



**Saudi Arabian Monetary Agency**  
**The General Department of Insurance Control**

**The Saudi Insurance Market Report**  
**2014**



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## Introduction



# Introduction

- In 2014, Gross Written Premiums (GWP) in the Saudi insurance market reached SR 30.48 Billion, up from SR 25.24 Billion in 2013. This represents an increase of 20.8%, compared to a 19.2% growth rate in 2013:
  - Health insurance GWP, which represents 52% of the insurance market, increased by 21.9% to SR 15.7 Billion in 2014 compared to SR 12.9 Billion in 2013
  - General insurance GWP, which represents 45% of the insurance market, increased by 20.5% to SR 13.9 Billion in 2014 compared to SR 11.5 Billion in 2013
  - Protection & savings (P&S) insurance GWP, which represents 3% of the insurance market, increased by 7% to SR 904 Million in 2014 compared to SR 844 Million in 2013



## Insurance Market Performance - Overall

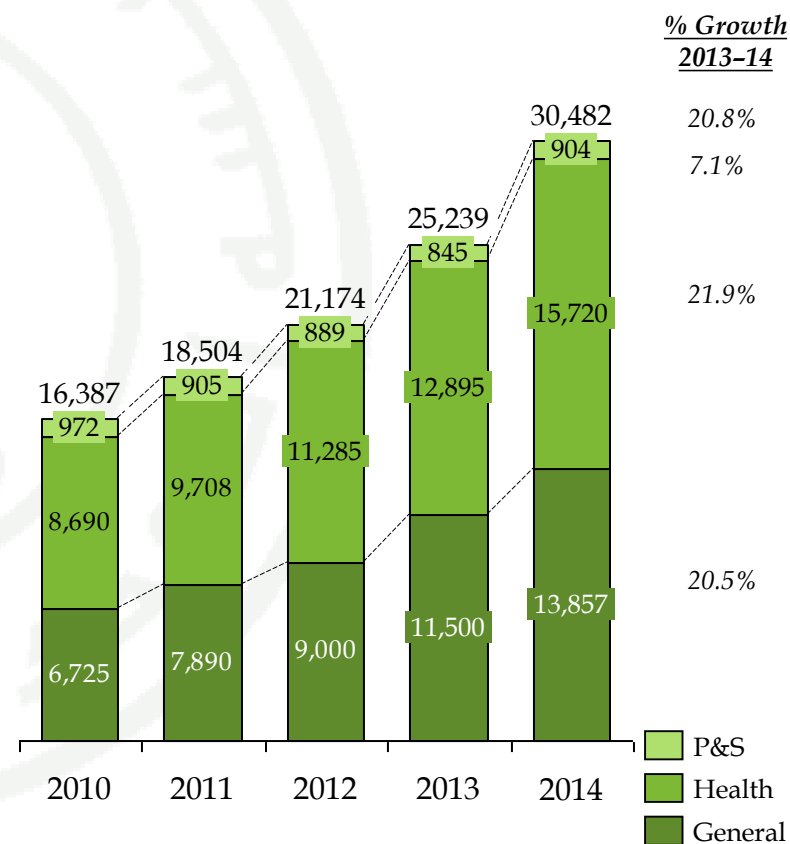


# Gross Written Premiums

- The overall insurance Gross Written Premiums increased by SR 5.24 Billion to reach SR 30.48 Billion<sup>(1)</sup> in 2014, compared to SR 25.24 Billion in 2013, which represents a growth rate of 20.8%.
- Health insurance remained the biggest line of business in 2014. Its contribution to total GWP slightly increased from 51% in 2013 to 52% in 2014, while General insurance's contribution to total business volume decreased to 45% in 2014.
- Health insurance accounted for SR 2.8 Billion of the SR 5.24 Billion increase, which represents a 53% contribution to the market's GWP increase.
- Protection and Savings insurance remained the smallest line of business accounting for 3% of total GWP, with an increase in its written premiums by 7% in 2014.

In SR Million	2010		2011		2012		2013		2014	
	SR (M)	% Total	SR (M)	% Total	SR (M)	% Total	SR (M)	% Total	SR (M)	% Total
Protection & Savings	972	%6	905	%5	889	%4	845	%3	904	%3
Health	8,690	%53	9,708	%52	11,285	%53	12,895	%51	15,720	%52
General	6,725	%41	7,890	%43	9,000	%43	11,500	%46	13,857	%45
<b>Total</b>	<b>16,387</b>	<b>%100</b>	<b>18,504</b>	<b>%100</b>	<b>21,174</b>	<b>%100</b>	<b>25,239</b>	<b>%100</b>	<b>30,482</b>	<b>%100</b>

**Gross Written Premiums**  
(2010 to 2014, SR Million)

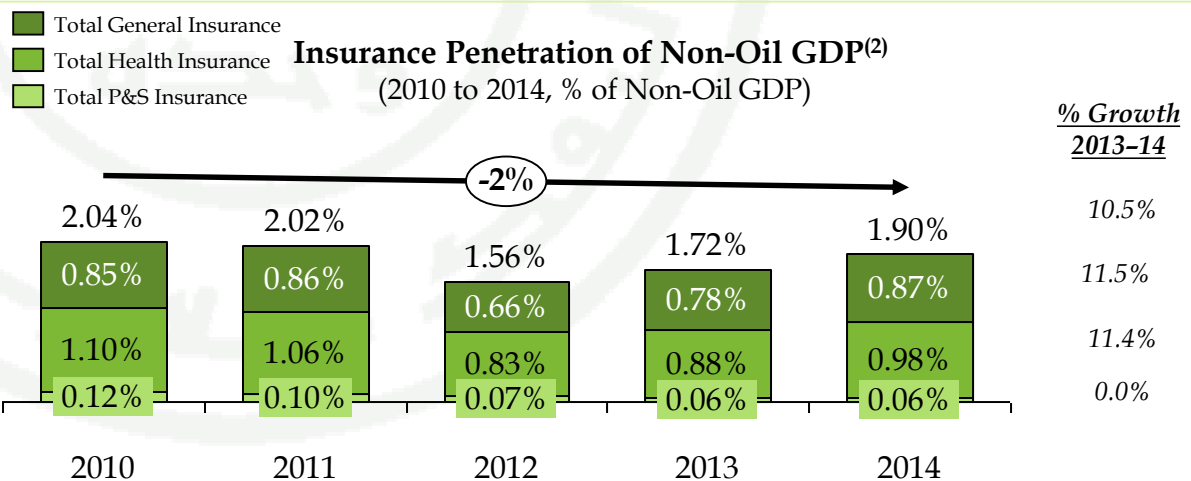
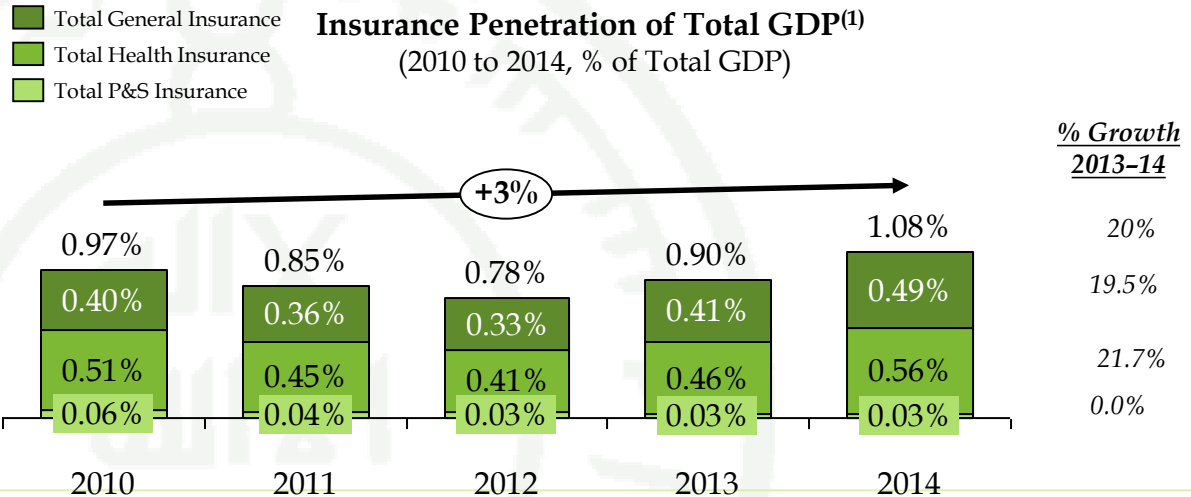


(1) The GWP is the total of accounted premiums. There may be double counting of reinsurance premiums accepted from other Saudi Arabian insurers or reinsurers



# Insurance Penetration

- Insurance penetration of total Gross Domestic Product (GDP) is defined as Gross Written Premiums divided by the total GDP
- Over the past five years, insurance penetration has increased at a compounded annual growth rate (CAGR) of 3%
- In 2014, insurance penetration increased to 1.08% up from 0.9% in 2013
- Insurance penetration of non-oil GDP is defined as Gross Written Premiums divided by non-oil GDP
- Insurance penetration of non-oil GDP increased to 1.9%, up from 1.72% in 2014
- Insurance penetration of non-oil GDP has decreased at an average annual rate of 2% between 2010 and 2014



(1) Total GDP of SR 1,690 SR 2,163 SR 2,727 SR 2,795 and SR 2,821 Billion in 2010, 2011, 2012, 2013 and 2014, respectively

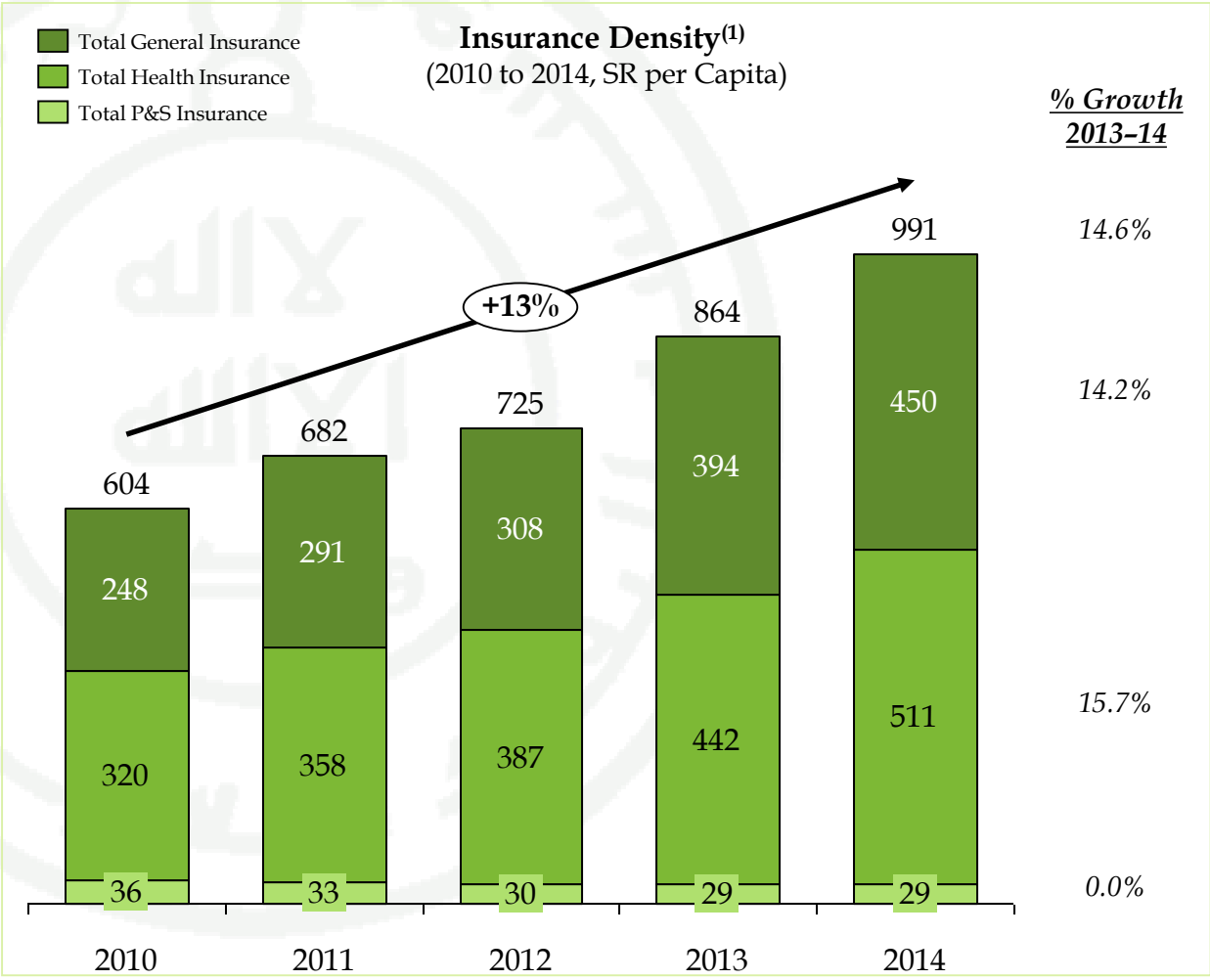
(2) Non-oil GDP SR 792 SR 919 SR 1,353 SR 1,471 and SR 1,601 Billion in, 2010, 2011, 2012, 2013 and 2014 respectively





# Insurance Density

- Insurance density is defined as Gross Written Premiums per Capita. Insurance density increased from SR 864 per Capita in 2013 to SR 991 per capita in 2014, which represents a 14.6% increase
- Expenditures per Capita on insurance products have increased by an average annual rate of 13% between 2010 and 2014
- The density of Protection and Savings insurance remained low in absolute terms, and relative to General and Health insurance, at SR 29 per Capita



(1) Saudi population of 27.1, 27.1, 29.19, 29.19 and 30.77 Million in 2010, 2011, 2012, 2013 and 2014, respectively



# Gross Written Premiums by Line of Business

- Motor and Health insurance accounted for around 77.9% of total GWP in 2014
- Health insurance, which includes both compulsory and non-compulsory lines of business, remained the largest line of business in 2014, accounting for 51.6% of total GWP
- Motor compulsory and non-compulsory lines of business stood in second place with a 26.3% share of total GWP
- Motor underwritten premiums recorded the highest growth rate in 2014 at 26.3%
- Health and Engineering insurance underwritten premiums increased by 21.9% and 19.5% respectively in 2014

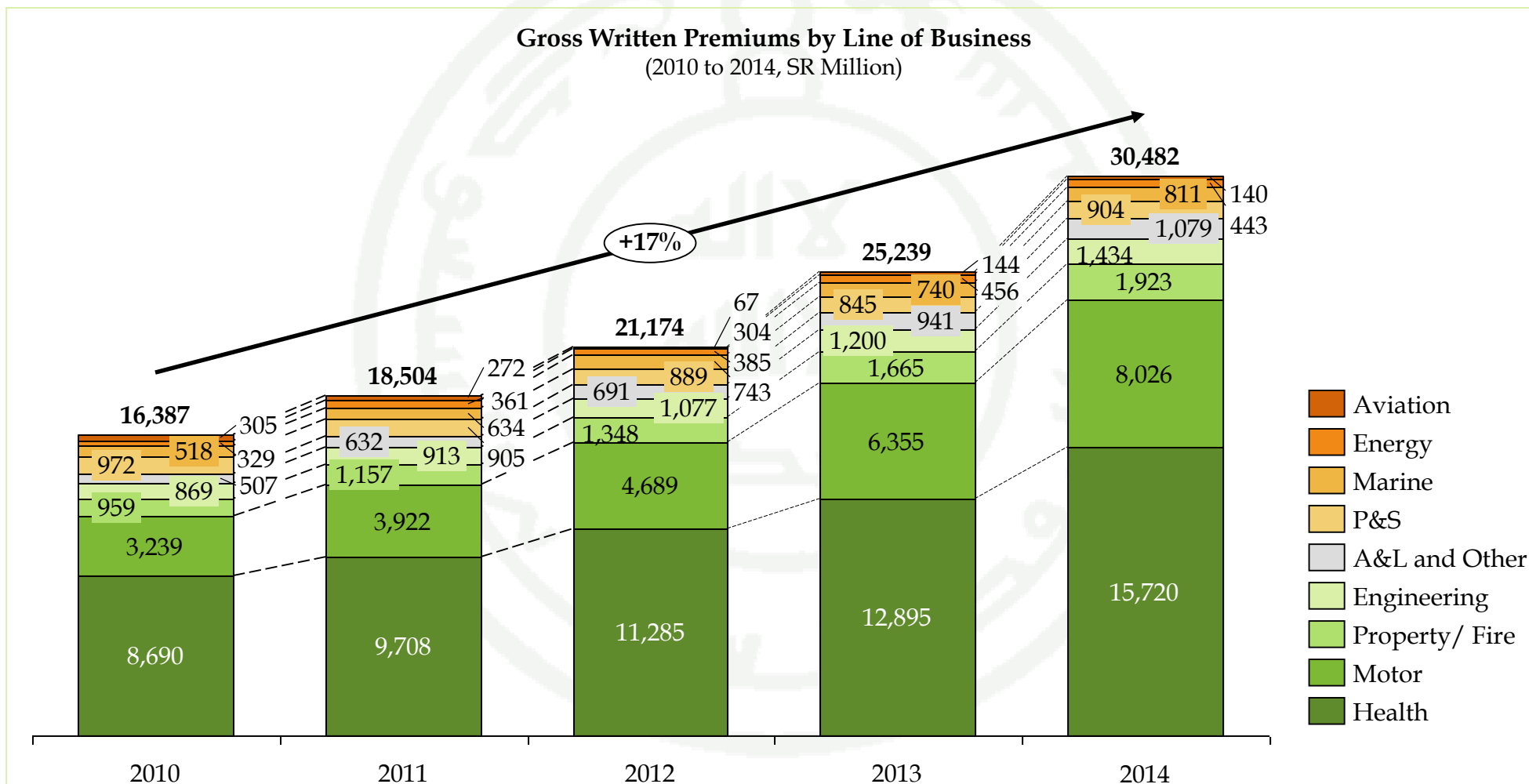
In SR Million	2010		2011		2012		2013		2014		Growth
	SR M	% Total	SR M	% Total	SR M	% Total	SR M	% Total	SR M	% Total	%
Aviation	305	%1.9	272	%1.5	67	%0.3	144	%0.6	140	%0.5	%2.6-
Energy	329	%2.0	361	%2.0	385	%1.8	456	%1.8	443	%1.5	%2.9-
Marine	518	%3.2	634	%3.4	743	%3.5	740	%2.9	811	%2.7	%9.6
P&S	972	%5.9	905	%4.9	889	%4.2	845	%3.3	904	%3.0	%7.1
A&L and Other	507	%3.1	632	%3.4	691	%3.3	941	%3.7	1,079	%3.5	%14.7
Engineering	869	%5.3	913	%4.9	1,077	%5.1	1,200	%4.8	1,434	%4.7	%19.5
Property/ Fire	959	%5.9	1,157	%6.3	1,348	%6.4	1,665	%6.6	1,923	%6.3	%15.5
Motor	3,239	%19.8	3,922	%21.2	4,689	%22.1	6,355	%25.2	8,026	%26.3	%26.3
Health	8,690	%53.0	9,708	%52.5	11,285	%53.3	12,895	%51.1	15,720	%51.6	%21.9
<b>Total</b>	<b>16,387</b>	<b>%100</b>	<b>18,504</b>	<b>%100</b>	<b>21,174</b>	<b>%100</b>	<b>25,239</b>	<b>%100</b>	<b>30,482</b>	<b>%100</b>	<b>%20.8</b>

(1) A&L stands for Accidents and Liabilities insurance throughout the document



# Gross Written Premiums by Line of Business (continued)

Gross Written Premiums by Line of Business  
(2010 to 2014, SR Million)





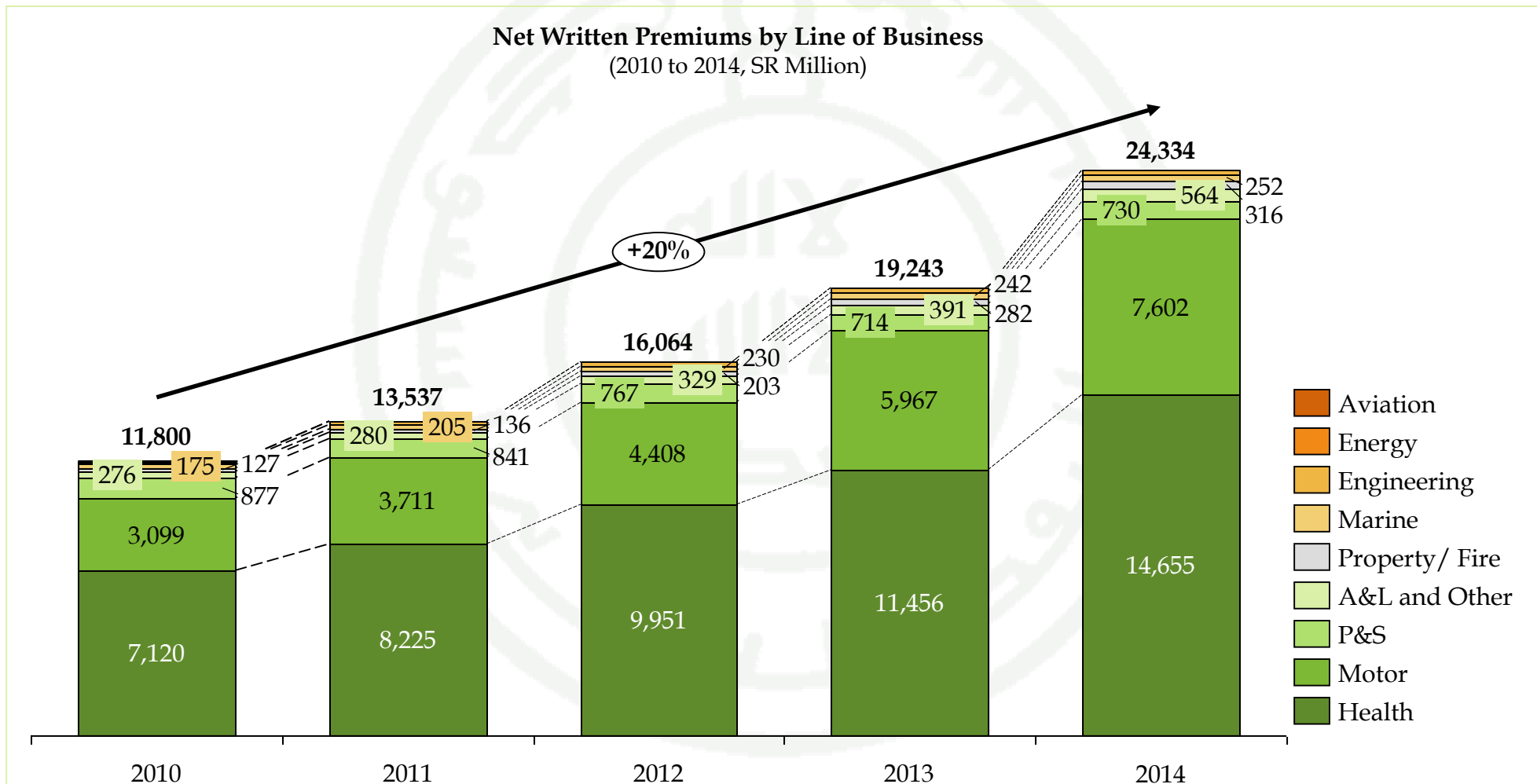
# Net Written Premiums by Line of Business

- Net Written Premiums (NWP) is defined as the premiums retained by the insurance company, after the subtraction of the premiums ceded to local or international reinsurers from GWP by line of business
- Total NWP increased from SR 19.24 Billion in 2013 to SR 24.33 Billion in 2014, a 26.5% increase
- Around 91.4% of total NWP in 2014 was generated by Motor and Health insurance
- Health insurance remained the largest line of business accounting for 60.2% of total NWP
- Motor insurance's share of total NWP remained in second place, and Motor insurance accounted for 31.2% of NWP in 2014

In SR Million	2010		2011		2012		2013		2014		Growth
	SR M	% Total	SR M	% Total	SR M	% Total	SR M	% Total	SR M	% Total	%
Aviation	5	%0.04	1	%0.01	2	%0.01	4	%0.02	3	%0.01	%3.9-
Energy	8	%0.06	7	%0.05	7	%0.05	8	%0.04	9	%0.04	%14.8
Engineering	114	%0.94	131	%0.97	166	%1.03	180	%0.94	205	%0.84	%13.7
Marine	175	%1.47	205	%1.51	230	%1.43	242	%1.26	252	%1.03	%4.1
Property/ Fire	127	%1.05	136	%1.00	203	%1.26	282	%1.46	316	%1.30	%12.1
A&L and Other	276	%2.28	280	%2.07	329	%2.05	391	%2.03	564	%2.32	%44.2
P&S	877	%7.51	841	%6.21	767	%4.77	714	%3.71	730	%3.00	%2.2
Motor	3,099	%26.07	3,711	%27.41	4,408	%27.44	5,967	%31.01	7,602	%31.24	%27.4
Health	7,120	%60.59	8,225	%60.76	9,951	%61.95	11,456	%59.53	14,655	%60.22	%27.9
<b>Total</b>	<b>11,800</b>	<b>%100</b>	<b>13,537</b>	<b>%100</b>	<b>16,064</b>	<b>%100</b>	<b>19,243</b>	<b>%100</b>	<b>24,334</b>	<b>%100</b>	<b>%26.5</b>



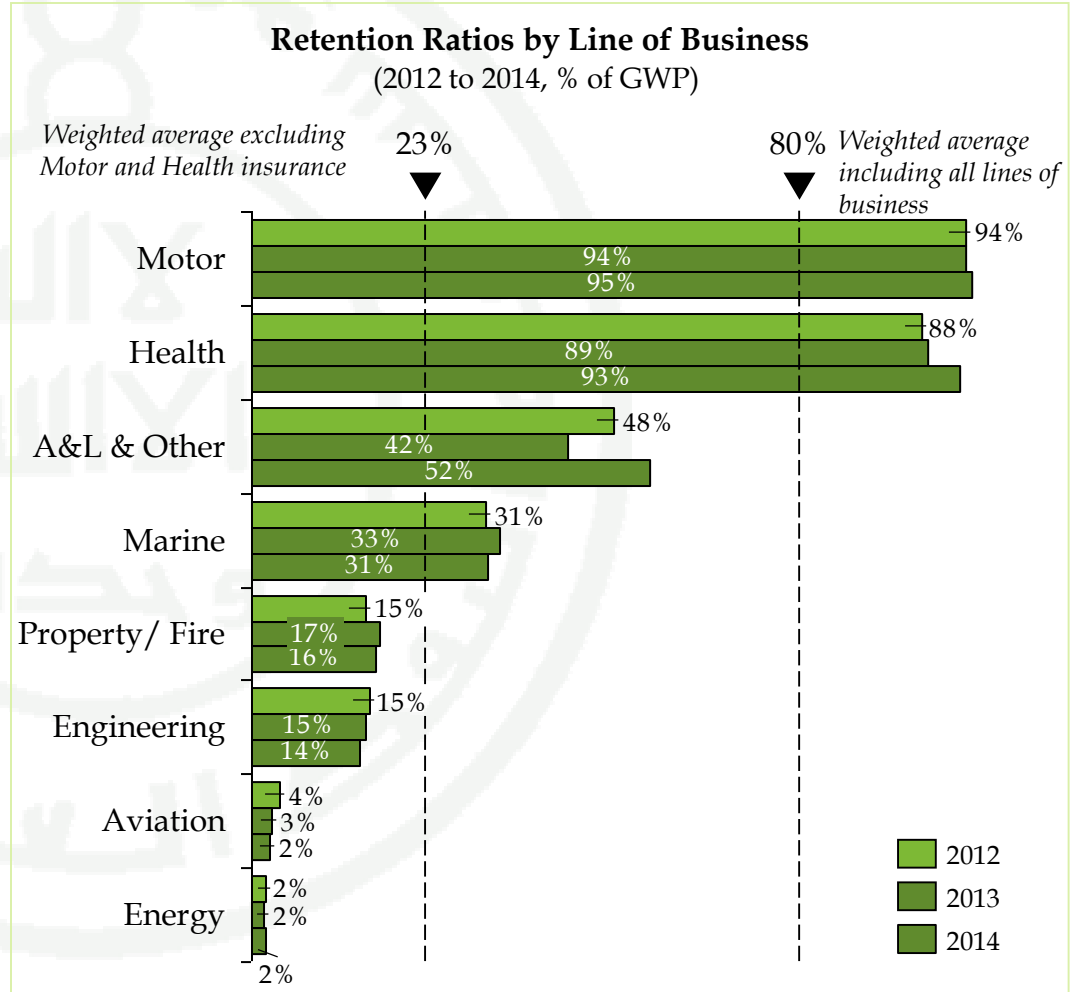
# Net Written Premiums by Line of Business (continued)





# Retention Ratio by Line of Business

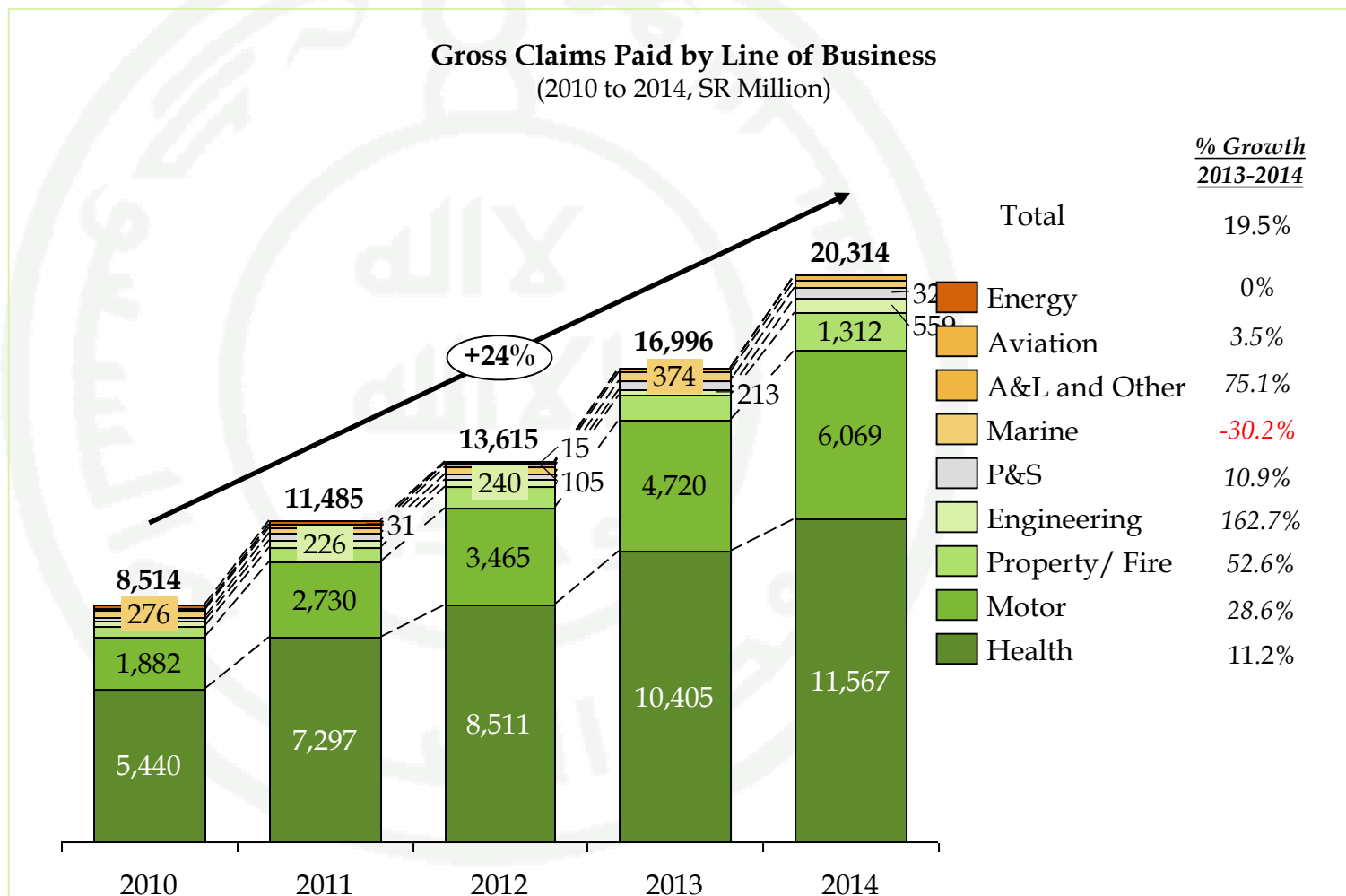
- The retention ratio measures the written premiums retained by the insurance company. It is calculated by dividing the NWP by the GWP
- The overall retention ratio of insurance companies in the Saudi market increased slightly to 79.8% in 2014, up from 76.2 % in 2013. This ratio is largely skewed due to the high retention ratio of Motor and Health insurance which collectively account for around 77.9% of total GWP. In 2014, the retention ratios for Motor and Health insurance were 95% and 93%, respectively
- The weighted average retention ratio of other insurance lines of business (i.e., excluding Motor and Health insurance) decreased to 23% in 2014 compared to 30% in 2013
- Notes:
  - All licensed companies are required to adhere to a minimum retention ratio of 30% (as per Article 40 of the Implementing Regulations)
  - Retention ratios are not shown for Protection & Savings insurance as the savings element of the contract must be retained in the Saudi Arabian company. Therefore retentions for Protection & Savings insurance are not directly comparable with other insurance lines of business





# Gross Claims Paid by Line of Business

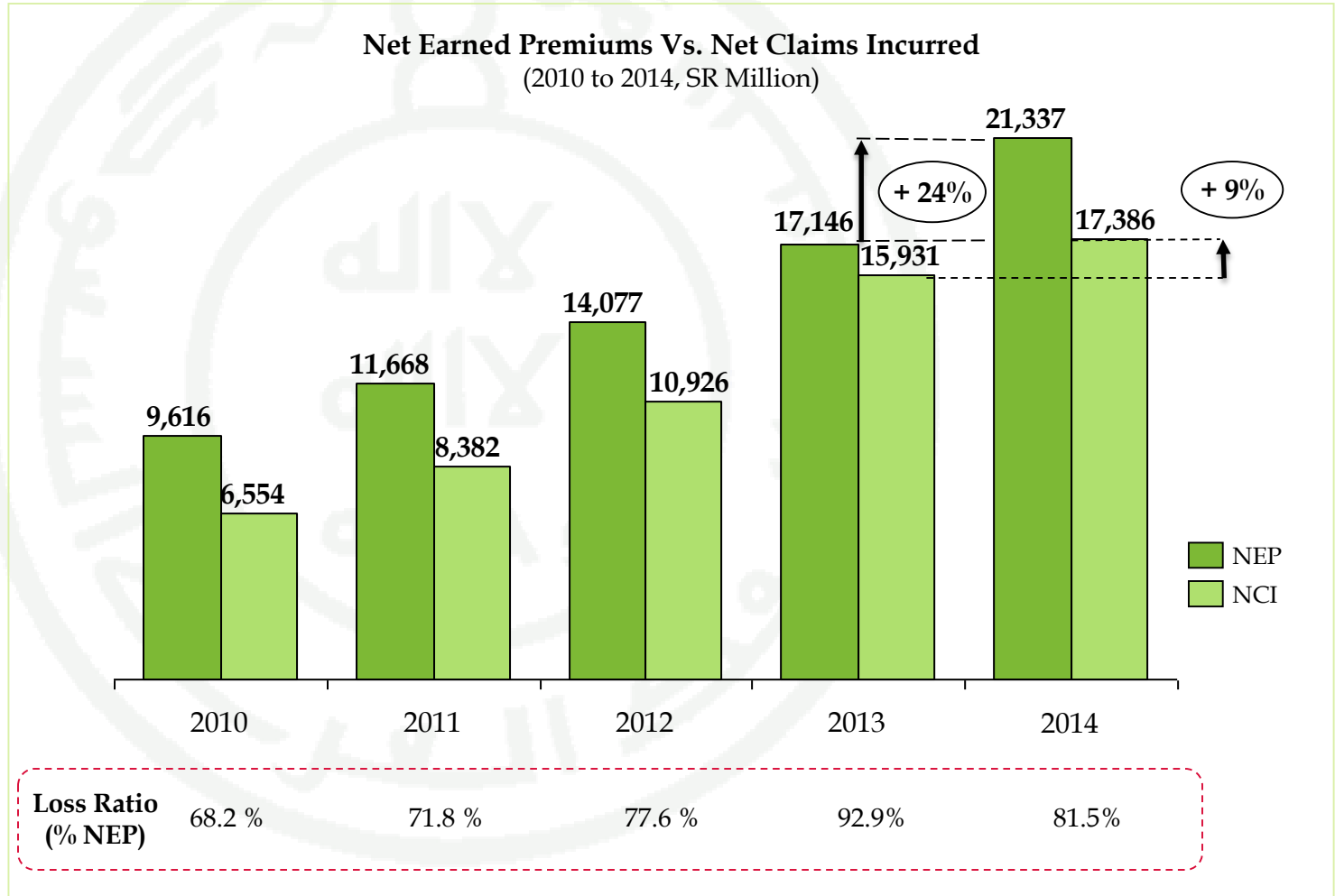
- Total gross claims paid increased by 19.5% from SR 17 Billion in 2013 to SR 20.3 Billion in 2014
- In 2014, Health and Motor gross claims paid grew by 11.2% and 28.6%, respectively compared to 2013 figures
- In 2014, Engineering insurance recorded the highest growth rate in gross claims paid, after increasing by 162.7% from SR 213 Million to SR 559 Million
- Table 7 in the appendix contains all the gross claims data by line of business from 2010 to 2014





# General and Health Net Earned Premiums vs. Net Claims Incurred

- Net Earned Premiums (NEP) is equal to NWP minus the change in net unearned premiums reserve
- The insurance market's General and Health NEP totaled SR 21.34 Billion in 2014, up from SR 17.15 Billion in 2013, which represents a 24% increase
- General and Health Net Claims Incurred (NCI), i.e., the total of net claims paid plus the change in outstanding and IBNR claims reserve, increased by 9% for the year 2014 to reach SR 17.39 Billion
- For 2014, General and Health net claims ratio, i.e., the loss ratio, which is equal to NCI divided by NEP, decreased to reach 81.5% compared to 92.9% in 2013



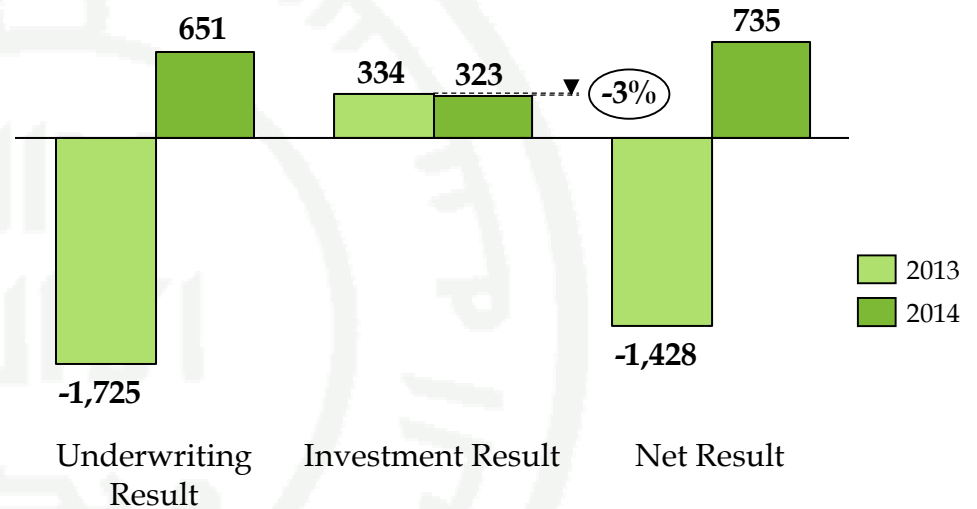




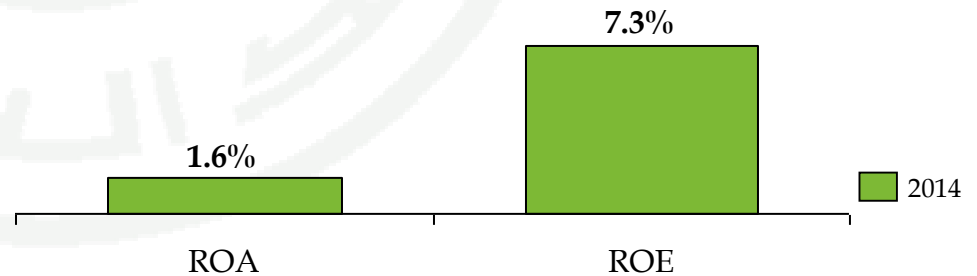
# Market Profitability

- Insurance underwriting result is the outcome of subtracting all insurance related expenses from insurance revenues
- The net result is equal to the sum of revenues minus the sum of expenses
- Investment income is the total investment income minus total investment expense
- In 2014, the insurance underwriting result totaled SR 651 Million, compared to -1,725 Million in 2013
- Investment income decreased slightly to SR 323 Million in 2014, compared to SR 334 Million in 2013
- The insurance market's net result totaled 735 Million in 2014, compared to SR -1,428 Million in 2013
- Return on Assets (ROA) is the ratio of net result to total assets. In 2014, insurance market's ROA was 1.6%
- Return on Equity (ROE) is the ratio of net result to total equity. In 2014, Insurance market's ROE was 7.3%

**Insurance Market Profitability**  
(2013-2014, SR Million)



**Insurance Market ROA/ ROE**  
(2014, % of Net Result to Assets/ Equity)





## Balance Sheet - Policyholders' Assets

- At the end of 2014 insurance companies held SR 6.26 Billion in cash and cash equivalents in their policyholders' accounts
- Reinsurance Recoverable accounted for the biggest share of policyholders' assets, with a value of SR 9.33 Billion
- Total investments amounted to SR 9.1 Billion
- Policyholders' (operational) assets amounted to SR 35.2 Billion

### Policyholders' Assets (2014, SR Thousand)

Item Name	General and Health Insurance	Protection and Saving Insurance	Total Insurance
Cash and cash equivalents	5,918,667	341,947	6,260,613
Receivables, net	7,153,313	103,702	7,257,015
Reinsurance recoverable	9,295,287	37,228	9,332,515
Deferred policy acquisition cost	854,917	3,202	858,119
Prepaid expenses	822,022	916	822,938
<b>Investments</b>	<b>6,194,634</b>	<b>2,861,948</b>	<b>9,056,581</b>
<i>Deposits at financial institutions</i>	4,160,103	93,832	4,253,935
<i>Loans</i>	-	4,177	4,177
<i>Debt securities and fixed income</i>	1,024,914	-	1,024,914
<i>Shares (common, preferred)</i>	288,077	-	288,077
<i>Real estate</i>	9,861	-	9,861
<i>Investment in subsidiaries and affiliates</i>	-	-	-
<i>Other</i>	711,679	2,763,939	3,475,617
Tangible assets	459,103	1,394	460,497
Intangible assets	24,198	-	24,198
Other policyholders assets	1,137,390	(14,830)	1,122,560
<b>Total policyholders assets</b>	<b>31,859,530</b>	<b>3,335,507</b>	<b>35,195,037</b>

\* Other investments consists mainly of investments in funds related to saving products



## Balance Sheet - Shareholders' Assets

- At the end of 2014, insurance companies' shareholders held SR 2.33 Billion in cash and cash equivalents
- Investments accounted for the biggest share of shareholders' assets, with a value of SR 8.3 Billion
- Shareholders' assets amounted to SR 12.1 Billion
- Insurance companies' total assets amounted to SR 47.3 Billion

<b>Shareholders' Assets</b> (2014, SR Thousand)			
Item Name	General and Health Insurance	Protection and Saving Insurance	Total Insurance
Cash and cash equivalents			2,330,296
Receivables, net			15,074
Investments			<b>8,312,338</b>
<i>Deposits at financial institutions</i>			3,384,945
<i>Loans</i>			1,923
<i>Debt securities and fixed income</i>			2,811,779
<i>Shares (common, preferred)</i>			874,216
<i>Real estate</i>			25,000
<i>Investment in subsidiaries and affiliates</i>			100,862
<i>Other</i>			1,113,613
Accrued interest, rent, income			22,520
Tangible assets			137,757
Intangible assets			853,379
Distributions due from policyholders account			321,919
Other shareholders assets			121,603
<b>Total shareholders assets</b>			<b>12,114,885</b>
<b>Total Assets</b>			<b>47,309,923</b>



## Balance Sheet - Policyholders' Liabilities and Equity

- At the end of 2014, insurance companies held SR 26.17 Billion in technical reserves, which consist of unearned premiums, outstanding claims, IBNR and adjustment expense reserves
- Mathematical reserves amounted to SR 3 Billion
- Policyholders' liabilities and equity amounted to SR 35.2 Billion

### Policyholders' Liabilities And Equity (2014, SR Thousand)

Item Name	General and Health Insurance	Protection and Saving Insurance	Total Insurance
Policyholders payables	740,487	15,891	756,378
Reinsurance balances payable	1,320,872	32,155	1,353,028
Technical reserves	<b>26,061,111</b>	<b>111,514</b>	<b>26,172,625</b>
Unearned premium	13,589,512	30,836	13,620,349
Outstanding claims, IBNR and adjustment expenses	12,471,599	80,678	12,552,276
Mathematical reserves	-	2,992,000	2,992,000
Other reserves	85,136	17,072	102,208
Unearned reinsurance commissions	362,672	4,810	367,482
Accrued expense and deferred income	2,145,105	38,292	2,183,397
Declared dividend payable	106,591	518	107,109
Distribution due to shareholders account	288,054	31,526	319,580
Other policyholders liabilities	572,303	70,094	<b>642,397</b>
<b>Total policyholders liabilities</b>	<b>31,682,331</b>	<b>3,313,872</b>	<b>34,996,203</b>
Accumulated surplus	179,922	18,912	198,834
<b>Total policyholders liabilities &amp; equity</b>	<b>31,862,253</b>	<b>3,332,784</b>	<b>35,195,037</b>



# Balance Sheet - Shareholders' Liabilities and Equity

- At the end of 2014, shareholders' liabilities amounted to SR 2.1 Billion while shareholders' equity totaled SR 10.06 Billion
- Share capital constituted the biggest share of shareholders' equity with a value of SR 10.25 Billion
- Shareholders' liabilities and equity registered SR 12.1 Billion
- Insurance companies' total liabilities and equity amounted to SR 47.3 Billion

## Shareholders' Liabilities And Equity (2014, SR Thousand)

Item Name	General and Health Insurance	Protection and Saving Insurance	Total Insurance
Shareholders payables			529,295
Zakat			441,302
Accrued expenses and deferred income			195,649
Other shareholders liabilities			892,432
<b>Total shareholders liability</b>			<b>2,058,677</b>
Share capital			10,252,097
Statutory reserves			1,202,371
Retained earnings			(1,601,433)
Other shareholders equity			203,173
<b>Total shareholders equity</b>			<b>10,056,208</b>
<b>Total shareholders liabilities &amp; equity</b>			<b>12,114,885</b>
<b>Total Liabilities and Equity</b>			<b>47,309,923</b>



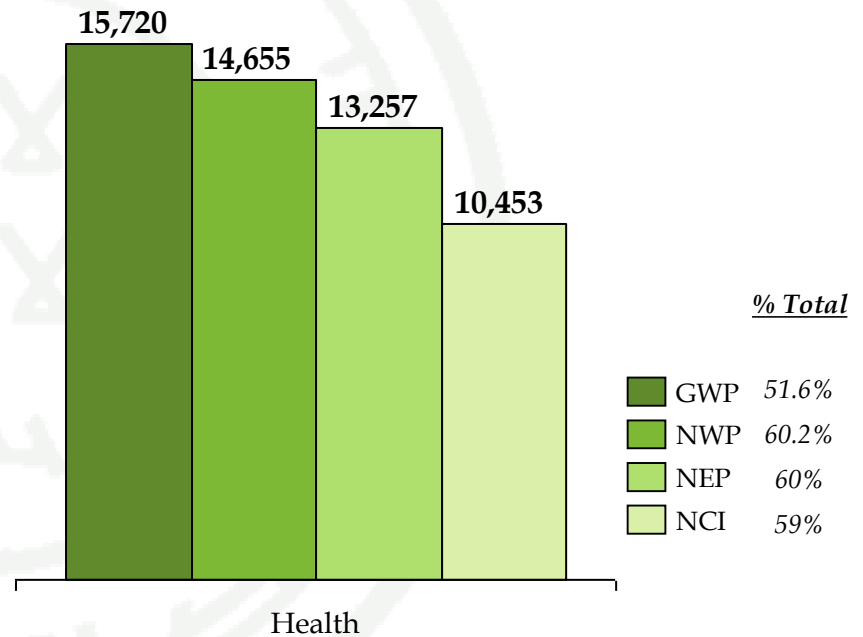
## Insurance Market Performance - By Line of Business



# Health Insurance

- Health insurance, which includes both compulsory and non-compulsory lines, accounted for 51.6% of the 2014 total market GWP with SR 15.7 Billion in underwritten premiums
- Health insurance accounted for 60.2% of the market's NWP as insurance companies retained SR 14.65 Billion of their Health insurance GWP, which represents a 93.2% retention ratio
- Health insurance's NEP registered SR 13.26 Billion
- Health insurance's NCI amounted to SR 10.45 Billion, which translates into a 79% loss ratio for the year 2014

**Health Insurance Performance**  
(2014, SR Million)



Retention Ratio

93.2%

Loss Ratio

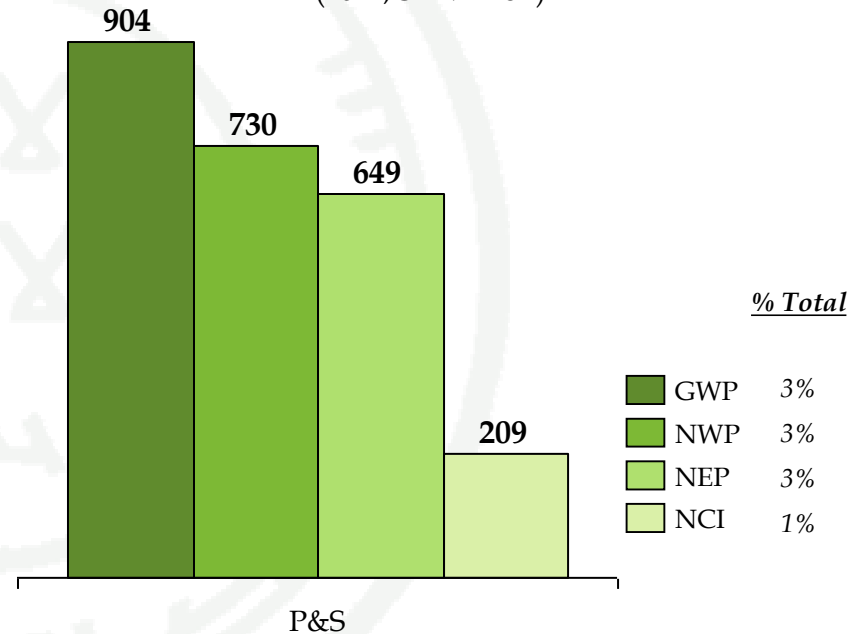
79%



# Protection and Savings Insurance

- Protection and Savings insurance's GWP totaled SR 904 Million in 2014, which represents a 3% contribution to the market's total business volume
- Protection and Savings insurance accounted for 3% of the market's NWP, as insurance companies retained SR 730 Million of GWP
- Protection and Savings insurance's NEP registered SR 649 Million, which represents a share of 3% of total NEP
- Protection and Savings insurance's NCI amounted to SR 209 Million

**Protection and Savings Insurance Performance**  
(2014, SR Million)



Retention ratio and loss ratio are not shown due to the savings part of the premium which distorts the ratios

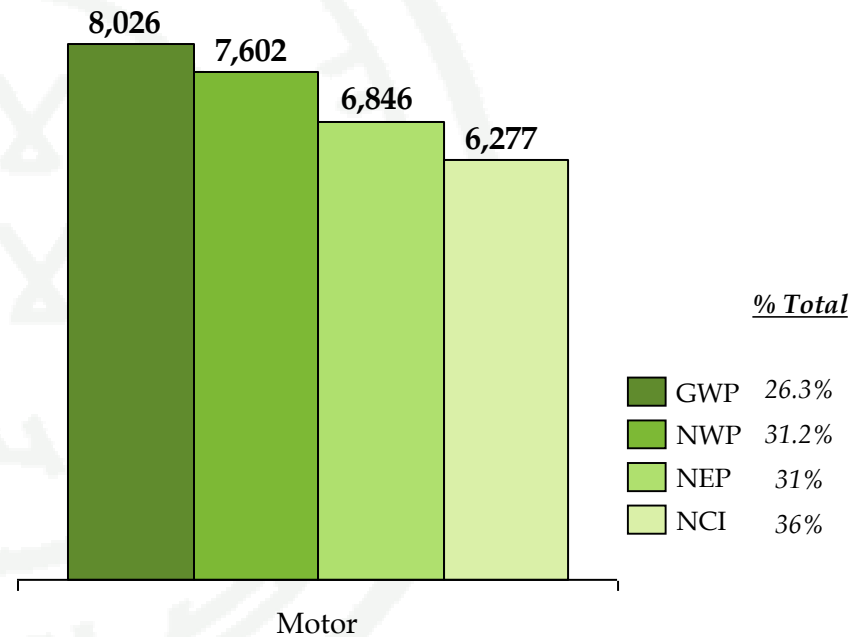




# Motor Insurance

- Motor insurance's GWP totaled SR 8.03 Billion in 2014, which represents a 26.3% share of total market GWP
- Motor insurance's retention ratio of 95% was the highest of all business lines. Motor insurance NWP totaled SR 7.6 Billion
- Motor insurance's NEP amounted to SR 6.85 Billion and accounted for 31% of the insurance market's NEP
- Insurance companies recorded SR 6.3 Billion in Motor insurance's NCI which resulted in a 92% loss ratio

**Motor Insurance Performance**  
(2014, SR Million)



Retention Ratio

95%

Loss Ratio

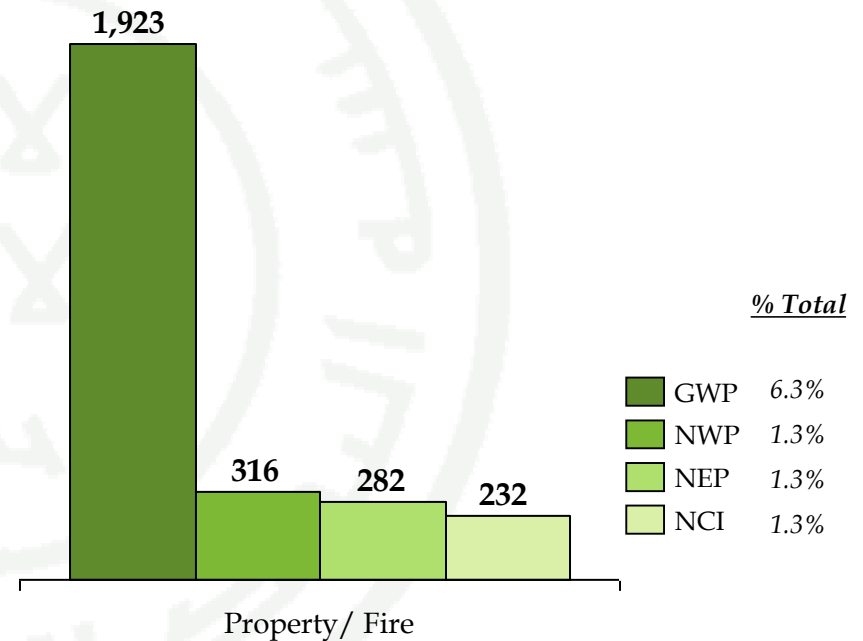
92%



# Property/ Fire Insurance

- Property/ Fire insurance's GWP totaled SR 1.9 Billion in 2014, which represents a 6.3% share of total market GWP
- Insurance companies retained only 16.4% of their Property/ Fire insurance premiums, as the business line's NWP amounted to 316 Million. Property/ Fire insurance contributed 1.3% to total market NWP in 2014
- Property/ Fire insurance's NEP registered SR 282 Million
- Insurance companies recorded SR 232 Million in Property/ Fire insurance's NCI, which translates into a 82% loss ratio

**Property/ Fire Insurance Performance**  
(2014, SR Million)



Retention Ratio

16.4%

Loss Ratio

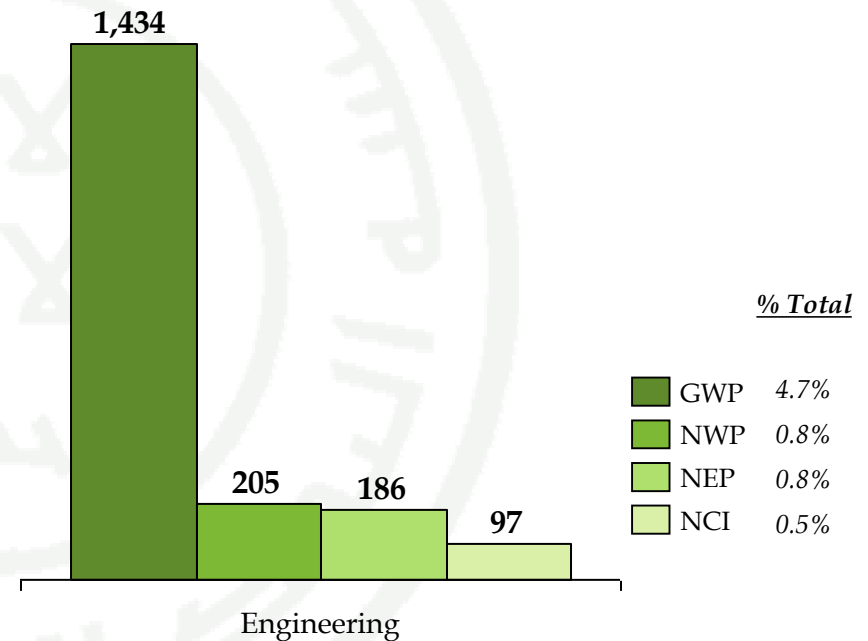
82%



# Engineering Insurance

- Engineering insurance's GWP totaled SR 1.4 Billion in 2014, which represents a 4.7% contribution to total market GWP
- Insurance companies retained 14.3% of their Engineering underwritten premiums. Engineering insurance NWP registered SR 205 Million
- Engineering insurance NEP amounted to SR 186 Million and accounted for 0.8% of the insurance market's NEP
- Engineering insurance recorded a loss ratio of 52%, with NCI, totaling SR 97 Million

**Engineering Insurance Performance**  
(2014, SR Million)



Retention Ratio

14.3%

Loss Ratio

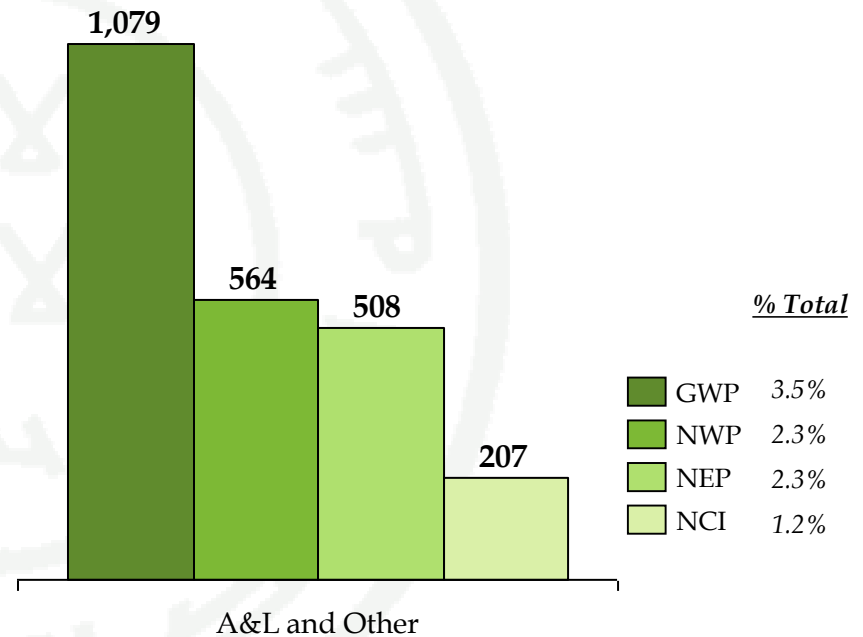
52%



# A&L and Other\* Insurance

- Accident and Liability (A&L) insurance includes the following lines of business: personal accident, work related, employer's liability, third party liability, general liability, product liability, medical liability, professional liability, theft & burglary, fidelity, safe burglary inside the premises and in transit and other liability products
- Insurance companies underwrote SR 1.08 Billion in A&L and Other general insurance premiums
- Insurance companies retained SR 564 Million of A&L and Other general insurance underwritten premiums, a 52.3% retention ratio
- A&L and Other general insurance NEP totaled SR 508 Million, which represents a 2.3% contribution to total NEP
- Insurance companies recorded SR 207 Million in A&L and Other general insurance's NCI, which translates into a 40.7% loss ratio

**A&L and Other Performance**  
(2014, SR Million)



Retention Ratio

52.3%

Loss Ratio

40.7%

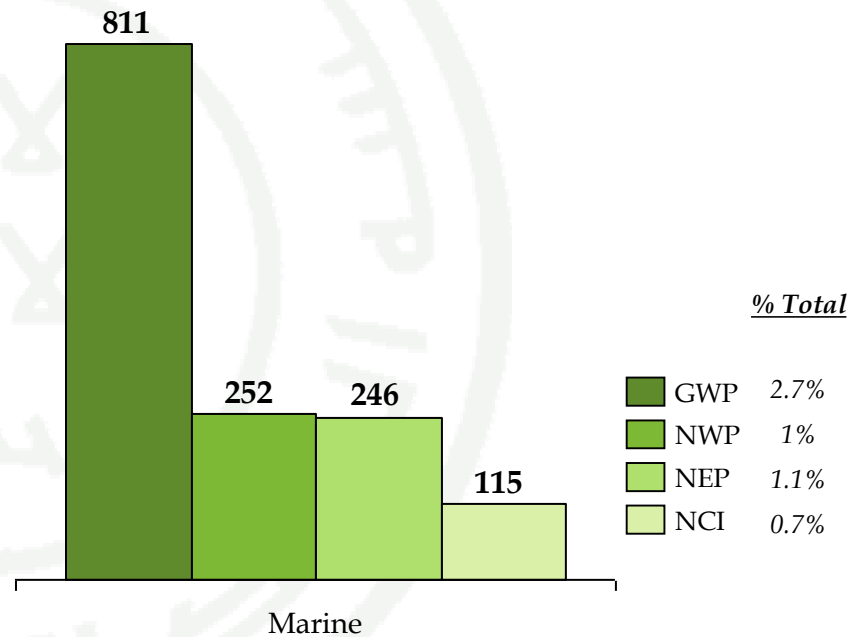
\* Other insurance refers to all other business lines in general insurance



# Marine Insurance

- The Marine insurance line of business includes both marine cargo and marine hull insurance
- Marine insurance GWP totaled SR 811 Million in 2014, which represents a 2.7% contribution to total market GWP
- Insurance companies retained 31% of their Marine insurance underwritten premiums, as the business line's NWP amounted to SR 252 Million
- Marine insurance's NEP recorded SR 246 Million, which represents a 1.1% share of total NEP for 2014
- Marine insurance's NCI amounted to SR 115 Million. This resulted in a loss ratio of 46.7%

**Marine Insurance Performance**  
(2014, SR Million)



Retention Ratio

31%

Loss Ratio

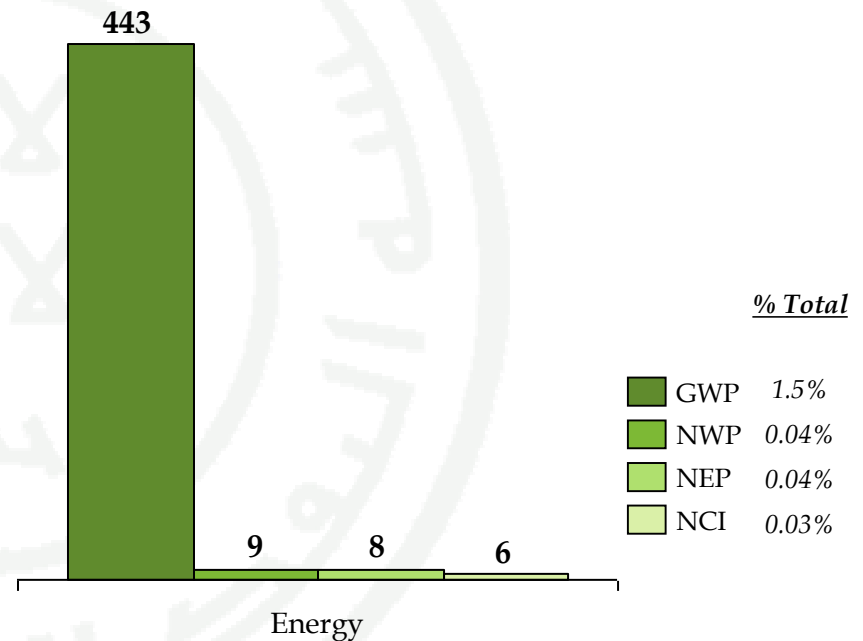
46.7%



# Energy Insurance

- In 2014, Energy insurance GWP totaled SR 443 Million, which represents a 1.5% share of total market GWP
- Insurance companies ceded 98% of their Energy insurance underwritten premiums. Energy insurance NWP amounted to SR 9 Million
- Energy insurance's NEP amounted to SR 8 Million, accounting for only 0.04% of the insurance market's NEP
- Energy insurance's NCI amounted to SR 6 Million. This resulted in a loss ratio of 75%

**Energy Insurance Performance**  
(2014, SR Million)



Retention Ratio

2%

Loss Ratio

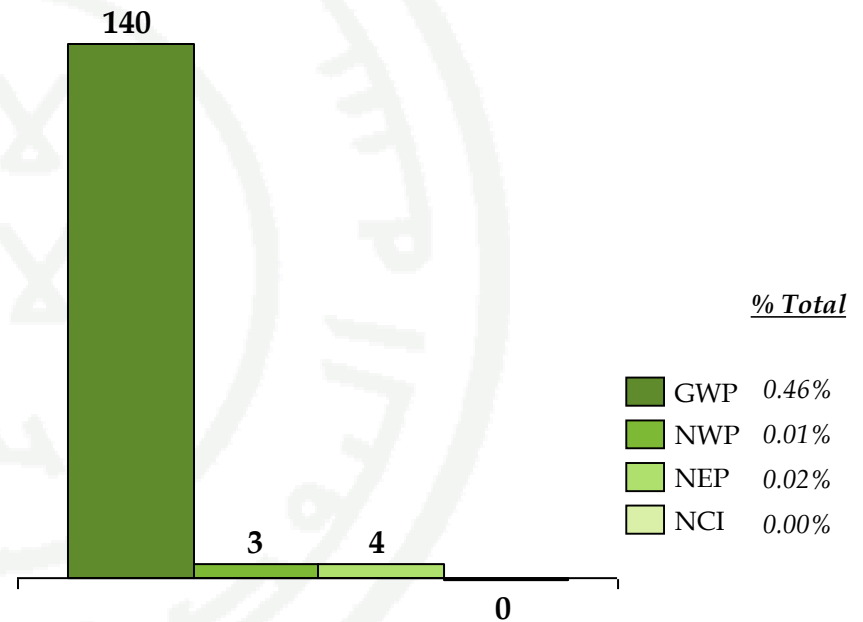
75%



# Aviation Insurance

- Aviation insurance GWP reached SR 140 Million in 2014, a 0.46% contribution to total market GWP
- NWP for Aviation insurance reached SR 3 Million, resulting in a retention ratio of 2%
- Aviation insurance's NEP totaled SR 4 Million

**Aviation Insurance Performance**  
(2014, SR Million)



Aviation	
<u>Retention Ratio</u>	<u>Loss Ratio</u>
2%	0.0%



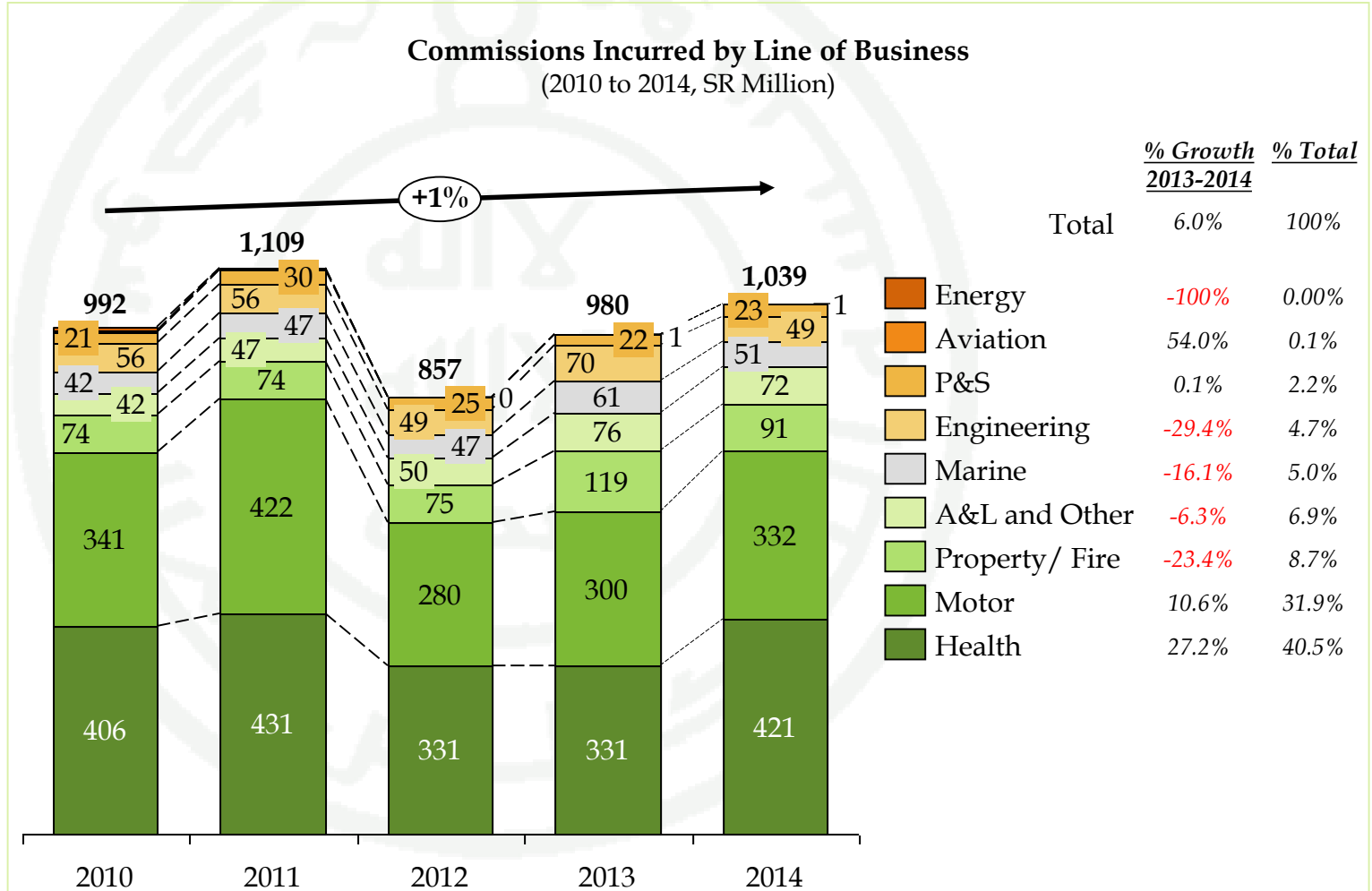
## Other Market Indicators





# Commissions Incurred by Line of Business

- Total commissions incurred amounted to SR 1.04 Billion in 2014, compared to SR 980 Million in 2013, which represents an increase of 6%
- General insurance related commissions accounted for 57.4% of total commissions incurred in 2014
- Health insurance's share of total commissions incurred represented 40.5% in 2014
- Protection and Savings insurance's commissions incurred was 2.2% of total commissions incurred in 2014

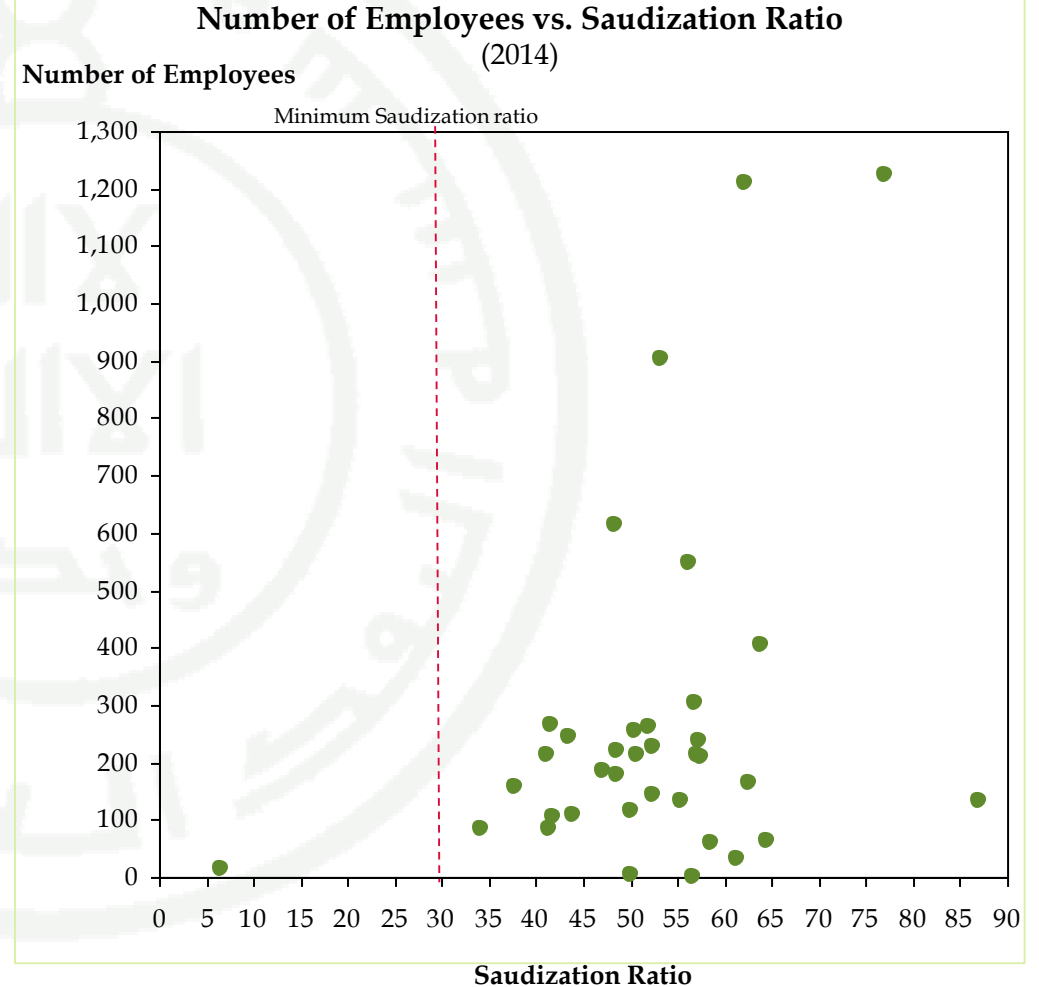




# Employees Breakdown by Nationality

- The total number of insurance companies' employees in Saudi Arabia reached 9,559 in 2014, up from 9,261 in 2013
- Saudi nationals employed by insurance companies account for 57% of the total workforce, an increase of 1 percentage point from 2013 figures
- In 2014, the Saudization ratio for non-managerial positions increased to 59%, while the Saudization ratio for managerial positions increased to 44%, up from 42% in 2013
- Note: A newly licensed insurance company is required to adhere to a Saudization ratio of 30% at the end of its first year of operation and shall increase the ratio annually, according to its Saudization plan (as per Article 79 of the Implementing Regulations)

Nationality	No. of Non-managerial Employees		No. of Managerial Employees		Total No. of Employees	
	2013	2014	2013	2014	2013	2014
Other Arab	1,219	1,379	387	443	1,606	1,822
Other Non-Arab	2,106	1,945	407	383	2,513	2,328
Saudi	4,556	4,765	586	644	5,142	5,409
<b>Total</b>	<b>7,881</b>	<b>8,089</b>	<b>1,380</b>	<b>1,470</b>	<b>9,261</b>	<b>9,559</b>
<b>Saudization Ratio</b>	<b>58%</b>	<b>59%</b>	<b>42%</b>	<b>44%</b>	<b>56%</b>	<b>57%</b>

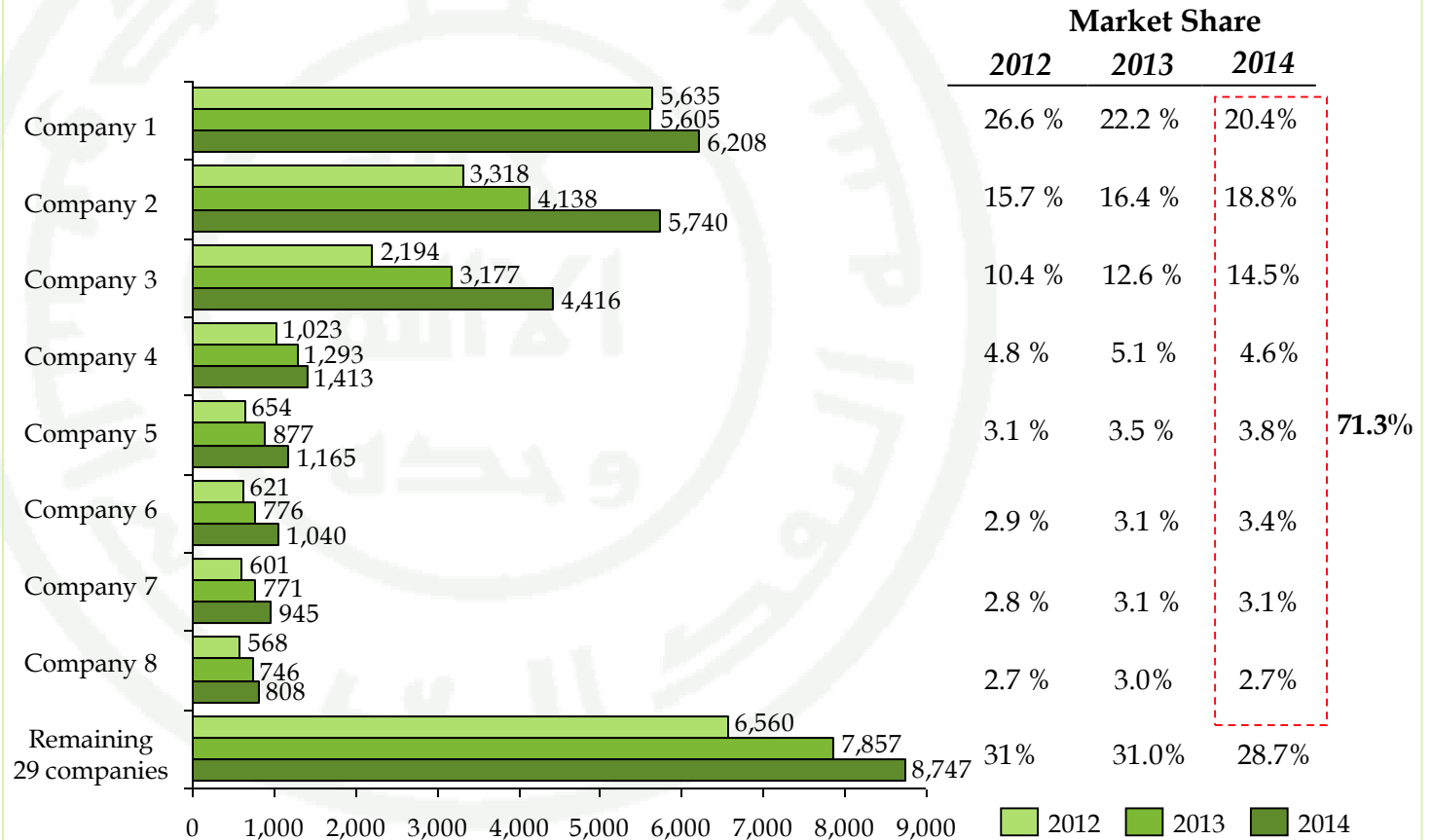




# Insurance Market Structure

- In 2014, the top 8 insurance companies generated 71.3% of the insurance market's GWP
- The remaining 29 insurance companies included in the report accounted for the remaining 28.7% of total market premiums

**Gross Written Premiums by Company**  
(2012 to 2014, SR Million)



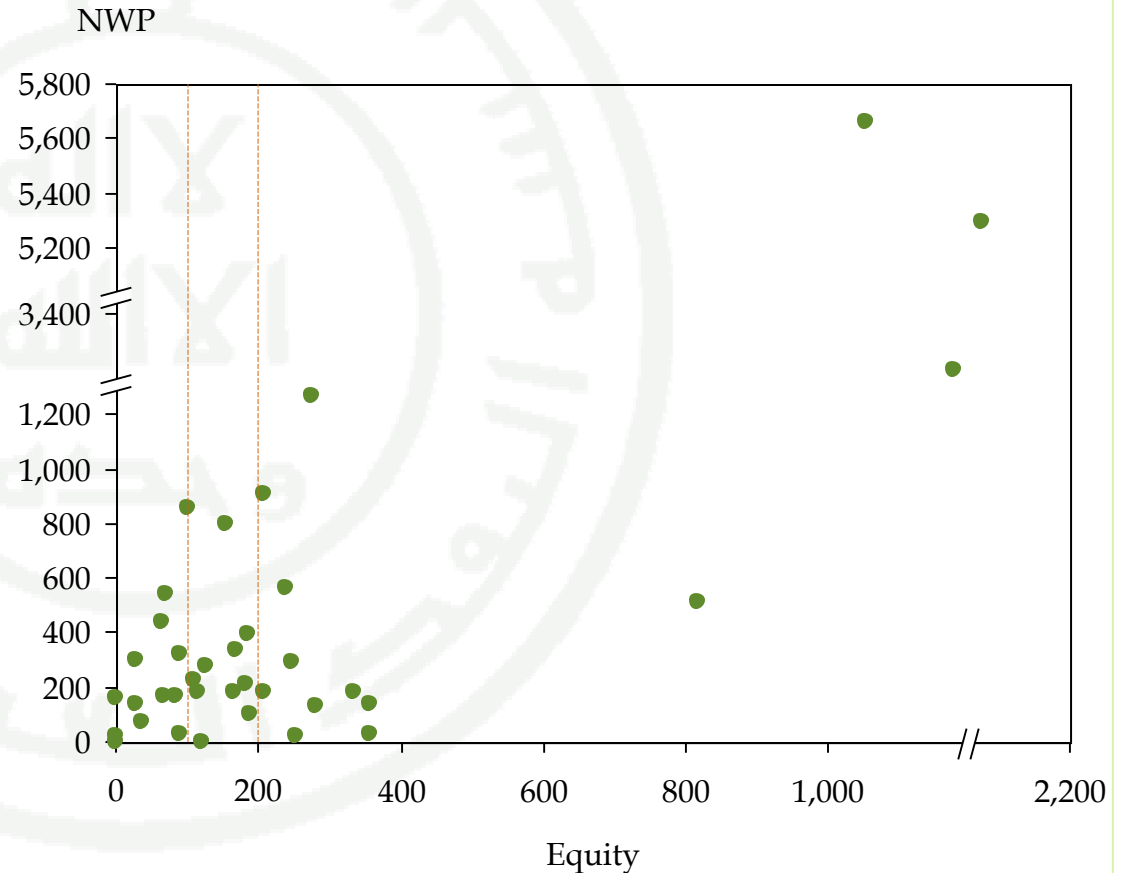


# Capitalization of Insurance Companies

- Insurance companies' equity increased from SR 8.84 Billion at the end of 2013 to SR 10.01 Billion at the end of 2014, with 23 companies exceeding SR 100 Million
- Note: the Law on Supervision of Cooperative Insurance Companies stipulates a minimum capital of SR 100 Million for insurance companies and SR 200 Million for companies that undertake insurance and reinsurance activities

Shareholders' Equity (2014)	Number of Companies
Up to SR 50 Million	6
SR 50 M to SR 100 Million	6
SR 100 M to SR 150 Million	5
SR 150 M to SR 200 Million	6
SR 200 M to SR 500 Million	8
More that SR 500 Million	4

**Insurance Companies' Equity vs. NWP**  
(2014, SR Million)





## Appendix: Data Tables



# Table 1: Gross Written Premiums by Line of Business (2010 to 2014)

Table 1: Gross Written Premiums by Line of Business											
Line of Business	2010		2011		2012		2013		2014		% Change
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
A&L and Other	506.8	%3.0	631.5	%3.4	690.9	%3.3	940.8	%3.7	1,079.4	%3.5	%14.7
Motor	3,238.8	%19.7	3,922.2	%21.2	4,689.2	%22.1	6,354.7	%25.2	8,026.2	%26.3	%26.3
Property/ Fire	958.7	%5.7	1,156.7	%6.3	1,348.4	%6.4	1,664.5	%6.6	1,923.2	%6.3	%15.5
Marine	518.2	%3.1	634.1	%3.4	743.1	%3.5	740.3	%2.9	811.4	%2.7	%9.6
Aviation	304.5	%1.9	272.1	%1.5	67.1	%0.3	144.0	%0.6	140.4	%0.46	%(2.6)
Energy	328.9	%2.0	361.0	%2.0	384.6	%1.8	456.0	%1.8	442.7	%1.5	%(2.9)
Engineering	869.2	%5.2	912.5	%4.9	1,076.6	%5.1	1,199.7	%4.8	1,434.1	%4.7	%19.5
<b>Total General Insurance</b>	<b>6,725.1</b>	<b>%40.7</b>	<b>7,890.3</b>	<b>%42.6</b>	<b>8,999.9</b>	<b>%42.5</b>	<b>11,500.0</b>	<b>%45.6</b>	<b>13,857.4</b>	<b>%45.5</b>	<b>%20.5</b>
<b>Total Health Insurance</b>	<b>8,690.1</b>	<b>%53.3</b>	<b>9,708.4</b>	<b>%52.5</b>	<b>11,285.4</b>	<b>%53.3</b>	<b>12,895.0</b>	<b>%51.1</b>	<b>15,720.5</b>	<b>%51.6</b>	<b>%21.9</b>
<b>Total P&amp;S Insurance</b>	<b>972.2</b>	<b>%6.0</b>	<b>905.1</b>	<b>%4.9</b>	<b>888.5</b>	<b>%4.2</b>	<b>844.5</b>	<b>%3.3</b>	<b>904.4</b>	<b>%3.0</b>	<b>%7.1</b>
<b>Total</b>	<b>16,387.4</b>	<b>%100.0</b>	<b>18,503.7</b>	<b>%100.0</b>	<b>21,173.8</b>	<b>%100.0</b>	<b>25,239.4</b>	<b>%100.0</b>	<b>30,482.2</b>	<b>%100.0</b>	<b>%20.8</b>



## Tables 2 & 3: Insurance Penetration and Density (2010 to 2014)

Table 2: Insurance Penetration

Line of Business	2010	2011	2012	2013	2014	% Change
	%	%	%	%	%	
Total General Insurance	%0.40	%0.36	%0.33	%0.41	%0.49	%19.3
Total Health Insurance	%0.51	%0.45	%0.41	%0.46	%0.56	%20.7
Total P&S Insurance	%0.06	%0.04	%0.03	%0.03	%0.03	%6.1
<b>Total</b>	<b>%1.39</b>	<b>%0.86</b>	<b>%0.78</b>	<b>%0.90</b>	<b>%1.08</b>	<b>%19.6</b>

Table 3: Insurance Density

Line of Business	2010	2011	2012	2013	2014	% Change
	SR	SR	SR	SR	SR	
Total General Insurance	247.8	290.8	308.3	393.9	450.4	%14.3
Total Health Insurance	320.2	357.8	386.5	441.7	510.9	%15.7
Total P&S Insurance	35.8	33.4	30.4	28.9	29.4	%1.6
<b>Total</b>	<b>709.1</b>	<b>292.9</b>	<b>725.2</b>	<b>864.5</b>	<b>990.6</b>	<b>%14.6</b>



## Table 4: Net Written Premiums by Line of Business (2010 to 2014)

Table 4: Net Written Premiums by Line of Business											
Line of Business	2010		2011		2012		2013		2014		% Change
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
A&L and Other	275.9	%2.3	279.8	%2.1	329.0	%2.0	391.0	%2.0	564.1	%2.3	%44.2
Motor	3098.8	%26.1	3710.6	%27.4	4408.2	%27.4	5967.0	%31.0	7601.7	%31.2	%27.4
Property/ Fire	126.5	%1.0	135.5	%1.0	203.2	%1.3	281.6	%1.5	315.8	%1.3	%12.1
Marine	175.4	%1.5	204.9	%1.5	229.5	%1.4	241.5	%1.3	251.5	%1.0	%4.1
Aviation	4.8	%0.04	1.2	%0.01	2.4	%0.01	3.6	%0.02	3.5	%0.01	%(3.9)
Energy	7.6	%0.1	7.4	%0.1	7.3	%0.05	7.5	%0.04	8.7	%0.04	%14.8
Engineering	113.9	%0.9	131.2	%1.0	165.9	%1.0	180.3	%0.9	204.9	%0.8	%13.7
<b>Total General Insurance</b>	<b>3802.9</b>	<b>%31.9</b>	<b>4470.7</b>	<b>%33.0</b>	<b>5345.5</b>	<b>%33.3</b>	<b>7072.7</b>	<b>%36.8</b>	<b>8950.2</b>	<b>%36.8</b>	<b>%26.5</b>
<b>Total Health Insurance</b>	<b>7,120.0</b>	<b>%60.6</b>	<b>8,225.1</b>	<b>%60.8</b>	<b>9,951.3</b>	<b>%61.9</b>	<b>11,456.0</b>	<b>%59.5</b>	<b>14,654.5</b>	<b>%60.2</b>	<b>%27.9</b>
<b>Total P&amp;S Insurance</b>	<b>876.8</b>	<b>%7.5</b>	<b>841.2</b>	<b>%6.2</b>	<b>767.0</b>	<b>%4.8</b>	<b>714.0</b>	<b>%3.7</b>	<b>729.6</b>	<b>%3.0</b>	<b>%2.2</b>
<b>Total</b>	<b>11,799.7</b>	<b>%100.0</b>	<b>13,537.0</b>	<b>%100.0</b>	<b>16,063.8</b>	<b>%100.0</b>	<b>19,242.6</b>	<b>%100.0</b>	<b>24,334.2</b>	<b>%100.0</b>	<b>%26.5</b>





## Table 5: Retention Ratio by Line of Business (2010 to 2014)

Table 5: Retention Ratio by Line of Business						
Line of Business	2010	2011	2012	2013	2014	% Change
	%	%	%	%	%	
A&L and Other	%54.4	%44.3	%47.6	%41.6	%52.3	%25.7
Motor	%95.7	%94.6	%94.0	%93.9	%94.7	%0.9
Property/ Fire	%13.2	%11.7	%15.1	%16.9	%16.4	%(3.0)
Marine	%33.8	%32.3	%30.9	%32.6	%31.0	%(5.0)
Aviation	%2.9	%0.5	%3.6	%2.5	%2.5	%(1.3)
Energy	%2.3	%2.1	%1.9	%1.7	%2.0	%18.2
Engineering	%13.1	%14.4	%15.4	%15.0	%14.3	%(4.9)
<b>Total General Insurance</b>	<b>%56.5</b>	<b>%56.7</b>	<b>%59.4</b>	<b>%61.5</b>	<b>%64.6</b>	<b>%5.0</b>
<b>Total Health Insurance</b>	<b>%81.9</b>	<b>%84.7</b>	<b>%88.2</b>	<b>%88.8</b>	<b>%93.2</b>	<b>%4.9</b>
<b>Total</b>	<b>%70.9</b>	<b>%72.1</b>	<b>%75.4</b>	<b>%76.0</b>	<b>%79.8</b>	<b>%5.1</b>

Retention ratios are not shown for Protection & Savings in this table as the savings element of the contract must be retained in the Saudi Arabian company, so retentions are not directly comparable with other insurance contracts.



## Table 6: Commissions Incurred by Line of Business (2010 to 2014)

Table 6: Commissions Incurred by Line of Business											
Line of Business	2010		2011		2012		2013		2014		% Change
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
A&L and Other	41.8	%4.1	46.5	%4.2	49.7	%5.8	76.4	%7.8	71.6	%6.9	%(6.3)
Motor	341.4	%34.5	421.6	%38.0	280.1	%32.7	300.2	%30.6	331.9	%31.9	%10.6
Property/ Fire	74.1	%7.2	74.4	%6.7	74.7	%8.7	118.5	%12.1	90.9	%8.7	%(23.4)
Marine	41.6	%4.1	46.8	%4.2	47.4	%5.5	61.4	%6.3	51.5	%5.0	%(16.1)
Aviation	3.2	%0.3	2.4	%0.2	0.3	%0.04	0.5	%0.1	0.8	%0.1	%54.0
Energy	7.0	%0.7	0.7	%0.1	0.002	%0.0002	0.1	%0.01	0.0	%0.0	%(100.0)
Engineering	56.3	%5.5	56.0	%5.1	49.4	%5.8	69.7	%7.1	49.2	%4.7	%(29.4)
<b>Total General Insurance</b>	<b>565.5</b>	<b>%56.6</b>	<b>648.4</b>	<b>%58.5</b>	<b>501.7</b>	<b>%58.5</b>	<b>626.9</b>	<b>%64.0</b>	<b>595.9</b>	<b>%57.4</b>	<b>%(4.9)</b>
<b>Total Health Insurance</b>	<b>405.9</b>	<b>%41.2</b>	<b>430.7</b>	<b>%38.8</b>	<b>330.6</b>	<b>%38.6</b>	<b>330.6</b>	<b>%33.7</b>	<b>420.6</b>	<b>%40.5</b>	<b>%27.2</b>
<b>Total P&amp;S Insurance</b>	<b>20.9</b>	<b>%2.1</b>	<b>29.6</b>	<b>%2.7</b>	<b>24.8</b>	<b>%2.9</b>	<b>22.5</b>	<b>%2.3</b>	<b>22.5</b>	<b>%2.2</b>	<b>%0.1</b>
<b>Total</b>	<b>992.2</b>	<b>%100.0</b>	<b>1,108.7</b>	<b>%100.0</b>	<b>857.1</b>	<b>%100.0</b>	<b>979.9</b>	<b>%100.0</b>	<b>1,039.0</b>	<b>%100.0</b>	<b>%6.0</b>



## Table 7: Gross Claims Paid by Line of Business (2010 to 2014)

Table 7: Gross Claims Paid by Line of Business											
Line of Business	2010		2011		2012		2013		2014		% Change
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
A&L and Other	57.8	%0.64	92.5	%0.81	105.0	%0.77	118.3	%0.70	207.1	%1.02	%75.1
Motor	1,881.5	%22.09	2,730.0	%23.77	3,464.8	%25.45	4,720.2	%27.77	6,069.0	%29.88	%28.6
Property/ Fire	397.3	%4.24	527.4	%4.59	773.6	%5.68	859.7	%5.06	1,312.0	%6.46	%52.6
Marine	276.5	%3.25	205.8	%1.79	257.3	%1.89	374.1	%2.20	261.2	%1.29	%(30.2)
Aviation	26.5	%0.32	31.3	%0.27	15.5	%0.11	6.9	%0.04	7.1	%0.04	%3.5
Energy	138.5	%1.65	82.2	%0.72	58.5	%0.43	1.2	%0.01	1.2	%0.01	%0.0
Engineering	159.2	%1.76	226.1	%1.97	239.7	%1.76	213.0	%1.25	559.4	%2.75	%162.7
<b>Total General</b>	<b>2,937.3</b>	<b>%34</b>	<b>3,895.4</b>	<b>%34</b>	<b>4,914.3</b>	<b>%36</b>	<b>6,293.1</b>	<b>%37</b>	<b>8,417.0</b>	<b>%41</b>	<b>%33.7</b>
<b>Total Health</b>	<b>5,440.2</b>	<b>%64</b>	<b>7,297.4</b>	<b>%64</b>	<b>8,511.5</b>	<b>%63</b>	<b>10,405.2</b>	<b>%61</b>	<b>11,567.2</b>	<b>%57</b>	<b>%11.2</b>
<b>Total P&amp;S</b>	<b>136.2</b>	<b>%2</b>	<b>292.5</b>	<b>%3</b>	<b>189.4</b>	<b>%1</b>	<b>297.2</b>	<b>%2</b>	<b>329.4</b>	<b>%2</b>	<b>%10.9</b>
<b>Total</b>	<b>8,513.8</b>	<b>%100</b>	<b>11,485.3</b>	<b>%100</b>	<b>13,615.2</b>	<b>%100</b>	<b>16,995.5</b>	<b>%100</b>	<b>20,313.7</b>	<b>%100</b>	<b>%19.5</b>