

RÉPUBLIQUE ALGÉRIENNE DÉMOCRATIQUE ET POPULAIRE

THE INSSURANCE SECTOR IN ALGERIA

The promulgation of ordinance n°95-07 of January 25, 1995 has thrown the insurance sector of Algeria into great confusion.

The monopoly of the Algerian state and the monopolistic specialization of the Algerian public companies left an open space for market opening and competition between public and private companies, both with domestic and foreign capital.

The companies under Algerian law formed as "Share Companies" (SPA) or as mutual funds can now obtain approval to engage in insurance operations.

The National Council of Insurance (CAN) which grants approval to companies controls the insurance sector for the state account.

The insurance profession is represented at the national level by the UAAR (Algerian Union of Insurance and Reinsurance Companies) of which the executive committee encompasses the heads of the companies concerned.

The main companies active in the Algerian insurance market are:

- CAAR (Algerian Company of Insurance and Reinsurance)
- SAA (Algerian Company of Insurance)
- CAAT (Algerian Company of Transport Insurance)
- Agricultural Mutual Fund
- MAATEC (Algerian Mutual Fund Insurance for Workers in Education and Culture)
- CAGEX (Insurance Company and Guarantee for Exports)
- CCR (Central Company for Reinsurance)

Three new insurance companies have been approved by the CNA CAS, a partnership between the CAAR and Sonatrach. The TRUST-Algeria, a partnership between Algeria, Bahrain and Qatar, approved in 1997 with 1.8 billion dinars in registered capital. CIAR (International Company of Insurance and Reinsurance), approved in August 1998, with 450 million dinars in registered capital held by a private Algerian shareholder. 2A (Algerian Insurance), approved in August 1998, with 500 million dinars in capital, also held by an Algerian.

The insurance distribution system in Algeria consists of a direct network of integrated agencies representing the abovementioned companies, the brokerage companies, general agents, private intermediaries directly approved by the companies.

Law n°95-07 stipulates that the shareholders of insurance brokerage companies which have been approved by the Ministry of Finances, must be of Algerian nationality. Six brokers and 195 general agents have been approved up to now (98 for SAA, 34 for CAAR, 33 for the Trust, 28 for CAAT, 2 for CIAR).

A company which establishes itself in Algeria is free to choose its insurance company and the type of coverage it would like to take out. However, it is obligated to have the following insurance coverage:

- maritime facilities (for import only)
- all working site risks/all assembly line risks
- liabilities including automobile
- work accidents and job-related illness
- ship and aircraft body