

RESTRUCTURING THE PUBLIC INSURANCE SECTOR IN EGYPT- WAS IT INSIGHTFUL??

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ABSTRACT

The public insurance sector in Egypt has been restructured during the period 2006-2010, as an endeavor to enhance its efficiency. Restructuring aimed at expanding the insurance sector share in the development process, enhancing its competitive advantage, providing new insurance services, improving its financial status, and finally maximizing the use of its human resources. Most importantly the main objective of the restructuring program was to eliminate unhealthy competition between public insurance companies that resulted in diminishing market share ratios.

The study to assess the value of the restructuring process depended on a purposive sample in selected headquarters to investigate managers and workers' perceptions regarding: the attainability of goals and justifiability of the merger process, comprehensiveness and stakeholders' participation, inputs sufficiency and human resources' satisfaction, and relevance of Program methodology

The assessment revealed that the program had minimal impact on service provision quality, time and accuracy. Moreover, the decision to eliminate the activities of the Egyptian Company for Re-insurance, proved its fallacy, as it resulted in out-of- economy capital drainage, especially from foreign exchanges. Financially; however, the study revealed 44% increase in the capital value of affiliated companies after the program, which enabled to afford higher values of risk.

The study recommended developing new information system to facilitate providing insurance services accurately and efficiently, and enabling customers to electronically pay their installments via credit cards. Providing proper training was; moreover, a necessity to enhance workers' knowledge and skills. The study also recommended incorporating all stakeholders in improvement strategies in order to enhance the acceptance of any new program and minimize possible resistance.

KEYWORDS: Administrative Reform, Egypt, Insurance Sector, Merger, Restructuring