engaged, fairly remunerated, healthy, skilled to perform in their roles, grow and develop, and feel fulfilled is essential for us to thrive as a company. Our fair and inclusive culture enables our people to feel valued, respected, engaged and empowered to contribute to our business.



Citizens getting free blood tests during our GetHealthy on Route8 at Riche Terre Mall



GetHealthy on Route8 at Flacq Coeur de Ville

Moi, Vanisha, mo kontan lanbians travay NIC. Ena enn solidarite ar bann koleg et enn bon lespri lekkip.

*Vanisha Devi Ramsurrin,
Registry & Mailing Department*

Being a staff and in the customer service department, I witness every single day NIC's efforts in trying to bring happiness and peace of mind to people; staffs and customers alike

*Preeti Chooramun,
Customer Service Department*

Mo kontan sa bon lantant ar bann koleg ek lankourazman nou management. Nou kouma enn sel gran fami. Li bien rar lor marse travay.

*Jean Leriche,
Facilities and Logistics Department*

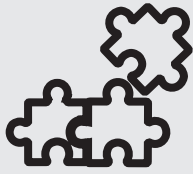
J'ai l'agréable devoir d'exprimer ma sincère gratitude à la compagnie d'être toujours à l'écoute. Avec notre motto 'We Can We Will' c'est sûr et certain que nous continuerons à donner le meilleur des services.

*Parrveez Sheik Dawood,
Underwriting (Motor & Non Motor) Department*

NIC is a workplace with a homely atmosphere. Over the years, I particularly enjoyed working with the most dedicated colleagues, team members and managers. I feel inspired to be proactive and creative every day. I am given the opportunity to grow in my professional role which has been made possible through the supportive culture at NIC.

*Koomeshlall Harree,
Claims Health Department*





Our Community

Serving the Community

Driven by our mission to be a key contributor to the wellbeing, development and progress of our customers, employees, stakeholders and the nation we serve, we are committed to playing an active role in our local communities through a range of community engagement programmes.

We actively seek programmes and partnerships which are relevant to us, our clients and our business and are aligned with our core values and promise. We draw on our financial and non-financial resources, and partnerships to carry out

value added social programmes that contribute to the wellbeing, progress and economic development of the Mauritian nation. Our activities focus on health care sensitisation and advice, children and elderly welfare, education and training, sports, entertainment and leisure, arts and culture, and the environment.

Our employees and insurance advisors give back to the community through volunteering at our community engagements initiatives.

Promoting Healthy Living and Wellbeing

We believe that good health is central to human happiness and well-being, and healthy citizens are the foundation for a healthy and prosperous nation.

We have adopted the 3rd Global Sustainable Development Goal (SDGs), "Good Health and Well-Being" and have been predominantly investing our CSR funds in our nationwide community engagement programmes promoting healthy living and well-being to all Mauritian citizens, of all ages.

We visit elderly homes and offer free medical advice; we offer free medical screening tests to the public and to our clients; we raise awareness against breast cancer in community centres and we participate in pre-primary school curriculums through fun events on healthy eating and activities.

The **GetHealthy on Route8** campaign was born with a view to promote the 8 steps to a Healthier Lifestyle: Preventive Care, Healthy Habits, Eat Healthy, Keep Fit, Healthy Mind, Healthy Relationships, Be Happy and Love Life. The campaign met its objective to make healthy living more accessible to the Mauritian public, through free health screening tests, free health tips & advice on stress management and healthy eating, as well as, free fitness, Zumba, yoga sessions and other health related activities.

We have welcomed almost 20,000 Mauritians of all age groups during this journey, screening over 15,000 people over 30 locations in Mauritius.



GetHealthy Route8 at Riche-Terre



GetHealthy Route8 Caravan

We strongly believe that a healthy body from an early age breeds a healthy mind and contributes to the healthy growth and development of children.

We positively impacted the lives and contributed to the healthy growth and development of more than 600 pre-primary school children. We carried our **GetHealthy Kids Day** at 8 pre-primary schools in various regions, where the children benefitted from free health tests & check-ups, keep-fit activities, kid-friendly & fun activities.



Kids having their health check-ups during our GetHealthy Kids Day, at Little Darlings Pre-Primary School, Port Louis



Kids learning healthy eating through painting activities at our GetHealthy Kids Day



Kids having fun with WIKI during our GetHealthy Kids Day at The Cuddles Kindergarten, Vacoas



Kids enjoying with WIKI at Little Darlings, Port Louis

Recognising the challenges posed by Mauritius ageing population, we carried out our **GetHealthy Elders Day** at 3 retirement homes to promote healthy living and raise health awareness for our elderly and their need for palliative and companion care. The programme touched the lives of 130 vulnerable senior citizens providing them with free health check-ups, eye tests, pain assessment screening, as well as some fun activities.



Senior Citizens having their eyes checked during our GetHealthy Elders Day at Currimjee Jeewanjee Infirmary & Home, Port Louis



Senior citizen receiving his free medical check-up during our GetHealthy Elders Day at Meenatchee Ammen Home, Port Louis



Having a little dance with our elderly during our GetHealthy Elders Day



Counselling a senior citizen during our GetHealthy Elders Day

Year 2019, marked our commitment to join the fight against breast cancer. We have partnered with the NGO, Breast Cancer Care Mauritius, to raise awareness of breast cancer and promote early detection, with our **GetHealthy Ladies Day** programme, in 12 community centres of the island. 831 ladies and 41 gentlemen have been screened and counselled on available treatment and care support.



Signature of MOU between NIC and Breast Cancer Care. Mr Dhanunjaye Gaoneadry (on left), former Chairman of NIC and Mrs Patel, Director of Breast Cancer Care



Media Launch of our GetHealthy Ladies Day at NIC Centre, Curepipe



Free Breast Cancer Talk and Counselling during our GetHealthy Ladies Day at Wooton Social Welfare Centre



Young Lady supporting the free breast cancer screening during our GetHealthy Ladies Day at Chemin Grenier Social Welfare Centre

In recognition of the impact of our health campaigns in Mauritius, we were recognised as a “Socially Responsible Organisation” in the **Africa Leadership Awards 2016.**





WE **SERVE** PROTECT EMPOWER

through the collective and relentless efforts of the Board members,
Management and our Workforce





Board of Directors

PROFILES AS AT 30 JUNE 2019

Mr. Oodaye Prakash Issary - Chairman

Mr. Oodaye Prakash Issary is currently the Chief Executive Officer of the National Property Fund Ltd, the holding company of NIC General. He is a Fellow of the Association of Chartered Certified Accountants (FCCA). With his background in accounting, audit and advisory practice, he has international industry experience and cumulates over 19 years in senior leadership roles with resort destination expertise within the luxury hospitality segment. With proven success in leading multiple stakeholders across various functions at all levels, he has also been highly involved in the implementation of business strategy, championing operational efficiency and continuous improvement in bottom line.



Dr. Arty Rambharush

Dr. Arty Rambharush is a full-time educator at the New Educational College with 23 years of service. She is an author and a registered artist. She also holds a Doctor and a Master in philosophy from Kurukshetra University, an MSC in Educational leadership and management from University of Technology, a BA (Hons) in Philosophy from The University of London, a Diploma in Business English from London and a Diploma in Vocal Hindustani.



Mr. Jean Daniel Henry

Mr. Jean Daniel Henry is an appointed Director of Development Bank of Mauritius Ltd and is also the Chairman of DBM Financial Services Ltd. He holds an MBA with specialisation in Project Management, a Diploma in Project Management, a Diploma in Advance Technical Training from University Tamil Nadu, Chennai and a certificate in Investment in Excellence. He also has some 7 years of experience in the construction sector.



Mr. Joseph Benoit Mamet

Mr. Benoit Mamet is an experienced professional with business, consulting and insurance background. He is a Consultant in insurance claims. He studied towards a B. Com at UNISA and holds a Diploma in Business and Financial Management. He also has long standing experience in cross-industry sectors.





Mr. Tamanah Appadu (up to 14 May 2019)

Mr. Tamanah Appadu was, until recently prior his retirement, the Permanent Secretary at the Prime Minister's Office (Home Affairs Division). He holds an MSc in Public Sector Management and is a member of the Chartered Institute of Logistics and Transport. He is also holder of a Diploma in Public Administration and Management from the University of Mauritius, a Diploma in Journalism and a Diploma in Advanced Business English. He started his career in the public service in December 1975 and has been serving in different grades and in various ministries and departments.



Mr. Sameer Udhin Chitbahal (up to 06 May 2019)

Mr. Sameer Udhin Chitbahal is a qualified accountant registered with Mauritius Institute of Professional Accountants (MIPA). He is a Fellow of the Association of Chartered Certified Accountants with more than 13 years of experience in accounting and audit in the private sector. He also holds a BSc (Hons) in Management with specialisation in Accounting and Finance. He has been working at Ernst & Young and BDO & Co in the audit and advisory departments for seven years, where he worked on several assignments across different industries including the Insurance sector. He later joined the non-banking and leasing sector as Accountant for four years. He is presently working as Head of Finance in a private company.



Dr. Sudhirsan Kowlessur

Dr. Sudhirsan Kowlessur is presently the Chief Health Promotion and Research Coordinator at the Ministry of Health and Quality of Life. He has also been the Head of NCD and Health Promotion Unit at the same Ministry. He holds a MA in Health Promotion and Communication from Middlesex University, UK and a Doctorate in Philosophy in Epidemiology and Health Statistics from Nanjing Medical University, China.



Mr. Shastree Ramodhin

Mr. Shastree Ramodhin is self-employed and has been an active member on the social front. He was a previous Member of the Young Farmers Federation Eastern Section and Bramsthan Social Welfare Centre.

Mr. Dhanunjaye Gaoneadry

(up to 07 February 2019)

Mr. Dhanunjaye Gaoneadry is the Permanent Secretary at the Ministry of Financial Services and Good Governance. He holds a diploma in Public Administration and has almost 40 years of experience having served at different levels in various Ministries.



Dr. Daneshwar Doobree

Dr. Daneshwar Doobree is presently a Management Consultant and an adjunct Senior Lecturer in Financial Management, Human Resources Management, Good Governance & Corporate Ethics and Research Methodology. He holds a B.A. (Hons) in Economics, M.B.A. (Finance) from University of Delhi (India), MSc (Human Resources) from University of Surrey (U.K.) and Doctor in Business Administration (DBA) from University of S. Queensland (Australia). He started his career at the Bank of Mauritius as a Clerical Officer in 1976 and served for 35 years in different grades of Research Officer, Senior Research Officer, Assistant Director - Administration and Head - Banking and Currency before retiring in 2015. He has also been an adjunct Lecturer/Senior Lecturer in modules related to Human Resource Management/Business Administration as well as Banking and Finance at the post-graduate, graduate and undergraduate level at the University of Mauritius and the Open University of Mauritius for the past twenty-five years. He is a Rotarian and is engaged in a number of philanthropic and social activities.



Mr. Vidianand Luchmeepersad

(up to 29 May 2019)

Mr. Vidianand Luchmeepersad is a member of the Institute of Chartered Secretaries and Administrators and holds also a Masters in Business Administration (MBA) with specialisation in Marketing. He is presently Senior Chief Executive at the Ministry of Housing and Lands (previously the Permanent Secretary of Ministry of Finance and Economic Development). He is a member of the Board of Landscape (Mauritius) Ltd, NIC Healthcare Ltd, SBM Holdings Ltd and various other companies. He has a rich career in Public Administration and Management. He has worked for PriceWaterHouse, International (UK) on the Public Sector Management and Improvement Programme (PSMIP), where he was fully involved in the reforms that have been initiated in the Public Sector in the 1980's. Since 1989, he has toured several Ministries. As Administrative Officer at the Prime Minister's Office, he carried out a survey on various Parastatal Bodies and provided reports on the basis of which the Government took policy decisions for the redeployment of man-power within the Public Service. He has also headed the Health Infrastructure Planning Section of the Ministry of Health and Quality of Life where he was in charge of the Project of Mediclinics and Polyclinics and for the processing of the issue of Health Development Certificates to Private Promoters in the 1980's. He has been representing the Government on a number of Boards and Committees.





Senior Management



Mr. Anil Sewpaul – Chief Executive Officer

(up to 31 August 2018)

Mr. Sewpaul, Chartered Insurer, has over 40 years of experience in the insurance sector. He joined SICOM in 1981 and has managed different departments of the Company and eventually retired as Group Senior Manager. He was also a Director on the Board of SICOM, National Housing Development Co. Ltd, State Property Development Co. Ltd and Cotton Bay Hotel. He was appointed Chief Executive Officer of National Insurance Co. Ltd and NIC General Insurance Co. Ltd from 20 April 2015 up to 31 August 2018.



Mr. Oumeshsingh Sookdawoor – Chief Operating Officer & Officer In Charge

(Appointed Officer-In Charge as from 03 September 2018)

Mr. Sookdawoor holds a Masters in Business Administration (MBA), a Masters in Science (MSc) in Information Systems and is a Fellow of BCS, the Chartered Institute for IT (UK). He holds 20 years of experience at management level in cross industries including financial services, technology and services. He is multi-skilled and steered several key strategic projects including large business setups (locally and overseas), mergers & acquisitions and operations management. He held various senior positions in private companies during his career including Professional Services Executive, Group Head of Information Systems and Senior Vice President at Corporate Office levels. He was appointed Chief Executive Officer of BAI Co (Mtius) Ltd between November 2009 and June 2015. In July 2015, he was appointed the Chief Operating Officer of National Insurance Co. Ltd & NIC General Insurance Co. Ltd, two entities that were set up to take over the life and general insurance businesses of BAI Co (Mtius) Ltd. He served as Director of regulated entities in different jurisdictions including EU & Africa. He also fulfilled the role of the Chairperson of BCS, The Chartered Institute for IT (Mauritius Branch), and Vice Chair (Life) of the Insurers Association.



Mr. Shakeel Summun – Chief Financial Officer

Mr. Summun is a Fellow of the Association of Chartered Certified Accountants (FCCA) and a CFA Charterholder. He cumulates over 15 years of professional experience in the Financial Services sector. He is the Chief Financial Officer of the National Insurance Co. Ltd and NIC General Insurance Co. Ltd. He is also the Chairperson of the Investment Management Committee. He was a former Panel Network Member of ACCA Mauritius. He has been in practice as auditor with Deloitte Mauritius and Ernst & Young as well as worked in the offshore sector as Client's Accountant. He has held several C-Level positions in the Insurance Industry and assisted on international projects. He was also a former board member, as an Independent Non-Executive Director, of the SBM Bank (Mauritius) Ltd. In 2014, he was awarded the "Young Achiever Award 2014" by the Africa Leadership Awards.

Mrs. Chitra Devi Moonoosamy – Chief Services Officer

Mrs Moonoosamy holds a BSc (Hons) in Economics, a Bachelor (Hons) in Law and an LLM in International Financial and Commercial Law. She is a Fellow Member of the Governance Institute (FCIS), a Chartered Member of the Chartered Institute of Personnel and Development (CIPD) and a Fellow Member of the Institute of Directors. She is the Chief Services Officer at the National Insurance Co. Ltd and NIC General Insurance Co. Ltd and is presently in charge of the Legal & Compliance, Human Resources, Information Technology and Marketing. She also fulfils the roles of Chairperson in the Board of Trustees of the NIC Multi-Employer Pension Scheme and (Alternate) Money Laundering Reporting Officer. She has held various strategic positions in her 25 years of cross-industry experience notably in Insurance, Financial Services, Business Process Outsourcing, Healthcare Services and Retail markets.



Mr. Shafique Bhunnoo – Chief Actuarial Officer

Mr. Bhunnoo is a Fellow of the Institute and Faculty of Actuaries (UK) and has over 30 years of industry experience. He was appointed Chief Actuarial Officer at the National Insurance Co. Ltd and NIC General Insurance Co. Ltd in July 2015 and is in charge of Actuarial, Pensions, Reinsurance, Statistics and Analytics. He is a member of several management committees and is the Chairperson of the Product & Pricing Committee. As an experienced actuary he has worked in Pensions, General Insurance, Health and Life Insurance for both global insurers and reinsurers in the UK, UAE and Mauritius. He is the President of the local Actuarial Society in Mauritius and has presented at a number of international conferences in Africa and the UK.



Mr. Pershing Rughooputh – Chief Technical Officer

Mr. Rughooputh holds an Executive MBA, Diploma in Insurance from the Chartered Insurance Institute UK. He is a Fellow Certified Insurance Professional of the Australian and New Zealand Institute of Insurance and Finance (ANZIIF), a Fellow Member of the Institute of Sales and Marketing Management UK and a Certified Canfield Trainer. He cumulates over 20 years of professional experience in the life insurance industry. He is presently the Chief Technical Officer at National Insurance Co. Ltd in charge of the Life Insurance Operations, leading inter alia, Underwriting, Claims, Benefits Processing, Portfolio Maintenance, Loan Operations, and as well as Registry and Facilities Management as shared support functions for NIC General Insurance Ltd. He also fulfilled the roles of Project Manager – New Life Operations System, Operations Manager, Vice President – Technical Services, Senior Vice President – Business and Channel Development at BAI Co (Mtius) Ltd. In 2012, he was seconded to Bramer Life - Botswana as Deputy CEO/Principal Officer and was responsible for the implementation of the Business Plan for the setting up and running of the life insurance operations until June 2015. Since July 2015, he has been fulfilling the duties of the Chief Technical Officer at NIC. He was a finalist for Sales Director of the Year in the British Excellence Sales and Marketing Award (BESMA) in 2010.





Mr. Saratchandran Sridharan – Head of General Insurance Operations

Mr. Sridharan is a licentiate of the Insurance Institute of India and holds a Masters Degree in Social work and a BSc in Mathematics and Chemistry with over 30 years of professional experience in the General Insurance Industry. He joined the New Assurance Company in June 1983 as a directly recruited Assistant Administrative Officer in Class I Cadre in the All India Service Recruitment, where he worked up to May 2002 in various senior capacities, before joining Jubilee Insurance as Country Head from June 2002 to April 2006.



Mr. Dany Tong Sam – Head of Customer Service

(Also fulfils the role of Risk Officer & Complaints Coordinator)

Mr. Tong Sam is a Fellow of the Association of Chartered Certified Accountants (FCCA). He also holds a BA (Hons) Accounting and Finance, MBA (Financial Management) and followed a specialised course on Business Continuity Management from the BCM Institute Singapore. He has over 15 years of professional experience in Accounting & Financial Management, Operations & Risk Management, Corporate Finance, Customer Relations and Insurance Operations (Underwriting & Claims Management) in the financial services and insurance sectors amongst others.



Mr. Upendra Ramjuttan – Head of Business Development (General Insurance)

Mr. Ramjuttan holds an MBA and has over 15 years of professional experience. He has in the past, whilst working at BAI Co (Mtius) Ltd, held the position of Head of Financial Planning and headed the Sales and Marketing Department supervising over 600 Insurance Advisors.



Mr. Kavidutt Dinand – Head of Finance

Mr. Dinand is a Fellow of the Association of Chartered Certified Accountants (FCCA). He has over 15 years of professional experience in the Financial Services Sector. He has during his career also been on overseas assignment namely, in Malta for GlobalCapital plc, where he was seconded to assist in the Finance Department and due diligence exercises.

Mr. Laxman Mewasingh – Head of Legal & Compliance

(Also fulfils the role of Money Laundering Reporting Officer)

Mr. Mewasingh holds an LLM in International Business Law and an LLB (Hons) and cumulates over 15 years of professional experience. He has, in the past, worked in the Global Business sector, namely for the Federal Trust (Mauritius) Ltd as Manager – Trust and Company Administration and Mauritius International Trust Company Ltd as Trust and Company Administrator.



Mr. Kailash Moloye – Head of Human Resources & Corporate Services

(Also fulfils the role of Secretary to Board Committees)

Mr. Moloye is a Fellow of the Governance Institute (UK), the holder of a BSc (Hons) in Management and a Diploma in Business Administration with over 15 years of sound business and corporate governance experience in the financial services sector. His experience also encompasses portfolio management of offshore and domestic companies, including small private, large private/public and public listed companies. He is also member of the Mauritius Institute of Directors and ICOSA (Mauritius) respectively.



Mr. Hemraj Pallut – Head of Recovery Claims & Services

Mr. Pallut holds a B.Eng. (Hons) Mechanical Engineering from University of Mauritius, a Diplôme d'Etudes Professionnelles Approfondies (DEPA) en Entrepreneuriat from Institut de la Francophonie pour l'Entrepreneuriat (Mauritius), a Diplôme d'Etudes Supérieures Spécialisées (DESS) Création d'Entreprise et Gestion de Projets Innovants from Université Montesquieu - Bordeaux IV (France) and a Project Leadership Certification from the University of Technology, Mauritius. He cumulates over 20 years of professional experience in various sectors of the economy including services & manufacturing, with extensive experience in investment promotion & facilitation, business development and projects.



Mr. Pawan Kumarsingh Canhye – Internal Auditor

Mr. Canhye is a Fellow of the Association of Chartered Certified Accountants and a Member of the Institute of Internal Auditors. He cumulates over 15 years of professional experience, including over 13 years within the Internal Control and Audit fields. Mr. Canhye, has prior to his appointment as Internal Auditor at the National Insurance Co. Ltd and NIC General Insurance Co. Ltd, successively held the posts of Internal Control Officer, Assistant Manager-Internal Control and Manager-Internal Audit respectively.



TEAMWORK MAKES THE
DREAM WORK





Corporate Governance Report

FOR THE YEAR ENDED 30 JUNE 2019

GOVERNANCE STRUCTURE

STRUCTURE OF THE BOARD & ITS BOARD COMMITTEES

DIRECTORS' APPOINTMENT PROCEDURES

DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

RISK GOVERNANCE & INTERNAL CONTROL

REPORTING WITH INTEGRITY

AUDIT

RELATIONS WITH SHAREHOLDERS AND OTHER
KEY STAKEHOLDERS

STATEMENT OF COMPLIANCE

CORPORATE GOVERNANCE REPORT

NIC General Insurance Co. Ltd (the “Company”) is a public interest entity, as defined by law, and is licensed by the Financial Services Commission as an Insurer to carry out general insurance business. The Company has always been committed to observing high standards of Corporate Governance, promoting corporate transparency and enhancing shareholder value.

The Company’s objective is to comply with all the principles and guidelines set out in the newly introduced National Code of Corporate Governance for Mauritius (2016) (“the Code”) which brings considerable changes, from the corporate governance reporting perspective. This report outlines the Company’s corporate governance processes, its compliance level to all the Principles contained in the Code, and provides explanations for any deviation.

GOVERNANCE STRUCTURE

“All organisations should be headed by an effective Board. Responsibilities and accountabilities within the organisation should be clearly identified.”

The Company is led and controlled by a Board of suitably qualified and experienced professionals. The Board is ultimately responsible for providing effective leadership and is responsible and accountable for the affairs of the Company.

The Board assumes broad and diverse responsibilities encompassing the setting out of the long term vision, providing strategic direction, overseeing the implementation of strategic projects and business plans, overseeing the financial and investment affairs, corporate governance, risk management, regulatory and compliance matters, internal control and service standards amongst others.

The Board also fulfils a strategic mission, as set out by the shareholder, through the Company and in the best interests of its policyholders and other key stakeholders.

The Board considers its fiduciary responsibilities with great care and diligence. Directors are appointed with the understanding of the amount of time and care that they will need to devote to the Board and to the affairs of the organisation for it to prosper and serve the best interests of all its stakeholders.

The Board has adopted a Board Charter, Board Committee Charters and Code of Ethics (as approved in September 2019) for the organisation to further supplement its existing terms of reference, operating guidelines and governance structures and practices. The Board has established appropriate job descriptions of the key senior governance positions.

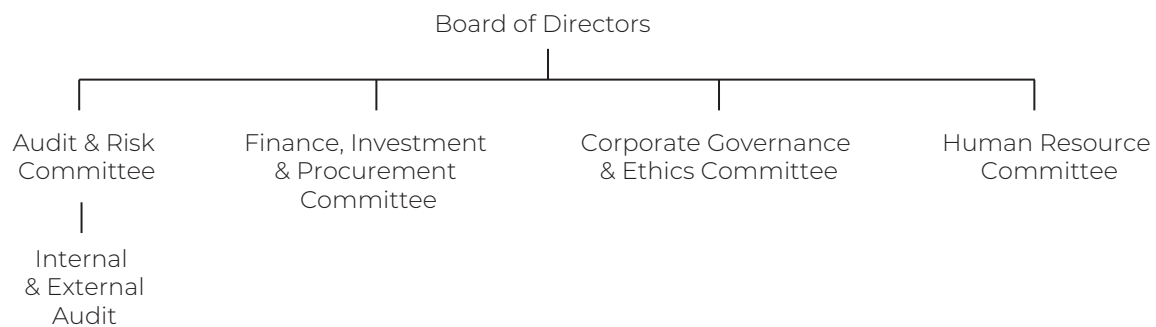
The Company has not adopted a Constitution and is governed by the Companies Act 2001.

The following information are available at the registered address of the Company and published on the NIC Group’s website (www.nicl.mu):

- Governance Statement
- Compliance Statement
- Shareholding Information
- Board Charter
- Board Committees’ Charters
- Composition of the Board
- Board Committees and their roles
- Key Management Team
- Organisation’s Code of Ethics
- Financial Statements
- Corporate Social Responsibility

Board Governance Structures

The Board has structured itself in a way that it can provide its focus and attention to the key areas of the business through established Board Committees with clear terms of reference. The delegation of authority to any Board Committee does not discharge the responsibility of the Board as regards actions and decisions of such Committees.



Key Governance Responsibilities and Accountabilities

The Board has ensured that the key governance positions within the organisation are matched with the corresponding accountabilities. The directors are aware of their legal duties and responsibilities in line with the Companies Act 2001, Insurance Act 2005, Financial Services Act 2007, and other applicable laws and guidelines.

Key Governance Positions

Chairperson of the Board

The Chairperson of the Board is responsible for the activities of the Board and its Committees. He acts as spokesperson for the Board and is the principal Board contact for the Management team. The Chairperson of the Board and the Management team meet regularly. The Chairperson of the Board presides over the meetings of shareholders.

The Chairperson ensures that:

- The Board fulfils its duties;
- Board Members, when appointed, participate in an induction program and, if needed, in supplementary training programs;
- Members receive all the information necessary for them to perform their duties;
- The agenda of Board meetings are determined;
- The Board meetings are chaired in an effective manner;
- The Board has sufficient time for deliberation and decision-making;
- Minutes of Board and Committee meetings are properly recorded and stored;
- The Committees function properly;
- Consultations are held with external advisors appointed by the Board;
- The performance of the Board Members is evaluated regularly;
- Problems related to the performance of individual Board Members are addressed;
- Internal disputes and conflicts of interest concerning individual Board Members, including the possible resignation of such Members as a result, are addressed; and
- The Board has proper contact with the Management team.

Chairperson of the Audit & Risk Committee

The Chairperson of the Audit & Risk Committee works in close cooperation with, and provides support and advice to, the Chairperson of the Board. He has the following responsibilities, amongst others:

- To provide risk expertise to the Committee;
- To ensure the financial statements comply with the International Financial Reporting Standards ("IFRSs");
- To guide and advise the Board on an appropriate risk management framework; and
- To report the deliberations of the Audit & Risk Committee to the Board.

The Chairperson of the Audit & Risk Committee has been Mr. S. Chitbahal until 06 May 2019 on which he resigned as director of the Company. Currently, in the absence of a designated Chairperson, members of the Committee nominate a Chairperson of the meetings amongst themselves.

Chairperson of the Finance, Investment & Procurement Committee

The Chairperson of the Finance, Investment and Procurement Committee works in close collaboration with, and provides support and advice to, the Chairperson of the Board. The Chairperson of the Committee has the following responsibilities, amongst others:

- To assess and review the business plan, annual budget and extra-budgetary provisions of the Company;
- To formulate and review the investment strategies and policies of the Company;
- To monitor the investment processes of the Company in order to ensure compliance with such strategies and policies and with the overall risk profile of the Company; and
- To formulate policies and procedures relating to procurement and ensure compliance with relevant legal/regulatory framework.

The remit pertaining to Investment matters was up to 21 December 2018 under the Investment Committee, which was thereafter restructured with a broader scope as the Finance, Investment and Procurement Committee. The Finance, Investment & Procurement Committee was being chaired by Mr. V. Luchmeepersad until the latter resigned as director of the Company on 29 May 2019.

The Finance, Investment & Procurement Committee is, since 18 July 2019, chaired by Mr. B. Mamet.

Chairperson of the Corporate Governance & Ethics Committee

The Chairperson of the Corporate Governance & Ethics Committee works in close collaboration with, and provides support and advice to, the Chairperson of the Board. He has the following responsibilities, amongst others:

- To provide expertise in the areas of corporate governance;
- To ensure that the Board is up to the standard with the Code;
- To report the deliberations of the Corporate Governance Committee to the Board;
- To establish a clearly defined and documented Code of Ethics and ensure that a process is in place to ensure compliance; and
- To monitor the ethical conduct of the Company, its executives, senior officers and employees and ensure that the latter are in compliance with relevant legislations, regulations and other requirements relevant to ethical behaviour.

The Corporate Governance & Ethics Committee is chaired by Mr. B. Mamet.

The remit pertaining to Corporate Governance matters was until 21 December 2018 under the combined Corporate Governance and Human Resources Committee, which was chaired by Mr. T. Appadu. The said Committee was subsequently split into two distinct committees and restructured as the Corporate & Governance Ethics Committee and the Human Resource Committee, respectively.

Chairperson of the Human Resource Committee

The Chairperson of the Human Resource Committee works in close collaboration with, and provides support and advice to, the Chairperson of the Board. The Chairperson of the Committee has the following responsibilities, amongst others:

- To consider and recommend major Human Resource matters to the Board;
- To provide direction with regards to the Human Resource strategy including key objectives, plans and workforce requirements;
- To consider succession planning for key officers, senior officers and executives, taking into account the challenges and opportunities facing the Company, and the skills/expertise needed in relation thereto; and
- To oversee any major change in organisational and employee benefits structures across the Company.

The remit pertaining to Human Resource matters was until 21 December 2018 under the combined Corporate Governance and Human Resources Committee which was chaired by Mr. T. Appadu. The said Committee was subsequently split into two distinct committees and restructured as the Corporate Governance and Ethics Committee and the Human Resource Committee, respectively.

The Human Resource Committee is chaired by Dr. D. Doobree.

The Company Secretary

The Company Secretary is appointed by the Board. The role of the Company Secretary is to ensure that Board Members have the proper advice and resources to perform their duties to shareholder(s) under the relevant legal frameworks. The Company Secretary is also responsible for the organisation and co-ordination of the Board meetings, and ensuring that the records, or minutes of those meetings, reflect the proper exercise of those duties.

Prime Partners Ltd is the Company Secretary of the Company for the year ended 30 June 2019. Prime Partners Ltd is a wholly owned subsidiary of The State Investment Corporation Limited and is actively involved in the provision of statutory corporate secretarial services and registrar & transfer office services to Domestic Companies/Trusts/Mutual Funds registered in Mauritius.

Other Key Governance Responsibilities and Accountabilities - Senior Management

The profiles of the following key officers and senior management members are provided as follows:

Mr. Anil Sewpaul

Chief Executive Officer (until 31 August 2018)

- Provides strategic & executive leadership
- Acts as the main point of contact between the Board of Directors and the Management team and directs the implementation of the Board's mandates
- Responsible for the overall management of the business

Mr. Oumeshsingh Sookdawoor

Chief Operating Officer & Officer-In-Charge (Appointed Officer-In Charge as from 03 September 2018)

- Provides strategic leadership, directs and leads the implementation of key business strategies
- Responsible for the overall business operations
- Assists the Chief Executive Officer on matters pertaining to the implementation of the Board's mandates
- Fulfils the role of Officer-In-Charge from date of appointment

Mr. Shakeel Summun

Chief Financial Officer

- Provides strategic leadership and oversees the implementation of the functional strategies
- Responsible for the finance operations, premium processing, arrears recovery and investments

Mrs. Chitra Devi Moonosamy

Chief Services Officer

- Provides strategic leadership and oversees the implementation of the functional strategies
- Responsible for the Shared Services functions comprising of HR, IT, Legal & Compliance, Marketing & Communications

Mr. Shafique Bhunnoo

Chief Actuarial Officer

- Provides strategic leadership and oversees the implementation of the functional strategies
- Responsible for the Actuarial, Reinsurance and Statistics functions

Mr. Pershing Rughooputh

Chief Technical Officer

- Provides strategic leadership and oversees the implementation of the functional strategies
- Responsible for the support service functions including Registry and Facilities Management

Mr. Saratchandran Sridharan

Head of General Insurance Operations

- Provides functional leadership and implements strategies to attain business objectives
- Responsible for the day to day operations of the general insurance activities including underwriting and claims management for non-health insurance classes

CORPORATE GOVERNANCE REPORT

Mr. Jacques Dany Tong Sam

Head of Customer Service *(Also fulfils the role of Risk Officer & Complaints Coordinator)*

- Provides functional leadership and implements strategies to attain business objectives
- Responsible for the day to day customer service function & oversees the health insurance operations
- Responsible for risk management

Mr. Upendra Ramjuttan

Head of Business Development *(General Insurance)*

- Provides functional leadership and implements business development strategies to attain business objectives and targets
- Responsible for channel and business development function

Mr. Kavidutt Dinand

Head of Finance

- Provides functional leadership and implements strategies to attain business objectives
- Responsible for finance and accounting functions

Mr. Laxman Mewasingh

Head of Legal & Compliance *(Also fulfils the role of Money Laundering Reporting Officer)*

- Provides functional leadership and implements strategies to attain business objectives
- Responsible for legal and compliance functions
- Responsible for Anti-Money Laundering (AML) function

Mr. Kailash Moloye

Head of Human Resources & Corporate Services *(Also fulfils the role of Secretary to Board Committees)*

- Provides functional leadership and implements strategies to attain business objectives
- Responsible for human resources, payroll and corporate services functions
- Provides Corporate Secretarial services to Board Committees

Mr. Hemraj Pallut

Head of Recovery Claims & Services

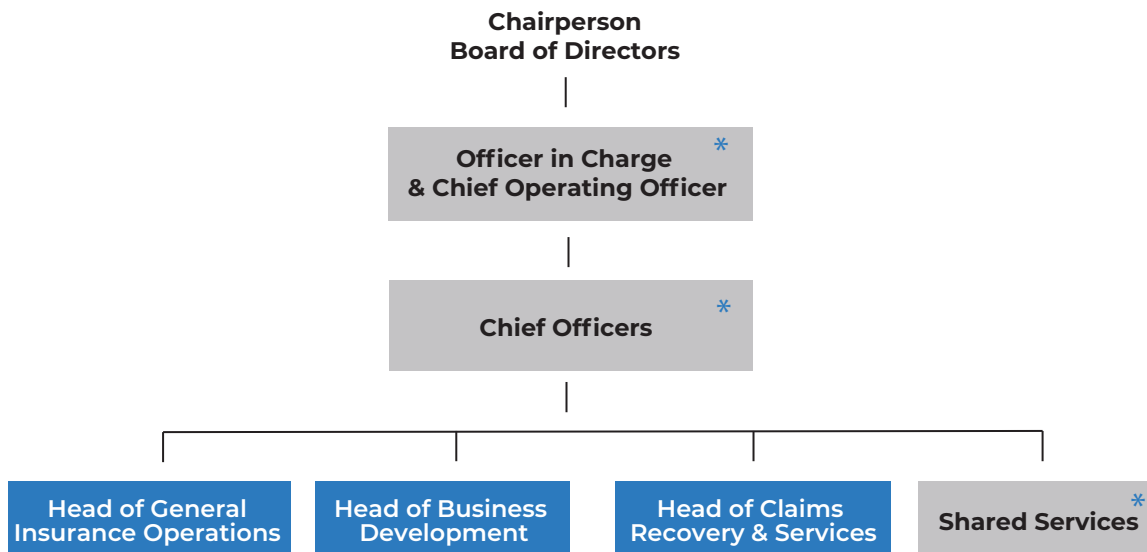
- Provides functional leadership and implements strategies to attain business objectives
- Responsible for claims recovery for general insurance and procurement functions

Mr. Pawan Kumarsingh Canhye

Internal Auditor

- Provides internal audit services to assess internal control, business and risk management processes
- Responsible for reporting of audit findings and recommendations to the Audit & Risk Committee

Organisation Chart



* Also fulfils a shared role across NIC Group

The Company is structured in a way that blends direct accountability of core functional responsibilities as well as optimises its specialist and support resources in a “Shared Services Model” serving the entire business requirements of the NIC Group (National Insurance Co.Ltd, NIC General Insurance Co. Ltd, NIC Services Co. Ltd and NIC Multi Employer Pension Scheme) as follows:

1. The Chief Officers having broad responsibility of leadership and accountability of Strategic and Shared Services functions across the NIC Group. The Shared Services functions comprises of:
 - Finance
 - Investment
 - Actuarial & Reinsurance
 - Customer Service
 - Sales & Branch Operations
 - Marketing & Communications
 - Human Resources
 - Legal & Compliance
 - Information Technology
 - Internal Audit
 - Support Services including Procurement and Registry & Facilities Management
2. The core functional responsibilities and the day to day operations of Business Development, Underwriting, Claims & Recovery operations, for the various classes of general insurance business, fall under the respective Heads.
3. The Risk Management and Internal Audit functions operate independently and reports to the Chairperson of the Audit & Risk Committee for matters governing the business on a regular basis.

STRUCTURE OF THE BOARD AND ITS BOARD COMMITTEES

“The Board should contain independently minded directors. It should include an appropriate combination of executive directors, independent directors and non-independent & non-executive directors to prevent one individual or a small group of individuals from dominating the Board’s decision taking. The Board should be of a size and level of diversity commensurate with the sophistication and scale of the organisation. Appropriate Board committees may be set up to assist the Board in the effective performance of its duties.”

Board Structure and Composition

Pursuant to the provisions of Section (30)(2) of the Insurance Act 2005, the Company has for the purpose of the composition of its Board of Directors, at least 7 natural persons of which at least 30 percent (30%) are independent Directors. The Company complies with the statutory number of directors required. The Board has a unitary structure and its size, which is considered optimal for the effective execution of its responsibilities, has been determined on the basis of the Company’s present size, spread of operations and activities.

The following Directors held office during the year ended 30 June 2019 and unless otherwise stated, up to the date of signing the financial statements:

No.	Name of Directors	Date of appointment	Date of cessation	Classification
1.	Mr. Tamanah Appadu	21 April 2016	14 May 2019	Non-Independent & Non-Executive
2.	Mr. Jean Daniel Henry	23 May 2017		Independent & Non-Executive
3.	Dr. Daneshwar Doobree	22 May 2017		Non-Independent & Non-Executive
4.	Mr. Vidianand Luchmeepersad	22 May 2017	29 May 2019	Non-Independent & Non-Executive
5.	Mr. Sameer Udhin Chitbahal	05 June 2017	06 May 2019	Independent & Non-Executive
6.	Mr. Joseph Benoit Mamet	22 May 2017		Independent & Non-Executive
7.	Dr. Arty Rambharush	26 May 2017		Independent & Non-Executive
8.	Mr. Dhanunjaye Gaoneadry <small>(Chairperson from 18 Dec 2017 to 07 Feb 2019)</small>	18 December 2017	07 February 2019	Non-Independent & Non-Executive
9.	Mr. Shastree Ramodhin	29 December 2017		Independent & Non-Executive
10.	Mr. Oodaye Prakash Issary <small>(Chairperson from 20 Feb 2019)</small>	19 February 2019		Non-Independent & Non-Executive
11.	Dr. Sudhirsan Kowlessur	12 June 2019		Non-Independent & Non-Executive

The existing directors, who are all resident in Mauritius, have expertise in various domains including Insurance, Business, Finance, Accounting and Administration. Their appointments to hold office as directors of the Company have been formalised following approval of the Financial Services Commission. Only Board Members attend Board Meetings. Management and other subject matter experts attend the meeting or part thereof on invitation of the Chairperson.

A clear division of responsibilities at Board level ensures that no one director has unfettered powers in decision making.

The Chairperson of the Board and the Chairpersons of the Board Committees are all carefully selected on the basis of their relevant knowledge and experience in these key governance roles.

The Board has a sufficient number of directors does not have relationship with the organisation. A sufficient number of directors do not have relationships with the majority shareholder.

Gender Balance

The Company promotes gender balance and equal opportunity at every level of its operating and governance structures. As at 30 June 2019, the Company's Board comprised one female director.

Directorship

Executive Director

As at 30 June 2019, the Company did not have any Executive Director.

The Board is of the opinion that it is appropriately constituted for the execution of its responsibilities. The day to day management of the operations of the Company are performed by the Officer in Charge and Chief Operating Officer, who reports directly to the Chairperson of Board. Moreover, other members of the Senior Management team are, as and when required, pertaining to business matters and functions under their purview, in attendance during deliberation of the Board.

Director's Independence Review

The Board is determined to ensure that on an annual basis, and as and when the circumstances require, whether or not a director is independent. Additionally, review will be conducted and particular consideration given to directors serving on the Board for a long period of time, from the date of their first election.

Notwithstanding the above, the Board recognises that over time Independent Directors develop significant insights in the Company's business and operations and can contribute objectively to the Board as a whole. In circumstances where a director has served as an Independent Director for over nine years, the Board will perform a review of their continuing contribution and independence. The Board considers that additional Directors may need to be appointed, particularly Independent Directors and ensure gender diversity.

Powers of the Board

The Board is aware of its key roles and responsibilities and ensures that the Company adheres to all relevant legislations such as the Companies Act 2001, Insurance Act 2005, and the Financial Services Act 2007. The Board also follows the principles of good corporate governance as recommended in the Code.

Board Meetings

The Board met eighteen (18) times during the financial year ended 30 June 2019. The Board deliberated on a range of issues including:

- The review and resolution of the issues pertaining to the Transfer of Undertaking in consultation with key stakeholders;
- Matters regarding financial statements, external audit, compliance with relevant Acts and need for capital injection by the Shareholder
- The initiation of the development of a Restructuring Plan for the long term sustainability and growth of the business;
- The setting out of key strategic measures with a view to transform the business and create value for its key stakeholders as well as exploring strategic partnership options in the shareholding of the Company;
- The examination and endorsement of the recommendations of various Board Committees;
- The reviews of procurement processes and guidelines to improve efficiency, control, governance and quality of fulfilment;
- The reviews of tenders for allocation of contracts to service providers;
- The reviews of employee benefit structures and other conditions of employment;
- The recruitment and selection for open vacant positions;
- The investment decisions and returns thereof;
- The valuation of properties and other assets; and
- The major legal affairs and undertakings, including litigation cases.

Board Committees for the year ended 30 June 2019

The Board has carefully considered the work that it needs to carry out to be effective and in order to implement the Company's strategy. The governance structure of the Company provides for delegation of authority and the Board has, as from 21 December 2018, reconstituted its sub-committees with clearly defined mandate as follows:

- **Audit & Risk Committee**
- **Corporate Governance & Ethics Committee**
- **Human Resource Committee**
- **Finance, Investment & Procurement Committee**

The objectives of these Committees are as follows:

- To bring focus and appropriate expertise and specialisation to the consideration of specific Board issues;
- To enhance Board efficiency and effectiveness;
- To enable key issues to be studied in depth prior the Board's consideration; and
- To make recommendations pertaining to their specific areas of responsibility to the Board.

The Board Committees have established their respective Charters, embodying their key roles and responsibilities which were endorsed by the Board in September 2019. The Board ensures that the Company is being managed in line with its objectives through deliberations and reporting of its various Committees.

The Charters of the Committees are available on the website of the Company.

Audit & Risk Committee

The Audit & Risk Committee is governed by a Charter in line with the provisions of the Code. The Charter of the Committee has been approved by the Board and is available on the website of the Company. The Charter will be reviewed on an annual basis.

The Audit & Risk Committee is constituted of four [4] members namely, Dr. D. Doobree Mr. B. Mamet, Dr. A. Rambharush and Mr. S. Ramodhin. Currently, in the absence of a designated Chairperson, members nominate a Chairperson of the meetings amongst themselves.

The Board considers that the members of the Audit & Risk Committee are appropriately qualified to discharge the responsibilities of the Audit & Risk Committee.

The Audit & Risk Committee has the explicit authority to investigate any matter within its terms of reference. In addition, the Audit & Risk Committee has full access to and co-operation of Management as well as full discretion to invite any Director to attend its meetings.

The duties of the Audit & Risk Committee include amongst others:

- Examining and reviewing the quality and integrity of the financial statements of the Company including its annual report;
- Compliance with International Financial Reporting Standards and legal requirements;
- Keeping under review the adequacy and effectiveness of the Company's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems;
- Reviewing the annual compliance work plan and other reports from the Compliance function;
- Ensuring the Internal Auditor has direct access to the Board Chairperson and to the Committee Chairperson;
- Considering and making recommendations to the Board, to be put to shareholders for approval at the Annual Meeting of Shareholders, in relation to the appointment, re-appointment and removal of the Company's External Auditor; and
- Making recommendations to the Board as it deems appropriate, on any area within its remit where action or improvement is needed.

In performing its function, the Audit & Risk Committee meets regularly with the internal and external auditors. Where necessary, separate meetings are held without the presence of Management. The internal and external auditors have unrestricted access to the Audit & Risk Committee.

Corporate Governance & Ethics Committee

The Corporate Governance and Ethics Committee is governed by a Charter in line with the provisions of the Code. The Charter of the Corporate Governance and Ethics Committee has been approved by the Board and is available on the website of the Company. The Charter will be reviewed on an annual basis.

The Corporate Governance and Ethics Committee is constituted of five [5] members namely, Mr. B. Mamet (Chairperson), Dr. D. Doobree, Dr. A. Rambharush, Mr. S. Ramodhin and Mr. J. D. Henry.

The Corporate Governance & Ethics Committee is a useful mechanism for making recommendations to the Board on various corporate governance and ethical matters so that the Board remains effective and complies with good governance principles.

The duties of the Corporate Governance & Ethics Committee include, amongst others, the following:

- Oversee the implementation of the corporate governance framework;
- Periodically review and evaluate the effectiveness of the Company's Code of Ethics;
- Review annually the size and composition of the board as a whole; and
- To monitor the ethical conduct of the Company, its executives, senior officers and employees and ensure that the latter are in compliance with relevant legislations, regulations and other requirements relevant to ethical behaviour.

Finance, Investment & Procurement Committee

The Finance, Investment & Procurement Committee is governed by a Charter in line with the provisions of the Code. The Charter of the Committee has been approved by the Board and is available on the website of the Company. The Charter will be reviewed on an annual basis.

The Finance, Investment & Procurement Committee is constituted of four [4] members namely, Mr. B. Mamet (Chairperson), Dr. D. Doobree, Mr. J. D. Henry and Dr. S. Kowlessur.

The Finance, Investment & Procurement Committee is responsible for the formulation and review of investment strategies, policies and monitoring the investment, finance and procurement processes of the Company in order to ensure compliance with such strategies.

The duties of the Finance, Investment & Procurement Committee include, amongst others, the following:

- To assess and review the business plan, annual budget and extra-budgetary provisions of the Company;
- To formulate and review the investment strategies and policies of the Company;
- To monitor the investment processes of the Company in order to ensure compliance with such strategies and policies, and with the overall risk profile of the Company; and
- To formulate policies and procedures relating to procurement and ensure compliance with relevant legal/regulatory framework.

Human Resource Committee

The Human Resource Committee is governed by a Charter in line with the provisions of the Code. The Charter of the Committee has been approved by the Board and is available on the website of the Company. The Charter will be reviewed on an annual basis.

The Human Resources Committee is constituted of four [4] members namely, Dr. D. Doobree (Chairperson), Dr. A. Rambharush, Mr. S. Ramodhin and Mr. J. D. Henry.

The Human Resource Committee is responsible for the formulation and review of human resources strategies, policies and monitoring the key HR processes of the Company in order to ensure compliance with such policies and with the overall HR Management & HR Development strategies of the Company.

The duties of the Human Resource Committee include, amongst others, the following:

- To provide direction with regards to the Human Resource strategy including key objectives, plans and workforce requirements;
- To consider succession planning for Officers, Senior Officers and Executives, taking into account the challenges and opportunities facing the Company, and the skills/expertise needed in relation thereto; and
- To oversee any major change in organisational and employee benefits structures across the Company.

Board & Board Committee Attendance

The detailed attendance of members of the Board and Board Committees at meetings during the financial year ended 30 June 2019 was as follows:

Directors	Board Meetings (18)	Corporate Governance & Ethics Committee Meetings (1)	Audit & Risk Committee Meetings (10)	Investment, Finance & Procurement Committee Meetings (1)	Human Resource Committee (2)	Corporate Governance & Human Resource Committee (1)	Investment Committee (2)
Mr. Tamanah Appadu (appointed on 21 April 2016 up to 14 May 2019)	4/17	0/1	3/10	0/1	0/1	1/1	2/2
Mr. Dhanunjaye Gaoneadry (appointed on 18 December 2017 up to 07 February 2019)	11/11	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Jean Daniel Henry (appointed on 23 May 2017)	15/18	1/1	N/A	1/1	2/2	1/1	N/A
Dr. Daneshwar Doobree (appointed on 22 May 2017)	17/18	1/1	10/10	1/1	2/2	1/1	2/2
Mr. Vidianand Luchmeepersad (appointed on 22 May 2017 up to 29 May 2019)	10/17	0/1	2/10	1/1	N/A	0/1	0/2
Mr. Sameer Udhin Chitbahal (appointed on 05 June 2017 up to 06 May 2019)	16/16	N/A	10/10	1/1	1/1	N/A	2/2
Mr. Joseph Benoit Mamet (appointed on 22 May 2017)	17/18	1/1	9/10	1/1	N/A	N/A	2/2
Dr. Arty Rambharush (appointed on 26 May 2017)	18/18	1/1	10/10	N/A	1/1	1/1	N/A
Mr. Shastree Ramodhin (appointed on 29 December 2017)	18/18	0/1	9/10	N/A	1/2	N/A	1/2
Mr. Oodaye Prakash Issary (appointed on 19 February 2019)	7/7	N/A	N/A	N/A	N/A	N/A	N/A
Dr. Sudhirsan Kowlessur (appointed on 12 June 2019)	0/1	N/A	N/A	N/A	N/A	N/A	N/A

Directorships of Directors in other Companies

Name of Director	Name of Company	Designation
Mr. Oodaye Prakash Issary	National Insurance Co. Ltd	Chairman
	NIC Services Co. Ltd	Director
Dr. Arty Rambharush	National Insurance Co. Ltd	Director
Dr. Daneshwar Doobree	National Insurance Co. Ltd	Director
Mr. Jean Daniel Henry	National Insurance Co. Ltd	Director
	Development Bank of Mauritius Ltd	Director
	DBM Financial Services Ltd	Chairman
Mr. Benoit Mamet	National Property Fund Ltd	Director
	National Insurance Co. Ltd	Director
Mr. Shastree Ramodhin	National Insurance Co. Ltd	Director
Dr. Sudhirsan Kowlessur	National Insurance Co. Ltd	Director
	National Property Fund Ltd	Director
Mr. Vidianand Luchmeepersad	SBM Holdings Ltd	Director
	The State Investment Corporation Limited	Director
	NIC Healthcare Co. Ltd	Chairman
	National Insurance Co. Ltd	Director (up to 29 May 2019)
	Mauritius Technologies Holdings Ltd	Chairman
	National Property Fund Ltd	Director (up to 29 May 2019)
	National Day Celebrations Co. Ltd	Director
	Landscape (Mauritius) Ltd	Director
	Mauri-Facilities Management Company Ltd	Chairman
	National Housing Development Co Ltd.	Director
Mr. Tamanah Appadu	Mauritius Housing Company Ltd	Director
	NIC Services Co. Ltd	Chairman
	National Insurance Co. Ltd	Director (up to 14 May 2019)
	National Property Fund Ltd	Director (up to 06 May 2019)
Mr. Sameer Udhin Chitbahal	National Insurance Co. Ltd	Director (up to 06 May 2019)
	National Property Fund Ltd	Director (up to 06 May 2019)
Mr. Dhanunjaye Gaoneady	National Insurance Co. Ltd	Chairman (up to 07 February 2019)
	National Property Fund Ltd	Chairman

DIRECTORS' APPOINTMENT PROCEDURES

“There should be a formal, rigorous and transparent process for the appointment, election, induction and re-election of Directors. The search for Board candidates should be conducted, and appointments made, on merit, against objective criteria (to include skills, knowledge, experience, and independence and with due regard to the benefits of diversity on the Board, including gender). The Board should ensure that a formal, rigorous and transparent procedure be in place for planning the succession of all key officeholders.”

Appointment of Directors

The Board carefully considers the needs of the Company in appointing Board Members. The following factors are considered:

- Skills, knowledge and expertise required on the Board;
- Skills, knowledge and expertise of the proposed director;
- Previous experience as a director;
- Specific roles required on the Board such as Chairperson of a Committee;
- Balance required on the Board such as gender and age;
- Independence where required;
- Fit & proper;
- Amount of time the proposed director is able to devote to the business of the Board; and
- Conflicts of interests.

The Board assumes the responsibilities for the appointment of new directors to the Board and their proper induction to governance structures, terms of reference, and the affairs of the Company.

As per the Charter of the Human Resources Committee, the role of the said Committee in respect of nomination of Directors include the following:

- To keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace; and
- To identify and nominate for the approval of the Board, candidates to fill board vacancies as and when they arise.

The proposed appointee is required to disclose any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest.

The Board considers its succession very carefully and assumes responsibility for succession planning. The Human Resources Committee is responsible to give consideration to succession planning for directors and other senior executives in the course of their work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.

The profiles of the current directors have been provided on pages 46 to 48.

Professional Development

The Board has reviewed the professional development and on-going education of directors. During the Board evaluation exercise, the Board Members are invited to indicate any training development programme they require. The needs of the directors are taken into account with regards to training and continuous professional development.

The following information is provided on the Company's website:

- Details of the nomination and appointment process;
- Profiles of Directors including their experience, skills, expertise and continuing professional development; and
- Short profile of the Company Secretary including its experience, skills and expertise.

DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

“Directors should be aware of their legal duties. Directors should observe and foster high ethical standards and a strong ethical culture in their organisation. Each director must be able to allocate sufficient time to discharge his or her duties effectively. Conflicts of interest should be disclosed and managed. The Board is responsible for the governance of the organisation’s information, information technology and information security. The Board, committees and individual directors should be supplied with information in a timely manner and in an appropriate form and quality to perform to required standards. The Board, committees and individual directors should have their performance evaluated and be held accountable to appropriate stakeholders. The Board should be transparent, fair and consistent in determining the remuneration policy for directors and senior executives.”

Legal Duties

All directors are fully aware of their fiduciary duties. The duties of directors are listed in the Companies Act 2001, with other legal obligations contained in other relevant and applicable legislations. Directors are required to exercise that degree of care, skill and diligence which a reasonably prudent and competent director in his or her position would exercise.

Code of Ethics

The Code of Ethics, as approved by the Board in September 2019, is published on the Company's website.

Conflict of Interest

Board Members have a fiduciary duty to conduct themselves without conflict of the interests of the Company. In their capacity as Board Members, they must subordinate personal individual business, third-party and other interests to the welfare and best interests of the Company.

A conflict of interest occurs when a present transaction or relationship might conflict with a Board Member's obligations owed to the Company and the Board Member's personal, business or other interests.

The Company ensures that directors declare any interest and report to the Chairman and Company Secretary any related party transactions.

The Company Secretary records appropriate disclosures as part of its secretarial duties. Any such records are available to the shareholder upon request. The Company Secretary maintains a register of Directors' interests. Conflicts of interest and related party transactions have been dealt with relevant governance policies and frameworks.

Information, IT and Information Security Governance

The Board of Directors ensures that appropriate resources are allocated for the implementation of an information and IT security framework. The Company has a set of information technology and information security guidelines and policies which are reviewed regularly to ensure that data is safeguarded both within its premises as well as those hosted on the server including access rights granted only to authorised personnel and the implementation of password expiry and complexity policy, and backups of digital information. Backups are held securely off-site. Testing of backups of the systems are conducted on a regular basis by the IT department. The Company plans to implement a comprehensive Disaster Recovery Plan which will ensure that in the event of a major disaster causing the site to be unavailable, systems and business operations will be promptly restored at a backup site. To ensure user awareness and compliance across the organisation, an Information Security Charter has been developed for deployment.

The Board oversees the information governance through regular reviews of the inputs received from the internal and external auditors, risk officer, information control processes and reports, and where required, issues directives or guidelines for improvement. The exchange of key and sensitive information between the Company and external service providers is generally governed through Non-Disclosure Agreements. The employees and the members of the salesforce are contractually bound by Confidentiality clauses forming part of their contracts of services.

The Company is embarking on a project of digital encryption for information exchange.

Investment in latest information technology systems, their ongoing support and maintenance are reviewed as part of the Company's:

- Medium to long term Business Plans set out for implementation
- Annual budgetary exercise
- Overall strategic review exercises undertaken on a regular basis

On a regular basis, the Board considers and approves key recommendations for investments in technology systems and software for the proper running of the operations and safeguarding of its information assets.

Directors & Officers Liability Insurance

The Company has contracted with Allianz for a Directors & Officers Liability Insurance policy in respect of legal action or liability that can arise against its Directors and Officers. The cover does not provide insurance against fraudulent, malicious or wilful acts or omissions.

Board Evaluation

The Company will establish a system of Board Appraisal to assess the effectiveness/ performance of the Board and Board Committees, focusing on the following major governance issues relevant to the Board:

- Objectives and Strategy;
- Performance Measurement;
- Relationships with key stakeholders;
- Propriety, Fraud and Other Leakage;
- Project Management;
- Risk Management;
- Oversight of Management;
- The Audit & Risk Committee, Internal Audit and Corporate Reporting;
- Composition of the Board; and
- Conduct of Board Meetings.

As at 30 June 2019, the Board and Board Committees have not carried out a formal documented evaluation. However, the respective Chairpersons undertake on a regular basis continual appraisal discussions with the members of the Board and Board Committees with a view to improve the overall effectiveness in decision making and governance.

The formal Board evaluation will be led by the Chairperson of the Board rather than being outsourced to an independent facilitator in view of the size of the Company.

Statement of Remuneration Philosophy

The Directors are remunerated for their knowledge, experience, insights and their collective contribution towards achievement of the Company's objectives. The remuneration of Directors is based on the remuneration policy established and approved by the Shareholder and is aligned to similar state owned companies.

The total fees earned by the different classification of directors during the year under review, are as follows:

No.	Directors Classification	Remuneration (MUR)
1	Non-Executive Directors	2 669 045
2	Executive Directors	Nil

The Board had also mandated the study of a comprehensive review of salaries and benefits of the employees, management and senior executives of the Company through an independent Salary Commissioner. The Board is guided by the remuneration structure of the Salary Commissioner Report for the remuneration of the Company's senior executives, management and staff. The Board has reviewed the adequacy of directors' and senior management remuneration as well as for its employees and also undertakes such exercises on a regular basis.

The proportions of fixed and variable remuneration of directors' fees are as follows:

- Fixed : 84% (Retainer Fees)
- Variable : 16% (Adhoc Committees & Meetings)

The Company does not have any long-term incentive plans apart from the pension benefits provided to its eligible employees.

Non-executive directors have not received any remuneration in the form of share options or bonuses associated with organisational performance.

The evaluation of the effectiveness of the Board and Board Committees are done by the respective Chairpersons on a regular basis through continual self-appraisal discussions together with the members of the Board and Board Committees. Recent appraisal exercises culminated in further empowering the Board Committees in their abilities to improve overall effectiveness in decision making, governance and broadening the scope of their interventions.

RISK GOVERNANCE & INTERNAL CONTROL

“The Board should be responsible for risk governance and should ensure that the organisation develops and executes a comprehensive and robust system of risk management. The Board should ensure the maintenance of a sound internal control system.”

The Board of directors is responsible for determining the overall strategic direction and the proper risk management strategy and policies of the Company. It sets the appropriate risk level and tolerance of the Company. The risk strategy covers all the major risk areas in which the Company has significant exposure. The Company, through its Risk Officer is responsible for implementing the risk strategy and policies approved by the Board of Directors. It oversees the day-to-day risk management issues in line with the approved strategy, policies and procedures.

The Audit & Risk Committee and the Board evaluate on a regular basis the Company's strategic risk, financial risk, compliance and operational risk.

Assurance on risk management processes

The Board relies on the internal and external audit functions to report on any weaknesses and to make recommendations via the Audit & Risk Committee, the objective being to ensure the effective and efficient use of available resources and ascertain the accuracy of information used in the preparation of financial statements.

The internal and external auditors report directly to the Audit & Risk Committee on a regular basis for identification of any deficiency noted in internal processes and controls, compliance issues and any material misstatements noted in the financial reports.

The principal risks faced by the Company and the way in which each is managed are as follows:

The Company's policy on risk management encompasses all significant business risks including physical, operational, human resources, technology, business continuity, financial, compliance and reputational which could influence the achievement of the Company's objectives.

1. The risk management mechanisms in place include:

- A system for the ongoing identification and assessment of risks;
- Development of strategies in respect of risks and definition of acceptable and non-acceptable levels of risk;
- The communication of risk management policies to all levels of the organisation as appropriate, and methods to ensure commitment, both by managers and by other employees, to the process;
- The implementation of a documented system of internal control that closely aligns the control effort to the nature and importance of the risk; and
- Processes to reduce or mitigate identified risks and maintain them within the levels of risk tolerance defined by the Board and Management.

2. Structures and processes for identification of risks and risk management

There is clear accountability for risk management, which is a key performance area of line managers throughout the Company. Each manager is required to document how these risks will be managed and what mitigating activities have been put in place in respect of each significant risk.

3. Integration of internal control and risk management

The system of internal control, which is embedded in all key operations, provides reasonable rather than absolute assurance that the Company's business objectives will be achieved within the risk tolerance levels defined by the Board. The effectiveness of the internal control systems is reviewed regularly by the Audit & Risk Committee and the review covers all internal control systems including financial, operational, compliance and risk management.

4. Assurance on the effectiveness of the risk management process

Regular management reporting, which provides a balanced assessment of key risks and controls, is an important component of Board's assurance. The Finance Department provides confirmation that financial and accounting control frameworks have operated satisfactorily. The Board also receives assurance from the Audit & Risk Committee, which derives its information, in part, from regular internal and external audit reports on risks and internal control throughout the Company.

5. Management of key risks identified

Within the Company, the risk elements are viewed under the following headings:

- Physical risks: Losses due to torrential rainfall, flood, fire, cyclones, riots, etc.;
- Operational risks: Operational risk is defined as risk of loss resulting from inadequate or failed internal processes, people and systems or from external events;
- Human resources risks: Losses arising from attrition, talent scarcity, health and safety laws, personal injury claims and acts inconsistent with employment, etc.;
- Technology risks: Includes hardware and software failures, systems development and support and maintenance aspects. The scalability of the legacy system to cover all classes of insurance and innovative products has been identified as an area of improvement. The implementation of a major state of the art system is presently underway that will provide enhanced scalability, integration, security, mobility and customer experience;
- Business continuity risks: Losses from inaccessible systems and worksites arising from major natural disasters and system failures. Accordingly, the organisation is in the process of reviewing its disaster recovery infrastructure to mitigate any such risks;
- Financial risks: The identification and management of these risks are further discussed in Note 5 to the Financial Statements;
- Compliance risks: Losses arising from failure to comply with regulations governing the conduct of an organisation's business in the countries in which it operates. It is a composite risk made up of the risk of legal or regulatory sanctions, financial loss, or loss of reputation. The organisation is in the process of attending to the requirements of implementing the Insurance (Risk Management) Rules 2016; and
- Reputational risks: Losses due to unintentional or negligent failure to meet a professional obligation to specific clients or from the nature or design of a product or adverse publicity.

In conducting its annual review of the effectiveness of risk management, the Board considers the key findings from the ongoing monitoring and reporting processes, management assertions and independent assurance reports. The Board also takes account of material changes and trends in the risk profile and considers whether the control system, including reporting, adequately supports the Board in achieving its risk management objectives.

During the course of the year, the Board considered the Company's responsiveness to changes within its business environment including any change brought through statutes and regulations. The Board is satisfied that there is an ongoing process, which has been operational throughout the year.

Risk Management Framework and Own Risk and Solvency Assessment (“ORSA”)

The Board has enlisted the specialised risk management services of QED Actuaries and Consultants (Pty) Ltd (South Africa) to assist the Company in its journey to implement the following in line with regulatory requirements:

- Risk Management Framework;
- Liquidity Policy;
- Risk Appetite Statement; and
- Own Risk & Solvency Assessment (ORSA) framework

The above exercises are underway.

Internal Audit and Compliance

Internal audit is an independent objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The Internal Audit activities are conducted at the Company by the Internal Audit Department under the supervision of the Internal Auditor. This falls under the aegis of the Audit & Risk Committee with a direct independent reporting line on all affairs relating to internal audits, controls and risk management.

The main objectives of internal audit are:

- Evaluating of control systems;
- Ensuring compliance to rules, procedures and regulations;
- Evaluating organisational efficiency and effectiveness;
- Assessing accuracy and reliability of Departments’ reporting processes;
- Evaluating effectiveness of Departments’ accountability framework, and the extent of adherence to ethical standards; and
- Ensuring audit findings and recommendations add value to the organisations and provide an independent opinion whether the organisational goals and objectives have been achieved in an economic, efficient and effective manner.

Frameworks and processes for the sound management of risk and Internal Controls

The Audit & Risk Committee has appointed an Internal Auditor for independently reviewing the effectiveness of the Company's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems. This ensures that appropriate frameworks and effective processes are in place for a sound management of risk.

Management is responsible for the implementation of internal control and risk management systems under the supervision of the Audit & Risk Committee which ensure that proper accounting records are maintained and that the strategies and policies adopted by the Board are being implemented.

The Internal Auditor covers all key areas of activities, including IT. Any deviation in policies and non-performance of internal control are duly reported and discussed at large at Management and Audit & Risk Committee levels. Corrective actions are promptly taken, and regular follow ups are done. This enables the Board to derive assurance that the internal control systems are effective.

There have been no significant areas which were not covered by the Internal Auditor during the year. Based on the internal audit report, no major risk or deficiency has been found in the Company's system of internal controls that have been left unattended for remedial action. The implementation of an enterprise-wide software system for the general insurance operations, which is presently underway, together with the review and automation of certain operational processes will enable to elevate the level of controls that were identified and reported by the Internal Auditor. The Company is also presently evaluating the proposals for overhauling the ICT infrastructure.

Whistle-blowing rules and procedures

For any suspicious or illegal transactions or behaviour, officers and directors are encouraged to lodge reports promptly with the Money Laundering Reporting Officer as per the Financial Intelligence and Anti Money Laundering Act and Prevention of Corruption Act.

The Company has further embarked on the development of comprehensive Anti-Money Laundering (AML) and Whistle-blowing Policies to further supplement its current control systems.

REPORTING WITH INTEGRITY

“The Board should present a fair, balanced and understandable assessment of the organisation’s financial, environmental, social and governance position, performance and outlook in its annual report”

The Board is responsible for the preparation of accounts that fairly present the state of affairs of the company and the results of its operations and that comply with the International Financial Reporting Standards (IFRS), Insurance Act 2005, Financial Services Act 2007, and the Companies Act 2001.

The Annual Report of the Company include its Financial Statements and its Corporate Governance Report which provide comprehensive details on all of the Company’s financial, environmental, social and governance position as well as its performance for the financial year under consideration. The financial statements and other key corporate governance related information of the Company is published in full on the Company’s website.

Health, Safety, Social And Environmental Policies

The Company has developed and implemented social, safety, health and environmental policies and practices that in all material respects comply with the Occupational Safety and Health Act 2005 and other statutory and regulatory frameworks.

The Company ensures social harmony through its employment policies and it follows non-discriminatory policies in recruitment and promotion. It adopts a transparent and merit-based procedure.

Given the nature of its activities, the Company’s operations do not cause significant adverse impact on the environment. The Company operates its day-to-day activities in a way that is aligned as far as possible with green, environmentally-friendly and energy-saving principles. Furthermore, in view to minimise carbon emissions, e-filing, e-mails, scanning of documents and file sharing are being heavily encouraged. In this spirit, the Company has been using Gargantua, an electronic Content and Document Management System, for managing its insurance policies online. Along similar lines, the Company has implemented digital platforms supporting SMS communications to its clients. The Company has also implemented the option of e-policies for its client portfolio.

Corporate Social Responsibility and Donations

The Company has adopted the 3rd Global Sustainable Development Goal of the United Nations, **“Good Health and Well Being”**. The Company has devised its own Corporate Social Responsibility Programme (**GetHealthy**) and runs regularly across the country thereby promoting health awareness campaigns to make Healthy Living accessible to the Mauritian nation and its future generations.

Spearheaded by NIC’s health caravan and a strong pool of professional service providers, the **GetHealthy on Route8** is a programme hosted in 8 key locations of Mauritius and has been supporting the social cause of Healthy Living and raising healthcare awareness across the Mauritian population.

The Programme has enabled:

- Reaching out the elderly homes and offer free medical advice (GetHealthy Elders Day)
- Offering free medical screening tests to the general public and to its clients
- Raising awareness against breast cancer in community centres (GetHealthy Ladies Day)
- Participation in pre-primary school curriculums through fun events on healthy eating and activities (GetHealthy Kids Day).
- Reaching almost 20,000 Mauritians of all age groups and screening of over 15,000 people for health checks over 30 locations of Mauritius.

There was no donation made during the year.

AUDIT

“Organisations should consider having an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the management. The Board should establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organisation’s auditors”

Internal Audit

The role of Internal Audit is to provide independent and objective assurance to Management and the Board of Directors through the Audit and Risk Committee. By following a systematic and disciplined approach, Internal Audit helps to accomplish the Company’s objectives by evaluating and recommending improvements to operations, internal controls, risk management systems, and governance processes.

The Internal Audit Department is adequately staffed and is headed by the Internal Auditor, Mr. Pawan Kumarsing Canhye. He is assisted by a Manager qualified in law and experienced in field audits as well a senior resource with long standing auditing expertise. The Department also conducts internal audits for its subsidiary, National Insurance Co. Ltd.

The internal audit is performed on the basis of an established and approved Internal Audit Plan and the progress thereon are reported to the Audit & Risk Committee on a regular basis. The Internal Audit Plan covers all key aspects of the business including sales, receipting, cashiering, banking, posting, underwriting, claims assessment, recovery and payment as well as other areas regarding systems and control processes. During the year ended 30 June 2019, internal audits were conducted on healthcare insurance claims, commissions payable to salespersons, assets, branch operations, motor insurance, service providers, salvaged parts and cashiering.

The Internal Auditor reports directly to the Audit & Risk Committee, has unrestricted access to review all activities and transactions undertaken within the Company and to appraise and report thereon. There was no restriction placed over the right of access by internal audit to the records, management or employees of the organisation.

External Audit

The Company has appointed Moore Stephens (Mauritius) as external auditors for the financial year ended 30 June 2019.

The Audit & Risk Committee will ensure that the external auditor is rotated at least every 7 years. The approach to appointing external auditor is done through a tendering process. The last tender for appointment of Moore Stephens (Mauritius) was conducted in 2018 in replacement of the previous external auditor Ernst & Young whose engagement was terminated by mutual agreement and no signed audit report was issued by the latter.

Meeting with Audit & Risk Committee and Key Audit Issues

The External Auditors have regularly met with the Audit & Risk Committee whereby the financial statements of the Company, timeline of the audit, the audit approach, the accounting principles and critical policies adopted are discussed. The External Auditors have regularly been appraising the Audit & Risk Committee and Board members, through attendance and presentation at such instances, of key audit matters pertaining to the business and necessitating the attention of the directors. The External Auditors have also had meetings with key stakeholders without Management being present.

The significant issues that the Audit & Risk Committee considered in relation to the financial statements regard the challenges emanating from the Transfer of Undertaking registered in 2016, which includes the valuation of and encumbrances on certain transferred assets and the valuation of transferred policyholders' liabilities pertaining to the NIC Group. These were the main challenges that delayed the timely completion of the audit exercises. These issues were gradually addressed through remedial measures taken by the Management, Board and through the intervention of the Shareholder where applicable. Any gap in assets and Minimum Capital Requirements were addressed through capital injection by the Shareholder prior to the signature of the audited financial statements in 2019.

Evaluation of the Auditors

The Audit & Risk Committee will evaluate the external auditor in fulfilling their duty annually, to make an informed recommendation to the Board for the reappointment of the auditors. The Audit & Risk Committee assesses the qualifications and performance of the auditor, the quality of the auditors' communications with the Audit & Risk Committee and the auditors' independence, objectivity and professional scepticism.

Information on non-audit services

The Company has used Moore Stephens (Mauritius) for tax compliance services.

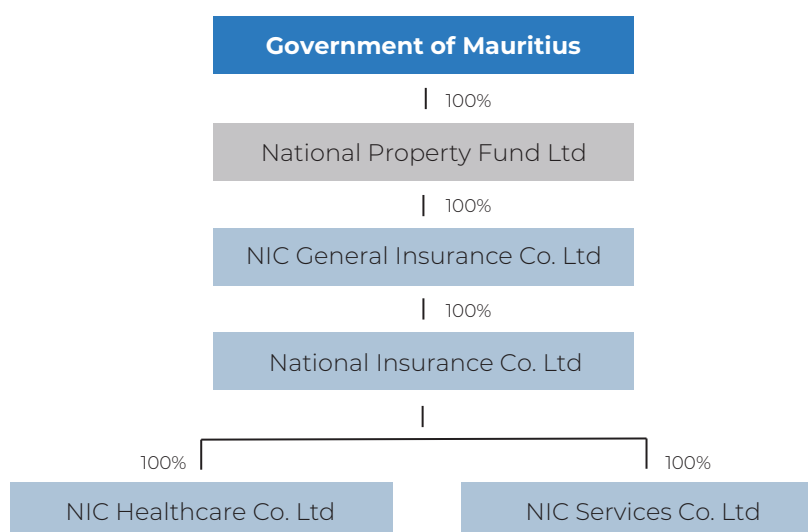
The audit and tax department of Moore Stephens (Mauritius) are two separate departments and the manager and signing partner for the provision of the respective services are different persons.

RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

“The Board should be responsible for ensuring that an appropriate dialogue takes place among the organisation, its shareholders and other key stakeholders. The Board should respect the interests of its shareholders and other key stakeholders within the context of its fundamental purpose”

Holding Structure

The holding structure of the Company as at 30 June 2019 was as follows:



Except for the above, no person has reported any material interest of 5% or more of the equity share capital of the Company.

Dividend Policy

The Board has not established a formal dividend policy. However, the Board endeavours to authorise distributions in the light of the Company's profitability, cash flow requirements and planned capital expenditure in due course.

Relations with Shareholder

The Shareholder is convened to attend Annual Meetings for the purpose of adoption of the Financial Statements, receiving the Auditors' Report and consideration of the Annual Report. Notice of Annual Meeting of Shareholders is sent within the prescribed statutory timeframe. The Shareholder is also encouraged to ask questions at the Annual Meeting.

Moreover, other decisions pertaining to Shareholder matters are also taken by way of written resolution in lieu of holding Meetings of the Shareholder in conformity with Section 117 of Companies Act 2001, given that there is a sole Shareholder.

The Company ensures that there is regular contact and dialogue with the sole Shareholder to keep them informed on material events affecting the Company including its performance and outlook. The Chairperson, through the assistance of the Company Secretary, is available to answer any query from the Shareholder. Where and when required, appropriate papers and reports pertaining to the critical business affairs are shared between the Company and the Shareholder, and representatives of the Ultimate Shareholder for appropriate consideration and support.

The Company's website is used to provide relevant information and open lines of communication are maintained to ensure transparency and optimal disclosure.

Company Key Stakeholders

Regulator & Authorities

Relationships with the regulator and authorities, mainly the Financial Services Commission, the Registrar of Companies, Financial Reporting Council and the Mauritius Revenue Authority are considered as critical for good running of the Company. The Company maintains relationship with its regulator and authorities through written communications, meetings, filing of returns and financial reports, participation in forums, conferences and workshops as well as compliance with relevant legislation.

These relationships are viewed as strategic partnerships to ensure that the Company upholds and maintains best practices with full transparency.

Calendar of Important Events

The key milestones of important events during the financial year are as follows:

December	Annual Meeting of Shareholder
June	Financial Year End

STATEMENT OF COMPLIANCE

(Section 75 (3) of the Financial Reporting Act)

Name of PIE : NIC General Insurance Co. Ltd
Reporting period : 30 June 2019

We, the Directors of NIC General Insurance Co. Ltd (the "Company"), confirm to the best of our knowledge that the Company has complied with all of its obligations and requirements under the Code of Corporate Governance except for the following sections:

Reasons for non-compliance with the sections of the Code:

Principle 1: Governance Structure

Statement of Accountabilities - The Board, Board Committees and other key governance roles have been operating according to their respective terms of reference. These terms of references were formalised as Board and Board Committee Charters and duly approved by the Board in September 2019.

A Code of Ethics for the organisation was also formally approved by the Board in September 2019.

Principle 2: The Structure of the Board and its Committees

Composition of the Board - The recommendation of the Code is to have at least two Executive Directors.

As at 30 June 2019, the Company did not have any Executive Director. The Board is of the opinion that it is appropriately constituted for the execution of its responsibilities. The day to day management of the operations of the Company are performed by the Officer in Charge and Chief Operating Officer, who reports directly to the Chairperson of the Board. Moreover, other members of the Senior Management team are, as and when required, pertaining to business matters and functions under their purview, in attendance during deliberation of the Board.

Principle 4: Directors Duties, Remuneration and Performance

Board Evaluation - As at 30 June 2019, the Board and Board Committees have not carried out a formal documented evaluation. However, the respective Chairpersons undertake on a regular basis continual appraisal discussions with the members of the Board and Board Committees with a view to improve the overall effectiveness in decision making and governance.

Signed on behalf of the Board of Directors:



Mr. Oodaye Prakash Issary
Chairman



Dr. Daneshwar Doobree
Director

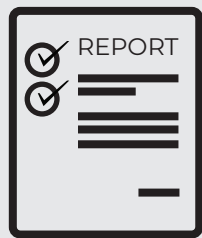
Date: 28 September 2019





WE SERVE PROTECT EMPOWER

our customers and all our stakeholders, through a culture of elevate Care & Service, deeply ingrained in our DNA, and founded on our core values, beliefs, behaviour, attitude and cultural 5Rs philosophy.



Directors' & Auditors' Reports

FOR THE YEAR ENDED 30 JUNE 2019

DIRECTORS' REPORT

SECRETARY'S CERTIFICATE

INDEPENDENT AUDITORS' REPORT

DIRECTORS' REPORT

For the year ended 30 June 2019

The directors have the pleasure in submitting the annual report of **NIC General Insurance Co. Ltd** (the "Company"), together with the audited financial statements for the year ended 30 June 2019.

1. PRINCIPAL ACTIVITIES

The Company is engaged in general insurance business.

2. RESULTS FOR THE YEAR

The statement of profit or loss and other comprehensive income for the year is shown on page 104.

3. DIRECTORS

The directors of the Company are as follows:

	Date of Appointment	Date of Resignation
Non-Executive Chairman		
Mr. Dhanunjaye Gaoneadry	18 Dec 2017	07 Feb 2019
Mr. Oodaye Prakash Issary (appointed as Chairman on 20 Feb 2019)	19 Feb 2019	-
Independent and Non-Executive Director		
Mr. Sameer Udhin Chitbahal	05 Jun 2017	06 May 2019
Mr. Joseph Benoit Mamet	22 May 2017	-
Mr. Jean Daniel Henry	23 May 2017	-
Dr. Arty Rambharush	26 May 2017	-
Mr. Shastree Ramodhin	29 Dec 2017	-
Non-Executive Director		
Mr. Tamanah Appadu	21 Apr 2016	14 May 2019
Mr. Vidianand Luchmeepersad	22 May 2017	29 May 2019
Dr. Daneshwar Doobree	22 May 2017	-
Dr. Sudhirsan Kowlessur	12 Jun 2019	-
Executive Director		
None		

4. DIRECTORS' SERVICE CONTRACTS

None of the directors had any contract of service with the Company during the year.

DIRECTORS' REPORT (CONTINUED)

For the year ended 30 June 2019

5. DIRECTORS' SHARE INTEREST

The directors, both past and present, do not hold any share in the Company nor do they have any dealings in those shares.

6. CONTRACT OF SIGNIFICANCE

None of the directors have any contract of significance with the Company during the year.

7. DIRECTORS' REMUNERATION

Directors' remuneration

2019	2018
MUR	MUR
2 669 045	2 349 818

There was no executive director for the years ended 30 June 2019 and 30 June 2018.

8. DONATION

The Company made no donation during the year ended 30 June 2019 (2018: Nil).

9. AUDITORS' REMUNERATION

Moore Stephens (Mauritius)

2019		2018	
AUDIT	OTHERS	AUDIT	OTHERS
MUR	MUR	MUR	MUR
605 000	-	605 000	-

Moore Stephens (Mauritius), Chartered Accountants, have shown their willingness to continue to act as auditors of the Company. A resolution for their re-appointment in accordance with Section 200 (1) of the Companies Act 2001, as auditors of the Company will be proposed at the Annual General Meeting.

On behalf of the Board of Directors



Mr. Oodaye Prakash Issary
Chairman



Dr. Daneshwar Doobree
Director

Date: 28 September 2019

CERTIFICATE FROM THE COMPANY SECRETARY
For the year ended 30 June 2019

SECRETARY'S CERTIFICATE

We confirm that, based on the records and information made available to us by the Directors and Shareholder of the Company, the Company has filed with the Registrar of Companies, for the year ended 30 June 2019, all such returns as are required under Section 166(d) of the Companies Act 2001.



Prime Partners Ltd
Corporate Secretary
Per Gopal Bullyraz

Date: 28 September 2019

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**Opinion**

We have audited the financial statements of **NIC General Insurance Co. Ltd** ("the Company") set out on pages 103 to 152, which comprise the statement of financial position as at 30 June 2019 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements give a true and fair view of the financial position of the Company as at 30 June 2019 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Valuation of outstanding claims ("OC") including claims Incurred But Not Reported ("IBNR")**Key audit matter**

As at 30 June 2019, the Company had outstanding claims ("OC") including claims incurred but not reported ("IBNR") as disclosed in Note 17(b) to the financial statements.

We focused on this area because the valuation of OC including claims IBNR are significant in magnitude and requires the use of judgements, estimates and the use of actuarial and statistical projections. OC including claims IBNR are estimated for settlement of claims in future which are impacted by a number of factors which include the trends in severity of historical claims, frequency of historical claims, and changes in Laws and Regulations. In particular, the claims arising from death or disability covered under motor insurance contracts involve complex and subjective judgements about future events, both internal and external to the business, for which small changes in assumptions can materially impact on the valuation of these liabilities.

Related disclosures

Refer to note 17(b), note 3.14(iii) (accounting policies) and note 6.1 (critical accounting estimates) of the accompanying financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

1. Valuation of outstanding claims ("OC") including claims Incurred But Not Reported ("IBNR") (continued)

Audit response

- We assessed and tested the design and operating effectiveness of selected key controls relating to the claims handling and reserving process, including controls over completeness and accuracy of the claims' estimates recorded.
- We performed substantive tests on the amounts recorded for a sample of claims notified, focusing on those with most significant impact on the financial statements, to assess whether claims are appropriately estimated and recorded. the competence, objectivity and independence of the independent actuary appointed by management of the Company to review the adequacy of OC including claims IBNR.
- We tested the completeness, accuracy and integrity of the underlying insurance data provided by management to the independent actuary to estimate the IBNR provisions. We focused our test of key controls over management's collection, extraction and data validation processes.
- We critically appraised the reasonableness of assumptions used in the actuarial report, especially around mortality, disability, morbidity, expenses and risk discount rates, through a combination of analytical procedures and benchmarking against market trends as well as regulatory and reporting requirements for consistency.
- We assessed the adequacy of the Company's related disclosures by reference to International Financial Reporting Standards ("IFRSs").

2. Insurance receivables and Reinsurance assets

Key audit matter

As at 30 June 2019, the Company had insurance receivables and reinsurance assets as disclosed in notes 11 and 13(c) respectively in the financial statements. Significant judgement is required to assess the credit risk attached to these receivables. The net carrying amount of insurance receivables and reinsurance assets are measured at amortised cost less any provision for impairment. Provision for impairment is based on objective evidence of default.

Insurance receivables: The Company's assessment of the recoverability of its insurance receivables is based on historical data, which involves an analysis and examination of the credit history of its customers.

Reinsurance assets: The carrying value of the reinsurance assets in respect of the ceded part of the insurance liabilities, as detailed in note 13(c), requires judgement to reflect the credit risk exposure attached to the assets. Irrecoverable balances are assessed and provided for.

Related disclosures

Refer to notes 11, 13(c), notes 3.6 and 3.14(ii) (accounting policy) and notes 6.1 and 6.2 (critical accounting estimates) of the accompanying financial statements.

Audit response

- We tested the design, implementation and operating effectiveness of key controls over the identification of impaired assets and reviewed the model governance framework underpinning the impairment process.
- We reviewed the methodology and judgement used and tested management's key assumptions used in assessing impairment.
- We tested the design and operating effectiveness of key controls over the reinsurance asset measurement and valuation process.
- We sought external confirmation of the outstanding amount from counterparties and re-insurers, and performed alternative procedures to ensure existence and accuracy of those receivables where response rates were below our tolerable threshold.
- We reviewed the correspondence with the re-insurers as a means to gauge recoverability.
- We tested management's key assumptions in estimating credit risk and reviewed the methodology used for credit risk appraisal. A benchmarking exercise was performed which entailed a comparison of the underlying credit ratings for key reinsurance counterparties to independent sources.
- We also considered the consistency of the approach with prior years, and enquired about any major variations and changes in key assumptions.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**Other Information**

The directors are responsible for the other information. The other information comprises the Directors' Report and Certificate from the Company Secretary, or any other information. The other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

Directors' responsibility for the financial statements

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT

For the year ended 30 June 2019

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Other matter

This report is made solely to the Company's members, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters that we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Financial Reporting Act 2004

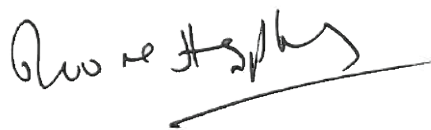
The directors are responsible for preparing the corporate governance report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the principles of the Code.

The directors have given satisfactory explanations on the principles of the Code which have not been complied with. In our opinion, the disclosure in the annual report, including explanations on the reasons for non-compliance, is consistent with the principles of the Code.

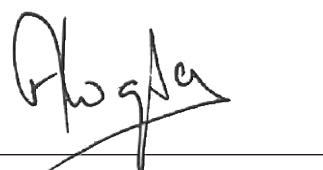
Insurance Act 2005

The financial statements have been prepared in the manner and meet the requirements specified by the Financial Services Commission ("FSC"), except for non-compliance with the requirements of the Insurance (General Insurance Business Solvency) Rules 2007 under the Insurance Act 2005 in respect of Minimum Capital Requirements as at reporting date.

Subsequent to the reporting date, there has been an injection of capital in September 2019 (as disclosed under note 38) which has addressed the non-compliance issue.



MOORE STEPHENS
Chartered Accountants



Arvin ROGBEER, FCA, FCCA
Licensed by FRC

Port Louis
Republic of Mauritius

Date: 28 September 2019





Financial Statements

FOR THE YEAR ENDED 30 JUNE 2019

STATEMENT OF FINANCIAL POSITION

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STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

ASSETS

Non-current assets

Plant and equipment	7	37 364	49 163
Investment property	8	43 000 000	43 000 000
Investment in subsidiary	9	1	1
Investment in financial assets	10	44 775 834	44 775 834
Deferred tax assets	18	4 743 893	9 284 178

Current assets

Insurance receivables	11	114 216 194	74 390 991
Other receivables	12	25 428 854	15 410 547
Reinsurance assets	13(c)	90 789 337	36 555 444
Current tax asset	21(a)	293 707	191 587
Cash and cash equivalents	14	6 103 002	10 999 876

TOTAL ASSETS

329 388 186

234 657 621

EQUITY AND LIABILITIES

Equity

Stated capital	15	30 000 000	30 000 000
Reserves	16	2 764 872	(22 963 406)

TOTAL EQUITY

32 764 872

7 036 594

Technical provisions

Insurance contract liabilities	17(a)	144 040 573	109 803 765
Outstanding claims	17(b)	62 272 646	51 719 126

206 313 219

161 522 891

Non-current liabilities

Retirement benefit obligations	19	1 654 000	1 341 000
		1 654 000	1 341 000

Current liabilities

Trade and other payables	20	88 656 095	64 757 136
		88 656 095	64 757 136

TOTAL EQUITY AND LIABILITIES

329 388 186

234 657 621

These financial statements have been approved for issue by the Board of Directors on 28 September 2019.

Mr. Oodaye Prakash Issary
Chairman

Dr. Daneshwar Doobree
Director

The notes on pages 107 to 152 form an integral part of these financial statements. Auditors' report on pages 96 to 99.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2019

	NOTES	2019	2018
		MUR	MUR
Revenue			
Gross premiums	22	324 532 160	241 617 674
Premiums ceded to reinsurers	23	(128 322 711)	(77 310 986)
Net premiums		196 209 449	164 306 688
Claims, reserves and commissions			
Gross claims paid	26	(243 940 987)	(179 016 482)
Movement in outstanding claims	27	(10 553 520)	(28 503 875)
Claims ceded to reinsurers	30	184 465 213	58 288 087
Gross change in insurance contract liabilities	17(a)	(34 236 808)	(18 754 270)
Change in contract liabilities ceded to reinsurers	13(d)	2 869 048	19 417 180
Change in expense reserve	17(c)	-	43 754 200
Commissions paid	29	(17 742 616)	(12 108 852)
Net claims, reserves and commissions		(119 139 670)	(116 924 012)
UNDERWRITING RESULTS		77 069 779	47 382 676
Investment and other income	24	3 324 812	3 806 848
Fees and commission income	25	6 802 536	4 704 124
Other Revenue		10 127 348	8 510 972
Other operating and administrative expenses	28	(56 818 564)	(33 882 289)
PROFIT BEFORE TAXATION		30 378 563	22 011 359
Income tax	21(b)	(4 540 285)	3 264 349
PROFIT OF THE YEAR		25 838 278	25 275 708
Other comprehensive loss:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit obligations	19	(110 000)	(242 000)
Items that may be reclassified subsequently to profit or loss			
		-	-
Other comprehensive loss for the year, net of tax		(110 000)	(242 000)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		25 728 278	25 033 708

The notes on pages 107 to 152 form an integral part of these financial statements. Auditors' report on pages 96 to 99.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

RESERVES

	Stated Capital	(Revenue deficit)/retained earnings	Total Equity
	MUR	MUR	MUR
Balance as at 01 July 2017	30 000 000	(47 997 114)	(17 997 114)
Profit for the year	-	25 275 708	25 275 708
Other comprehensive loss	-	(242 000)	(242 000)
Total comprehensive income for the year	-	25 033 708	25 033 708
BALANCE AS AT 30 JUNE 2018	30 000 000	(22 963 406)	7 036 594
Balance as at 01 July 2018	30 000 000	(22 963 406)	7 036 594
Profit for the year	-	25 838 278	25 838 278
Other comprehensive loss	-	(110 000)	(110 000)
Total comprehensive income for the year	-	25 728 278	25 728 278
BALANCE AS AT 30 JUNE 2019	30 000 000	2 764 872	32 764 872

The notes on pages 107 to 152 form an integral part of these financial statements. Auditors' report on pages 96 to 99.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

	NOTES	2019 MUR	2018 MUR
Cash generated from operations			
Profit before taxation		30 378 563	22 011 359
Adjustments for:			
Movement in fair value of financial asset	10	-	(75 284)
Movement in retirement benefit obligations	19	203 000	222 000
Depreciation	7	11 799	9 832
		30 593 362	22 167 907
Changes in working capital:			
Change in insurance receivables		(39 825 203)	577 125
Change in other receivables		(10 018 307)	(10 632 706)
Change in reinsurance assets		(54 233 893)	(25 354 485)
Change in insurance contract liabilities		34 236 808	18 754 270
Change in outstanding claims		10 553 520	28 503 875
Change in expense reserve	17(c)	-	(54 248 249)
Change in trade and other payables		23 898 959	22 037 377
		(4 794 754)	1 805 114
Cash flows (used in) / generated from operating activities			
Tax paid	21	(102 120)	(191 587)
NET CASH FLOWS (USED IN) / GENERATED FROM OPERATING ACTIVITIES		(4 896 874)	1 613 527
Cash flows from investing activities			
Acquisition of plant and equipment	7	-	(58 995)
Net cash flows used in investing activities		-	(58 995)
MOVEMENT IN CASH AND CASH EQUIVALENTS		(4 896 874)	1 554 532
Cash and cash equivalents			
At 01 July		10 999 876	9 445 344
Movement		(4 896 874)	1 554 532
AT 30 JUNE		6 103 002	10 999 876

The notes on pages 107 to 152 form an integral part of these financial statements. Auditors' report on pages 96 to 99.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

1. GENERAL INFORMATION

NIC General Insurance Co. Ltd (the “Company”) is a public company incorporated in Mauritius. Its registered office is situated at NIC Centre, 217 Royal Road, Curepipe, Mauritius (previously located at 15th Floor, Air Mauritius Centre, 6 President John Kennedy Street, Port Louis). The Company is engaged in general insurance business.

These financial statements are submitted for consideration and approval at the forthcoming Annual Meeting of Shareholder of the Company.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1. Standards, Amendments to published Standards and Interpretations effective in the reporting period

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The mandatory application date for the standard as a whole is 01 January 2018. The Company plans to defer the application of IFRS 9 until the earlier of the effective date of the new insurance contract standard (IFRS 17) of 01 January 2022, opting the temporary exemption from applying IFRS 9 by the amendments to IFRS 4. The optional temporary exemption from IFRS 9 is available to the companies whose activities are predominantly connected with insurance. The Company continues to apply IAS 39 Financial Instruments: Recognition and Measurement and will defer the application of IFRS 9 until 01 January 2022 at the latest.

IFRS 15 Revenue from Contracts with Customers is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The mandatory application date for the standard is 01 January 2018. The Company, which is applying IFRS 4, is excluded under the scope of the standard and has therefore not adopted IFRS 15.

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

The amendments clarify the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. The amendment has no impact on the Company's financial statements.

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)

The amendment provides two different solutions for insurance companies: a temporary exemption from IFRS 9 for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional. The amendment has no impact on the Company's financial statements.

Annual Improvements to IFRSs 2014-2016 Cycle

- IFRS 1 - deleted short-term exemptions covering transition provisions of IFRS 7, IAS 19 and IFRS 10 which are no longer relevant.
- IAS 28 - clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition. The amendment has no impact on the Company's financial statements.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.1. Standards, Amendments to published Standards and Interpretations effective in the reporting period (Continued)

IFRIC 22 Foreign Currency Transactions and Advance Consideration. The interpretation clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. The amendment has no impact on the Company's financial statements.

Transfers of Investment Property (Amendments to IAS 40). The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The amendment has no impact on the Company's financial statements.

2.2. Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 01 January 2019 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
- IFRS 16 Leases
- IFRS 17 Insurance Contracts
- IFRIC 23 Uncertainty over Income Tax Treatments
- Prepayment Features with negative compensation (Amendments to IFRS 9)
- Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)
- Annual Improvements to IFRSs 2015-2017 Cycle
- Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)

Where relevant, the Company is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

IFRS 17 Insurance contracts - effective 01 January 2022

IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows
- an explicit risk adjustment, and
- a contractual service margin ("CSM") representing the unearned profit of the contract which is recognised as revenue over the coverage period.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2. Standards, Amendments to published Standards and Interpretations issued but not yet effective (Continued)

IFRS 17 Insurance contracts - effective 01 January 2022 (Continued)

The standard allows a choice between recognising changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach the entity's share of the fair value changes of the underlying items is included in the contractual service margin. The results of insurers using this model are therefore likely to be less volatile than under the general model.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

IFRS 17 is effective for annual reporting periods beginning on or after 01 January 2022, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. Retrospective application is required. However, if full retrospective application for a Company of insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach.

The Company plans to adopt the new standard on the required effective date.

The Company expects that the new standard will result in an important change to the accounting policies for insurance contract liabilities of the Company and is likely to have a significant impact on the profit and total equity together with presentation and disclosure.

IFRS 16 Leases - effective 01 January 2019

Adoption of IFRS 16 will result in the Company recognising right-of-use assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the Company does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment. The Company is assessing the impact of this new standard and will adopt the standard when it becomes effective.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of preparation

The financial statements of **NIC General Insurance Co. Ltd** comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRSs).

The financial statements are presented in Mauritian Rupee (MUR).

The financial statements are prepared under the historical cost convention, except that:

- investment property is stated at fair value; and
- financial assets and financial liabilities are stated at their fair values or carried at amortised cost.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 6.

3.2 Exemption from presenting consolidated financial statements

The financial statements are the separate financial statements which contain information about NIC General Insurance Co. Ltd as an individual company and do not contain consolidated financial information as the parent of a group.

The Company has taken advantage of the exemption under IFRS 10 paragraph 4, "Consolidated Financial Statements", from the requirement to prepare group financial statements, as its holding company, National Property Fund Ltd, a company incorporated in the Republic of Mauritius, shall prepare group financial statements in accordance with International Financial Reporting Standards and shall be available for public use at the registered office of the holding company, 6 President John Kennedy Street, 15th Floor, Air Mauritius Centre, Port Louis, Mauritius.

3.3 Investment in subsidiary

Separate financial statements

Subsidiaries are entities over which the Company has control. The Company controls an entity if and only if it has power over the entity and when it is exposed to, or has rights to variable returns from its involvement with the entity, and has the ability to use its power over the entity to affect those returns. The Company will re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Investment in subsidiary is stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. On disposal of such investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the profit or loss.

3.4 Revenue recognition

Premiums written on general insurance business are accounted for when the policies incept.

Provision for unearned premium has been made in respect of the general insurance business represent the proportion of premium written in the year which relate to the unexpired terms of policies in force at the reporting date, calculated on the basis of the 365th method.

Investment and other income comprises mainly of dividend, interest and rent receivable for the year. Dividend is accounted for when the shareholder's right to receive payment is established. Interest income is recognised using the effective interest method.

Rental income, fees and commissions are accounted on an accrual basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using Mauritian rupee (MUR), the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in Mauritian rupee, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

3.6 Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Financial assets are classified into the following specified categories: "held-to-maturity" investments, financial assets at "fair value through profit or loss" and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Except where stated separately, the carrying amounts of the Company's financial assets approximate their fair values.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments.

Financial assets at fair value through profit or loss

Financial assets are classified in this category if acquired principally for the purpose of selling in the short term or if so designated by the Company. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months to the end of the reporting period.

The Company has not designated any debt investment as measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Financial assets (Continued)

Financial assets at fair value through profit or loss (Continued)

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed. Subsequently these financial assets are measured at fair values.

Dividends from such investments are recognised in profit or loss as long as they represent a return on investment.

Held-to-maturity investments

Debentures with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are carried at amortised cost using the effective interest method less any impairment.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money or services directly to a debtor with no intention of trading the receivable. They are recognised initially at fair value plus any directly attributable transaction costs. Subsequently to initial recognition, loans and receivables are measured at amortised costs using the effective interest method, less any impairment. They are included in current assets when maturity is within twelve months after the end of the reporting period or non-current assets for maturities greater than twelve months.

Insurance and other receivables

Insurance and other receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

A provision for impairment of insurance and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognized in the profit or loss.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Financial liabilities and equity instruments

(a) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(c) Financial liabilities

Financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs. Subsequently they are measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(d) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

3.8 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expenses will not be offset in the profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

3.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years but it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

(b) Deferred tax

Deferred taxation is provided in full using the liability method. Deferred tax liabilities are recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Taxation (Continued)

(b) Deferred tax (Continued)

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the end of the reporting date and are expected to apply in the period when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is possible that taxable profit will be available against which the deductible temporary differences can be utilised.

The principal temporary difference arises from depreciation on plant and equipment, retirement benefit assets/obligations, revaluation reserve, fair value gains/losses on investment property and Company's accumulated tax losses.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, bank overdraft and short terms deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value. Bank overdrafts are shown in current liabilities in the statement of financial position.

3.11 Retirement benefit obligations

(i) Defined Contribution Plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions.

(ii) Defined Benefit Plan

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Company determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

(iii) State plan

Contributions to the National Pension Scheme are expensed to the profit or loss in the period in which they fall due.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the end of the reporting period. Provisions are reviewed at end of reporting period and adjusted to reflect the current best estimate.

3.13 Impairment of financial assets

Financial assets are assessed for indicators of impairment at end of reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all financial assets objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counter party; or
- Default or delinquency in interest or principal payments; or
- Becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as insurance receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of insurance receivables where the carrying amount is reduced through the use of an allowance account. When an insurance receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been, had the impairment not been recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Insurance contracts

(i) Insurance contracts – classification

Insurance contracts are those contracts that transfer significant insurance risk at the inception of the contract. Such contracts remain insurance contracts until all rights and obligations are extinguished or expired.

Insurance risk is transferred when the Company agrees to compensate a policyholder if a specified uncertain event adversely affects the policyholder. The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect.

The Company considers that virtually all its short term products are insurance contracts.

Short term insurance contracts are in respect of the following classes of business:

- accident and health and
- others (motor, engineering, liability, property, transportation, guarantee and miscellaneous).

These contracts provide compensation following damage to or loss of property, goods, equipment, losses and expenses incurred, sickness and loss of earnings resulting from the occurrence of the events insured against.

(ii) Reinsurance contracts

Reinsurance contracts entered into by the Company are either of proportional or non-proportional type. Under a proportional treaty, the premiums and claims are apportioned between the Company and the reinsurer in agreed proportions. Proportional reinsurance may be either in the form of a quota share whereby the proportion of each risk reinsured is fixed, or in the form of surplus whereby the Company can retain a part of a risk within a fixed limit, and the reinsurer accepts part of the risk as a multiple of the Company's retention. Under the non-proportional type of reinsurance, the Company uses the Excess of Loss treaty whereby in consideration for a premium, the reinsurer agrees to pay claims in excess of a specified amount (the retention), up to a specified maximum amount.

The Company reinsures either on a treaty basis, with all risks falling within the treaty terms, conditions and limits being reinsured automatically, or on a facultative basis. Under facultative reinsurance, risks are offered to the reinsurer or an individual basis and can be accepted or rejected by the reinsurer.

Short-term balances due from reinsurers are classified within insurance and other receivables and amounts that are dependent on the expected claims and benefits arising under the related reinsurance contracts are classified under reinsurance assets. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provisions or settled claims associated with the reinsured policies and in accordance with the relevant reinsurance contract.

Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. Any gains or losses on buying reinsurance contracts are recognised immediately in the profit or loss and are not subject to amortisation.

Impairment of reinsurance assets

Reinsurance assets are reviewed for impairment. A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance asset, that the Company may not receive all amounts due to it under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer. If reinsurance asset is impaired, the Company reduces the carrying amount accordingly and recognises that impairment loss in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Insurance contracts (Continued)

(iii) Claims expenses and outstanding claims provisions

Claims incurred

Claims incurred comprise claims and claims handling costs paid in the year and changes in the provision of outstanding claims including provision for claims incurred but not reported (IBNR) and related expenses together with any adjustment to claims of prior years. Claims handling costs include costs incurred in connection with the negotiation and settlement of claims.

Outstanding claims provision

Outstanding claims provision represents the estimated ultimate cost of settling all claims arising from events which have occurred up to the end of the reporting period, including provision for claims incurred but not reported (IBNR). It includes related expenses and a deduction for the expected value of salvage and subrogation. The Company does not discount its liabilities for unpaid claims.

Significant delays can be expected in the notification and settlement of certain claims, especially in respect of liability class of business, the ultimate cost of which cannot therefore be known with certainty at the end of the reporting period. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposure and that the provision is determined using best estimates of claims development patterns, forecast inflation and settlement of claims.

However, given the uncertainty in establishing claims provision, it is likely that the outcome will prove to be different from the original liability established. Differences between the estimated cost and subsequent settlement of claims are recognized in profit or loss in the year in which they are settled or in which the provisions for claims outstanding are re-estimated.

Salvage and subrogation reimbursements

Salvage is the equitable right of the Company to the residual value of property for which it has paid a total loss. When the Company compensates an insured due to a loss caused by a third party, it is subrogated to the right of the insured to be compensated by that third party.

Estimates of salvage and subrogation are taken into consideration while calculating provisions for outstanding claims. The salvage property and subrogation reimbursements are recognised in other assets when the liabilities are settled. Allowance for salvage is the amount that can reasonably be recovered from the disposal of property whereas the subrogation allowance is the assessment of the amount that can be recovered from the action against the liable third party.

(iv) Liability adequacy test

At the end of the reporting period, a liability adequacy test is performed to ensure the adequacy of the contract liabilities. In performing the test, current best estimates of future contractual cash flows (including claims handling and administration expenses) and expected investment returns on assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss and a provision is established for losses arising from liability adequacy test (the unexpired risk provision).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Leasing

The Company as lessor - Operating Lease

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

3.16 Investment property

Property held to earn rentals and/or for capital appreciation and not occupied by the Company is stated at its fair value at the end of the reporting period, representing Sales Comparison Approach determined by independent valuers. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the year in which they arise.

3.17 Expense reserve

The Company has established a high-level approach to set up an expense reserve for the health business, based on a report prepared by an Actuary appointed by the then Special Administrator. The reserve has been determined as the present value of the expenses expected to be incurred over the first three years of operation.

The Company identifies the actual expenses incurred during each relevant period/year relating to expenses incurred for the health business in that year and matches those expenses to the expense reserve. Any variations between the provisioned amount and the amounts actually incurred are accounted for in the profit or loss.

3.18 Dividend distribution

Dividend distribution to the Company's Shareholder is recognised as a liability in the Company's financial statements in the period in which the dividends are declared.

3.19 Related parties

Parties are considered to be related if one party has control, joint control or exercises significant influence over the other party or is a member of the key management personnel of the other party.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.20 Commissions paid

Commissions consist of payment made to salespersons, agents and brokers incurred for selling insurance policies. These costs are recognised in the profit or loss in the period in which they are incurred.

3.21 Plant and equipment

All plant and equipment are stated at historical cost/deemed cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of the assets or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is calculated on the straight line method to write off the cost or revalued amounts of each asset to their residual values over their estimated useful life as follows:

Computer hardware - 20% per annum

Increases in the carrying amount arising on revaluation are credited to revaluation reserve in shareholder's equity. Decreases that offset previous increases of the same asset are charged against revaluation reserve directly in equity; all other decreases are charged to profit or loss.

The residual values and useful lives of the assets are reviewed, and adjusted prospectively if appropriate, at the end of each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of plant and equipment are determined by comparing the proceeds with the carrying amount and are included in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

4. INSURANCE RISKS

The Company's activities expose it to a variety of insurance risks. A description of the significant risk factors is given below together with the risk management policies applicable.

Insurance risk is transferred when the Company agrees to compensate a policyholder if a specified uncertain future event (other than a change in a financial variable) adversely affects the policyholder. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

The main risk that the Company faces under its insurance contracts is that actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This may occur if the frequency or severity of claims and benefits are greater than estimated.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy so as to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, accumulation of risk and type of industry covered.

4.1 Insurance liabilities

The frequency and severity of claims can be affected by several factors. The most significant claims result from accident, liability claims awarded by the Court, fire and allied perils and their consequences. Inflation is also a significant factor due to the long period typically required to settle some claims.

The Company's underwriting strategy attempts to ensure that the underwritten risks are well diversified in type, amount of risk and industry. The Company has underwriting limits by type of risks and by industry. Performance of individual insurance policies are reviewed by management and the Company reserves the right not to renew individual policies. It can impose deductibles and has the right to reject the payment of a fraudulent claim. Where relevant, the Company may sue third parties for payment of some or all liabilities (subrogation). Claims development and provisioning levels are regularly monitored.

The reinsurance arrangements of the Company include proportional and excess-of-loss and as such the maximum loss per any claim that the Company may suffer is pre-determined.

4.2 Concentration of insurance risk

The following table discloses the concentration of outstanding claims by class of business, gross and net of reinsurance:

Class of Business	2019			
	Outstanding claims			
	No. of claims	Gross	Reinsurance	Net
	MUR	MUR	MUR	
Motor	737	26 319 124	(37 920 640)	(11 601 516)
Property	6	4 095 000	(3 445 500)	649 500
Accident and Health	2 714	20 362 628	(22 469 116)	(2 106 488)
Engineering	32	3 365 000	(200 000)	3 165 000
Liability	24	231 000	-	231 000
Incurred but not reported (IBNR)		7 899 894	-	7 899 894
	3 513	62 272 646	(64 035 256)	(1 762 610)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

4. INSURANCE RISK (CONTINUED)

4.2 Concentration of insurance risk (Continued)

Class of Business	2018			
	Outstanding claims			
	No. of claims	Gross	Reinsurance	Net
		MUR	MUR	MUR
Motor	359	13 461 160	(7 884 111)	5 577 049
Property	13	5 339 000	(4 286 300)	1 052 700
Accident and Health	3 817	28 957 172	-	28 957 172
Engineering	3	1 020 000	(500 000)	520 000
Liability	22	99 994	-	99 994
Incurred but not reported (IBNR)		2 841 800	-	2 841 800
	4 214	51 719 126	(12 670 411)	39 048 715

4.3 Sources of uncertainty

Claims on short-term insurance contracts are payable on a claims occurrence basis for motor and liability business and on a claims made basis for non-motor. Under the claims occurrence basis, the Company is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract. As a result, liability claims may be settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR). For the claims made basis, the Company is liable only if the claims are reported within the specific underwriting year, based on the terms of the contract.

The estimated costs of claims include direct expenses to be incurred in settling claims, net of subrogation and salvage recoveries. The Company ensures that claims provisions are determined using the best information available of claims settlement patterns, forecast inflation and settlement of claims. Estimation techniques also involve obtaining corroborative evidence from, as wide a range of sources as possible, and combining these to form the best overall estimates. However, given the uncertainty in claims provisions, it is very probable that estimated costs and subsequent settlement amounts would differ.

The development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims.

4. INSURANCE RISK (CONTINUED)

4.3 Sources of uncertainty (Continued)

2019

	Change in assumptions	Impact on gross liabilities	Impact on reinsurance share of liabilities	Impact on profit before taxation	Impact on equity
		MUR	MUR	MUR	MUR
Average claim cost	10%	1 773	1 823	50	50

2018

	Change in assumptions	Impact on gross liabilities	Impact on reinsurance share of liabilities	Impact on profit before taxation	Impact on equity
		MUR	MUR	MUR	MUR
Average claim cost	10%	1 227	301	(926)	(926)

4. INSURANCE RISKS (CONTINUED)

4.4 Claims development tables

The tables below illustrate the claims development pattern for the Accident and Health Insurance and Motor Insurance businesses. For other lines of business there is no sufficient historical data for claims development pattern to be produced.

2019 Claims Paid Development												
Development Quarter (MUR)												
	0	1	2	3	4	5	6	7	8	9	10	TOTAL
Accident and Health Insurance and Motor Insurance												
2014	-	-	3 890 639	1 692 931	-	-	11 461	-	175 000	-	-	486 422
2015	-	10 973 286	2 749 674	1 058 398	774 583	175 837	45 065	-	-	-	1 164	17 553 505
2016	75 643 695	27 338 878	4 355 209	1 344 745	349 937	503 405	119 080	24 900	7 021	-	6 000	107 800 988
2017	111 279 106	52 237 846	13 821 441	1 344 745	(1 174 615)	(832 288)	108 640	13 184	(119 497)	20 067	-	167 232 397
2018	113 112 019	66 287 938	7 077 320	(55 849)	1 269 618	(221 079)	350 814	(35 047)	-	-	-	194 529 855
2019	93 485 883	83 505 170	-	2 040 131	-	-	-	-	-	-	-	186 108 504

2018 Claims Paid Development												
Development Quarter (MUR)												
	0	1	2	3	4	5	6	7	8	9	10	TOTAL
Accident and Health Insurance and Motor Insurance												
2014	-	-	3 890 639	1 692 931	-	-	11 461	-	175 000	-	-	486 422
2015	-	10 973 286	2 749 674	1 058 398	774 583	175 837	45 065	-	-	-	1 164	17 553 505
2016	75 643 695	27 338 878	4 355 209	1 344 745	349 937	503 405	119 080	24 900	7 021	-	-	107 794 988
2017	111 279 106	52 237 846	13 821 441	1 344 745	(1 198 619)	(533 713)	3 700	-	-	-	-	167 488 274
2018	9 919 172	47 540 264	6 859 776	(233 821)	-	-	-	-	-	-	-	153 358 391

The above figures include recoveries.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

5. FINANCIAL RISKS

The Company is exposed to financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that proceeds from financial assets are not sufficient to fund the obligations arising from insurance contracts.

The main risks to which the Company is exposed are as follows:

5.1 Market risk

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuation in foreign currency exchange rates, interest rates and equity prices.

5.1.1 Foreign currency risk

Foreign exchange risk is the risk that the fair value or future cash flows of a monetary financial instrument will fluctuate because of changes in foreign exchange rates. All the Company's financial instruments are denominated in its functional currency. The Company's financial instruments which are exposed to currency risk consist mainly of reinsurance payables. Management monitors the Company's currency position on a regular basis. The carrying amounts of the Company's financial assets and liabilities at the reporting date are as follows:

	2019	2018
Financial assets	MUR	MUR
MUR	226 511 821	160 098 383
USD	37 547 804	12 670 411
EUR	3 851	3 851
	264 063 476	172 772 645
Financial liabilities		
MUR	279 836 740	202 105 326
ZAR	382 815	-
USD	14 631 564	23 756 122
EUR	118 195	418 579
	294 969 314	226 280 027

Financial assets exclude advances and prepayments of MUR 17 249 745 (2018: MUR 9 360 047).

Consequently, the Company is exposed to risks that the exchange rate relative to these currencies may change in a manner which has an effect on the reported value of that portion of the Company's assets and liabilities which are denominated in currencies other than the Mauritian Rupee.

Sensitivity analysis

The following table details the Company's sensitivity to a change of 5% of the Mauritian Rupee against the foreign currencies.

	2019	2018
Impact on profit or loss and equity	MUR	MUR
ZAR	19 141	-
EUR	(5 717)	(20 736)
USD	1 145 812	(554 286)

5. FINANCIAL RISKS (CONTINUED)

5.1 Market risk (Continued)

5.1.2 Interest rate risk

The Company is exposed to interest rate fluctuations on the domestic market. The Company monitors interest rate trends and related impact on investment income for performance evaluation and better management.

Interest rate risk arises from the Company's bank balances which are exposed to fluctuations in interest rates. Exposure to interest rate risk on short term business is observed through a monitoring of assets and liabilities. The impact of exposure to sustained low interest rates is also monitored.

Short term insurance liabilities are not directly sensitive to the level of market interest rates as they are undiscounted and contractually non-interest bearing. However, due to the time value of money and the impact of interest rates on the level of bodily injury related claims incurred by certain insurance contract holders, a reduction for interest rates would normally produce a higher insurance liability. The Company reviews its estimation in respect of these claims on a regular basis and works towards maintaining sufficient cash flows.

The interest rate profile was:

Financial assets

Cash at bank

	2019	2018
	MUR	MUR
Cash at bank	463 617	4 028 663

The following table details the sensitivity to a 1% change of the rate of interest of financial assets:

Change of 1% in interest rate

Impact on results

	2019	2018
	MUR	MUR
Impact on results	4 636	40 287

The movement in the interest rate sensitivity is due to fluctuations in interest rates on savings accounts at year end.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

5. FINANCIAL RISKS (CONTINUED)

5.1 Market risk (Continued)

5.1.3 Equity price risk

The Company is subject to price risk due to changes in the market values of its equity securities portfolio. Equity price risk is managed in order to mitigate anticipated unfavourable market movements. In addition, local insurance regulations set out the capital required for risks associated with type of assets held, investments above a certain concentration limit, policy liabilities risks and reinsurance ceded.

Sensitivity

The impact on the Company's profit or loss and equity had the equity market values change by 10% with other assumptions left unchanged would have been as follows:

	2019		2018	
	Impact on profit or loss and equity		Impact on profit or loss and equity	
	+10% MUR	-10% MUR	+10% MUR	-10% MUR
Financial assets at fair value through profit or loss (FVTPL)	4 477 583	(4 477 583)	4 477 583	(4 477 583)

5.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

The Company is exposed to daily payments of claims to clients and to repayment of financial liabilities.

The Company's liquidity position is monitored on a regular basis. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by monitoring forecast and actual cash flows and matching profiles of financial assets.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Maturities of financial assets and liabilities:

At 30 June 2019	< 1 year	1 to 5 years	> 5 years	No maturity dates	TOTAL
	MUR	MUR	MUR	MUR	MUR
Financial assets					
Investment in financial assets	-	-	-	44 775 834	44 775 834
Reinsurance assets	90 789 337	-	-	-	90 789 337
Insurance receivables	114 216 194	-	-	-	114 216 194
Other receivables	8 179 109	-	-	-	8 179 109
Cash and cash equivalents	6 103 002	-	-	-	6 103 002
	219 287 642	-	-	44 775 834	264 063 476

Financial assets exclude advances and prepayments of MUR 17 249 746.

At 30 June 2019	< 1 year	1 to 5 years	> 5 years	No maturity dates	TOTAL
	MUR	MUR	MUR	MUR	MUR
Financial liabilities					
Insurance contract liabilities	144 040 573	-	-	-	144 040 573
Trade and other payables	88 656 095	-	-	-	88 656 095
Outstanding claims	62 272 646	-	-	-	62 272 646
	294 969 314	-	-	-	294 969 314

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

5. FINANCIAL RISKS (CONTINUED)

5.2 Liquidity risk (Continued)

At 30 June 2018

	< 1 year	1 to 5 years	> 5 years	No maturity dates	TOTAL
	MUR	MUR	MUR	MUR	MUR
Financial assets					
Investment in financial assets	-	-	-	44 775 834	44 775 834
Reinsurance assets	36 555 444	-	-	-	36 555 444
Insurance receivables	74 390 991	-	-	-	74 390 991
Other receivables	6 050 500	-	-	-	6 050 500
Cash and cash equivalents	10 999 876	-	-	-	10 999 876
	127 996 811	-	-	44 775 834	172 772 645

Financial assets exclude advances and prepayments of MUR 9 360 047.

At 30 June 2018

	< 1 year	1 to 5 years	> 5 years	No maturity dates	TOTAL
	MUR	MUR	MUR	MUR	MUR
Financial liabilities					
Insurance contract liabilities	109 803 765	-	-	-	109 803 765
Trade and other payables	64 757 136	-	-	-	64 757 136
Outstanding claims	51 719 126	-	-	-	51 719 126
	226 280 027	-	-	-	226 280 027

5.3 Credit risk

Credit risk is a risk that a counterparty will be unable to pay an amount in full when fall due. The Company's credit risk is primarily attributable to its reinsurance assets, insurance, other receivables and bank balances. The amounts presented in the statement of financial position are net of allowances for doubtful receivables based on prior experience and the current economic environment. The Underwriting department assesses the creditworthiness of potential policy holders before issuing any new business.

The Company provides payment facilities to clients and there is a credit risk that a counter party will default on its obligations resulting in financial loss to the Company.

Financial assets

	2019	2018
	MUR	MUR
Reinsurance assets	90 789 337	36 555 444
Insurance receivables	114 216 194	74 390 991
Other receivables	8 179 109	6 050 500
Cash and cash equivalents	6 103 002	10 999 876
	219 287 642	127 996 811

Financial assets exclude advances and prepayments of MUR 17 249 746 (2018: MUR 9 360 047).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

5. FINANCIAL RISKS (CONTINUED)

5.4 Reinsurers' default

The Company is exposed to the possibility of default by its reinsurers for their share of insurance liabilities and refunds in respect of claims already paid. The Company monitors the financial strength of its reinsurers.

5.5 Capital risk management

The main objectives of the Company when managing capital are:

- to keep and maintain at all times a solvency margin in accordance with the Insurance (General Insurance Business Solvency) Rules 2007 as follows:
 - (a) The solvency margin shall at all times be at least 100% of the minimum capital requirement.
 - (b) The capital requirement ratio shall at all times be at the target level of at least 150%.
- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns to the shareholder and benefits for other stakeholders; and
- to provide an adequate return to the shareholder by pricing insurance contracts and other services commensurately with the level of risk.

The Company's capital and solvency margins are below the minimums required by the Insurance Act 2005 as at reporting date. The Board has escalated the issue to the ultimate Shareholder, the Government of Mauritius, to ensure that urgent measures are taken to meet the capital and solvency requirements. Subsequent to the reporting date, there has been an injection of capital in September 2019 (as disclosed under note 38) which has addressed the minimum capital requirements.

5.6 Categories of financial instruments

Financial assets

Investment in financial assets
Reinsurance assets
Insurance receivables
Other receivables
Cash and cash equivalents

2019	2018
MUR	MUR
44 775 834	44 775 834
90 789 337	36 555 444
114 216 194	74 390 991
8 179 109	6 050 500
6 103 002	10 999 876
264 063 476	172 772 645

Financial assets exclude advances and prepayments of MUR 17 249 746 (2018: MUR 9 360 047).

Financial liabilities

Insurance contract liabilities
Trade and other payables
Outstanding claims

2019	2018
MUR	MUR
144 040 573	109 803 765
88 656 095	64 757 136
62 272 646	51 719 126
294 969 314	226 280 027

5. FINANCIAL RISKS (CONTINUED)

5.7 Fair value measurement recognised in the statement of financial position

The following table provides an analysis of financial assets that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2019

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	MUR	MUR	MUR	MUR
Investment in financial assets (note 10)	-	-	44 775 834	44 775 834

2018

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	MUR	MUR	MUR	MUR
Investment in financial assets (note 10)	-	-	44 775 834	44 775 834

6. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS IN APPLYING ACCOUNTING ESTIMATES

Estimates, judgements and assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

6.1 Insurance contracts

The uncertainty inherent in the financial statements of the Company arises in respect of insurance liabilities, which include liabilities for unearned premiums and outstanding claims (including IBNR). In addition to the inherent uncertainty when estimating liabilities, there is also uncertainty as regards to the eventual outcome of claims. As a result, the Company applies estimation techniques to determine the appropriate provisions.

Outstanding claims are determined based upon knowledge of events, terms and conditions of relevant policies, on interpretation of circumstances as well as previous claims experience. Similar cases, historical claims payment trends, judicial decisions and economic conditions are also relevant and are taken into consideration.

Sensitivity

The reasonableness of the estimation process is tested by an analysis of sensitivity around several different scenarios and the best estimate is used.

There may be some reporting lags between the occurrence of the insured event and the time it is actually reported. Following the identification and notification of an insured loss, there may still be uncertainty as to the magnitude and timing of the settlement of the claim. There are many factors that will determine the level of uncertainty such as judicial trends, unreported information, etc.

6.2 Reinsurance

The Company is exposed to disputes on, and defect in, contract wording and the possibility of default by its reinsurers. The Company monitors the financial strength of its reinsurers. Allowance is made as required in the financial statements for non recoverability due to reinsurers default.

6.3 Impairment of financial assets

The Company follows the guidance of International Accounting Standard (IAS) 39 - "Recognition and Measurement" on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee.

6. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS IN APPLYING ACCOUNTING ESTIMATES (CONTINUED)

6.4 Held-to-maturity investment

The Company applies IAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the Company evaluates its intention and ability to hold such investments to maturity.

If the Company fails to keep these investments to maturity other than for specific circumstances explained in IAS 39, it will be required to reclassify the whole class as available-for-sale. The investments would therefore be measured at fair value and not at amortised cost.

6.5 Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

6.6 Revaluation of investment property

The Company carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The valuer used the comparative method of valuation.

The determined fair value of the investment property is most sensitive to comparable sales market price per square metre. The key assumptions used to determine the fair value of the investment property, are further explained in Note 8.

6.7 Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any change in these assumptions will impact the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 19.

7. PLANT AND EQUIPMENT

Cost

At 01 July
Additions
At 30 June

Accumulated depreciation

At 01 July
Charge for the year
At 30 June

Net book value

At 30 June

Computer Hardware

	2019	2018
	MUR	MUR
At 01 July	58 995	-
Additions	-	58 995
At 30 June	58 995	58 995
At 01 July	9 832	-
Charge for the year	11 799	9 832
At 30 June	21 631	9 832
At 30 June	37 364	49 163

8. INVESTMENT PROPERTY

At 30 June

	2019	2018
	MUR	MUR
	43 000 000	43 000 000

The fair values of the Company's investment property as at 30 June 2019 and 30 June 2018 have been arrived at on the basis of a valuation carried out by an independent Chartered Valuation Surveyor. The fair values were determined based on the Sales Comparison Approach.

The investment property of the Company have generated rental income of MUR 2 141 047 (2018: MUR 2 678 562) for the year which is included in investment and other income under Note 24. The direct operating expenses for the Company incurred during the year amounted to MUR 224 032 (2018: MUR 221 235).

The Company owns two portions of freehold land situated at Labourdonnais Street, Port Louis, which are solely used for rental.

The Company's land is measured at fair value and the information about the fair value hierarchy is as follows:

	2019		2018	
	LEVEL 2 MUR	LEVEL 3 MUR	LEVEL 2 MUR	LEVEL 3 MUR
Freehold land	43 000 000	-	43 000 000	-

9. INVESTMENT IN SUBSIDIARY

Unquoted shares

At 30 June

	2019	2018
	MUR	MUR
	1	1

As part of a Group restructuring exercise, the Government of Mauritius has, on 08 March 2016, transferred its investment held in National Insurance Co. Ltd to NIC General Insurance Co. Ltd for an amount of MUR 1. The investment in subsidiary has been kept at cost. The directors consider that there is no impairment on this investment based on a letter of guarantee provided by the Government of Mauritius.

Details of investment:

Name of subsidiary

National Insurance Co. Ltd

	Principal activity	Classes of Shares	Country of incorporation & operation	% Holding
	Long term insurance	Ordinary	Mauritius	100

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

10. INVESTMENT IN FINANCIAL ASSETS

Unquoted shares

Investment in financial asset at fair value through profit or loss (FVTPL)

Debt instruments

Held-to-maturity financial asset

	2019	2018
	MUR	MUR
Investment in financial asset at fair value through profit or loss (FVTPL)	44 775 833	44 775 833
Held-to-maturity financial asset	1	1
	44 775 834	44 775 834

Details of investment in unquoted shares

Name of investee company	Principal activity	Classes of Shares	Country of incorporation & operation	% Holding
Flic en Flac Ltd (Villas Caroline)	Hospitality	Ordinary	Mauritius	28.58

The Company does not have significant influence on the financial and operational decisions of the investee company and the investment has accordingly been designated as financial asset at fair value through profit or loss (FVTPL).

Details of investment in debt instruments

100 000 unsecured redeemable debentures of MUR 1 000 each were issued by Bramer Banking Corporation Ltd (BBCL) to BAI Co (Mtius) Ltd. The debentures were transferred from BAI Co (Mtius) Ltd (Special Administrator appointed) to the Company for an amount of MUR 104 956 164 as per the deed registered and transcribed in May 2016.

BBCL was under special administration up to 07 May 2018 when the Commercial Court of the Supreme Court of Mauritius ordered that BBCL be wound up.

The Company has accordingly fair valued the investment in the debt instrument from MUR 104 956 164 to MUR 1 as part of the IFRS 3 adjustment in the period ended 30 June 2016.

The financial assets are analysed as follows:

Non-current	2019		
	Fair value through profit or loss	Held-to-maturity	TOTAL
	MUR	MUR	MUR
At 01 July 2018	44 775 833	1	44 775 834
Fair value adjustment	-	-	-
At 30 June 2019	44 775 833	1	44 775 834

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

10. INVESTMENT IN FINANCIAL ASSETS (CONTINUED)

The financial assets are analysed as follows:

Fair value hierarchy of financial assets	2019			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	MUR	MUR	MUR	MUR
At 01 July 2018	-	-	44 775 834	44 775 834
Fair value adjustment	-	-	-	-
At 30 June 2019	-	-	44 775 834	44 775 834

Non-current	2018		
	Fair value through profit or loss	Held-to-maturity	TOTAL
	MUR	MUR	MUR
At 01 July 2017	44 700 549	1	44 700 550
Fair value adjustment	75 284	-	75 284
At 30 June 2018	44 775 833	1	44 775 834

Fair value hierarchy of financial assets	2018			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	MUR	MUR	MUR	MUR
At 01 July 2017	-	-	44 700 550	44 700 550
Fair value adjustment	-	-	75 284	75 284
At 30 June 2018	-	-	44 775 834	44 775 834

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

11. INSURANCE RECEIVABLES

Accident and Health
Others

2019	2018
MUR	MUR
111 559 160	71 397 289
2 657 034	2 993 702
114 216 194	74 390 991

(a) Analysis of the age of insurance receivables is as follows:

Up to 60 days
Between 60 days and one year
Above one year

2019	2018
MUR	MUR
17 527 521	15 091 995
92 650 900	54 716 046
4 037 773	4 582 950
114 216 194	74 390 991

(b) The carrying amounts of insurance receivables approximate their fair values.

(c) There is no material impairment as at the reporting date.

12. OTHER RECEIVABLES

Advances and prepayments (note (b))
Others

2019	2018
MUR	MUR
17 249 745	9 360 047
8 179 109	6 050 500
25 428 854	15 410 547

(a) The carrying amounts of other receivables approximate their fair values.

(b) An amount of MUR 17 124 745 (2018: MUR 9 260 047) paid in respect of the future implementation of an IT software is included under advances and prepayments.

(c) As part of the Transfer of Undertaking, a cash and bank balance of MUR 55 000 000 was expected to be received from the Special Administrator. This amount has not been recovered till date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

13. REINSURANCE ASSETS

(a) Claims

2019

	GROSS	REINSURANCE	NET
	MUR	MUR	MUR
At 01 July 2018	51 719 126	(12 670 411)	39 048 715
Claims incurred during the year	254 494 507	(184 465 214)	70 029 293
Claims settled during the year	(243 940 987)	133 100 369	(110 840 618)
At 30 June 2019	62 272 646	(64 035 256)	(1 762 610)
Recognised notified claims	54 372 752	(64 035 256)	(9 662 504)
Incurred but not reported	7 899 894	-	7 899 894
At 30 June 2019	62 272 646	(64 035 256)	(1 762 610)
Movement in outstanding claims during the year recognised in the profit or loss (note 27)	(10 553 520)		

2018

	GROSS	REINSURANCE	NET
	MUR	MUR	MUR
At 01 July 2017	23 215 251	(7 149 189)	16 066 062
Claims incurred during the year	207 520 358	(58 288 087)	149 232 271
Claims settled during the year	(179 016 483)	52 766 865	(126 249 618)
At 30 June 2018	51 719 126	(12 670 411)	39 048 715
Recognised notified claims	48 877 326	(12 670 411)	36 206 915
Incurred but not reported	2 841 800	-	2 841 800
At 30 June 2018	51 719 126	(12 670 411)	39 048 715
Movement in outstanding claims during the year recognised in the profit or loss (note 27)	(28 503 875)		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

13. REINSURANCE ASSETS (CONTINUED)

(b) Provision for unearned premiums

	2019		
	GROSS	REINSURANCE	NET
	MUR	MUR	MUR
At 01 July 2018	105 367 769	(23 885 033)	81 482 736
Premium written during the year	324 532 160	(128 322 711)	196 209 449
Premium earned during the year	(288 373 713)	125 453 663	(162 920 050)
At 30 June 2019	141 526 216	(26 754 081)	114 772 135

	2018		
	GROSS	REINSURANCE	NET
	MUR	MUR	MUR
At 01 July 2017	82 932 370	(4 051 770)	78 880 600
Premium written during the year	241 617 674	(77 310 986)	164 306 688
Premium earned during the year	(219 182 275)	57 477 723	(161 704 552)
At 30 June 2018	105 367 769	(23 885 033)	81 482 736

(c) Reinsurance assets

	2019	2018
	MUR	MUR
At 01 July	36 555 444	11 200 959
Net movement in claims	51 364 845	5 521 222
Net movement in provision for unearned premiums	2 869 048	19 833 263
At 30 June	90 789 337	36 555 444

(d) Change in contract liabilities ceded to reinsurers

	2019	2018
	MUR	MUR
Claims incurred but not reported	-	416 083
Premium written during the year	(128 322 711)	(77 310 986)
Premium earned during the year	125 453 663	57 477 723
	(2 869 048)	(19 417 180)

14. CASH AND CASH EQUIVALENTS

Cash at bank

2019	2018
MUR	MUR
6 103 002	10 999 876

15. STATED CAPITAL

Issued and paid

3 000 000 ordinary shares

2019	2018
MUR	MUR
30 000 000	30 000 000

Each ordinary share carries one voting right and rights to dividends. The above ordinary shares are at no par value and fully paid.

16. RESERVES

At 01 July 2018
Profit for the year
Other comprehensive loss for the year
At 30 June 2019

At 01 July 2017
Profit for the year
Other comprehensive loss for the year
At 30 June 2018

(Revenue deficit) / Retained earnings
MUR
(22 963 406)
25 838 278
(110 000)
2 764 872
MUR
(47 997 114)
25 275 708
(242 000)
(22 963 406)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

17. TECHNICAL PROVISIONS

(a) Insurance contract liabilities

At 01 July

Movement for the year

At 30 June

Analysed as follows:

Unearned premium reserve

Additional unexpired risk reserve

Claims handling expense reserve

(b) Outstanding claims

At 01 July

Movement for the year

At 30 June (note 13(a))

(c) Expense reserve

At 01 July

Credited as change in expense reserve in the profit or loss

Credited to staff cost in the profit or loss (note 28)

At 30 June

	2019	2018
	MUR	MUR
At 01 July	109 803 765	91 049 495
Movement for the year	34 236 808	18 754 270
At 30 June	144 040 573	109 803 765
Analysed as follows:		
Unearned premium reserve	141 526 216	105 367 769
Additional unexpired risk reserve	873 243	3 105 110
Claims handling expense reserve	1 641 114	1 330 886
	144 040 573	109 803 765
(b) Outstanding claims		
At 01 July	51 719 126	23 215 251
Movement for the year	10 553 520	28 503 875
At 30 June (note 13(a))	62 272 646	51 719 126
(c) Expense reserve		
At 01 July	-	54 248 249
Credited as change in expense reserve in the profit or loss	-	(43 754 200)
Credited to staff cost in the profit or loss (note 28)	-	(10 494 049)
At 30 June	-	-

At the time of the transfer of undertaking, an expense reserve of MUR 162 748 249 was recommended to be provided for by an appointed Actuary of the then Special Administrator. The high-level approach taken to establishing the expense reserve for the health business which did not exist in the past has been determined as the present value of the expenses expected to be incurred up to 30 June 2018.

Variations between the provisioned amount and the amounts incurred up to 30 June 2018 have been accounted for in the profit or loss in the respective periods.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

18. DEFERRED TAX

(a) Deferred taxes are calculated on all temporary differences under the liability method at 15%. The movement on deferred tax account is as follows:

	2019	2018
	MUR	MUR
At 01 July	9 284 178	6 019 829
Movement in profit or loss (note 21 (b))	(4 540 285)	3 264 349
Other comprehensive income	-	-
At 30 June	4 743 893	9 284 178

(b) Deferred tax assets and liabilities are offset when the income taxes relate to the same fiscal authority on the same entity.

The following amounts are shown in the statement of financial position:

	2019	2018
	MUR	MUR
Deferred tax assets	4 743 893	9 284 178
Deferred tax liabilities	-	-
Net deferred tax	4 743 893	9 284 178

(c) Deferred tax assets credited to the statement of profit or loss and other comprehensive income are attributable to the following items:

2019			
At 01 July 2018	Movement in profit or loss	Movement in other comprehensive income	At 30 June 2019
MUR	MUR	MUR	MUR
Deferred tax assets:			
Retirement benefit obligations	201 150	46 950	-
Tax losses	9 083 028	(4 587 235)	-
	9 284 178	(4 540 285)	-
			4 743 893

2018			
At 01 July 2017	Movement in profit or loss	Movement in other comprehensive income	At 30 June 2018
MUR	MUR	MUR	MUR
Deferred tax assets:			
Retirement benefit obligations	131 550	69 600	-
Tax losses	5 888 279	3 194 749	-
	6 019 829	3 264 349	-
			9 284 178

19. RETIREMENT BENEFIT OBLIGATIONS

NIC General Insurance Co. Ltd participates in a new Multi-Employer Scheme. Its contributions for Defined Contribution (DC) employees are expensed to the profit or loss and amounted to MUR 203 000 for the year ended 30 June 2019 (2018: MUR 222 000).

BAI Co (Mtius) Ltd (Special Administrator appointed) contributed to a defined benefit (DB) pension plan (BAI Group Pension Fund) which is administered by National Insurance Co. Ltd. The Company has recognised a net defined benefit liability of MUR 83 000 as at 30 June 2019 in respect of the transfer values for ex-DBBA members who are now employed by the Company (2018: MUR 8 000).

In addition, the Company has recognised a defined benefit liability of MUR 1 571 000 in its statement of financial position as at 30 June 2019 (2018: MUR 1 333 000) in respect of any additional residual retirement gratuities or full retirement gratuities that are expected to be paid out of the Company's cash flows to its employees under the Employment Rights Act (ERA) 2008.

The Company is subject to any underfunding with respect to the defined benefit plan for the ex-DBBA members and an unfunded defined benefit plan for the other employees. The plans expose the Company to normal risks described below:

Investment risk (where the plan is funded): The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Longevity risk: The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

The Company has a residual obligation imposed by ERA 2008 on top of its DC plan. It is therefore particularly exposed to investment under-performance of the DC plan.

There has been no plan amendment, curtailment or settlement during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

19. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

DBBA Pension Scheme

Reconciliation of net defined benefit liability/(asset)

At 01 July	
Amount recognised in profit or loss	
Amount recognised in other comprehensive income	
Less employer contributions	

At 30 June

Reconciliation of fair value of plan assets

At 01 July	
Interest income	
Employer contributions	
Employee contributions	
(Benefits paid)	
Exchange differences	
Effect of business combination/disposal	
Return on plan assets excluding interest income	

At 30 June

Reconciliation of present value of defined benefit obligation

At 01 July	
Current service cost	
Employee contributions	
Interest expense	
Past service cost	
Settlement (gain)/loss	
(Benefits paid on settlement)	
(Other benefits paid)	
Exchange differences	
Effect of business combination/disposal	
Liability experience (gain)/loss	
Liability (gain)/loss due to change in demographic assumptions	
Liability (gain)/loss due to change in financial assumptions	

At 30 June

Reconciliation of the effect of the asset ceiling

At 01 July	
Amount recognised in profit or loss	
Amount recognised in other comprehensive income	
At 30 June	

Components of amount recognised in profit or loss

Current service cost	
Past service cost	
Settlement (gain)/loss	
Service cost	

Net interest on net defined benefit liability/(asset)

	2019	2018
	MUR	MUR
	8 000	2 000
	1 000	1 000
	74 000	5 000
	-	-
	83 000	8 000
	2 539 000	2 356 000
	203 000	188 000
	-	-
	-	-
	-	-
	-	-
	-	-
	(38 000)	(5 000)
	2 704 000	2 539 000
	2 547 000	2 358 000
	-	-
	-	-
	204 000	189 000
	-	-
	-	-
	-	-
	-	-
	36 000	-
	-	-
	-	-
	2 787 000	2 547 000
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	1 000	1 000
	1 000	1 000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

19. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

Components of amount recognised in other comprehensive income

Return on plan assets (above)/ below interest income	
Liability experience (gain)/loss	
Liability (gain)/loss due to change in demographic assumptions	
Liability (gain)/loss due to change in financial assumptions	
Change in effect of asset ceiling	

2019	2018
MUR	MUR
38 000	5 000
36 000	-
-	-
-	-
-	-
74 000	5 000

Allocation of plan assets at end of year

Equity - Overseas quoted	
Equity - Overseas unquoted	
Equity - Local quoted	
Equity - Local unquoted	
Debt - Overseas quoted	
Debt - Overseas unquoted	
Debt - Local quoted	
Debt - Local unquoted	
Property - Overseas	
Property - Local	
Investment Funds	
Cash and other	

%	%
-	3
-	1
-	20
-	-
-	-
-	-
-	-
-	8
-	-
5	4
-	28
95	36
100	100

Allocation of plan assets at year end

Reporting entity's own transferable financial instruments	
Property occupied by reporting entity	
Other assets used by reporting entity	

%	%
-	-
-	-
-	-

Principal assumptions used at end of year

Discount rate	8%	8%
Rate of pension business	0%	0%
Average retirement age (ARA)	60	60

Average life expectancy for:

Male at ARA	19.5 years	19.5 years
Female at ARA	24.2 years	24.2 years

Sensitivity Analysis on defined benefit obligation at end of year

Increase due to 1% decrease in discount rate	N/A	N/A
Decrease due to 1% increase in discount rate	N/A	N/A

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

Future cash flows

The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries.

Expected employer contribution for next year	83 000	8 000
Weighted average duration of the defined benefit obligations	1 year	1 year

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

19. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

Retirement Gratuities

Reconciliation of net defined benefit liability/(asset)

At 01 July	
Amount recognised in profit or loss	
Amount recognised in other comprehensive income	
Less employer contributions	

At 30 June

Reconciliation of present value of defined benefit obligation

At 01 July	
Current service cost	
Employee contributions	
Interest expense	
Past service cost	
Settlement (gain)/loss (Benefits paid on settlement)	
(Other benefits paid)	
Exchange differences	
Effect of business combination/disposal	
Liability experience (gain)/loss	
Liability (gain)/loss due to change in demographic assumptions	
Liability (gain)/loss due to change in financial assumptions	

At 30 June

Components of amount recognised in profit or loss

Current service cost	
Past service cost	
Settlement (gain)/loss	

Service cost

Net interest on net defined benefit liability/(asset)

Components of amount recognised in other comprehensive income

Liability experience (gain)/loss	
Liability (gain)/loss due to change in demographic assumptions	
Liability (gain)/loss due to change in financial assumptions	

Principal assumptions used at end of year

Discount rate	
Rate of salary increases	
Average retirement age (ARA)	

Sensitivity Analysis on defined benefit obligation at end of year

Increase due to 1% decrease in discount rate	
Decrease due to 1% increase in discount rate	

	2019	2018
	MUR	MUR
At 01 July	1 333 000	875 000
Amount recognised in profit or loss	202 000	221 000
Amount recognised in other comprehensive income	36 000	237 000
Less employer contributions	-	-
At 30 June	1 571 000	1 333 000
At 01 July	1 333 000	875 000
Current service cost	117 000	118 000
Employee contributions	-	-
Interest expense	85 000	58 000
Past service cost	-	45 000
Settlement (gain)/loss (Benefits paid on settlement)	-	-
(Other benefits paid)	-	-
Exchange differences	-	-
Effect of business combination/disposal	-	-
Liability experience (gain)/loss	-	321 000
Liability (gain)/loss due to change in demographic assumptions	-	-
Liability (gain)/loss due to change in financial assumptions	36 000	(84 000)
At 30 June	1 571 000	1 333 000
Current service cost	117 000	118 000
Past service cost	-	45 000
Settlement (gain)/loss	-	-
Service cost	117 000	163 000
Net interest on net defined benefit liability/(asset)	85 000	58 000
	202 000	221 000
Liability experience (gain)/loss	-	321 000
Liability (gain)/loss due to change in demographic assumptions	-	-
Liability (gain)/loss due to change in financial assumptions	36 000	(84 000)
	36 000	237 000
Discount rate	6.10%	6.35%
Rate of salary increases	4.3%	4.5%
Average retirement age (ARA)	60	60
Increase due to 1% decrease in discount rate	742	599
Decrease due to 1% increase in discount rate	310	259

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

19. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

The sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would shown smaller variations in the defined benefit obligation.

Future cash flows

The funding policy is to pay benefits out of the reporting entity's cashflow as and when due.

Expected employer contribution for the next year
Weighted average duration of the defined benefit obligation

2019	2018
-	-
16 years	16 years

20. TRADE AND OTHER PAYABLES

Other payables
Payable to ultimate shareholder
Reinsurance payables
Amount due to fellow subsidiary
Amount due to subsidiary

2019	2018
MUR	MUR
32 154 062	22 903 649
1	1
9 546 030	21 032 351
20 000 000	-
26 956 002	20 821 135
88 656 095	64 757 136

- (a) The carrying amounts of trade and other payables approximate their fair values.
(b) The amount due to subsidiary is unsecured, interest free and repayable on demand.
(c) The amount due to fellow subsidiary is unsecured, interest free and repayable anytime during the one year term or in any other manner as may be mutually agreed, as stipulated in its agreement.

21. INCOME TAX

Income tax is calculated at the rate of 15% on the profit for the year as adjusted for income tax purposes.

(a) Statement of financial position

At 01 July
Income tax charge for the year
Amount paid during the year
Payment under Advance Payment System (APS)
Tax deducted at source
At 30 June

2019	2018
MUR	MUR
(191 587)	-
-	-
-	-
-	(64 957)
(102 120)	(126 630)
(293 707)	(191 587)

(b) Statement of profit or loss

Current tax on the adjusted profit for the year at 15%
Deferred tax (note 18)

-	-
(4 540 285)	3 264 349
(4 540 285)	3 264 349

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

21. INCOME TAX (CONTINUED)

(c) Tax reconciliation

Profit before taxation
Tax calculated at rate of 15%
Income not subject to tax
Expenses not deductible for tax purposes
Tax losses utilised
Deferred income tax asset recognised on tax losses
Tax charge for the year

2019	2018
MUR	MUR
30 378 563	22 011 359
4 556 784	3 301 704
(8 850)	(6 574 423)
39 301	77 970
(4 587 235)	-
-	3 194 749
-	-

22. GROSS PREMIUMS

Accident and health
Others

2019	2018
MUR	MUR
236 476 417	171 745 095
88 055 743	69 872 579
324 532 160	241 617 674

23. PREMIUMS CEDED TO REINSURERS

Accident and health
Others

2019	2018
MUR	MUR
109 403 169	60 676 343
18 919 542	16 634 643
128 322 711	77 310 986

24. INVESTMENT AND OTHER INCOME

Rental income
Bank interest and others
Fair value gains and losses
Other income

2019	2018
MUR	MUR
2 141 047	2 678 562
102 057	17 916
-	75 284
1 081 708	1 035 086
3 324 812	3 806 848

25. FEES AND COMMISSION INCOME

(i) Fees

Accident and health
Others

2019	2018
MUR	MUR
1 553 950	782 430
1 562 454	1 232 534
3 116 404	2 014 964

(ii) Commission income

Accident and health
Others

413 658	402 631
3 272 474	2 286 529
3 686 132	2 689 160
6 802 536	4 704 124

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

26. GROSS CLAIMS PAID

Accident and health
Others

2019	2018
MUR	MUR
188 141 033	143 050 246
55 799 954	35 966 236
243 940 987	179 016 482

27. MOVEMENT IN OUTSTANDING CLAIMS

Accident and health
Others

2019	2018
MUR	MUR
(5 998 863)	12 210 554
16 552 383	16 293 321
10 553 520	28 503 875

28. OTHER OPERATING AND ADMINISTRATIVE EXPENSES

Staff and related costs
Director fees and expenses
Accommodation costs
Office service costs
Legal and professional fees
Depreciation
Others

2019	2018
MUR	MUR
38 622 983	19 846 623
2 669 045	2 349 818
4 090 420	4 059 700
3 764 640	3 324 930
5 672 219	3 203 765
11 799	9 832
1 987 458	1 087 621
56 818 564	33 882 289

Staff and related costs are analysed as follows:

Wages and salaries
Pension
Social security
Employee development
Expense reserves (note 17(c))
Other costs

32 358 849	25 743 867
2 769 431	2 185 032
951 685	832 635
399 379	352 018
-	(10 494 049)
2 143 639	1 227 120
38 622 983	19 846 623

Number of employees at year end

56	49
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29. COMMISSIONS PAID

Accident and health
Others

2019	2018
MUR	MUR
10 448 831	6 892 256
7 293 785	5 216 596
17 742 616	12 108 852

30. CLAIMS CEDED TO REINSURERS

Accident and health
Others

2019	2018
MUR	MUR
146 252 401	42 225 427
38 212 812	16 062 660
184 465 213	58 288 087

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

31. RELATED PARTY DISCLOSURES

2019

	Remuneration and benefits	Sale of goods or services	Purchase of goods or services	Net amount payable to related parties	Net amount receivable from related parties
	MUR	MUR	MUR	MUR	MUR
Ultimate shareholder	-	-	-	1	-
Holding company	-	334 344	-	-	164 109
Subsidiary	-	14 364 121	5 196 006	26 956 002	111 085
Fellow subsidiary	-	-	-	20 000 000	-
Key management personnel	2 790 086	-	-	-	-
	2 790 086	14 698 465	5 196 006	46 956 003	275 194

Key management personnel

Short-term employee benefits
Post-employment benefits
Termination benefits
Other long-term benefits

2019
MUR
2 587 680
202 406
-
-
2 790 086

The terms and conditions of the outstanding amounts payable are disclosed under note 20.

2018

	Remuneration and benefits	Sale of goods or services	Purchase of goods or services	Net amount payable to related parties	Net amount receivable from related parties
	MUR	MUR	MUR	MUR	MUR
Ultimate shareholder	-	-	-	1	-
Holding company	-	689 226	-	-	-
Subsidiary	-	15 100 001	4 735 310	20 821 135	1 360 143
Key management personnel	2 237 695	-	-	-	-
	2 237 695	15 789 227	4 735 310	20 821 136	1 360 143

Key management personnel

Short-term employee benefits
Post-employment benefits
Termination benefits
Other long-term benefits

2018
MUR
2 071 581
166 114
-
-
2 237 695

The transactions from related parties are made at normal market prices. There have been no guarantees provided or received for any related party receivables and payables. At each financial year, an assessment of provision for impairment is undertaken.

32. CAPITAL COMMITMENTS

Capital commitments as at the reporting date amounted to MUR 15 714 810 representing the implementation of a new General Insurance Policy Administration System. An amount of MUR 17 124 745 has already been paid as at 30 June 2019 and accounted under other receivables as advance payment.

33. SHARED SERVICE ARRANGEMENT

The Company has entered into a "shared service arrangement" with its subsidiary, National Insurance Co. Ltd for the apportionment of common costs including usage of space of its subsidiary's property. The transaction is considered at arm's length.

34. HOLDING COMPANY AND ULTIMATE BENEFICIAL OWNER

The Directors regard the National Property Fund Ltd as its holding company which is ultimately wholly owned by the Government of Mauritius.

On incorporation date, the Company's shareholder was the Government of Mauritius. The shares were thereafter transferred to the National Property Fund Ltd on 08 March 2016.

35. CONTINGENT LIABILITIES

The Company may face litigations arising in the normal course of the insurance business. The directors are of the opinion that these litigations will not have a material impact on the financial position or results of the Company, as the insurance contract liabilities consider potential claims related to these litigations in their estimation.

As at 30 June 2019, there were contingent liabilities amounting to MUR 2 978 000 (2018: MUR 2 978 000).

36. COMPLIANCE WITH INSURANCE ACT 2005

The Company's capital and solvency margins are below the minimums required by the Insurance Act 2005 as at reporting date. The Board has escalated the issue to the ultimate Shareholder, the Government of Mauritius, to ensure that urgent measures are taken to meet the capital and solvency requirements. Subsequent to the reporting date, there has been an injection of capital by the shareholder in September 2019 (as disclosed under note 38) which has addressed the non-compliance issue.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

37. GOING CONCERN

As per the Statutory Actuary's report, it is noted that the Minimum Capital Requirement as per the Insurance (General Insurance Business Solvency) Rules 2007 under the Insurance Act 2005 has not been met as at 30 June 2019.

Following capital injection of MUR 150 000 000 in September 2019, the Minimum Capital Requirement as per the Insurance Act 2005 has been addressed. The financial statements of the Company have therefore been prepared on a going concern basis.

38. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the holding company, National Property Fund Ltd, has in September 2019, injected an amount of MUR 150 000 000 in the Company. The increase in stated capital has addressed the non-compliance issue with the Insurance (General Insurance Business Solvency) Rules 2007 under the Insurance Act 2005.

The background is a deep blue gradient transitioning to a lighter teal at the bottom. It features several celestial elements: a large teal planet with a white ring system in the upper center, a smaller teal planet to its left, and a large teal comet with a long tail on the right. Numerous white stars of various sizes and shapes, along with white streaks representing shooting stars or meteors, are scattered throughout the scene. The overall aesthetic is clean, modern, and futuristic.

Ynsurance

◆ Improving Insurance Literacy & Inclusion

- ◆ NIC strongly believes that insurance plays a crucial role in the sustainable growth of the economy, as it is the most important financial instrument used to cover the risks in society, whilst contributing to development and progress of the people, the community, and the nation as a whole.

According to the FinScope Consumer Survey 2014, only 38% of adults were insured, with motor insurance as the highest insurance uptake, due to its mandatory legal position. Furthermore, the survey highlighted that 54% of the people who do not have insurance, have never thought about it or were not motivated to take it (no specific reason). Another 22% felt they did not need insurance. Although we are confident that in the past 5 years to date, the insurance uptake has increased, there is a strong need to increase and improve the awareness of consumers for insurance, through market education programmes and campaigns.

NIC captured the market's attention through its corporate brand campaign launch in 2016, with its locally contextualised insurance product market data driven StatsAds, positioning the NIC brand as an economic and societal contributor of "Serving the Nation".

Ynsurance

NIC has developed the proprietary "Ynsurance" brand to broaden, strengthen and anchor its market education programmes with the view to improve and grow financial-insurance literacy & inclusion, and consumer confidence & understanding.

A series of nationwide "Ynsurance" campaigns and grassroots' initiatives will be carried out to educate people, households and businesses on the different risk-return combination of various insurance products and services, empowering them with the knowledge and skills to make informed decisions, and improve their ability to manage risks, financially protect themselves and grow their wealth. With the increase in financial literacy, the demand for insurance will rise, competition will improve, innovative products and services will emerge, and financial inclusion and the insurance sector will grow. In so doing, NIC adopts a more sustainable approach to doing business, playing a broader economic and societal role of "Serving the Nation", and contributing to the development and progress of its customers, stakeholders, the community and the nation it serves.





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