



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

**The Saudi Insurance Market Report**  
**2016**



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## Introduction



# Introduction

- In 2016, Gross Written Premiums (GWP) in the Saudi insurance market reached SR 36.85 Billion, up from SR 36.49 Billion in 2015. This represents an increase of 1%, compared to a 19.7% growth rate in 2015:
  - Health insurance GWP, which represents 51% of the insurance market, decreased by 1.8% to SR 18.6 Billion in 2016, while in 2015 increased by 20.3% to SR 19 Billion
  - General insurance GWP, which represents 47% of the insurance market, slightly increased by 4.1% to SR 17.2 Billion in 2016 compared to an increase in 2015 by 19% to SR 16.5 Billion. Motor insurance represented 71% of General insurance GWP, in which it has increased from SR 10.8 Billion in 2015 up to SR 12.2 Billion in 2016
  - Protection & savings (P&S) insurance GWP, which represents 3% of the insurance market, slightly increased by 1.5% to SR 1.05 Billion in 2016 compared to an increase in 2015 by 14.5% to SR 1.04 Million
  - Total number of insurance policies written decreased to 7,308,067 policy in 2016 compared to 8,123,647 policy in 2015



## Insurance Market Performance - Overall

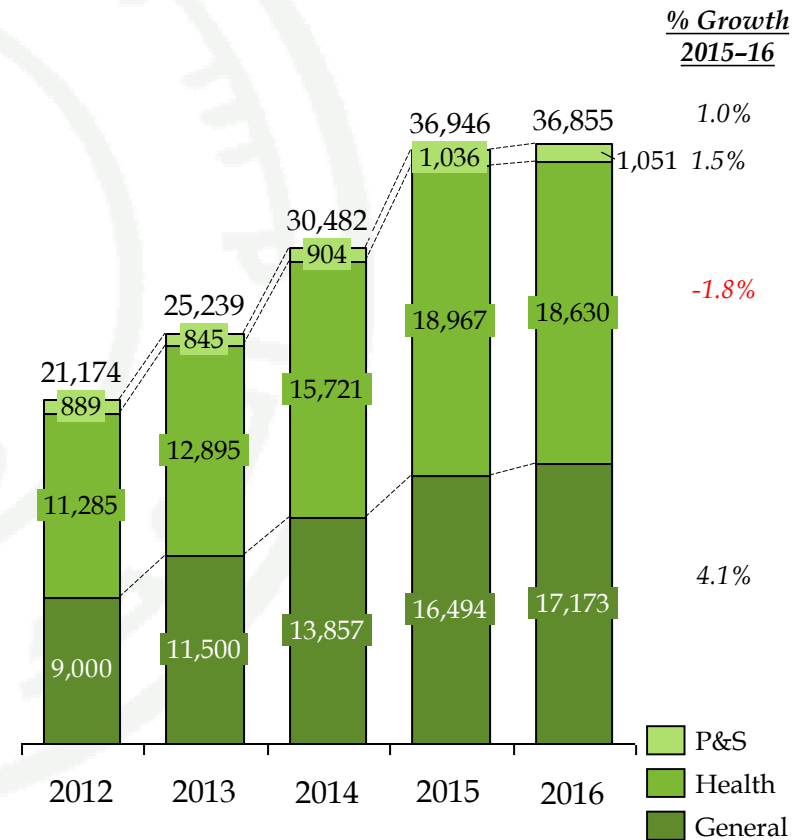


# Gross Written Premiums

- The overall insurance Gross Written Premiums increased by SR 359 Million to reach SR 36.85 Billion<sup>(1)</sup> in 2016, compared to SR 36.49 Billion in 2015, which represents a growth rate of 1%.
- Health insurance sustained the biggest line of business in 2016. Its contribution to total GWP in 2016 by 51% compared to 52% in 2015, while General insurance's contribution to total business volume in 2016 increased to 47% compared to 45% in 2015.
- Protection and Savings insurance remained the smallest line of business accounting for 3% of total GWP, with an increase in its written premiums by 1.5% in 2016.

In SR Million	2012		2013		2014		2015		2016	
	SR (M)	% Total	SR (M)	% Total	SR (M)	% Total	SR (M)	% Total	SR (M)	% Total
Health	11,285	%53	12,895	%51	15,721	%52	18,967	%52	18,630	51%
General	9,000	%43	11,500	%46	13,857	%45	16,494	%45	17,173	47%
Protection & Savings	889	%4	845	%3	904	%3	1,036	%3	1,051	3%
<b>Total</b>	<b>21,174</b>	<b>%100</b>	<b>25,239</b>	<b>%100</b>	<b>30,482</b>	<b>%100</b>	<b>36,496</b>	<b>%100</b>	<b>36,855</b>	<b>%100</b>

**Gross Written Premiums**  
(2012 to 2016, SR Million)

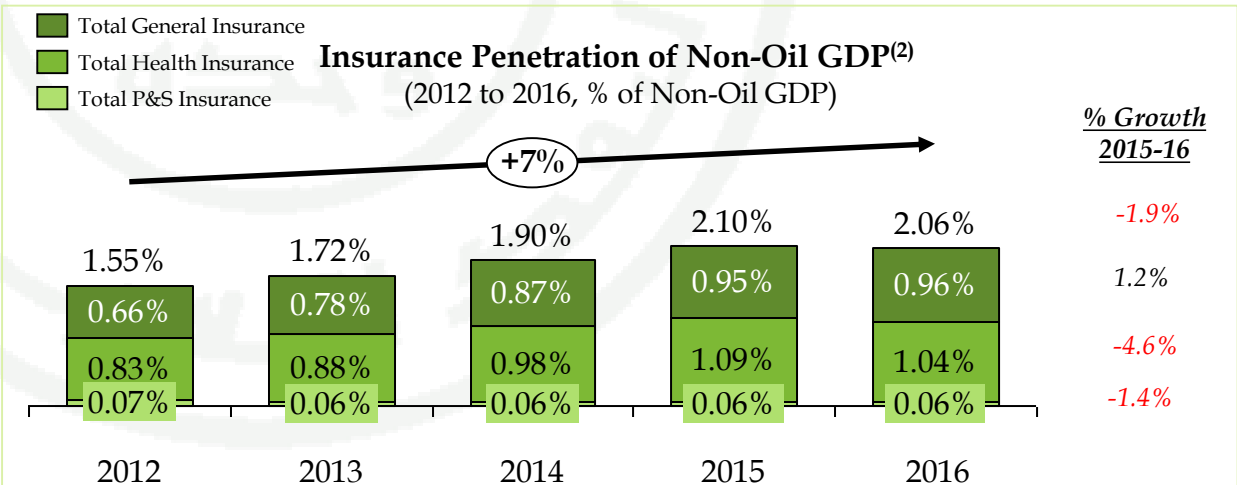
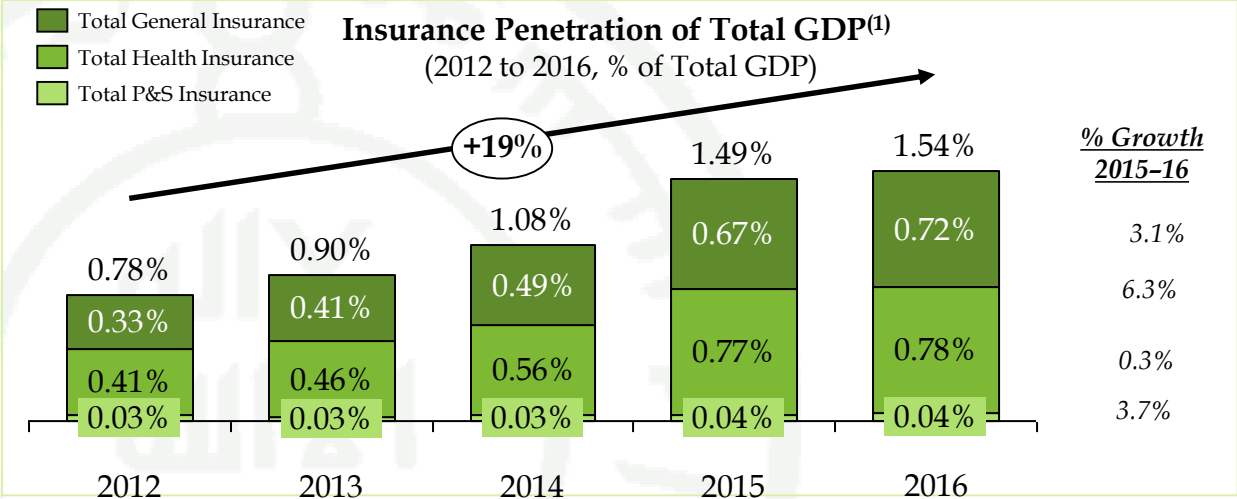


(1) The GWP is the total of accounted premiums. There may be double counting of reinsurance premiums accepted from other Saudi Arabian insurers or reinsurers



# 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 19%
- In 2016, insurance penetration increased to 1.54% up from 1.49% in 2015, due to a decrease in GDP and slightly increase in GWP.
- Insurance penetration of non-oil GDP is defined as Gross Written Premiums divided by non-oil GDP
- In 2016, Insurance penetration of non-oil GDP is 2.06%
- Insurance penetration of non-oil GDP has increased at an average annual rate of 7% between 2012 and 2016



(1) Total GDP of SR 2,727 SR 2,795 SR 2,821 SR 2,449 and 2,398 Billion in 2012, 2013, 2014, 2015 and 2016, respectively, General Authority for Statistics

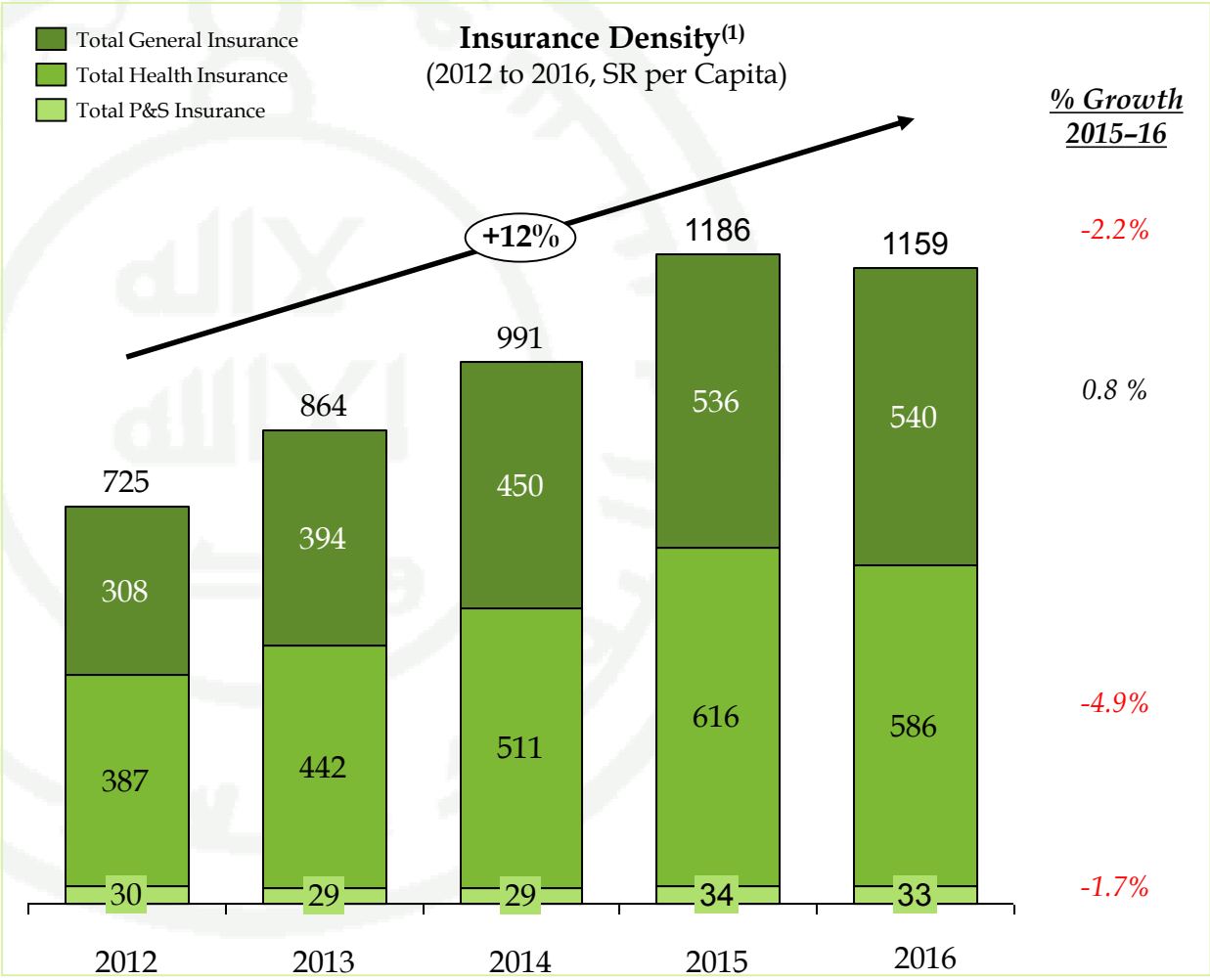
(2) Non-oil GDP SR 1,353 SR 1,471 SR 1,601 SR 1,740 and 1,790 Billion in 2012, 2013, 2014, 2015 and 2016 respectively, General Authority for Statistics





# Insurance Density

- Insurance density is defined as Gross Written Premiums per Capita. Insurance density decreased from SR 1186 per Capita in 2015 to SR 1159 per capita in 2016, which represents a 2.2% decrease
- Expenditures per Capita on insurance products have increased by an average annual rate of 12% between 2012 and 2016
- The density of Protection and Savings insurance remained low in absolute terms, and relative to General and Health insurance, at SR 33 per Capita



(1) Saudi population of 29.19 , 29.19 , 30.77, 30.77 and 31.78 Million in 2012, 2013, 2014, 2015 and 2016, respectively, General Authority for Statistics



# Gross Written Premiums by Line of Business

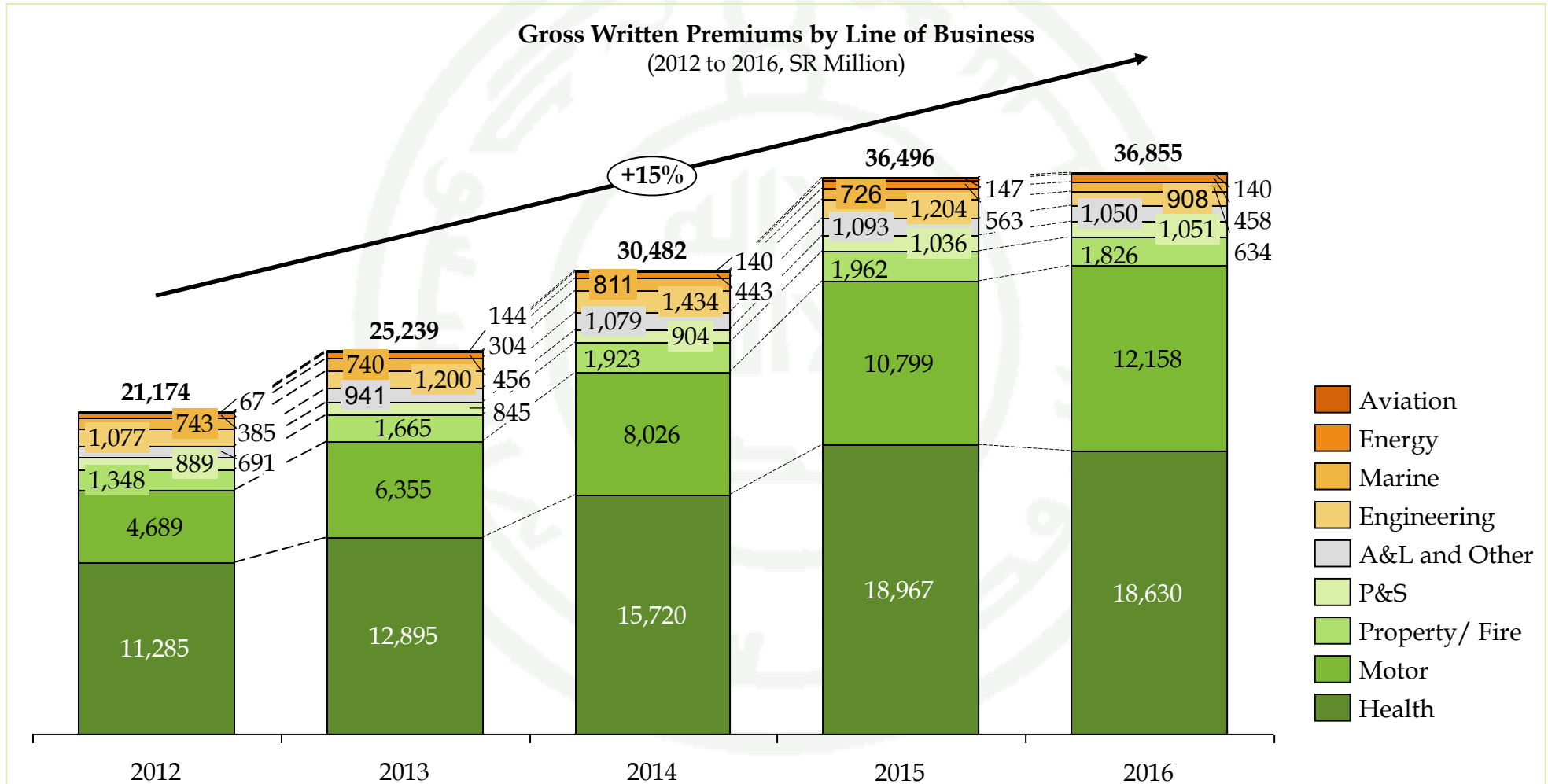
- Motor and Health insurance accounted for around 83.5% of total GWP in 2016
- Health insurance, which includes both compulsory and non-compulsory lines of business, remained the largest line of business in 2016, accounting for 51% of total GWP
- Motor compulsory and non-compulsory lines of business stood in second place with a 33% share of total GWP
- Motor underwritten premiums recorded the highest growth rate in 2016 at 12.6%
- Engineering underwritten premiums recorded a decline of 24.6% in 2016

In SR Million	2012		2013		2014		2015		2016		Growth
	SR M	% Total	SR M	% Total	SR M	% Total	SR M	% Total	SR M	% Total	%
Aviation	67	%0.3	144	%0.6	140	%0.5	147	%0.4	140	%0.4	% 4.8-
Energy	385	%1.8	456	%1.8	443	%1.5	563	%1.5	458	%1.2	%18.6-
Marine	743	%3.5	740	%2.9	811	%2.7	726	%2.0	634	%1.7	%12.7-
P&S	889	%4.2	845	%3.3	904	%3.0	1,036	%2.8	1,051	%2.9	%1.5
A&L and Other	691	%3.3	941	%3.7	1,079	%3.5	1,093	%3.0	1,050	%2.8	% 4.0-
Engineering	1,077	%5.1	1,200	%4.8	1,434	%4.7	1,204	%3.3	908	%2.5	%24.6-
Property/ Fire	1,348	%6.4	1,665	%6.6	1,923	%6.3	1,962	%5.4	1,826	%5.0	%6.9-
Motor	4,689	%22.1	6,355	%25.2	8,026	%26.3	10,799	%29.6	12,158	%33.0	%12.6
Health	11,285	%53.3	12,895	%51.1	15,720	%51.6	18,967	%52.0	18,630	51%	%1.8-
<b>Total</b>	<b>21,174</b>	<b>%100</b>	<b>25,239</b>	<b>%100</b>	<b>30,482</b>	<b>%100</b>	<b>36,496</b>	<b>%100</b>	<b>36,855</b>	<b>%100</b>	<b>%1.0</b>

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



# Gross Written Premiums by Line of Business (continued)





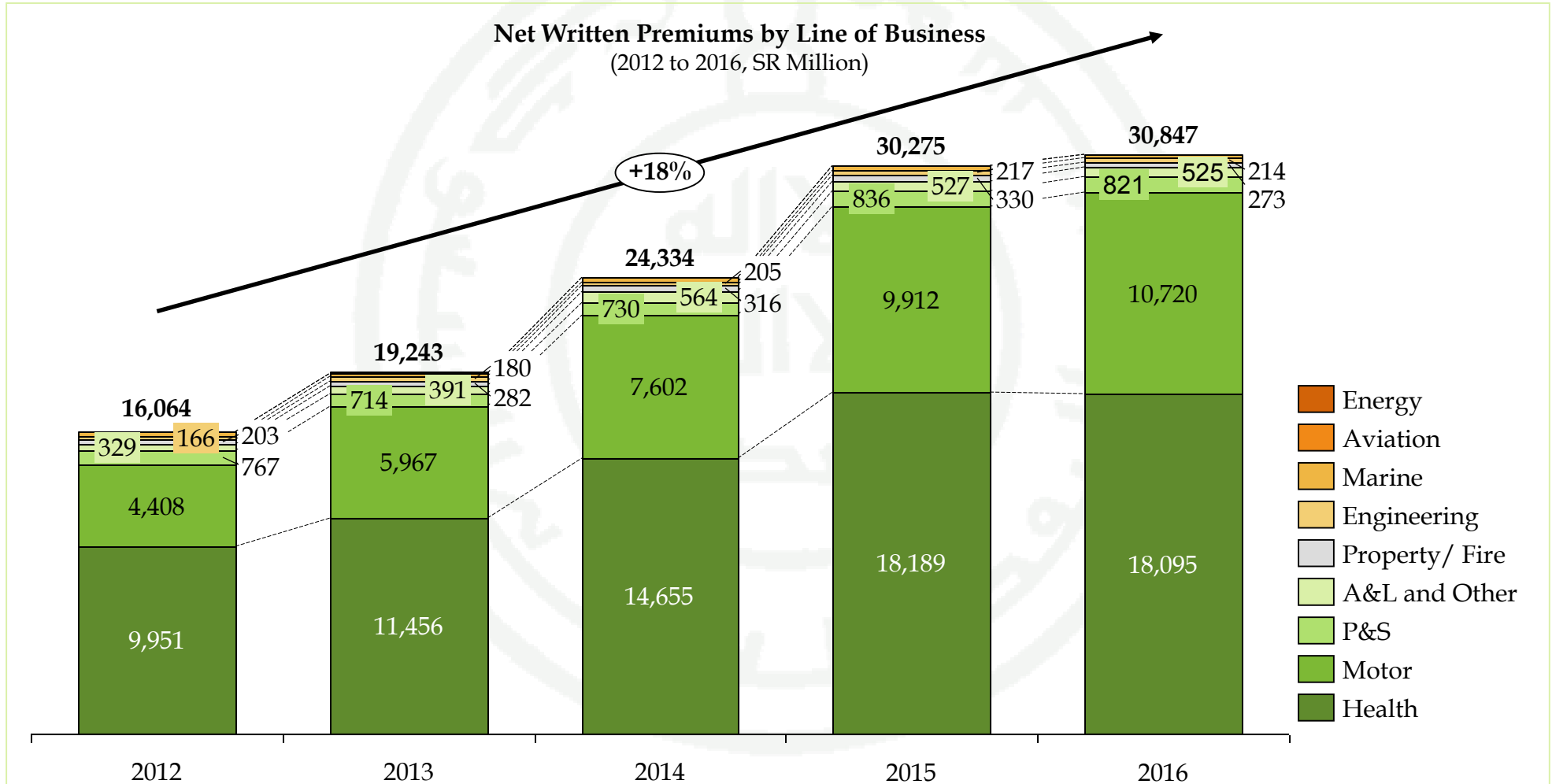
# Net Written Premiums by Line of Business

- 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 premiums ceded to local and international reinsurers reached SR 1.8 Billion and SR 4.1 Billion, respectively in 2016
- Total NWP increased from SR 30.27 Billion in 2015 to SR 30.85 Billion in 2016, a 1.9% increase
- Around 93.4% of total NWP in 2016 was generated by Motor and Health insurance
- Health insurance remained the largest line of business accounting for 59% of total NWP
- Motor insurance's share of total NWP remained in second place, and Motor insurance accounted for 35% of NWP in 2016

In SR Million	2012		2013		2014		2015		2016		Growth
	SR M	% Total	SR M	% Total	SR M	% Total	SR M	% Total	SR M	% Total	%
Aviation	2	%0.01	4	%0.02	4	%0.01	3	%0.01	9	%0.03	%210
Energy	7	%0.05	8	%0.04	9	%0.04	11	%0.04	13	%0.04	%13.7
Engineering	166	%1.03	180	%0.94	205	%0.84	217	%0.72	199	%0.6	%8-
Marine	230	%1.43	242	%1.26	252	%1.03	249	%0.82	192	%0.62	%22.7-
Property/ Fire	203	%1.26	282	%1.46	316	%1.30	330	%1.09	273	%0.88	%17.4-
A&L and Other	329	%2.05	391	%2.03	564	%2.32	527	%1.74	525	%1.70	%0.4-
P&S	767	%4.77	714	%3.71	730	%3.00	836	%2.76	821	%2.7	%1.8-
Motor	4,408	%27.44	5,967	%31.01	7,602	%31.24	9,912	%32.74	10,720	%35	%8.2
Health	9,951	%61.95	11,456	%59.53	14,655	%60.22	18,189	%60.08	18,095	%59	%0.5-
<b>Total</b>	<b>16,064</b>	<b>%100</b>	<b>19,243</b>	<b>%100</b>	<b>24,334</b>	<b>%100</b>	<b>30,275</b>	<b>%100</b>	<b>30,847</b>	<b>%100.0</b>	<b>%1.9</b>



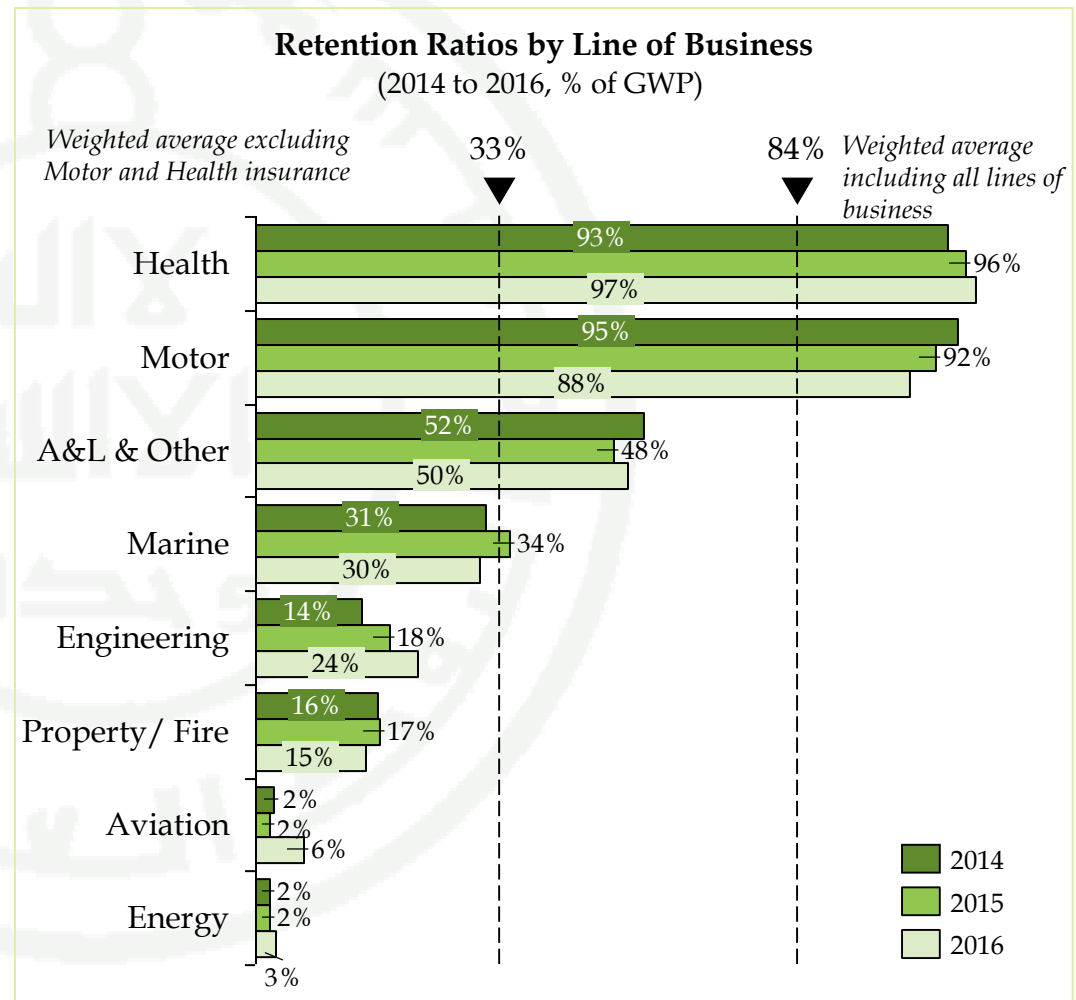
# Net Written Premiums by Line of Business (continued)





# Retention Ratio by Line of Business

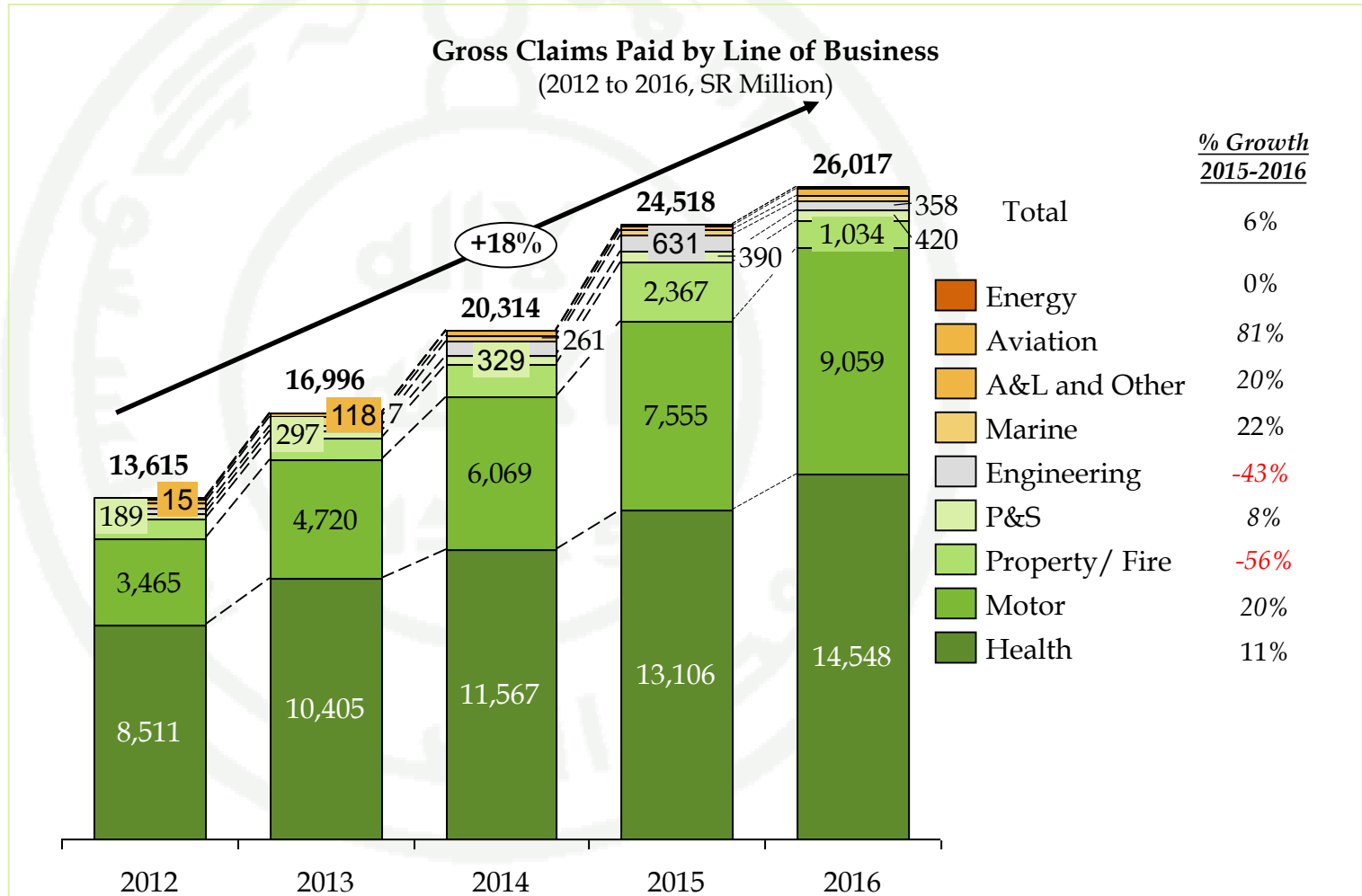
- The retention ratio measures the written premiums retained by the insurance company. It is calculated by dividing the NWP by the GWP
- The overall retention ratio of insurance companies in the Saudi market increased slightly to 84% in 2016, up from 83% in 2015. This ratio is largely skewed due to the high retention ratio of Motor and Health insurance which collectively account for around 83.5% of total GWP. In 2016, the retention ratios for Motor and Health insurance were 88% and 97%, respectively
- The weighted average retention ratio of other insurance lines of business (i.e., excluding Motor and Health insurance) increased to 33% in 2016 compared to 32% in 2015
- Notes:
  - All licensed companies are required to adhere to a minimum retention ratio of 30% of its total insurance premiums (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 6% from SR 24.5 Billion in 2015 to SR 26 Billion in 2016
- In 2016, Health and Motor gross claims paid grew by 11% and 20%, respectively compared to 2015 figures
- In 2016, Aviation insurance recorded the highest growth rate in gross claims paid, after increasing by 80.5% from SR 51 Million to SR 92.6 Million
- Table 7 in the appendix contains all the gross claims data by line of business from 2012 to 2016

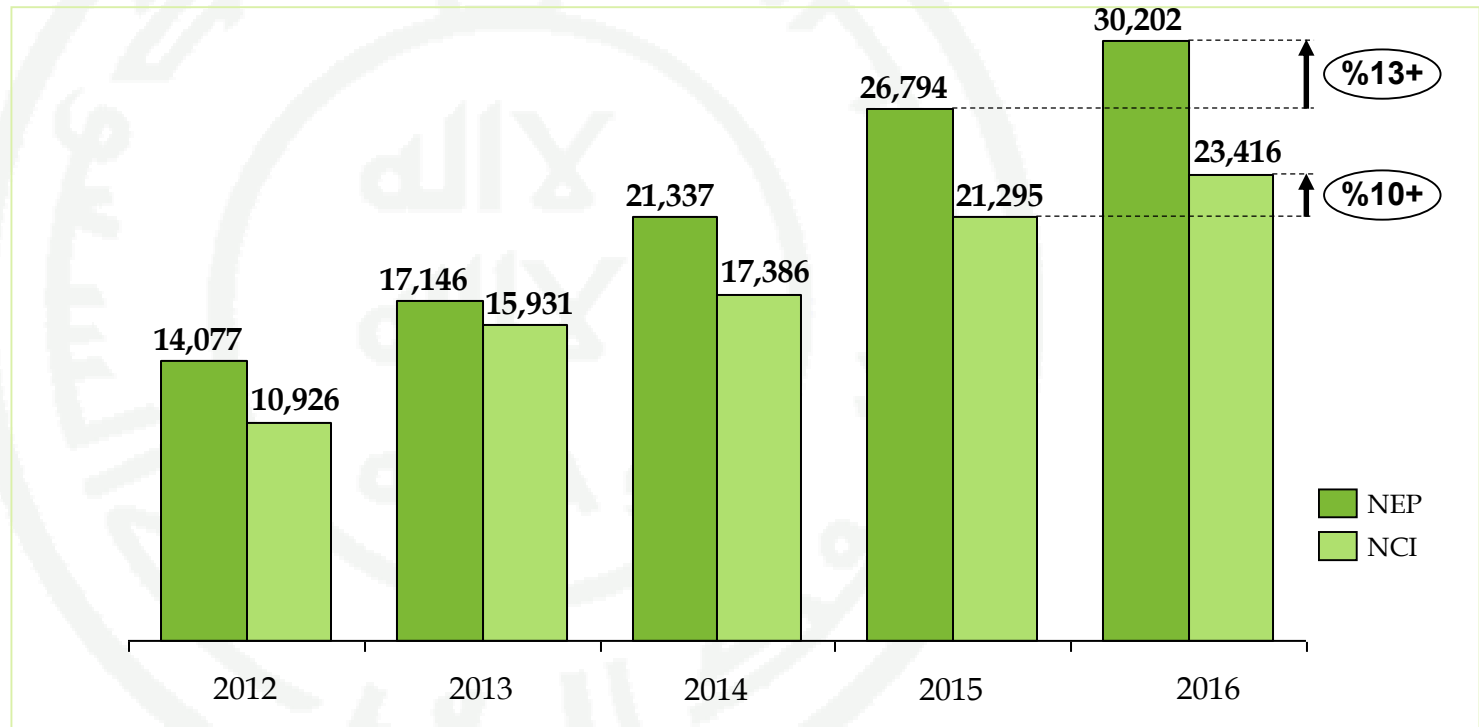




# General and Health Net Earned Premiums vs. Net Claims Incurred

- 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 30.2 Billion in 2016, up from SR 26.79 Billion in 2015, which represents 13% 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 10% in 2016 to reach SR 23.42 Billion
- For 2016 General and Health net claims ratio, i.e., the loss ratio, which is equal to NCI divided by NEP, decreased to reach 77% compared to 79.5% in 2015

Net Earned Premiums Vs. Net Claims Incurred  
(2012 to 2016, SR Million)



Year	Loss Ratio (% NEP)
2012	77.6%
2013	92.9%
2014	81.5%
2015	79.5%
2016	77%

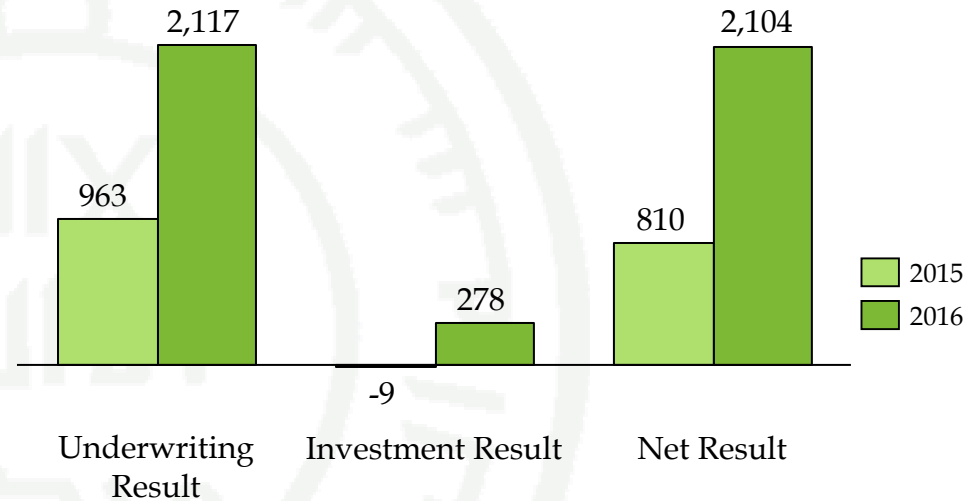




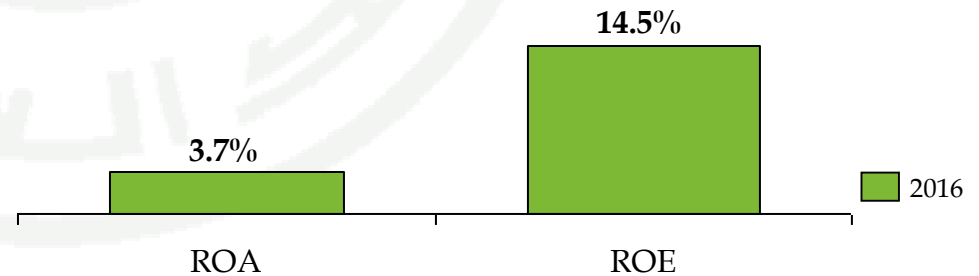
# Market Profitability

- 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 2016, the insurance underwriting result totaled SR 2,117 Million, compared to 963 Million in 2015
- Investment income increased affectedly to SR 278 Million in 2016, compared to a decrease of SR 9 Million in 2015
- The insurance market's net result totaled 2,104 Million in 2016, compared to SR 810 Million in 2015
- Return on Assets (ROA) is the ratio of net result to total assets. In 2016, insurance market's ROA was 3.7%
- Return on Equity (ROE) is the ratio of net result to total equity. In 2016, Insurance market's ROE was 14.5%

**Insurance Market Profitability**  
(2015-2016, SR Million)



**Insurance Market ROA/ ROE**  
(2016, % of Net Result to Assets/ Equity)





## Balance Sheet - Policyholders' Assets

- At the end of 2016 insurance companies held SR 6.32 Billion in cash and cash equivalents in their policyholders' accounts compared to SR 5.62 Billion in 2015
- Investments accounted for the biggest share of policyholders' assets, with a value of SR 13.76 Billion in 2016 compared to SR 12.24 Billion in 2015
- Policyholders' (operational) assets amounted to SR 40.82 Billion in 2016 compared to SR 39.44 Billion in 2015

### Policyholders' Assets (2016, SR Thousand)

Item Name	General and Health Insurance		Protection and Saving Insurance		Total Insurance	
	2016	2015	2016	2015	2016	2015
Cash and cash equivalents	6,125,833	5,458,353	192,519	166,439	6,318,352	5,624,792
Receivables, net	8,293,463	8,571,976	179,674	141,748	8,473,137	8,713,723
Reinsurance recoverable	8,223,631	8,655,539	359,534	336,398	8,583,165	8,991,937
Deferred policy acquisition cost	923,614	1,037,163	3,233	3,792	926,846	1,040,955
Prepaid expenses	758,800	984,940	1,192	1,453	759,992	986,393
<b>Investments</b>	<b>10,897,331</b>	<b>9,368,753</b>	<b>2,863,694</b>	<b>2,872,173</b>	<b>13,761,025</b>	<b>12,240,926</b>
<i>Deposits at financial institutions</i>	8,564,744	7,633,920	60,338	83,977	8,625,082	7,717,897
<i>Loans</i>	139,520	-	-	-	139,520	-
<i>Debt securities and fixed income</i>	1,879,410	1,323,376	-	-	1,879,410	1,323,376
<i>Shares (common, preferred)</i>	160,180	97,076	24,018	-	184,198	97,076
<i>Real estate</i>	9,861	9,861	-	-	9,861	9,861
<i>Investment in subsidiaries and affiliates</i>	-	-	69,953	37,105	69,953	37,105
<i>Other</i>	143,617	304,521	2,709,385	2,751,091	2,853,001	3,055,612
Tangible assets	476,749	480,566	6,782	8,006	483,531	488,572
Intangible assets	18,620	17,946	-	103	18,620	18,049
Other policyholders assets	1,431,587	1,348,788	63,227	(11,339)	1,494,814	1,337,449
<b>Total policyholders assets</b>	<b>37,149,626</b>	<b>35,924,025</b>	<b>3,669,855</b>	<b>3,518,771</b>	<b>40,819,481</b>	<b>39,442,796</b>

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



## Balance Sheet - Shareholders' Assets

- At the end of 2016, insurance companies' shareholders held SR 3.16 Billion in cash and cash equivalents compared to SR 2.34 Billion in 2015
- Investments accounted for the biggest share of shareholders' assets, with a value of SR 10.78 Billion in 2016 compared to SR 10.86 Billion in 2015
- Shareholders' assets amounted to SR 16.68 Billion in 2016 compared to SR 14.69 Billion in 2015
- Insurance companies' total assets amounted to SR 57.5 Billion in 2016 compared to SR 54.13 Billion in 2015

### Shareholders' Assets (2016, SR Thousand)

Item Name	General and Health Insurance	Protection and Saving Insurance	Total Insurance	
			2016	2015
Cash and cash equivalents			3,160,298	2,343,990
Receivables, net			29,480	8,989
Investments			<b>10,782,586</b>	<b>10,859,315</b>
<i>Deposits at financial institutions</i>			6,187,458	6,447,954
<i>Loans</i>			291,142	1,923
<i>Debt securities and fixed income</i>			2,584,740	2,222,241
<i>Shares (common, preferred)</i>			737,795	1,006,884
<i>Real estate</i>			57,079	25,000
<i>Investment in subsidiaries and affiliates</i>			155,642	126,073
<i>Other</i>			768,730	1,029,240
Accrued interest, rent, income			90,214	38,376
Tangible assets			175,171	150,988
Intangible assets			859,865	852,018
Distributions due from policyholders account			1,301,207	301,221
Other shareholders assets			284,010	130,329
<b>Total shareholders assets</b>			<b>16,682,831</b>	<b>14,685,226</b>
<b>Total Assets</b>			<b>57,502,312</b>	<b>54,128,022</b>



# Balance Sheet - Policyholders' Liabilities and Equity

- At the end of 2016, insurance companies held SR 29.73 Billion in technical reserves, which consist of unearned premiums, outstanding claims, IBNR and adjustment expense reserves compared to SR 29.44 Billion in 2015
- Mathematical reserves amounted to SR 2.99 Billion in 2016 compared to SR 3.08 Billion in 2015
- Policyholders' liabilities and equity amounted to SR 40.82 Billion in 2016 compared to SR 39.44 Billion in 2015

## Policyholders' Liabilities And Equity (2016, SR Thousand)

Item Name	General and Health Insurance		Protection and Saving Insurance		Total Insurance	
	2016	2015	2016	2015	2016	2015
Policyholders payables	622,224	741,252	22,731	106	644,955	741,358
Reinsurance balances payable	1,312,117	1,737,166	119,340	95,423	1,431,457	1,832,589
Technical reserves	<b>29,420,234</b>	<b>29,219,145</b>	<b>307,596</b>	<b>220,902</b>	<b>29,727,831</b>	<b>29,440,047</b>
Unearned premium	15,673,492	16,305,191	71,893	66,439	15,745,384	16,371,630
Outstanding claims, IBNR and adjustment expenses	13,746,743	12,913,953	235,704	154,464	13,982,446	13,068,417
Mathematical reserves	753	36,858	2,988,750	3,052,263	2,989,503	3,089,121
Other reserves	204,384	208,393	235	136	204,619	208,529
Unearned reinsurance commissions	321,776	380,308	4,316	4,710	326,092	385,018
Accrued expense and deferred income	2,395,991	2,352,518	45,095	64,654	2,441,087	2,417,171
Declared dividend payable	111,566	106,591	-	-	111,566	106,591
Distribution due to shareholders account	1,194,971	234,078	106,236	59,216	1,301,207	293,294
Other policyholders liabilities	1,089,983	547,428	38,118	19,767	1,128,101	567,195
<b>Total policyholders liabilities</b>	<b>36,674,000</b>	<b>35,563,736</b>	<b>3,632,418</b>	<b>3,517,177</b>	<b>40,306,417</b>	<b>39,080,913</b>
Accumulated surplus	473,778	345,688	39,286	16,195	513,064	361,883
<b>Total policyholders liabilities &amp; equity</b>	<b>37,147,778</b>	<b>35,909,423</b>	<b>3,671,704</b>	<b>3,533,372</b>	<b>40,819,481</b>	<b>39,442,796</b>



## Balance Sheet - Shareholders' Liabilities and Equity

- At the end of 2016, shareholders' liabilities decreased to SR 2.22 Billion from SR 2.26 Billion in 2015 while shareholders' equity totaled SR 14.47 Billion in 2016 compared to SR 12.42 Billion in 2015
- Share capital constituted the biggest share of shareholders' equity with a value of SR 12.36 Billion in 2016 compared to SR 12.62 Billion in 2015
- Shareholders' liabilities and equity registered SR 16.68 Billion in 2016 compared to SR 14.69 Billion in 2015
- Insurance companies' total liabilities and equity amounted to SR 57.50 Billion in 2016 compared to SR 54.13 Billion in 2015

### Shareholders' Liabilities And Equity (2016, SR Thousand)

Item Name	General and Health Insurance	Protection and Saving Insurance	Total Insurance	
			2016	2015
Shareholders payables			182,055	491,536
Zakat			789,210	533,665
Accrued expenses and deferred income			169,717	139,790
Other shareholders liabilities			1,076,430	1,095,454
<b>Total shareholders liability</b>			<b>2,217,413</b>	<b>2,260,444</b>
Share capital			12,556,667	12,616,667
Statutory reserves			1,850,668	1,487,186
Retained earnings			136,593	(1,608,330)
Other shareholders equity			(78,510)	(70,741)
<b>Total shareholders equity</b>			<b>14,465,418</b>	<b>12,424,782</b>
<b>Total shareholders liabilities &amp; equity</b>			<b>16,682,831</b>	<b>14,685,226</b>
<b>Total Liabilities and Equity</b>			<b>57,502,312</b>	<b>54,128,022</b>



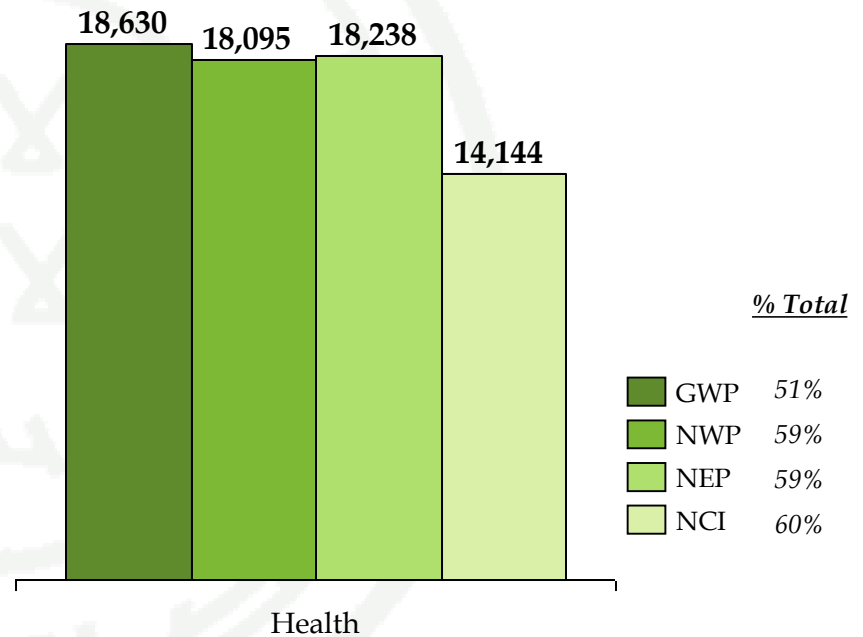
## Insurance Market Performance - By Line of Business



# Health Insurance

- Health insurance, which includes both compulsory and non-compulsory lines, accounted for 51% of the 2016 total market GWP with SR 18.6 Billion in underwritten premiums
- Health insurance accounted for 59% of the market's NWP as insurance companies retained SR 18.1 Billion of their Health insurance GWP, which was the highest of all business lines representing a 97.1% retention ratio
- Health insurance's NEP registered SR 18.24 Billion
- Health insurance's NCI amounted to SR 14.14 Billion, which translates into a 78% loss ratio for the year 2016

**Health Insurance Performance**  
(2016, SR Million)



Retention Ratio

97.1%

Loss Ratio

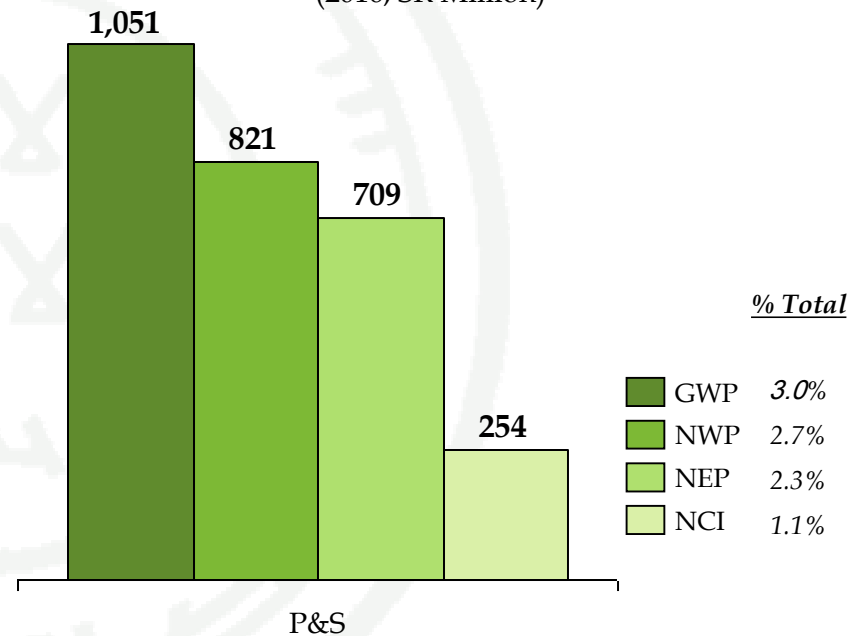
78%



# Protection and Savings Insurance

- Protection and Savings insurance's GWP totaled SR 1,051 Million in 2016, which represents a 3% contribution to the market's total business volume
- Protection and Savings insurance accounted for 2.7% of the market's NWP, as insurance companies retained SR 821 Million of GWP
- Protection and Savings insurance's NEP registered SR 709 Million, which represents a share of 2.3% of total NEP
- Protection and Savings insurance's NCI amounted to SR 254 Million

**Protection and Savings Insurance Performance**  
(2016, SR Million)



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

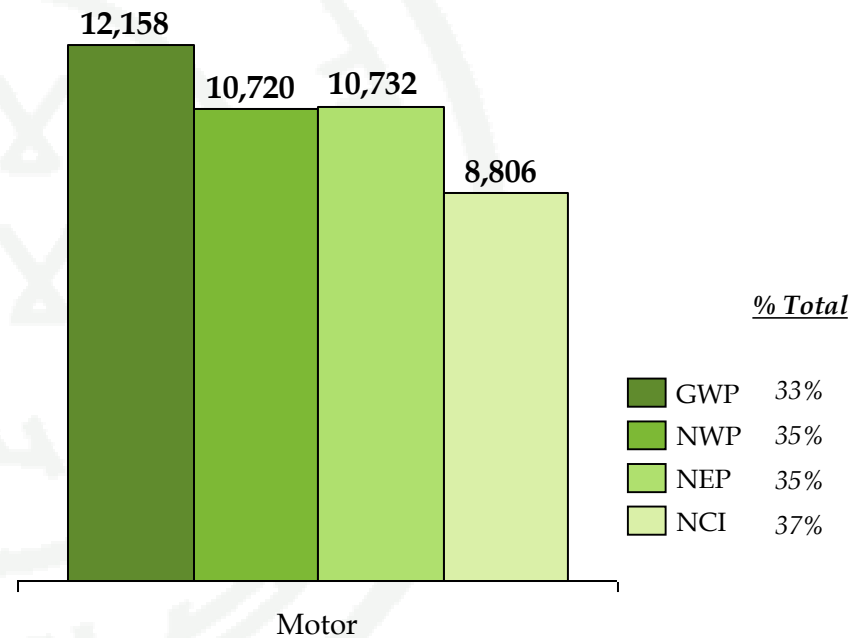




# Motor Insurance

- Motor insurance's GWP totaled SR 12.158 Billion in 2016, which represents a 33% share of total market GWP
- Insurance companies retained 88.2% of their Motor underwritten premiums .Motor insurance NWP totaled SR 10.720 Billion
- Motor insurance's NEP amounted to SR 10.732 Billion and accounted for 35% of the insurance market's NEP
- Insurance companies recorded SR 8.806 Billion in Motor insurance's NCI which resulted in a 82% loss ratio

**Motor Insurance Performance**  
(2016, SR Million)



Retention Ratio

88.2%

Loss Ratio

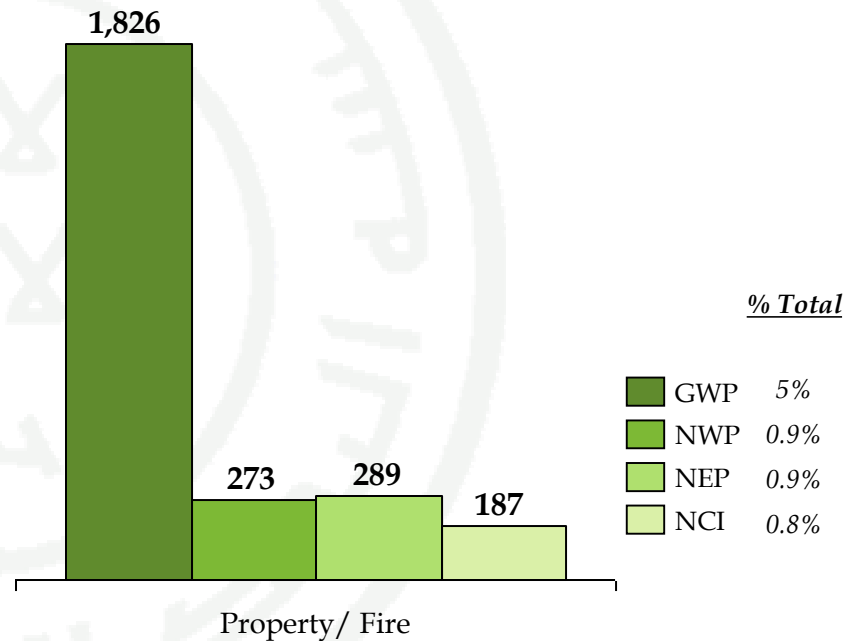
82%



# Property/ Fire Insurance

- Property/ Fire insurance's GWP totaled SR 1.8 Billion in 2016, which represents a 5% share of total market GWP
- Insurance companies retained only 15% of their Property/ Fire insurance premiums, as the business line's NWP amounted to 273 Million. Property/ Fire insurance contributed 0.9% to total market NWP in 2016
- Property/ Fire insurance's NEP registered SR 289 Million
- Insurance companies recorded SR 187 Million in Property/ Fire insurance's NCI, which translates into a 65% loss ratio

**Property/ Fire Insurance Performance**  
(2016, SR Million)



Retention Ratio

15%

Loss Ratio

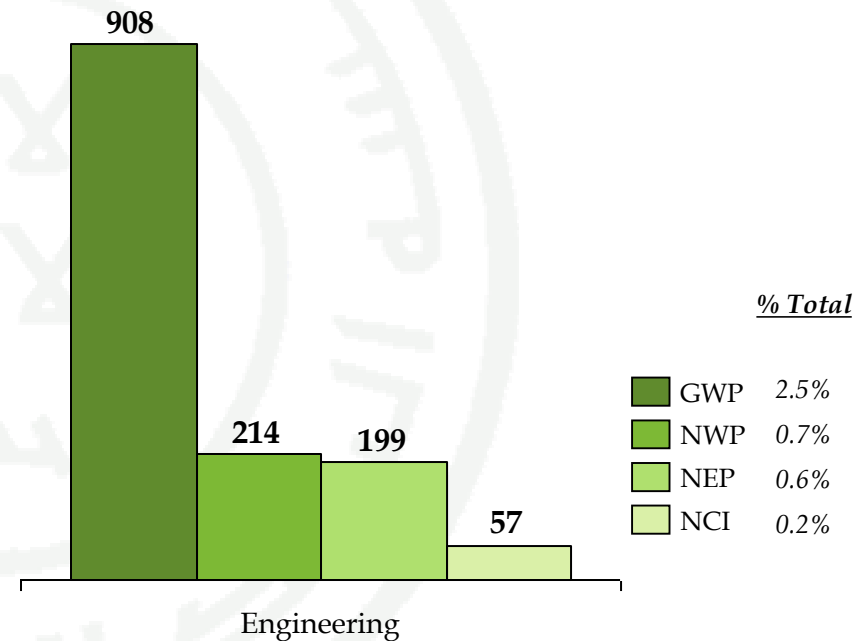
65%



# Engineering Insurance

- Engineering insurance's GWP totaled SR 908 Million in 2016, which represents a 2.5% contribution to total market GWP
- Insurance companies retained 23.5% of their Engineering underwritten premiums. Engineering insurance NWP registered SR 214 Million
- Engineering insurance NEP amounted to SR 199 Million and accounted for 0.6% of the insurance market's NEP
- Engineering insurance recorded a loss ratio of 29%, with NCI, totaling SR 57 Million

**Engineering Insurance Performance**  
(2016, SR Million)



Retention Ratio

23.5%

Loss Ratio

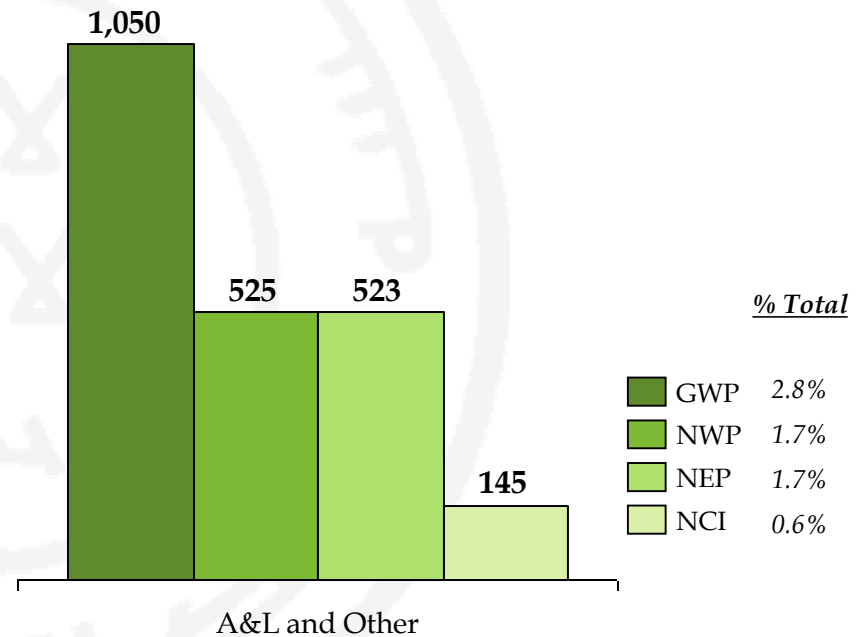
29%



# 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 1.05 Billion in A&L and Other general insurance premiums
- Insurance companies retained SR 525 Million of A&L and Other general insurance underwritten premiums, a 50.1% retention ratio
- A&L and Other general insurance NEP totaled SR 523 Million, which represents a 1.7% contribution to total NEP
- Insurance companies recorded SR 145 Million in A&L and Other general insurance’s NCI, which translates into a 27.8% loss ratio

**A&L and Other Performance**  
(2016, SR Million)



<u>Retention Ratio</u>	<u>Loss Ratio</u>
50.1%	27.8%

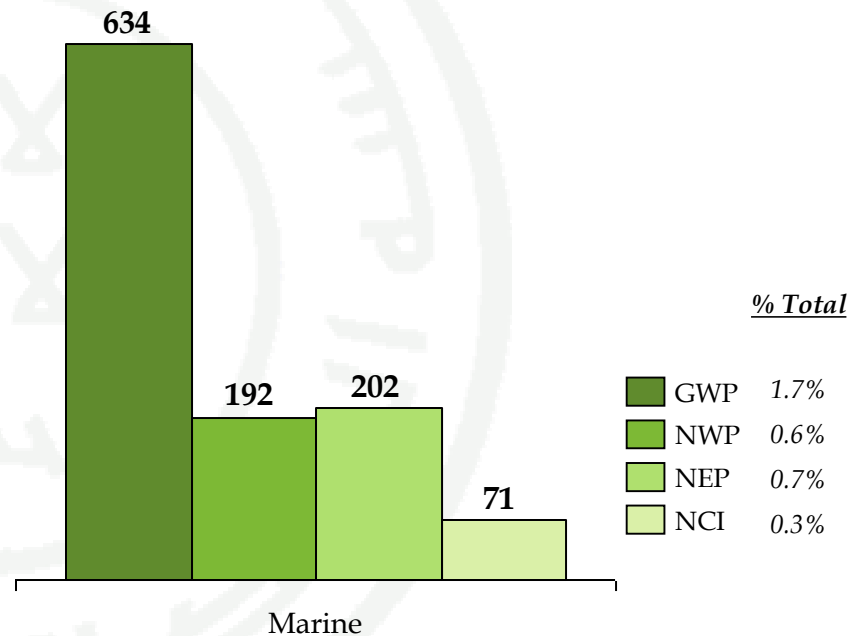
\* Other insurance refers to all other business lines in general insurance



# Marine Insurance

- The Marine insurance line of business includes both marine cargo and marine hull insurance
- Marine insurance GWP totaled SR 634 Million in 2016, which represents a 1.7% contribution to total market GWP
- Insurance companies retained 30% of their Marine insurance underwritten premiums, as the business line's NWP amounted to SR 192 Million
- Marine insurance's NEP recorded SR 202 Million, which represents a 0.7% share of total NEP for 2016
- Marine insurance's NCI amounted to SR 71 Million. This resulted in a loss ratio of 35%

**Marine Insurance Performance**  
(2016, SR Million)



Retention Ratio

30%

Loss Ratio

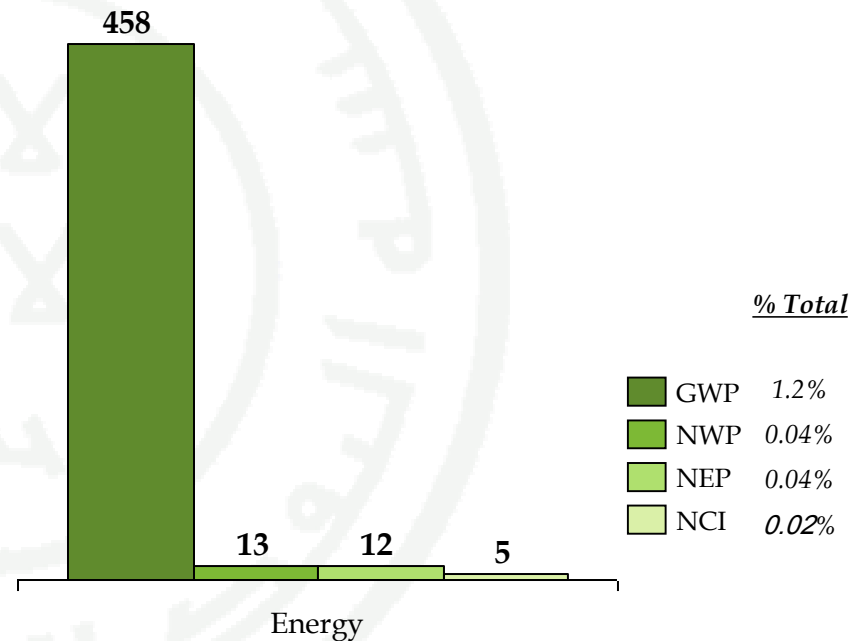
35%



# Energy Insurance

- In 2016, Energy insurance GWP totaled SR 458 Million, which represents a 1.2% share of total market GWP
- Insurance companies ceded 97% of their Energy insurance underwritten premiums. Energy insurance NWP amounted to SR 13 Million
- Energy insurance's NEP amounted to SR 12 Million, accounting for only 0.04% of the insurance market's NEP
- Energy insurance's NCI amounted to SR 5 Million. This resulted in a loss ratio of 41%

**Energy Insurance Performance**  
(2016, SR Million)



Retention Ratio

2.8%

Loss Ratio

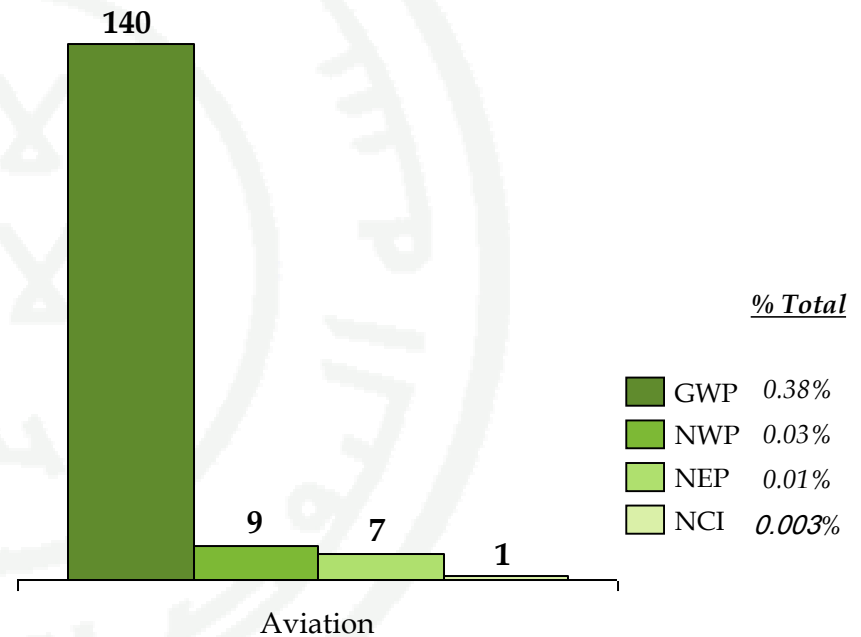
41%



# Aviation Insurance

- Aviation insurance GWP reached SR 140 Million in 2016, a 0.38% contribution to total market GWP
- NWP for Aviation insurance reached SR 9 Million, resulting in a retention ratio of 6.5%
- Aviation insurance's NEP totaled SR 7 Million, accounting for only 0.01% of the insurance market's NEP
- Aviation insurance's NCI amounted to SR 1 Million. This resulted in a loss ratio of 12%

**Aviation Insurance Performance**  
(2016, SR Million)



Retention Ratio

6.5%

Loss Ratio

12%



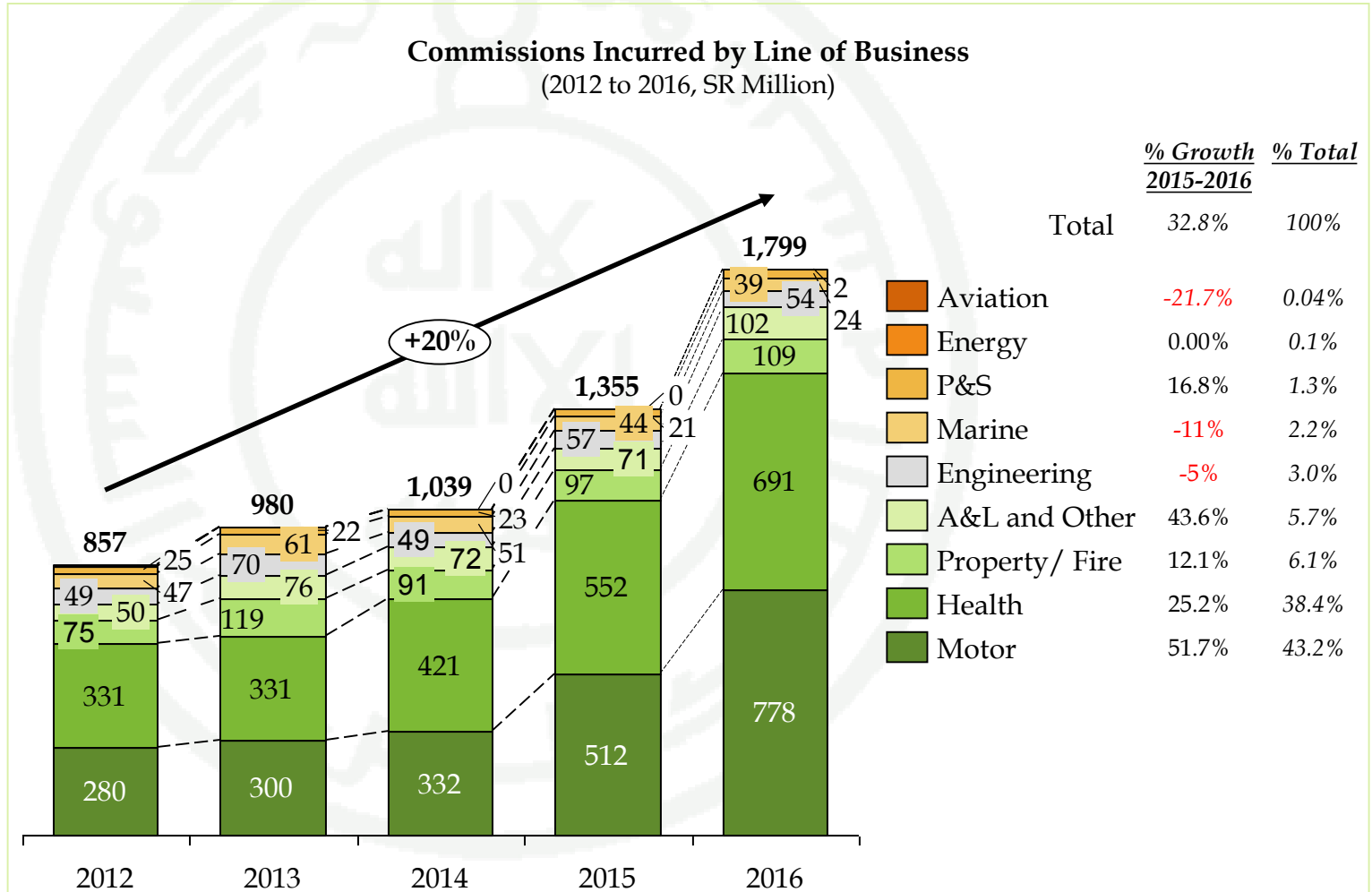
## Other Market Indicators





# Commissions Incurred by Line of Business

- Total commissions incurred amounted to SR 1.79 Billion in 2016, compared to SR 1.36 Billion in 2015, which represents an increase of 32.8%
- General insurance related commissions accounted for 60.3% of total commissions incurred in 2016
- Health insurance's share of total commissions incurred represented 38.4% in 2016
- Protection and Savings insurance's commissions incurred was 1.3% of total commissions incurred in 2016

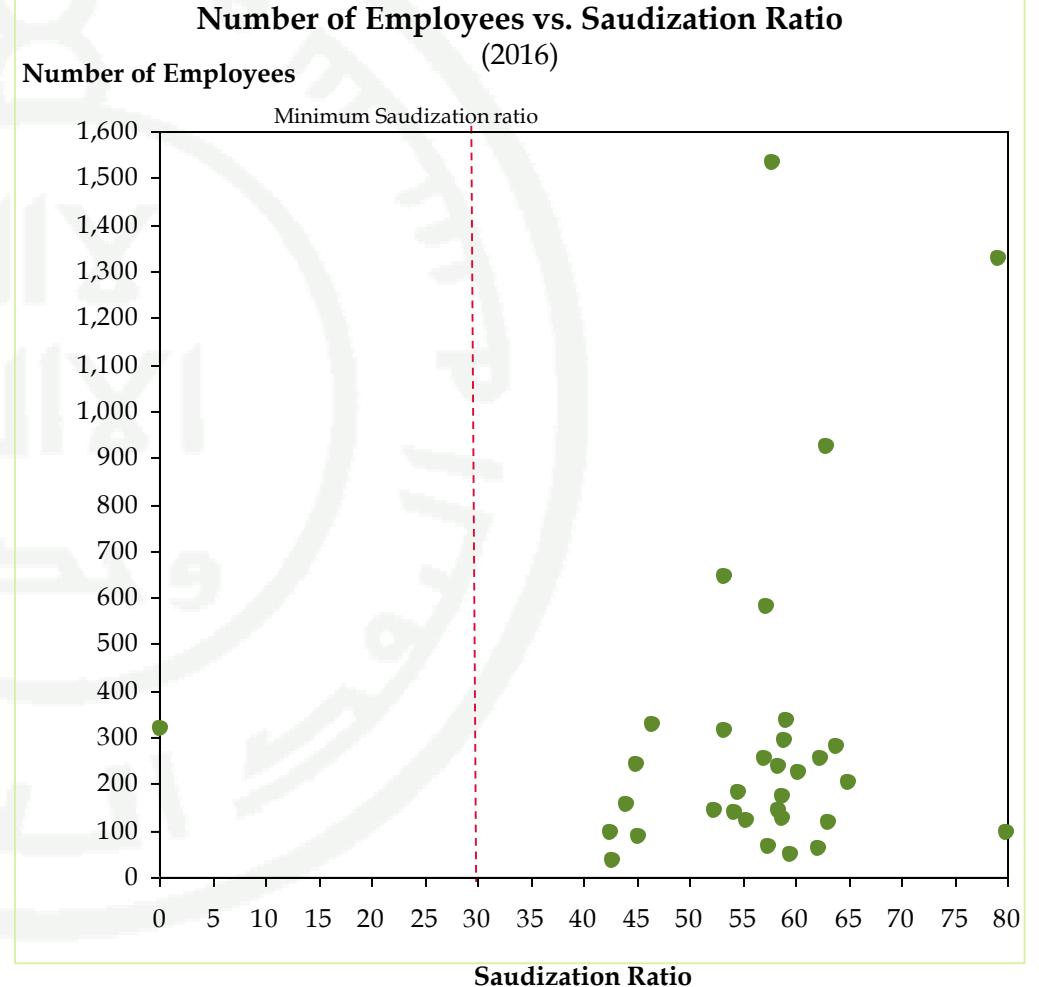




# Employees Breakdown by Nationality

- The total number of insurance companies' employees in Saudi Arabia reached 10,039 in 2016, up from 9,682 in 2015
- The ratio of Saudi nationals employed by insurance companies in 2016 decreased, representing 58% of the total workforce
- the Saudization ratio for non-managerial positions increased to 64%, while the Saudization ratio for managerial positions decreased to 63%, down from 42% in 2015
- 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	
	2015	2016	2015	2016	2015	2016
Other Arab	1,258	1,392	512	814	1,770	2,206
Other Non-Arab	1,733	1,475	473	496	2,206	1,971
Saudi	4,974	5,129	732	733	5,706	5,862
<b>Total</b>	<b>7,965</b>	<b>7,996</b>	<b>1,717</b>	<b>2,043</b>	<b>9,682</b>	<b>10,039</b>
<b>Saudization Ratio</b>	<b>62%</b>	<b>64%</b>	<b>42%</b>	<b>36%</b>	<b>59%</b>	<b>58%</b>

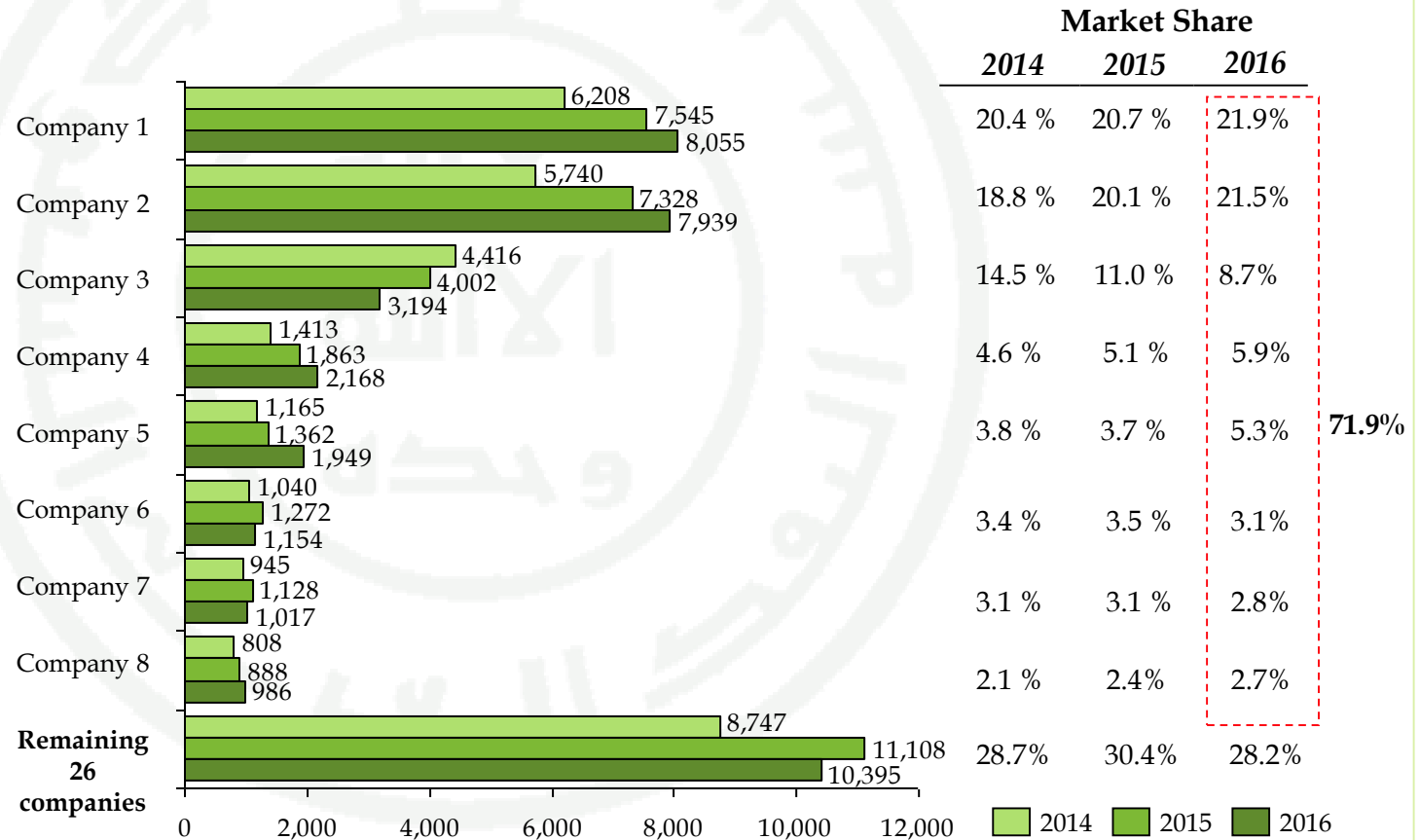




# Insurance Market Structure

- In 2016, the top 8 insurance companies generated 71.9% of the insurance market's GWP
- The remaining 26 insurance companies included in the report accounted for the remaining 28.2% of total market premiums

**Gross Written Premiums by Company**  
(2014 to 2016, SR Million)



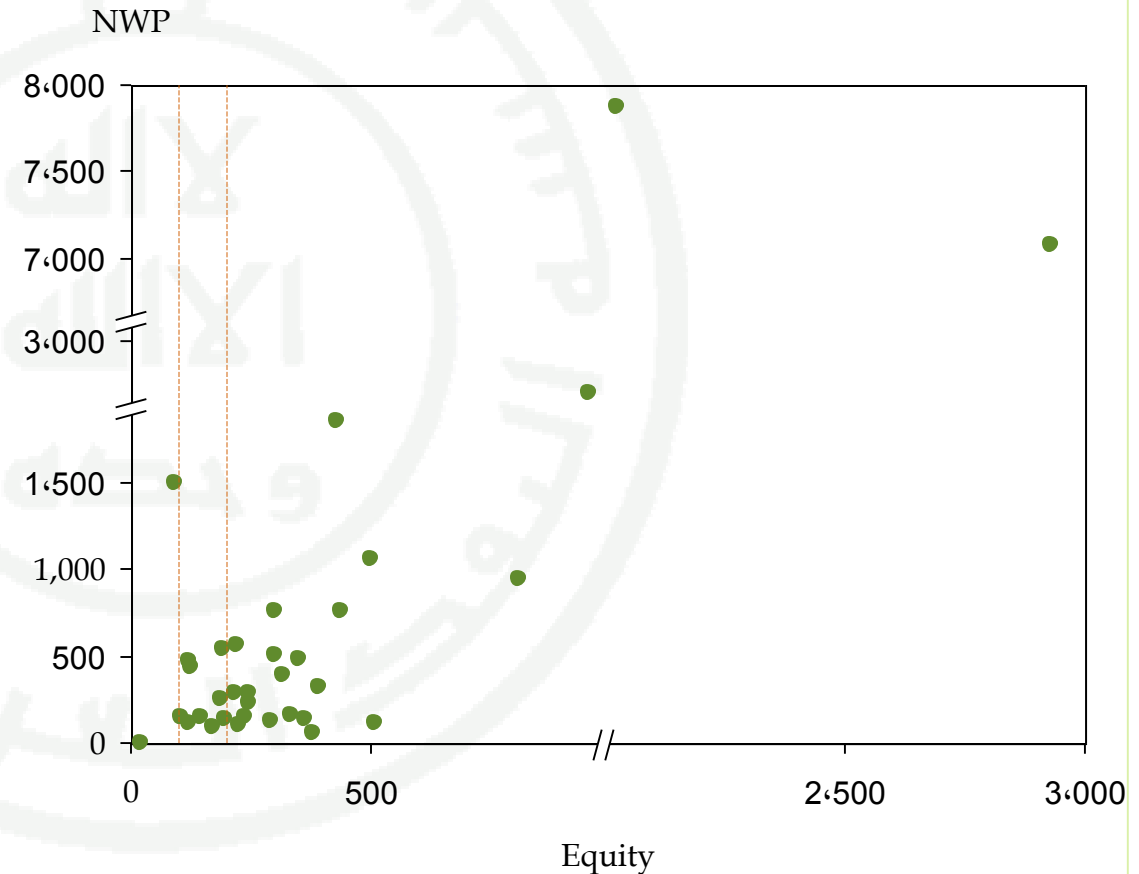


# Capitalization of Insurance Companies

- Insurance companies' equity increased from SR 12.42 Billion at the end of 2015 to SR 14.46 Billion at the end of 2016, with 32 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 (2016)	Number of Companies
Up to SR 50 Million	1
SR 50 M to SR 100 Million	1
SR 100 M to SR 150 Million	5
SR 150 M to SR 200 Million	4
SR 200 M to SR 500 Million	18
More that SR 500 Million	5

**Insurance Companies' Equity vs. NWP**  
(2016, SR Million)





## Appendix: Data Tables



# Table 1: Gross Written Premiums by Line of Business (2012 to 2016)

Table 1: Gross Written Premiums by Line of Business											
Line of Business	2012		2013		2014		2015		2016		% Change
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
A&L and Other	691	3.3%	941	3.7%	1,079	3.5%	1,093	3.0%	1,049	2.8%	(4.0)%
Motor	4,689	22.1%	6,355	25.2%	8,026	26.3%	10,799	29.6%	12,158	33.0%	12.6%
Property/ Fire	1,348	6.4%	1,664	6.6%	1,923	6.3%	1,962	5.4%	1,826	5.0%	(6.9)%
Marine	743	3.5%	740	2.9%	811	2.7%	726	2.0%	634	1.7%	(12.7)%
Aviation	67	0.3%	144	0.6%	140	0.5%	147	0.4%	140	0.4%	(4.8)%
Energy	385	1.8%	456	1.8%	443	1.5%	563	1.5%	458	1.2%	(18.6)%
Engineering	1,077	5.1%	1,200	4.8%	1,434	4.7%	1,204	3.3%	908	2.5%	(24.6)%
<b>Total General Insurance</b>	<b>9,000</b>	<b>42.5%</b>	<b>11,500</b>	<b>45.6%</b>	<b>13,857</b>	<b>45.5%</b>	<b>16,494</b>	<b>45.2%</b>	<b>17,174</b>	<b>46.6%</b>	<b>4.1%</b>
<b>Total Health Insurance</b>	<b>11,285</b>	<b>53.3%</b>	<b>12,895</b>	<b>51.1%</b>	<b>15,720</b>	<b>51.6%</b>	<b>18,967</b>	<b>52.0%</b>	<b>18,630</b>	<b>50.5%</b>	<b>(1.8)%</b>
<b>Total P&amp;S Insurance</b>	<b>888</b>	<b>4.2%</b>	<b>844</b>	<b>3.3%</b>	<b>904</b>	<b>3.0%</b>	<b>1,036</b>	<b>2.8%</b>	<b>1,051</b>	<b>2.9%</b>	<b>1.5%</b>
<b>Total</b>	<b>21,174</b>	<b>100.0%</b>	<b>25,239</b>	<b>100.0%</b>	<b>30,482</b>	<b>100.0%</b>	<b>36,496</b>	<b>100.0%</b>	<b>36,855</b>	<b>100.0%</b>	<b>1.0%</b>



## Tables 2 & 3: Insurance Penetration and Density (2012 to 2016)

Table 2: Insurance Penetration

Line of Business	2012	2013	2014	2015	2016	% Change
	%	%	%	%	%	
Total General Insurance	%0.33	%0.41	%0.49	%0.67	%0.72	%6.3
Total Health Insurance	%0.41	%0.46	%0.56	%0.77	%0.78	%0.3
Total P&S Insurance	%0.03	%0.03	%0.03	%0.04	%0.04	%3.7
<b>Total</b>	<b>%1.79</b>	<b>%0.90</b>	<b>%1.08</b>	<b>%1.49</b>	<b>%1.54</b>	<b>%3.1</b>

Table 3: Insurance Density

Line of Business	2012	2013	2014	2015	2016	% Change
	SR	SR	SR	SR	SR	
Total General Insurance	308	394	450	536	540	%0.8
Total Health Insurance	386	442	511	616	586	%4.9-
Total P&S Insurance	30	29	29	34	33	%1.7-
<b>Total</b>	<b>725.2</b>	<b>864.5</b>	<b>990.6</b>	<b>1186.1</b>	<b>1159.4</b>	<b>%2.2-</b>



## Table 4: Net Written Premiums by Line of Business (2012 to 2016)

Table 4: Net Written Premiums by Line of Business											
Line of Business	2012		2013		2014		2015		2016		% Change
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
A&L and Other	329	2.0%	391	2.0%	564	2.3%	527	1.7%	525	1.70%	(0.4)%
Motor	4,408	27.4%	5,967	31.0%	7,602	31.2%	9,912	32.7%	10,720	34.75%	8.2%
Property/ Fire	203	1.3%	282	1.5%	316	1.3%	330	1.1%	273	0.88%	(17.4)%
Marine	229	1.4%	241	1.3%	251	1.0%	249	0.8%	192	0.62%	(22.7)%
Aviation	2	0.01%	4	0.02%	3	0.01%	3	0.01%	9	0.03%	209.5%
Energy	7	0.05%	7	0.04%	9	0.04%	11	0.04%	13	0.04%	13.7%
Engineering	166	1.0%	180	0.9%	205	0.8%	216	0.7%	199	0.6%	(8)%
<b>Total General Insurance</b>	<b>5,345</b>	<b>33.3%</b>	<b>7,073</b>	<b>36.8%</b>	<b>8,950</b>	<b>36.8%</b>	<b>11,249</b>	<b>37.2%</b>	<b>11,932</b>	<b>38.7%</b>	<b>6.1%</b>
<b>Total Health Insurance</b>	<b>9,951</b>	<b>61.9%</b>	<b>11,456</b>	<b>59.5%</b>	<b>14,654</b>	<b>60.2%</b>	<b>18,189</b>	<b>60.1%</b>	<b>18,095</b>	<b>58.7%</b>	<b>(0.5)%</b>
<b>Total P&amp;S Insurance</b>	<b>767</b>	<b>4.8%</b>	<b>714</b>	<b>3.7%</b>	<b>730</b>	<b>3.0%</b>	<b>836</b>	<b>2.8%</b>	<b>821</b>	<b>2.7%</b>	<b>(1.8)%</b>
<b>Total</b>	<b>16,064</b>	<b>100.0%</b>	<b>19,243</b>	<b>100.0%</b>	<b>24,334</b>	<b>100.0%</b>	<b>30,274</b>	<b>100.0%</b>	<b>30,847</b>	<b>100.0%</b>	<b>1.9%</b>





## Table 5: Retention Ratio by Line of Business (2012 to 2016)

Table 5: Retention Ratio by Line of Business						
Line of Business	2012	2013	2014	2015	2016	% Change
	%	%	%	%	%	
A&L and Other	47.6%	41.6%	52.3%	48.2%	50.1%	3.8%
Motor	94.0%	93.9%	94.7%	91.8%	88.2%	(3.9)%
Property/ Fire	15.1%	16.9%	16.4%	16.8%	15%	(11.3)%
Marine	30.9%	32.6%	31.0%	34.3%	30.3%	(11.5)%
Aviation	2.9%	2.5%	2.5%	2.0%	6.5%	225.0%
Energy	1.9%	1.7%	2.0%	2.0%	2.8%	39.8%
Engineering	15.4%	15.0%	14.3%	18.0%	22%	22%
<b>Total General Insurance</b>	59.4%	61.5%	64.6%	68.2%	69.5%	1.9%
<b>Total Health Insurance</b>	88.2%	88.8%	93.2%	95.9%	97.1%	1.3%
<b>Total</b>	75.4%	76.0%	79.8%	83.0%	83.7%	0.9%

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 (2012 to 2016)

Table 6: Commissions Incurred by Line of Business											
Line of Business	2012		2013		2014		2015		2016		% Change
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
A&L and Other	49.7	5.8%	76	7.8%	72	6.9%	70.9	5.2%	101.8	5.7%	43.6%
Motor	280.1	32.7%	300	30.6%	332	31.9%	512.4	37.8%	777.5	43.2%	51.7%
Property/ Fire	75	8.7%	118	12.1%	91	8.7%	97.4	7.2%	109.2	6.1%	12.1%
Marine	47	5.5%	61	6.3%	51	5.0%	44.2	3.3%	39.3	2.2%	(11.0)%
Aviation	0.3	0.04%	0.5	0.1%	0.8	0.1%	1.0	0.1%	0.8	0.04%	(21.7)%
Energy	0.002	0.0002%	0.1	0.01%	0.00	0.0%	0.00	0.00%	1.6	0.1%	0
Engineering	49	5.8%	70	7.1%	49	4.7%	57	4.2%	54	3.0%	(5.0)%
<b>Total General Insurance</b>	502	58.5%	627	64.0%	596	57.4%	783	57.8%	1,084	60.3%	38.5%
<b>Total Health Insurance</b>	331	38.6%	331	33.7%	421	40.5%	551	40.7%	691	38.4%	25.2%
<b>Total P&amp;S Insurance</b>	25	2.9%	22	2.3%	22	2.2%	21	1.5%	24	1.4%	16.8%
<b>Total</b>	857	100.0%	980	100.0%	1,039	100.0%	1,355	100.0%	1,799	100.0%	32.8%



## Table 7: Gross Claims Paid by Line of Business (2012 to 2016)

Table 7: Gross Claims Paid by Line of Business											
Line of Business	2012		2013		2014		2015		2016		% Change
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
A&L and Other	105	1%	118	1%	207	1%	200	1%	241	1%	20.2%
Motor	3,465	25%	4,720	28%	6,069	30%	7,555	31%	9,059	35%	19.9%
Property/ Fire	774	6%	860	5%	1,312	6%	2,367	10%	1,034	4%	(56.3)%
Marine	257	2%	374	2%	261	1%	216	1%	264	1%	22%
Aviation	15	0.1%	7	0.04%	7	0.04%	51	0.21%	93	0.36%	80.5%
Energy	58	0.4%	1.2	0.001%	1	0.006%	1	0.005%	1.2	0.004%	0.00%
Engineering	240	2%	213	1%	559	3%	631	3%	358	1%	(43.3)%
<b>Total General</b>	<b>4,914</b>	<b>36%</b>	<b>6,293</b>	<b>37%</b>	<b>8,417</b>	<b>41%</b>	<b>11,022</b>	<b>45%</b>	<b>11,049</b>	<b>42%</b>	<b>0.3%</b>
<b>Total Health</b>	<b>8,511</b>	<b>63%</b>	<b>10,405</b>	<b>61%</b>	<b>11,567</b>	<b>57%</b>	<b>13,106</b>	<b>53%</b>	<b>14,548</b>	<b>56%</b>	<b>11%</b>
<b>Total P&amp;S</b>	<b>189</b>	<b>1%</b>	<b>297</b>	<b>2%</b>	<b>329</b>	<b>2%</b>	<b>390</b>	<b>2%</b>	<b>420</b>	<b>2%</b>	<b>7.8%</b>
<b>Total</b>	<b>13,615</b>	<b>100%</b>	<b>16,995</b>	<b>100%</b>	<b>20,314</b>	<b>100%</b>	<b>24,518</b>	<b>100%</b>	<b>26,017</b>	<b>100%</b>	<b>6.1%</b>