



مؤسسة النقد العربي السعودي

Saudi Arabian Monetary Authority

The Insurance Market Report

2017

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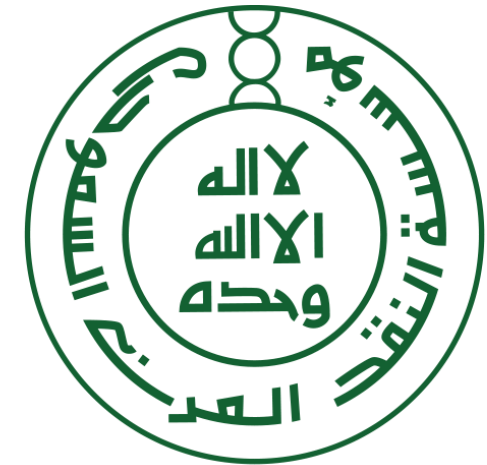
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Introduction

- In 2017, Gross Written Premiums (GWP) in the Saudi insurance market reached SR 36.5 Billion, down from SR 36.8 Billion in 2016. which represents a decrease of (1%) compared to a 1% growth in 2016
- Health insurance GWP, which represents 52% of the insurance market, increased by 2% to reach SR 19 Billion in 2017, while it decreased in 2016 by (2%) to reach SR 18.6 Billion
- General insurance GWP, which represents 44.7% of the insurance market, decreased by (4.9%) to reach SR 16.3 Billion in 2017 compared to an increase in 2016 by 4.1% to SR 17 Billion. Motor insurance represented 68% of General insurance GWP, in which it has decreased from SR 12 Billion in 2016 to SR 11 Billion in 2017
- Protection & Savings (P&S) insurance GWP, which represents 3.1% of the insurance market, increased by 8.5% to reach SR 1.1 Billion in 2017 compared to SR 1.05 Billion in 2016
- Total number of insurance polices written decreased to 5,666,234 policy in 2017 compared to 7,308,067 policy in 2016

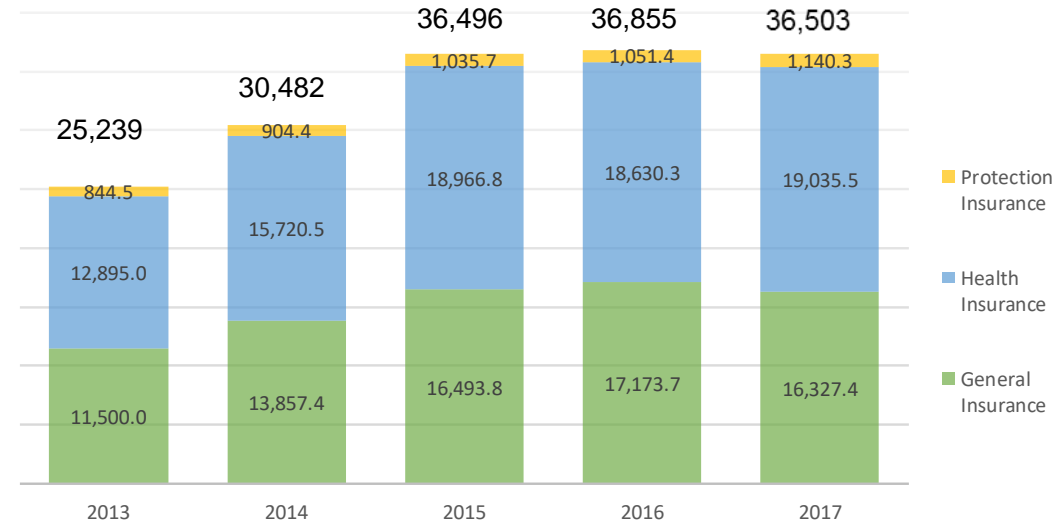
(*) This report is based on the data collected from 33 insurance and reinsurance companies



Insurance Market Performance

- The overall insurance Gross Written Premiums decreased by SR 352 Million to reach SR 36,5 Billion⁽¹⁾ in 2017, compared to SR 36,8 Billion in 2016
- Health insurance remained the biggest line of business in 2017. Its contribution to total GWP in 2017 was 52% compared to 50% in 2016, while General insurance's contribution to total business volume in 2017 decreased to 45% compared to 47% in 2016
- Protection and Savings insurance remained the smallest line of business, accounting for 3.1% of total GWP with an increase in its written premiums by 8.5% in 2017

GROSS WRITTEN PREMIUMS

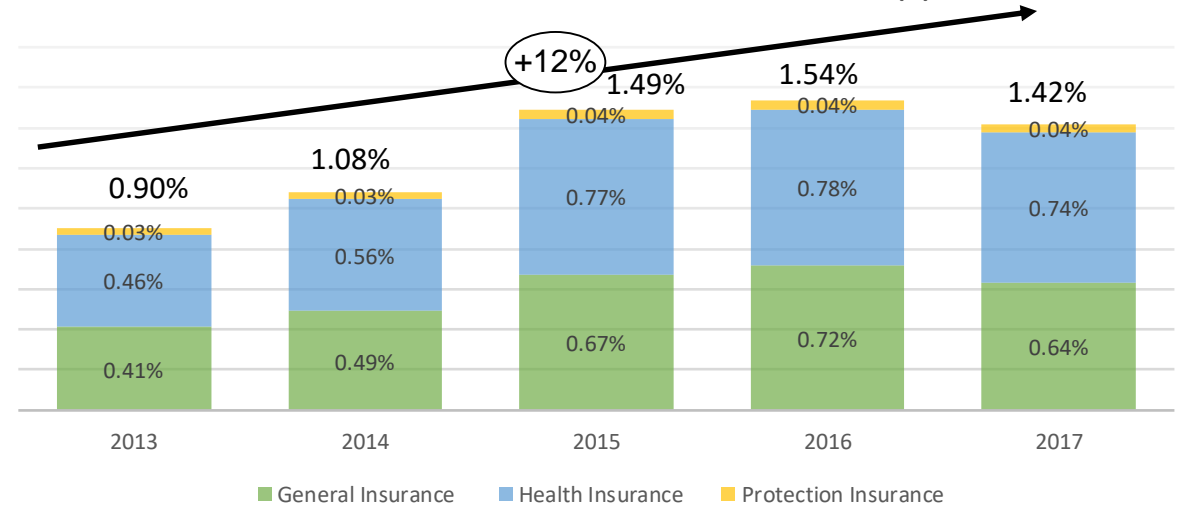


Line of Business	2013		2014		2015		2016		2017		Growth
	SR M	%	SR M	%	SR M	%	SR M	%	SR M	%	
Health Insurance	12,895.0	51.1%	15,720.5	51.6%	18,966.8	52.0%	18,630.3	50.5%	19,035.5	52.1%	2.2%
General Insurance	11,500.0	45.6%	13,857.4	45.5%	16,493.8	45.2%	17,173.7	46.6%	16,327.4	44.7%	(4.9)%
Protection Insurance	844.5	3.3%	904.4	3.0%	1,035.7	2.8%	1,051.4	2.9%	1,140.3	3.1%	8.5%
Total	25,239.4	100.0%	30,482.2	100.0%	36,496.3	100.0%	36,855.3	100.0%	36,503.2	100.0%	(1.0)%

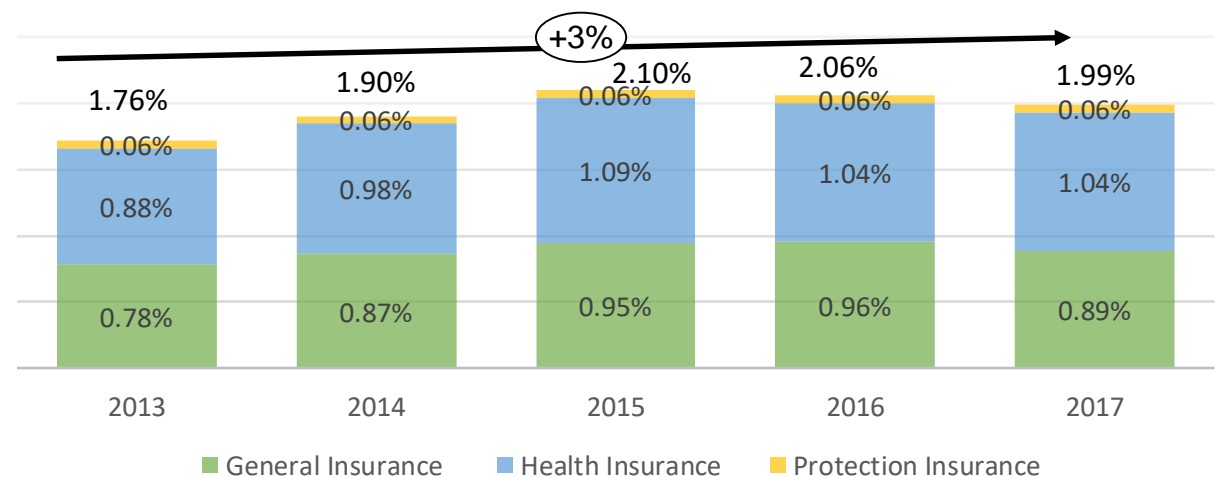
(1) The GWP is the total of accounted premiums. There may be double counting of reinsurance premiums accepted from other Saudi Arabian insurers or reinsurers

- Insurance penetration 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 12%
- In 2017, insurance penetration decreased to 1.42% from 1.54% in 2016, due to an increase in GDP and a decrease GWP
- Insurance penetration of non-oil GDP is defined as Gross Written Premiums divided by non-oil GDP
- In 2017, Insurance penetration on non-oil GDP decreased to 1.99% from 2.06% in 2016
- Insurance penetration of non-oil GDP has increased at an average annual rate of 3% between 2013 and 2017

INSURANCE PENETRATION OF TOTAL GDP (1)



INSURANCE PENETRATION OF NON-OIL GDP (2)

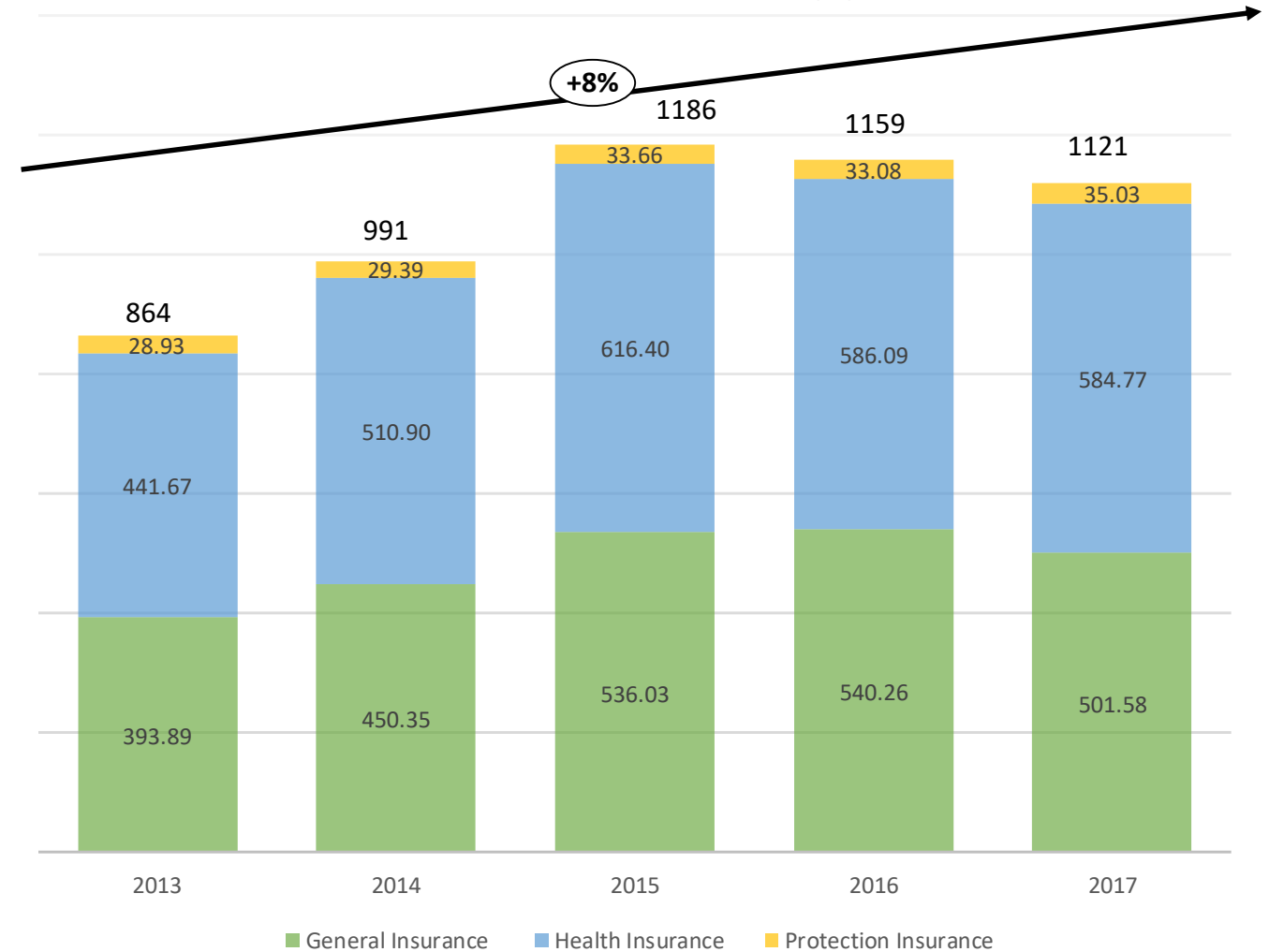


(1) Total GDP of SR 2,795 SR 2,821 SR 2,449, SR 2,398, and SR2,570 Billion in 2013, 2014, 2015, 2016 and 2017, respectively, General Authority for Statistics

(2) Non-oil GDP SR 1,471 SR 1,601 SR 1,740, SR 1,790 and SR 1,835 Billion in 2013, 2014, 2015, 2016 and 2017 respectively, General Authority for Statistics

INSURANCE DENSITY (1)

- Insurance density is defined as Gross Written Premiums per Capita. Insurance density decreased from SR 1159 per Capita in 2016 to SR 1121 per capita in 2017, which represents a (3%) decrease.
- Expenditures per Capita on insurance products have increased by an average annual rate of 8% between 2013 and 2017
- The density of Protection and Savings insurance remained low in absolute terms, and relative to General and Health insurance, at SR 35 per Capita



(1) Saudi population of 29.19 , 30.77, 30.77, 31.78 and 32.5 Million in 2013, 2014, 2015, 2016 and 2017, respectively, General Authority for Statistics

Gross Written Premiums by Line of Business

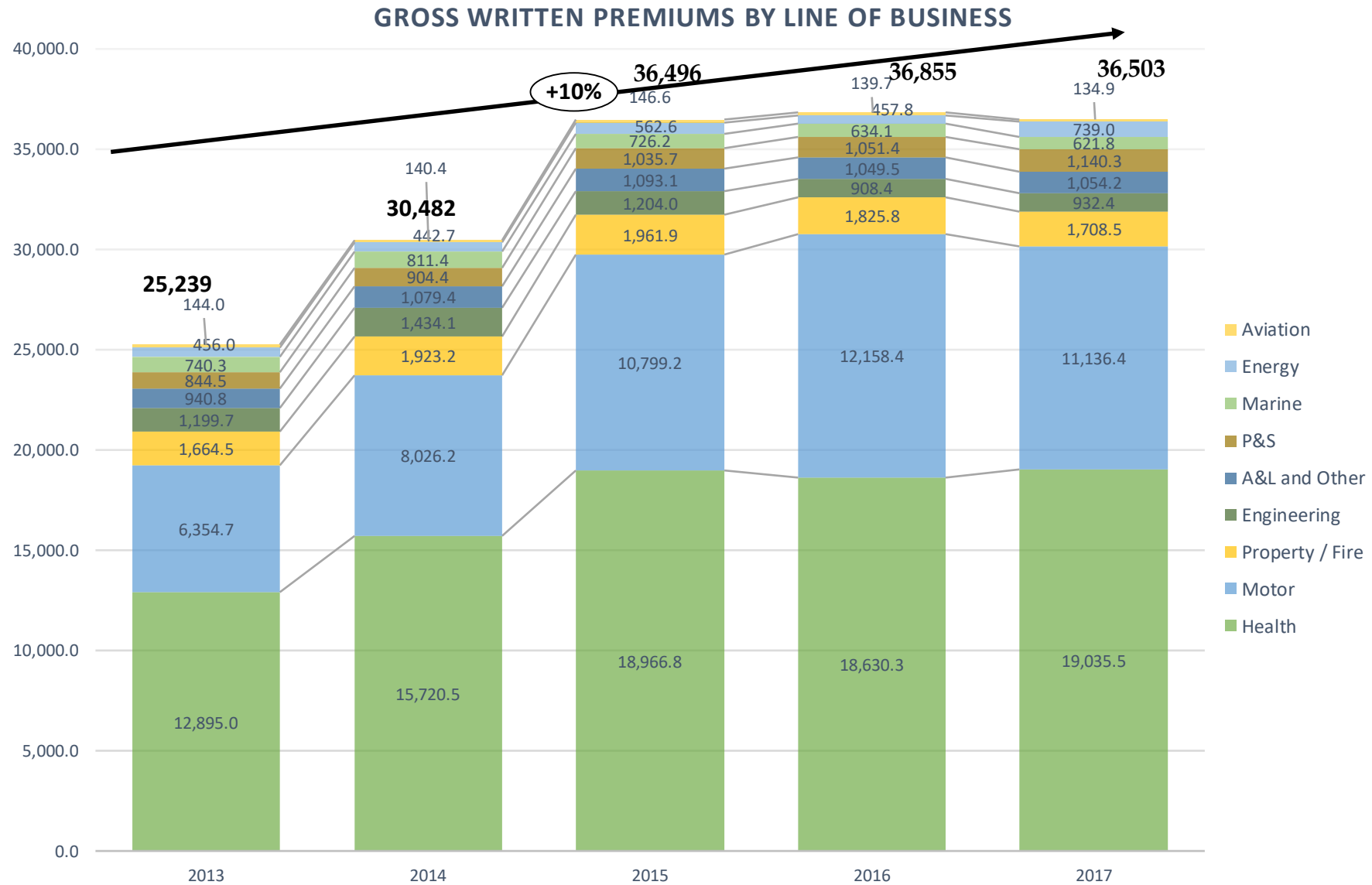


- Motor and Health insurance represent 82.6% of total GWP in 2017
- Health insurance, which includes both compulsory and non-compulsory lines of business, remained the largest line of business in 2017, accounting for 52% of total GWP
- Motor compulsory and non-compulsory lines of business stood in second place with a 30.5% share of total GWP
- Motor underwritten premiums recorded the largest decline rate in 2017 at (8.4%)
- Energy underwritten premiums recorded an increase of 61% in 2017

Line of Business	2013		2014		2015		2016		2017		Growth
	SR M	%	SR M	%	SR M	%	SR M	%	SR M	%	
Aviation	144.0	0.6%	140.4	0.5%	146.6	0.4%	139.7	0.4%	134.9	0.4%	(3.4)%
Energy	456.0	1.8%	442.7	1.5%	562.6	1.5%	457.8	1.2%	739.0	2.0%	61.4%
Engineering	1,199.7	4.8%	1,434.1	4.7%	1,204.0	3.3%	908.4	2.5%	932.4	2.6%	2.6%
Marine	740.3	2.9%	811.4	2.7%	726.2	2.0%	634.1	1.7%	621.8	1.7%	(1.9)%
Property / Fire	1,664.5	6.6%	1,923.2	6.3%	1,961.9	5.4%	1,825.8	5.0%	1,708.5	4.7%	(6.4)%
A&L and Other ¹	940.8	3.7%	1,079.4	3.5%	1,093.1	3.0%	1,049.5	2.8%	1,054.2	2.9%	0.4%
P&S	844.5	3.3%	904.4	3.0%	1,035.7	2.8%	1,051.4	2.9%	1,140.3	3.1%	8.5%
Motor	6,354.7	25.2%	8,026.2	26.3%	10,799.2	29.6%	12,158.4	33.0%	11,136.4	30.5%	(8.4)%
Health	12,895.0	51.1%	15,720.5	51.6%	18,966.8	52.0%	18,630.3	50.5%	19,035.5	52.1%	2.2%
Total	25,239.4	100.0%	30,482.2	100.0%	36,496.3	100.0%	36,855.3	100.0%	36,503.2	100.0%	(1.0)%

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

Gross Written Premiums by Line of Business (continued)

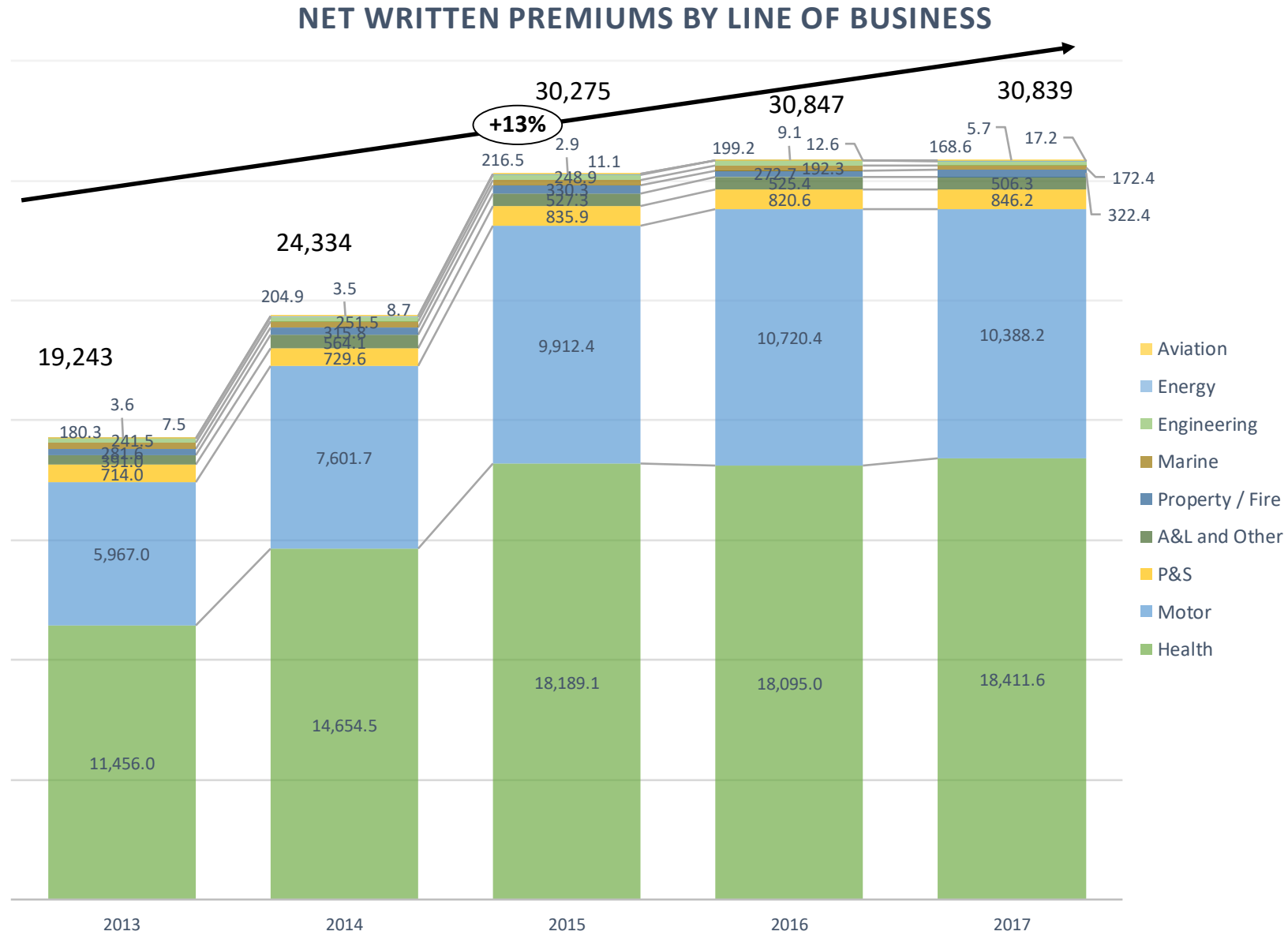


Net Written Premiums by Line of Business

- 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 amounted to SR 600 Million, and SR 5.1 Billion respectively in 2017.
- Total NWP decreased from SR 30.85 Billion in 2016 to SR 30.84 Billion in 2017, a (0.03%) decrease
- Around 93.4% of total NWP in 2017 was generated by Motor and Health insurance
- Health insurance remained the largest line of business accounting for 59% of total NWP in 2017
- Motor insurance's share of total NWP remained in second place, which accounted for 33% of NWP in 2017

Line of Business	2013		2014		2015		2016		2017		Growth
	SR M	%	SR M	%	SR M	%	SR M	%	SR M	%	
Aviation	3.6	0.02%	3.5	0.01%	2.9	0.01%	9.1	0.03%	5.7	0.02%	(36.9)%
Energy	7.5	0.04%	8.7	0.04%	11.1	0.04%	12.6	0.04%	17.2	0.06%	35.8%
Engineering	180.3	0.94%	204.9	0.84%	216.5	0.72%	199.2	0.65%	168.6	0.55%	(15.4)%
Marine	241.5	1.26%	251.5	1.03%	248.9	0.82%	192.3	0.62%	172.4	0.56%	(10.3)%
Property / Fire	281.6	1.46%	315.8	1.30%	330.3	1.09%	272.7	0.88%	322.4	1.05%	18.2%
A&L and Other	391.0	2.03%	564.1	2.32%	527.3	1.74%	525.4	1.70%	506.3	1.64%	(3.6)%
P&S	714.0	3.71%	729.6	3.00%	835.9	2.76%	820.6	2.66%	846.2	2.74%	3.1%
Motor	5,967.0	31.01%	7,601.7	31.24%	9,912.4	32.74%	10,720.4	34.75%	10,388.2	33.69%	(3.1)%
Health	11,456.0	59.53%	14,654.5	60.22%	18,189.1	60.08%	18,095.0	58.66%	18,411.6	59.70%	1.7%
Total	19,242.6	100.00%	24,334.2	100.00%	30,274.5	100.00%	30,847.5	100.00%	30,838.7	100.00%	(0.0)%

Net Written Premiums by Line of Business (continued)

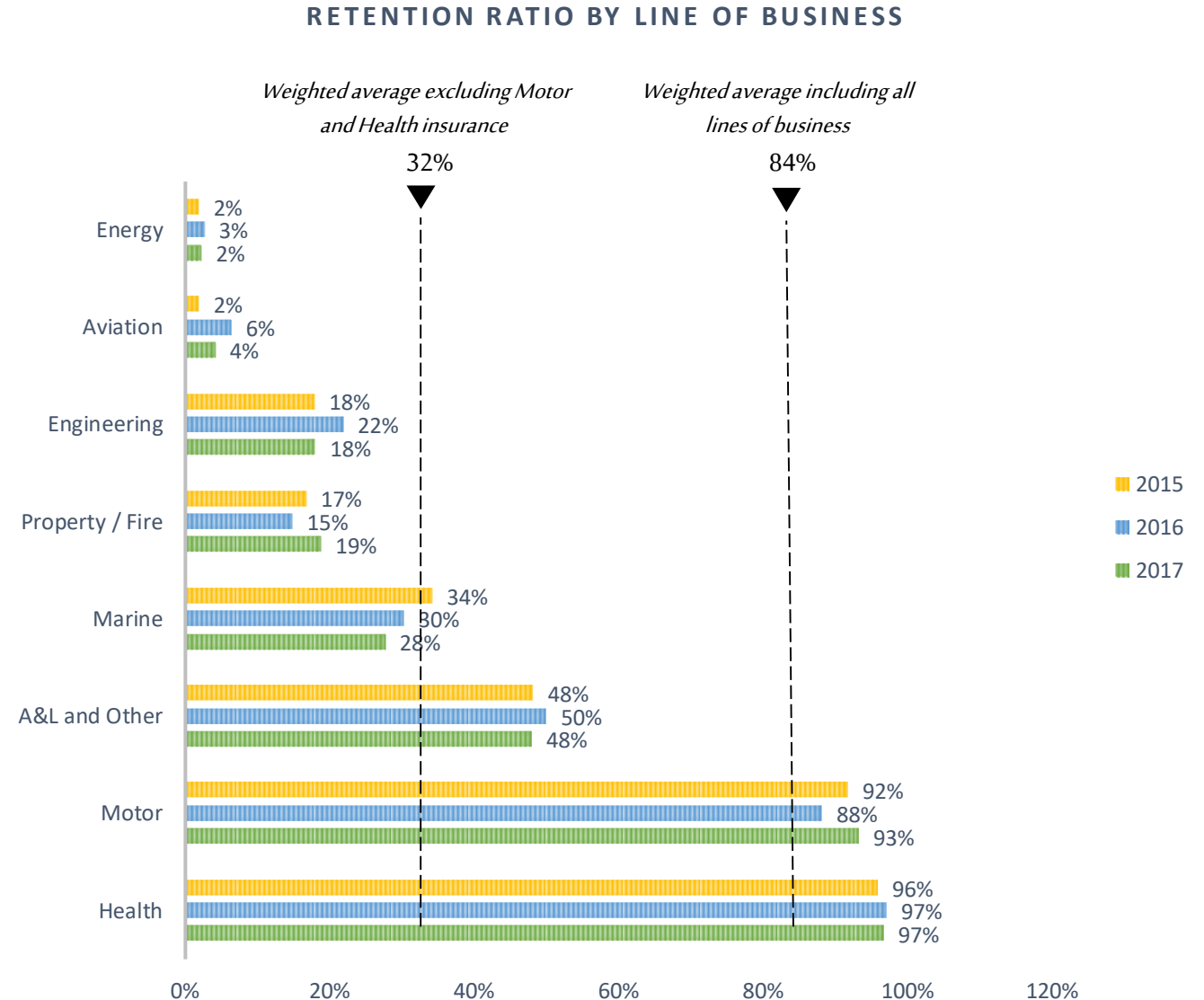


Retention Ratio by Line of Business

- The retention ratio measures the written premiums retained by the insurance company. It is calculated by dividing the NWP by the GWP
- In 2017, the overall retention ratio of insurance companies in the Saudi market remained unchanged as of 2016 at 84%. This ratio is largely skewed due to the high retention ratio of Motor and Health insurance which collectively account for around 82.6% of total GWP. In 2017, the retention ratios for Motor and Health insurance were 93% and 97%, respectively
- The weighted average retention ratio of other insurance lines of business (i.e., excluding Motor and Health insurance) decreased to 32% in 2017 compared to 33% in 2016

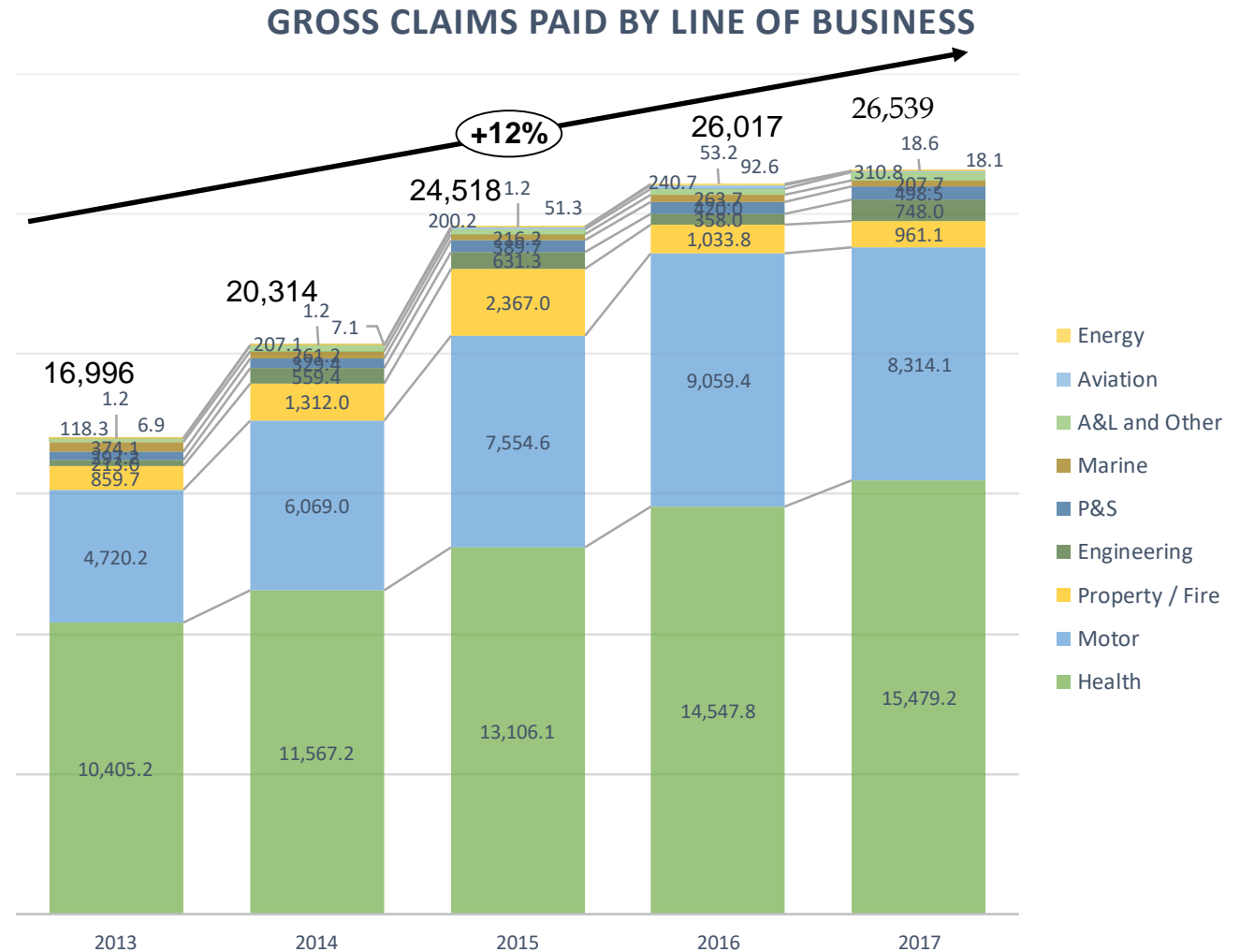
Notes:

- 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

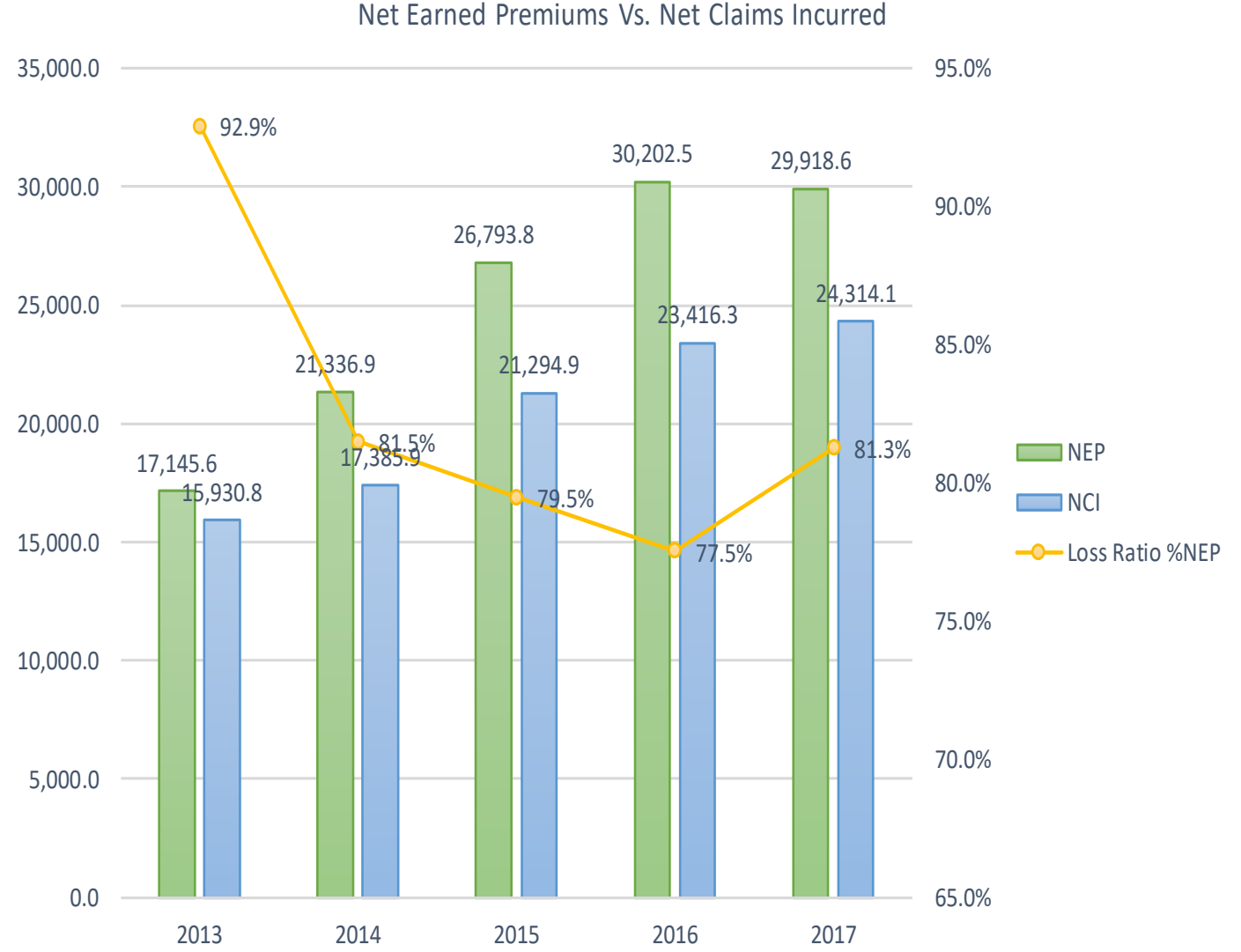
- Total gross claims paid increased from SR 26 Billion in 2016 to SR 26.5 Billion in 2017, which represent an increase of 1.9%
- In 2017, Health gross claims paid grew by 6.4% and Motor gross claims paid decreased by (8.2%) compared to 2016 figures
- In 2017, Engineering insurance recorded the highest growth rate in gross claims paid, after increasing by 108% from SR 358 Million to SR 748 Million
- Table 7 in the appendix contains all the gross claims data by line of business from 2013 to 2017



% Growth	Health	Motor	Property / Fire	Engineering	P&S	Marine	A&L and Other	Aviation	Energy
	6.4%	(8.2)%	(7.0)%	108.9%	18.7%	(21.2)%	29.1%	(80.5)%	(65.1)%

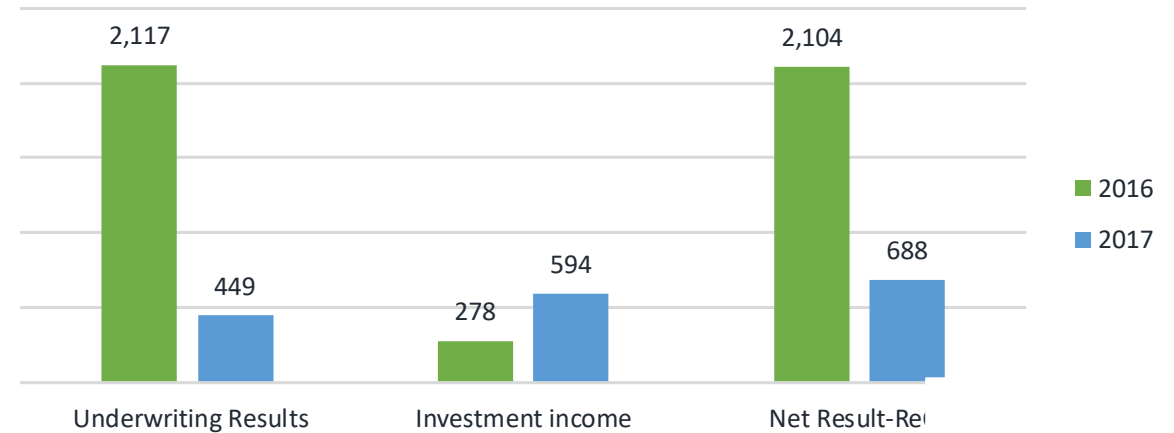
General and Health Net Earned Premiums vs. Net Claims Incurred

- 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 29.9 Billion in 2017, in compare to SR 30.2 Billion in 2016, which represents a decrease of 1%
- 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 4% in 2017 to reach SR 24.3 Billion
- In 2017 General and Health net claims ratio, i.e., the loss ratio, which is equal to NCI divided by NEP, increased to reach 81% compared to 77% in 2016

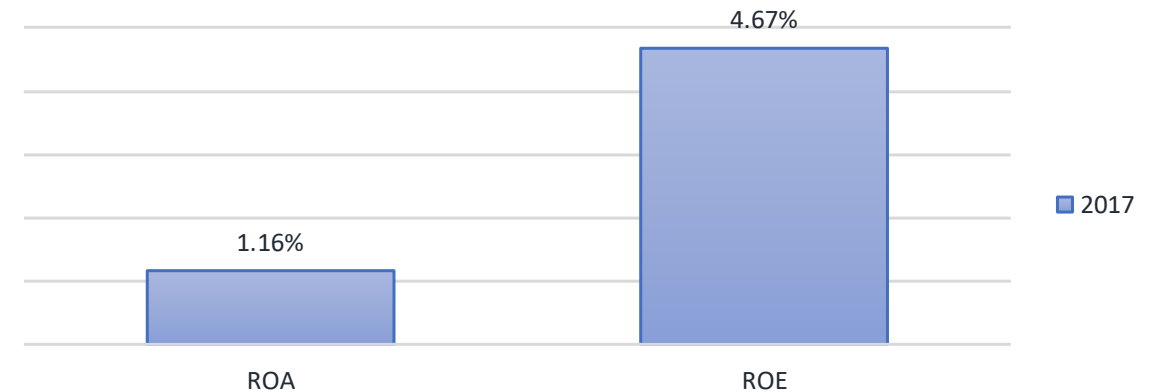


- Insurance underwriting result is the outcome of subtracting all insurance related expenses from insurance revenues
- The net result is equal to the sum of revenues minus the sum of expenses
- Investment income is the total investment income minus total investment expense
- In 2017, the insurance underwriting result totaled SR 449 Million, compared to 2.1 Billion in 2016
- Investment income increased to SR 594 Million in 2017, compared to SR 278 Million in 2016
- The insurance market's net result decreased to 688 Million in 2017, compared to SR 2.1 Billion in 2016
- Return on Assets (ROA) is the ratio of net result to total assets. In 2017, insurance market's ROA was 1.2%
- Return on Equity (ROE) is the ratio of net result to total equity. In 2017, Insurance market's ROE was 4.7%

Insurance Market Profitability



Insurance Market ROA/ ROE % of Net Result to Assets/ Equity)



- At the end of 2017 insurance companies held SR 5.5 Billion in cash and cash equivalents in their policyholders' accounts compared to SR 6.3 Billion in 2016
- Investments accounted for the biggest share of policyholders' assets, with a value of SR 15.4 Billion in 2017 compared to SR 13.7 Billion in 2016
- Policyholders' (operational) assets amounted to SR 41 Billion in 2017 compared to SR 40 Billion in 2016

	General and Health Insurance		Protection and Savings Insurance		Total Insurance	
	2016	2017	2016	2017	2016	2017
Cash and cash equivalents	6,125,833	5,264,564	192,519	231,908	6,318,352	5,496,472
Receivables, net	8,293,463	7,688,326	179,674	171,350	8,473,137	7,859,676
Reinsurance recoverables	8,223,631	7,583,680	359,534	380,814	8,583,165	7,964,494
Deferred policy acquisition cost	923,614	802,215	3,233	3,444	926,846	805,658
Prepaid expenses	758,800	874,206	1,192	3,698	759,992	877,904
Investments	10,897,331	12,556,920	2,863,694	2,848,046	13,761,025	15,404,966
Deposits at financial institutions	8,564,744	9,004,633	60,338	23,401	8,625,082	9,028,034
Loans	139,520	-	-	-	139,520	-
Debt securities and fixed income	1,879,410	2,738,460	-	28,728	1,879,410	2,767,188
Shares (common, preferred)	160,180	92,794	24,018	-	184,198	92,794
Real estate	9,861	9,861	-	-	9,861	9,861
Investment in subsidiaries & affiliates	-	-	69,953	1,069,813	69,953	1,069,813
Other	143,617	711,172	2,709,385	1,726,104	2,853,001	2,437,277
Tangible assets	476,749	419,229	6,782	5,809	483,531	425,038
Intangible assets	18,620	24,950	-	-	18,620	24,950
Other policyholders assets	1,431,587	2,252,767	63,227	118,625	1,494,814	2,371,392
Total	37,149,626	37,466,856	3,669,855	3,763,694	40,819,481	41,230,550

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

Balance Sheet - Shareholders' Assets



- At the end of 2017, insurance companies' shareholders held SR 2.4 Billion in cash and cash equivalents compared to SR 3.1 Billion in 2016
- Investments accounted for the biggest share of shareholders' assets, with a value of SR 12.7 Billion in 2017 compared to SR 10.7 Billion in 2016
- Shareholders' assets amounted to SR 17.8 Billion in 2017 compared to SR 16.6 Billion in 2016
- Insurance companies' total assets amounted to SR 59 Billion in 2017 compared to SR 57 Billion in 2016

	2016	2017
Cash and cash equivalents	3,160,298	2,451,944
Receivables, net	29,480	5,606
Investments	10,782,586	12,716,063
Deposits at financial institutions	6,187,458	6,820,310
Loans	291,142	-
Debt securities and fixed income	2,584,740	3,083,525
Shares (common, preferred)	737,795	914,727
Real estate	57,079	6,997
Investment in subsidiaries & affiliates	155,642	255,192
Other	768,730	1,635,312
Tangible assets	175,171	215,759
Accrued interest, rent, income	90,214	148,359
Intangible assets	859,865	762,470
Distributions due from policyholders account	1,301,207	973,558
Other shareholders assets	284,010	597,893
Total Shareholders Assets	16,682,831	17,871,653
Total Assests	57,502,312	59,102,203

Balance Sheet - Policyholders' Liabilities and Equity



- At the end of 2017, insurance companies held SR 30 Billion in technical reserves, which consist of unearned premiums, outstanding claims, IBNR and adjustment expense reserves compared to SR 29.7 Billion in 2016
- Mathematical reserves amounted to SR 3 Billion in 2017 compared to SR 2.9 Billion in 2016
- Policyholders' liabilities and equity amounted to SR 41 Billion in 2017 compared to SR 40 Billion in 2016

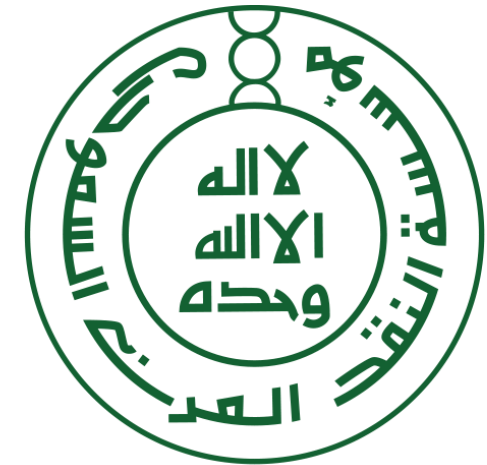
	General and Health Insurance		Protection and Savings Insurance		Total Insurance	
	2016	2017	2016	2017	2016	2017
Total Policyholders liabilities	36,674,000	37,062,912	3,632,418	3,712,312	40,306,417	40,775,223
Policyholders payables	622,224	647,065	22,731	1,698	644,955	648,763
Reinsurance balances payable	1,312,117	1,574,625	119,340	113,213	1,431,457	1,687,839
Technical reserves	29,420,234	29,812,991	307,596	374,519	29,727,831	30,187,510
Unearned premium	15,673,492	15,536,113	71,893	84,626	15,745,384	15,620,739
Outstanding claims, IBNR and adjustment expenses	13,746,743	14,276,878	235,704	289,893	13,982,446	14,566,771
Mathematical reserves	753	-	2,988,750	3,093,654	2,989,503	3,093,654
Other reserves	204,384	333,355	235	2,994	204,619	336,349
Unearned reinsurance commissions	321,776	272,591	4,316	4,709	326,092	277,300
Accrued expense and deferred income	2,395,991	2,360,697	45,095	45,446	2,441,087	2,406,143
Declared dividend payable	111,566	111,566	-	-	111,566	111,566
Distribution due to shareholders account	1,194,971	919,725	106,236	53,833	1,301,207	973,558
Other policyholders liabilities	1,089,983	1,030,295	38,118	22,246	1,128,101	1,052,541
Accumulated surplus	473,778	392,471	39,286	51,382	513,064	443,853
Total Policyholders liabilities and Equity	37,147,778	37,455,382	3,671,704	3,763,694	40,819,481	41,219,076

Balance Sheet - Shareholders' Liabilities and Equity



- At the end of 2017, shareholders' liabilities increased to SR 3.1 Billion from SR 2.2 Billion in 2016 while shareholders' equity totaled SR 14.7 Billion in 2017 compared to SR 14.4 Billion in 2016
- Share capital constituted the biggest share of shareholders' equity with a value of SR 11.4 Billion in 2017 compared to SR 12.5 Billion in 2016
- Shareholders' liabilities and equity registered SR 17.8 Billion in 2017 compared to SR 16.6 Billion in 2016
- Insurance companies' total liabilities and equity amounted to SR 59 Billion in 2017 compared to SR 57 Billion in 2016

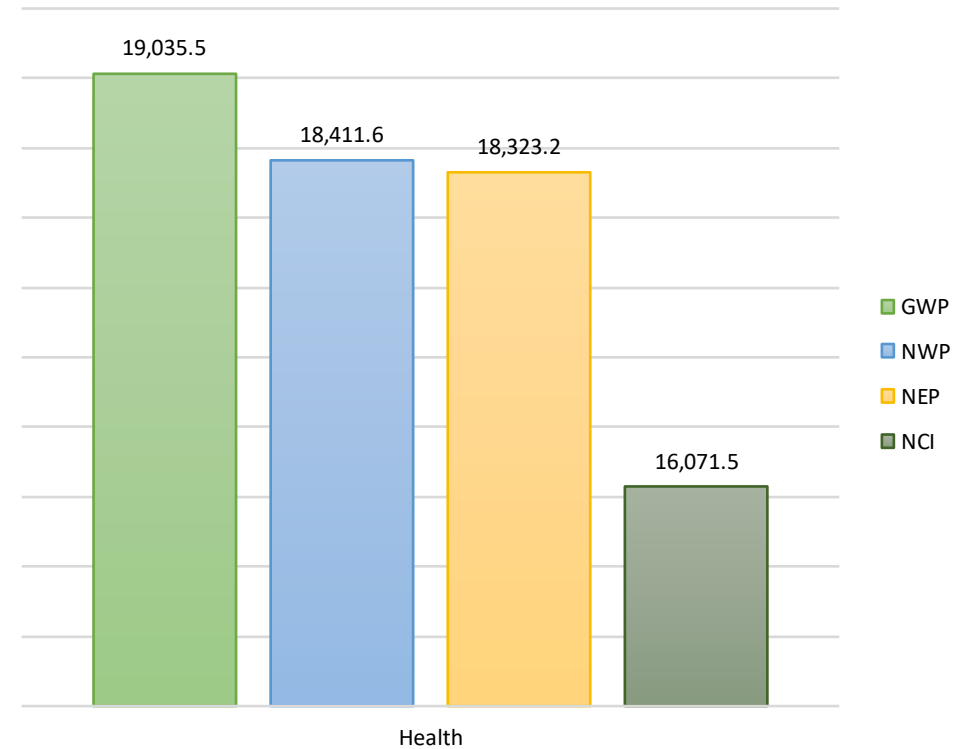
	2016	2017
Total Shareholders liability	2,217,413	3,150,867
Sharholders payables	182,055	475,038
Zakat	789,210	882,129
Accrued expenses and deferred income	169,717	181,097
Other shareholders liabilities	1,076,430	1,612,603
Total Shareholders equity	14,465,418	14,732,260
Share capital	12,556,667	11,358,667
Statutory reserves	1,850,668	2,112,089
Retained earnings	136,593	1,331,334
Other shareholders equity	(78,510)	(69,830)
Total Sharholders Liabilities & Equity	16,682,831	17,883,127
Total Liabilities & Equity	57,502,312	59,102,203



Insurance Market Performance - By Line of Business

- Health insurance, which includes both compulsory and non-compulsory lines, accounted for 52% of the 2017 total market GWP with SR 19 Billion in underwritten premiums
- Health insurance accounted for 59.7% of the market's NWP as insurance companies retained SR 18.4 Billion of their Health insurance GWP, which was the highest of all business lines representing a 97% retention ratio
- Health insurance's NEP registered SR 18.3 Billion
- Health insurance's NCI amounted to SR 16 Billion, which translates into a 88% loss ratio for the year 2017

Health Insurance Performance



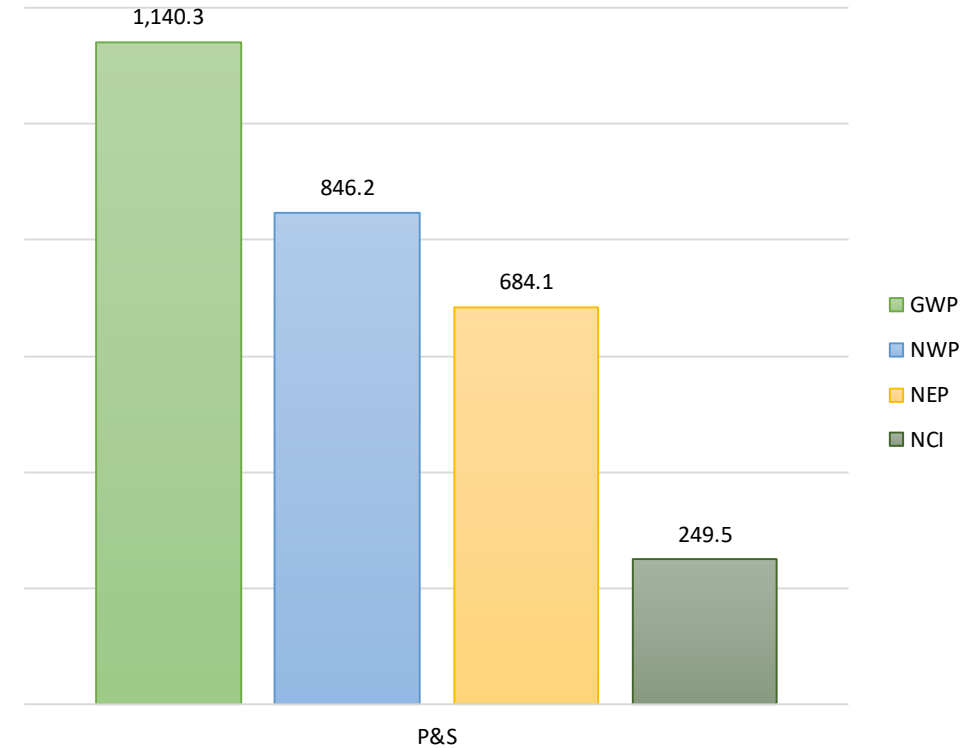
% Total	GWP	NWP	NEP	NCI
	52.1%	59.7%	59.9%	65.4%

Retention
96.7%

Loss
87.7%

- Protection and Savings insurance's GWP totaled SR 1,1 Million in 2017, which represents a 3.1% 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 846 Million of GWP
- Protection and Savings insurance's NEP registered SR 684 Million, which represents a share of 2.2% of total NEP
- Protection and Savings insurance's NCI amounted to SR 250 Million

Protection and Savings Insurance

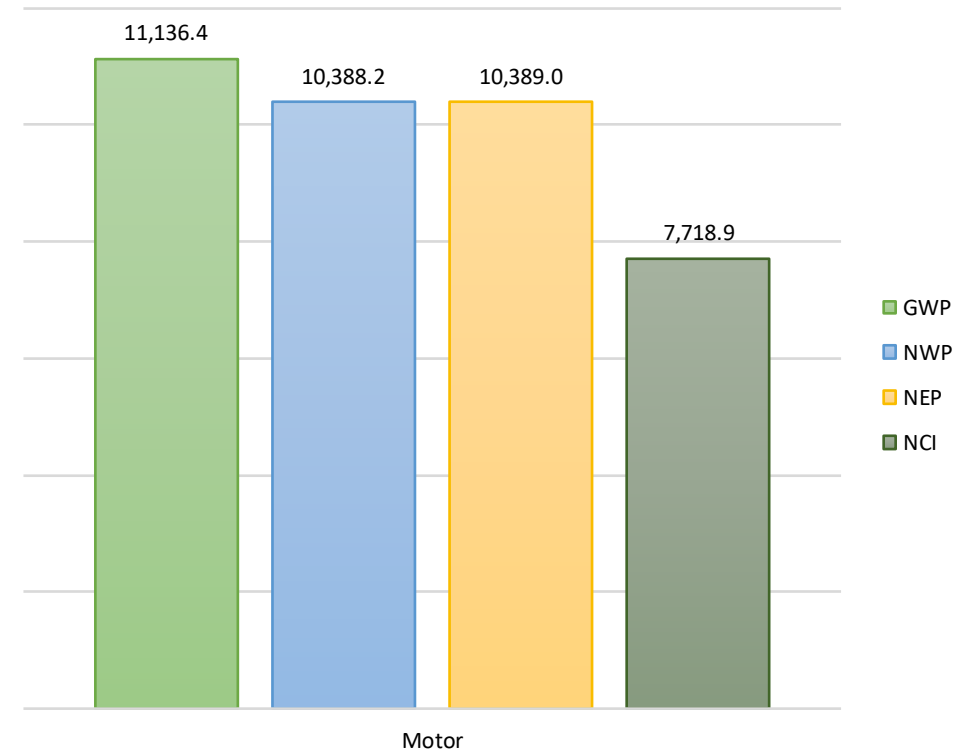


% Total	GWP	NWP	NEP	NCI
	3.1%	2.7%	2.2%	1.0%

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

- Motor insurance's GWP totaled SR 11 Billion in 2017, which represents a 30% share of total market GWP
- Insurance companies retained 93% of their Motor underwritten premiums .Motor insurance NWP totaled SR 10 Billion
- Motor insurance's NEP amounted to SR 10 Billion and accounted for 34% of the insurance market's NEP
- Insurance companies recorded SR 7.7 Billion in Motor insurance's NCI which resulted in a 74.3% loss ratio

Motor Insurance



	GWP	NWP	NEP	NCI
% Total	30.5%	33.7%	33.9%	31.4%

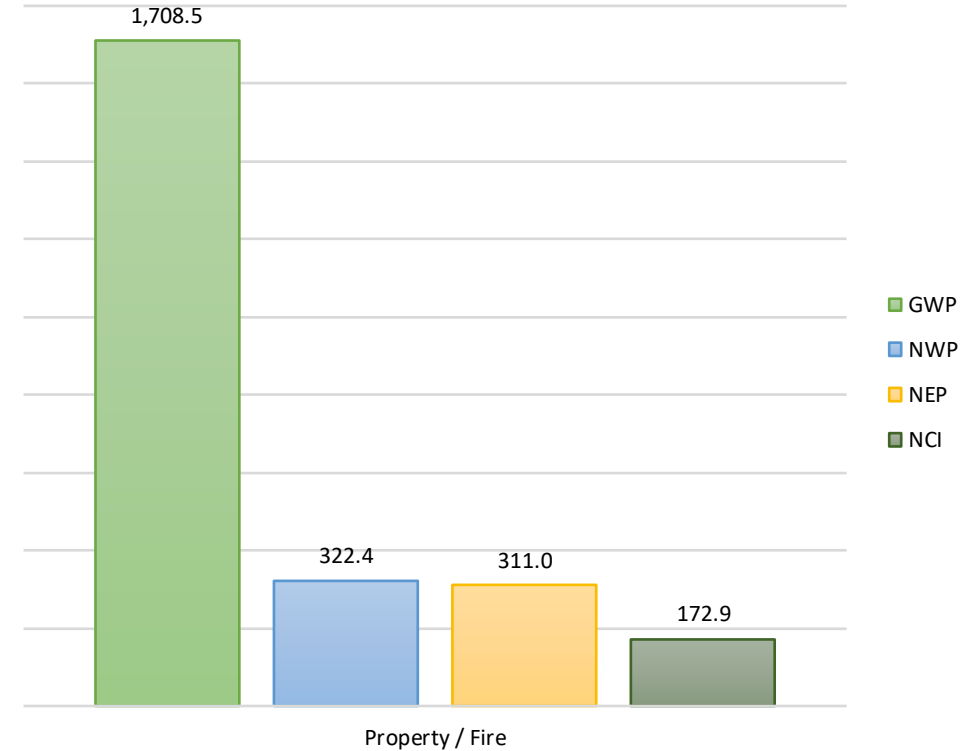
Retention
93.3%

Loss
74.3%

Property/ Fire Insurance

- Property/ Fire insurance's GWP totaled SR 1.7 Billion in 2017, which represents a 5% share of total market GWP
- Insurance companies retained only 19% of their Property/ Fire insurance premiums, as the business line's NWP amounted to 322 Million. Property/ Fire insurance contributed 1% to total market NWP in 2017
- Property/ Fire insurance's NEP registered SR 311 Million
- Insurance companies recorded SR 172 Million in Property/ Fire insurance's NCI, which translates into a 56% loss ratio

Property/ Fire Insurance



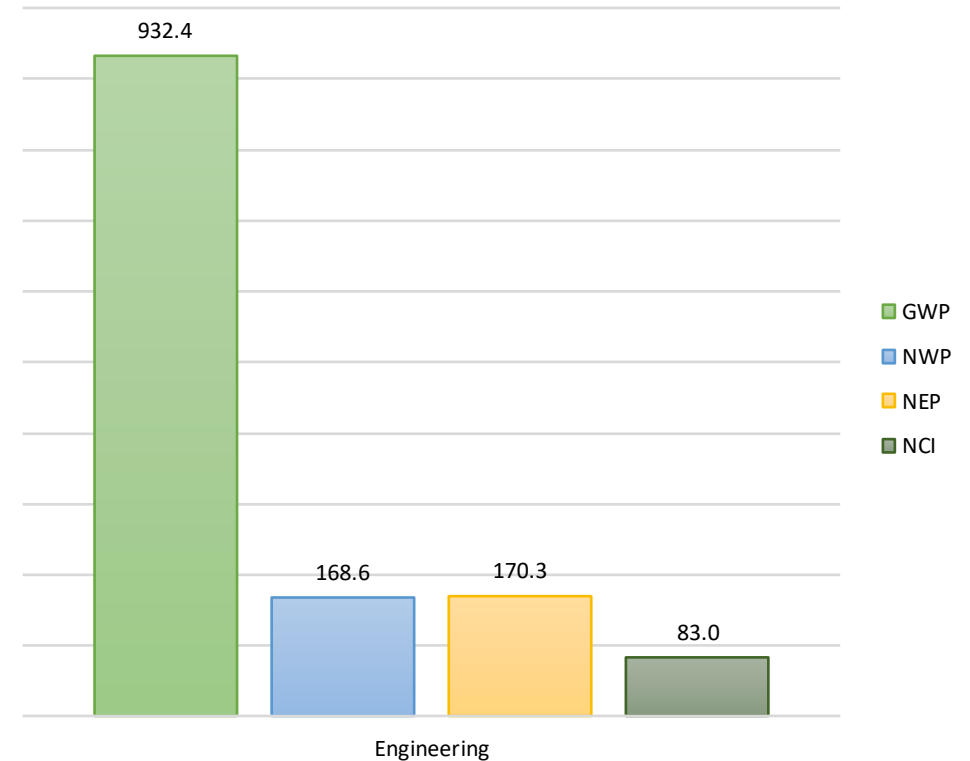
% Total	GWP	NWP	NEP	NCI
	4.7%	1.05%	1.0%	0.7%

Retention
18.9%

Loss
55.6%

- Engineering insurance's GWP totaled SR 932 Million in 2017, which represents a 2.6% contribution to total market GWP
- Insurance companies retained 18% of their Engineering underwritten premiums. Engineering insurance NWP registered SR 169 Million
- Engineering insurance NEP amounted to SR 170 Million and accounted for 0.6% of the insurance market's NEP
- Engineering insurance recorded a loss ratio of 49%, with NCI, totaling SR 83 Million

Engineering Insurance



% Total	GWP	NWP	NEP	NCI
	2.6%	0.5%	0.6%	0.3%

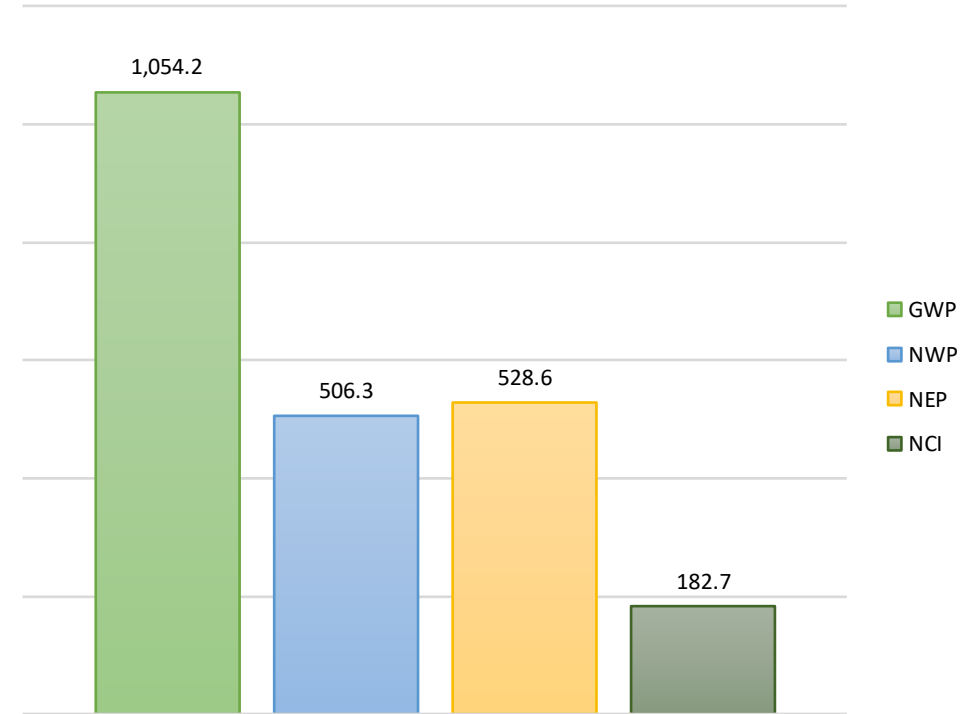
Retention
18.1%

Loss
48.7%

* 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 Billion in A&L and Other general insurance premiums
- Insurance companies retained SR 506 Million of A&L and Other general insurance underwritten premiums, a 48% retention ratio
- A&L and Other general insurance NEP totaled SR 528 Million, which represents a 1.7% contribution to total NEP
- Insurance companies recorded SR 182 Million in A&L and Other general insurance's NCI, which translates into a 35% loss ratio

A&L and Other Insurance



A&L and Other

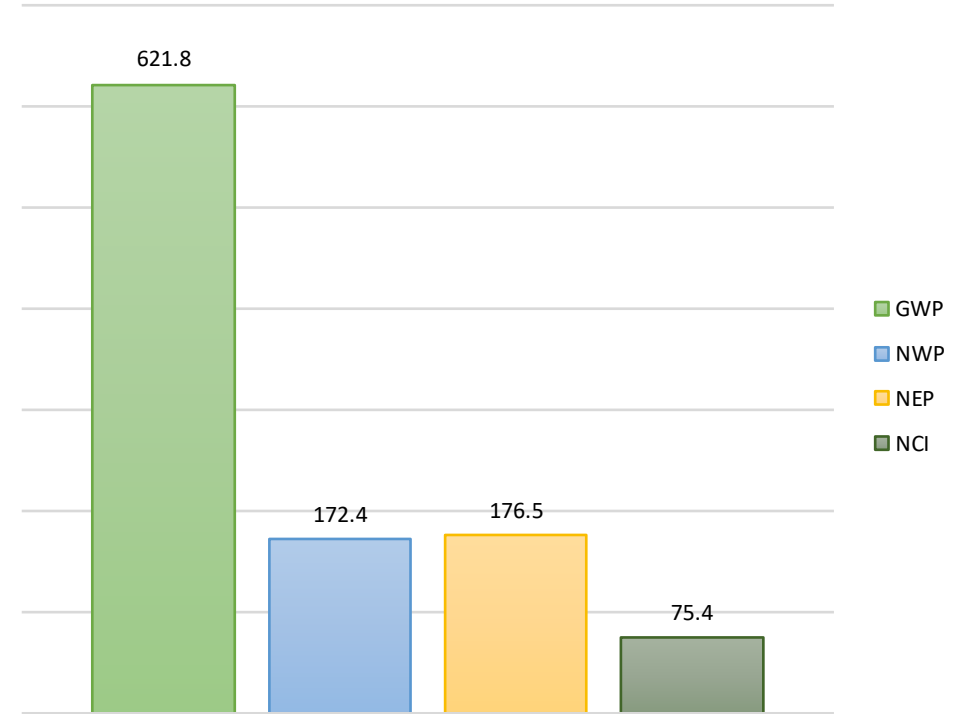
	GWP	NWP	NEP	NCI
% Total	2.9%	1.6%	1.7%	0.7%

Retention
48.0%

Loss
34.6%

- The Marine insurance line of business includes both marine cargo and marine hull insurance
- Marine insurance GWP totaled SR 621 Million in 2017, which represents a 1.7% contribution to total market GWP
- Insurance companies retained 28% of their Marine insurance underwritten premiums, as the business line's NWP amounted to SR 172 Million
- Marine insurance's NEP recorded SR 176 Million, which represents a 0.6% share of total NEP for 2017
- Marine insurance's NCI amounted to SR 75 Million. This resulted in a loss ratio of 43%

Marine Insurance

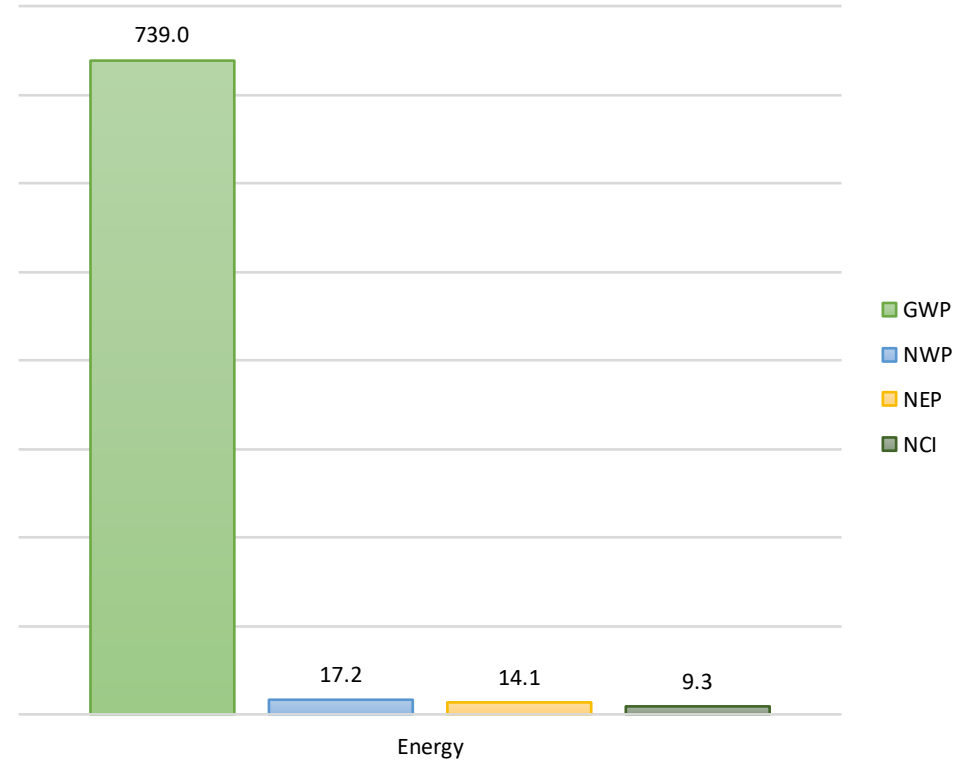


Marine				
% Total	GWP	NWP	NEP	NCI
	1.7%	0.6%	0.6%	0.3%

Retention	Loss
27.7%	42.7%

- In 2017, Energy insurance GWP totaled SR 739 Million, which represents a 2% share of total market GWP
- Insurance companies ceded 97.7% of their Energy insurance underwritten premiums. Energy insurance NWP amounted to SR 17 Million
- Energy insurance's NEP amounted to SR 14 Million, accounting for only 0.05% of the insurance market's NEP
- Energy insurance's NCI amounted to SR 9 Million. This resulted in a loss ratio of 66%

Energy Insurance



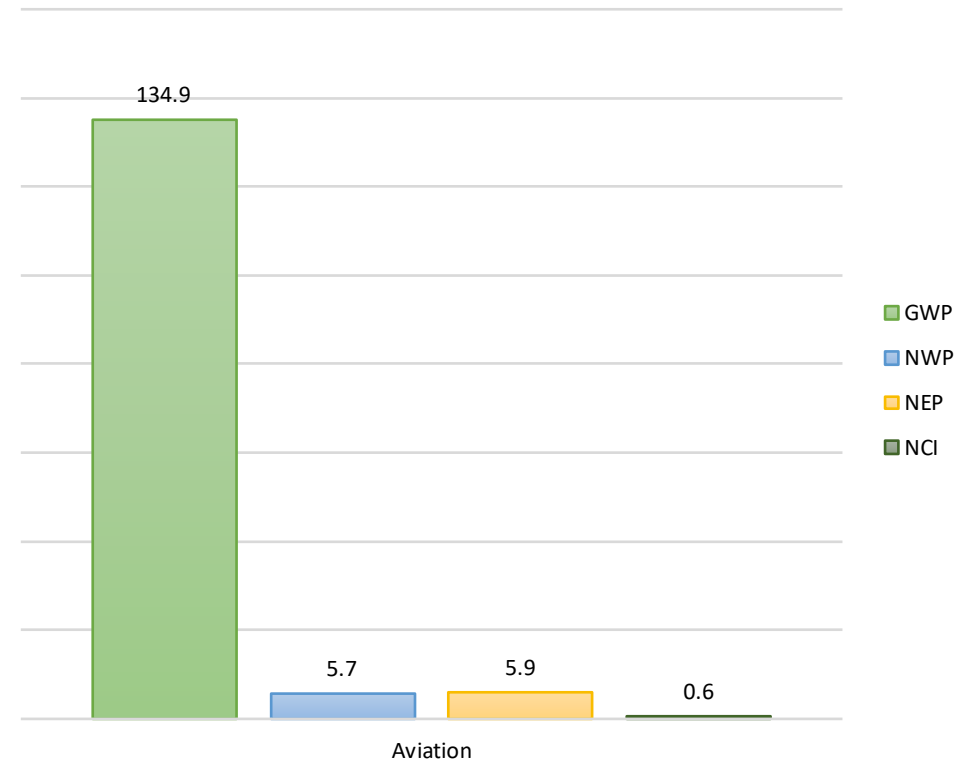
% Total	GWP	NWP	NEP	NCI
	2.0%	0.1%	0.0%	0.0%

Retention
2.3%

Loss
65.8%

- Aviation insurance GWP reached SR 135 Million in 2017, a 0.4% contribution to total market GWP
- NWP for Aviation insurance reached SR 6 Million, resulting in a retention ratio of 4%
- Aviation insurance's NEP totaled SR 6 Million, accounting for only 0.02% of the insurance market's NEP
- Aviation insurance's NCI amounted to SR 0.6 Million. This resulted in a loss ratio of 10%

Aviation Insurance



	GWP	NWP	NEP	NCI
% Total	0.37%	0.02%	0.02%	0.00%

Retention
4.2%

Loss
9.8%



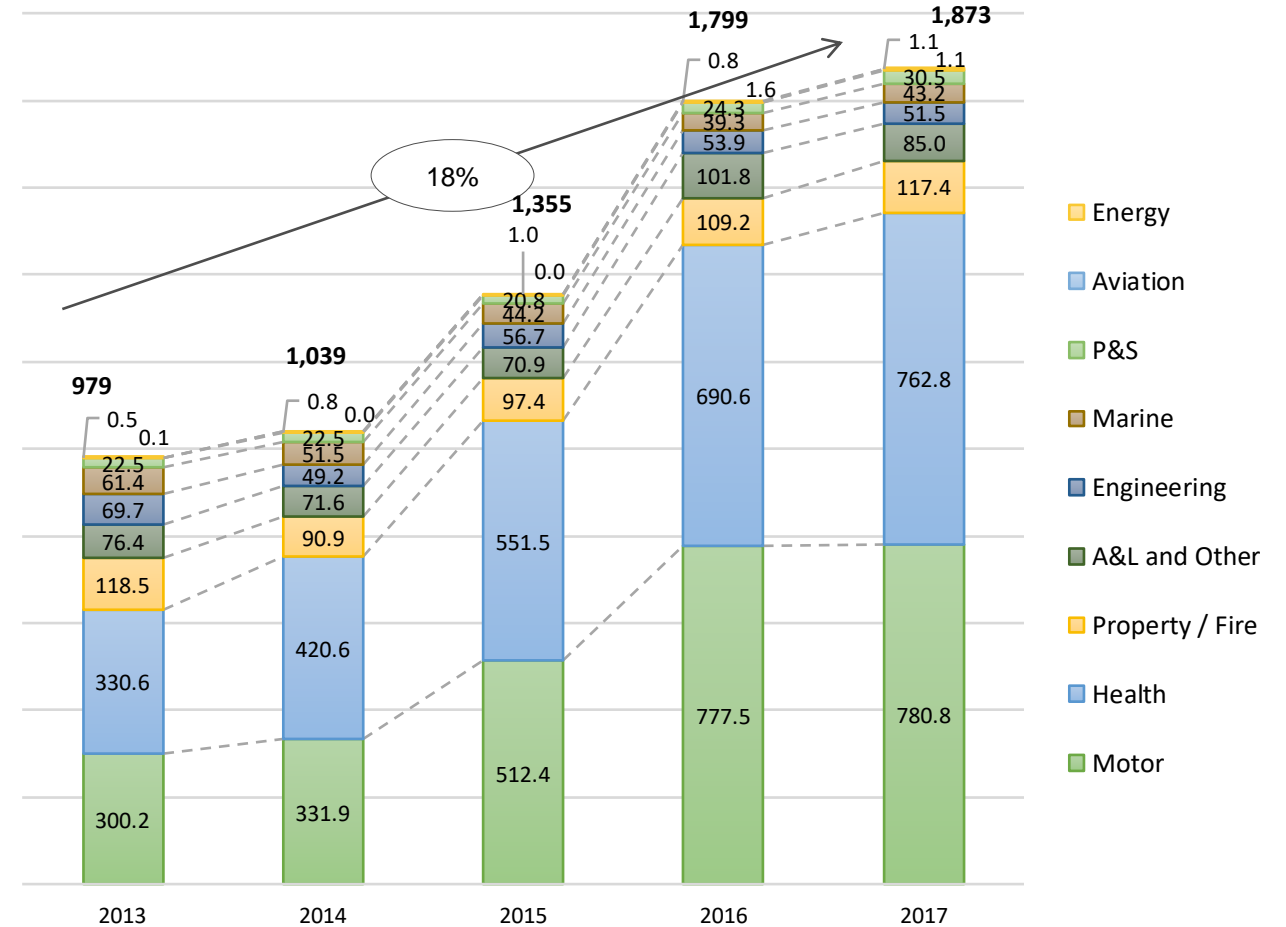
Other Market Indicators

Commissions Incurred by Line of Business



- Total commissions incurred amounted to SR 1.8 Billion in 2017, compared to SR 1.7 Billion in 2016, which represents an increase of 4.1%
- General insurance related commissions accounted for 57.7% of total commissions incurred in 2017
- Health insurance's share of total commissions incurred represented 40.7% in 2017
- Protection and Savings insurance's commissions incurred was 1.6% of total commissions incurred in 2017

Commissions Incurred by Line of Business



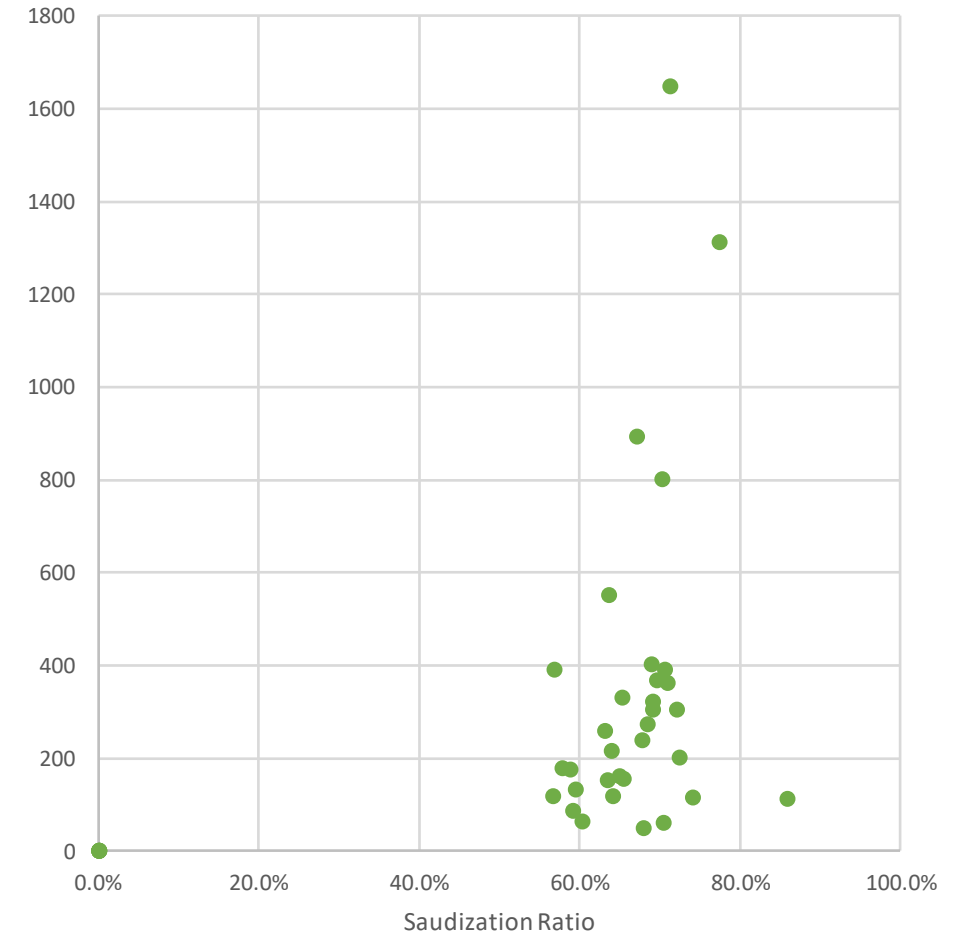
	Motor	Health	Property / Fire	A&L and Other	Engineering	Marine	P&S	Aviation	Energy
% Growth	0.4%	10.5%	7.5%	(16.6)%	(4.4)%	9.9%	25.3%	43.0%	(33.4)%
% Total	41.7%	40.7%	6.3%	4.5%	2.7%	2.3%	1.6%	0.1%	0.1%

Employees Breakdown by Nationality

- The total number of insurance companies' employees in Saudi Arabia reached 11,272 in 2017, compared to 10,039 in 2016
- The ratio of Saudi nationals employed by insurance companies in 2017 increased to 69% of the total workforce
- the Saudization ratio for non-managerial positions increased to 73%, while the Saudization ratio for managerial positions increased to 49%
- 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)

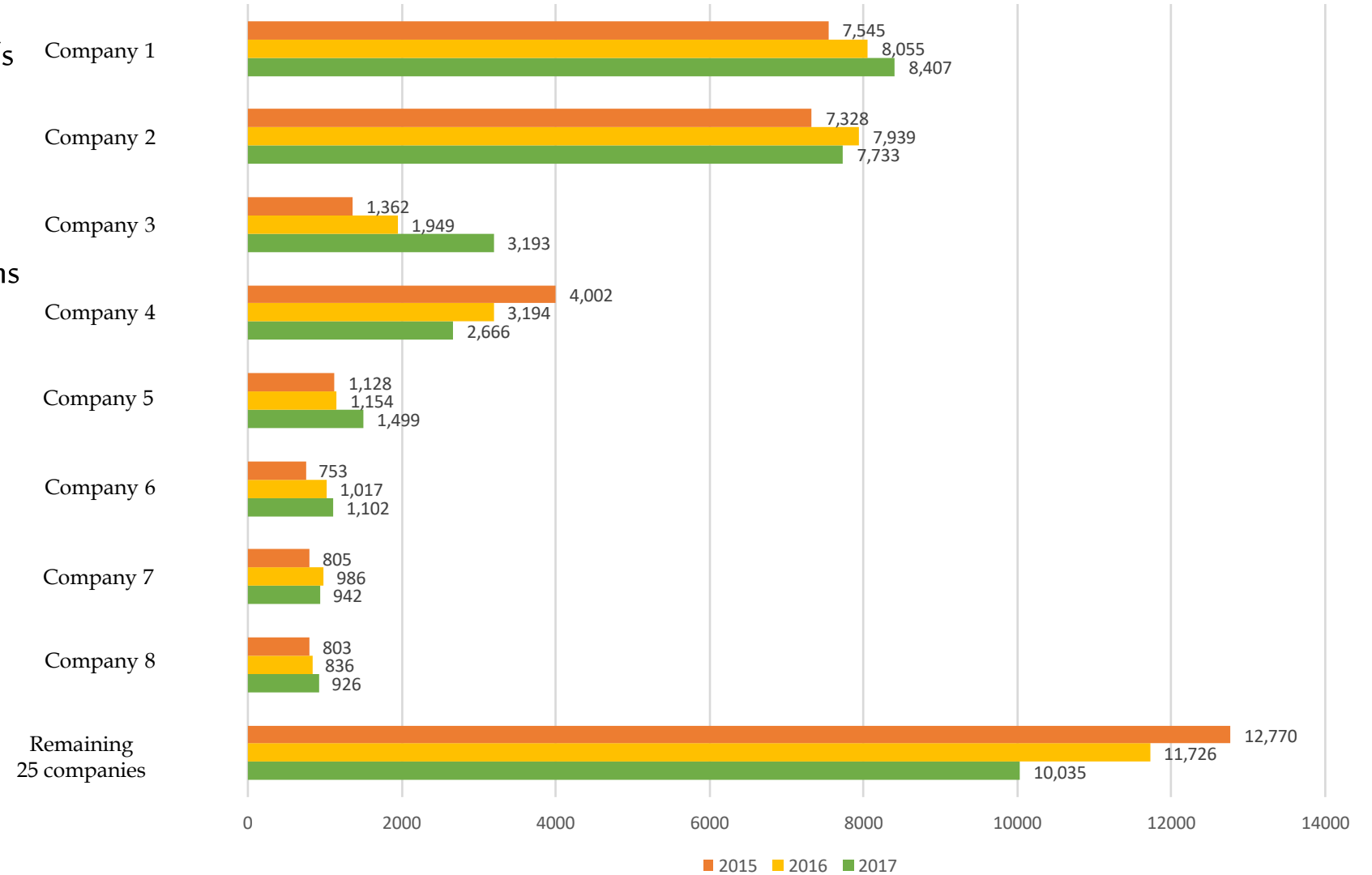
Nationality	2016		Total	2017		Total
	Non-Managerial	Managerial		Non-Managerial	Managerial	
Saudi	5129	733	5862	6,765	984	7,749
Other Arab	1392	496	1971	1,042	226	1,268
Other Non-Arab	1475	814	2206	1,474	781	2,255
Total	7996	2043	10039	9,281	1,991	11,272
Saudization Ratio	64%	36%	58%	73%	49%	69%

Number of Employees vs. Saudization Ratio



- In 2017, the top 8 insurance companies generated 73% of the insurance market's GWP
- The remaining 25 insurance companies included in the report accounted for the remaining 27% of total market premiums

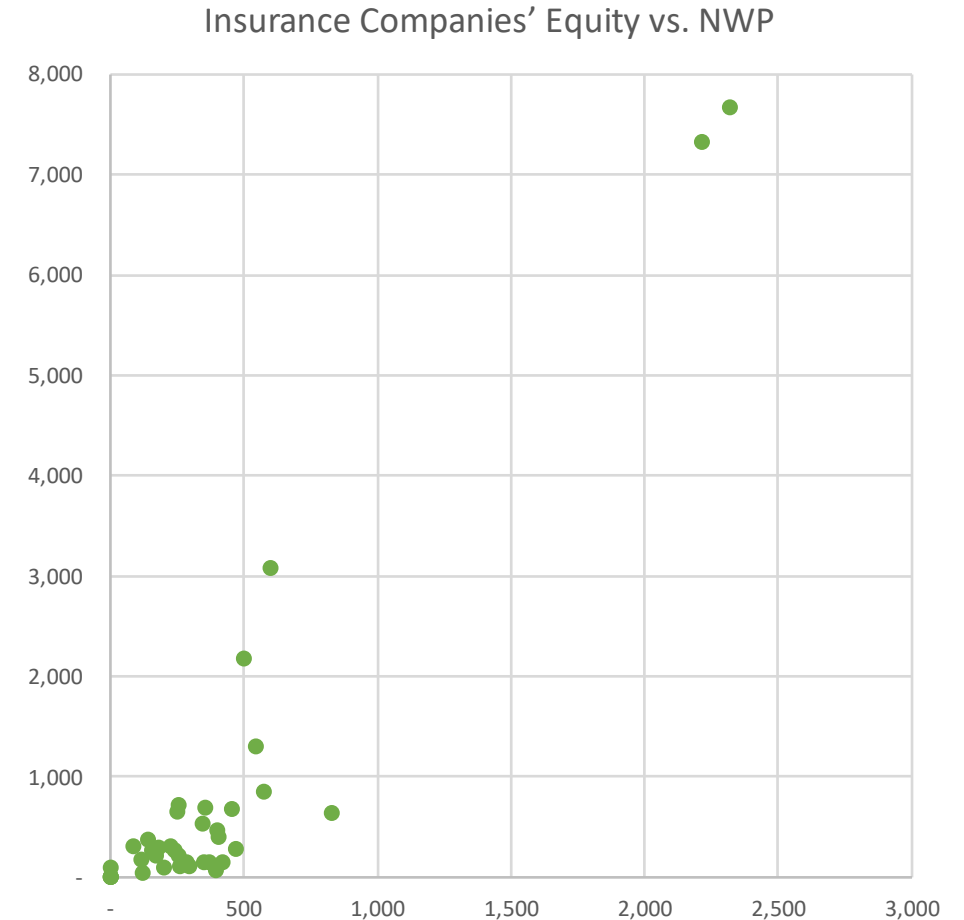
Gross Written Premiums by Company



Capitalization of Insurance Companies

- Insurance companies' equity increased from SR 14.4 Billion at the end of 2016 to SR 14.7 Billion at the end of 2017
- 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	Number of Companies
50 M to 100 M	1
100 M to 150 M	3
150 M to 200 M	4
200 M to 500 M	19
500 M and Above	6





Appendix: Data Tables

Table 1: Gross Written Premiums by Line of Business (2012 to 2017)

	2013		2014		2015		2016		2017		Change
Line of Business	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
General Insurance	11,500.0	45.6%	13,857.4	45.5%	16,493.8	45.2%	17,173.7	46.6%	16,327.4	44.7%	(4.9)%
A&L and Other	940.8	3.7%	1,079.4	3.5%	1,093.1	3.0%	1,049.5	2.8%	1,054.2	2.9%	0.4%
Motor	6,354.7	25.2%	8,026.2	26.3%	10,799.2	29.6%	12,158.4	33.0%	11,136.4	30.5%	(8.4)%
Property / Fire	1,664.5	6.6%	1,923.2	6.3%	1,961.9	5.4%	1,825.8	5.0%	1,708.5	4.7%	(6.4)%
Marine	740.3	2.9%	811.4	2.7%	726.2	2.0%	634.1	1.7%	621.8	1.7%	(1.9)%
Aviation	144.0	0.6%	140.4	0.5%	146.6	0.4%	139.7	0.4%	134.9	0.4%	(3.4)%
Energy	456.0	1.8%	442.7	1.5%	562.6	1.5%	457.8	1.2%	739.0	2.0%	61.4%
Engineering	1,199.7	4.8%	1,434.1	4.7%	1,204.0	3.3%	908.4	2.5%	932.4	2.6%	2.6%
Health Insurance	12,895.0	51.1%	15,720.5	51.6%	18,966.8	52.0%	18,630.3	50.5%	19,035.5	52.1%	2.2%
P&S Insurance	844.5	3.3%	904.4	3.0%	1,035.7	2.8%	1,051.4	2.9%	1,140.3	3.1%	8.5%
Total	25,239.4	100.0%	30,482.2	100.0%	36,496.3	100.0%	36,855.3	100.0%	36,503.2	100.0%	(1.0)%

Tables 2 & 3: Insurance Penetration and Density (2012 to 2017)

Table 2: Insurance Penetration (%)						
Line of Bussines	2013	2014	2015	2016	2017	% Change
General Insurance	0.41%	0.49%	0.67%	0.72%	0.64%	(11.3)%
Health Insurance	0.46%	0.56%	0.77%	0.78%	0.74%	(4.7)%
Protection Insurance	0.03%	0.03%	0.04%	0.04%	0.04%	1.2%
Total	0.90%	1.08%	1.49%	1.54%	1.42%	(7.6)%

Table 3: Insurance Density (SR)						
Line of Bussines	2013	2014	2015	2016	2017	% Change
General Insurance	393.89	450.35	536.03	540.26	501.58	(7.2)%
Health Insurance	441.67	510.90	616.40	586.09	584.77	(0.2)%
Protection Insurance	28.93	29.39	33.66	33.08	35.03	5.9%
Total	864.49	990.65	1,186.08	1,159.43	1,121.37	(3.3)%

Table 4: Net Written Premiums by Line of Business (2012 to 2017)

	2013		2014		2015		2016		2017		Change
Line of Business	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
General Insurance	7,072.7	36.8%	8,950.2	36.8%	11,249.5	37.2%	11,931.8	38.7%	11,580.9	37.6%	(2.9)%
A&L and Other	391.0	2.0%	564.1	2.3%	527.3	1.7%	525.4	1.7%	506.3	1.6%	(3.6)%
Motor	5,967.0	31.0%	7,601.7	31.2%	9,912.4	32.7%	10,720.4	34.8%	10,388.2	33.7%	(3.1)%
Property / Fire	281.6	1.5%	315.8	1.3%	330.3	1.1%	272.7	0.9%	322.4	1.0%	18.2%
Aviation	3.6	0.0%	3.5	0.0%	2.9	0.0%	9.1	0.0%	5.7	0.0%	(36.9)%
Marine	241.5	1.3%	251.5	1.0%	248.9	0.8%	192.3	0.6%	172.4	0.6%	(10.3)%
Energy	7.5	0.0%	8.7	0.0%	11.1	0.0%	12.6	0.0%	17.2	0.1%	35.8%
Engineering	180.3	0.9%	204.9	0.8%	216.5	0.7%	199.2	0.6%	168.6	0.5%	(15.4)%
Health Insurance	11,456.0	59.5%	14,654.5	60.2%	18,189.1	60.1%	18,095.0	58.7%	18,411.6	59.7%	1.7%
P&S Insurance	714.0	3.7%	729.6	3.0%	835.9	2.8%	820.6	2.7%	846.2	2.7%	3.1%
Total	19,242.6	100.0%	24,334.2	100.0%	30,274.5	100.0%	30,847.5	100.0%	30,838.7	100.0%	(0.0)%

Table 5: Retention Ratio by Line of Business (2012 to 2017)

Line of Business	2013	2014	2015	2016	2017	% Change
General Insurance	61.5%	64.6%	68.2%	69.5%	70.9%	2.1%
A&L and Other	41.6%	52.3%	48.2%	50.1%	48.0%	(4.1)%
Motor	93.9%	94.7%	91.8%	88.2%	93.3%	5.8%
Property / Fire	16.9%	16.4%	16.8%	14.9%	18.9%	26.3%
Marine	32.6%	31.0%	34.3%	30.3%	27.7%	(8.6)%
Aviation	2.5%	2.5%	2.0%	6.5%	4.2%	(34.7)%
Energy	1.7%	2.0%	2.0%	2.8%	2.3%	(15.9)%
Engineering	15.0%	14.3%	18.0%	21.9%	18.1%	(17.5)%
Health Insurance	88.8%	93.2%	95.9%	97.1%	96.7%	(0.4)%
Total	76.2%	79.8%	83.0%	83.7%	84.5%	0.9%

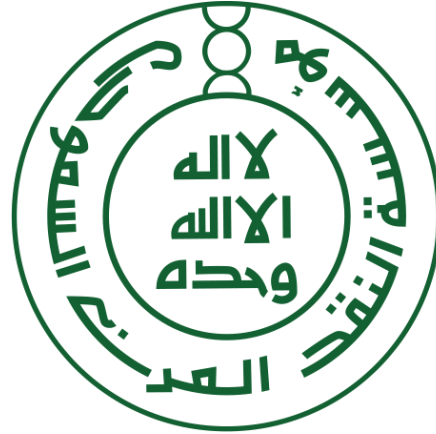
Retention ratios are not shown for Protection & Savings in this table as the savings element of the contract must be retained in the Saudi Arabian company, so retentions are not directly comparable with other insurance contracts.

Table 6: Commissions Incurred by Line of Business (2012 to 2017)

Line of Business	2013		2014		2015		2016		2017		Change
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
General Insurance	626.9	64.0%	595.9	57.4%	782.6	57.8%	1,084.2	60.3%	1,080.0	57.7%	(0.4)%
A&L and Other	76.4	7.8%	71.6	6.9%	70.9	5.2%	101.8	5.7%	85.0	4.5%	(16.6)%
Motor	300.2	30.6%	331.9	31.9%	512.4	37.8%	777.5	43.2%	780.8	41.7%	0.4%
Property / Fire	118.5	12.1%	90.9	8.7%	97.4	7.2%	109.2	6.1%	117.4	6.3%	7.5%
Marine	61.4	6.3%	51.5	5.0%	44.2	3.3%	39.3	2.2%	43.2	2.3%	9.9%
Aviation	0.5	0.1%	0.8	0.1%	1.0	0.1%	0.8	0.0%	1.1	0.1%	43.0%
Energy	0.1	0.0%	0.0	0.0%	0.0	0.0%	1.6	0.1%	1.1	0.1%	(33.4)%
Engineering	69.7	7.1%	49.2	4.7%	56.7	4.2%	53.9	3.0%	51.5	2.7%	(4.4)%
Health Insurance	330.6	33.7%	420.6	40.5%	551.5	40.7%	690.6	38.4%	762.8	40.7%	10.5%
P&S Insurance	22.5	2.3%	22.5	2.2%	20.8	1.5%	24.3	1.4%	30.5	1.6%	25.3%
Total	979.9	100.0%	1,039.0	100.0%	1,355.0	100.0%	1,799.0	100.0%	1,873.3	100.0%	4.1%

Table 7: Gross Claims Paid by Line of Business (2012 to 2017)

Line of Business	2013		2014		2015		2016		2017		Change
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
General Insurance	6,293.1	37.0%	8,417.0	41.4%	11,021.8	45.0%	11,101.4	42.6%	10,578.3	39.8%	(4.7)%
A&L and Other	118.3	0.7%	207.1	1.0%	200.2	0.8%	240.7	0.9%	310.8	1.2%	29.1%
Motor	4,720.2	27.8%	6,069.0	29.9%	7,554.6	30.8%	9,059.4	34.8%	8,314.1	31.3%	(8.2)%
Property / Fire	859.7	5.1%	1,312.0	6.5%	2,367.0	9.7%	1,033.8	4.0%	961.1	3.6%	(7.0)%
Marine	374.1	2.2%	261.2	1.3%	216.2	0.9%	263.7	1.0%	207.7	0.8%	(21.2)%
Aviation	6.9	0.0%	7.1	0.0%	51.3	0.2%	92.6	0.4%	18.1	0.1%	(80.5)%
Energy	1.2	0.0%	1.2	0.0%	1.2	0.0%	53.2	0.2%	18.6	0.1%	(65.1)%
Engineering	213.0	1.3%	559.4	2.8%	631.3	2.6%	358.0	1.4%	748.0	2.8%	108.9%
Health Insurance	10,405.2	61.2%	11,567.2	56.9%	13,106.1	53.5%	14,547.8	55.8%	15,479.2	58.3%	6.4%
P&S Insurance	297.2	1.7%	329.4	1.6%	389.7	1.6%	420.0	1.6%	498.5	1.9%	18.7%
Total	16,995.5	100.0%	20,313.7	100.0%	24,517.6	100.0%	26,069.2	100.0%	26,556.0	100.0%	1.9%



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