

NIC General Insurance Co. Ltd

annual report

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attitude

NIC
NATIONAL INSURANCE COMPANY

Serving You
Serving The Nation



think green

Serving You,
Serving the Nation

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CHAIRMAN'S STATEMENT

On behalf of the Board, it gives me an immense pleasure to present the Annual Report and Audited Financial Statements of the NIC General Insurance Co. Ltd ('NIC General') for the year ended 30 June 2020.

Since the start of the year under review, NIC General has pursued its transformation strategy and consolidated further its market and financial position whilst ensuring its clients' obligations and services are honoured to their satisfaction.

2020 has been another year of growth for NIC General despite the unprecedented waves of challenges arising from the global pandemic. As a responsible and caring organisation, we had to dynamically adjust our service strategies and support delivery mechanisms to ensure that our clients receive uninterrupted insurance coverages and support throughout the confinement period. Despite restrictions

caused by the pandemic, we mobilised all our resources to ensure that we stay fully connected with our clients through various channels to attend to their service requests, needs and also provide necessary support on a 24/7 basis. We seamlessly processed over 5,500 claims during the Covid-19 confinement period for the benefit of our clients.

The strategic measures taken by the Board coupled with the resolute efforts of the whole NIC workforce yielded promising and noteworthy results for the year ended 30 June 2020. We are proud to report and share some of these commendable achievements of NIC General to our clients, stakeholders and public at large.

These achievements are the outcome of the trust that our clients and partners have placed on NIC Group, the collective engagement and focus of our workforce to deliver our promise to serve our clients with passion and excellence as well as the unflinching support of the Board and of our Shareholder.

With these noteworthy and encouraging realisations, NIC General will continue to pursue its strategic evolution with determination and commitment to provide improved insurance coverages and services. Our customers and their welfare remain our top most priority in everything we embrace and do. We shall pursue the product development and diversification strategies to better protect our diverse customer groups whether on an individual, household, SME or corporate basis, leveraging on innovative products and a broad network of service providers on the local market.



VIKASH PEERUN
Chairman

KEY ACHIEVEMENTS

37.5%

A **sustained progression** in business performance with an **average annual growth rate of 37.5%** in Gross Premium Income over the last 5 years

3,000

Over 3,000 new clients joined NIC General across various insurance classes

34.3m

A **growth in profit before taxation** from MUR 30.4m (2019) to MUR 34.3m (2020)

259.1m

An **increase in payment of insurance claims** from MUR 243.9m (2019) to MUR 259.1m (2020)

538.9m

A **strengthening of the asset base** from MUR 329.4m (2019) to MUR 538.9m (2020)

17,000

Over 17,000 people's lives touched through our community engagement initiatives, "**Serving You, Serving the nation**", since the start of the journey

70%

A **growth in total investment and fee income of almost 70%** compared to previous year

&

A consolidation of the foundation of the business with **enhanced financial, governance, customer and service metrics** in the best interests of our policyholders, workforce and other key stakeholders; well poised to **further the transformation, digital enablement, and value creation journey** for benefit of all stakeholders

To support our workforce in better responding to the needs of the business, we invested further in the training, development and empowerment of our human capital. We are alongside pursuing our technology and innovation journey to elevate the service delivery standards as well as promote an efficient and harmonious working environment for one and all.

As a responsible team, the Board and our workforce shall stand guided all through by the principles of service excellence, good governance, fairness, fruitful collaboration and genuine consideration for all stakeholders.

These would continue to be the guiding values in whatever we do and the decisions we take for the welfare our policyholders, workforce and the citizens of our beloved country. We remain committed to our broader societal role in **"Serving the Nation"** by touching people's lives through our Get-Healthy (for kids, ladies and elderly parents) and Ynsurance (market education) community engagement programmes.

On the back of these realisations and in our quest to further grow value for all our stakeholders, NIC General is more than determined to embrace another wave of growth whilst ensuring it optimises its operating platforms, distribution channels, human capital and services.

We shall aim for a double digit growth over the coming year to further consolidate NIC General's market position and contribute towards the economic development of the insurance industry and the country at large.

As Chairman of NIC General, I wish to place on record our sincere appreciation of the unwavering support of the Shareholder, the parent Ministry and the Board members in guiding NIC on the path of continued growth and success. The Board and the Management join me to thank all our clients and business partners for their renewed trust and loyalty.

We also extend our sincere appreciation of the efforts of our valuable staff and salesforce for the instrumental role they play in our mission of **Serving You and Serving the Nation** with passion and commitment.

Vikash Peerun
Chairman

“

Our vision 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 policyholders, business partners and the community at large. ”

- VIKASH PEERUN -





eco GEN

educate
our kids for a
**greener
future**



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 165,000, people and businesses combined, of all sizes and from all walks of life, to move forward in life and business.

KEY FACTS NIC Group



165,000+
Clients



650
Workforce



MUR 1.90 bn
Annual Gross Premium

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

FOR CORPORATE NEEDS

- Group Comprehensive 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
- All in One Loan
- Car Loan
- Policy Loan



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.

PERFORMANCE HIGHLIGHTS

NIC General has marked its fifth year of operations since its setup with another wave of development built on the foundations set in the recent years to enter and play a growing role in the general insurance market in Mauritius.

The collective efforts of one and all at NIC General led to renewed noteworthy achievements. I am delighted to present the performance highlights of NIC General for the year ended 30 June 2020 to all our stakeholders.



RISHI O. SOOKDAWOOR
Officer in Charge & COO

Whilst 2020 has been a year of evolution towards furthering our transformation journey for the benefit of our client base and the industry at large, it was nevertheless heavily marked and challenged by the advent of the Covid-19 pandemic. In our quest to fulfil our organisational duties, business commitments and ensure a seamless service to our clients, NIC General has had to dynamically gear its business activities with exceptional measures to suit the unprecedented conditions arising from the pandemic.

With the strategies put in place and the relentless efforts of the NIC workforce, Board and Shareholder during these challenging times, NIC General has managed to successfully steer through and mark the year 2019-2020 with improved business performances whilst ensuring its clients' interests are protected alongside.

Business & Profitability Growth

The business transformation and development strategies implemented recently have consolidated NIC General's financial and market positions whilst enabling the Company to embrace a stronger growth pathway characterised by the following key performance realisations

37.5%

Gross Premium grew by 37.5% on average per annum over the last 5 years, to reach MUR 356.9m in 2020

MUR 34.3m

A sustained growth in Profit Before Taxation, representing an increase of nearly 13% over the previous year. The Profit After Taxation also increased from MUR 25.8m in 2019 to MUR 28.8m in 2020

MUR 26.9m

A solid growth of MUR 26.9m in value creation in reserves

MUR 82.8m

The business measures put in place yielded a **further increase in the underwriting performance to reach MUR 82.8m**

MUR 259.1m

Gross claims paid to insured clients amounted to MUR 259.1m in 2020 as compared to MUR 243.9m in 2019, representing an increase of around 6% in payments effected compared to the previous year

83%

The renewed trust and loyalty of our clients in the key offerings and services of the company was marked by a **sustained renewal rate of 83% achieved for Group Healthcare Insurance policies**

Customer Portfolio Growth

- With sustained efforts in the deployment of the business development and service strategies, NIC General welcomed over **3,000 new clients** in its portfolio during the course of the year.
- The **customer portfolio grew at an average rate of around 28% per annum** since the start of operations of NIC General.

Service Commitment all through Covid-19 Lockdown Period

Despite Covid-19 pandemic and restrictions, NIC General ensured seamless continuity of service delivery to its client base through its channels and workforce. For the period 2019-2020, over MUR 259.1m worth of claims were settled. The represents payments made in respect of some **40,000 claims processed** during the said period.

+5,500

To **fulfil the service commitment towards our clients more specifically during the Covid-19 lockdown period**, the organisation mobilised its resources to ensure that **over 5,500 claims obligations were honoured** vis-à-vis our clients on a timely basis.

24/7

The **24/7 service facility was also maintained uninterrupted all through the Covid-19 lockdown period to provide** NIC's clients with the necessary support and reassurances during the challenging period.

As a responsible organisation, the Company pursued its community engagement initiatives by committing resources to support its broader societal goals. NIC collaborated with the Authorities to extend its support in the Covid-19 testing campaign conducted nationwide.

And as caring and responsible citizens, the directors, management and members of the workforce of NIC Group made donations, on a personal basis, to the Covid-19 Solidarity Fund for a total amount of MUR 365,550 to help those in need in such unprecedented times.

The Way Forward

In line with the strategic orientation of the NIC Group, NIC General will further consolidate its position as an important insurance player in the market and embrace a new wave of transformation to expand its business activities and create value for all its stakeholders. We shall dynamically evolve the business strategies and execution for increased effectiveness and long term sustainability. The uncertainty surrounding the Covid-19 pandemic requires that we also embrace a prudent yet agile approach to doing business centered on the welfare of our clients, workforce and the public at large.

As we continue to pursue our business development goals with a stronger consideration for environmental, social, sanitary and governance aspects, we shall alongside revitalise the way we do business within the prevailing sanitary, socio-economic and regulatory context. We shall continue to invest in our human resources and technology platforms to render our operations more agile, empowered and tuned to dynamic market demands. With our continuous focus on nurturing the right corporate culture and climate, raising the level of accountability, responsibility and service standards, we are confident that NIC General will step up further in an already enriching journey characterised by its growing business performances.

With the unflinching support of our Board, key stakeholders and the renewed trust of our clients in our products and services, we proactively aim to enhance the protection we give to our clients, the support we bring to the community, and the value we create for all our stakeholders.

Acknowledgements

Having had the privilege to present these noteworthy achievements, which are undoubtedly the collective realisations of all key stakeholders of NIC General, I would like to extend my sincere and heartfelt thanks to:

- All our clients and business partners for their renewed trust, loyalty and win-win relationships;
- The Shareholder for extending its support in consolidating the business foundation and setting a stronger base for the future;
- The Board members of NIC General for their strategic inputs, commitment and unflinching support all through the journey; and
- All members of the NIC General workforce for their unwavering commitment, engagement and passion in delivering the business promises.

I also seize this opportunity to extend a special note of thanks to the Hon. Mahen Kumar Seeruttun, Minister of Financial Services & Good Governance ("Parent Ministry"), Mr Dhanunjaye Gaoneadry, former Permanent Secretary of the Parent Ministry, Mr Sarwansingh Purmessur, current Permanent Secretary of the Parent Ministry and his team, and Mr Vikash Peerun, Chairman of the NIC Group of Companies, for their valuable inputs, guidance and resolute support over the year 2019-2020.

Rishi Sookdawoor
Officer in Charge & COO

“
As we look ahead,
our roadmap stands
clear and promising,
and we shall stand
guided by our
promise of **SERVING
YOU, SERVING THE
NATION.**”

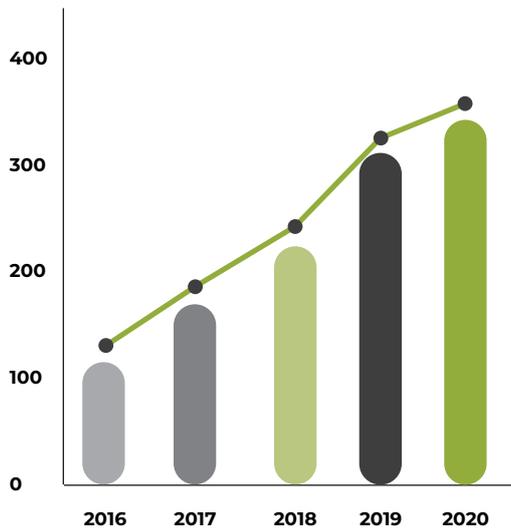
- RISHI SOOKDAWOOR -



PERFORMANCE HIGHLIGHTS

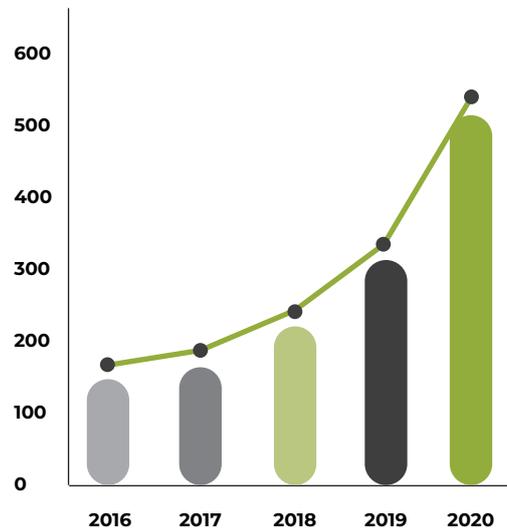
GROSS PREMIUM INCOME

MUR Million



TOTAL ASSETS

MUR Million



37.5%

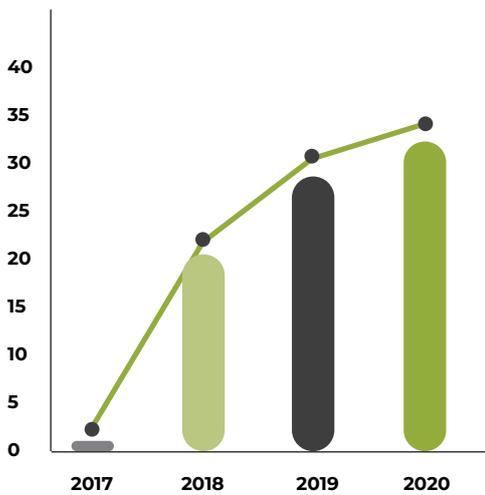
AVERAGE GROWTH IN **GROSS
PREMIUM INCOME** OVER LAST
5 YEARS

83%

RENEWAL
RATE ON **GROUP
HEALTHCARE
INSURANCE POLICIES**

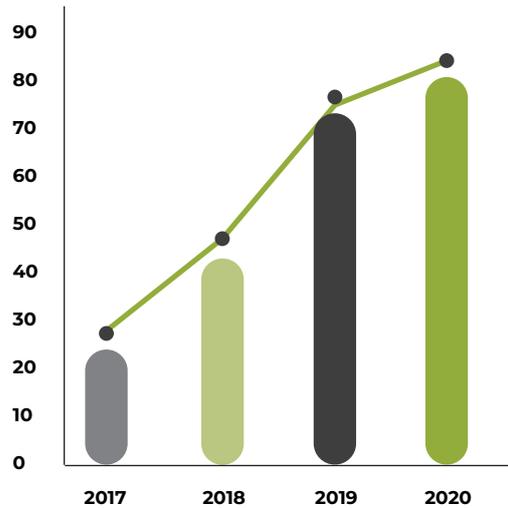
PROFIT BEFORE TAX

MUR Million



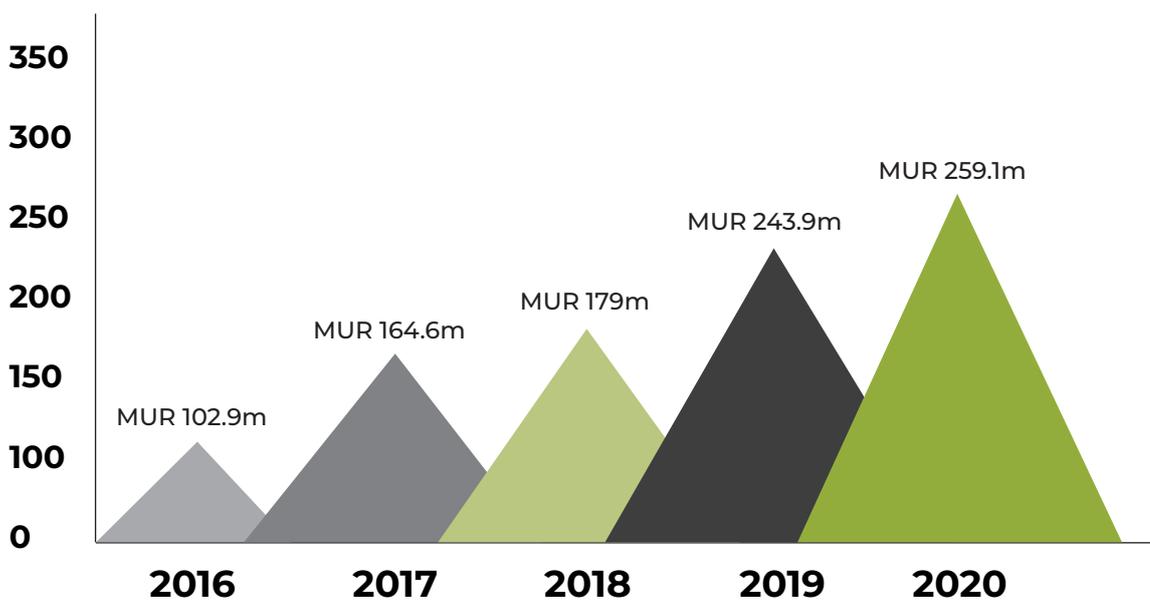
UNDERWRITING RESULTS

MUR Million



GROSS CLAIMS PAID

MUR Million





eco DRIVE

reduce our
CO₂ emissions
for a cleaner
planet





year in
review

01.

OUR BUSINESS

02.

OUR PRODUCTS & SERVICES

03.

OUR DISTRIBUTION CHANNELS & PARTNERSHIPS

04.

OUR PEOPLE

05.

OUR COMMUNITY

Serving Mauritian's financial protection needs

NIC General is one of the fast-growing general insurer in Mauritius, serving and fulfilling the financial and protection needs of **25,000+** citizens.

We are driven by our mission to **Serve, Protect** and **Empower** more Mauritians to live healthier and to financially protect themselves through our comprehensive suite of healthcare insurance solutions, prudent assets coverage and business insurance solutions with personalised advice and service. For our close customers, we are a trusted partner in their life and business decisions, protecting their families' health, their cherished and hard earned assets and their business against diverse risks.

As a key insurer on the market, we contribute to the stability of our financial system and economy. We continue to invest in our 650-strong workforce to ensure that they are technically proficient, and equipped with the right skillset and mindset to serve the evolving needs of our customers.

We are also committed to making a positive impact in our community through our GetHealthy focused community engagement programmes supported by our NGO partners, and broad network of established and trusted healthcare partners.

We remain committed to bringing tailored-made, and relevant products and services to the market using a customer centric approach, enabled by technology, and driven by our desire to innovate to make insurance and financial products more affordable and accessible to more Mauritians, helping them achieve greater financial security for themselves, their loved ones and their businesses.



our
business

Closing the protection gap through innovative products and services

The Mauritian population remains largely under-insured by industry standards. Recognising the protection gap in Mauritius, we designed new and enhanced protection-focused insurance products such as NIC HealthSense Plan, NIC MultiProtect Home Insurance Plan, and NIC CoverMe Travel Insurance Plan, to be affordable and accessible, with a view to help more Mauritians achieve greater financial security for themselves and their loved ones.

Guided by the principles of making our offerings more accessible, simpler, seamless and enjoyable intune with our customers, we have invested in several technologies to transform our customer experience including a best-in-class digital solution. We will continue to harness technology to nurture new customer relationships and deepen existing ones, while staying in line with our customers' changing needs and expectations.



our

products & services

Health

Make Private Healthcare affordable and accessible for all

With a view to fulfil our corporate mission of **“Serving the Nation”** and making Healthy Living accessible to the Mauritian nation, our contribution to the 3rd Global Sustainable Development Goal (SDGs), **“Good Health and Well-Being”** goes beyond just our community engagement. As we balance the three dimensions of sustainable development: economic, social and environmental, we are committed as a responsible insurer to ensure all Mauritians have access to affordable health insurance and private healthcare. Fundamentally, to put health insurance in easy reach and make private healthcare affordable and accessible for all Mauritians, we have made our flexible individual health insurance plan, HealthSense, available to all Mauritians and their family members giving them a comprehensive choice of 7 health care coverage options, features & benefits tailored to their medical needs, lifestyle and budget. Three levels of cover are available:

HealthSense for All,

offers our customers and their families a choice of 3 standard health care coverage options, features and benefits at affordable premiums, making private healthcare accessible to more Mauritians.



HealthSense Platinum is

an all-inclusive individual health insurance plan designed to give our customers the choice of the 2 highest level of health care coverage options, features, benefits, and exclusive service.



HealthSense Executive

is an enhanced individual health insurance plan designed for professionals with a choice of 2 comprehensive health care coverage options, features and benefits for more reassurance.



We also offer to our corporate and small-and-medium sized enterprise clients the **Group Comprehensive Healthcare Insurance plan** with tailor made benefits for sickness, injury or accident for their employees giving them access to private healthcare at their health care provider of their choice.

Motor & Travel

Empowering

our customers to
protect their
prized assets

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



NIC Motor Insurance offers our customers comprehensive cover against accidents, fire, theft, natural calamities, and third party liability at affordable premiums.

Our customers also benefit from 24/7 emergency roadside assistance, claims helpline, 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 MultiProtect Home Insurance offers our customers with the multiple protection they need for their home, personal belongings, family, guests and domestic workers, all in one single cover.

Our customers can choose from 5 levels of cover and benefit from building and contents cover against fire and allied perils.

Other benefits include: Personal Accident and Funeral cover, Public and Employer's Liability cover, Electrical Appliances and Equipment cover, Breakage of glass and sanitary wares cover, replacement of Locks and Keys, and 24/7 Home Assistance Service for home emergencies (plumbing, electrical, door lock and window pane repairs).



NIC CoverMe Travel Insurance offers our customers a broad range of travel insurance covers for their different types of trips such as holiday, business, pilgrimage or study trip, tailored to their travel needs and budget.

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

Other travel insurance benefits include: up to EUR 75,000 in cover for emergency medical and hospitalisation 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, indemnity for cancelled or missed departures and travel delays, and coverage for other unforeseen insured events.

Business

Empow

our customers to keep their
business running

FLEET

Our tailor-made **Fleet & Commercial comprehensive Motor Insurance** covers a wide range of business vehicles use against accidents, fire, theft, natural calamities, third party liability, and other insured losses, with 24/7 emergency road side assistance.

TRAVEL

We offer to our corporate and small-and-medium sized enterprise clients the **Group Travel Insurance plan** designed to provide directors and employees with a comprehensive travel insurance cover, and 24/7 worldwide travel assistance and emergency services from our global partner AXA Assistance.

ACCIDENT

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

TRANSPORTATION

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

vering

L & G

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 financial protection needs of professionals, SMEs and large corporates.

ENGINEERING

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

PROPERTY

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

CONTRACTORS

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

Transfo

our **customer experience** (CX) journey

Our customers are at the heart of everything we do. Hence, delivering a great and consistent customer experience focused on ensuring all interactions and touchpoints with our business are easy, delightful and seamless, is one of our top strategic objectives.

Based on an overall assessment of customer sentiment and identification of pain points, we have embarked on a customer experience transformation journey. We have re-designed our end-to-end customer journey map and established the NIC Service Standards, outlining all the service and experience quality levels required to be delivered consistently for every interaction and touchpoint between our customer and our business, including improvement levers, and customer engagement delight factors, to ensure a consistent and pleasant customer experience.

We will continue to drive our customer experience transformation journey within our business so as to continuously improve and find new ways to connect with, and create powerful experiences that delight our customers.

orming

the **way we serve** our customers through technology innovation

Today, technology is an essential part of our daily lives. As we embark on our business transformation journey, we are seeking new ways to serve a new generation of customers whose needs, expectations and lifestyles are influenced by the digital world. To ensure we continue to meet the evolving needs of our customers, we invested significantly in a best in class digital solution to change the way we engage and serve our customers.

Several digital initiatives were also undertaken including; automation of processes for operations efficiency, and for better and faster customer service and experience, as well as, increased customer connectivity through an SMS notification service for our customers for a more satisfying and engaging experience with our business. We have also more actively engaged both visitors and customers on our digital channels, improving our response time to queries,

requests and complaints, as well as, generating new leads and opportunities for our products and services. This has enabled us to deliver a much more personalised, engaging and quicker customer service experience.

As we charter the future of our insurance business, we will continue to invest in technology and tools that will enhance our customer value proposition and experience, optimise our business processes, reduce our run costs, and empower our distribution channels to provide more customer choice, control, convenience and ease of use, thus making insurance simpler and more

accessible
for more
Mauritians.

Consolidating our distribution capabilities

In line with NIC Group's business transformation journey to growth, we are consolidating our NIC branches and centralising them into Strategic Regional Insurance Hubs, while ensuring customer proximity and smooth service delivery to our clients. The Strategic Regional Insurance Hubs will be housing the NIC Insurance Boutique, a unique retail environment dedicated to our customers' financial protection, growth and wellbeing. They can have personalised financial consultations with our team, and experience our suite of financial and insurance products and services that support them through their various life events.

With a view to be even closer to our customers, and expand our brand presence and reach, we will also be setting up NIC Insurance Pop-Up Stores in key high traffic areas around the island. We continued to strengthen and leverage our multi-channel distribution platform comprising of our 300+ Insurance Advisors, our bancassurance partners, our broker partners, our health care service providers, our garage partners, our 24/7 emergency roadside assistance partner, and our global travel insurance partner AXA Assistance, to deliver our value-added product offerings and services to our customers.

Engaging our partners for long-term success

Our long-term success depends on our strong and reliable relationships with our partners, and our ability to leverage each other's strengths to offer innovative products and services, and deliver a greater customer value proposition and experience to our customers. Our partnerships are based on mutual respect, trust and understanding with our strategies aligned to meeting mutually rewarding goals and governance practices.

Our independent Auditors, Moore Mauritius, have over 20 years of local expertise. They rank amongst the Top 10 accounting firms in Mauritius and are part of the Moore Global, 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

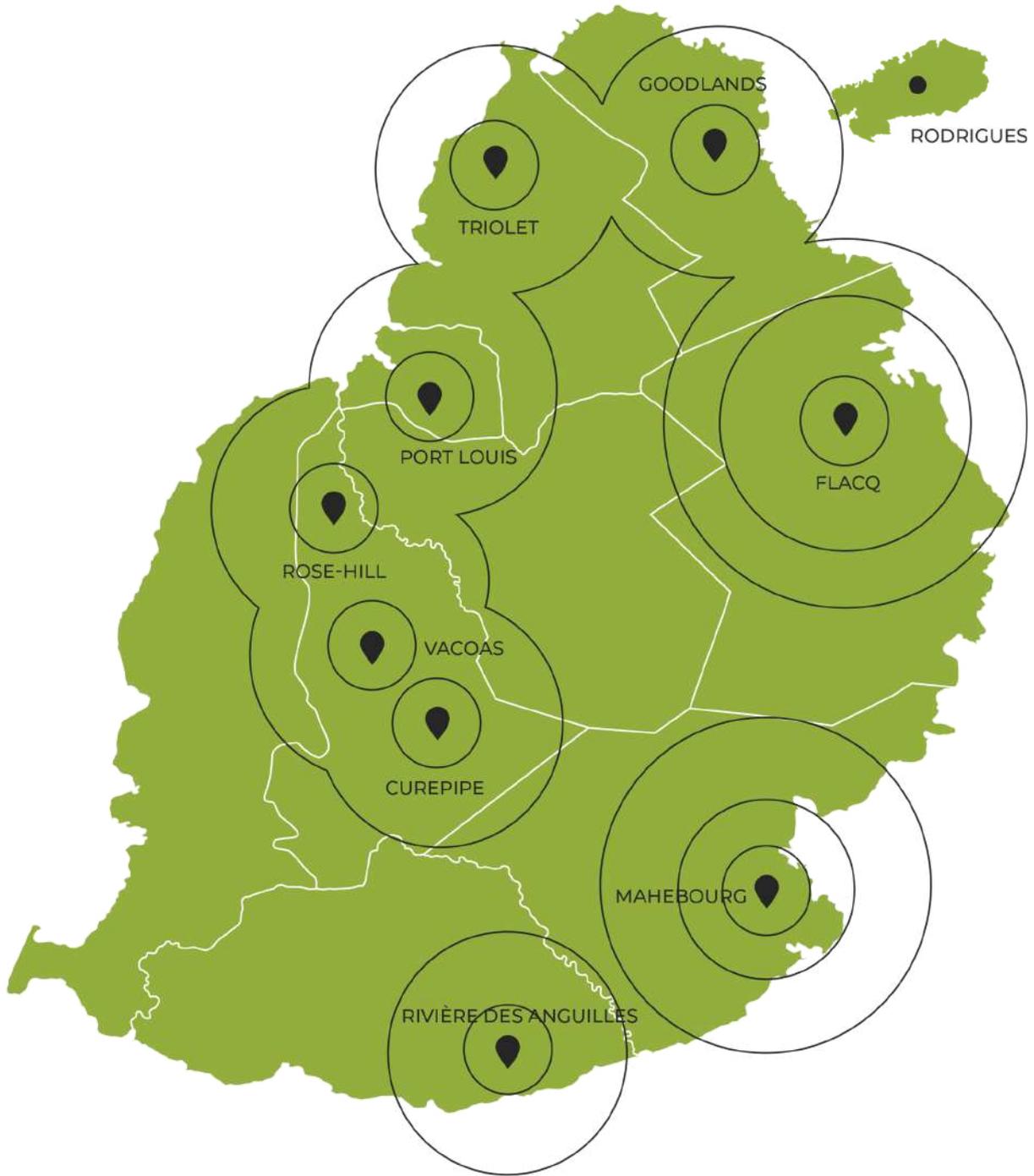
Our Statutory Actuary, QED Actuaries & Consultants (Pty) Ltd provides actuarial and consulting services to over 60 clients in South Africa and on the African continent. It has been providing actuarial services over the past 25 years and also delivering services in UK, Turkey and the Bahamas.

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.



our
**distribution
channels &
partnerships**

TO CHPOINTS



-  NIC BRANCHES
-  MAURITIUS POST OFFICE OUTLET



OUR PEOPLE





Supporting Diversity and Inclusion

We believe that having people with different backgrounds, experiences, perspectives, and skillsets serve our diverse customers and communities, and drive innovation and performance.

At NIC, we actively promote diversity, gender parity, competency and accountability through transparent processes, based on merits, recognition and reward. This is reflected in our multi-cultural and diverse 650-strong workforce.

Investing in our people

Our people are our most important asset and continued investment in our people is a key priority for us. To boost our capabilities to grow our business, innovate, and continue meeting the increased and changing demands of our customers, we invested in the training and development of our workforce to ensure they are able to: acquire new skills, enhance their core capabilities, knowledge, productivity, team management and leadership, as well as, understand and apply regulatory requirements, and provide the best possible financial advice and experience to our customers. We also take a pragmatic approach to learning through on the job learning, job rotation, internal mobility, mentoring and coaching to ensure our people have the skills they need to be successful. To strengthen our sales advisory process, we worked with LIMRA to professionalise and upskill our salesforce.

68 insurance advisors and sales managers were the first in Mauritius and Africa to be designated Associate Financial Advisor (AFA),

for having successfully completed the LIMRA Producer Development programme.

LIMRA is a worldwide research, consulting and professional development organisation with over 100 years of industry experience that helps more than 600 insurance and financial services companies in 73 countries increase their marketing, sales and distribution effectiveness

To ensure our insurance advisors and employees are equipped with the necessary knowledge, skills and tools, we conducted more than 9,700 hours of training in product knowledge and underwriting principles, project management, customer service, sales and marketing, finance and accounting, legal and compliance, and good governance.

We are fully committed to developing an agile and versatile workforce with the right skillset and mindset required for our organisation today and in the future, and in fostering an environment in which our people are given the opportunities to build meaningful careers and perform to the best of their abilities.

NIC workforce underwent more than

9,700

hours of training

Embedding a Culture of Care and Innovation

We are dedicated to building a culture of Care and Innovation driven by our promise of “Serving You, Serving the Nation”. It is about embedding the “human touch” in our service delivery and experience journey to our customers, our stakeholders and the community. It also guides the way we cultivate our relationships and bond with our stakeholders and the community, through relevant conversations and advice, active listening, genuine caring, problem solving and engaged service.

We strongly encourage our people to embrace and foster a culture of innovation through ideation and enterprise-wise projects to serve differently, faster and better.

We regularly carry out company-wide communication sessions and culture workshops to ensure our workforce is aligned with our strategic priorities, transformation journey and key projects, and to reinforce our values and desired behaviours.

Recognising and Engaging our people

Our people are at the very heart of our business and they make all the difference. Ensuring our people are recognised, engaged, fairly remunerated, healthy and skilled to perform, grow, and feel fulfilled in their roles is essential for us to thrive as a company.

21 insurance advisors and managers were rewarded for their outstanding performance during our annual sales award, and 35 employees with more than 25 years of service were recognised for their contribution to the organisation.

To encourage healthy living and wellbeing amongst our colleagues, we organised the GetHealthy NIC Day at key NIC branch offices across the island providing them with free health check-ups, eye tests, blood tests, breast cancer screening, and healthy activities such as talks on diabetes, nutrition and stress management, cardio and Zumba sessions. We have also made fitness accessible to our employees by re-opening our Fitness gym.

We have rolled out various CSR initiatives wherein our workforce is actively engaged and contributes towards our social impact projects.

Our caring and inclusive culture enables our people to feel valued, respected, engaged and empowered to further our business.



OUR COMMUNITY

Serving the Community with passion

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 engaged in playing an active role in our local communities through a range of community engagement programmes.

Committed to making a positive impact on our community, we actively seek programmes and partnerships which are relevant to us, our clients and our business, and which are aligned with our core values and promise. We draw on our financial and nonfinancial resources, and partnerships to carry out value added social programmes that contribute to the wellbeing, progress and economic development of the Mauritian nation.

Our community efforts focused principally on health and wellbeing through our GetHealthy campaigns for the children, elderly and public, promoting an Eco Attitude, and raising insurance awareness and financial literacy and inclusion.

Our employees and insurance advisors volunteered and reached out to more than 17,000 beneficiaries through our community engagements initiatives.



Championing Healthy Living and Wellbeing

We believe that good health is central to human happiness and well-being, and healthy citizens are the foundations of a healthy and prosperous nation. We have consequently adopted the 3rd Global Sustainable Development Goal (SDGs), “Good Health and Well-Being” and have championed healthy living and wellbeing through our nationwide **GetHealthy** community engagement programmes.

To make healthy living more accessible to the Mauritian public, we carried out the GetHealthy on Route8 national campaign which promotes the 8 steps to a Healthier Lifestyle through Preventive Care, Healthy Habits, Eating Healthy, Keeping Fit, Healthy Mind, Healthy Relationships, Be Happy and Love Life mindset. This national campaign met its objective welcoming over 20,000 Mauritians of all age groups during this journey, and providing free health tests and screenings to over 17,000 people across Mauritius.

In view of raising health awareness for our vulnerable seniors and their need for palliative care and companionship, we carried out our **GetHealthy Elders Day**, whereby we visited more than 300 vulnerable seniors in elderly homes offering them free health check-ups, eye tests, pain assessment screening, as well as, some fun activities.



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 carried out our **GetHealthy Kids Day** at several pre-primary schools across the island, where we positively impacted the lives and contributed to the healthy growth and development of nearly 1,000 pre-primary school children through free health check-ups, eye tests, keep-fit, kid friendly and fun activities.

We continued our fight against breast cancer with our NGO partner, Breast Cancer Mauritius and through our **GetHealthy Ladies Day** campaign, visited 25 social welfare centres across the island, screening more than 2,000 people for breast cancer and referring more than 100 people for further tests. Our GetHealthy Ladies Day campaign that raises awareness for breast cancer and promotes early detection has been favourably welcomed by the Mauritian ladies with a public demand for more breast cancer screening campaigns, and more social welfare centres covered.

We want to be a partner to our customers, beyond insurance. We care not just about their financial health but also about their health and wellness. Through our **GetHealthy Corporate Health Camp**, we provided a lineup of free health check-ups, eye tests and blood tests to more than 2,200 corporate customers.

In the setting of the Covid-19 pandemic and to keep our workforce, customers and our community Covid-Safe, sanitary measures and social distancing were applied at all NIC branch offices. Furthermore, we collaborated with the authorities to extend our support in the Covid-19 nationwide rapid-testing campaign.



Strengthening the social fabric of the community

As caring corporate citizens, we have a responsibility to help strengthen the social fabric of the community and to contribute to the country's economic stability and progress. In this respect, the directors, management and members of our workforce voluntarily donated to the **Covid-19 Solidarity Fund** a total amount of **MUR 365,550** to help those who need a little extra support in life.

Engaged members of our workforce lent their time and effort to pack and deliver **food bags to over 200 fishermen families** whose livelihood has been deeply affected in the aftermath of the MV Wakashio oil spill.



Promoting an Eco Attitude

Environmental protection has assumed even more importance nowadays with the rise in environmental concerns.

In the aftermath of the biggest ecological disaster in Mauritius, members of our workforce voluntarily donated their hair and empty plastic bottles to build hair booms to help clean up the MV Wakashio oil spill.

We continued our environmental sustainability efforts by taking further steps to building a paperless organisation. We have successfully instituted our **e-policy delivery service** to our customers.

We believe that the level of awareness influences the attitude and behaviour towards environment protection. Consequently, we have developed Eco-Attitude public campaigns to raise awareness and instill a sense of civic responsibility to actively protecting the environment, which will be launched nationwide.

Raising Insurance Awareness, Literacy and Inclusion

We strongly believe that insurance plays a crucial role in the sustainable growth of the economy, as it is the most important financial tool used to cover the risks in society, whilst contributing to the development and progress of the people, the community, and the nation.

We developed our proprietary "Ynsurance" brand to broaden, strengthen and anchor our market education campaigns with a view to raise insurance awareness, financial literacy and inclusion, and consumer confidence and understanding.

We have successfully launched our **"Ynsurance" campaigns** driven by Insurance and financial product related StatsAds, on key digital platforms, and across our NIC branch offices.

We are committed to doing business from a more sustainable approach, playing a broader economic and societal role of "Serving the Nation", and contributing to the development and progress of our customers, employees, stakeholders, the community, and the nation we serve.

Insurance

50 000

rupees average cost for baby delivery
in private clinics

Source: Indicative private clinic prices 2020

**CHOOSE THE NIC HEALTHSENSE PLAN
THAT MAKES SENSE FOR YOU**

LEARN MORE



Follow NIC Mauritius





eco BUSINESS

adopt a
sustainable
business
approach

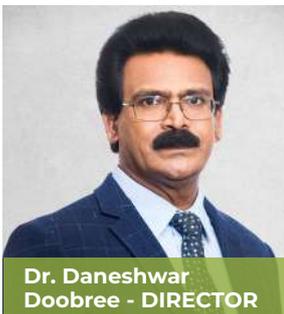




Mr. Vikash Peerun
CHAIRMAN

(As from 20 February 2020)

Mr. Vikash Peerun was appointed Chairman of the Board of the NIC General Insurance Co. Ltd on 20 February 2020. He is currently the Chief Executive Officer of the National Property Fund Ltd, the holding company of the NIC Group. Mr. Peerun holds an MSc International Securities, Investment & Banking from the University of Reading, UK. and a BA Dual (Hons) Business Administration & Environment Management from Keele University, UK. He also holds professional membership with the Association of Certified Fraud Examiners, US and is an affiliate of the Association of the Chartered Certified Accountants (ACCA). He has significant experience and expertise in the field of financial services, forensic & money-laundering investigation, compliance & management amongst others. He fulfilled several senior roles both locally and internationally with key institutions including SBM Bank (Mauritius) Ltd, Serious Fraud Office (UK) and Independent Commission against Corruption (Mauritius) amongst others.



Dr. Daneshwar Doobree - DIRECTOR

(As from 22 May 2017)

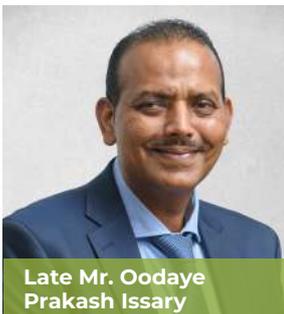
Dr. Daneshwar Doobree is presently a Management Consultant and an adjunct Senior Lecturer in Financial Management, Human Resources Management, Good Governance & Corporate Ethics and Research Methodology. He holds a B.A. (Hons) in Economics, M.B.A. (Finance) from the University of Delhi (India), MSc (Human 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. Jean Daniel Henry
DIRECTOR

(As from 23 May 2017)

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.



Late Mr. Oodaye Prakash Issary

(Up to 08 December 2019)

Late Mr. Oodaye Prakash Issary was the Chief Executive Officer of the National Property Fund Ltd. He was a Fellow Member of the Association of Chartered Certified Accountants (FCCA). With his background in accounting, audit and advisory practice, he had international industry experience and cumulated 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 was highly involved in the implementation of business strategy, championing operational efficiency and continuous improvement in bottom line.



Dr. Sudhirsan Kowlessur - DIRECTOR

(As from 12 June 2019)

Dr. Sudhirsan Kowlessur is presently the Chief Health Promotion and Research Coordinator at the Ministry of Health and Wellness. He is also the Head of NCD and Health Promotion Unit at the same Ministry. He holds an 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. Joseph Benoit
Mamet - DIRECTOR**

(As from 22 May 2017)

Mr. Joseph 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.



**Mrs. Tej Asha Mudhoo
DIRECTOR**

(As from 05 December 2019)

Mrs. Tej Asha Mudhoo is currently the Permanent Secretary at the Prime Minister's Office (Private Office). She holds an MBA with specialisation in Human Resource Management, a BSC (Hons) Management with specialisation in Public Administration and Management, and a Diploma in Management with specialisation in Public Administration and Management. She has more than 40 years of experience in the public service. She has also served as Director on various Boards and is, among others, a Director on the Board of the Mauritius Broadcasting Corporation.



**Dr. Arty Rambharush
DIRECTOR**

(As from 26 May 2017)

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. Shastree Ramodhin
DIRECTOR**

(Up to 16 July 2020)

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. Kresh Seebundhun
DIRECTOR**

(As from 11 December 2019)

Mr. Kresh Seebundhun is currently a Lead Analyst at the Ministry of Finance, Economic Planning and Development (MOFEPD). He is a Fellow of the Association of Chartered Certified Accountants (UK) since 1996. He has a long outstanding career in the field of financial management in the public sector since he joined the MOFEPD in July 1987. He has been a director on the board of various parastatal bodies and state owned companies. He has also served as Company Secretary for Mauritius Post Ltd and its subsidiary.

SENIOR MANAGEMENT TEAM



**Mr. Oumeshsingh (Rishi)
Sookdawoor**

OFFICER-IN-CHARGE & CHIEF OPERATING OFFICER

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 over 20 years of experience at management level across industries primarily in Insurance, Financial Services, Technology and Services. He is multi-skilled and steered several key strategic projects including large business set-ups (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, before being appointed Officer in Charge in September 2018. 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 and a CFA Charter holder. He cumulates over 20 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 and is a fellow member of the Mauritius Institute of Directors. 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 Chartered Governance Professional and a Fellow Member of The Chartered Governance Institute (FCG), 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 General Insurance Operations, Legal & Compliance and Human Resources. She also fulfilled the role of Chairperson on the Board of Trustees of the NIC Multi-Employer Pension Scheme (up to Nov 2020) and is the Deputy Money Laundering Reporting Officer for the National Insurance Co. Ltd and the NIC General Insurance Co. Ltd. She has held various strategic positions in her cross-industry experience of over 25 years 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 & Statistics, Pensions, Reinsurance, Loan and Procurement & Inventory. 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. Sorens 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 25 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 and as well as Registry and Facilities Management as shared service 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.



Late Mr. Saratchandran Sridharan

CONSULTANT, GENERAL INSURANCE

(Up to 30 June 2020)

Late Mr. Sridharan was a licentiate of the Insurance Institute of India and held 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. He joined BAI Co. (Mtius) Ltd in 2006 to oversee the Health and subsequently the General Insurance Business Operations. Late Mr. Sridharan retired from service on 30 June 2020.



Mr. Jacques Dany Tong Sam

HEAD OF GENERAL INSURANCE OPERATIONS

(As from 01 February 2020)

Mr. Tong Sam is a Fellow of the Association of Chartered Certified Accountants and a member of the Mauritius Institute of Professional Accountants. He holds a BA(Hons) in Accounting in Finance, a Master in Business administration (MBA) in Financial Management and followed a specialised course on Business Continuity Management from the BCM Institute Singapore. He cumulates over 23 years of professional experience in Accounting and Financial Management, Operations & Risk Management, Corporate Finance, Merger & Acquisition, Banking, Customer Relations and Insurance Operations (Underwriting & Claims Management). He fulfilled the role of Complaints Co-ordinator, Risk Officer and was the Chairperson of the Risk Management Committee and member of the Management Credit Committee. He was a former panel network member of ACCA Mauritius and held the post of Vice Chairperson for one year.



Mr. Upendra Ramjutton

HEAD OF BUSINESS DEVELOPMENT (GENERAL INSURANCE)

Mr. Ramjutton holds an MBA and has over 20 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. He has over 20 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 Molye

HEAD OF HUMAN RESOURCES & CORPORATE SERVICES

(Also fulfilled the role of Secretary to Board Committees up to Sept 2020)

Mr. Molye is a Chartered Governance Professional and a Fellow Member of The Chartered Governance Institute (UK). He holds a BSc (Hons) in Management and a Diploma in Business Administration and cumulates over 20 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 ICSA (Mauritius), respectively.



Mr. Hemraj Pallut

HEAD OF PROCUREMENT & INVENTORY

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 work 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 & RISK OFFICER

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 work 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, successively held the posts of Internal Control Officer, Assistant Manager-Internal Control and Manager-Internal Audit, respectively. He was appointed Risk Officer in January 2020 and also acts as the Chairperson of the Risk Management Committee.



Mr. Ashwin Mussai

LEAD-CUSTOMER SERVICE

(Also fulfils the role of Complaint Co-ordinator as from 13 January 2020)

Mr. Mussai is a member of the Chartered Professional Accountants order of Québec (CPA). He holds an MBA and a Bachelor of Commerce (Joint Honours Economics and Finance) and cumulates over 20 years of professional work experience. He had been managing the procurement function since July 2015, following which he was appointed as Customer Service Lead in February 2017. Mr. Mussai had also been managing the property development projects under BAI, whereby he was a key player in the cost savings project. He has worked for IKEA Canada in successive roles of Financial Controller, Finance & Operations Manager, and Acting CEO and was part of the IKEA North America Financial team (covering Canada and US East regions) from 2002-2009. He has also worked for the Royal Bank of Canada as Business Banking Accounts Manager, as Manager Retail Financial Services at National Bank of Canada and as Financial Advisor for Industrielle Alliance Insurance Group Canada from 1997-2002.



Conservation is a
state of harmony
between men and
land.

– Aldo Leopold –

01.

GOVERNANCE STRUCTURE

02.

STRUCTURE OF THE BOARD & ITS BOARD COMMITTEES

03.

DIRECTORS' APPOINTMENT PROCEDURES

04.

DIRECTORS' DUTIES, REMUNERATION AND
PERFORMANCE

05.

RISK GOVERNANCE & INTERNAL CONTROL

06.

REPORTING WITH INTEGRITY

07.

AUDIT

08.

RELATIONS WITH SHAREHOLDERS AND OTHER KEY
STAKEHOLDERS

09.

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 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.

1. PRINCIPLE ONE 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 & compliance matters, internal control and service standards amongst others.

The Board also fulfils the 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 for the organisation and to further supplement its operating guidelines, 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.

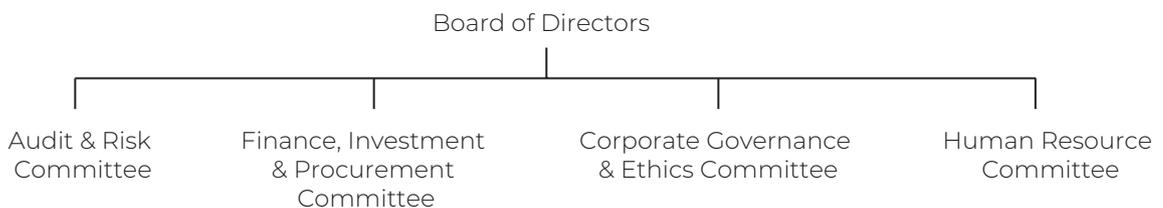
The following information are available at the registered address of the Company and published on the Company's website:

- 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

CORPORATE GOVERNANCE REPORT

1.1 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.



1.2 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, regulations and guidelines.

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 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.

1.3 Key Governance Positions

1.3.1 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 the shareholder.

The Board of the Company was chaired by late Mr. Oodaye Prakash Issary until 08 December 2019. Mr. Vikash Peerun was appointed as Chairman in replacement of late Mr. Issary on 20 February 2020.

CORPORATE GOVERNANCE REPORT

1.3.2 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. The Chairperson of the said Committee has the following responsibilities, amongst others:

- To provide risk expertise to the Committee;
- To ensure the financial statements comply with the appropriate accounting standards;
- To guide and advise the Board on an appropriate risk management framework; and
- To report the deliberations of the Audit and Risk Committee to the Board.

The Audit & Risk Committee is chaired by Mr. K. Seebundhun.

1.3.3 Chairperson of the Corporate Governance and 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. The Chairperson of the said Committee 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 & Ethics 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 Dr. A. Rambharush.

1.3.4 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 said 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 Human Resource Committee is chaired by Dr. D. Doobree.

CORPORATE GOVERNANCE REPORT

1.3.5 Chairperson of the Finance, Investment and 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 said 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 Finance, Investment and Procurement Committee is chaired by Mr. B. Mamet.

1.3.6 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 the shareholder under the relevant legal frameworks. The Company Secretary is also responsible for the organisation and co-ordination of the Board and Shareholder's 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 as at 30 June 2020. 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.

CORPORATE GOVERNANCE REPORT

1.4 Other Key Governance Responsibilities and Accountabilities - Senior Management

The profiles of the following key officers and senior management members are found on pages 44 to 47.

Mr. Oumeshsingh Sookdawoor

Officer-In-Charge & Chief Operating Officer

- Provides strategic & executive leadership, directs and leads the implementation of key business strategies
- 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 and operations of the business

Mr. Shakeel Summun

Chief Financial Officer

- Provides strategic leadership and oversees the implementation of the functional strategies
- Responsible for the Accounting and Finance operations and Investments

Mrs. Chitra Devi Moonoosamy

Chief Services Officer

- Provides strategic leadership and oversees the implementation of the functional strategies
- Responsible for the General Insurance Operations and Shared Services functions comprising of HR and Legal & Compliance

Mr. Shafique Bhunnoo

Chief Actuarial Officer

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

Mr. Sorens Pershing Rughooputh

Chief Technical Officer

- Provides strategic leadership and oversees the implementation of the functional strategies
- Responsible for the Shared Service functions comprising of Registry & Mailing and Facilities & Logistics functions

Mr. Jacques Dany Tong Sam

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 the health and non-health insurance classes

CORPORATE GOVERNANCE REPORT

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 Corporate Sales, Tenders and channel & business development functions

Mr. Kavidutt Dinand**Head of Finance**

- Provides functional leadership and implements strategies to attain business objectives
- Responsible for the accounting and finance 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 HR & 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 Procurement & Inventory**

- Provides functional leadership and implements strategies to attain business objectives
- Responsible for Procurement & Inventory functions

Mr. Pawan Kumarsingh Canhye**Internal Auditor (Also fulfils the role of Risk Officer)**

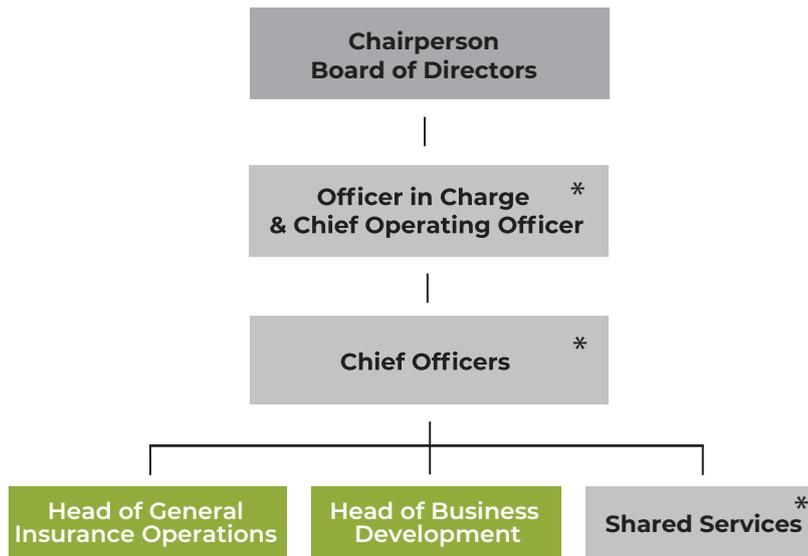
- Provides internal audit services to assess internal control, business and risk management processes
- Responsible for reporting of audit findings and recommendations to the Audit & Risk Committee
- Responsible for the risk management function

Mr. Ashwin Mussai**Lead-Customer Service (Also fulfils the role of Complaints Co-ordinator)**

- Provides functional leadership and implements strategies to attain business objectives
- Responsible for the Customer Service and Complaints functions

CORPORATE GOVERNANCE REPORT

1.5 Organisation Chart



* Also fulfils a shared role across the 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) as follows:

1. The Chief Officers have broad responsibility of leadership and accountability of Strategic and Shared Services functions across the NIC Group. The Shared Services functions comprise of:

- Accounting & Finance
- Investment
- Actuarial & Statistics
- Reinsurance
- Procurement
- Customer Service & Branch Operations
- Sales & Marketing
- Communications & Corporate Social Responsibility
- Human Resources
- Legal & Compliance
- Corporate Sales, Tenders & Business Development Channel
- Information Technology & Enterprise Projects
- Internal Audit & Risk Management
- Registry & Mailing
- Facilities & Logistics

2. The core functional responsibilities and 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 report to the Chairperson of the Audit & Risk Committee for matters governing the business.

CORPORATE GOVERNANCE REPORT

2. PRINCIPLE TWO 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.”

2.1 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 2020 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. Vikash Peerun (Chairperson from 20 February 2020)	20 Feb 2020	-	Non-Independent & Non-Executive
2.	Dr. Daneshwar Doobree	22 May 2017	-	Non-Independent & Non-Executive
3.	Mr. Jean Daniel Henry	23 May 2017	-	Independent & Non-Executive
4.	Late Mr. Oodaye Prakash Issary (Chairperson from 20 February 2019 to 08 December 2019)	19 Feb 2019	08 Dec 2019	Non-Independent & Non-Executive
5.	Dr. Sudhirsan Kowlessur	12 Jun 2019	-	Non-Independent & Non-Executive
6.	Mr. Joseph Benoit Mamet	22 May 2017	-	Independent & Non-Executive
7.	Mrs. Tej Asha Mudhoo	05 Dec 2019	-	Non-Independent & Non-Executive
8.	Dr. Arty Rambharush	26 May 2017	-	Independent & Non-Executive
9.	Mr. Shastree Ramodhin	29 Dec 2017	16 Jul 2020	Independent & Non-Executive
10.	Mr. Kresh Seebundhun	11 Dec 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 Chairperson of the Board Committee 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 who do not have relationship with the organisation. A sufficient number of directors do not have relationships with the majority shareholder.

CORPORATE GOVERNANCE REPORT

2.2 Gender Balance

The Company promotes gender balance and equal opportunity at every level of its operating and governance structures. As at 30 June 2020, the Company's Board comprised of two female directors.

2.3 Directorship

2.3.1 Executive Director

As at 30 June 2020, the Company did not have any Executive Director.

The Board of Directors is of the opinion that the Board is appropriately constituted for the execution of its responsibilities. The day to day management of the operations of the Company was performed by the Officer in Charge & Chief Operating Officer, who reported directly to the Board.

2.3.2 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, particularly Independent Directors, may need to be appointed.

2.3.3 Non-Executive Directors

The Non-Executive Directors constructively challenge and help develop proposals on strategy, review the performance of management in attaining goals and objectives and monitor the reporting of performance. The Non-Executive independent Directors meet and/or hold discussions regularly

performance. The Non-Executive independent Directors meet and/or hold discussions regularly without the presence of Management.

2.4 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. The Board also follows the principles of good corporate governance as recommended in the Code.

2.5 Board Meetings

The Board met twelve (12) times during the financial year ended 30 June 2020. The Board deliberated on a range of issues including:

- Capital Call from National Property Fund Ltd (Sole Shareholder of the Company) to address the minimum capital requirements of the Company;
- The approval of the Company's Annual Reports and Audited Financial Statements as well as the Actuarial Reports for the financial period/ years ended 30 June 2016, 2017, 2018 and 2019;
- The development/implementation 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 options;
- The implementation of the HR Re-organisation Plan;
- The implementation of the Risk Management Framework;
- The review of reinsurance arrangements and products;
- The adoption and implementation of AML/CFT Framework;
- The examination and endorsement of the recommendations of various Board Committees;
- The review of the composition of Board Committees;
- The investment decisions and returns thereof;
- The valuation of properties and other assets; and
- The major legal affairs and undertakings, including litigation cases.

CORPORATE GOVERNANCE REPORT

2.6 Board Committees for the year ended 30 June 2020

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 constituted its sub-committees with clearly defined mandates as follows:

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

The objectives of these Committees are:

- 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 to 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. The Board ensures that the Company is managed in line with its objectives through deliberations and reporting of its various Committees.

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

2.6.1 Audit & Risk Committee

The Audit & Risk Committee is governed by a Charter in line with the provisions of the Code. The Charter of the Audit & Risk Committee, as approved by the Board, is available on the website of the Company. The Charter is subject to review on an annual basis.

The Audit & Risk Committee is currently constituted of four [4] members namely, Mr. K. Seebundhun (Chairperson), Dr. D. Doobree, Mr. B. Mamet and Mr. J. D. Henry. 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 the shareholder for approval at the Annual Meeting of Shareholder, 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 REPORT

2.6.2 Corporate Governance & Ethics Committee

The Corporate Governance & Ethics Committee is governed by a Charter in line with the provisions of the Code. The Charter of the Corporate Governance & Ethics Committee, as approved by the Board, is available on the website of the Company. The Charter is subject to review on an annual basis.

The Corporate Governance & Ethics Committee is currently constituted of five [5] members namely, Dr. A. Rambharush (Chairperson), Dr. D. Doobree, Dr. S. Kowlessur, Mr. J. D. Henry and Mrs. A. Mudhoo.

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 Conduct and Ethics;
- Review annually the size and composition of the board as a whole; and
- 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.

2.6.3 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 Finance, Investment & Procurement Committee, as approved by the Board, is available on the website of the Company. The Charter is subject to review on an annual basis.

The Finance, Investment & Procurement Committee is currently constituted of five [5] members namely, Mr. B. Mamet (Chairperson), Mr. J. D. Henry, Dr. S. Kowlessur, Mrs. A. Mudhoo and Mr. K. Seebundhun.

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 and policies and with the overall risk profile of the Company.

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

- Assess and review the business plan, annual budget and extra-budgetary provisions of the Company;
- Formulate and review the investment strategies and policies of the Company;
- 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
- Formulate policies and procedures relating to procurement and ensure compliance with relevant legal/regulatory framework.

2.6.4 Human Resource Committee

The Human Resource Committee is governed by a Charter in line with the provisions of the Code. The Charter of the Human Resource Committee, as approved by the Board, is available on the website of the Company. The Charter is subject to review on an annual basis.

The Human Resource Committee is currently constituted of four [4] members namely, Dr. D. Doobree (Chairperson), Dr. A. Rambharush, Dr. S. Kowlessur and Mrs. A. Mudhoo.

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:-

- Provide direction with regards to the Human Resource strategy including key objectives, plans and workforce requirements;
- 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
- Oversee any major change in organisational and employee benefit structures across the Company.

CORPORATE GOVERNANCE REPORT

2.7 Board & Board Committees Attendance

The detailed attendance of members of the Board and Board Committees at meetings during the financial year ended 30 June 2020 was as follows:-

DIRECTORS	BOARD MEETINGS (12)	CORPORATE GOVERNANCE & ETHICS COMMITTEE MEETING (1)	AUDIT & RISK COMMITTEE MEETINGS (2)	FINANCE, INVESTMENT, & PROCUREMENT COMMITTEE MEETINGS (2)	HUMAN RESOURCE COMMITTEE MEETING (1)
Mr. Vikash Peerun (appointed on 20 February 2020)	3/3	N/A	N/A	N/A	N/A
Dr. Daneshwar Doobree	12/12	1/1	2/2	2/2	1/1
Mr. Jean Daniel Henry	9/12	1/1	0/0	2/2	1/1
Late Mr. Oodaye Prakash Issary (ceased on 08 December 2019)	7/7	N/A	N/A	N/A	N/A
Dr. Sudhirsan Kowlessur	9/12	0/0	N/A	2/2	0/0
Mr. Joseph Benoit Mamet	12/12	1/1	2/2	2/2	N/A
Mrs. Tej Asha Mudhoo (appointed on 05 December 2019)	4/5	0/0	N/A	0/0	0/0
Dr. Arty Rambharush	11/12	1/1	2/2	N/A	1/1
Mr. Shastree Ramodhin (ceased on 16 July 2020)	12/12	1/1	2/2	N/A	1/1
Mr. Kresh Seebundhun (appointed on 11 December 2019)	5/5	N/A	0/0	0/0	N/A

CORPORATE GOVERNANCE REPORT

2.8 Directorships of Directors in other companies

Name of Director	NAME OF COMPANY	Designation
Mr. Vikash Peerun	National Insurance Co. Ltd	Chairman
	NIC Services Co. Ltd	Chairman
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
Late Mr. Oodaye Prakash Issary	National Insurance Co. Ltd	Chairman
	NIC Services Co. Ltd	Chairman
Dr. Sudhirsan Kowlessur	National Insurance Co. Ltd	Director
	National Property Fund Ltd	Director
Mr. Joseph Benoit Mamet	National Insurance Co. Ltd	Director
	National Property Fund Ltd	Director
Mrs. Tej Asha Mudhoo	National Insurance Co. Ltd	Director
	Mauritius Broadcasting Corporation	Director
Dr. Arty Rambharush	National Insurance Co. Ltd	Director
Mr. Shastree Ramodhin	National Insurance Co. Ltd	Director
Mr. Kresh Seebundhun	National Insurance Co. Ltd	Director
	National Property Fund Ltd	Director
	Multi Carrier Mauritius Ltd	Director

CORPORATE GOVERNANCE REPORT

3. PRINCIPLE THREE 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.”

3.1 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, charters, and the affairs of the Company.

As per the Charter of the Human Resource Committee, the role of the said Committee in respect of nomination of Directors includes 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

- Moreover, 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 Resource 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 biographies of the current directors have been provided on pages 42 to 43.

3.2 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 biography of the Company Secretary including its experience, skills and expertise.

CORPORATE GOVERNANCE REPORT

4. PRINCIPLE FOUR 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."

4.1 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.

4.2 Code of Ethics

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

4.3 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(s) 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.

CORPORATE GOVERNANCE REPORT

4.4 Information and IT 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 and deployed.

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 and 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.

4.5 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.

CORPORATE GOVERNANCE REPORT

4.6 Board Evaluation

The Company will establish a system of Board Appraisal to assess the effectiveness/ performance of the Board and sub-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 and Corporate Reporting;
- Oversight of Management;
- Composition of the Board and Board Committees; and
- Conduct of Board and Board Committee Meetings.

As at 30 June 2020, 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.

CORPORATE GOVERNANCE REPORT

4.7 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	2,334,077
2	Executive Directors	Nil

The Board is guided by the remuneration structure of the Salary Commissioner Report, implemented effective from January 2017, 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 : 88% (Retainer Fees)
- Variable : 12% (Adhoc Committees & Meetings)

The Company does not have any long-term incentive plans apart from the Occupational 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 is 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.

CORPORATE GOVERNANCE REPORT

5. PRINCIPLE FIVE 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.

5.1 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 ascertaining 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.

5.2 The principal risks faced by the Company and the way in which each is managed:

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.

A. 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.

B. 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.

CORPORATE GOVERNANCE REPORT

C. 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.

D. 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.

E. 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; 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.

CORPORATE GOVERNANCE REPORT

5.3 Risk Management Framework

The development of the Risk Management Framework, as entrusted to QED Actuaries and Consultants (Pty) Ltd (South Africa) has been completed.

5.4 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 is duly reported and discussed at large at Management and Board 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 has been no significant areas which was 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-wise software system for the general insurance operations, which has reached final stages of implementation and currently at User Acceptance Testing.

5.5 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.

CORPORATE GOVERNANCE REPORT

5.6 Whistle-blowing rules and procedures

For any suspicious or illegal transactions, 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 reviewed its Anti-Money Laundering ("AML") procedures and manuals to further strengthen its internal control systems. Furthermore, the Company has implemented a Risk Management System with the support of TeamSymthesis in February 2020. The system provides staff and salespersons with the option to raise potential risks anonymously to the Risk Officer and supports the whistle blowing initiatives of the organisation.

6. PRINCIPLE SIX 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), International Accounting Standards (IAS) and the Companies Act 2001.

The financial statements of the Company include its Annual Report 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.

6.1 Health, Safety, Social and Environmental Policies

The Company has developed and implemented social, safety, health and environmental policies including Covid-19 sanitary measures and practices

to comply with the Occupational Safety and Health Act 2005 and other statutory and regulatory frameworks, 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 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, our eco strategy is geared towards e-filing, e-mails, scanning of documents and electronic filling. In this spirit, the Company is also using digital platforms, SMS and social media for communicating to its clients and is encouraging clients to opt for e-policies.

6.2 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 proprietary Corporate Social Responsibility Programme (**#GetHealthy**) which runs regularly across the country through 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 health service providers, the **#GetHealthy** programme is carried out through five main campaigns, which aims to make Healthy Living more accessible, and raise healthcare awareness among the Mauritian population.

The five campaigns have enabled:

- Offering free medical screening tests & advice, and healthy activities to the general public across Mauritius (**#GetHealthy** on Route8);
- Reaching out to the elderly homes and offering free medical tests & advice to our senior citizens (**#GetHealthy** Elderly Day);
- Raising awareness and providing free breast cancer screening to women in community centres (**#GetHealthy** Ladies Day);
- Providing free health tests in pre-primary schools (**#GetHealthy** Kids Day);
- Offering free medical tests to our corporate clients (**#GetHealthy** Corporate Health Camp); and
- Reaching and screening Mauritians of all age groups for health checks across Mauritius.

There was no donation made during the year.

CORPORATE GOVERNANCE REPORT

7. PRINCIPLE SEVEN 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”

7.1 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 experienced resources in field audits. The Department also conducts internal audits for the Company’s 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 is 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 2020, internal audits were conducted on Branch Operations, Underwriting – Motor & Non-Motor, Claims – Motor & Non-Motor, Cash Handling, Cash Collection and Cashier Tills at NIC Customer Service Counters.

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.

7.2 External Audit

The Company has re-appointed Moore (Mauritius) as External Auditor for the financial year ended 30 June 2020. The Audit & Risk Committee will ensure that the External Auditor is rotated at least every 7 years. Moore Mauritius was appointed as External Auditor back in February 2019.

The approach to appointing the External Auditor is done through a tendering process. The last tender for appointment of Moore Stephens (Mauritius) was conducted in 2018.

7.3 Meeting with Audit & Risk Committee and Key Audit Issues

The External Auditor has 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 Auditor has been apprising 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 Auditor has also had meetings with key stakeholders without Management being present.

CORPORATE GOVERNANCE REPORT

7.4 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 their reappointment. The Audit & Risk Committee assesses the qualifications and performance of the External Auditor, the quality of the External Auditor's communications with the Audit & Risk Committee and the External Auditor's independence, objectivity and professional scepticism.

7.5 Information on non-audit services

The Company has used Moore Mauritius for tax compliance services.

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

8. PRINCIPLE EIGHT 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”

8.1 Share Capital Structure

The holding structure of the Company as at 30 June 2020 was as follows:

NAME	PERCENTAGE HOLDING
National Property Fund Ltd	100%

The Company is ultimately owned by the Government of Mauritius.

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

8.2 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.

CORPORATE GOVERNANCE REPORT

8.3 Relations with Shareholder

The Shareholder is convened to attend Annual Meetings for the purpose of adoption of the Financial Statements, receiving the Auditor's Report and consideration of the Annual Report. Notice of Annual Meeting of Shareholder 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.

8.4 Company Key Stakeholders

Regulator & Authorities

Relationships with the regulator and authorities, mainly the Financial Services Commission, the Registrar of Companies, the 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 legislations.

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

8.5 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

CORPORATE GOVERNANCE REPORT

9. STATEMENT OF COMPLIANCE

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

Name of PIE : NIC General Insurance Co. Ltd
Reporting period : 30 June 2020

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 National Code of Corporate Governance for Mauritius (2016) ("the Code") except for the following sections:-

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

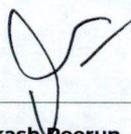
Principle 2: The Structure of the Board and its Committees

Composition of the Board - The recommendation of the Code is to have at least two Executive Directors. As at 30 June 2020, 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 & Chief Operating Officer, who reported directly to 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 deliberations of the Board.

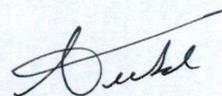
Principle 4: Directors Duties, Remuneration and Performance

Board Evaluation - As at 30 June 2020, 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. Vikash Peerun
Chairman



Mr. Kresh Seebundhun
Director

Date: 26 NOV 2020



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healthy habits
for a healthier
life







directors' & auditors' reports

FOR THE YEAR ENDED 30 JUNE 2020

01.

DIRECTORS' REPORT

02.

INDEPENDENT AUDITORS' REPORT





Seated from right to left:

Mr. Vikash Peerun - Chairman of NIC Group

Mr. Jean Daniel Henry - Director

Standing from right to left:

Mr. Kresh Seebundhun - Chairperson of Audit & Risk Committee

Dr. Arty Rambharush - Chairperson of Corporate Governance & Ethics Committee

Dr. Daneshwar Doobree - Chairperson of Human Resource Committee

Mr. Joseph Benoit Mamet - Chairperson of Finance, Investment & Procurement Committee

DIRECTORS' REPORT

For the year ended 30 June 2020

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 2020.

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 96.

3. DIRECTORS

The directors of the Company are shown as follows:

	DATE OF APPOINTMENT	DATE OF RESIGNATION
Non-Executive Chairman		
Mr. Vikash Peerun	20 Feb 2020	-
Late Mr. Oodaye Prakash Issary	19 Feb 2019	08 Dec 2019
Independent and Non-Executive Director		
Mr. Joseph Benoit Mamet	22 May 2017	-
Mr. Jean Daniel Henry	23 May 2017	-
Dr. Arty Rambharush	26 May 2017	-
Mr. Shastree Ramodhin	29 May 2017	16 Jul 2020
Non-Executive Director		
Dr. Daneshwar Doobree	22 May 2017	-
Dr. Sudhirsan Kowlessur	12 Jun 2019	-
Mrs. Tej Asha Mudhoo	5 Dec 2019	-
Mr. Kresh Seebundhun	11 Dec 2019	-
Executive Director		
None		

DIRECTORS' REPORT CONT'D

For the year ended 30 June 2020

4. DIRECTORS' SERVICE CONTRACTS

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

5. DIRECTORS' SHARE INTEREST

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

6. CONTRACT OF SIGNIFICANCE

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

7. DIRECTORS' REMUNERATION

	2020	2019
	MUR	MUR
Directors' remuneration	2,334,077	2,669,045

There was no executive director for the years ended 30 June 2020 and 30 June 2019.

8. DONATIONS

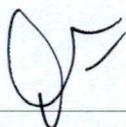
The Company made no donation during the year ended 30 June 2020 (2019: Nil).

9. AUDITORS' REMUNERATION

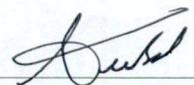
	2020		2019	
	AUDIT	OTHERS	AUDIT	OTHERS
	MUR	MUR	MUR	MUR
Moore Mauritius	546,250	-	605,000	-

Moore 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. Vikash Peerun
Chairman



Mr. Kresh Seebundhun
Director

Date: 26 NOV 2020

CERTIFICATE FROM THE COMPANY SECRETARY

For the year ended 30 June 2020

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 2020, all such returns as are required under Section 166(d) of the Companies Act 2001.



Prime Partners Ltd
Corporate Secretary
Per Gopal Bullyraz

Date: 26 NOV 2020

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF
NIC General Insurance Co. Ltd****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 95 to 152, which comprise the statement of financial position as at 30 June 2020 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 2020 and of its financial performance, changes in equity 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. Insurance receivables, Reinsurance assets and Short-term deposits

As at 30 June 2020, the Company had insurance receivables, reinsurance assets and short-term deposits as disclosed in notes 11, 13(c) and 14(a). Significant judgement is required to assess the credit risk attached to these financial assets. The net carrying amount of insurance receivables, reinsurance assets and short-term deposits 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 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.

Short-term deposits: The short-term deposits are with a bank, currently under conservatorship. The Company considers the full amount of its short-term deposits as being recoverable at reporting date, based on several discussions with the Conservator as disclosed under note 14.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF
NIC General Insurance Co. Ltd**

Report on the audit of the financial statements (continued)

Key Audit Matters (continued)

1. Insurance receivables and Reinsurance assets and Short-term deposits (continued)

Related disclosures

Refer to note 11, 13(c) 14(a), notes 3.6, 3.14(ii), 3.10 (accounting policy) and notes 6.1, 6.2 and 6.3 (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 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 and the conservator 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.

2. As at 30 June 2020, the Company had outstanding claims which 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 outstanding claims ("OC") including claims IBNR is 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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF
NIC General Insurance Co. Ltd**

Report on the audit of the financial statements (continued)

Key Audit Matters (continued)

- 2. As at 30 June 2020, the Company had outstanding claims which including claims incurred but not reported (IBNR) as disclosed in Note 17(b) to the financial statements (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.
- We evaluated 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)

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.

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.

Corporate Governance Report

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the public interest entity has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code and satisfactory explanations disclosed on the principles of the Code which have not been complied with.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF
NIC General Insurance Co. Ltd**

Report on the audit of the financial statements (continued)

Responsibilities of directors and those charged with governance for the financial statements

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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF
NIC General Insurance Co. Ltd**

Report on the audit of the financial statements (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

This report is made solely to the Company's member, 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 member 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 member, 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

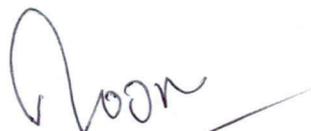
We have no relationship with or interests in the Company other than in our capacity as auditors.

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

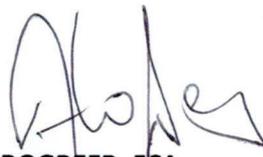
In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Insurance Act 2005

The financial statements have been prepared in the manner and meet the requirements specified by the Financial Services Commission (FSC).



MOORE MAURITIUS
Chartered Accountants



Arvin ROGBEER, FCA
Licensed by FRC

Port Louis
Republic of Mauritius

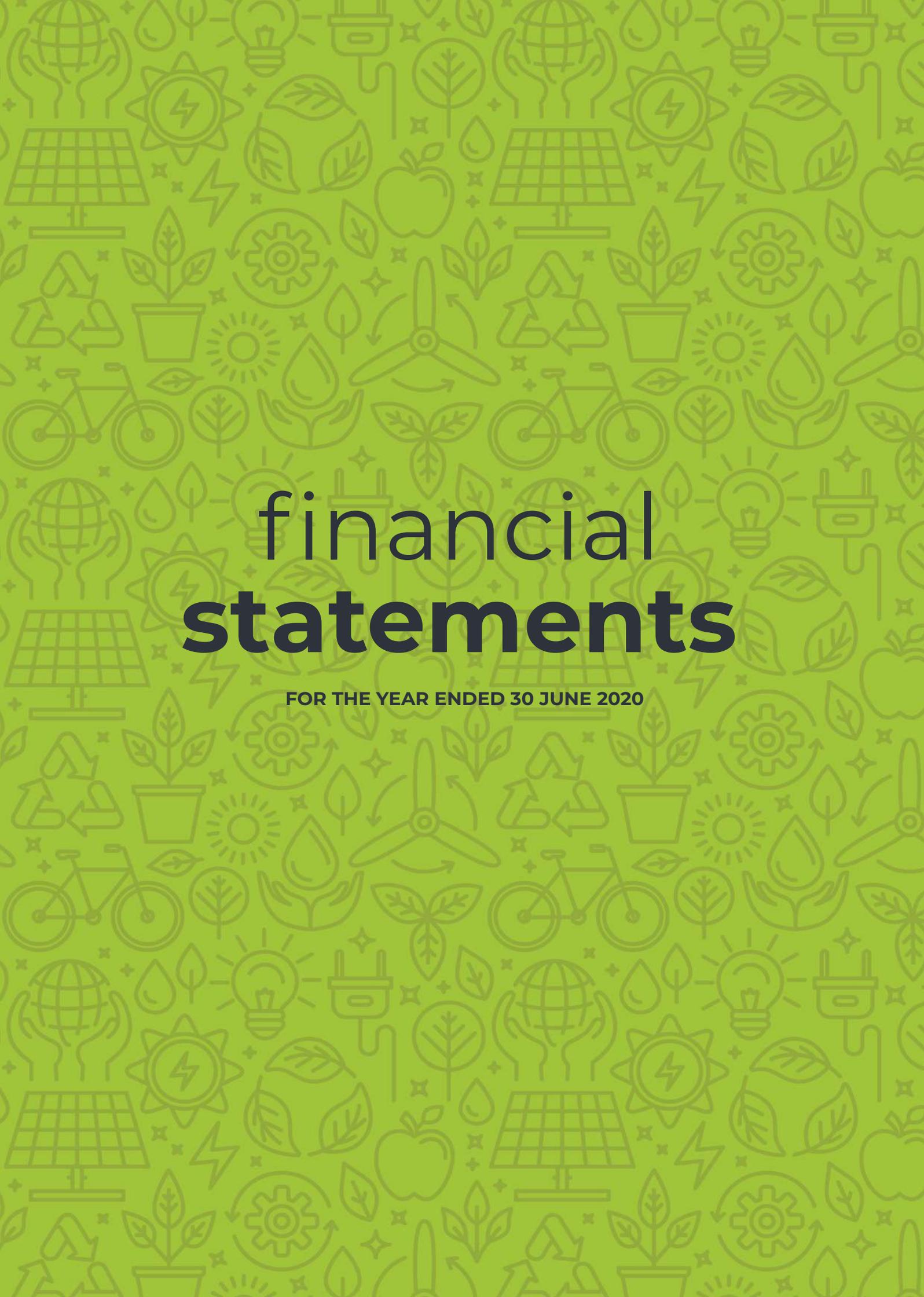
Date: 26 NOV 2020



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financial statements

FOR THE YEAR ENDED 30 JUNE 2020

01.

STATEMENT OF FINANCIAL POSITION

02.

STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

03.

STATEMENT OF CHANGES IN EQUITY

04.

STATEMENT OF CASH FLOWS

05.

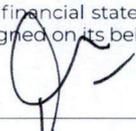
NOTES TO THE FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

ASSETS	NOTES	2020	2019
		MUR	MUR
Non-current assets			
Plant and equipment	7	2,012,036	37,364
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	762,505	4,743,893
		90,550,376	92,557,092
Current assets			
Insurance receivables	11	135,848,146	114,216,194
Other receivables	12	36,177,591	25,428,854
Reinsurance assets	13(c)	110,133,904	90,789,337
Current tax asset	21(a)	336,228	293,707
Short term deposits	14(a)	100,000,000	-
Cash at bank	14(b)	65,864,582	6,103,002
		448,360,451	236,831,094
TOTAL ASSETS		538,910,827	329,388,186
EQUITY AND LIABILITIES			
Equity			
Stated capital	15	180,000,000	30,000,000
Reserves	16	29,665,306	2,764,872
TOTAL EQUITY		209,665,306	32,764,872
Technical provisions			
Insurance contract liabilities	17(a)	154,456,952	144,040,573
Outstanding claims	17(b)	69,750,103	62,272,646
		224,207,055	206,313,219
Non-current liabilities			
Retirement benefit obligations	19	5,973,000	1,654,000
		5,973,000	1,654,000
Current liabilities			
Trade and other payables	20	97,584,073	88,656,095
Current tax liabilities	21(a)	1,481,393	-
		99,065,466	88,656,095
TOTAL EQUITY AND LIABILITIES		538,910,827	329,388,186

These financial statements have been approved for issue by the Board of Directors on 26 NOV 2020 and signed on its behalf by:


 Mr. Vikash Peerun
 Chairman


 Mr. Kresh Seebundhun
 Director

The notes on pages 99 to 152 form an integral part of these financial statements.
 Auditors' report on pages 86 to 90.

STATEMENT OF **PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the year ended 30 June 2020

	NOTES	2020	2019
		MUR	MUR
Revenue			
Gross premiums	22	356,865,452	324,532,160
Premiums ceded to reinsurers	23	(153,231,489)	(128,322,711)
Net premiums		203,633,963	196,209,449
Claims, reserves and commissions			
Gross claims paid	26	(259,122,980)	(243,940,987)
Movement in outstanding claims	27	(7,477,458)	(10,553,520)
Claims ceded to reinsurers	30	164,071,827	184,465,213
Gross change in insurance contract liabilities	17(a)	(10,416,379)	(34,236,808)
Change in contract liabilities ceded to reinsurers	13(d)	12,636,291	2,869,048
Commissions paid	29	(20,541,925)	(17,742,616)
Net claims, reserves and commissions		(120,850,624)	(119,139,670)
UNDERWRITING RESULTS		82,783,339	77,069,779
Investment and other income	24	8,500,674	3,324,812
Fees and commission income	25	8,659,401	6,802,536
Other revenue		17,160,075	10,127,348
Other operating and administrative expenses	28	(65,682,035)	(56,818,564)
PROFIT BEFORE TAXATION		34,261,379	30,378,563
Income tax	21(b)	(5,459,945)	(4,540,285)
PROFIT OF THE YEAR		28,801,434	25,838,278
Other comprehensive loss:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit obligations	19	(1,901,000)	(110,000)
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive loss for the year, net of tax		(1,901,000)	(110,000)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		26,900,434	25,728,278

The notes on pages 99 to 152 form an integral part of these financial statements.
Auditors' report on pages 86 to 90.

STATEMENT OF **CHANGES IN EQUITY**

For the year ended 30 June 2020

	RESERVES		
	STATED CAPITAL	(REVENUE DEFICIT)/RETAINED EARNINGS	TOTAL EQUITY
	MUR	MUR	MUR
Balance as at 01 July 2019	30,000,000	2,764,872	32,764,872
Issue of shares	150,000,000	-	150,000,000
Profit for the year	-	28,801,434	28,801,434
Other comprehensive loss	-	(1,901,000)	(1,901,000)
Total comprehensive income for the year	-	26,900,434	26,900,434
BALANCE AS AT 30 JUNE 2020	180,000,000	29,665,306	209,665,306
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 99 to 152 form an integral part of these financial statements.
Auditors' report on pages 86 to 90.

STATEMENT OF **CASH FLOWS**

For the year ended 30 June 2020

	NOTES	2020	2019
		MUR	MUR
Cash generated from operations			
Profit before taxation		34,261,379	30,378,563
Adjustments for:			
Movement in retirement benefit obligations	19	2,418,000	203,000
Depreciation on plant and equipment	7	401,228	11,799
		37,080,607	30,593,362
Changes in working capital:			
Change in insurance receivables		(21,631,952)	(39,825,203)
Change in other receivables		(10,748,737)	(10,018,307)
Change in reinsurance assets		(19,344,567)	(54,233,893)
Change in insurance contract liabilities		10,416,379	34,236,808
Change in outstanding claims		7,477,457	10,553,520
Change in trade and other payables		8,927,978	23,898,959
		12,177,165	(4,794,754)
Cash flows generated from / (used in) operating activities			
Tax adjusted / paid		(39,685)	(102,120)
		12,137,480	(4,896,874)
Cash flows from investing activities			
Acquisition of plant and equipment	7	(2,441,450)	-
Proceeds from disposal of plant and equipment	7	65,550	-
		(2,375,900)	-
Cash flows from financing activity			
Proceeds from issue of additional share capital	15	150,000,000	-
		150,000,000	-
MOVEMENT IN CASH AND CASH EQUIVALENTS		159,761,580	(4,896,874)
Cash and cash equivalents			
At 01 July		6,103,002	10,999,876
Movement		159,761,580	(4,896,874)
AT 30 JUNE	14	165,864,582	6,103,002

The notes on pages 99 to 152 form an integral part of these financial statements.
Auditors' report on pages 86 to 90.

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

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. The Company is engaged in general insurance business.

These financial statements are submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders 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 16 Leases results in the recognition of almost all leases on the statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. The adoption of the new standard has had no impact on the financial statements since the Company is not involved in any lease arrangements.

IFRIC 23 Uncertainty over Income Tax Treatments explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. There are no new disclosure requirements but requirement to provide information about judgements and estimates made in preparing the financial statements. The interpretation has no impact on the Company's financial statements.

Prepayment features with negative compensation (Amendments to IFRS 9) enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model. The amendments have no impact on the Company's financial statements.

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under IFRS 9 before applying the loss allocation and impairment requirements in IAS 28. The amendments have no impact on the Company's financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

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

2.1 Standards, Amendments to published Standards and Interpretations effective in the reporting period (Cont'd)

Annual Improvements to IFRSs 2015-2017 Cycle

- IFRS 3 - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages.
- IFRS 11 - clarified that party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.
- IAS 12 - clarified that income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.
- IAS 23 - clarified that, if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The amendments have no impact on the Company's financial statements.

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) clarify that entities must:

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change.
- recognise any reduction in a surplus immediately in profit or loss, either as part of past service cost or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling.
- separately recognise any changes in the asset ceiling through other comprehensive income.

The amendments have no impact on the Company's financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

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

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 2020 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 17 Insurance Contracts
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

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) and on a going concern basis.

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 either at their fair values or carried at amortised cost.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Revenue recognition

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

Provision for unearned premium, made in respect of the general insurance business, represents 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 dividends, interests and rental income for the year. Dividend is accounted for when the shareholders' right to receive payment is established. Interest income is recognised using the effective interest method.

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

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 dates 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.

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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial assets (Cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial assets (Cont'd)

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 receivables. They are recognised initially a 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 recognised at fair value and subsequently measured at amortised 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 set the recognised amounts and there is an intention to settle on a net basis, or to realise 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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 realised 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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

**3. SIGNIFICANT ACCOUNTING POLICIES
(CONT'D)****3.10 Cash and cash equivalents**

Cash and cash equivalents comprise of 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 amounts 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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: (i) accident and health and (ii) 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 reinsurance assets 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Insurance contracts (Cont'd)

(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).

NOTES TO THE **FINANCIAL STATEMENTS**
For the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 Dividend distribution

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

3.18 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.

3.19 Commissions paid

Commissions consist of payment made to sales persons, 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 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 shareholders' 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.

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 2020

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, as well as fraudulent claims.

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, exclusions 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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

4. INSURANCE RISKS (CONT'D)**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	2020			
	OUTSTANDING CLAIMS			
	NO. OF CLAIMS	GROSS	REINSURANCE	NET
		MUR	MUR	MUR
Motor	792	19,918,071	(46,088,313)	(26,170,242)
Property	16	7,529,443	(5,191,564)	2,337,879
Accident and Health	2,112	18,965,711	(17,456,157)	1,509,554
Engineering	36	983,231	(909,944)	73,287
Liability	19	202,100	-	202,100
Guarantee	-	-	(1,097,556)	(1,097,556)
Incurred but not reported (IBNR)		22,151,548	(6,857,021)	15,294,527
	2,975	69,750,104	(77,600,555)	(7,850,451)

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 2020

4. INSURANCE RISKS (CONT'D)**4.3 Sources of uncertainty**

Claims on short-term insurance contracts are payable on a claims occurrence basis. 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).

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.

	2020				
	CHANGE IN ASSUMPTIONS	IMPACT ON GROSS LIABILITIES	IMPACT ON REINSURANCE SHARE OF LIABILITIES	IMPACT ON PROFIT BEFORE TAX	IMPACT ON EQUITY
Average claim cost	10%	MUR 2,345	MUR 2,608	MUR 263	MUR 263

	2019				
	CHANGE IN ASSUMPTIONS	IMPACT ON GROSS LIABILITIES	IMPACT ON REINSURANCE SHARE OF LIABILITIES	IMPACT ON PROFIT BEFORE TAX	IMPACT ON EQUITY
Average claim cost	10%	MUR 1,773	MUR 1,823	MUR 50	MUR 50

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

4. INSURANCE RISKS (CONT'D)

4.4 Claims development tables

The table below illustrates 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.

2020 CLAIMS PAID DEVELOPMENT												
ACCIDENT AND HEALTH INSURANCE AND MOTOR INSURANCE	DEVELOPMENT QUARTER (MUR)											
	0	1	2	3	4	5	6	7	8	9	10	TOTAL
2014	-	-	-	-	-	299,961	11,461	-	175,000	-	-	486,422
2015	-	10,973,286	3,890,639	1,692,931	774,583	175,837	45,065	-	-	-	1,164	17,553,505
2016	75,643,695	27,338,878	2,749,674	1,058,398	349,937	503,405	119,080	24,900	7,021	-	6,000	107,800,988
2017	111,279,106	52,237,846	4,355,209	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	13,821,441	(55,849)	1,269,618	(221,079)	350,814	(35,047)	-	-	-	194,529,855
2019	93,485,883	83,505,170	7,077,320	2,040,131	-	-	-	-	-	-	-	186,108,504
2020	77,507,970	100,421,607	14,747,278	3,106,368	-	-	-	-	-	-	-	195,783,223

2019 CLAIMS PAID DEVELOPMENT												
ACCIDENT AND HEALTH INSURANCE AND MOTOR INSURANCE	DEVELOPMENT QUARTER (MUR)											
	0	1	2	3	4	5	6	7	8	9	10	TOTAL
2014	-	-	-	-	-	299,961	11,461	-	175,000	-	-	486,422
2015	-	10,973,286	3,890,639	1,692,931	774,583	175,837	45,065	-	-	-	1,164	17,553,505
2016	75,643,695	27,338,878	2,749,674	1,058,398	349,937	503,405	119,080	24,900	7,021	-	6,000	107,800,988
2017	111,279,106	52,237,846	4,355,209	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	13,821,441	(55,849)	1,269,618	(221,079)	350,814	(35,047)	-	-	-	194,529,855
2019	93,485,883	83,505,170	7,077,320	2,040,131	-	-	-	-	-	-	-	186,108,504

The above figures include recoveries.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

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. Most of 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 receivables, other receivables, trade and other payables and 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:

	2020	2019
Financial assets	MUR	MUR
MUR	432,372,917	226,511,821
USD	23,845,692	37,547,804
ZAR	17,456,157	-
EUR	636,347	3,851
	474,311,113	264,063,476
Financial liabilities		
MUR	290,756,663	279,836,740
USD	21,635,663	14,631,564
ZAR	9,108,581	382,815
EUR	290,221	118,195
	321,791,128	294,969,314

Financial assets exclude advances and prepayments of **MUR 18,488,944** (2019: MUR 17,249,745).

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 financial assets and liabilities which are denominated in currencies other than the Mauritian Rupee.

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

5. FINANCIAL RISKS (CONT'D)**5.1 Market risk (Cont'd)****5.1.1 Foreign currency risk (Cont'd)****Sensitivity analysis**

The following table details the Company's sensitivity to a change of 10% of the Mauritian Rupee against the foreign currencies.

	2020	2019
Impact on profit or loss and equity	MUR	MUR
USD	221,003	2,291,624
ZAR	834,758	(38,282)
EUR	34,613	(11,434)

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:

	2020	2019
Financial assets	MUR	MUR
Interest bearing bank balances	30,398,156	463,617

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

	2020	2019
Change in 1% in interest rate	MUR	MUR
Impact on results	303,982	4,636

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 2020

5. FINANCIAL RISKS (CONT'D)

5.1 Market risk (Cont'd)

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:

	2020		2019	
	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)

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

5. FINANCIAL RISKS (CONT'D)**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 assets.

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 2020	< 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	110,133,904	-	-	-	110,133,904
Insurance receivables	135,848,146	-	-	-	135,848,146
Other receivables	17,688,647	-	-	-	17,688,647
Short term deposits	100,000,000	-	-	-	100,000,000
Cash at bank	65,864,582	-	-	-	65,864,582
	429,535,279	-	-	44,775,834	474,311,113

Financial assets exclude advances and prepayments of MUR 18,488,944.

At 30 June 2020	< 1 YEAR	1 TO 5 YEARS	> 5 YEARS	NO MATURITY DATES	TOTAL
	MUR	MUR	MUR	MUR	MUR
Financial liabilities					
Insurance contract liabilities	154,456,952	-	-	-	154,456,952
Trade and other payables	97,584,073	-	-	-	97,584,073
Outstanding claims	69,750,103	-	-	-	69,750,103
	321,791,128	-	-	-	321,791,128

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

5. FINANCIAL RISKS (CONT'D)**5.2 Liquidity risk (Cont'd)**

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 at bank	6,103,002	-	-	-	6,103,002
TOTAL	219,287,642	-	-	44,775,834	264,063,476

Financial assets exclude advances and prepayments of MUR 17,249,745.

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
TOTAL	294,969,314	-	-	-	294,969,314

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

5. FINANCIAL RISKS (CONT'D)

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 receivables, other receivables, short term deposits 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 credit worthiness 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	2020	2019
	MUR	MUR
Reinsurance assets	110,133,904	90,789,337
Insurance receivables	135,848,146	114,216,194
Other receivables	17,688,647	8,179,109
Short term deposits	100,000,000	-
Cash at bank	65,864,582	6,103,002
	429,535,279	219,287,642

Financial assets exclude advances and prepayments of **MUR 18,488,944** (2019: MUR 17,249,745).

Included under financial assets are short term deposits of MUR 100,000,000 and cash at bank of MUR 21,001,245 held with BanyanTree Bank Limited. As at the reporting date, a Conservator was appointed by the Bank of Mauritius on 01 April 2020 for BanyanTree Bank Limited.

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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

5. FINANCIAL RISKS (CONT'D)**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.

5.6 Categories of financial instruments

Financial assets	2020	2019
	MUR	MUR
Investment in financial assets	44,775,834	44,775,834
Reinsurance assets	110,133,904	90,789,337
Insurance receivables	135,848,146	114,216,194
Other receivables	17,688,647	8,179,109
Short term deposits	100,000,000	-
Cash at bank	65,864,582	6,103,002
	474,311,113	264,063,476

Financial assets exclude advances and prepayments of **MUR 18,488,944** (2019: MUR 17,249,745).

Financial liabilities	2020	2019
	MUR	MUR
Insurance contract liabilities	154,456,952	144,040,573
Trade and other payables	97,584,073	88,656,095
Outstanding claims	69,750,103	62,272,646
	321,791,128	294,969,314

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

5. FINANCIAL RISKS (CONT'D)**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 values, 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).

	2020			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	MUR	MUR	MUR	MUR
Investment in financial assets (note 10)	-	-	44,775,834	44,775,834

	2019			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	MUR	MUR	MUR	MUR
Investment in financial assets (note 10)	-	-	44,775,834	44,775,834

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

6. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS IN APPLYING ACCOUNTING ESTIMATES (CONT'D)

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 amortised cost.

6.5 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.

6.6 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.

6.7 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 values are determined using valuation techniques including net asset value basis and 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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

7. PLANT AND EQUIPMENT

	COMPUTER HARDWARE	
	2020	2019
Cost	MUR	MUR
At 01 July	58,995	58,995
Additions	2,441,450	-
Disposals	(65,550)	-
At 30 June	2,434,895	58,995
Accumulated depreciation		
At 01 July	21,631	9,832
Charge for the year	401,228	11,799
At 30 June	422,859	21,631
Net book value		
At 30 June	2,012,036	37,364

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

8. INVESTMENT PROPERTY

	2020	2019
	MUR	MUR
At 30 June	43,000,000	43,000,000

The fair values of the Company's investment property as at 30 June 2020 and 30 June 2019 have been arrived at on the basis of valuations carried out by independent Chartered Valuation Surveyors on 26 August 2020 and 18 April 2019 respectively. The fair values were determined based on the Sales Comparison Approach.

The investment property of the Company have generated rental income of MUR 2,024,049 (2019: MUR 2,141,047) 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 161,451 (2019: MUR 224,032).

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:

	2020		2019	
	MUR LEVEL 2	MUR LEVEL 3	MUR LEVEL 2	MUR LEVEL 3
Freehold land	43,000,000	-	43,000,000	-

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

9. INVESTMENT IN SUBSIDIARY

	2020	2019
Unquoted shares	MUR	MUR
At 30 June	1	1

Details of investment:

Name of subsidiary	PRINCIPAL ACTIVITY	CLASSES OF SHARES	COUNTRY OF INCORPORATION & OPERATION	% HOLDING
National Insurance Co. Ltd	Long term insurance	Ordinary	Mauritius	100

There has been a change in the shareholding after the reporting period as disclosed in Note 37.

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

10. INVESTMENT IN FINANCIAL ASSETS

	2020	2019
Unquoted shares	MUR	MUR
Investment in financial assets at fair value through profit or loss (FVTPL)	44,775,833	44,775,833
Debt instrument		
Held-to-maturity financial asset	1	1
	44,775,834	44,775,834

Details of investment in unquoted shares

	PRINCIPAL ACTIVITY	CLASSES OF SHARES	COUNTRY OF INCORPORATION & OPERATION	% HOLDING	COST
Name of investee company					MUR
Flic en Flac Ltd (Villas Caroline)	Hospitality	Ordinary	Mauritius	28.58	55,582,513

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).

The latest audited financials of Flic en Flac Ltd (Villas Caroline) being for the year ended 31 December 2019, indicated an increase in its net assets. Given the uncertainty around the tourism / hotel industry with the COVID-19 pandemic, the investment in Flic en Flac Ltd has not been revalued upwards and instead kept at the same fair value as that reported in June 2019 audited accounts.

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:

	2020		
	FAIR VALUE THROUGH PROFIT OR LOSS	HELD-TO-MATURITY	TOTAL
	MUR	MUR	MUR
Non-current			
At 01 July 2019	44,775,833	1	44,775,834
Fair value adjustment	-	-	-
At 30 June 2020	44,775,833	1	44,775,834

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

**10. INVESTMENT IN FINANCIAL ASSETS
(CONT'D)**

The financial assets are analysed as follows:

	2020			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	MUR	MUR	MUR	MUR
Fair value hierarchy of financial assets				
At 01 July 2019	-	-	44,775,834	44,775,834
Fair value adjustment	-	-	-	-
At 30 June 2020	-	-	44,775,834	44,775,834

	2019		
	FAIR VALUE THROUGH PROFIT OR LOSS	HELD-TO-MATURITY	TOTAL
	MUR	MUR	MUR
Non-current			
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

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

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

11. INSURANCE RECEIVABLES

	2020	2019
	MUR	MUR
Accident and Health	123,431,357	111,559,160
Others	12,416,789	2,657,034
	135,848,146	114,216,194

	2020	2019
	MUR	MUR
(a) Analysis of the age of insurance receivables is as follows:		
Up to 60 days	23,693,260	17,527,521
Between 60 days and one year	92,288,341	92,650,900
Above one year	19,866,545	4,037,773
	135,848,146	114,216,194

- (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

	2020	2019
	MUR	MUR
Advances and prepayments (note (b))	18,488,944	17,249,745
Others	17,688,647	8,179,109
	36,177,591	25,428,854

- (a) The carrying amounts of other receivables approximate their fair values.
(b) An amount of **MUR 18,363,944** (2019: MUR 17,124,745) 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 2020

13. REINSURANCE ASSETS**(a) Claims**

	2020		
	GROSS	REINSURANCE	NET
	MUR	MUR	MUR
At 01 July 2019	62,272,646	(64,035,256)	(1,762,610)
Claims incurred during the year	266,600,437	(164,071,827)	102,528,610
Claims settled during the year	(259,122,980)	150,506,529	(108,616,451)
At 30 June 2020	69,750,103	(77,600,554)	(7,850,451)
Recognised notified claims	47,598,555	(70,743,533)	(23,144,978)
Incurred but not reported	22,151,548	(6,857,021)	15,294,527
At 30 June 2020	69,750,103	(77,600,554)	(7,850,451)
Movement in outstanding claims during the year recognised in the profit or loss (note 27)	(7,477,458)		

	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)		

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

13. REINSURANCE ASSETS (CONT'D)**(b) Provision for unearned premiums**

	2020		
	GROSS	REINSURANCE	NET
	MUR	MUR	MUR
At 01 July 2019	141,526,216	(26,754,081)	114,772,135
Premium written during the year	356,865,452	(153,231,489)	203,633,963
Premium earned during the year	(346,074,304)	147,452,220	(198,622,084)
At 30 June 2020	152,317,364	(32,533,350)	119,784,014

	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

(c) Reinsurance assets

	2020	2019
	MUR	MUR
At 01 July	90,789,337	36,555,444
Net movement in claims	6,708,276	51,364,845
Net movement in provision for unearned premiums	12,636,291	2,869,048
At 30 June	110,133,904	90,789,337

(d) Change in contract liabilities ceded to reinsurers

	2020	2019
	MUR	MUR
Premium written during the year	(153,231,489)	(128,322,711)
Premium earned during the year	140,595,198	125,453,663
	(12,636,291)	(2,869,048)

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

14. CASH AND CASH EQUIVALENTS

	2020	2019
	MUR	MUR
(a) Short term deposits		
Short term deposits with BanyanTree Bank Limited	100,000,000	-
(b) Cash at bank		
Cash at bank	65,864,582	6,103,002
Total cash and cash equivalents	165,864,582	6,103,002

- (i) The interest rate on the short term local deposits amounts to 4.30% per annum.
- (ii) Included in cash and cash equivalents are short term deposits of MUR 100,000,000 and a current account of MUR 21,001,245 held with BanyanTree Bank Limited. As at the reporting date, a Conservator was appointed by the Bank of Mauritius on 01 April 2020 for BanyanTree Bank Limited. The short term deposit has matured on 09 October 2020 and has been renewed automatically by the bank. The Company has liaised with the Conservator with regards to recoverability of the Deposit together with interests accrued and the current account balance. NIC General is still awaiting a response from the Conservator and no provision for impairment has been made in the accounts during the reporting period.

15. STATED CAPITAL

	2020	2019
	MUR	MUR
Issued and paid		
At 01 July	30,000,000	30,000,000
Issued during the year	150,000,000	-
At 30 June	180,000,000	30,000,000

The stated capital is comprised of 18,000,000 (2019: 3,000,000) ordinary shares.

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

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

16. RESERVES

	(REVENUE DEFICIT) / RETAINED EARNINGS
	MUR
At 01 July 2019	2,764,872
Profit for the year	28,801,434
Other comprehensive loss for the year	(1,901,000)
At 30 June 2020	29,665,306
At 01 July 2018	(22,963,406)
Profit for the year	25,838,278
Other comprehensive loss for the year	(110,000)
At 30 June 2019	2,764,872

17. TECHNICAL PROVISIONS

	2020	2019
	MUR	MUR
(a) Insurance contract liabilities		
At 01 July	144,040,573	109,803,765
Movement for the year	10,416,379	34,236,808
At 30 June	154,456,952	144,040,573
Analysed as follows:		
Unearned premium reserve	152,317,364	141,526,216
Additional unexpired risk reserve	240,799	873,243
Claims handling expense reserve	1,898,789	1,641,114
	154,456,952	144,040,573
(b) Outstanding claims		
At 01 July	62,272,646	51,719,126
Movement for the year	7,477,457	10,553,520
At 30 June (note 13(a))	69,750,103	62,272,646

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

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:

	2020	2019
	MUR	MUR
At 01 July	4,743,893	9,284,178
Movement in profit or loss (note 21 (b))	(3,981,388)	(4,540,285)
Other comprehensive income	-	-
At 30 June	762,505	4,743,893

(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:

	2020	2019
	MUR	MUR
Deferred tax assets	762,505	4,743,893
Deferred tax liabilities	-	-
Net deferred tax	762,505	4,743,893

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

18. DEFERRED TAX (CONT'D)

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

	2020			
	AT 01 JULY 2019	MOVEMENT IN PROFIT OR LOSS	MOVEMENT IN OTHER COMPREHENSIVE INCOME	AT 30 JUNE 2020
	MUR	MUR	MUR	MUR
Deferred tax assets:				
Retirement benefit obligations	248,100	647,850	-	895,950
Timing differences	-	(133,445)	-	(133,445)
Tax losses	4,495,793	(4,495,793)	-	-
	4,743,893	(3,981,388)	-	762,505

	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	-	248,100
Tax losses	9,083,028	(4,587,235)	-	4,495,793
	9,284,178	(4,540,285)	-	4,743,893

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

19. RETIREMENT BENEFIT OBLIGATIONS

The Company has recognised a defined benefit liability of MUR 5,973,00 in its statement of financial position as at 30 June 2020 (2019: MUR 1,571,000) 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 Workers' Rights Act (WRA) 2019.

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 Nil as at 30 June 2020 in respect of the transfer values for ex-DBBA members who are now employed by the Company (2019: MUR 83,000).

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 (where the plan is funded and an annuity is paid over life expectancy): 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 WRA 2019 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 except for some employee transfers during the year from and to NIC General.

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

19. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

	2020	2019
	MUR	MUR
DBBA Pension Scheme		
Reconciliation of net defined benefit liability/(asset)		
At 01 July	83,000	8,000
Amount recognised in profit or loss	7,000	1,000
Amount recognised in other comprehensive income	(90,000)	74,000
Less employer contributions	-	-
At 30 June	-	83,000
Reconciliation of fair value of plan assets		
At 01 July	2,704,000	2,539,000
Interest income	216,000	203,000
Employer contributions	-	-
Employee contributions	-	-
(Benefits paid)	-	-
Exchange differences	-	-
Effect of business combination/disposal	-	-
Return on plan assets excluding interest income	522,000	(38,000)
At 30 June	3,442,000	2,704,000
Reconciliation of present value of defined benefit obligation		
At 01 July	2,787,000	2,547,000
Current service cost	-	-
Employee contributions	-	-
Interest expense	223,000	204,000
Past service cost	-	-
Settlement (gain)/loss	-	-
(Benefits paid on settlement)	-	-
(Other benefits paid)	-	-
Exchange differences	-	-
Effect of business combination/disposal	-	-
Liability experience (gain)/loss	432,000	36,000
Liability (gain)/loss due to change in demographic assumptions	-	-
Liability (gain)/loss due to change in financial assumptions	-	-
At 30 June	3,442,000	2,787,000
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)	7,000	1,000
	7,000	1,000

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

19. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

	2020	2019
Components of amount recognised in other comprehensive income	MUR	MUR
Return on plan assets (above)/ below interest income	(522,000)	38,000
Liability experience (gain)/loss	432,000	36,000
Liability (gain)/loss due to change in demographic assumptions	-	-
Liability (gain)/loss due to change in financial assumptions	-	-
Change in effect of asset ceiling	-	-
	(90,000)	74,000
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	-	5
Investment Funds	-	-
Cash and other	100	95
	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	N/A	8%
Rate of pension business	N/A	0%
Average retirement age (ARA)	N/A	60 years
Average life expectancy for:		
Male at ARA	N/A	19.5 years
Female at ARA	N/A	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	0	83,000
Weighted average duration of the defined benefit obligations	N/A	1 year

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

19. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

	2020	2019
Retirement Gratuities		
Reconciliation of net defined benefit liability/(asset)	MUR	MUR
At 01 July	1,571,000	1,333,000
Amount recognised in profit or loss	2,411,000	202,000
Amount recognised in other comprehensive income	1,991,000	36,000
Less employer contributions	-	-
At 30 June	5,973,000	1,571,000
Reconciliation of present value of defined benefit obligation		
At 01 July	1,571,000	1,333,000
Current service cost	358,000	117,000
Employee contributions	-	-
Interest expense	96,000	85,000
Past service cost	1,957,000	-
Settlement (gain)/loss	-	-
(Benefits paid on settlement)	-	-
(Other benefits paid)	-	-
Exchange differences	-	-
Effect of business combination/disposal	-	-
Liability experience (gain)/loss	3,594,000	-
Liability (gain)/loss due to change in demographic assumptions	(2,034,000)	-
Liability (gain)/loss due to change in financial assumptions	431,000	36,000
At 30 June	5,973,000	1,571,000
Components of amount recognised in profit or loss		
Current service cost	358,000	117,000
Past service cost	1,957,000	-
Settlement (gain)/loss	-	-
Service cost	2,315,000	117,000
Net interest on net defined benefit liability/(asset)	96,000	85,000
	2,411,000	202,000
Components of amount recognised in other comprehensive income		
Liability experience (gain)/loss	3,594,000	-
Liability (gain)/loss due to change in demographic assumptions	(2,034,000)	-
Liability (gain)/loss due to change in financial assumptions	431,000	36,000
	1,991,000	36,000
Principal assumptions used at end of year		
Discount rate	3.20%	6.10%
Rate of salary increases	1.5%	4.3%
Average retirement age (ARA)	65 years	60 years
Sensitivity Analysis on defined benefit obligation at end of year		
Increase due to 1% decrease in discount rate	2,405	742
Decrease due to 1% increase in discount rate	1,748	310

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

19. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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 have shown smaller variations in the defined benefit obligation.

Future cash flows

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

	2020	2019
Expected employer contribution for the next year	-	-
Weighted average duration of the defined benefit obligation	18 years	16 years

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

20. TRADE AND OTHER PAYABLES

	2020	2019
	MUR	MUR
Payable to ultimate shareholder	1	1
Reinsurance payables	21,131,664	9,546,030
Amount due to fellow subsidiary	20,000,000	20,000,000
Amount due to subsidiary	32,510,051	26,956,002
Other payables	23,942,357	32,154,062
	97,584,073	88,656,095

(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 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.

	2020	2019
	MUR	MUR
(a) Statement of financial position		
At 01 July	(293,707)	(191,587)
Income tax charge for the year	1,481,393	-
Payment under Advance Payment System (APS)	259,828	-
Adjustment for prior periods	(296,887)	-
Tax deducted at source	(5,462)	(102,120)
At 30 June	1,145,165	(293,707)
Analysed as follows:		
Current tax liability	1,481,393	-
Current tax asset	(336,228)	(293,707)
Net balance	1,145,165	(293,707)
(b) Statement of profit or loss		
Current tax on the adjusted profit for the year at 15%	(1,481,393)	-
Adjustment for prior periods	2,836	-
Deferred tax (note 18)	(3,981,388)	(4,540,285)
	(5,459,945)	(4,540,285)

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

21. INCOME TAX (CONT'D)

(c) Tax reconciliation	2020	2019
	MUR	MUR
Profit before taxation	34,261,379	30,378,563
Tax calculated at rate of 15%	5,139,207	4,556,784
Income not subject to tax	(188,025)	(8,850)
Expenses not deductible for tax purposes	967,224	39,301
Tax losses utilised	(4,437,013)	(4,587,235)
Tax charge for the year	1,481,393	-

22. GROSS PREMIUMS

	2020	2019
	MUR	MUR
Accident and health	255,121,448	236,476,417
Others	101,744,004	88,055,743
	356,865,452	324,532,160

23. PREMIUMS CEDED TO REINSURERS

	2020	2019
	MUR	MUR
Accident and health	125,172,255	109,403,169
Others	28,059,234	18,919,542
	153,231,489	128,322,711

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

24. INVESTMENT AND OTHER INCOME

	2020	2019
	MUR	MUR
Rental income	2,024,049	2,141,047
Bank interest and others	3,339,929	102,057
Other income	3,136,696	1,081,708
	8,500,674	3,324,812

25. FEES AND COMMISSION INCOME

	2020	2019
	MUR	MUR
(i) Fees		
Accident and health	1,816,730	1,553,950
Others	1,709,614	1,562,454
	3,526,344	3,116,404
(ii) Commission income		
Accident and health	841,088	413,658
Others	4,291,969	3,272,474
	5,133,057	3,686,132
	8,659,401	6,802,536

26. GROSS CLAIMS PAID

	2020	2019
	MUR	MUR
Accident and health	177,932,850	188,141,033
Auction sale	(9,679,000)	(10,346,800)
Others	90,869,130	66,146,754
	259,122,980	243,940,987

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

27. MOVEMENT IN OUTSTANDING CLAIMS

	2020	2019
	MUR	MUR
Accident and health	2,585,625	(5,998,863)
Others	4,891,833	16,552,383
	7,477,458	10,553,520

28. OTHER OPERATING AND ADMINISTRATIVE EXPENSES

	2020	2019
	MUR	MUR
Staff and related costs	45,388,826	38,622,983
Director fees and expenses	2,334,077	2,669,045
Rent and other related costs	4,211,115	4,090,420
Office service costs	3,022,309	3,764,640
Legal and professional fees	5,255,351	5,672,219
Depreciation	401,228	11,799
Others	5,069,129	1,987,458
	65,682,035	56,818,564
Staff and related costs are analysed as follows:		
Wages and salaries	34,863,201	32,358,849
Pension	5,245,961	2,769,431
Social security	989,761	951,685
Employee development	1,539,021	399,379
Other costs	2,750,882	2,143,639
	45,388,826	38,622,983
Number of employees at year end	53	56

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

29. COMMISSIONS PAID

	2020	2019
	MUR	MUR
Accident and health	12,094,266	10,448,831
Others	8,447,659	7,293,785
	20,541,925	17,742,616

30. CLAIMS CEDED TO REINSURERS

	2020	2019
	MUR	MUR
Accident and health	123,484,406	146,252,401
Others	40,587,421	38,212,812
	164,071,827	184,465,213

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

31. RELATED PARTY DISCLOSURES

	2020				
	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	-	359,197	-	-	394,580
Subsidiary	-	13,236,686	4,738,213	32,510,051	978,173
Fellow subsidiary	-	-	-	20,000,000	-
Key management personnel	7,122,484	-	-	-	-
	7,122,484	13,595,883	4,738,213	52,510,052	1,372,753

	2020
Key management personnel	MUR
Short-term employee benefits	6,596,039
Post-employment benefits	526,445
Termination benefits	-
Other long-term benefits	-
	7,122,484

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

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

31. RELATED PARTY DISCLOSURES (CONT'D)

	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 subsidiaries	-	-	-	20,000,000	-
Key management personnel	2,790,086	-	-	-	-
	2,790,086	14,698,465	5,196,006	46,956,003	275,194

	2019
Key management personnel	MUR
Short-term employee benefits	2,587,680
Post-employment benefits	202,406
Termination benefits	-
Other long-term benefits	-
	2,790,086

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 16,132,326 (2019: MUR 15,714,810) representing the implementation of a new General Insurance Policy Administration System. An amount of MUR 18,363,944 has already been paid as at 30 June 2020 (2019: MUR 17,124,745) 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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the year ended 30 June 2020

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 2020, there were contingent liabilities amounting to MUR 2,978,000 (2019: MUR 2,978,000).

36. COVID IMPACT ASSESSMENT

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (Covid-19) as a pandemic which continues to spread throughout world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. At this point, the Company cannot reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on its business, results of operations, financial position and cash flows.

37. EVENTS AFTER THE REPORTING PERIOD

Investment in subsidiary

The Company holds 100% shareholding in National Insurance Co. Ltd "NICL". In October 2020, NICL issued 570,000,000 shares for a total consideration of MUR 5.7bn. National Property Fund Ltd "NPFL", the holding company of NIC General Insurance Co. Ltd, has subscribed to the shares issued by NICL.

As a result of this issue of shares, the percentage holding of NIC General Insurance Co. Ltd in NICL has been diluted to 0.52%. NPFL would thereafter be considered as the major shareholder of NICL and NIC General Insurance Co. Ltd would treat NICL as a fellow subsidiary.

