

Ministry of Financial Services, Good Governance and Institutional Reforms

Press Conference

13 April 2015

The insurance business

Lines of Business	Number of Policies	Reserves amount Rs
Life -Recurring Premium -Individual- Fixed Benefit	28,689	329,859,869
Life -Recurring Premium -Individual- Interest Sensitive	97,436	3,332,390,814
Life -Recurring Premium -Group	21	2,972,794
Pension -Recurring Premium -Individual-Interest Sensitive	8,480	361,077,507
Pension -Recurring Premium -Group- Interest Sensitive	304	37,583,265
Pensions -Annuities in Payment	321	91,677,488
Unit Linked - Recurring Premium- Individual	32	7,898,620
Total recurring premium policies - A	135,283	4,163,460,357
Life -Single Premium -Individual	24,143	21,607,348,146
Unit Linked - Single Premium- Individual	32	165
Total single premium policies - B	24,175	21,607,348,311
Total policies = A + B	159,458	25,770,808,668
Riders	101,020	8,475,738
Total liabilities		25,779,284,406

SCBG Investment – At 06 April 2015

Socio-economic group	Number of active policies	Total basic premium (MUR Millions)	Average premium
AB	5,908	5,700.85	0.96
C1	4,454	2,816.00	0.63
C2	839	373.84	0.45
DE	2,820	1,632.75	0.58
Housewives	1,898	1,149.63	0.61
Traders	1,468	1,528.11	1.04
Pensioners	6,994	5,648.27	0.81
Others	309	381.02	1.23
Total	24,690	19,230.47	0.78

SCBG Investment Analysis

Single Premium Active Policies - 06 April 2015

SOCIO-ECONOMIC GROUP

Total Active Policies - Count	AB	C1	C2	DE	Housewives	Traders	Pensioners	Others	Total
Number of Active Policies	5,908	4,454	839	2,820	1,898	1,468	6,994	309	24,690

Active Policies Basic Premium Range - Count	AB	C1	C2	DE	Housewives	Traders	Pensioners	Others	Total
<MUR 100,000	338	457	134	331	176	65	228	24	1,753
MUR 100,000 - 249,999	1,176	1,185	266	750	547	225	1,431	64	5,644
MUR 250,000 - 499,999	1,025	860	166	548	402	257	1,300	46	4,604
MUR 500,000 - 999,999	1,314	949	139	622	410	346	1,920	66	5,766
MUR 1m - 4.99m	1,892	966	132	551	343	525	2,028	99	6,536
MUR 5m - 10m	138	26	2	16	19	46	78	7	332
Above 10m	25	11	-	2	1	4	9	3	55
Total Number of Active Policies	5,908	4,454	839	2,820	1,898	1,468	6,994	309	24,690

Active Policies Basic Premium Range - MUR (Millions)	AB	C1	C2	DE	Housewives	Traders	Pensioners	Others	Total
Total Basic Premium	5,700.85	2,816.00	373.84	1,632.75	1,149.63	1,528.11	5,648.27	381.02	19,230.46

Active Policies Basic Premium Range - MUR (Millions)	AB	C1	C2	DE	Housewives	Traders	Pensioners	Others	Total
<MUR 100,000	16.32	21.81	6.17	15.12	8.35	2.89	10.57	1.20	82.43
MUR 100,000 - 249,999	179.08	175.53	38.68	113.23	80.41	35.45	227.22	8.77	858.38
MUR 250,000 - 499,999	346.50	286.60	53.94	184.79	134.49	90.13	440.58	15.03	1,552.05
MUR 500,000 - 999,999	781.75	558.68	82.17	369.53	244.87	209.54	1,145.10	39.61	3,431.25
MUR 1m - 4.99m	3,062.10	1,435.52	182.87	827.94	548.99	854.58	3,131.37	197.62	10,240.99
MUR 5m - 10m	846.88	182.42	10.00	92.13	121.88	274.81	500.14	58.80	2,087.06
Above 10m	468.22	155.45	-	30.00	10.64	60.71	193.29	60.00	978.30
Total Basic Premium	5,700.85	2,816.00	373.84	1,632.75	1,149.63	1,528.11	5,648.27	381.02	19,230.46

Highlights

- Creation of new insurance company – **People Insurance Company Limited** to take over the 135,258 recurring premium policy holders.
- At 06 April 2015, 24,690 policies for the SCBG contributing for MUR Billion 19.23. **Where has that money gone?**

Characteristics of a Ponzi

- Showing high investment returns
- Convincing investors of little or no risk
- Generates returns for older policy holders by acquiring new policy holders
- Investment scam. Funds from new investors are used to pay purported returns to earlier investors
- Collapse is slow if existing participants and new participants reinvest money

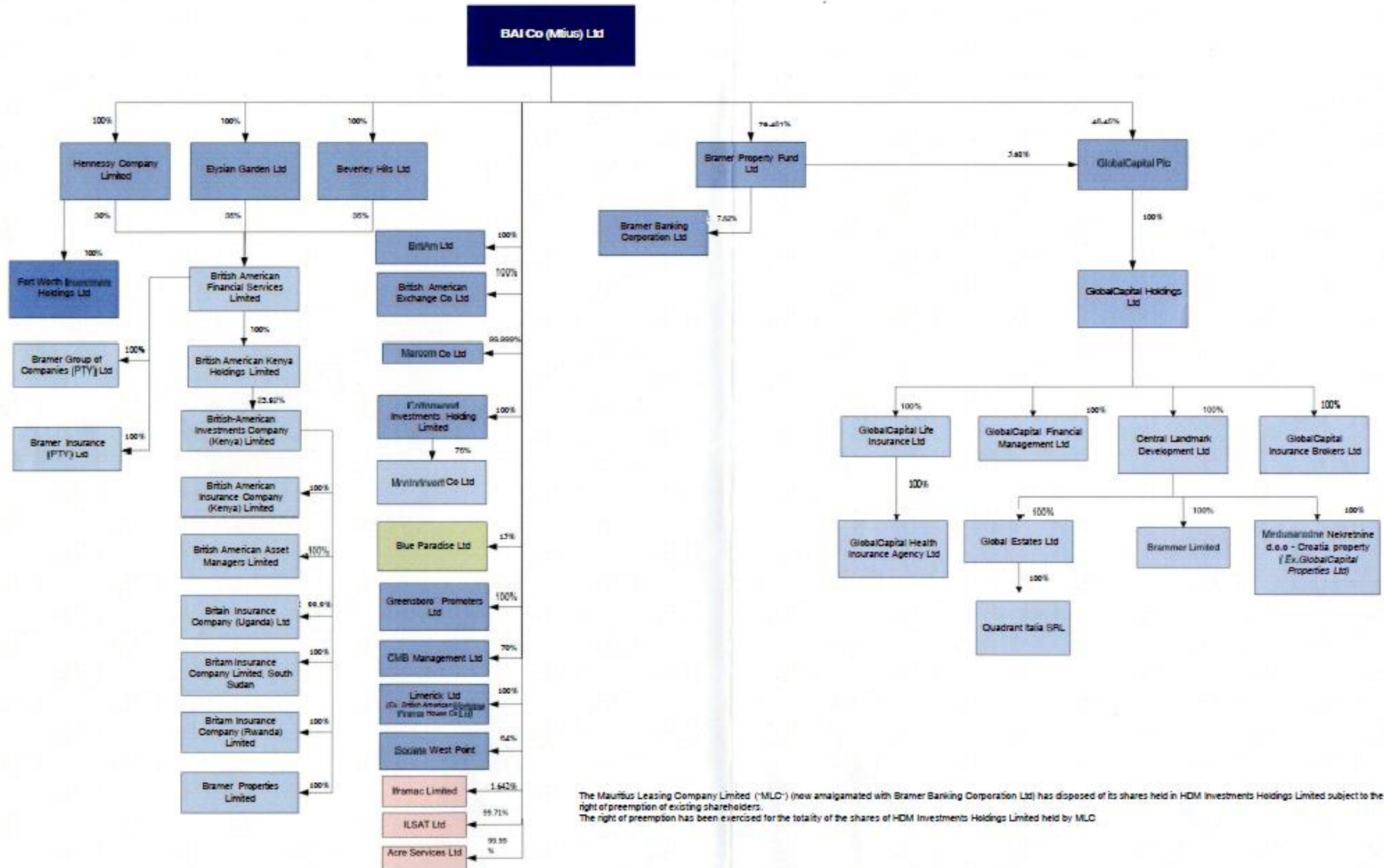
Reinvesting of money

Year	Count of Policies A	Reserves (MUR bn) B	Average policy $C = A / B$	New policies - Net increase	Reserves associated with new policies - Net	Average of new policy
2002	1,225	573,994,999	468,567	N/A	N/A	N/A
2003	2,202	1,122,163,894	509,611	977	548,168,895	561,074
2004	2,437	1,305,832,226	535,836	235	183,668,332	781,567
2005	3,153	1,826,173,000	579,186	716	520,340,774	726,733
2006	3,895	2,527,880,316	649,006	742	701,707,316	945,697
2007	4,455	3,228,121,221	724,606	560	700,240,905	1,250,430
2008	8,545	6,214,102,672	727,221	4,090	2,985,981,451	730,069
2009	11,624	8,328,327,423	716,477	3,079	2,114,224,751	686,660
2010	15,006	11,166,201,502	744,116	3,382	2,837,874,079	839,111
2011	16,875	13,652,263,522	809,023	1,869	2,486,062,020	1,330,156
2012	18,954	16,072,563,420	847,977	2,079	2,420,299,898	1,164,165
2013	21,432	18,749,055,930	874,816	2,478	2,676,492,510	1,080,102
2014	24,143	21,607,348,146	894,974	2,711	2,858,292,216	1,054,331

**British American Investment Group Structure
as at 31st December 2014**



Group Structure – BAI Co (Mtius) Ltd



The Mauritius Leasing Company Limited ("MLC") (now amalgamated with Bramer Banking Corporation Ltd) has disposed of its shares held in HDM Investments Holdings Limited subject to the right of preemption of existing shareholders.
The right of preemption has been exercised for the totality of the shares of HDM Investments Holdings Limited held by MLC

KLAD Investment Corporation Ltd

- **Emphasis of matter in Auditor's report**
- We draw attention to the note 38 of the financial statements which indicates that the Group incurred a loss of USD 118,991,000 for the year ended 31 December 2012
- the total liabilities exceeded its total assets by USD 302,418,000
- these conditions, along with other matters, indicate the existence of a **material uncertainty** which may cast **significant doubts** on the subsidiaries **ability to continue as a going concern**