

مؤسسة النقد العربي السعودي  
Saudi Arabian Monetary Authority



# The Saudi Insurance Market Report

2019

## Table of Content

➤	Highlights of the Saudi Insurance Sector-2019	5
➤	Major Regulatory and Other Developments in 2019	6
➤	Insurance Market Performance - Overall	
•	Gross Written Premiums	8
•	Insurance Penetration	9
•	Insurance Density	10
•	Gross Written Premiums by Line of Business	11
•	Net Written Premiums by Line of Business	13
•	Gross Written Premiums by Client Segment	15
•	Gross Written Premiums by Geographic Regions	16
•	Gross Written Premiums by Distribution Channel	17
•	Retention Ratio by Line of Business	18
•	Gross Claims Paid by Line of Business	19
•	General and Health Net Earned Premiums vs. Net Claims Incurred	20
•	Market Profitability	21
•	Balance Sheet - Policyholders' Assets	22
•	Balance Sheet - Shareholders' Assets	23
•	Balance Sheet - Policyholders' Liabilities and Equity	24
•	Balance Sheet - Shareholders' Liabilities and Equity	25
➤	Insurance Market Performance - By Line of Business	
•	Health Insurance	27
•	Protection and Savings Insurance	28

## Table of Content

• Motor Insurance	29
• Property/ Fire Insurance	30
• Engineering Insurance	31
• A&L and Other Insurance	32
• Marine Insurance	33
• Energy Insurance	34
• Aviation Insurance	35
➤ Other Market Indicators	
• Gross Commissions Incurred by Line of Business	37
• Employees of Insurance Companies by Nationality	38
• Employees of Insurance intermediaries by Nationality	39
• Insurance Market Structure	40
• Capitalization of Insurance Companies	41
➤ Appendix: Data Tables	
• Table 1: Gross Written Premiums by Line of Business	43
• Tables 2 & 3: Insurance Penetration and Density	44
• Table 4: Net Written Premiums by Line of Business	45
• Table 5: Gross Written Premiums by Distribution Channel	46
• Table 6: Gross Written Premiums by Client Segments	47
• Table 7: Retention Ratio by Line of Business	48
• Table 8: Gross Commissions Incurred by Line of Business	49
• Table 9: Gross Claims Paid by Line of Business	50



# Insurance Sector Highlights - 2019

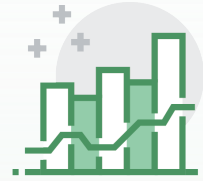
## Highlights of the Saudi Insurance Sector

- The insurance sector witnessed a growth of circa 8% in 2019, marking the first increase in 3 years, with total written premiums reaching SR 37.89 Billion. The increase was led by Health and Property & Casualty classes.
- The penetration ratio of the sector increased from 1.20% in 2018 to 1.28% in 2019. Insurance density increased by 5.7% over 2018 to reach SR 1,107.
- The overall loss ratio remained stable, as improvements in the loss ratio for health insurance were largely offset by an increase in the loss ratio for motor insurance.
- The net profit (after zakat & tax) for the sector increased more than three folds over the last year's corresponding figure, improving in turn the return-on-assets and return-on-equity ratios.
- The overall Saudization ratio increased from 72% in 2018 to 74% in 2019.

(\*) This report is based on the sector data collected from 32 insurance and reinsurance companies

## Major Regulatory and Other Developments in 2019

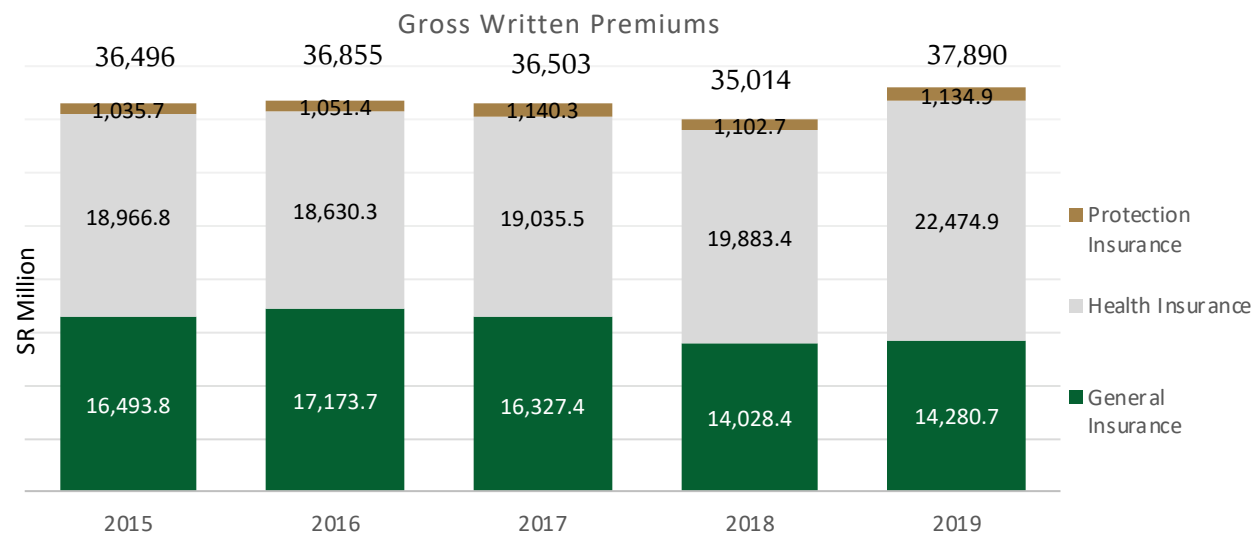
- The draft of new actuarial work regulations was issued for public consultation during the year (final regulations were issued in Q1 2020); the new regulations are expected to enhance the technical rigor in the sector by streamlining and expanding the input from the actuarial profession.
- The sector successfully completed Phase 1 of the IFRS17 implementation-journey, and moved on to Phase 2 of the four-phase implementation-journey laid out by the regulator (Phase 2 is due for completion in the first half of 2020).
- The year also saw an increase in consolidation activities, where six companies announced signing of preliminary memorandum of understanding to assess the feasibility of three mergers in the insurance sector. one of these materialized in the first quarter of 2020 between Walaa Cooperative Insurance Company and MetLife AIG ANB Cooperative Insurance Company, being the first-ever consolidation in the Kingdom's insurance sector.
- The aggregator sales channel expanded rapidly during 2019, particularly for motor policies, enabling the general public to make informed purchase-decisions at favorable prices.
- Pursuant to the issuance of the Rules for Licensing and Supervision of Branches of Foreign Insurance and/or Reinsurance Companies in Saudi Arabia allowing foreign companies to operate in the Kingdom via branch operations, initial approval was granted to a foreign insurance company to open a branch in the Kingdom.



# Insurance Market Performance

## Gross Written Premiums

- In 2019, the total Gross Written Premiums grew by 8 percent, reaching SR 37.89 Billion<sup>(1)</sup> in 2019, compared to SR 35.01 Billion in 2018
- Health insurance remained the largest line of business in 2019. Its contribution to total GWP in 2019 reached 59.3% compared to 56.8% in 2018
- General insurance's contribution, led by Motor, decreased from 40.1% in 2018 to 37.7% in 2019, despite a significant increase in Property & Casualty insurance premiums
- Protection and Savings insurance represented the smallest line of business remained unchanged in 2019 with 3.0% share.



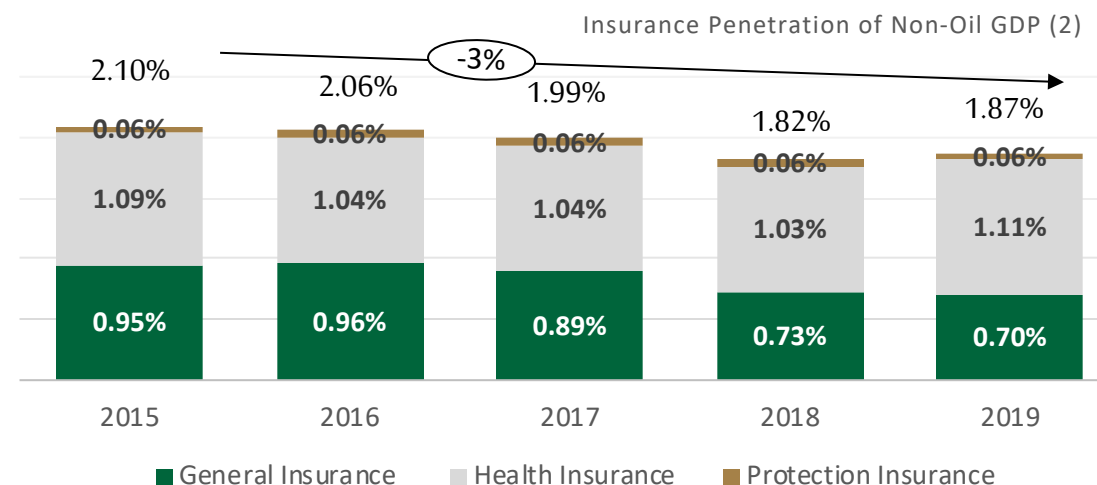
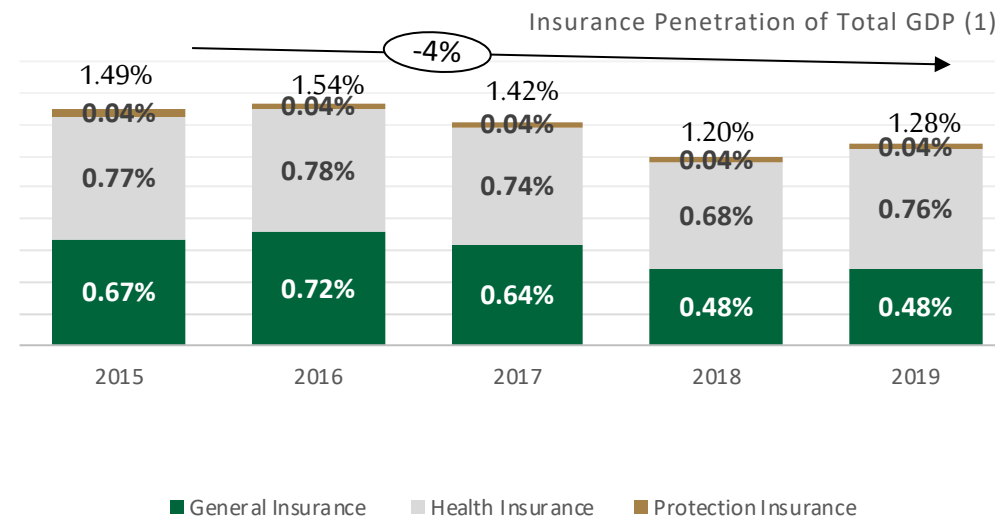
Line of Business	2015		2016		2017		2018		2019		Growth
	SR M	%	SR M	%	SR M	%	SR M	%	SR M	%	
Health Insurance	18,966.8	52.0%	18,630.3	50.5%	19,035.5	52.1%	19,883.4	56.8%	22,474.9	59.3%	13.0%
General Insurance	16,493.8	45.2%	17,173.7	46.6%	16,327.4	44.7%	14,028.4	40.1%	14,280.7	37.7%	1.8%
Protection Insurance	1,035.7	2.8%	1,051.4	2.9%	1,140.3	3.1%	1,102.7	3.1%	1,134.9	3.0%	2.9%
<b>Total</b>	<b>36,496.3</b>	<b>100.0%</b>	<b>36,855.3</b>	<b>100.0%</b>	<b>36,503.2</b>	<b>100.0%</b>	<b>35,014.5</b>	<b>100.0%</b>	<b>37,890.5</b>	<b>100.0%</b>	<b>8.2%</b>

(1) The GWP is the total of accounted premiums for domestic insurance and reinsurance companies. Since a small portion of business is reinsured locally, it causes double-counting of premium volume to that (small) extent



## Insurance Penetration

- The insurance penetration (ratio of insurance premium to GDP) increased marginally from 1.20 percent in 2018 to 1.28 percent in 2019 due to the increase in premiums.
- Over the course of 5 years, compound annual growth rate for insurance penetration was -4% .
- The penetration of insurance to non-oil GDP rose from 1.8 percent in 2018 to 1.9 percent in 2019.

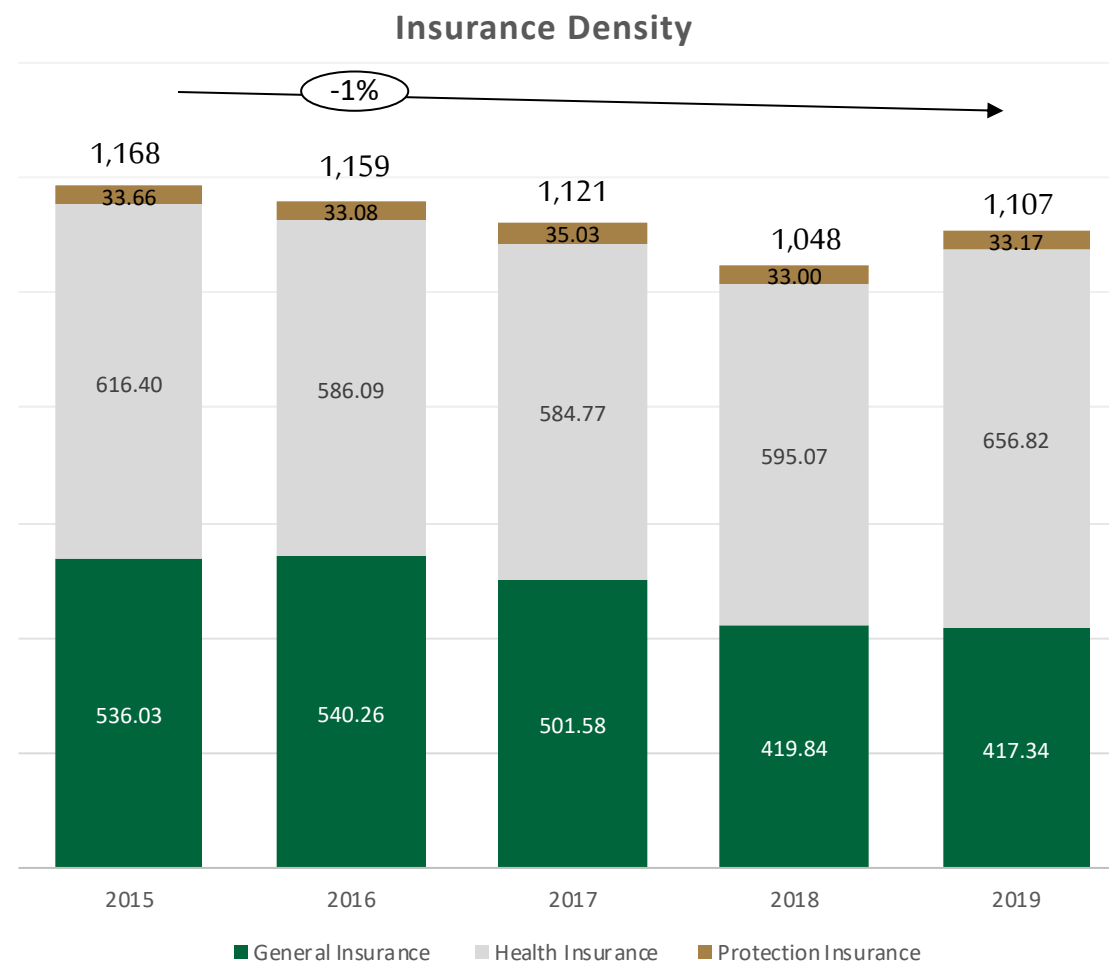


(1) Total GDP of SR 2,449, SR 2,398, SR2,570, SR 2.934, SR 2,973 Billion in 2015, 2016, 2017, 2018, and 2019 respectively, General Authority for Statistics

(2) Non-oil GDP SR 1,740, SR 1,791 SR 1,835, SR 1.928, and SR 2,026 Billion in 2014, 2015, 2016, 2017, 2018, and 2019 respectively, General Authority for Statistics

## Insurance Density <sup>(1)</sup>

- Insurance density is defined as Gross Written Premiums per Capita. In 2019, Insurance density increased by 5.7% to reach SR 1,107, from SR 1,048 per Capita in 2018.
- Over the course of 5 years, the compound annual growth rate for insurance density was -1%.



(1) Saudi population of 30.77, 31.78, 32.5, 33.4, and 34.2 Million in 2015, 2016, 2017, 2018, and 2019 respectively, General Authority for Statistics

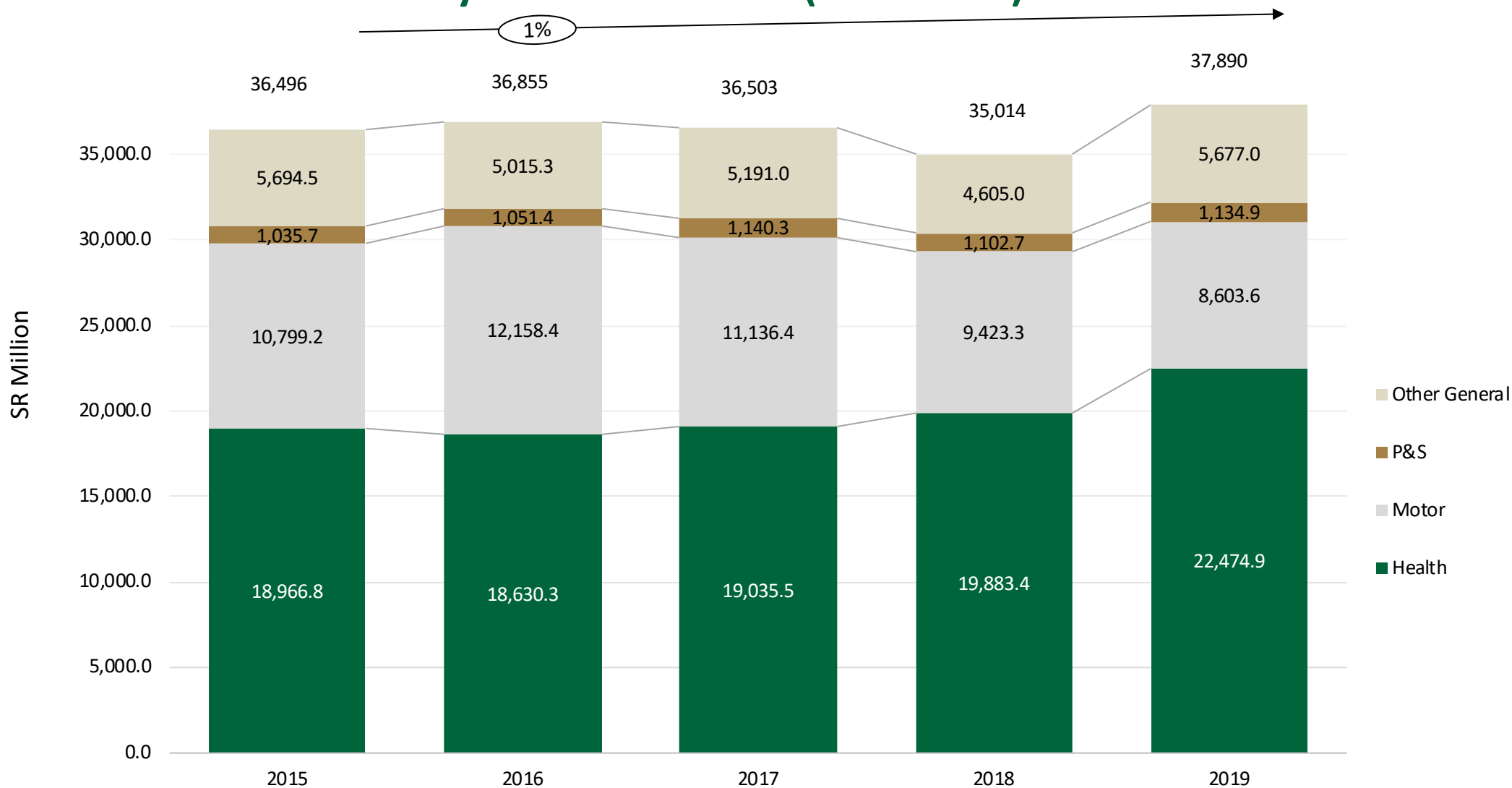
## Gross Written Premiums by Line of Business

- Motor and Health insurance represent 82% of total GWP in 2019
- Health insurance remained the largest line of business in 2019, accounting for 59.3% of total GWP, and experiencing 13% premium growth during 2019
- Motor insurance stood in the second place with a 22.7% share of total GWP
- Motor insurance gross written premiums decreased by 8.7% in 2019

Line of Business	2015		2016		2017		2018		2019		Growth
	SR M	%	SR M	%	SR M	%	SR M	%	SR M	%	
Aviation	146.6	0.4%	139.7	0.4%	134.9	0.4%	148.0	0.4%	158.5	0.4%	7.1%
Energy	562.6	1.5%	457.8	1.2%	739.0	2.0%	511.5	1.5%	700.4	1.8%	36.9%
Engineering	1,204.0	3.3%	908.4	2.5%	932.4	2.6%	701.7	2.0%	1,198.4	3.2%	70.8%
Marine	726.2	2.0%	634.1	1.7%	621.8	1.7%	544.6	1.6%	653.6	1.7%	20.0%
Property / Fire	1,961.9	5.4%	1,825.8	5.0%	1,708.5	4.7%	1,697.9	4.8%	1,844.6	4.9%	8.6%
A&L and Other	1,093.1	3.0%	1,049.5	2.8%	1,054.2	2.9%	1,001.3	2.9%	1,121.4	3.0%	12.0%
P&S	1,035.7	2.8%	1,051.4	2.9%	1,140.3	3.1%	1,102.7	3.1%	1,134.9	3.0%	2.9%
Motor	10,799.2	29.6%	12,158.4	33.0%	11,136.4	30.5%	9,423.3	26.9%	8,603.6	22.7%	(8.7)%
Health	18,966.8	52.0%	18,630.3	50.5%	19,035.5	52.1%	19,883.4	56.8%	22,474.9	59.3%	13.0%
<b>Total</b>	<b>36,496.3</b>	<b>100.0%</b>	<b>36,855.3</b>	<b>100.0%</b>	<b>36,503.2</b>	<b>100.0%</b>	<b>35,014.5</b>	<b>100.0%</b>	<b>37,890.5</b>	<b>100.0%</b>	<b>8.2%</b>

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

## Gross Written Premiums by Line of Business (continued)

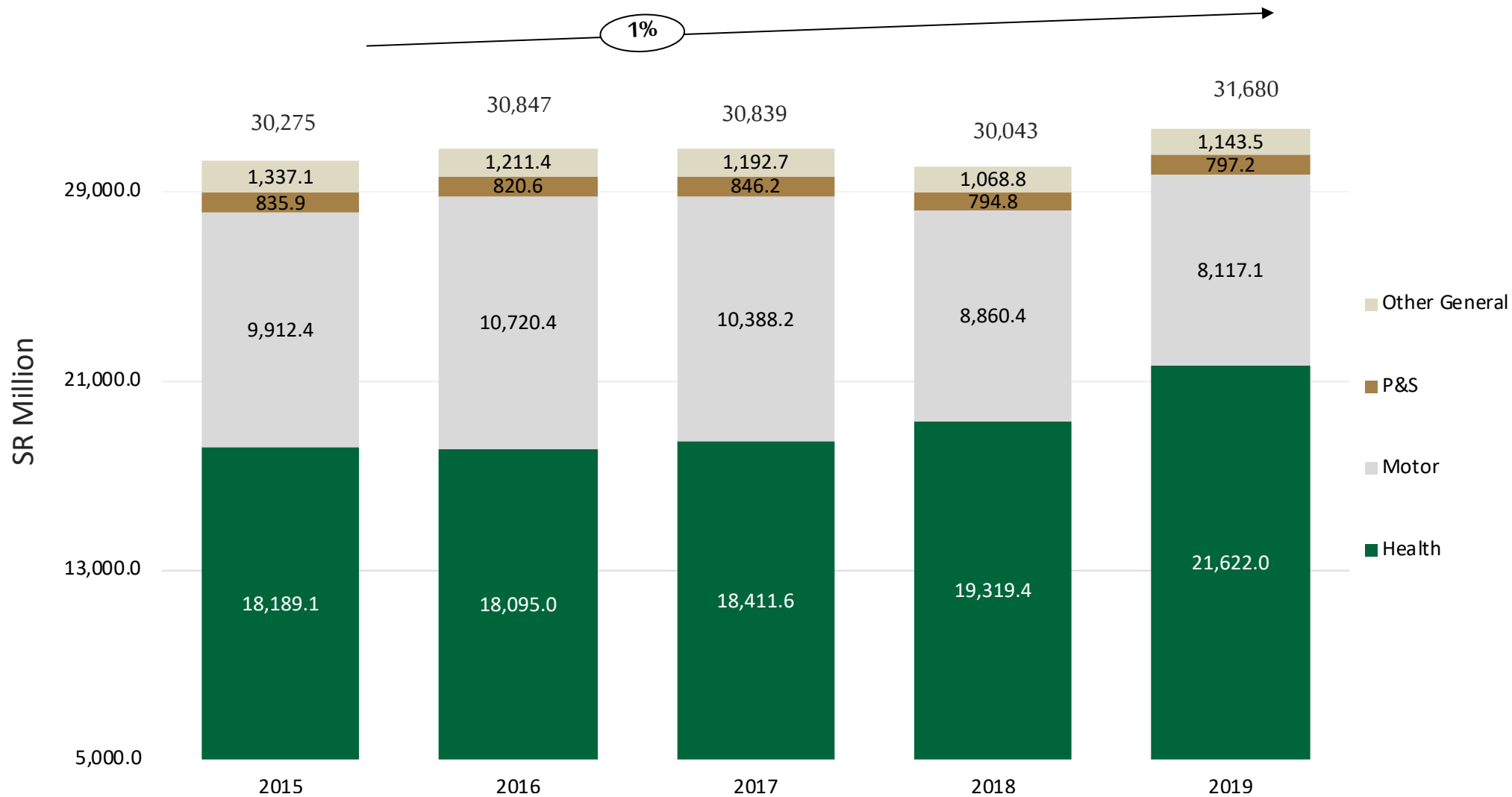


## Net Written Premiums by Line of Business

- 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 Total GWP
- Total NWP increased by 5.4% from SR 30.6 Billion in 2018 to SR 31.7 Billion in 2019.
- Due to cession of a large proportion of Property & Casualty premium to reinsurers, combined share of Health & Motor insurance in total NWP 2019 was around 94%, compared to their combined share of 82% in Total GWP
- Health insurance accounted for 68.3% of total NWP in 2019, whereas Motor insurance share was 25.6% of total NWP in 2019

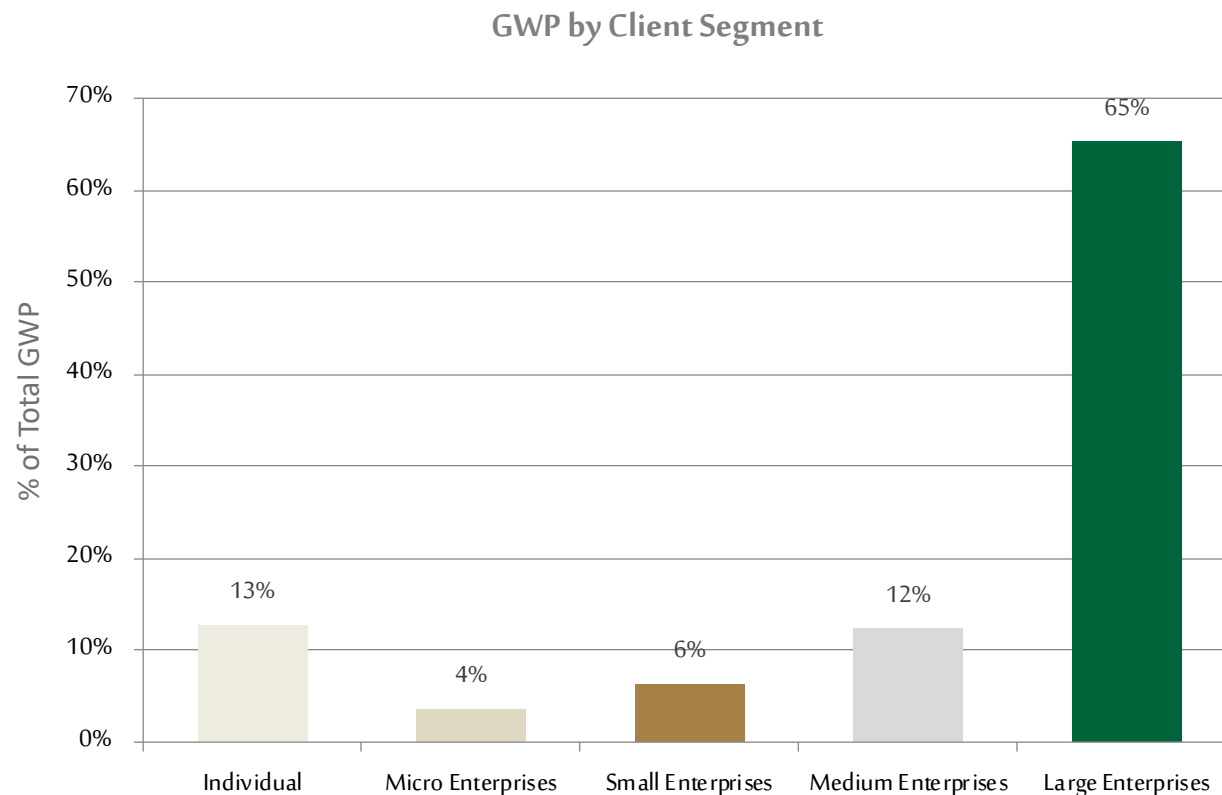
Line of Business	2015		2016		2017		2018		2019		Growth
	SR M	%	SR M	%	SR M	%	SR M	%	SR M	%	
Aviation	2.9	0.01%	9.1	0.03%	5.7	0.02%	5.3	0.02%	4.0	0.01%	(23.7)%
Energy	11.1	0.04%	12.6	0.04%	17.2	0.06%	3.5	0.01%	12.8	0.04%	265.9%
Engineering	216.5	0.72%	199.2	0.65%	168.6	0.55%	120.2	0.40%	144.2	0.46%	20.0%
Marine	248.9	0.82%	192.3	0.62%	172.4	0.56%	155.4	0.52%	181.2	0.57%	16.6%
Property / Fire	330.3	1.09%	272.7	0.88%	322.4	1.05%	314.0	1.05%	314.6	0.99%	0.2%
A&L and Other	527.3	1.74%	525.4	1.70%	506.3	1.64%	470.4	1.57%	486.6	1.54%	3.4%
P&S	835.9	2.76%	820.6	2.66%	846.2	2.74%	794.8	2.65%	797.2	2.52%	0.3%
Motor	9,912.4	32.74%	10,720.4	34.75%	10,388.2	33.69%	8,860.4	29.49%	8,117.1	25.62%	(8.4)%
Health	18,189.1	60.08%	18,095.0	58.66%	18,411.6	59.70%	19,319.4	64.30%	21,622.0	68.25%	11.9%
<b>Total</b>	<b>30,274.5</b>	<b>100.00%</b>	<b>30,847.5</b>	<b>100.00%</b>	<b>30,838.7</b>	<b>100.00%</b>	<b>30,043.4</b>	<b>100.00%</b>	<b>31,679.7</b>	<b>100.00%</b>	<b>5.4%</b>

## Net Written Premiums by Line of Business (continued)



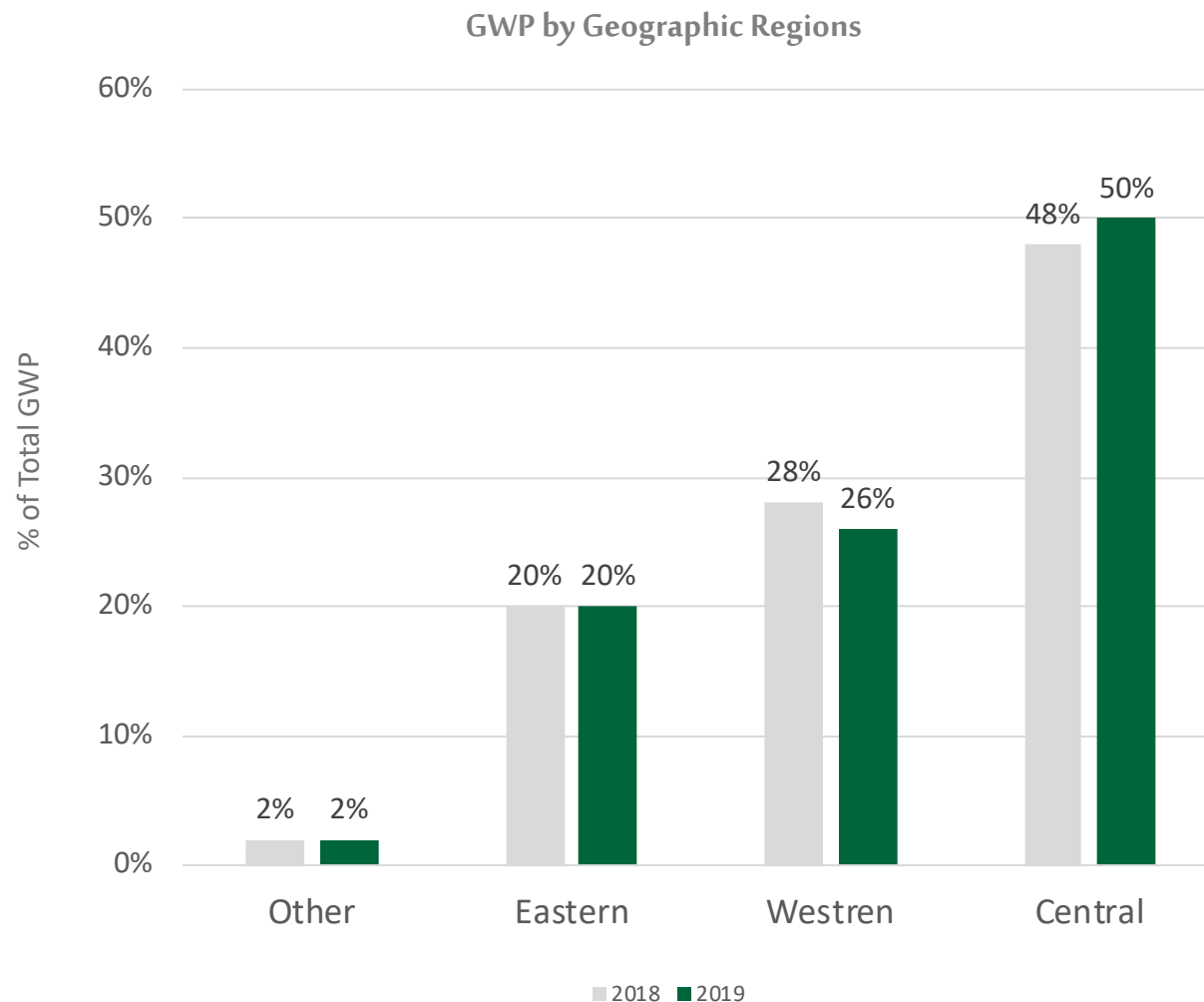
## Gross Written Premiums by Client Segment

- Individual insurance GWP totaled SR 4.8 Billion, representing 13% share of total market GWP in 2019. Under motor insurance, individual policyholders represent 43% share of total motor premium.
- Micro enterprises, small enterprises, and medium enterprises insurance represents 4%, 6%, and 12% share of total market GWP respectively.
- Large Enterprises' insurance represents 65% of total market GWP. Under health insurance, large enterprises' premium totaled SR 16 Billion, representing 71% of total health insurance GWP.



## Gross Written Premiums by Geographic Regions

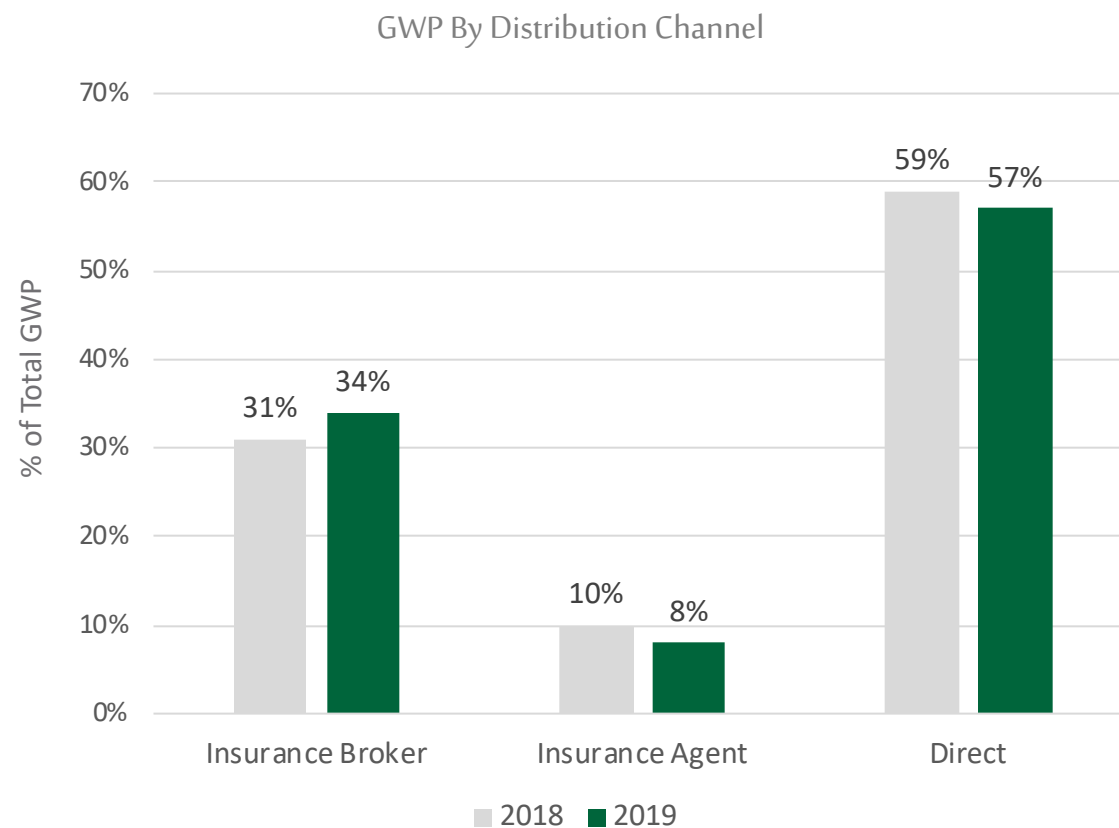
- Central region remained the highest in GWP reaching a 50% share of total GWP in 2019, increasing from 48% in 2018.
- Western region stood in second place with a 26% share of total GWP in 2019 compared to 28% in 2018.
- Eastern region along with Other regions maintained same shares as in 2018, representing 20% and 4% of total GWP respectively.





## GWP by Distribution Channel

- Direct sales remained the largest distribution channel in 2019. Its contribution to total GWP in 2019 reached 57.4% compared to 58.6% in 2018.
- Sales through brokers increased from 31.2% in 2018 to reach 34.2% in 2019, this increase is mainly due to the increase of sales through online aggregators for motor insurance.

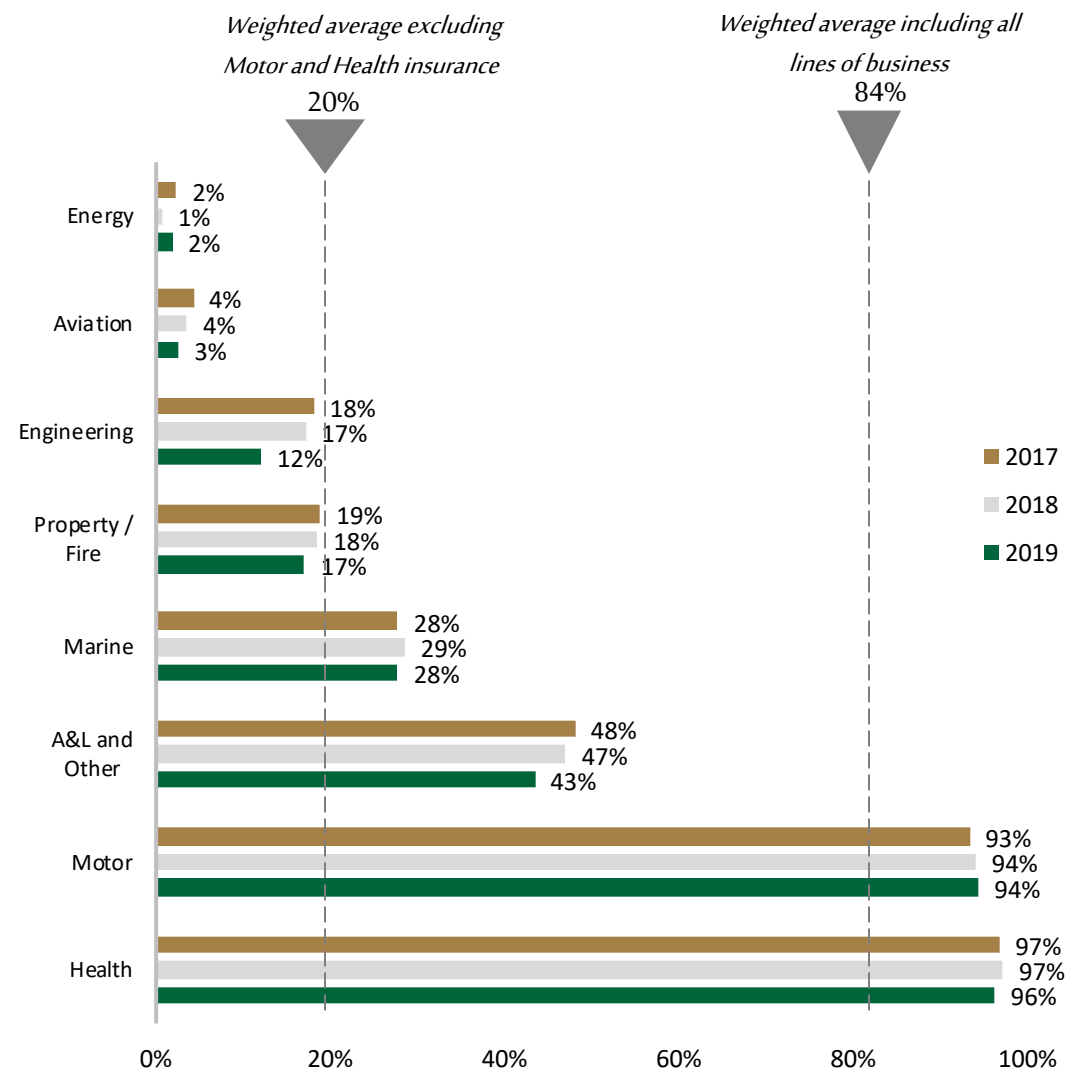


## Retention Ratio by Line of Business for General and Health Insurance

- The retention ratio measures the written premiums retained by the insurance company after excluding the reinsurers' share, which is considered a measure of how much of the net risk carried by the insurer after excluding the portion ceded to reinsurers. Retention ratio is calculated by dividing the NWP by the GWP.
- The overall retention ratio decreased from 86% in 2018 to 84% in 2019
- The retention for health and motor insurance classes remained high, at 96% and 94% respectively
- For other general insurance classes in aggregate, the retention ratio was 20%

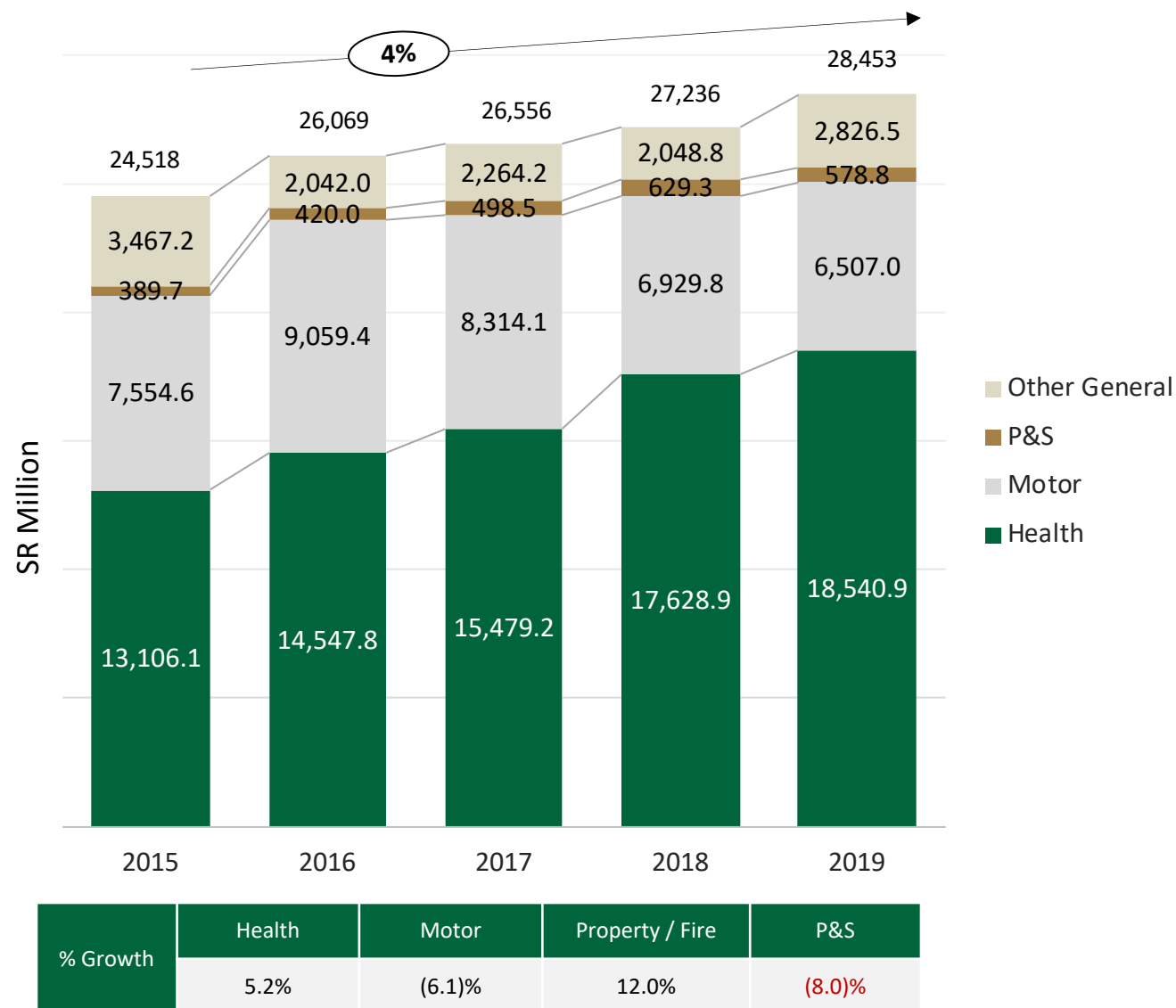
### Notes:

- 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 by the company. Therefore retentions for Protection & Savings insurance are not directly comparable with other insurance lines of business



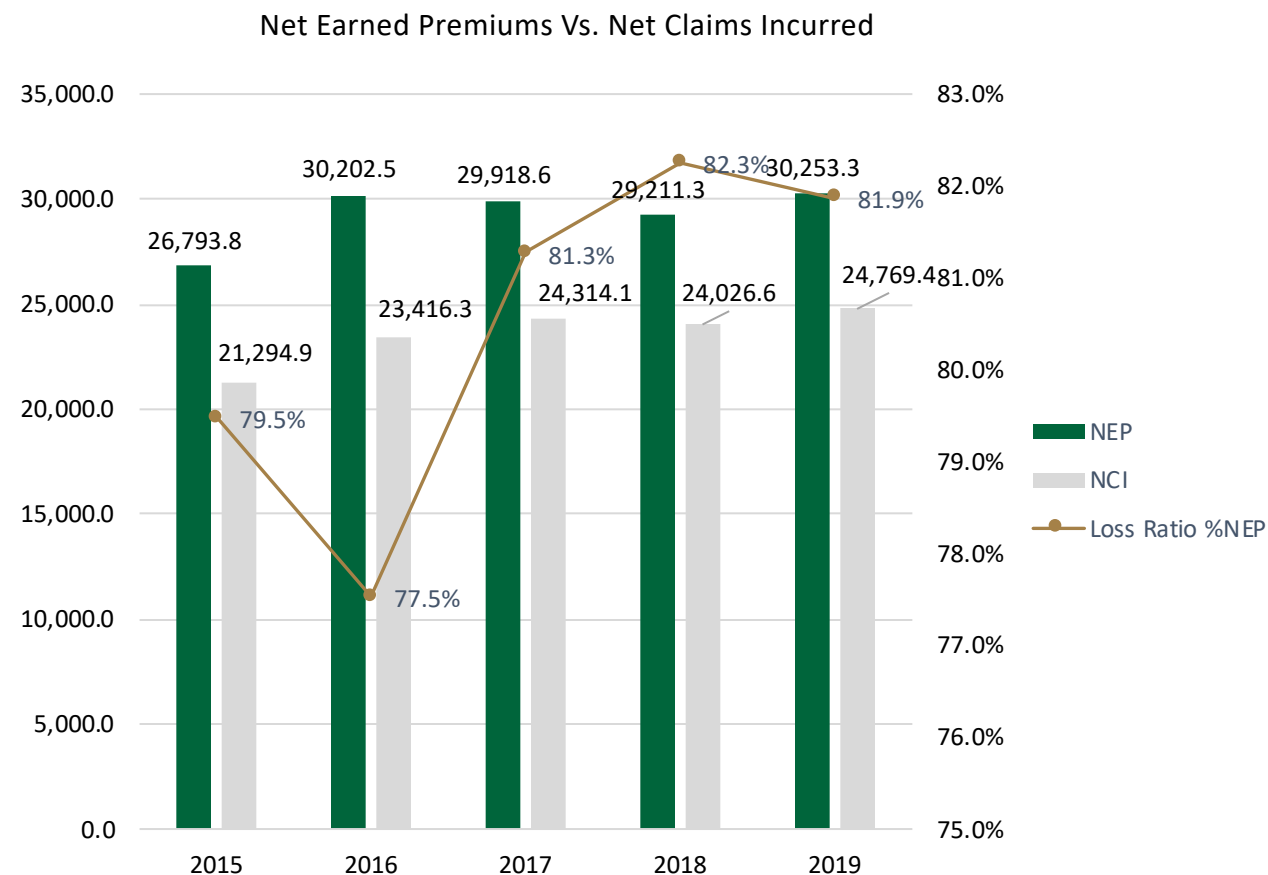
## Gross Claims Paid by Line of Business

- Total gross claims paid increased from SR 27.2 Billion in 2018 to SR 28.5 Billion in 2019, which represents an increase of 4.1%
- In 2019, Health gross claims paid increased by 5.2% whereas Motor gross claims paid decreased by 6.1% over 2018
- Energy gross claims paid increased from SR 356.8 Million in 2018 to SR 1,048.5 Million in 2019
- Table 9 in the appendix contains all the gross claims paid data by line of business from 2015 to 2019



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

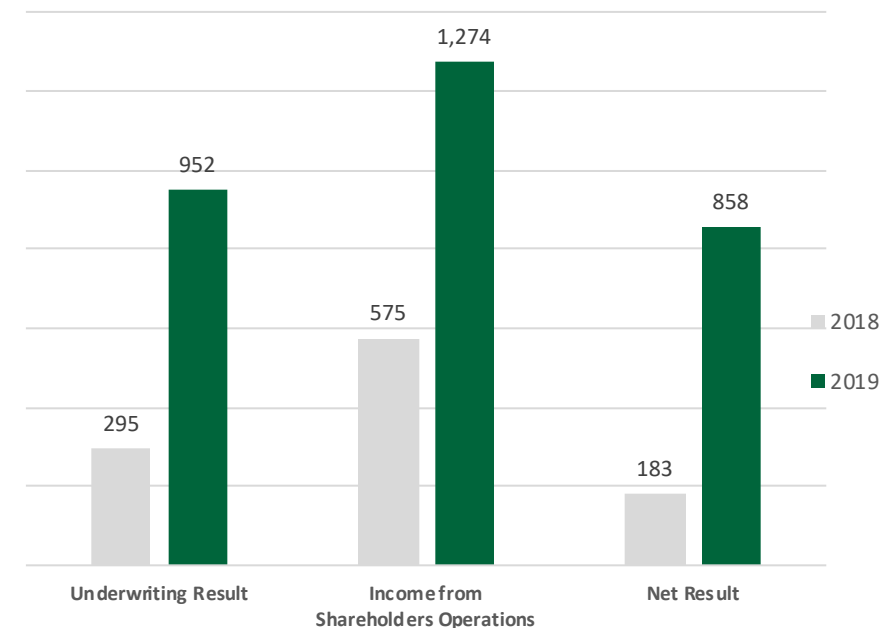
- Net Earned Premiums (NEP) is equal to NWP minus the change in net unearned premium reserve
- The insurance market's General and Health NEP totaled SR 30.3 Billion in 2019, compared to SR 29.2 Billion in 2018, an increase of 3.4%
- General and Health Net Claims Incurred (NCI), is equal to the total of net claims paid plus the change in outstanding and IBNR claims reserve
- In 2019 General and Health net claims incurred increased by 3.1% to reach SR 24.8 Billion
- In 2019 General and Health net Loss ratio decreased and reached 81.9% from 82.3% in 2018



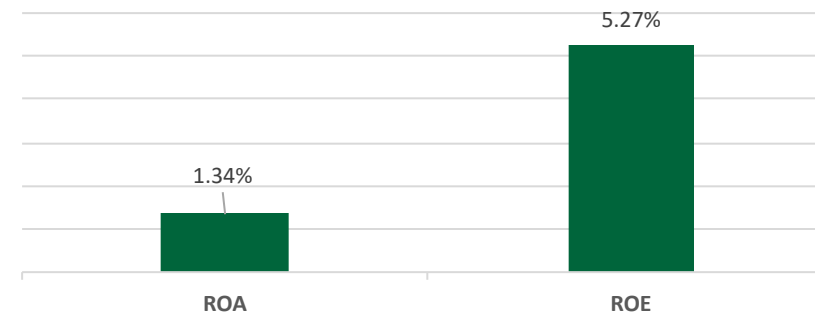
## Market Profitability

- Underwriting result is equal to insurance revenues including insurance investment income minus related insurance expenses.
- Shareholders Operations Results include the share of shareholders from underwriting result and the shareholder investment income minus others G&A expense.
- The net result is equal to the sum of revenues minus the sum of expenses and Zakat & Tax.
- In 2019, the underwriting result increased to SR 952 million, compared to 295 million in 2018.
- Shareholders operations' results increased to SR 1,274 million in 2019, compared to SR 575 million in 2018.
- The insurance market's net result increased to 858 million in 2019, compared to SR 183 million in 2018.
- Return on Assets (ROA) is the ratio of net result to total assets. In 2019, insurance market's ROA was 1.34%
- Return on Equity (ROE) is the ratio of net result to total equity. In 2019, insurance market's ROE was 5.27%

### Insurance Market profitability



### Insurance Market ROA/ROE



## Balance Sheet - Policyholders' Assets

- Total Policyholders' assets amounted to SR 44.6 Billion in 2019 compared to SR 41.2 Billion in 2018
- Investments accounted for the largest share of policyholders' assets, with a value of SR 16.2 Billion in 2019 compared to SR 15.3 Billion in 2018
- At the end of 2019 insurance companies held SR 5.5 Billion in cash and cash equivalents in their policyholders' accounts compared to SR 5.3 Billion in 2018

	General and Health Insurance		Protection and Savings Insurance		Total Insurance	
	2018	2019	2018	2019	2018	2019
Cash and cash equivalents	5,107,189	5,209,090	220,542	273,422	5,327,731	5,482,512
Receivables, net	6,857,595	8,102,764	120,823	215,915	6,978,418	8,318,678
Reinsurance recoverables	8,505,915	9,662,429	412,569	423,120	8,918,484	10,085,549
Deferred policy acquisition cost	776,887	775,122	3,149	4,212	780,036	779,334
Prepaid expenses	970,851	980,337	2,042	2,058	972,893	982,395
Investments	12,553,051	13,192,386	2,743,164	3,015,187	15,296,215	16,207,573
Deposits at financial institutions	9,203,094	9,735,284	15,458	86,964	9,218,552	9,822,248
Loans	-	-	-	-	-	-
Debt securities and fixed income	2,681,152	2,699,798	-	9,844	2,681,152	2,709,642
Shares (common, preferred)	208,970	260,279	-	-	208,970	260,279
Real estate	9,861	9,861	-	-	9,861	9,861
Investment in subsidiaries & affiliates	-	-	1,044,975	996,927	1,044,975	996,927
Other	449,974	487,164	1,682,731	1,921,452	2,132,705	2,408,616
Tangible assets	413,813	529,323	1,972	4,364	415,785	533,687
Intangible assets	52,905	52,833	2,347	-	55,252	52,833
Other policyholders assets	2,361,099	2,149,006	54,763	(5,140)	2,415,861	2,143,866
<b>Total</b>	<b>37,599,304</b>	<b>40,653,290</b>	<b>3,561,370</b>	<b>3,933,137</b>	<b>41,160,675</b>	<b>44,586,427</b>

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

## Balance Sheet - Shareholders' Assets

- Shareholders' assets amounted to SR 19.3 Billion in 2019 compared to SR 17.4 Billion in 2018
- Investments accounted for the largest share of shareholders' assets, with a value of SR 16 Billion in 2019 compared to SR 13.4 Billion in 2018
- At the end of 2019, insurance companies' shareholders held SR 1.7 Billion in cash and cash equivalents compared to SR 2.8 Billion in 2018
- Insurance companies' total assets amounted to SR 63.9 Billion in 2019 compared to SR 58.5 Billion in 2018

Amount In Thousands

	2018	2019
Cash and cash equivalents	2,759,936	1,698,302
Receivables, net	7,596	2,666
Investments	13,367,883	15,945,918
Deposits at financial institutions	7,329,389	8,839,169
Loans	-	-
Debt securities and fixed income	3,461,761	3,757,182
Shares (common, preferred)	1,048,308	1,313,413
Real estate	6,832	7,025
Investment in subsidiaries & affiliates	309,828	202,001
Other	1,211,766	1,827,129
Tangible assets	170,454	265,681
Accrued interest, rent, income	90,634	101,116
Intangible assets	339,874	953,166
Distributions due from policyholders account	559,776	540,716
Other shareholders assets	93,051	(168,670)
Total Shareholders Assets	17,389,204	19,338,896
Total Assets	58,549,879	63,925,323

## Balance Sheet - Policyholders' Liabilities and Equity

Amount In Thousands

- At the end of 2019, insurance companies held SR 33.1 Billion in technical reserves, which consist of unearned premiums, outstanding claims, IBNR and adjustment expense reserves, compared to SR 31 Billion in 2018
- Mathematical reserves amounted to SR 3.2 Billion in 2019 compared to SR 2.9 Billion in 2018
- Total policyholders' liabilities and equity amounted to SR 44.6 Billion in 2019 compared to SR 41.2 Billion in 2018

Policy	General and Health Insurance		Protection and Savings Insurance		Total Insurance	
	2018	2019	2018	2019	2018	2019
<b>Total Policyholders liabilities</b>	37,279,443	39,848,295	3,537,715	3,870,737	40,817,158	43,719,032
Policyholders payables	659,629	1,159,536	9,172	19,550	668,801	1,179,086
Reinsurance balances payable	1,110,176	1,861,493	107,641	83,085	1,217,817	1,944,578
Technical reserves	30,585,317	32,658,465	406,783	446,074	30,992,100	33,104,540
Unearned premium	15,033,581	16,009,879	84,570	103,708	15,118,151	16,113,588
Outstanding claims, IBNR and adjustment expenses	15,551,737	16,648,586	322,212	342,366	15,873,949	16,990,952
Mathematical reserves	-	-	2,916,455	3,190,892	2,916,455	3,190,892
Other reserves	408,042	430,305	1,292	3,529	409,334	433,834
Unearned reinsurance commissions	223,443	249,521	3,094	2,547	226,538	252,069
Accrued expense and deferred income	2,994,152	2,080,082	56,693	85,272	3,050,845	2,165,354
Declared dividend payable	-	-	-	-	-	-
Distribution due to shareholders account	578,290	515,870	18,177	24,846	596,467	540,716
Other policyholders liabilities	720,394	893,022	18,408	14,942	738,802	907,964
Accumulated surplus	299,088	804,994	55,579	62,400	354,667	867,394
<b>Total Policyholders liabilities and Equity</b>	<b>37,578,531</b>	<b>40,653,290</b>	<b>3,593,294</b>	<b>3,933,137</b>	<b>41,171,825</b>	<b>44,586,427</b>



## Balance Sheet - Shareholders' Liabilities and Equity

Amount In Thousands

- At the end of 2019, shareholders' liabilities increased to SR 3.1 Billion from SR 2.4 Billion in 2018 while shareholders' equity increased to SR 16.3 Billion in 2019 compared to SR 15 Billion in 2018
- Share capital increased to SR 12.4 Billion in 2019 compared to SR 11.8 Billion in 2018
- Shareholders' liabilities and equity increased to SR 19.3 Billion in 2019 compared to SR 17.4 Billion in 2018

Policy	2018	2019
<b>Total Shareholders liability</b>	2,399,505	3,065,329
Shareholders payables	535,538	345,827
Zakat	1,019,844	1,041,592
Accrued expenses and deferred income	166,861	182,829
Other shareholders liabilities	677,262	1,495,080
<b>Total Shareholders equity</b>	14,978,548	16,273,567
Share capital	11,826,667	12,402,667
Statutory reserves	2,297,414	2,544,807
Retained earnings	966,057	1,109,539
Other shareholders equity	(111,591)	216,554
<b>Total Shareholders Liabilities &amp; Equity</b>	<b>17,378,053</b>	<b>19,338,896</b>
<b>Total Liabilities &amp; Equity</b>	<b>58,549,878</b>	<b>63,925,323</b>

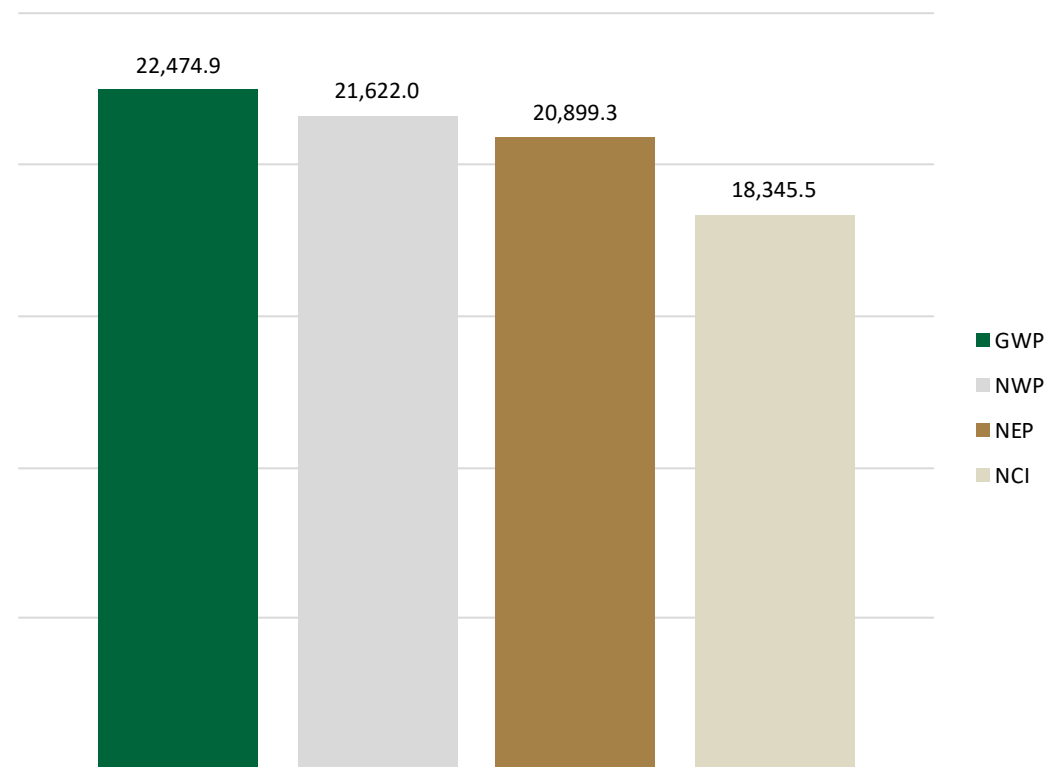


# Insurance Market Performance By Line of Business

## Health Insurance

- Health insurance, which includes both compulsory and non-compulsory lines, accounted for 59.3% of the 2019 total market gross written premiums (GWP) with SR 22.5 Billion in underwritten premiums
- Health insurance accounted for 68.3% of the market's net written premiums (NWP) as insurance companies retained SR 21.6 Billion of their Health insurance GWP, which was the highest of all business lines representing a 96.2% retention ratio
- Health insurance's net earned premiums (NEP) registered SR 20.9 Billion, representing 67.5% of the insurance market's NEP.
- Health insurance's net claims incurred (NCI) amounted to SR 18.3 Billion, and resulted in a loss ratio of 87.8%

Million SR



Health

% Total	GWP	NWP	NEP	NCI
	59.3%	68.3%	67.5%	72.5%

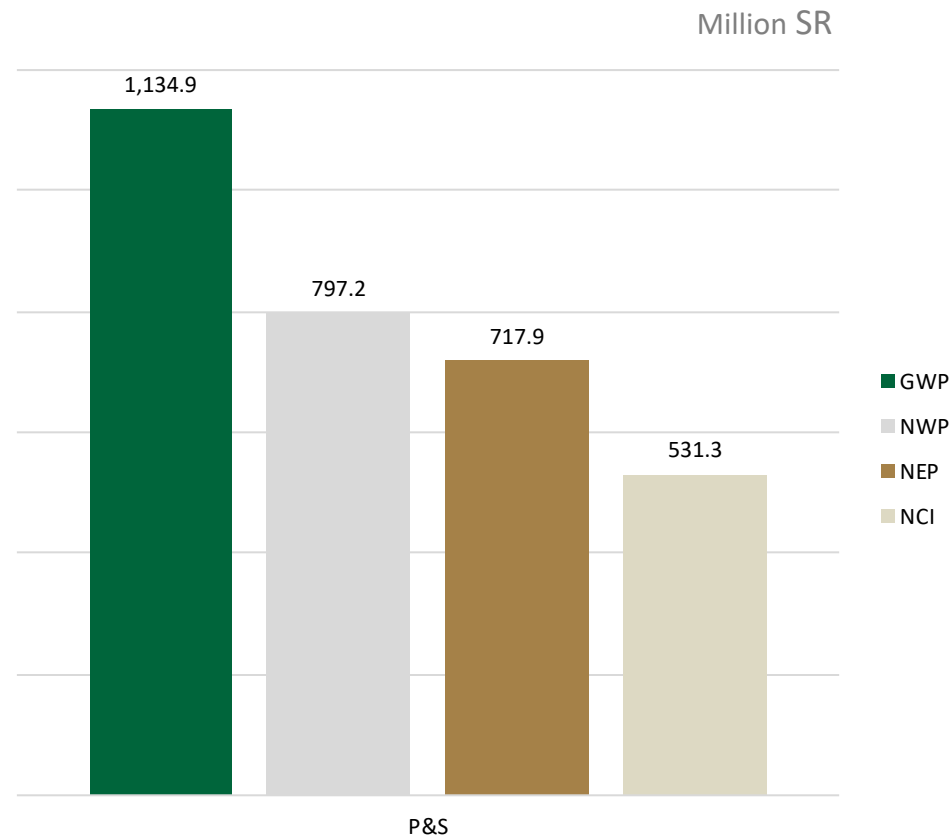
Retention Ratio
96.2%

Loss Ratio
87.8%

- Loss Ratio is defined as the percentage of net claim incurred over the net earned premium

## Protection and Savings Insurance

- Protection and Savings insurance's GWP totaled SR 1.14 Billion in 2019, which represents a 3% contribution to the market's total business volume.
- Protection and Savings insurance accounted for 2.5% of the market's NWP, as insurance companies retained SR 797.2 Million of GWP.
- Protection and Savings insurance's NEP registered SR 717.9 Million, which represents a share of 2.3% of total NEP.
- Protection and Savings insurance accounted for 2.1% of total market's NCI in 2019 and amounted to SR 531.3 Million.



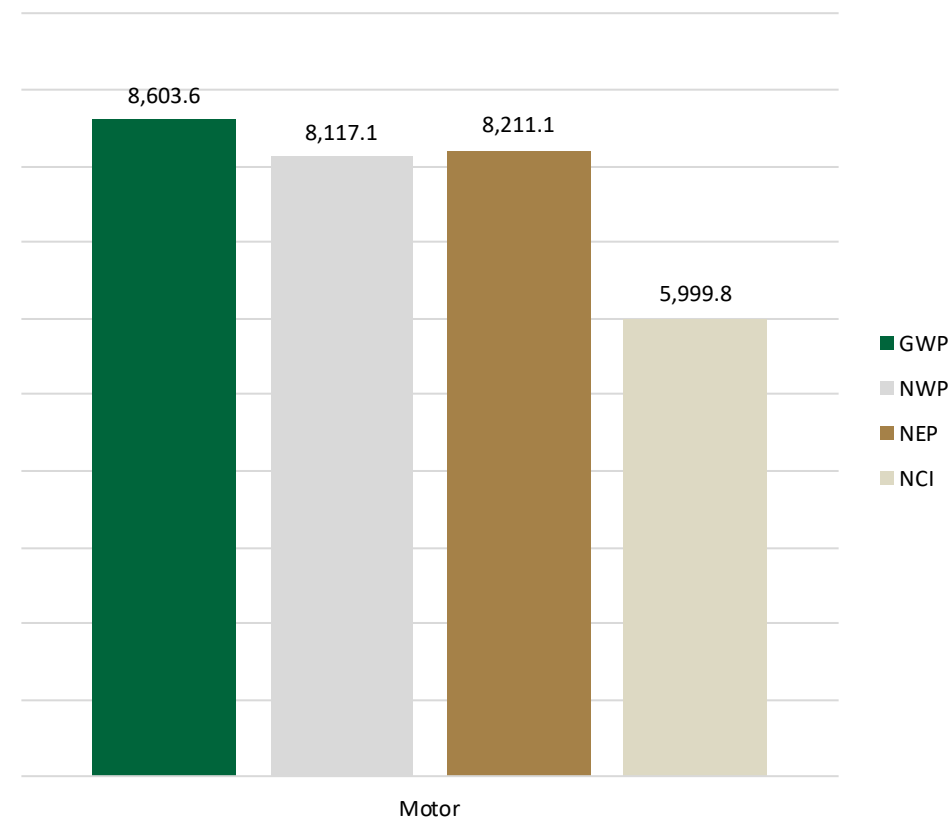
% Total	GWP	NWP	NEP	NCI
	3.0%	2.5%	2.3%	2.1%

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 8.6 Billion in 2019, which represents a 22.7% share of total market GWP
- Insurance companies retained 94.3% of their Motor underwritten premiums Motor insurance NWP totaled SR 8.1 Billion
- Motor insurance's NEP amounted to SR 8.2 Billion and accounted for 26.5% of the insurance market's NEP
- Insurance companies recorded SR 6 Billion in Motor insurance's NCI and resulted in a loss ratio of 73.1%

Million SR



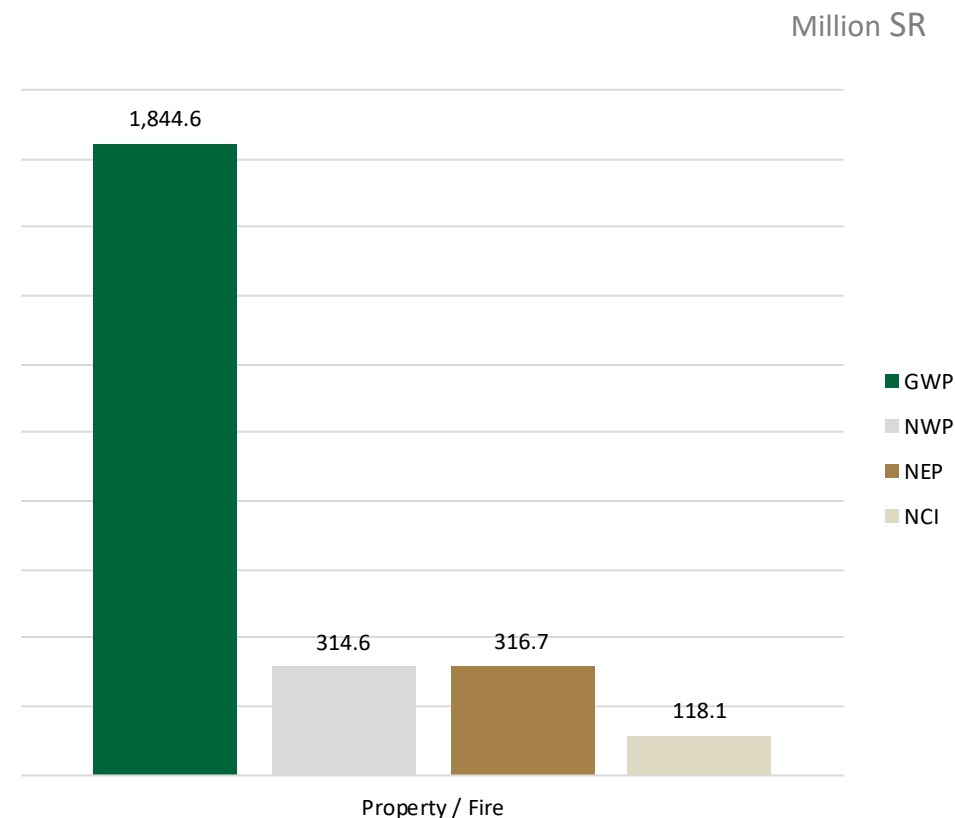
% Total	Motor			
	GWP	NWP	NEP	NCI
	22.7%	25.6%	26.5%	23.7%

Retention Ratio
94.3%

Loss Ratio
73.1%

## Property/ Fire Insurance

- Property/ Fire insurance's GWP totaled SR 1.8 Billion in 2019, which represents a 4.9% share of total market GWP
- Insurance companies retained 17.1% of their Property/ Fire insurance premiums, as the business line's NWP amounted to SR 314.6 Million. Property/ Fire insurance contributed 1% to total market NWP in 2019
- Property/ Fire insurance's NEP amounted SR 316.7 Million
- Insurance companies recorded SR 118.1 Million in Property/ Fire insurance's NCI, and resulted in a loss ratio of 37.3%



% Total	GWP	NWP	NEP	NCI
	4.9%	0.99%	1.0%	0.5%

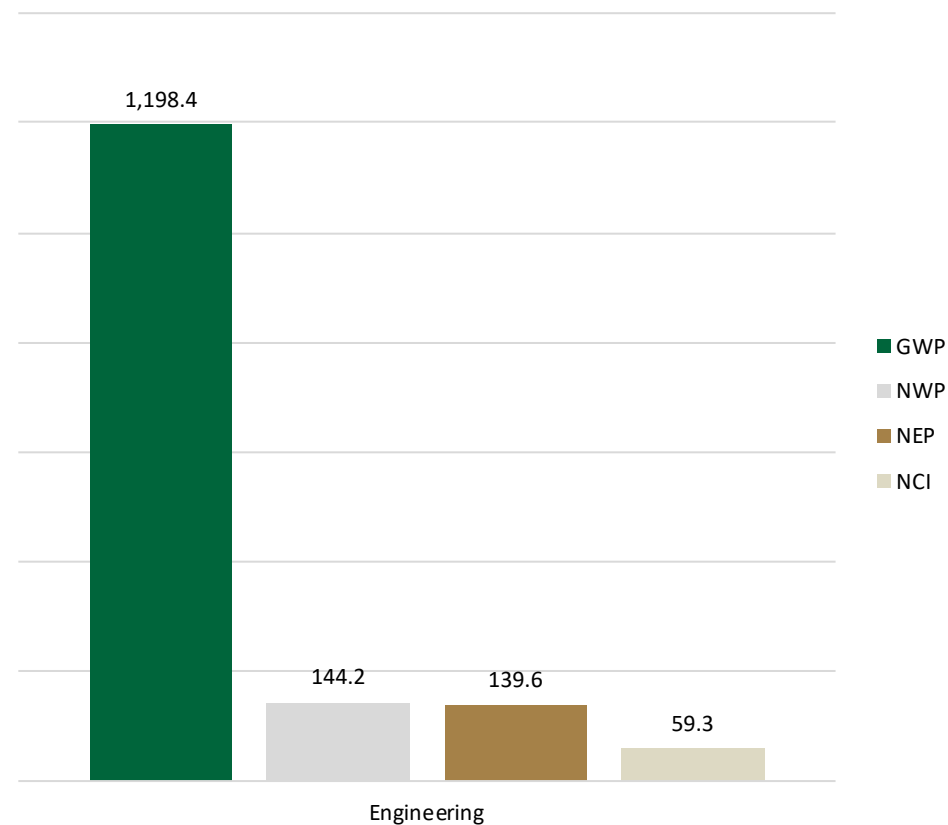
Retention Ratio
17.1%

Loss Ratio
37.3%

## Engineering Insurance

- Engineering insurance's GWP totaled SR 1.2 Billion in 2019, which represent a 3.2% contribution to total market GWP
- Insurance companies retained 12% of their Engineering underwritten premiums. Engineering insurance NWP amounted SR 144.2 Million
- Engineering insurance NEP amounted to SR 139.6 Million and accounted for 0.5% of the insurance market's NEP
- Engineering insurance recorded a loss ratio of 42.4%, with NCI, totaling SR 59.3 Million

Million SR



% Total	GWP	NWP	NEP	NCI
	3.2%	0.5%	0.5%	0.2%

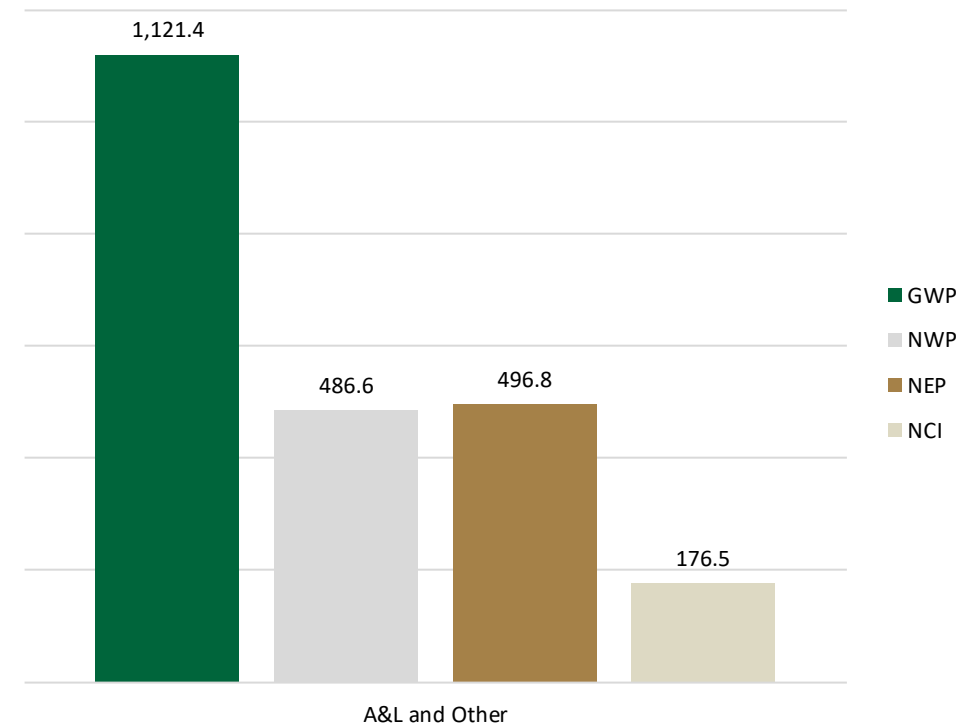
Retention Ratio
12.0%

Loss Ratio
42.4%

## A&L and Other Insurance

Million SR

- 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 underwritten SR 1.1 Billion in A&L and Other general insurance premiums in 2019
- Insurance companies retained SR 486.6 Million of A&L and Other general insurance underwritten premiums, with a 43.4% retention ratio
- A&L and Other general insurance NEP totaled SR 496.8 Million, which represents a 1.6% contribution to market's NEP
- Insurance companies recorded SR 176.5 Million in A&L and Other general insurance's NCI, and resulted in a loss ratio of 35.5%



	GWP	NWP	NEP	NCI
% Total	3.0%	1.5%	1.6%	0.7%

Retention Ratio
43.4%

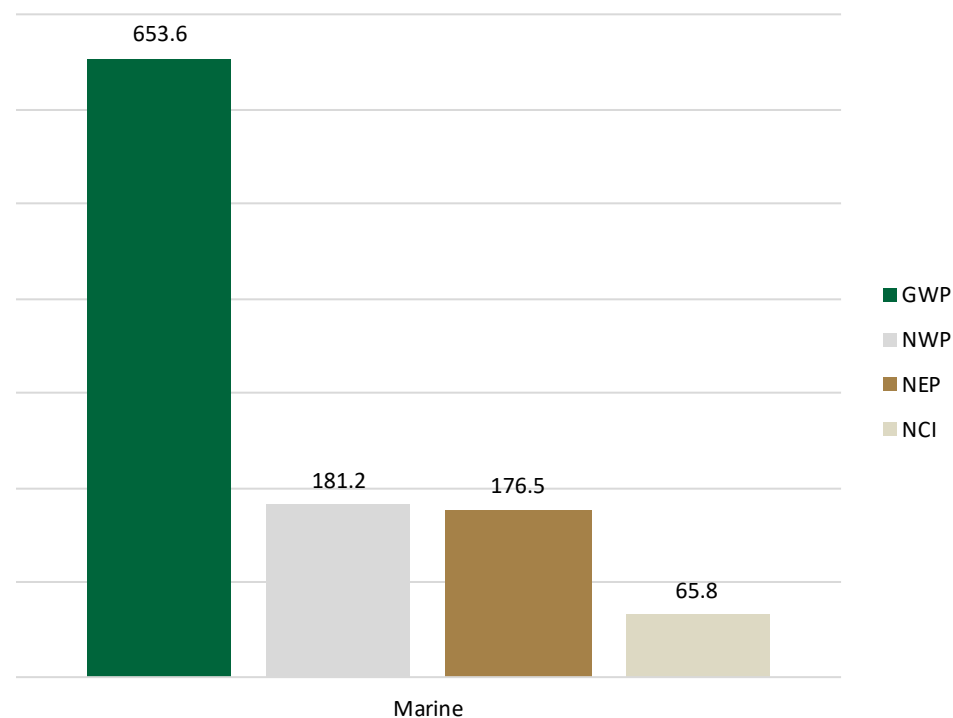
Loss Ratio
35.5%



## Marine Insurance

- The Marine insurance line of business includes both marine cargo and marine hull insurance
- Marine insurance GWP totaled SR 653.6 Million in 2019, which represents a 1.7% contribution to market's GWP
- Insurance companies retained 27.7% of their Marine insurance underwritten premiums, as the business line's NWP amounted to SR 181.2 Million
- Marine insurance's NEP recorded SR 176.5 Million, which represents a 0.6% share of market's NEP in 2019
- Marine insurance's NCI amounted to SR 65.8 Million. This resulted in a loss ratio of 37.3%

Million SR



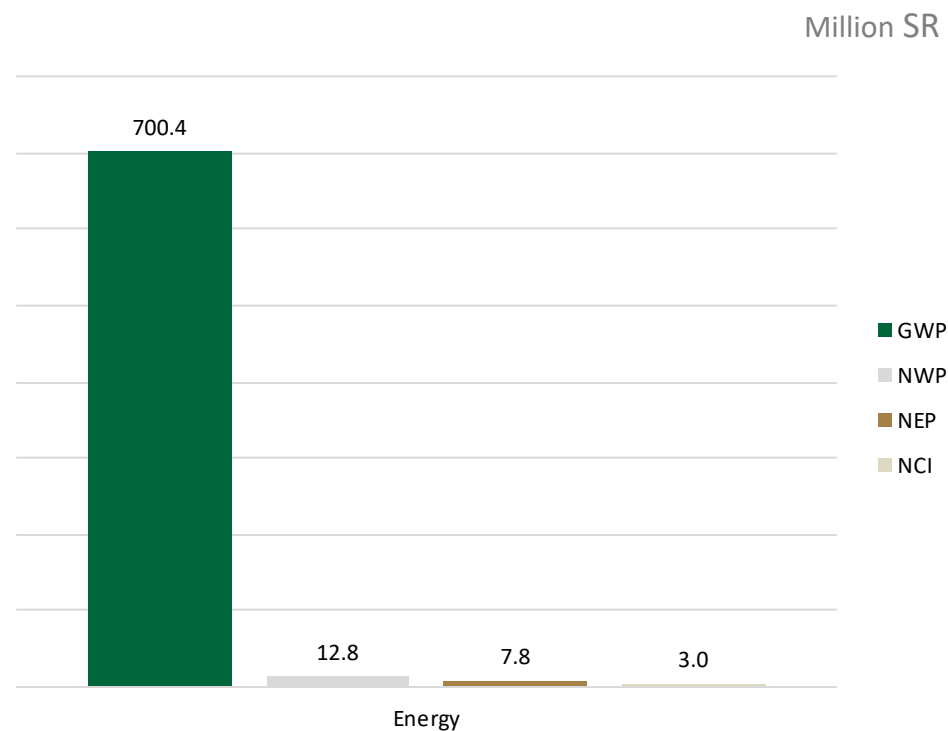
% Total	GWP	NWP	NEP	NCI
	1.7%	0.6%	0.6%	0.3%

Retention Ratio
27.7%

Loss Ratio
37.3%

## Energy Insurance

- In 2019, Energy insurance GWP totaled SR 700.4 Million, which represents a 1.8% share of total market's GWP
- Energy insurance NWP amounted to SR 12.8 Million, accounting for only 0.04% of the insurance market's NWP
- Energy insurance's NEP amounted to SR 7.8 Million, accounting for only 0.03% of the insurance market's NEP
- Energy insurance's NCI amounted to SR 3 Million. This resulted in a loss ratio of 39%



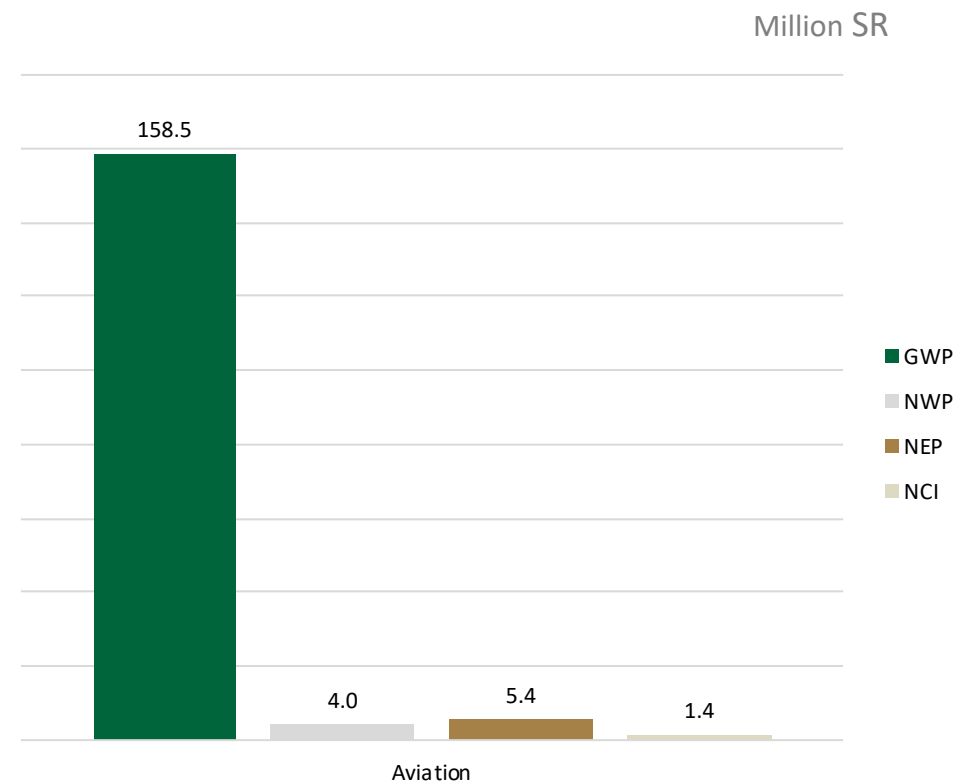
	GWP	NWP	NEP	NCI
% Total	1.8%	0.040%	0.03%	0.01%

Retention Ratio	1.8%
-----------------	------

Loss Ratio	39.0%
------------	-------

## Aviation Insurance

- Aviation insurance GWP reached SR 158.5 Million in 2019, a 0.42% contribution to market's GWP
- NWP for Aviation insurance reached SR 4 Million, resulting in a retention ratio of 2.5%
- Aviation insurance's NEP totaled SR 5.4 Million, accounting for only 0.02% of the insurance market's NEP
- Aviation insurance's NCI amounted to SR 1.4 Million, resulting in a loss ratio of 25.9%



	GWP	NWP	NEP	NCI
% Total	0.42%	0.01%	0.02%	0.01%

Retention Ratio
2.5%

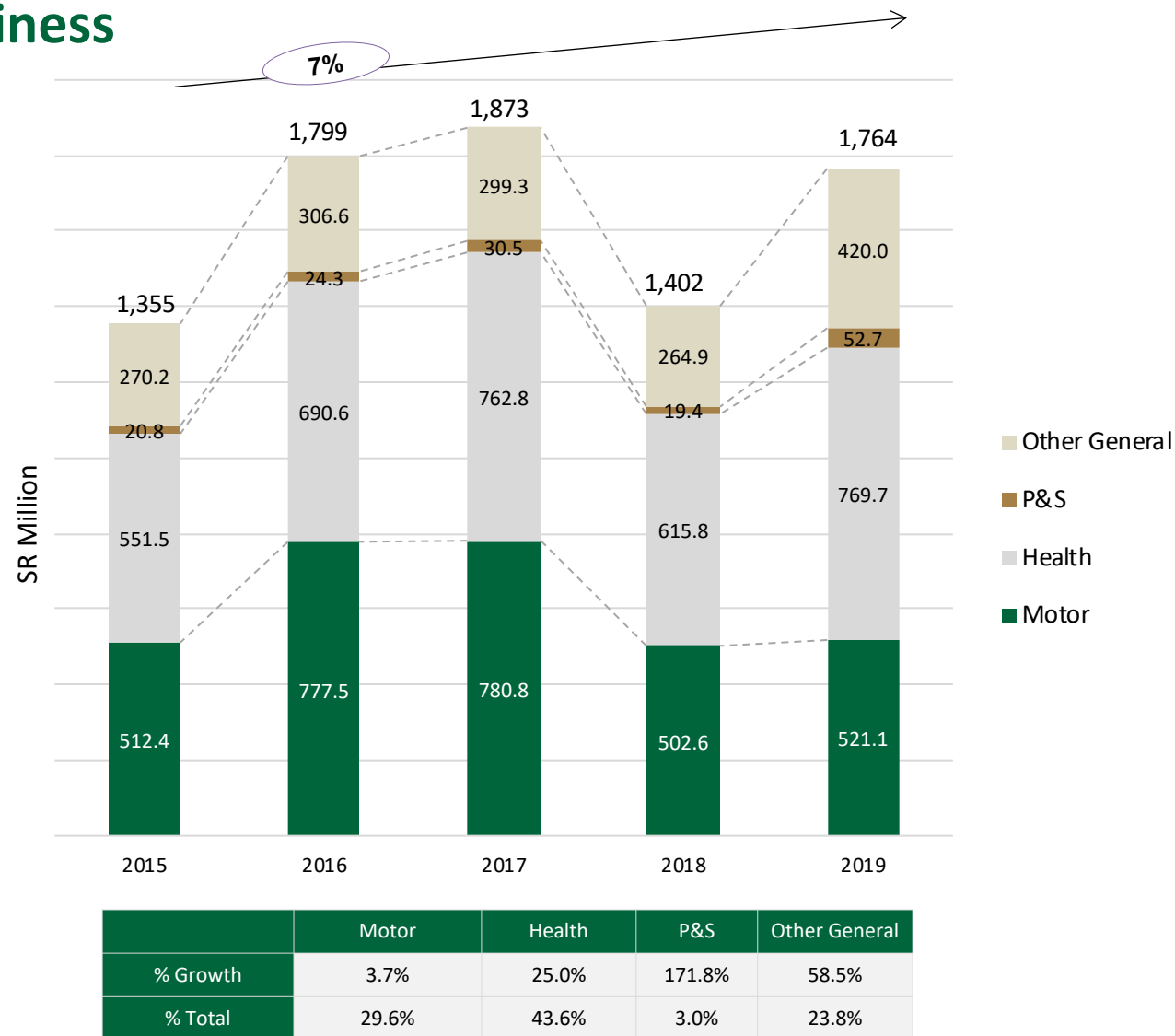
Loss Ratio
25.9%



# Other Market Indicators

## Gross Commissions Incurred by Line of Business

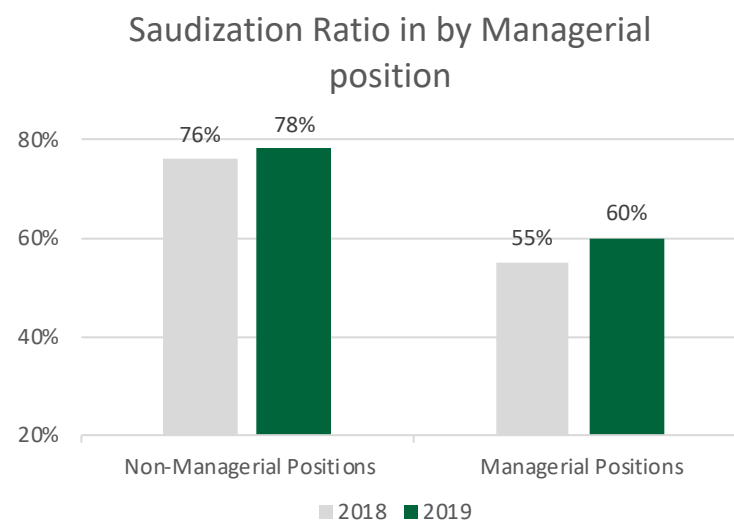
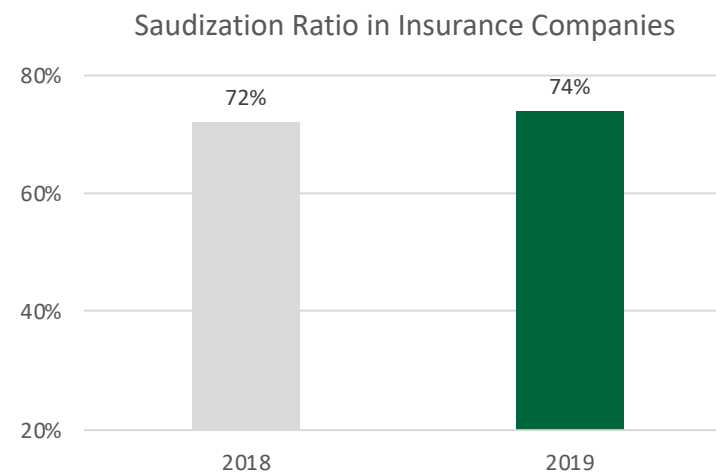
- Total commissions incurred amounted to SR 1.8 Billion in 2019, compared to SR 1.4 Billion in 2018, which represents an increase of 25.8%
- General insurance related commissions accounted for 53.4% of total commissions incurred in 2019
- Health insurance's share of total commissions incurred represented 43.6% in 2019
- Protection and Savings insurance's commissions incurred was 3.0% of total commissions incurred in 2019



## Employees of Insurance Companies by Nationality

- The total number of insurance companies' employees in Saudi Arabia was 11,213 in 2019, compared to 11,726 in 2018
- The ratio of Saudi nationals employed by insurance companies in 2019 increased to 74.3% of the total workforce
- The Saudization ratio for non-managerial positions in 2019 increased to 78%, while the Saudization ratio for managerial positions increased to 60%
- 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	2018		Total 2018	2019		Total 2019
	Non-Managerial	Managerial		Non-Managerial	Managerial	
Non-Saudi	2361	882	3243	1,924	955	2,879
Saudi	7,418	1,065	8,483	6,913	1,421	8,334
<b>Total</b>	<b>9,779</b>	<b>1,947</b>	<b>11,726</b>	<b>8,837</b>	<b>2,376</b>	<b>11,213</b>
<b>Saudization Ratio</b>	76%	55%	72%	78%	60%	74%

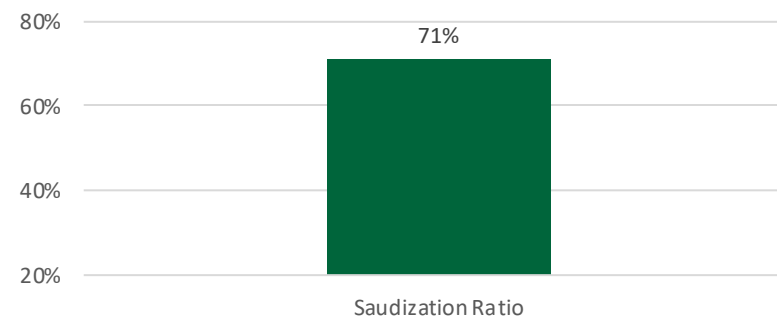


## Employees of Insurance intermediaries by Nationality

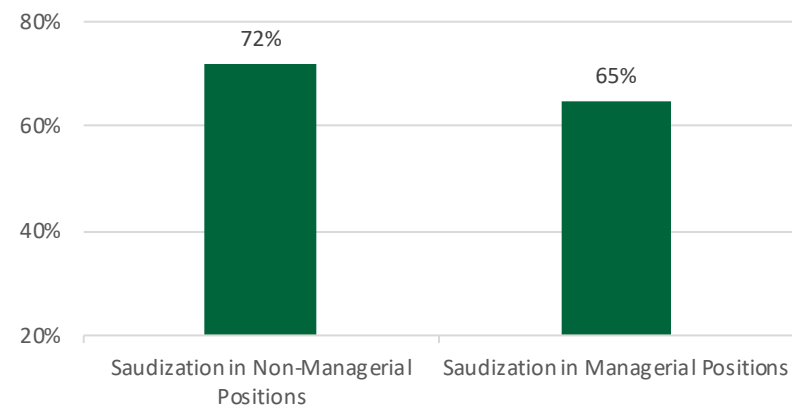
- The total number of employees in insurance intermediaries was 5,854 in 2019.
- The percentage of Saudi nationals employed in insurance intermediaries was 71% in 2019
- The Saudization percentage in non-managerial positions in 2019 was 72%, while the Saudization ratio in managerial positions was 65%

Nationality	2019		Total 2019
	Non-Managerial	Managerial	
Non-Saudi	1319	382	1,701
Saudi	3,440	713	3,153
<b>Total</b>	<b>4,759</b>	<b>1,095</b>	<b>5,854</b>
<b>Saudization Ratio</b>	<b>72%</b>	<b>65%</b>	<b>71%</b>

Saudization Ratio

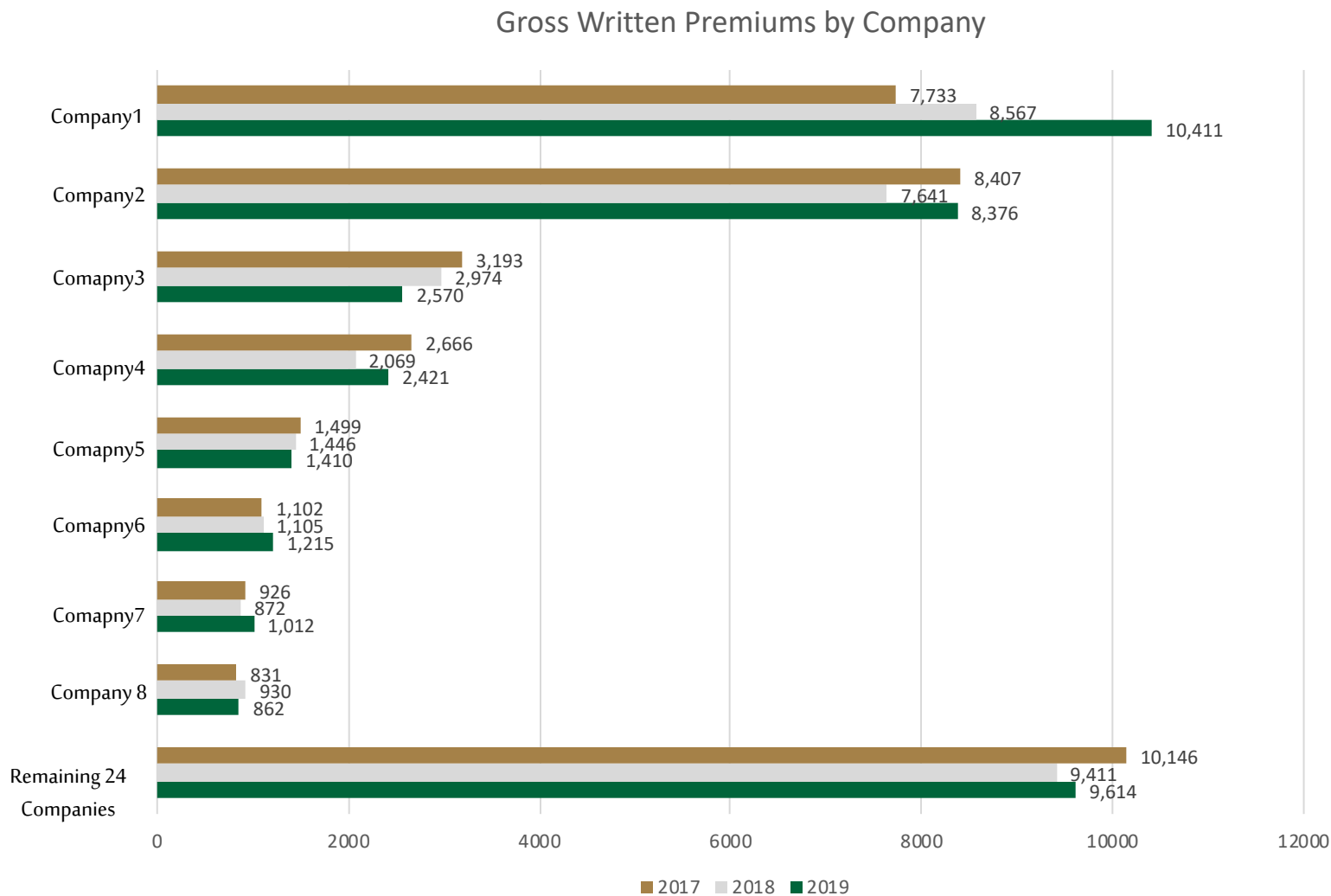


Saudization Ratio by Managerial position



## Insurance Market Structure

- In 2019, the top 8 insurance companies generated 74.6% of the insurance market's GWP
- The remaining 24 insurance companies included in the report accounted for the remaining 25.4% of total market premiums



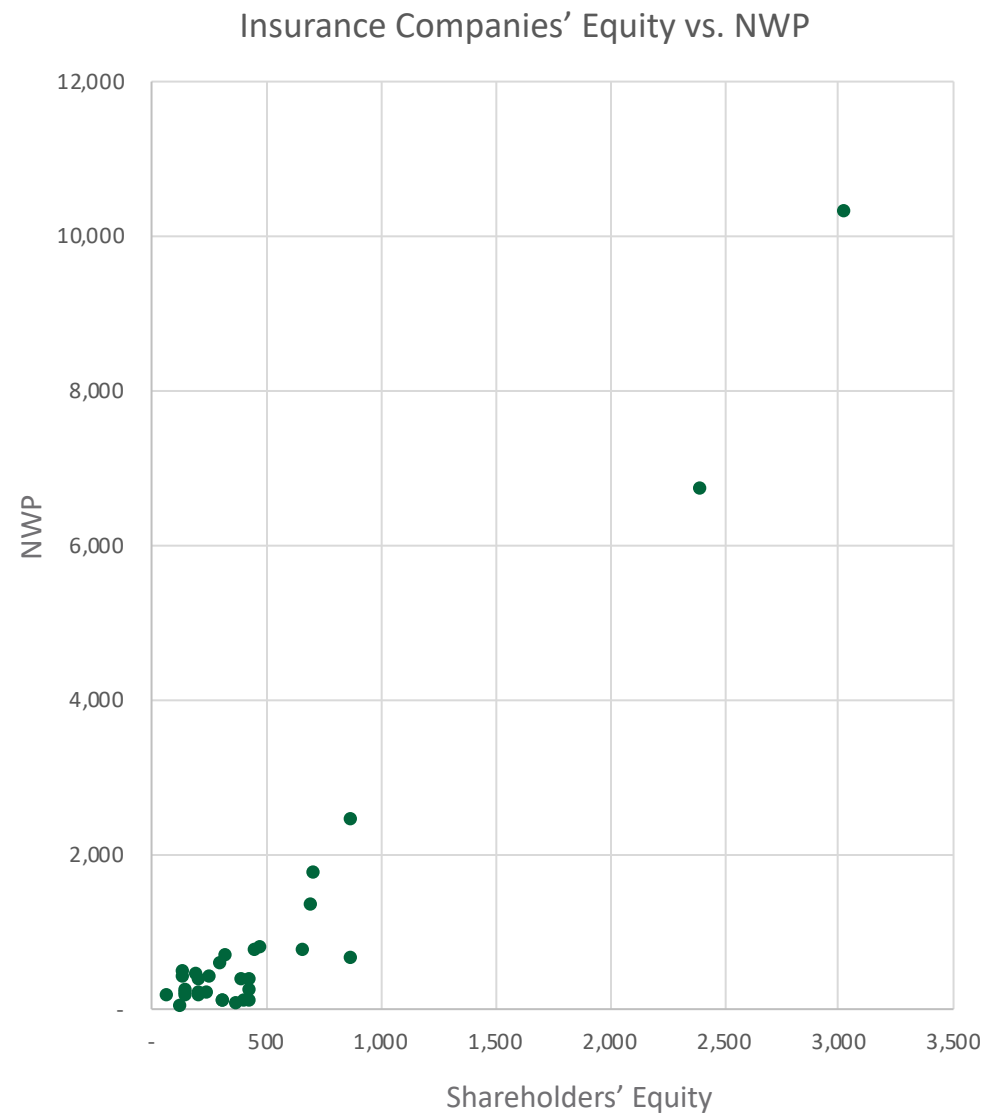


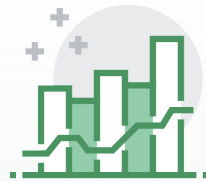
## Capitalization of Insurance Companies

- Insurance companies' equity increased from SR 14.9 Billion at the end of 2018 to SR 16.3 Billion at the end of 2019

Shareholders' Equity	Number of Companies
500 M and Above	7
200 M to 500 M	18
150 M to 200 M	2
100 M to 150 M	4
50 M to 100 M	1

Notes: 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





## Appendix: Data Tables

## Table 1: Gross Written Premiums by Line of Business (2015 to 2019)

Line of Business	2015		2016		2017		2018		2019		Change
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
General Insurance	16,493.8	45.2%	17,173.7	46.6%	16,327.4	44.7%	14,028.4	40.1%	14,280.7	37.7%	1.8%
A&L and Other	1,093.1	3.0%	1,049.5	2.8%	1,054.2	2.9%	1,001.3	2.9%	1,121.4	3.0%	12.0%
Motor	10,799.2	29.6%	12,158.4	33.0%	11,136.4	30.5%	9,423.3	26.9%	8,603.6	22.7%	(8.7)%
Property / Fire	1,961.9	5.4%	1,825.8	5.0%	1,708.5	4.7%	1,697.9	4.8%	1,844.6	4.9%	8.6%
Marine	726.2	2.0%	634.1	1.7%	621.8	1.7%	544.6	1.6%	653.6	1.7%	20.0%
Aviation	146.6	0.4%	139.7	0.4%	134.9	0.4%	148.0	0.4%	158.5	0.4%	7.1%
Energy	562.6	1.5%	457.8	1.2%	739.0	2.0%	511.5	1.5%	700.4	1.8%	36.9%
Engineering	1,204.0	3.3%	908.4	2.5%	932.4	2.6%	701.7	2.0%	1,198.4	3.2%	70.8%
Health Insurance	18,966.8	52.0%	18,630.3	50.5%	19,035.5	52.1%	19,883.4	56.8%	22,474.9	59.3%	13.0%
P&S Insurance	1,035.7	2.8%	1,051.4	2.9%	1,140.3	3.1%	1,102.7	3.1%	1,134.9	3.0%	2.9%
<b>Total</b>	<b>36,496.3</b>	<b>100.0%</b>	<b>36,855.3</b>	<b>100.0%</b>	<b>36,503.2</b>	<b>100.0%</b>	<b>35,014.5</b>	<b>100.0%</b>	<b>37,890.5</b>	<b>100.0%</b>	<b>8.2%</b>

## Tables 2 & 3: Insurance Penetration and Density (2015 to 2019)

Table 2: Insurance Penetration ( % )

Line of Business	2015	2016	2017	2018	2019	% Change
General Insurance	0.67%	0.72%	0.64%	0.48%	0.48%	0.5%
Health Insurance	0.77%	0.78%	0.74%	0.68%	0.76%	11.5%
Protection Insurance	0.04%	0.04%	0.04%	0.04%	0.04%	1.6%
Total	1.49%	1.54%	1.42%	1.19%	1.27%	6.8%

Table 3: Insurance Density (SR)

Line of Business	2015	2016	2017	2018	2019	% Change
General Insurance	536.03	540.26	501.58	419.84	417.34	(0.6)%
Health Insurance	616.40	586.09	584.77	595.07	656.82	10.4%
Protection Insurance	33.66	33.08	35.03	33.00	33.17	0.5%
Total	1,186.08	1,159.43	1,121.37	1,047.91	1,107.33	5.7%

## Table 4: Net Written Premiums by Line of Business (2015 to 2019)

Line of Business	2015		2016		2017		2018		2019		Change
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
General Insurance	11,249.5	37.2%	11,931.8	38.7%	11,580.9	37.6%	9,929.2	33.0%	9,260.6	29.2%	(6.7)%
A&L and Other	527.3	1.7%	525.4	1.7%	506.3	1.6%	470.4	1.6%	486.6	1.5%	3.4%
Motor	9,912.4	32.7%	10,720.4	34.8%	10,388.2	33.7%	8,860.4	29.5%	8,117.1	25.6%	(8.4)%
Property / Fire	330.3	1.1%	272.7	0.9%	322.4	1.0%	314.0	1.0%	314.6	1.0%	0.2%
Aviation	2.9	0.01%	9.1	0.03%	5.7	0.02%	5.3	0.0%	4.0	0.0%	(23.7)%
Marine	248.9	0.8%	192.3	0.6%	172.4	0.6%	155.4	0.5%	181.2	0.6%	16.6%
Energy	11.1	0.04%	12.6	0.04%	17.2	0.1%	3.5	0.01%	12.8	0.04%	265.9%
Engineering	216.5	0.7%	199.2	0.6%	168.6	0.5%	120.2	0.4%	144.2	0.5%	20.0%
Health Insurance	18,189.1	60.1%	18,095.0	58.7%	18,411.6	59.7%	19,319.4	64.3%	21,622.0	68.3%	11.9%
P&S Insurance	835.9	2.8%	820.6	2.7%	846.2	2.7%	794.8	2.6%	797.2	2.5%	0.3%
<b>Total</b>	<b>30,274.5</b>	<b>100.0%</b>	<b>30,847.5</b>	<b>100.0%</b>	<b>30,838.7</b>	<b>100.0%</b>	<b>30,043.4</b>	<b>100.0%</b>	<b>31,679.7</b>	<b>100.0%</b>	<b>5.4%</b>

## Table 5: Gross Written Premiums by Distribution Channel

Sales Channel	Direct Sales				Agents				Broker				Total	
	2018		2019		2018		2019		2018		2019		2018	2019
Line of Business	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	SR Million
General Insurance	7,093	50.6%	6,883	48.2%	1,915	13.6%	1,254	8.8%	5,021	35.8%	6,150	43.0%	14,028	14,288
A&L and Other	374	37.3%	481	42.6%	75	7.5%	47	4.1%	553	55.2%	601	53.3%	1,001	1,129
Motor	5,605	59.5%	4,989	58.0%	1,645	17.5%	1,039	12.1%	2,174	23.1%	2,576	29.9%	9,423	8,604
Property / Fire	483	28.4%	521	28.2%	102	6.0%	93	5.0%	1,114	65.6%	1,231	66.7%	1,698	1,845
Marine	215	39.4%	273	41.8%	35	6.3%	33	5.1%	295	54.3%	347	53.1%	545	654
Aviation	49	33.4%	54	33.8%	1	0.5%	1	0.4%	98	66.1%	104	65.7%	148	159
Energy	114	22.3%	144	20.5%	-	0.0%	-	0.0%	397	77.7%	557	79.5%	511	700
Engineering	254	36.2%	423	35.3%	58	8.2%	41	3.4%	390	55.6%	735	61.3%	702	1,198
Health Insurance	12,963	65.2%	14,443	64.3%	1,151	5.8%	1,404	6.2%	5,769	29.0%	6,628	29.5%	19,883	22,475
P&S Insurance	477	43.3%	415	36.8%	490	44.5%	531	47.1%	135	12.2%	182	16.1%	1,102	1,127
<b>Total</b>	<b>20,533</b>	<b>58.6%</b>	<b>21,741</b>	<b>57.4%</b>	<b>3,556</b>	<b>10.2%</b>	<b>3,189</b>	<b>8.4%</b>	<b>10,925</b>	<b>31.2%</b>	<b>12,960</b>	<b>34.2%</b>	<b>35,013</b>	<b>37,890</b>

## Table 6: Gross Written Premiums by Client Segments

Sales Channel	Retail		Micro Enterprises		Small Enterprises		Medium Enterprises		Corporate		Total
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
General Insurance	3,838	26.9%	246	1.7%	610	4.3%	1,389	9.7%	8,205	57.4%	14,288
Motor	3,734	43.4%	113	1.3%	293	3.4%	710	8.2%	3,753	43.6%	8,604
Other General Insurance	104	1.8%	133	2.3%	317	5.6%	679	12.0%	4,452	78.3%	5,684
Health Insurance	368	1.6%	1,089	4.8%	1,754	7.8%	3,252	14.5%	16,011	71.2%	22,475
P&S Insurance	584	51.8%	1	0.1%	3	0.3%	27	2.4%	513	45.5%	1,127
<b>Total</b>	<b>4,790</b>	<b>12.6%</b>	<b>1,337</b>	<b>3.5%</b>	<b>2,367</b>	<b>6.2%</b>	<b>4,668</b>	<b>12.3%</b>	<b>24,729</b>	<b>65.3%</b>	<b>37,890</b>

## Table 7: Retention Ratio by Line of Business (2015 to 2019)

Line of Business	2015	2016	2017	2018	2019	% Change
General Insurance	68.2%	69.5%	70.9%	70.8%	64.8%	(8.4)%
A&L and Other	48.2%	50.1%	48.0%	47.0%	43.4%	(7.6)%
Motor	91.8%	88.2%	93.3%	94.0%	94.3%	0.3%
Property / Fire	16.8%	14.9%	18.9%	18.5%	17.1%	(7.8)%
Marine	34.3%	30.3%	27.7%	28.5%	27.7%	(2.9)%
Aviation	2.0%	6.5%	4.2%	3.6%	2.5%	(28.8)%
Energy	2.0%	2.8%	2.3%	0.7%	1.8%	167.2%
Engineering	18.0%	21.9%	18.1%	17.1%	12.0%	(29.7)%
Health Insurance	95.9%	97.1%	96.7%	97.2%	96.2%	(1.0)%
<b>Total</b>	<b>83.0%</b>	<b>83.7%</b>	<b>84.5%</b>	<b>85.8%</b>	<b>83.6%</b>	<b>(2.6)%</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 8: Commissions Incurred by Line of Business (2015 to 2019)

Line of Business	2015		2016		2017		2018		2019		Change
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
General Insurance	782.6	57.8%	1,084.2	60.3%	1,080.0	57.7%	767.6	54.7%	941.1	53.4%	22.6%
A&L and Other	70.9	5.2%	101.8	5.7%	85.0	4.5%	86.3	6.2%	119.5	6.8%	38.4%
Motor	512.4	37.8%	777.5	43.2%	780.8	41.7%	502.6	35.8%	521.1	29.6%	3.7%
Property / Fire	97.4	7.2%	109.2	6.1%	117.4	6.3%	103.6	7.4%	169.4	9.6%	63.5%
Marine	44.2	3.3%	39.3	2.2%	43.2	2.3%	35.9	2.6%	58.1	3.3%	61.6%
Aviation	1.0	0.1%	0.8	0.0%	1.1	0.1%	1.3	0.1%	2.0	0.1%	50.2%
Energy	0.0	0.0%	1.6	0.1%	1.1	0.1%	1.2	0.1%	5.5	0.3%	378.4%
Engineering	56.7	4.2%	53.9	3.0%	51.5	2.7%	36.6	2.6%	65.5	3.7%	79.0%
Health Insurance	551.5	40.7%	690.6	38.4%	762.8	40.7%	615.8	43.9%	769.7	43.6%	25.0%
P&S Insurance	20.8	1.5%	24.3	1.4%	30.5	1.6%	19.4	1.4%	52.7	3.0%	171.8%
<b>Total</b>	<b>1,355.0</b>	<b>100.0%</b>	<b>1,799.0</b>	<b>100.0%</b>	<b>1,873.3</b>	<b>100.0%</b>	<b>1,402.8</b>	<b>100.0%</b>	<b>1,763.5</b>	<b>100.0%</b>	<b>25.7%</b>

## Table 9: Gross Claims Paid by Line of Business (2015 to 2019)

Line of Business	2015		2016		2017		2018		2019		Change
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
General Insurance	11,021.8	45.0%	11,101.4	42.6%	10,578.3	39.8%	8,978.6	33.0%	9,333.5	32.8%	4.0%
A&L and Other	200.2	0.8%	240.7	0.9%	310.8	1.2%	263.3	1.0%	265.2	0.9%	0.7%
Motor	7,554.6	30.8%	9,059.4	34.8%	8,314.1	31.3%	6,929.8	25.4%	6,507.0	22.9%	(6.1)%
Property / Fire	2,367.0	9.7%	1,033.8	4.0%	961.1	3.6%	624.4	2.3%	699.1	2.5%	12.0%
Marine	216.2	0.9%	263.7	1.0%	207.7	0.8%	223.7	0.8%	444.3	1.6%	98.7%
Aviation	51.3	0.2%	92.6	0.4%	18.1	0.1%	123.8	0.5%	84.8	0.3%	(31.5)%
Energy	1.2	0.0%	53.2	0.2%	18.6	0.1%	356.8	1.3%	1,048.5	3.7%	193.9%
Engineering	631.3	2.6%	358.0	1.4%	748.0	2.8%	456.8	1.7%	284.6	1.0%	(37.7)%
Health Insurance	13,106.1	53.5%	14,547.8	55.8%	15,479.2	58.3%	17,628.9	64.7%	18,540.9	65.2%	5.2%
P&S Insurance	389.7	1.6%	420.0	1.6%	498.5	1.9%	629.3	2.3%	578.8	2.0%	(8.0)%
<b>Total</b>	<b>24,517.6</b>	<b>100.0%</b>	<b>26,069.2</b>	<b>100.0%</b>	<b>26,556.0</b>	<b>100.0%</b>	<b>27,236.8</b>	<b>100.0%</b>	<b>28,453.2</b>	<b>100.0%</b>	<b>4.5%</b>

مؤسسة النقد العربي السعودي  
Saudi Arabian Monetary Authority

