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TECHNICAL ASSISTANCE
FOR POLICY REFORM

EGYPTIAN INSURANCE SUPERVISORY AUTHORITY

Communications analysis and recommendations

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COMMUNICATIONS

**COMMUNICATION RECOMMENDATIONS FOR EISA DURING
THE CHANGE FROM COMPLIANCE TO RISK BASED
SUPERVISION**

TECHNICAL ASSISTANCE FOR POLICY REFORM II

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Introduction

Aim:

This paper sets out how strategic communications activity can make a major contribution towards achieving EISA's organizational objectives and the successful transition from a compliance to risk based supervisory regime.

Objectives:

This paper has five clear objectives:

1. To conduct audit and assessment of current EISA communications activity and resources
2. To provide key recommendations
3. To clearly define the core themes and key messages to ensure identified audiences understand risk based supervision
4. To review and clearly identify ALL audiences
5. To recommend support activity and deliverables, including training

All successful communications activity is driven by core themes and key messages, as outlined in point 3.

A core theme is defined as the overall topic – or the subject/category of high level message you are aspiring to promote. Core themes should be short and simple and should underpin the success of any communications activity.

Key messages are defined as the main points you need to make to explain the core theme. They are best woven into what is said or written to explain the core theme to your target audiences. All communications activity should prominently feature key messages and all responses to questions and queries should contain key messages. Generally, up to three key messages should be used in any single or multiple activities.

Secondary or supporting messages can be used to underpin key messages. Secondary messages are less effective used on their own without key messages.

Core themes and key messages are essential in achieving organizational strategic objectives. They ensure focus and consistency, thus enabling a potentially greater impact on effecting change and influencing behavior.

1. Assessment of current EISA communications activity and resources

1.1 Current External Communications Activity:

Current Activity	Function	Comment/Notes
Press and Media Activity Proactive – new releases/press releases	To ensure topic identified is placed in appropriate press/media	Chairman briefs PR team directly
Press and Media Activity Proactive – scheduling/organising of interviews/media facilities/press conferences	To promote message/theme in transparent and proactive manner for maximum impact	Chairman, 3 managers plus PR staff are only authorized to talk to press
Press and Media Activity Reactive		PR staff deal directly with Chairman
Research	To support PR campaigns/news releases etc	Ad hoc as required
Complaints and calls from General public	To respond to on average 2 calls per week	Calls re-routed to relevant staff desk in EISA
Media Analysis prepared 3 times per week	To provide management with news clips of EISA related topics	Information service to managers only
Conferences/Events/VIP visits with external parties e.g. Chamber of Commerce	To communicate with key stakeholders	Currently managed, organized and administered by PR department. Approx 1 event every 2 months
Placed paid advertising	To show co-operation between individual insurer and Regulatory Authority	Infrequent – perhaps annual.

1.2 Current Internal communications activity:

Current Activity	Function and purpose	Frequency	Comment/Notes
Staff Communiqués	To inform staff of significant/important announcements/events	Ad Hoc	
Staff Publications	Bulletin	Monthly	Previously quarterly. Produced by research department under direction of Chairman
Staff Events	To run staff events/functions e.g. Iftar	Ad Hoc	
Administrative orders	To inform staff of routine employee issues	Monthly	Content generated by HR. Approved by Chairman's Office
Shared Drive	Accessible place articles/papers	Updated on ad hoc basis	Effectively an electronic library. Administered by Research department

1.3 Current Chairman's communication activity:

Current Activity	Function and purpose	Frequency	Comment/Notes
Hierarchy dissemination	Chairman and Deputy Chairman decide and disseminate designated information	Ad Hoc basis as required	
Managers meetings	Formal meeting between Chairman and 18 functional managers. Chairman produces agenda which is presented at meeting. Duration 1 – 2 hours	Monthly (Thursday)	Considered 60% effective by the Chairman.
Staff Communiqués	Chairman's memos/letters written and disseminated	Ad Hoc	Notice boards
Staff Publications	*Bulletin – for employees, insurance companies and stakeholders	Monthly	Previously quarterly. Produced by research department under direction of Chairman
Staff 1:1 meetings	Chairman and Deputy chairman have "open door" policy for staff	As required	The Chairman and Deputy Chairman receive around 40 visits per month from staff – mainly on staff related issues

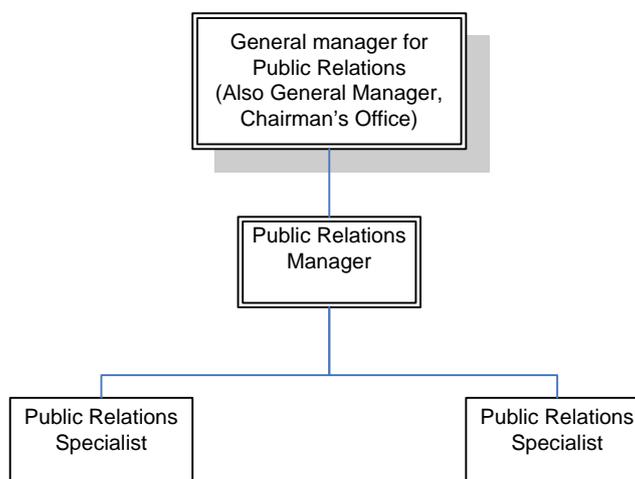
1.4 Summary of current resources, key tasks and functions:

At present, all communications functions are carried out by the PR department which comprises three assigned staff. One career government manager supervises two staff with several years PR experience. Both are mass communications graduates. The managers' prime role is to supervise the department. She carries out no specialist communications duties.

The PR department is managed and headed by the General manager for Public Relations, who is dual hatted and also manages the Chairman's Office. Based on interviewing the two communications staff, a summary and breakdown of the PR staff duties is as follows:

Task	Function
To develop and propose story ideas for placement in targeted press and media	External
To develop and maintain close working relationships with all press and media	External
To research, draft, submit for approval then issue press statements/advisories/releases	External
To plan, organize and manage press conferences and media facilities	External
To field calls from press/media and provide with background information as required	External
To assist with the production of printed materials for external dissemination	External
Be first point of contact with the public in receiving complaints and enquiries and pass on to relevant EISA staff member	External
Ensure other government departments and key stakeholders are informed of ongoing activity and relevant press communiqués are distributed promptly	External(Internal to Egyptian government)
To assist in the production of Monthly Bulletin	Internal
Distribute formal EISA announcements amongst employees e.g. Administrative Orders, managers' letters	Internal
Assist with the organization and promulgation of various staff benefits e.g. EISA staff travel club, retirement events, staff bereavements, staff recognition	Internal
Organize and manage events, conferences and seminars as briefed by Chairman's Office	Internal
Organise, book and arrange Chairman's travel itinerary for domestic and foreign travel e.g. airline tickets, visas	Internal

1.5 The Current PR Department organizational Structure:



1.6 Summary of pertinent findings:

- 1.6.1 The PR department is disproportionately managed and supervised. One general manager and one line manager oversees two staff.
- 1.6.2 The PR staff have a very broad and heavy tasking, some of which are not classic communications roles. A summary of tasking: press handling; internal communications; conference/events organization; travel administration; staff benefits and events.
- 1.6.3 The PR department has a direct line from the Chairman to PR staff downwards, but upwards, PR staff must go through their line management.
- 1.6.4 Internal communication is evident but has limited impact due to it not being functionally organized. This is borne out in the fact that around 40 staff visits either the Chairman or Deputy Chairman every month for personal/staff related issues.
- 1.6.5 The Chairman conducts monthly meetings with his senior managers. These meetings are on the last working day of the month and an agenda is produced and presented by the Chairman at the start of the meeting. Managers disseminate relevant information to staff verbally following each meeting.
- 1.6.6 Information exchange across departments is evident, but is very limited. A “silo” approach is clearly evident and there is limited cross departmental cooperation. Cross departmental awareness is improving through the use of a shared drive and increased computer literacy amongst staff.
- 1.6.7 ESIA has a “freestyle” approach with appointed spokespersons, who are often encouraged to express their personal views and opinions in the press/media, rather than the policy and direction of the organization and its leadership.
- 1.6.8 EISA has a mission statement and there is evidence of high awareness levels that EISA’s main task is to protect the Egyptian insurance policyholder. However, there is limited knowledge or awareness of Risk Based Supervision, yet high levels of interest amongst the staff, who understand it is a “top secret project”. Core themes and key messages must be developed and disseminated as an immediate priority to capitalize on the level of interest and the need for staff engagement and understanding with external stakeholders.

2. Key recommendations

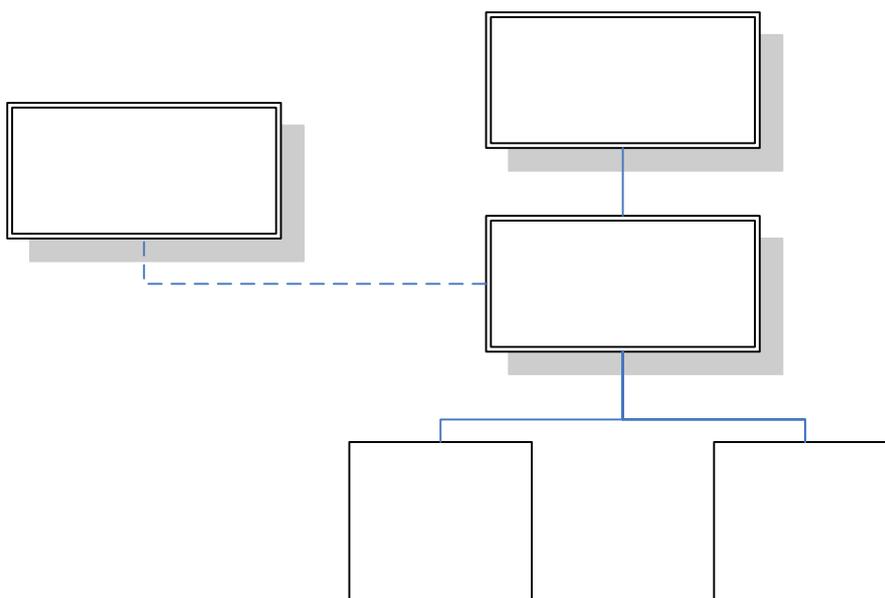
- 2.1 Management of the PR department should be streamlined from two to one to reflect its needs and functionality, and to facilitate upwards communication to ESIA's leadership.
- 2.2 The name of the department should be changed to Communications Department in order to reflect its function and modern best practice.
- 2.3 Staffing of the new Communications department should be increased to support and develop the broad range of tasking, for individual staff development and development of specialist competencies and skills. Roles and responsibilities should be streamlined to reflect the tasking:
 - Communications Manager/Media Advisor to Chairman
 - External Communications Specialist – Press and media, including news analysis
 - Internal Communication Specialist – Staff communications, conferences and events
- 2.4 One of the two External Communication Specialists should be appointed as the Chairman's/Deputy Chairman's media advisor/spokesperson to facilitate a more focused and less freestyle approach to EISA message delivery in the media. He/she should also be responsible for briefing other appointed EISA spokespersons and subject matter experts assigned to undertake press interviews.
- 2.5 It is strongly recommended that any individual, spokesperson or subject matter expert talking to any external agency should not express their personal views under any circumstances, if talking in their capacity as an ESIA spokesperson. All appointed spokesperson should receive expert press handling/interview techniques training.
- 2.6 It is strongly recommended that ESIA use core themes and key messages for both internal and external dissemination. This will introduce consistency and factual information on the move from compliance to risk based assessment and will in turn promote and encourage greater engagement and alleviate anxiety towards change.
- 2.7 A knowledge sharing culture within EISA should be developed to discuss and share these core themes and key messages. Managers should adopt a more open policy in transferring their knowledge and information both with their staff and across EISA's department. It is recommended that they attend strategic communications workshops to develop their communications style, content and delivery.

In support of this recommendation, in any organization, knowledge sharing is now firmly proven best practice. Research by a knowledge management consultancy The Delphi Group has revealed that the most effective knowledge access is through staff interaction. Around 42% of organizational knowledge is stored in employees brains, compared to only 26% stored in paper documents, 20% in electronic documents and 12% in electronic databases.

For EISA, it is especially important to encourage knowledge sharing across all departments in order to engage with staff in the move from compliance to risk based supervision. For such a significant change management programme, staff engagement is a critical success factor, and effective internal communications is the prime vehicle for this. Developing a dedicated internal communications function will also present a cultural challenge, but effective internal communications is of greatest

benefit to organizational management, as well as providing a very practical and reassuring method of staff engagement.

- 2.8 The Chairman's activities present many excellent internal and external communication opportunities. These should be exploited, planned and managed carefully in order to achieve maximum impact.
- 2.9 A communications strategy and action plan should be developed and adopted to reflect the leaderships strategic objectives and to exploit all activities that can be used to influence internal and external opinion and engagement
- 2.10 The recommended EISA communications organization is as follows:



Deputy Chairman

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3. Core themes and key messages:

3.1 EISA’s mandate refers to protection of policyholders and aspiring to achieve public confidence in the regulatory system. The Risk-Based Management Supervisory Framework effectively analyses the risks incurred by an insurance company or private fund and the potential impact this carries. EISA’s core themes and key messages should therefore reflect a cost efficient, risk focused regime that protects Egyptian insurance policyholders and supports growth.

3.2 Recommended Core themes and key messages for EISA

3.2.1 General Core themes – all audiences:

Core Theme	Key messages	Supporting messages
1.Meeting global standards	Risk Based Supervision (RBS) is now the leading insurance supervisory model throughout developed economies.	Countries and geographical area where RBS is used includes Japan, Australia, Western Europe, North America).
	The IAIS (International Association of Insurance Supervisors)is encouraging and supporting all member countries worldwide to follow RBS.	Donor agencies, such as USAID, is providing support and practical assistance to help Egypt implement RBS.
	Financial services is a global industry – for Egypt to be a significant player, it must adopt global best practice.	Adopting RBS will help ensure the Egyptian insurance sector remains credible globally.
2. Protecting and supporting insurance market developments and demands	The Egyptian economy is growing, encouraged by government policy which desires to see the insurance sector grow over the next five years.	Supported by government policy, the Egyptian insurance industry has grown significantly and this growth must continue through a robust and modern regulatory regime to develop and maintain confidence in the industry.
	Egyptian consumers are increasingly influenced by global trends and are demanding increasingly complex and diverse products. A risk based regime is the preferred mechanism for protecting consumers following these trends.	For the Egyptian insurance sector to meet these demands, the market must be stimulated. This can be achieved through the removal of necessary regulatory restrictions.
	New insurance products and services carry new, complex varied risk profiles – a risk based approach to	The Egyptian insurance market is growing and although the market penetration rate for

	supervising the industry is therefore more appropriate in assessing the soundness of both the product and the provider.	insurance products is low, as industry controls are lifted and the market opens up to more providers, a risk based supervisory regime is more capable of coping with market growth.
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3.2.2 Specialists Core themes and key messages – staff and stakeholders

Core Theme	Key messages	Supporting messages
RBS – managing inherent risk transparently	Insurance companies are paid a premium to take risks that their policy holders do not wish to take – risk is an inherent part of how they operate.	There are several primary risks in the Egyptian insurance market: credit, market, insurance, operational, liquidity, legal/regulatory, strategic and insurance. Risk complexity and its potential impact on the policyholder means it is important that all these risks are managed diligently.
	A supervisory regime that assesses how insurance companies manage risk will benefit the industry through the provision of a transparent supervisory assessment process.	Insurance companies have different attitudes to risk, so it is therefore important that due controls are in place and exercised to match their chosen tolerance for risk.
	Risks can diminish or they can grow. They are rarely constant, so constant monitoring and supervision is required.	There are many variables that can effect the impact of risk on an insurer. It is important that those variables and their potential impact are monitored by the regulator as well as the insurer.
RBS offers policyholders many benefits	RBS offers the policyholder greater protection through a better assessment of risks associated with market conditions.	Protection is achieved by managing inherent risks through a clearly defined process.
	RBS allows EISA to be the technical eyes and ears of the policyholder through reviewing the product provider and the risks associated with each product	

	offered.	
RBS offers EISA staff greater personal development	Supervising the risk management process requires skill, initiative and judgment.	
	Supervising how the companies manage risk requires challenge and creativity.	
	Supervising risk is forward looking and requires vision	
Modernizing supervisory procedures	RBS will remove unnecessary supervisory procedures and processes.	New and enhanced procedures will enable new and improved products and services to be introduced to the market.
	The new procedures will be directed to ensure companies and private funds manage their risk responsibly.	
	More streamlined supervisory procedures will allow the market to flourish through less restrictive practices.	

4. Audiences:

EISA has four principal audiences:

- 4.1 EISA employees
- 4.2 The insurance Industry
- 4.3 The Press and media (for General Public)
 - Press and Media
 - Print
 - Radio
 - TV
 - Internet
 - Billboards/flyers

- 4.4. Key foreign partners (international insurance supervisory bodies)

Core themes and key messages must be carefully tailored and developed for each respective audience and corresponding activity to maximize impact and help EISA achieve its objectives in moving seamlessly from a compliance to risk based supervisory regime.

5. EISA Communications support activity and deliverables, including training
Audience and activity recommendations

Audience	Activity	Deliverables
Staff - employees	Shared Drive	Develop this drive as the forerunner to the EISA Intranet (mid 2008). This will inform staff as well as help alleviate concerns and promote cross departmental knowledge sharing
	Weekly e-mail	Introduce a weekly e-mail to all staff – drafted and approved by internal communications but sent out in the Chairman or Deputy Chairman’s name
	Meet the Chairman	Introduce a monthly “meet the Chairman” lunchtime session. Essentially this will be a Q and A session, but its aim is to provide the Chairman with direct staff feedback, as well as give the staff open access to the Chairman
Staff - management	Knowledge Sharing culture development	Introduce the cascade system of communication – so managers can deliver immediately and precisely messages to the staff following key meetings/events/policy implementation. Senior managers should take part on basic communications skills and how it can help achieve strategic objectives
	Knowledge sharing culture development	Encouragement of the “walk the floor” technique so managers can interact more frequently with staff
	Chairman’s monthly meetings	These should be moved to Mondays, with a formal agenda disseminated beforehand, and minutes taken and distributed after. The monthly meeting should also include internal communications as a formal agenda item, agreeing themes and guidance for dissemination
General Public	Media	A communications strategy should be developed and adopted to reflect EISA’s strategic objectives. This should in turn be used to develop and operate a communications action and activity plan

Academics/intellectuals	Workshops/seminars	
Stakeholders and opinion formers	Targeted “listening lunches” with key EISA stakeholders	Chairman’s Office and Communications Department
Business organizations and insurance companies	Targeted orientation sessions with main players in the insurance sector	Chairman’s Office and Communications Department

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