

Türk Reasürans has emerged, in 2019, as a new player on the global reinsurance market as part of the New Economic Program developed by Turkey. The company is aiming to be known as the first global brand emerging from the Istanbul International Financial Center. Find out more insights on the development plans from an exclusive interview for XPRIMM Publications with

# Selva EREN

## General Manager, Türk Reasürans

We aim to be known as the first global brand emerging from the Istanbul International Financial Center. This requires Türk Reasürans to be a global actor competing in international reinsurance markets, moving beyond being an institution providing reinsurance capacity only within Turkey.

**XPRIMM: Türk Reasürans was established in September 2019, as part of a new program for economic revitalization. What are the main objectives of the company?**

**Selva EREN:** Türk Reasürans was established within the scope of the New Economic Program with an aim to contribute to the objectives of “Economic Balancing” and “Healthy and Sustainable Growth” while focusing on the insurance industry as well as enhancing the local reinsurance capacity and ensuring resource efficiency.

As a primary objective, we aim to enhance the capacity of local reinsurance with our robust capital.

In addition, we also aim to contribute to the development of our industry in terms of human resources, technology, institutionalization and financial strength.

**XPRIMM: What is the added value that Türk Reasürans brings to cedent companies/the market?**

**S.E.:** Türk Reasürans has empowered Turkish reinsurance companies in terms of cost management and has enhanced their negotiating power with the strong reinsurance capacity it



provides domestically and will provide in greater volumes in the upcoming years. Türk Reasürans has thoroughly supported the entire market not only within the scope of treaties but also by taking part in facultative risks.

Moreover, we enabled a significant portion of the premiums transferred abroad to remain in the country by providing a substantial capacity to the Agricultural Insurance Pool (Tarsim), which is one of the prime examples of agricultural insurance in the world.

Together with other reinsurers, we provided capacity to panels for export and import credit insurance products.

By redesigning state-funded credit insurance, we have established a modern and highly efficient structure with an underlying strong decision-making support and workflow system to address the needs of the market. We have achieved reliable risk transfer by including global reinsurers as well as other Turkish reinsurance company in the structure. We have contributed significant added value to the market in terms of both timing and functionality, especially during these times when the effects of the Covid-19 pandemic are prevalent.



As a visionary company, we are open to continuous improvement. Without a doubt, one of our main objectives is to improve the local reinsurance capacity in Turkey; however, we also aim to benefit together by means of significant collaborations with global reinsurers on various platforms at the same time.



In addition, a new structure in which working with Türk Reasürans would have a significantly smaller impact on the cost of capital of companies in reinsurance risk calculations subject to the calculation of capital adequacy was introduced via a legislative amendment in October 2019. With this change, a significant benefit in terms of the capital adequacy of the risks to be transferred to Türk Reasürans by reinsurance companies based in Turkey was ensured.

**XPRIMM: What kind of team and motivation did you set out with?**

**S.E.:** The team is undoubtedly everything. We set out with a highly qualified team possessing extraordinary experience and backgrounds as they had proven themselves in the roles they undertook at institutions in which they previously worked. We have a special team, each member of which was selected after careful deliberation. Above all else, they each came here to make their dreams come true in an aspirational and highly free environment where they can easily reflect their previous experience. This is a company managed by common wisdom where each and every idea matters. Our team is well-grounded and rational; it is agile but not hasty.

Success is inevitable when all the team members share the same dream, enthusiasm, and aspiration as their leader. I am an assertive person. The upcoming period will witness continuous growth and our active participation in the market with highly tangible projects. We said we are coming and we did.

**XPRIMM: What are Türk Reasürans’ main strategic targets, both for the Turkish and international markets in the near future?**

**S.E.:** Our main strategic target is to make Türk Reasürans a global brand. We aim to be known as the first global brand emerging from the Istanbul International Financial Center. This requires Türk Reasürans to be a global actor competing in international reinsurance markets, moving beyond being an institution providing reinsurance capacity only within Turkey. In 2020, we entered and positively contributed to the insurance industry. We will ensure that Türk Reasürans “exporter of assurance” in the upcoming period, as well.

We believe that a strong Turkey will strengthen its position with brands and institutions that have large-scale targets. I believe in my company and team in this respect. It is beyond doubt that global risk acceptance is important; however, our top priority is to ensure consolidation in various areas by optimizing domestic resources in Turkey. We have a significant business plan whose initial phase will be implemented by the end of this year and will address the entire industry later in 2021. We will focus all our energy and motivation on this transformation.

As a visionary company, we are open to continuous improvement. Without a doubt, one of our main objectives is to improve the local reinsurance capacity in Turkey; however, we also aim to benefit together by means of significant collaborations with global reinsurers on various platforms at the same time. We would like to negotiate together in different areas as one of their business partners. We also keep track of all current developments.

**XPRIMM: Türk Reasürans will undertake the management of the technical and administrative processes of TCIP. How do you think the future development philosophy of TCIP should look? What are the measures to be taken for a more effective narrowing of the protection gap?**

**S.E.:** We at Türk Reasürans will undertake the management of the technical processes of TCIP. We are proud to undertake the management of the technical processes of TCIP, a system regarded as an international benchmark and to assume this responsibility during our first year of operation.

TCIP has been managed professionally by a highly qualified team for many years. One of our primary objectives during this transfer



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process has been to maintain this strong team and incorporate them into our team. Moreover, we are currently making efforts to further expand our team.

We have significant projects that we believe will contribute to our country in the upcoming years. The modeling of catastrophic risks is one of the most fundamental steps of reinsurance. The biggest catastrophic risk in Turkey is the earthquake risk. Within this framework, we will implement a catastrophic modeling platform as developed from a product perspective. This platform will be established based on state-of-the-art architectural principles and simulation capabilities will be introduced as a top-level solution. We aim for this platform to be implemented by highly qualified staff to serve our country as well as various regions and institutions upon request. The aforementioned project is not simply intended for implementation within an institution in order to meet its own needs, but rather as a project competing with its peers around the world and more importantly, as a global software to be validated in the course of time through certain actions and also to be recognized by global reinsurers. The team and its leader consist of individuals who have devoted their entire academic life to this purpose.

As a matter of fact, we have proven our competence in project development on a different scale by developing our own main reinsurance software application from the outset. Our main reinsurance software application project was successfully launched by our team consisting of our own business analysts and a group of software developers. We are currently implementing the business intelligence phase within the scope of our project as part of ongoing software development processes. We have developed our software application in line with the latest user experience design principles. The feedback from our users proves that we have developed an application suitable for simple and intuitive use. Our main reinsurance software application will be licensed to also become a marketable product in the near future.

**XPRIMM: Besides earthquakes, Turkey is also faced with extreme weather risks that lately have gained an increased impact because of climate change and also because of the increasing value of the assets at risk. Is Türk Reasürans going to partake in other NatCat insurance programs covering these risks?**

**S.E.:** Catastrophic risks, which have entered our lives and are gaining an increasing impact with each passing day in Turkey and especially across the Mediterranean Region of Turkey due to climate change, are one of our top-priority agenda items.

As Turkey's reinsurance company, we are actively involved in the protection of insurance coverage as provided by insurance companies not only for earthquake risks but also for any kind of catastrophic risk elements that affect Turkey and the general public. Our corporate policy in this respect will always be one of our top priorities, both in the present and future. To be more specific, this is one of the top priorities to be included in our actions to have a positive impact on the entire industry in 2021.

The presence of strong actors from one end to another in all areas is highly crucial for the improvement of sustainable growth. As insurance companies, stakeholders, and reinsurance companies, we aim to achieve our potential through our continuous efforts towards such areas of improvement.

**XPRIMM: The Turkish insurance market is one of the world's most dynamic insurance markets. What do you think the potential of the market is and what can be done to reach this potential?**

**S.E.:** From a macroeconomic perspective, the share of the insurance industry within the gross domestic product can be increased. This is evident from the insurance premiums per capita.

In addition, from a global perspective, we see that relatively higher penetration percentages, especially in EU countries, are supported by life insurance coverage. On the other hand, the premium production volume in Turkey is still at low levels.

In addition to all of the above, the presence of strong actors from one end to another in all areas is highly crucial for the improvement of sustainable growth. As insurance companies, stakeholders, and reinsurance companies, we aim to achieve our potential through our continuous efforts towards such areas of improvement.

**XPRIMM: Thank you very much!**

Mihaela CIRCU