

The impact of Global Financial Crisis (2008) on Jordanian Insurance Companies

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Abstract:

This study aims to shed light on the effects left by the global financial crisis in the Jordanian insurance companies and their efficiency after the global financial crisis compared to before the global financial crisis researcher has used the test method T-TEST in the statistical analysis.

The study found the following:

- There is no significant impact of the global financial crisis on the net income in the Jordanian insurance companies.
- There is a significant impact of the global financial crisis on assets compared to the period before the financial crisis.
- There is a significant impact of the global financial crisis on equity compared to the period before the financial crisis.

The study recommended the need to develop and initiate laws and regulations that will reduce the sudden effects which occur in the private insurance sector and the local and global economy.

Keywords: Impact ; Global Financial Crisis ; Jordanian Insurance Companies

Introduction:

The financial crisis that toppled in the monetary system and banking sector in late 2008 in the United States with a significant impact on the various sectors of the U.S. economy, which extended its effects to the various countries of the world and to varying degrees, making governments intervene to rescue the economies in which through monetary and fiscal policies, laws and procedures that will reduce the financial crisis effects on the citizen and the economy in particular which has become the economic crises plaguing the different regions of the world every now and then, and for one reason or another, it has become the controversial and interesting issue for experts and businessmen. However, the shocks that occurred in South Asia and South America, far off from the last property crisis which turned the economic balance of power and left the economies bear the losses after the rise of economies worked for them throughout the years (Calvo,C.,2010). 2008 Global Financial Crisis is considered by many economists to be the worst financial crisis since the Great Depression of the 1930s. It resulted in the threat of total collapse of large financial institutions, the bailout of banks by national governments, and downturns in stock markets around the world. In many areas, the housing market also suffered, resulting in evictions, foreclosures and prolonged unemployment. The crisis played a significant role in the failure of key businesses, declines in consumer wealth estimated in trillions of US dollars, and a downturn in economic activity leading to the 2008–2012 global recession and contributing to the European sovereign-debt crisis. The active phase of the crisis, which manifested as a liquidity crisis, can be dated from

August 7, 2007, when BNP Paribas terminated withdrawals from three hedge funds citing due to a complete evaporation of liquidity. The insurance industry got into the game by trading in “credit default swaps”—in effect, insurance policies stipulating that, in return for a fee, the insurers would assume any losses caused by mortgage-holder defaults. What began as insurance, however, turned quickly into speculation as financial institutions bought or sold credit default swaps on assets that they did not own. The insurance sector played an important supporting role in the financial crisis by virtue of the role played by financial guarantee insurance in wrapping, and elevating the credit standing of, complex structured products and thus making these products more attractive to investors and globally ubiquitous. In addition, the narrowly avoided collapse of American International Group (AIG Inc.), viewed by some as the world’s largest insurance group consisting of a global financial service holding company with 71 U.S. based insurance companies and 176 other financial service companies, contributed to the severity of the market turmoil in September 2008 (Schich, S, 2008). Insurance markets play a key role in the pooling, management, and transfer of risks in the economy and, in some countries, increasingly play a role in the long-term savings and retirement incomes of individuals. The financial crisis highlighted the linkages of the insurance sector with the financial system and the broader economy.

Research Problem:

This study is designed to measure the impact of the Global Financial Crisis on Jordan’s Insurance Sector by answering the following questions:

- 1- Is there a significant effect of Global Financial Crisis on the net income of Jordan’s Insurance Companies?
- 2- Is there a significant effect of Global Financial Crisis on the total assets of Jordan’s Insurance Companies?
- 3- Is there a significant effect of Global Financial Crisis on the shareholders equities of Jordan’s Insurance Companies?

Literature Review:

Like all previous cycles of booms and busts, the seeds of the subprime melt down were sown during unusual times. In 2001, the U.S. economy experienced a mild, short-lived recession. Although the economy nicely withstood terrorist attacks, the bust of the dotcom bubble, and accounting scandals, the fear of recession really preoccupied everybody’s minds. To keep recession away, the U.S. Federal Reserve Bank lowered the Federal funds rate 11 times - from 6.5% in May 2000 to 1.75% in December 2001. In June 2003, the Fed lowered interest rates to 1%, the lowest rate in 45 years, thus creating a flood of liquidity in the economy. Cheap money, once out of the bottle, always looks to be taken for a ride. Subprime borrowers wanted to realize their life’s dream of acquiring a home. More home loans, more home buyers, more appreciation in home prices. It wasn’t long before things started to move just as the cheap money wanted them to. Banks decided to repackage real estate loans into collateralized debt obligations (CDOs) and pass on the debt to other financial institutions. Soon a big secondary market for originating and distributing subprime loans developed. The trouble started when the interest rates started rising and home ownership reached a saturation point. From June 30, 2004, onward, the Fed started raising rates so much that by June 2006, the Federal funds rate had reached 5.25%, a rate which remained unchanged until August 2007. In August 2007 the financial market could not solve the subprime crisis on its own and the problems spread beyond the United State’s borders. The interbank market froze completely,

largely due to prevailing fear of the unknown amidst banks (Bordo, M and Landon-Lane, J, 2010). The subprime crisis's unique issues called for both conventional and unconventional methods, which were employed by governments worldwide. In a unanimous move, central banks of several countries resorted to coordinated action to provide liquidity support to financial institutions. The idea was to put the interbank market back on its feet (World Bank, report, 2009). This financial turmoil, which started with the sub-prime mortgage crisis in the United States and whose effects clearly became global in mid-2007 with the collapse of several large international hedge funds and the near-collapse of a major industrial bank in Germany, followed by the breakdown of interbank lending markets in August 2007, has had important, continued impacts on the economy, including the insurance sector. Events took a turn for the worse when, during the second half of 2008, the crisis exploded into a global credit crunch following the collapse of major global financial institutions. By the end of 2008, the world economy had rapidly entered a phase of globally synchronized slowdown and, in the first quarter of 2009, headed towards a global recession. The speed at which the world economy had fallen victim to the recessionary wave of financial turmoil in the United States and Europe caught everyone by surprise. In the second quarter of 2009, some signs were emerging indicating that the worst might be over following the large-scale counter-cyclical policy packages put in place by a number of larger developed and emerging market economies together with their massive liquidity injections into banking systems to mitigate the scale and depth of the recession. Yet, enormous damage has already been inflicted on the real sector activities resulting, in particular, in a worldwide contraction of industrial production due to the severe global credit crunch and fall in world trade unprecedented in the post-war era (Nissanke, M, 2010). The ensuing recession officially became, by April 2009, the second longest since the Great Depression. Following a fall of 2.1% in the first quarter of 2009, gross domestic product in the OECD area stabilized in the second and third quarters according to preliminary estimates (Jones, c, 2009). The crisis rapidly developed and spread into a global economic shock, resulting in a number of European bank failures, declines in various stock indexes, and large reductions in the market value of equities and commodities. Many European financial institutions were purchased by corporate and institutional investors globally. Derivatives such as credit default swaps also increased the linkage between large financial institutions. Moreover, the de-leveraging of financial institutions, as assets were sold to pay back obligations that could not be refinanced in frozen credit markets, further accelerated the solvency crisis and caused a decrease in international trade. Some developing countries that had seen strong economic growth saw significant slowdowns (Dirk Willem te Velde, 2009). Arab World was far less severely affected by the credit crunch. With generally good balance of payments positions coming into the crisis or with alternative sources of financing for their large current account deficits, such as remittances, Foreign Direct Investment (FDI) or foreign aid, Arab countries were able to avoid going to the market in the latter part of 2008. This group is in the best position to absorb the economic shocks (World Bank report, 2009).

The insurance sector played an important supporting role in the financial crisis by virtue of the role played by financial guarantee insurance in wrapping, and elevating the credit standing of, complex structured products and thus making these products more attractive to investors and globally ubiquitous. In addition, the narrowly avoided collapse of AIG Incorporated (AIG Inc.), viewed by some as the world's largest insurance group consisting of a global financial service holding company with 71 U.S. based insurance companies and 176 other financial service companies, contributed to the severity of the market turmoil in September 2008. Furthermore, growing corporate insolvencies and a negative credit watch outlook caused important dislocation and retrenchment in trade credit insurance markets, which added considerable stress to business-to-business transactions and increased liquidity pressures on

firms in an already liquidity-stressed environment, and thus aggravating the effects of the economic crisis. The financial crisis began as the U.S. “subprime” crisis in the summer of 2007 spread to a number of other advanced economies through a combination of direct exposures to subprime assets, the gradual loss of confidence in a number of asset classes and the drying-up of wholesale financial markets. In this process it came to expose “home-grown” financial imbalances in a number of advanced economies, typically characterized by an overreliance on wholesale funding sources by the banking system and asset bubbles in residential property markets. There is still no full agreement among policymakers and researchers on what caused the build-up of financial imbalances globally. While most commentators concede that supervision and regulation were lacking with hindsight and efforts to strengthen regulation are well underway, strong disagreement persists on whether it was overly accommodative monetary policy from 2001 that fuelled the build-up (Taylor, 2007.). Some researchers argued that crisis may have been a combination of accommodative monetary policy and growing global imbalances that caused the build-up. But even if this were to be so, an empirical determination of these factors’ relative contribution remains an important and unfinished task (Obstfeld and Rogoff, 2009). Merrouche, O and Nier, E empirically investigated the drivers of financial imbalances ahead of the global financial crisis. They found that three factors may have contributed to the build-up of financial imbalances: (i) rising global imbalances (capital flows), (ii) monetary policy that might have been too loose, (iii) inadequate supervision and regulation. Researchers found that the build-up of financial imbalances was driven by capital inflows and an associated compression of the spread between long and short rates. Gwinner, W, and Sanders, A. discusses some of the key characteristics of the U.S. subprime mortgage boom and bust, contrasts them with characteristics of emerging mortgage markets, and makes recommendations for emerging market policy makers. The crisis has raised questions in the minds of many as to the wisdom of extending mortgage lending to low and moderate income households. It is important to note, however, that prior to the growth of subprime lending in the 1990s, U.S. mortgage markets already reached low and moderate-income households without taking large risks or suffering large losses. In most emerging markets, mortgage finance is a luxury

good, restricted to upper income households. As policy makers in emerging market seek to move lenders down market, they should adopt policies that include a variety of financing methods and should allow for rental or purchase as a function of the financial capacity of the household (Gwinner, W, and Sanders, A, 2008).

Yulia, D., and Hemert, O analyzed the quality of subprime mortgage loans by adjusting their performance for differences in borrower characteristics, loan characteristics and house price appreciation since origination. Researchers find that the quality of loans deteriorated for six consecutive years before the crisis and that securitizers were, to some extent, aware of it. They provide evidence that the rise and fall of the subprime mortgage market follows a classic lending boom-bust scenario, in which unsustainable growth leads to the collapse of the market. Problems could have been detected long before the crisis, but they were masked by high house price appreciation between 2003 and 2005 (Yulia, D., and Hemert, O, 2007).

Test Hypotheses:

Ho-1: There is no significant effect of assets on the net income (earning per share) of Jordan’s Insurance Companies due to the Global Financial Crisis at $0.05 \geq \alpha$ level.

Ho-2: There is no significant effect of investments on the net income (earning per share) of Jordan's Insurance Companies due to the Global Financial Crisis at $0.05 \geq \alpha$ level.

H₀-3: There is no significant effect of equity on the net income (earning per share) of Jordan's Insurance Companies due to the Global Financial Crisis at $0.05 \geq \alpha$ level.

Ho-4: There is no significant effect of liabilities on the net income (earning per share) of Jordan's Insurance Companies due to the Global Financial Crisis at $0.05 \geq \alpha$ level.

Methodology:

This study implements the qualitative statistical analysis in diagnosing the theoretical part, while researchers used the quantitative analytical approach in testing the research hypotheses; these tests include correlation measurement and simple regression analyses.

Independent Variables: Investments, Assets, Liabilities, Shareholders Equity.

Dependent variable: Earning per share.

Data:

Tests:

- 1- The correlation coefficient: it is a measure of how well trends in the predicted values follow trends in past actual values. It is a measure of how well the predicted values from a forecast model "fit" with the real-life data. The correlation coefficient is a number between 0 and 1. If there is no relationship between the predicted values and the actual values the correlation coefficient is 0 or very low (the predicted values are no better than random numbers). As the strength of the relationship between the predicted values and actual values increases so does the correlation coefficient. A perfect fit gives a coefficient of 1.0. Thus the higher the correlation coefficient the better.

Correlation Coefficient of data set can be derived from the formula

$$\rho_{X,Y} = \text{corr}(X, Y) = \frac{\text{cov}(X, Y)}{\sigma_X \sigma_Y}$$

$$r = \frac{1}{(n-1)} \sum \frac{(X - \mu_X)(Y - \mu_Y)}{\sigma_X \sigma_Y}$$

2- Simple regression: A statistical measure that attempts to determine the linear association between quantitative variables, a statistical procedure called regression often is used to construct a model. Regression is used to assess the contribution of one or more independent variables to one dependent variable. It can also be used to predict the value of one variable based on the values of others. When there is only one independent variable and when the relationship can be expressed as a straight line, the procedure is called simple linear regression. Simple linear regression is used for three main purposes:

1. To describe the linear dependence of one variable on another
2. To predict values of one variable from values of another, for which more data are available
- 3- To correct for the linear dependence of one variable on another, in order to clarify other features of its variability.

Summary formula sheet for simple linear regression

$$\text{Slope } b = \frac{\sum (Y_i - \bar{Y})(X_i - \bar{X})}{\sum (X_i - \bar{X})^2}$$

$$\text{Variance } \sigma^2 / \sum (X_i - \bar{X})^2$$

$$\text{Intercept } a = \bar{Y} - b \bar{X}$$

$$\text{Variance of } a \left[\frac{1}{n} + \frac{\bar{X}^2}{\sum (X_i - \bar{X})^2} \right] \sigma^2$$

$$\text{Estimated mean at } X_0 \quad a + b X_0$$

$$\text{Variance } \left[\frac{1}{n} + \frac{(X_0 - \bar{X})^2}{\sum (X_i - \bar{X})^2} \right] \sigma^2$$

$$\text{Estimated individual at } X_0 \quad a + b X_0$$

$$\text{Variance } \left[1 + \frac{1}{n} + \frac{(X_0 - \bar{X})^2}{\sum (X_i - \bar{X})^2} \right] \sigma^2$$

$$\text{Total SS} = \sum (Y_i - \bar{Y})^2$$

$$\text{Regression SS} =$$

$$\left[\frac{\sum (Y_i - \bar{Y})(X_i - \bar{X})}{\sum (X_i - \bar{X})^2} \right]^2 \sum (X_i - \bar{X})^2$$

$$\text{Error SS} = \text{Total SS} - \text{Regression SS}$$

Study Results:

1- Correlation test:

Table (1): correlation coefficient of independent and dependent variables before and after global crisis.

Independent Variables Arranged Ascending to R	Correlation Coefficient R Before Crisis	Correlation Coefficient R After Crisis
Equities	-.206	- 0.731
Investments	0.237	- 0.67
Assets	0.132	0.247
Liabilities	- 0.479	0.339

To know the impact of the correlation power between independent variables (Assets, Equities, Investments, Liabilities) and the dependent variable (earning per share); independent variables were arranged according to the correlation coefficient (R).The correlation before the crisis shows the least is for the liabilities(- 0.479) which improved to be on top after the crisis(0.339),this was followed by assets which improved from 0.132 before the crisis to 0.247 after the crisis; however, the investment sector dropped from 0.237 before the crisis to – 0.67 after the crisis, equities came as last in rank.

2- Hypotheses tests :

H₀-1(a): There is no significant effect at 0.05 ≥ α level of assets on the earning per share (E.P.S.) of Jordan’s Insurance Companies prior the Global Financial Crisis. This hypothesis has been tested by using simple regression analysis test; following table reflects the results.

Table (2): Effect of Assets on E.PS. before Global Crisis – using simple regression

R ²	Sum of SQUARES	Deg.F	Squares Mean	Default	B	t	Sig. Level
0.017	6354000000000	1	6354000000000	0.126	0.029	0.23	0.833
	361000000000000	3	120600000000000				
	6382000000000000						

Table (2) shows no significant effect of assets on earning per share in the period prior to global crisis as R² for the assets variable reflected only 1.7% of the total variance and shows that t = 0.23 and this figure is statistically insignificant at 0.05 ≥ α level.

H1-1(a): Test results confirmed the null hypothesis that there is no significant effect at 0.05 ≥ α level of assets on the earning per share (E.P.S.) of Jordan’s Insurance Companies prior the Global Financial Crisis.

H0 -1(b): states that there is no significant effect at 0.05 ≥ α level of assets on earning per share of Jordan’s Insurance Companies aftermath the global financial crisis. This hypothesis has been tested by using simple regression analysis test; following table reflects the results:

Table (3): Effect of Assets on E.PS. aftermath the Global Crisis – using simple regression.

R ²	Sum of SQUARES	Deg.F	Squares Mean	Default	B	t	Sig. Level
0.061	6.092E12	1	6.092E12	0.124	0.045	0.36	0.753
	9.400E13	2	4.700E13				
	1.001E14	3					

Table (3) shows no significant effect of assets on earning per share in period aftermath and shows that t = 0.36 and this figure is statistically insignificant at 0.05 ≥ α level. However, the correlation coefficient before and aftermath the global crisis is 0.98.

To test for the significance of the two correlation coefficient- test was conducted; computed t-test was 0.266 while the critical t- value at 0.05 ≥ α significance level and 6 degrees of freedom was 1.94 which indicates that the computed value is less than the critical value; this reveals that there were no significant differences in the effect of assets on the earning per share prior and aftermath the global crisis.

H₁-1(b): Test results confirmed the null hypothesis that there is no significant effect at 0.05 ≥ α level of assets on earning per share of Jordan’s Insurance Companies aftermath the global financial crisis.

HO-2(a): There is no significant effect at 0.05 ≥ α level of investments on the earning per share (E.P.S.) of Jordan’s Insurance Companies prior the Global Financial Crisis.

This hypothesis has been tested by using simple regression analysis test; following table reflects the results:

Table (4): Effect of investments on E.PS.prior the Global Crisis – using simple regression.

R ²	Sum of SQUARES	Deg.F	Squares Mean	Default	B	t	Sig. Level
0.056	1.565E14	1	1.565E14	0.159	0.067	0.423	0.701
	3.525E15	3	1.175E15				
	3.682E15	4					

Table (4) shows no significant effect of investments on earning per share in the period prior to global crisis as R² for the assets variable reflected only 5.6% of the total variance and shows that t = 0.423 and this figure is statistically insignificant at 0.05 ≥ α level.

H₀-2(b): There is no significant effect at 0.05 ≥ α level of investments on the earning per share (E.P.S.) of Jordan’s Insurance Companies aftermath the Global Financial Crisis. This hypothesis has been tested by using simple regression analysis test; following table reflects the results:

Table (5): Effect of investments on E.PS.aftermath the Global Crisis – using simple regression

R ²	Sum of SQUARES	Deg.F	Squares Mean	Default	B	t	Sig. Level
0.449	4.496E13	1	4.496E13	0.407	0.520	-1.28	0.330
	5.513E13	2	2.756E13				
	1.001E14	3					

Table (5) shows no significant effect of investment on earning per share in the period prior to global crisis as R² for the assets variable reflected only 44.9% of the total variance and shows that t = -1.28 and this figure is statistically insignificant at 0.05 ≥ α level. However, the correlation coefficient before and aftermath the global crisis is 0.44.

To test for the significance of the two correlation coefficient- test was conducted; computed t-test was 2.85 while the critical t- value at 0.05 ≥ α significance level and 6 degrees of freedom was 1.94 which indicates that the computed value is greater than the critical value; this reveals that there were significant differences in the effect of investments on the earning per share prior and aftermath the global crisis.

H₀-3(a): There is no significant effect at 0.05 ≥ α level of equities on the earning per share (E.P.S.) of Jordan’s Insurance Companies prior the Global Financial Crisis.

This hypothesis has been tested by using simple regression analysis test; following table reflects the results:

Table (6): Effect of equities on E.PS.prior the Global Crisis – using simple regression

R ²	Sum of SQUARES	Deg.F	Squares Mean	Default	B	t	Sig. Level
0.043	2.069E14	1	2.069E14	0.15	-0.005	-0.365	0.739
	3.475E15	3	1.158E15				
	3.682E15	4					

Table (6) shows no significant effect of equities on earning per share in the period prior to global crisis as R² for the assets variable reflected only 4.3% of the total variance and shows that t = - 0.365 and this figure is statistically insignificant at 0.05 ≥ α level.

H₀-3(b): There is no significant effect at 0.05 ≥ α level of equities on the earning per share (E.P.S.) of Jordan’s Insurance Companies aftermath the Global Financial Crisis.

This hypothesis has been tested by using simple regression analysis test; following table reflects the results:

Table (7): Effect of equities on E.PS aftermath the Global Crisis – using simple regression

R ²	Sum of SQUARES	Deg.F	Squares Mean	Default	B	t	Sig. Level
0.534	5.346E13	1	5.346E13	0.411	-0.622	-1.51	0.269
	4.663E13	2	2.331E13				
	1.001E14	3					

Table (7) shows no significant effect of investments on earning per share in the period aftermath global crisis as R² for the assets variable reflected only 53.4% of the total variance and shows that t = - 1.51 and this figure is statistically insignificant at 0.05 ≥ α level. However, the correlation coefficient before and aftermath the global crisis is - 0.85.

To test for the significance of the two correlation coefficient- test was conducted; computed t- test was 1.66 while the critical t- value at 0.05 ≥ α significance level and 6 degrees of freedom was 1.94; this indicates that computed t is less than the critical value; which reveals that there were no significant differences in the effect of equities on the earning per share prior and aftermath the global crisis.

H₀-4(a): There is no significant effect of liabilities on the net income (earning per share) of Jordan’s Insurance Companies prior the Global Financial Crisis at 0.05 ≥ α level. This hypothesis has been tested by using simple regression analysis test; following table reflects the results:

Table (8): Effect of liabilities on E.PS.prior the Global Crisis – using simple regression

R ²	Sum of SQUARES	Deg.F	Squares Mean	Default	B	t	Sig. Level
0.229	8.441E14	1	8.441E14	0.388	- 0.367	-0.945	0.415
	2.838E15	3	9.459E14				
	3.682E15	4					

Table (8) shows no significant effect of liabilities on earning per share in the period prior to global crisis as R² for the assets variable reflected only 22.9% of the total variance and shows that t = - 0.945 and this figure is statistically insignificant at 0.05 ≥ α level.

Ho-4(b): There is no significant effect of liabilities on the net income (earning per share) of Jordan’s Insurance Companies aftermath the Global Financial Crisis at 0.05 ≥ α level. This hypothesis has been tested by using simple regression analysis test; following table reflects the results:

Table (9): Effect of liabilities on E.PS.aftermath the Global Crisis – using simple regression

R ²	Sum of SQUARES	Deg.F	Squares Mean	Default	B	t	Sig. Level
0.115	1.151E13	1	1.151E13	0.102	0.052	0.51	0.66
	8.858E13	2	4.429E13				
	1.001E14	3					

Table (9) shows no significant effect of liabilities on earning per share in the period prior to global crisis as R² for the assets variable reflected only 11.5% of the total variance and shows that t = 0.51 and this figure is statistically insignificant at 0.05 ≥ α level. However, the correlation coefficient before and aftermath the global crisis is 0.096.

To test for the significance of the two correlation coefficient- test was conducted; computed t-test was 1.9 while the critical t- value at 0.05 ≥ α significance level and 6 degrees of freedom was 1.94; this indicates that computed t is less than the critical value; which reveals that there were no significant differences in the effect of equities on the earning per share prior and aftermath the global crisis.

Results:

In this study, researchers empirically investigated the effect of the 2007- 2008 financial crisis on Jordan’s insurance sector. Results are:

- 1- There was no significant difference of company assets on net income prior and aftermath global financial crisis.
- 2- There was significant difference of company investments on net income prior and aftermath global financial crisis.
- 3- There was no significant difference of company equities on net income prior and aftermath global financial crisis.
- 4- There was no significant difference of company liabilities on net income prior and aftermath global financial crisis.

Conclusions:

Financial crisis has drawn some key policy conclusions from the crisis and its impact on the insurance sector. Growing corporate insolvencies and negative credit watch outlooks caused important dislocation and retrenchment in trade credit insurance markets, which added considerable stress to the business-to-business transactions and has increased liquidity pressures on firms in an already liquidity-stressed environment, and thus aggravating the effects of the economic crisis. Therefore, there is a need to provide further impetus to financial sector reform. Policy conclusions are aimed at promoting financial stability, enhancing the protection of policy holders, and ensuring a level and competitive playing field.

Recommendations:

- 1- Hedge for monetary and financial crises by investing in financial derivatives.
- 2- Diversification of investments to guarantee liquidity of the insurance companies.
- 3- Further studies and make advantage of others' studies in dealing with such crises.

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