Jean-Louis Laurent Josi – CEO, Sukoon Insurance



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'Sukoon' means 'tranquillity' and 'peace of mind' in Hindi, Arabic and Urdu which perfectly reflects the recently rebranded Sukoon Insurance's core purpose, according to CEO Jean-Louis Laurent Josi. He explains how the company has evolved with medical insurance at the heart of its offering, why Sharia-compliant services are so important in the UAE given its majority Muslim population, and how Sukoon is adapting to big healthcare trends such as digitalisation, telemedicine, care outside the hospital, and mental health.

Can you briefly outline the history of the company and the rationale behind last year's re-branding as Sukoon?

There were several factors behind the rationale of changing our brand. The first one was to remove the risk of confusion regarding our origins. Indeed, despite being a UAE-headquartered company launched in 1975, our former brand Oman Insurance clearly led people to believe that we were Oman based. Our main shareholder, Mashreq Bank with close to 64 percent shareholding, went through the same process: the bank was founded in 1967 by Mr Abdullah Al Ghurair as the Bank of Oman but changed its brand in 1993 to Mashreq notably to avoid any confusion with the Central Bank of Oman.

The second reason is explained by the public perception, based on several surveys, of Oman Insurance. The feedback was, despite being an extremely well-recognised brand, that Oman

Insurance was actually perceived as traditional, old-fashioned, and not really forward facing. That perception was actually going against all the transformation we had gone through, notably in terms of the digitalisation of the company but also in terms of our product innovation.

With this in mind, we thought that it was the right time to change our brand to one that would reflect the hard work of our transformation but that would also be aligned with our vision of the future in terms of digital, customer experience and insurance expertise.

In the search for our new brand, our Board Chairman, Mr Abdul Aziz Al Ghurair, gave a clear guideline that our name should reflect our purpose to protect people and give them peace of mind. So, we decided to re-brand and become Sukoon Insurance. ‘Sukoon’ means ‘tranquillity’ and ‘peace of mind’ in Hindi, Arabic and Urdu which represent around 70 percent of the spoken languages in the Middle East. Also, it is perfectly aligned with what we represent and the service we want to bring to our clients. Finally, and interestingly, the pronunciation is also the same in probably all the main languages, which makes things easier.

How important is health insurance within Sukoon’s overall business?

The medical or healthcare business is key for Sukoon and represents more than 40 percent of our business. Being a third-generation insurer, following in the footsteps of my father and grandfather, medical insurance is at the heart of what we need to do which is to protect people. So, for Sukoon, medical insurance is not a side business but definitely a key pillar of what we do.

On top of that, medical is a great business for insurers. Indeed, one of the main rules as insurers is to diversify our risks. For example, when you insure just one major building, if there is a fire, then you lose everything. However, health insurance is extremely diversified and should allow an insurer to keep the risk on its balance sheet.

There is though one major exception to the diversification provided by medical insurance: a pandemic. That is why a pandemic is usually an exclusion for insurance companies because it is difficult to insure something that could impact everyone.

Saleh Al Hashimi of the Dubai Health Insurance Corporation introduced the evolution of healthcare insurance in Dubai over the past decade to us, from the passing of the mandatory health insurance law in 2013 to its implementation, and the increase in

insured population from 500,000 to 4.5 million. How has this shifting landscape affected Sukoon's operations over the last decade, and where does the firm stand in the UAE today?

Healthcare has become a substantial part of Sukoon's business, which is likely the same for most of our competitors here. Where we differ from many of our competitors in that medical insurance is at the heart of what we do. We invest in it, serve our clients ourselves, and build our expertise with our doctors. Said differently, we don't outsource the risk selection to a third party, our own panel of doctors and underwriters will screen the potential clients.

This may seem like standard practice, but it is not typical in this region. Many companies have not developed the same local expertise either to underwrite a risk or for serving their clients. At Sukoon, unlike many of our competitors, we indeed manage the entire value chain. We have our own call centres and have developed our own IT system to serve clients. We have our own app through which a client can submit their claims. Many of our competitors use third-party administrators and heavily rely on reinsurers. Ultimately, they do not underwrite their own policies and they do not manage their own clients.

I believe that, as an insurer, our purpose is to serve our clients, ensure that we can protect them when they need it and pay our claims on time. If you ask a third party to do what should be your core business, what is then your purpose as a company? Our ownership of the whole process provides integrity to what we do and sets us apart from our competitors.

Similarly, one of our key indicators used to monitor the company's success is customer satisfaction. Of course, every CEO will say that customer satisfaction is important but, for us, it is an integral part of what we do. It is embedded in our company's mission. Last year, we surveyed more than 40,000 of our members across the value chain to get their feedback on their experience as customers. On top of that, we also have a monthly customer satisfaction committee assessing how to improve further our clients' experience. On my side, on top of chairing that committee, I also personally read the complaints and comments we receive from our clients. Like my teams, I am directly involved in improving our customer experience. And you can only do that successfully if you manage your value chain.

The UAE is a particular country in terms of its segmented population. There are locals, white-collar expats such as yourself, and a large population of blue-collar expats, from places like India. How does Sukoon tailor its offerings to these different groups with

their varied insurance needs?

We cover the entire spectrum. For example, if we were to insure an entire company, we could have specific coverage for the executive committee as well as for blue-collar workers. We provide them with access to different networks. The employer defines the product for their specific employees.

There are several significant trends at play in the healthcare industry today, including digitalisation, telemedicine, care outside the hospital, and mental health. What do you see as the most important and how is Sukoon adapting to them?

There is a general lack of innovation in the UAE insurance landscape. If you look at the bulk of the products available on the market, they are pretty similar to those that existed five or 10 years ago.

We are trying to change that status quo. For instance, at the beginning of the year, we launched a so-called top-up product. We launched this product based on the observation that an increasing number of employers have as a key objective to decrease their cost of medical insurance even if this is at the expense of the coverage of their employees. So, with our new top-up product, an employer can provide its employees with a relatively basic product while individual employees will have the opportunity to buy their own insurance separate from this as an add-on to their existing coverage. We were the first company to provide such a service.

As another example of innovation, we recently signed an agreement with one of the leading integrated healthcare providers in the GCC and India, Aster DM Healthcare. Thanks to this partnership, our members can now enjoy specific services and better-integrated tools for a lower price.

As far as telemedicine is concerned, while much more used during COVID-19 and also requested by most employers, its current usage is currently not material enough to have an impact despite its great potential. We believe that a greater adoption would be very positive for both employees and employers. We also believe that one of the reasons for the current low usage is explained by the lack of trust between employees, employers and insurers. Indeed, it appears that employees are often uncomfortable using such services since they are concerned that their private health history could be shared with their employer. Needless to say that this perception is groundless since sharing private medical data is obviously totally forbidden.

Another example of this wrong perception regarding the usage of private medical data. Two years ago, we introduced a dedicated product for people with diabetes. We thought it was the perfect

product because the objectives of the insurer, the member and the employer would be fully aligned: as an insurer, we advise our clients how to become healthier which in turn will allow their employer to lower their premiums and their employees to be healthier. However, the product was a total flop. Employees were worried that their employer would know that they were diabetic and that this could have an impact on their careers!

As CEO of Sukoon Insurance, how have you approached building partnerships? What challenges are these partnerships addressing?

The way the medical system is organised in the UAE is exceptional, considering that 20 years ago, there was next to nothing. Not only are medical providers good here, but the UAE is also seen as a medical hub. Many people from other countries come here to be treated, which says a lot about the quality of the system.

However, a weakness of the system is that employers revisit their insurance companies every year and have, in my opinion, limited long-term view and have cost control as the key objective. So, every year you return to square one. If we were to build long-term partnerships or contracts, it would work much better. We would be able, with the medical providers, to work on long-term prevention solutions that would ultimately benefit all the stakeholders.

When some companies' sole focus is on finding the cheapest option, it is difficult if not impossible to build a long-term solution. Indeed, why would an insurer invest in prevention actions knowing that its clients could leave one year later so that your competitor would then benefit from your investments?

Sukoon Insurance recently acquired a significant stake in Arabian Scandinavian Insurance Company (ASCANA). Will M&A make up a significant part of your strategy moving forward?

In the last two years, we have made two acquisitions. We acquired the life insurance portfolio of Generali and we also acquired a takaful company which is an insurer that is Sharia-compliant. We live in a country with around 70 percent of Muslims, and for many of them, having products, services and investments in a company that is fully Sharia-compliant is important. We are now the only insurer in the UAE that has a composite license for both the traditional business and the takaful business.

The UAE is a relatively small country with a high per capita income level and an administration that is an advocate of change and progress. Do you view the UAE as a place where you can test out new models and new ideas that in big markets with big populations and constrained budgets, might not be so feasible?

Yes. On top of that, on different fronts and across industries, the UAE government is extremely open to testing new ideas. They are in favour of trial and error, which I believe is the best way forward, and I hope that we will be able to continue innovating around medical insurance.

You have been with the company in the UAE for five years now. What do you hope to achieve in the next five? What do you hope to be your legacy at the end of your tenure at Sukoon Insurance?

Part of our long-term ambition, that we set out five years ago, has been achieved. One of our goals was to be seen in this country as a standard for customer satisfaction. We have achieved this – even if being a reference in terms of customer experience is an objective that is never achieved and requires constant revisions and improvements of the existing processes!

Another key ambition was to become a reference in terms of our insurance expertise. I believe that the Sukoon teams are now perceived on the market as being amongst the most professional and knowledgeable teams.

Finally, another key initial ambition was to become a reference in terms of financial solidity. We now have one of the highest solvency ratings in the region, well above 250 percent, the minimum being 100 percent while we are also rated A or better by AM Best, Moody’s and S&P. This financial strength is actually paramount in a market with some weak companies but also because your financial solidity ultimately reflects your ability to pay claims!

In the next five years, we will focus on developing new products and services and increasing the number of our potential profit pools. There are different projects that we have already initiated and we now have to develop them to their full potential: our Lloyd’s syndicate that we launched more than one year ago; our life business; our Sharia-compliant product offering,… In parallel, it goes without saying that we want to continue innovating in terms of medical insurance and remain at the forefront of customer experience while notably investing in IT systems.

What are your hopes for how the industry landscape will evolve to advance healthcare and coverage?

Firstly, I really hope the value chain between medical providers, insurers and members will be even better integrated with more insurers genuinely interested in medical insurance and not delegating this to third parties. Secondly, I really believe that telemedicine is important and should mature in the UAE. Telemedicine can not only provide a faster but also a better service in many instances while, in many cases, avoiding unnecessary costs.

Last but not least, there is substantial room for improvement in terms of prevention, but we are hampered by contracts being limited to one year. There are so many things that we could do with a longer-term view, which would be great for patients, insurers, providers and for employers.

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