

Chairman speaking:

Right, Thank you very much for the introduction. First of all, we would like to know from each of the resorts what are the difficulties or what are the process that you follow at the moment to get your corporate insurances to ensure the property in the Maldives. So, that we could understand whether this process has been reflected in the bill or what would be the changes that are coming with proposed bill for the insurance. I would appreciate if you could just comment in the order of the introduction that you have made. Waldorf Astoria, first.

Director of Finance at Waldorf Astoria Maldives, Mr. Chamila Ekanayake speaking:

Sorry, sorry If I understand this correctly, what you are looking for the challengers, what we face at the moment. Is it?

Chairman speaking:

Yes, what are the challengers and what are the process that you follow at the moment to get your cooperate insurances to ensure the property that you are operating in the Maldives. So, what, the proposal that we have received from Maldives Monitory Authority the changes to the current insurance bill. We would like to see whether whole this concerns are being address properly. Because we invited actually to MATI to comment on the bill and they have sent us the brief comment. But we are still not sure of how this process are been done practically. But we have got the small understanding from MMA how they, as a regulatory they are regulating the industry. But, please feel free to express your concerns.

Director of Finance at Waldorf Astoria Maldives Mr. Chamila Ekanayake speaking:

I mean what they are doing now, the properties insured cost of A rated company or the insurer. But what we do here the, normally we work with local company basically they are fronting our partner for all the insurances. So, I mean they are not faced, I don't know may be Rasa and team have more experience in the local market. But for us we are just two years old property. So, we don't have much issues. We are not facing any issues so far. But we are doing now, we have re-insured or front through local agency at the moment.

Chairman speaking:

Thank you, Chamila. Now I would like to invite Mohamed Hafiz from Four Seasons to comment.

Assistant Director of Finance at Four Seasons Hotel & Resorts, Mr. Mohamed Hafiz Hussain speaking:

Thank you for this opportunity. I think it's a very good opportunity involving, commenting on this broad issue. This is a very good initiative by the Peoples Majlis. And currently the process that we follow is that we are under HPL Maldives group of company. Not only one particular property. We have multiple properties under our bin, So, we do a collective insurance policy... That's how the current process is us. At the moment in terms of the challenges, we don't face much in the market for quite long. and so, we have same insurer, we are doing the insurance throughout all the period. So, currently we don't face much challenges on that. Thank you.

Chairman speaking:

Was not clear what you just said because connection was interrupted many times. So, can you just repeat.

Assistant Director of Finance at Four Seasons Hotel & Resorts, Mr. Mohamed Hafiz Hussain speaking:

Sure, sorry about that. Yeah, what I was telling is was, this was a good opportunity for us to be presenting and raising our concerns. So, thanks to the Peoples Majlis and the members for that. The other thing was, the insurance process, currently we do is we have group of companies that we are under HPL Properties Maldives. So, we do the insurance through our owners for the whole resorts. Its not only one particular property. So, it's include all the resorts of HPL Resorts Maldives. And compare to the challengers there we face, currently I mention that since we have been in the market for some time and then we have been doing it for quite long. So, we don't face much challengers in terms of insurance. But we would like to see you what the contents of this bill would be. Then may be we can re-comment on some of the areas. That's all. Thank you.

Chairman speaking:



Thank you. I would like to ask one more question. Whether you do your insurance directly through re-insurers or is it your main insurance company from abroad is been re-registered in the Maldives. Can you answer that?

Assistant Director of Finance at Four Seasons Hotel & Resorts, Mr. Mohamed Hafiz Hussain speaking:

It is Singapore based insurance company and they do have some locals agent as well.

Chairman speaking:

Okay. Thank you very much. Now I would like to the opportunity to Iyaz Waheed, from Universal represents W Maldives and Sheraton Maldives.

General Manager - Statutory Compliance at Universal Enterprises, Mr. Iyaz Waheed speaking:

Thank you chair. I would also like to highlight that we are glad that we have been given an opportunity to comment on this. Actually, the letter which was address to me was for universal resorts. So, I thought we have to talk on behalf of universal resort, but I can highlight you how we as partners of Sheraton and W how carry out insurance as well. So, when it comes to universal resorts, have been a local company, we have a history of working with local insurance companies for a very long time. So, we were, much before Allied was formed I think universal was in business. So, but after Allied insurance was formed, we have been mostly working with Allied insurance and other local after the other local companies also have come. Before that of cause we were working with Sri Lank insurance and other insurance companies from Sri Lanka mainly. Sheraton and W currently we have local, we work with local insurance companies as well. And like Four Seasons, been in a international chain there are certain insurances which falls under group policy like the executive health insurance package and things like that certain property insurance. These things are done at the regional level actually for Marriott hotels. So, they falls under those policies. Thank you.

Chairman speaking:

Thank you very much. We would share the proposed Insurance Bill with all the parties that have given us the opportunity to have this meeting. So, we would give you probably five days for you to looking to it and raise concerns any of the areas that you might find challenging in the bill. So, that we could consider, and we could discuss with



MMA and see what we can do. Thank you very much. Now, I would give the opportunity to Rasa from One and Only Reethi Rah.

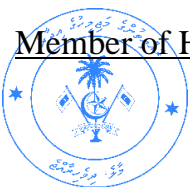
Director of Finance at One and Only Reethi Rah, Mr. Rasalingam Sangheran speaking:

First of all, thank you for giving us opportunity to provide views. First of all the new proposal, so what's so ever is coming, I'm not aware of that. But if I'm not mistaken, the current provision says that we can locally insured or we can use one of the local insurance company as a fronting agent. So, in the last many years we have been using different way of insuring. But definitely we also couples of years try to use the local companies as a prime insurance companies. We gave them an opportunity and but we realizes that, you know that the insurance, it's extremely a big risk for the owners. So, there is, the discloser from the local insurance companies are very much limited. So, unfortunately there is kind of a perception getting created how their financial stability, and all kind of stuffs. So, I have, I mean honestly, I personally work with many of the local insured companies. I think they also growing. But for the time being we are in the last year of insurance, we have done through foreign agent's re-insurance. However, we have fronted with the one of the local insurance company. Obviously, they are just pure fronting agency. But One & Only Reethi Rah always consider how much we can support the local industry. I'm sure that if the new act will support investors or owners in such a way that the local insurance companies credibility's establish in such a way an independent on MIRA certification something like that. We are absolutely happy to work through the local companies to promote the local business as well.

Chairman speaking:

Thank you very much. Yes, the bill is design to protect to local insurance industry and at the same time we also trying to make sure that it's a balanced in terms of investor perspective and, also protecting the local insurance market. So, that's the reason why we are having this discussion. That's why we are, I would like you to go through the proposed bill, we would share it. I would ask the secretariate to share the bill with proposed bill with all the parties and we would very much appreciate if you comeback in the next 5 days. So, we could have a clear representation from the resort industry as well to make it more practical and more realistic for all the parties concerned. And if, I would like to give this floor to MP Ilyas Labeeb. Proceed.

Member of Hulhudhoo Constituency Ilyas Labeeb Speaking:



Hi, thank you so much for your comments on, your view on this insurance bill and the thing. Actually, we have very clear few questions. I have very clear few questions. One question is, is your property insured in local company or through a local company, or mainly independent from main, your properties insured in a foreign company? Foreign insurance company? I'm not talking about part of it. The main resort property. Not about the health insurance. Maybe not like the powerhouse. The main property is insured in a local company or in a foreign company? If it is a foreign company, is it insured through a local company or you have a face, is the certificate issued from a local company? The other question is the bill we got from the Maldives Monetary Authority, it says that it is mandatory; even they said, now that the regulation it is mandatory to all the properties in Maldives should be insured through a local insurance company. So, what will be the implications or what will be the main challenges you will be facing if we make it as a mandatory to insure your property through a local insurance company? Will there be any challenges to the, specially five star, seven star hotels, if we make it as a mandatory to insure your property through a local insurance company. What I, one clearance. What I said local company means, any company registered in Maldives. Any insurance company registered local in the Maldives. Whether it's a foreign company or a local company.

Director of Finance at One and Only Reethi Rah, Mr. Rasalingam Sangheran speaking:

Okay, I am Rasa here again. So, at the moment we have been insured internationally. But we have been fronted in the Maldives. So, that means that the policy is issued through the letter head of the local company, but they are not sharing any risks at the moment. So, zero risk is shared by the local company. So, this is the methodology of fronting insurance policy. But the second question, yes, if there is a mandatory option given, that we have to local through the local insurance company. Then there is not a issue on that for us. But we have to be given a choice that we have ten choice to choose. You know there is a fundamentally there is a two method of insurance. One is the treaty method, other one is the facultative method. So, the treaty method is as an investor we don't know how the insurance policy is written behind the scene. But the facultative method means, we have the right to ask the local insurance company, tell me where you have re-insured and who are the participants of the shared sharing. So, that is the way that you can make the investor confidence that this particular insurance has been properly reinsured with the reputed insurance, re-insurance. So that you are assets and risks are protected.



Charmain speaking:

Thank you very much. Would anyone would like to add to that?

General Manager - Statutory Compliance at Universal Enterprises, Mr. Iyaz Waheed speaking:

Thank you Chair, Iyaz from Universal. Yeah, In W and Sheraton also, we have the property insurances with the Allied actually at the moment. So, its always we have kept locally because, even before, the joint venture was done, Universal had the insurance with the local company. So, it was continued. To add on what Rasa has said, I think this is, it is very important that the facultative insurance is facilitated, specially for foreign investors. And also, for local insurance companies, you know now we have hundred and, over 164 resorts operational and more are to come. I don't think even the insurance industry itself in Maldives has the capacity to actually insure all the properties. Because our properties maybe over a billion dollars I think now in total value if we add together. So, this, specially facultative insurance has to be facilitated. But I noticed, because I went through the bill as well on clause 27, you have mentioned that you can do facultative insurance if it is not available in Maldives and the only condition you are saying is, or in comparison, I think It is the, price is the only factor when considering abroad. Basically, if the Maldives companies are offering higher, then you can do a facultative insurance as per the draft now. But actually, we have to consider it is not only the price which is important. Because, in a insurance it is also the coverage, the reliability, I think as somebody, as property owner, the owner is more concerned when they insure, that when something happens whether they are going to get their claims. I think that is the most important thing. So, I think other factors, the quality and the coverage and the reliability of claims payback and all those things has to be considered. Thank you chair.

Chairman Speaking:

Thank you very much Iyaz. But I would appreciate if you could send us in writing what other things, factors that we should consider other than the prize which you think is important for this clause 27. Thank you very much. Please continue Ilyas Labeeb.

Member of Hulhudhoo Constituency Ilyas Labeeb Speaking:

One more question. As you just mentioned that there are international group, a chain that holds the properties in Maldives. Most of the time, they will take like HPL, they take a group insurance. Mainly they will take some from international insurance company, they insure their property, all the properties they have and then they might issue fronted a local company. So, it will be not a problem for us if you use a local company to issue your insurance policy. So, will there be any challenges to these groups if we make this as a mandatory. But I know there are some international properties, foreign investors that have not registered in the Maldives or not fronted through a local company. So, but you are all have insured your property through a local or you have fronted a local company. But if we make as a mandatory, is it a very challenging thing to do to front a local company? If we make it is a mandatory. Because there are very high-end properties and a group chain that they own the local properties in heir.

Chairman Speaking:

Please feel free to answer.

Director of Finance at One and Only Reethi Rah, Mr. Rasalingam Sangheran speaking:

I think for a Reethi Rah point of view, it's not a problem. Because Reethi Rah is a 100% one and owned by the local investors. So, it's only we have a managed an agreement. So, maybe Four Seasons or Hilton or Take they may have a, if I am not mistaken Chamila can comment more about this.

Chairman Speaking:

Right. Thank you. Now I would give the opportunity to MP Ibrahim Shareef.

Member of Maradhoo Constituency Ibrahim Shareef Speaking:

Thank you Chair. First of all I would like to ask the Universal Enterprises, because they mentioned they have some reservations about the capacity of the Maldivian Insurance Companies to insure all the required properties at a level that is required by the property owners. My first question is, do you believe that or don't you believe that the Maldivian insurance industry has the capacity to insure all the properties to the required level? What are your concerns about this?



General Manager - Statutory Compliance at Universal Enterprises, Mr. Iyaz Waheed speaking:

Thank you chair and Thank you Shareef. Actually, what I mean was actually to insure 100% locally. But as MP Ilyas has mentioned, if we can and currently also it is normal practice that is fronted through local companies or we have facultative arrangement. So, if we continue that we have no objection. I mean I don't think anybody will have any objection. And it is doable as well. So, if the local companies work as an intermediary. But, what I mention is actually the capacity to insure on their own without going to an arrangement or a re-insurance arrangement might not be possible. That's what I mentioned. Thank you.

Member of Maradhoo Constituency Ibrahim Shareef Speaking:

My second Question is, for to the international tour operators of the properties here in the Maldives. My first question is, is it more economical for you to take group insurance policy rather than to take and individual insurance policy in the Maldives. Even if it has to be re-insured by the international insurance companies as well. What is your suggestions about this taken an insurance policy here individually or take a group insurance policy along with your other properties abroad?

Assistant Director of Finance at Four Seasons Hotel & Resorts, Mr. Mohamed Hafiz Hussain speaking:

I think, I think it's more beneficial to do the group insurance than taking it individually. And that's the current practice that we are also following as of now.

Director of Finance at Waldorf Astoria Maldives Mr. Chamila Ekanayake speaking:

I also agree from Hilton, Hilton group perspective. Because we have few insurance policies in place as we all mentioned. In the property insurance of course through fronting by a local agency. But when it's come to the team member, I mean employees or the public liability kind of insurances for it's very much beneficial to go as a group. Let's say if I take Hilton as an example, we have 6000 plus hotels globally. So, when it's come to public insurance, for anything happen to the guest or team member, so we have a global coverage. So, which is much much cheaper than we go individually.

Director of Finance at One and Only Reethi Rah, Mr. Rasalingam Sangheran speaking:

I am Rasa here. You know the last five years I have personally involved very much in



the insurances. As far, my understanding is then come to public liability policies, like you know in a bigger guest claims and things that is internationally insuring as the global with a bigger volume, like 300, 400 million it's we are benefiting from the group policy. When come to the business risk, the property risk and all this, we said terrorism or property damage or fire, I think except Tsunami for an example, the amount of perils have the risks factors in the Maldives is very low. For an example, fire and things like that. You know since we have a Standalone Villas in the Maldives, the maximum power will damage in a fire kind of a situation, it's very less. But in a City Hotel environment it's very high when the fire comes. So, what we feel is, certain policies when you do Standalone, for us it's becoming more beneficial. It's all about where your sister properties are in the places. So, it's very difficult to make a generic statement whether is a group policies beneficial or individual policies beneficial. It's all depending on where your groups are the sister properties are situated.

Member of Maradhoo Constituency Ibrahim Shareef Speaking:

Do any of the international operators have an employment or guest liability policy taken in the Maldives or with any Maldivian Insurance Company?

Assistant Director of Finance at Four Seasons Hotel & Resorts, Mr. Mohamed Hafiz Hussain speaking:

Yes. Our policy is taken though Allied. It's from Four Seasons.

General Manager - Statutory Compliance at Universal Enterprises, Mr. Iyaz Waheed speaking:

Yeah, even for us the public liability is with the local companies.

Chairman speaking:

Now I would give the opportunity to MP. Abdulla Riyaz.

Member of Thimarafushi Constituency Abdulla Riyaz speaking:

Thank you very much. Thank you. I have just one question with regard to the local insurance company. What I mean it says is, what we have been discussing is that, we have some international insurance companies who have re-registered in the Maldives as foreign investments. My question to you is, what would be your opinion if we make it



very exclusive to the Maldivians only. It's a non-foreign investment on insurance. If we bring that as a policy what would be your response to that? Was my question not heard?

Assistant Director of Finance at Four Seasons Hotel & Resorts, Mr. Mohamed Hafiz Hussain speaking:

Yes, if we make it like mandatory from effective immediately or from the bill passing there, I think it might be a little bit of challenging if it is only to 100% local companies. I think there we would do is, we can give some grace period and then at the same time we can do with making, if we are making it mandator. And since you also mention that there are some foreign companies that are resisted companies, I think we could include them as part of local companies. And then we can insure through either them or any other local operator. That's what I feel. Thank you.

Director of Finance at One and Only Reethi Rah, Mr. Rasalingam Sangheran speaking:
Rasa here. Hello.

Chairman speaking:

Yes, please go ahead.

Director of Finance at One and Only Reethi Rah, Mr. Rasalingam Sangheran speaking:
Yeah, personally, I don't have any objections. So, that I don't see. Because I have met very talented Maldivian companies and personalities who have a very so strong knowledge about the insurances. But I'm not, personally not sure why what your referring is a completely own by the Maldivian companies or even the executives. So, the company...

Chairman speaking:

Excuse me, what the member is referring is to completely 100% own by local, Maldivian companies.

Director of Finance at One and Only Reethi Rah, Mr. Rasalingam Sangheran speaking:
That's not for, my Personal opinion that's not an issue.

Member of Thimarafushi Constituency Abdulla Riyaz speaking:



To make it clear, I'm talking about 100% Maldivian investments on insurance. So, the whatever, I mean my question is, if make it exclusive to Maldivian investments only. According to the foreign investment the law here, even 1% with a foreigner means it's a foreign investment. So, I'm saying its 100% Maldivian investments insurance companies. So, if we propose that what would be your response to that? That's my question.

Director of Finance at One and Only Reethi Rah, Mr. Rasalingam Sangheran speaking:

My personal view is, end of the day they, everybody have to go re-insurance to re-insure. Because, I'm sure they don't have the full capacity to insure. What important is, who represents the company and what level of knowledge based they have to deal with the clients. A bring to the insurance knowledge to the company. Or investors to explain and adequately cover. It doesn't matter whether who owns behind their organization.

Chairman speaking:

Thank you very much for your time. I would appreciate if we could get some responses from you with regard to the bill in writing. I am very happy to say that, I have receive some very productive comments from all the parties. Specially about the close 27 and the concerns that, and how the process is going at the moment. I would like to give the opportunity now to Iyaz Waheed from universal.

General Manager - Statutory Compliance at Universal Enterprises, Mr. Iyaz Waheed speaking:

Thank you chair. Actually, I wanted to ask if you have a English translation of the bill?

Chairman speaking:

Unfortunately, not.

Director of Finance at One and Only Reethi Rah, Mr. Rasalingam Sangheran speaking:

Yeah, that's the exact question I also have.

General Manager - Statutory Compliance at Universal Enterprises, Mr. Iyaz Waheed speaking:

When, one all these foreign investors are involved, I think it's important. Also, the insurance companies, there are foreign insurance companies also. So, if we can get a at least working



draft of the bill in English. Then, I think we can get more feedback from international chains. Thank you.

Chairman speaking:

I would apologies. Because, I think, we do not have English translation. And I think we have actually been very patient. We gave MATI lot of time to comment on this. I think bill has been sent to MATI, probably six months or I think around six to eight months ago. Close to one year now. And we personally called them. Because they did not comment on the first time. Then again sent, because we want have a representation of the industry before we finalized the bill. So, I am really sorry to say this, but we do not have an English translation of the Bill. But we would appreciate if you could somehow get your lawyers to go through the bill, and come up with some constructive comments for us to consider before we finalized the bill. Actually, we have been bit late on the bill. But we will try accommodate as much as possible to represent all the industries in the Maldives, specially Tourism industry. So, please if you could, just let me know your comment on this.

General Manager - Statutory Compliance at Universal Enterprises, Mr. Iyaz Waheed speaking:

Thank you chair. Actually, yeah being a Maldivian I have gone through the bill of cause. I have seen it and also, I worked with MATI's comity who prepared the reply which was given from MATI to. So, I think MATI's reply was quite compressive as well. But, and from operational perspective as well. But what I am saying is, now there might be, because MATI is also like, MATI represents about eighty or nighty percent of the resorts. So, there might be new foreign investors, specially who have still not started join MATI as members. So, these people also might have different group insurance policies and other ways of. So, they might have, depended on the current regulations they might have thought about certain way to operate in Maldives and suddenly the regulation changes, the reason they invested and the way they're going to operate their entire company or might change. So, it might be important to have some draft at least available on English. So, that more feedback can be given. But I think, they will also get lawyers involved and getting the minutes. Thank you.

Chairman speaking:

Yeah, I think absolutely right, and but unfortunately, we do not have English translation of the bill, but we would very much appreciate, I mean all the operators to actually go through the bill and comment on this. Because for us it's also very important, as important as insurance industries, also very very important for us to keep the Maldives as it is an attractive place for the international investors to invest. So, whatever changes it will bring to the legislation we would like to make sure that we have considered all their concerns with regard to this. So,



that's the main reason why I personally wanted to have this session before we go into finalized in the bill. So, I would once again ask the operators to go through the bill and if you have any areas of concern, please let us know in writing. Because we would consider the concerns that you have. Thank you. I would give a last opportunity for the operators to comment before we conclude the meeting.

Assistant Director of Finance at Four Seasons Hotel & Resorts, Mr. Mohamed Hafiz Hussain speaking:

Thank you chair. I just would like to know, by when we can receive the draft, today or tomorrow.

Chairman speaking:

I could give you a week.

Assistant Director of Finance at Four Seasons Hotel & Resorts, Mr. Mohamed Hafiz Hussain speaking:

So far, we haven't receive any draft. That's the reason why.

Chairman speaking:

We will send it today. Straight away we will send it today.

Assistant Director of Finance at Four Seasons Hotel & Resorts, Mr. Mohamed Hafiz Hussain speaking:

Ok, alright. Yeah, thank you.

Director of Finance at One and Only Reethi Rah, Mr. Rasalingam Sangheran speaking:
Chair.

Chairman speaking:

Yes.

Director of Finance at One and Only Reethi Rah, Mr. Rasalingam Sangheran speaking:

Rasa here, I am not sure how fast we can translate and give a feedback. But we will do our best. But one if, one of our request is that, your could definitely consider. As I mentioned, there is no objection on whether it's a local insurance company or fully local insurance company or what's so ever. But one of our main request is, the investor should be able to more closely with a insurance company and get the product right for interest of the insurance. So, that means we



should be able to decide which A rated agents, or what are the re-insurance we want. And but definitely we can work through a local. But ultimately the client who buy the insurance have to have a say on it.

Chairman speaking:

Thank you. Right, thank you very much and I will look forward to your comments. And I think we could extend the bit on the time. Because we would be reviewing it all along. So, probably we could extend it to another, I mean from a week ten or, ten days, I think we could accommodate until ten days for you to comment. So, please feel free to share all your comments and concerns. Thank you very much and I think this has been a very useful meeting for us. Thank you. Thank for participating.

Director of Finance at One and Only Reethi Rah, Mr. Rasalingam Sangheran speaking:

Thank you.

