

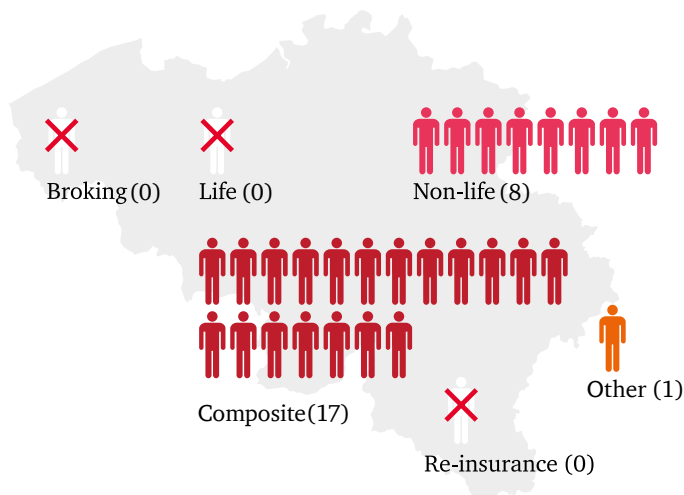
# CSFI/PwC Insurance Banana Skins 2017 Belgium

June 2017

 <i>World</i>	 <i>Belgium</i>
1. Change management	1. Cyber risk
2. Cyber risk	2. Interest rates
3. Technology	3. Change management
4. Interest rates	4. Investment performance
5. Investment performance	5. Regulation
6. Regulation	6. Technology
7. Macro-economy	7. Macro-economy
8. Competition	8. Guaranteed products
9. Human talent	9. Human talent
10. Guaranteed products	10. Product development
11. Political interference	11. Competition
12. Business practices	12. Political interference
13. Cost reduction	13. Reputation
14. Quality of management	14. Cost reduction
15. Quality of risk management	15. Business practices
16. Social change	16. Quality of risk management
17. Reputation	17. Capital availability
18. Product development	18. Quality of management
19. Corporate governance	19. Social change
20. Capital availability	20. Complex instruments
21. Complex instruments	21. Corporate governance
22. Brexit	22. Brexit



**There were 26 responses from Belgium, as follows:**



## Belgium

Cyber crime topped the list of concerns among Belgian insurers, and was followed by a wide range of major industry risks including the persistence of low interest rates and its effect on investment performance, technological change and the management challenge it presents, as well as the ever-present risk from

excessive and obstructive regulation. Even if no clear pattern emerged from these concerns, the overall tone of the responses suggested an industry with major concerns about its future. The chief financial officer of a non-life company said: “Digitization is creating two different leagues. On the one hand, the

banking and insurance industries are being severely regulated, and on the other, Fintech & Insurtech have a free hand to pick the low hanging fruit. The risk is that regulation won’t cope very quickly with this new reality.”

### Main points of difference (places higher or lower than the world):

Product development	8
Reputation	4
Capital availability	3
Interest rates	2
Technology	-3
Competition	-3
Quality of management	-3
Business practices	-3

### A selection of quotes

- **Interest rate:** “We already see the impact of the low interest environment on the life business: a lot of companies have decided to stop or sell out.”
- **Capital availability:** “Low profits will not attract additional capital if needed to expand the business.”
- **New technology:** “The Insurtech industry still has to prove its capacity to really disrupt the insurance market.”
- **Reputation:** “The customer is more and more demanding and wants a quick response. The industry is not ready for this.”

## The Banana Skins Indices

Belgium produced a lower than average score on the Banana Skins Index, implying a lower level of risk anxiety.

It produced an above average score on the Preparedness Index, implying a higher level of preparedness.

The Banana Skins Index measures the average score given by each country to the 22 risks listed in the questionnaire. The higher the score, the greater is the implied "anxiety level". The Preparedness Index measures the average response given to the question: "How well prepared do you think the insurance industry is to handle the risks you identified?" where 1=Poorly and 5=Well. The higher the score, the greater is the implied level of preparedness. Note that both indices are "self-scored".

<b>Banana Skins Index</b>	
Taiwan	3.66
India	3.61
Portugal	3.61
Mexico	3.59
Indonesia	3.58
Thailand	3.57
Philippines	3.56
Malaysia	3.52
Turkey	3.50
Greece	3.50
Japan	3.45
Barbados	3.40
Luxembourg	3.40

Brazil	3.38
Argentina	3.37
Italy	3.37
Jamaica	3.36
Singapore	3.35
Switzerland	3.33
<b>Global</b>	<b>3.31</b>
Australia	3.31
Colombia	3.31
UK	3.26
Canada	3.25
Netherlands	3.25
Sweden	3.24
Spain	3.23
USA	3.18
Cayman Islands	3.18
Ireland	3.17
China	3.16
New Zealand	3.14
Austria	3.14
<b>Belgium</b>	<b>3.13</b>
Germany	3.13
South Africa	3.11
Denmark	3.10
Bermuda	3.09
Hong Kong	3.04
Czech Republic	2.95

<b>Preparedness Index</b>	
Spain	3.56
Switzerland	3.36
Sweden	3.36
Brazil	3.29
Denmark	3.27

Indonesia	3.26
Thailand	3.22
Italy	3.20
Malaysia	3.19
Colombia	3.18
Cayman Islands	3.18
Austria	3.14
Netherlands	3.13
<b>Belgium</b>	<b>3.12</b>
Bermuda	3.11
Barbados	3.09
Portugal	3.07
Japan	3.03
<b>Global</b>	<b>3.02</b>
Ireland	3.00
Luxembourg	3.00
China	3.00
Philippines	3.00
Mexico	3.00
Australia	2.98
Taiwan	2.90
South Africa	2.90
Greece	2.88
Canada	2.86
New Zealand	2.86
India	2.86
USA	2.85
Czech Republic	2.80
Singapore	2.77
Turkey	2.75
Hong Kong	2.75
UK	2.71
Germany	2.70
Argentina	2.60
Jamaica	2.50

## About the survey

To view the complete report, please visit:  
**[www.pwc.com/insurancebananaskins](http://www.pwc.com/insurancebananaskins)**

## **Who to contact**



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