

THE JEWISH AGENCY FOR ISRAEL - BOARD OF GOVERNORS

Risk Management Subcommittee

Monday, December 2, 2024, between 16:00 – 17:00

By Zoom

Participants:

Members: Jaap Meijers (Chair), Fred Zimmerman, Gita Berk, Debbie L. Berman.

Invitees: Yaron Shavit, Inbar Ruimy, Pamela Zaltsman, Shlomo Zomer, Daphna Kogman (Marsh Israel).

Staff: Moshe Ashirie, Shalom Allenstein, Nava Kloner.

Agenda

1. **Introductory Remarks** - Jaap Meijers (Chair)
2. **Approval of minutes from the meeting held on May 23, 2023** - Jaap Meijers (Chair)
3. **The Insurance Market and the Jewish Agency Insurance Program** - Daphna Kogman - Marsh Israel
4. **Closing Remarks** - Jaap Meijers (Chair)

Summary of the Meeting

Introductory Remarks:

Jaap Meijers welcomed the participants and updated the challenges in light of the recent violent events in Amsterdam.

Approval of Minutes:

The Committee has approved the minutes from the meeting held on May 23, 2023.

The Insurance Market and the Jewish Agency Insurance Program – presentation by Daphna Kogman from Marsh Israel:

The Global Insurance Market: In the past 6 years we are going through a hard market, due to natural disasters like the Turkey earthquake and wars in Ukraine and Israel, causing losses of over 100 billion dollars.

These devastating disasters, inflation, ongoing wars in Ukraine, and the war that began in Israel on October 7, 2023, have all contributed to challenging market conditions in the insurance industry.

The Israel Insurance Market: The unstable geopolitical situation in the Middle East is increasingly complex and is characterized by the ongoing war situation, alongside significant changes in the business and insurance environment. Many reinsurers are hesitant to engage in new business in Israel

and are reducing their involvement in existing coverage. As a result, the Israeli market is still showing premium increases in 2024 (9 months).

Daphna presented JAFI's main insurance coverages: Property, Third Party Liability, Employers Liability, Directors & Officers, Crime and Cyber (The presentation is attached).

Jaap emphasized the importance and crucial role of our Third-Party Liability insurance because its coverage is for all our activities and all over the world.

Daphna described the process of renewal of Liability insurance program which includes Roadshow with Global Insurance Companies in the London markets on January 7, 2025 and Israeli tender (Front/Employees Liability/PI policies) on December 15, 2024. Daphna explained the need of an Israeli front company for Third Party Liability insurance (in addition to the Global Insurance company): there are two major reasons – the front company takes care of Certificate of Insurances and handling claims in Israel's Courts. According to Daphna – using a front company is very common in large organizations such as the Jewish Agency. Daphna showed the claims analysis for the last 10 years. Jaap marked that "outstanding payments" numbers shown are being inflated by the Insurers and the real claims are much smaller amounts.

Gita Berk asked what are the different scenarios in the future renewals? what if no one wants to insure us? Jaap answered that Marsh is going to approach the current insurers and new insurers in order to get new proposals. Jaap said that he supports the continuation with the current insurers in liability because new ones would be reluctant to take our business under the same conditions. Jaap added that he is sure that we will not be left without any coverage. Moshe Ashirie said that we will get coverage, but the question is at what price. Moshe added that the current situation is better than it was a few months ago.

Debbie Berman asked if Amigour is taking any actions to reduce the risk because of their claim's history. Moshe Ashirie updated the committee that as requested by Jaap, we had a meeting with the management teams of our main subsidiaries (including Amigour) to see what can be done to reduce the number of claims. Regarding Amigour - the issue is continuously monitored, and we are checking what can be done to reduce the number of claims in Amigour.

Jaap praised the agency's staff for doing an outstanding work of protecting the Agency from risks and the premiums achieved in last renewals. Jaap added that he maintains ongoing and direct contact with the Agency's staff.

Jaap thanked everyone and closed the meeting.