



The Saudi Insurance Market Report

2020

The General Department of Insurance Control

البنك المركزي السعودي
SAMA
Saudi Central Bank



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Insurance Sector Highlights - 2020

Highlights of the Saudi Insurance Sector

- The insurance sector witnessed a premium growth of 2.3% in 2020*, with total written premiums reaching SR 38.78 Billion. Energy and Accident & Liability insurance classes witnessed notable increase in written premiums.
- The gross written premium through online aggregator reached SR 2.3 Billion in 2020 compared to SR 1.3 Billion in 2019.
- The penetration ratio of the sector increased from 1.28% in 2019 to 1.48% in 2020.
- The overall loss ratio decreased from 81.9% in 2019 to reach 77.5% in 2020 due to the improvements in the loss ratio of Health and Motor insurance classes.
- The net profit (after zakat & tax) for the sector increased by 61.6% over the last year's corresponding figure, reaching 1.38 Billion in 2020, improving in turn the return-on-assets and return-on-equity ratios.
- The overall Saudization ratio increased from 74% in 2019 to 75% in 2020.
- In 2020, the sector witnessed materialization of the first merger, which was between Walaa and Metlife-AIG-ANB Cooperative Insurance Company, followed by the merger between Gulf Union and Alahlia Cooperative insurance company, also in 2020. This reflects the Central Bank's effort to support the sector in consolidation and acquisition in order to achieve the objectives of Saudi Vision 2030. This is also expected to strengthen the financial position of insurance companies enabling them to better protect the rights of policyholders, enhance customer services, manage the costs, enhance efficiency, provide diverse insurance products, and attract talented resources.
- Additionally, the year 2020 witnessed signing of a binding merger agreement between Aljazira Takaful and Solidarity**. This was followed by a memorandum of understanding (MoU) between Enaya and Amanah insurance companies for their potential merger.

(*) This report is based on the sector data collected from 30 insurance and reinsurance companies.

(**) the merger materialized in February 2021

Major Regulatory Developments in 2020

- The Central Bank conducted a number of supervisory visits and inspections as part of its risk-based supervision framework. A total of 261 supervisory visits and inspections were carried out during 2020 covering the insurance sector. In line with the Central Bank's aim to measure the overall performance of the sector, the Market Conduct program for insurance intermediary was introduced during 2020 in order to prevent and control market misconduct activities, including unlicensed activities.
- In 2020, SAMA continued to refine the existing regulations and also introduced new regulations in order to respond to the evolving business environment in a timely manner. The highlighted regulations are as follows:
 - Rules governing the activities of Insurance Aggregators, which are expected to streamline the operations and facilitate easy access to affordable insurance cover for the masses
 - New rules for Insurance Products Approval by SAMA were issued, aimed at making the approval process more efficient as well as strengthening the internal review process at insurance companies
 - *Bancassurance* activities with the objective of increasing awareness and reach of insurance savings products
 - Actuarial Work Rules, which are expected to significantly strengthen the role of actuarial expertise in the sector and increase the level of technical sophistication in the sector, ultimately increasing the reliability of results produced by insurance companies.
 - Issuance of at least 44 circulars on a range of subjects
- SAMA also proactively facilitated introduction of a number of new insurance products in line with its mandate to promote and develop the insurance industry, some of which are: drone risk insurance, insurance against cancellation of live-events, and unified policy for Inherent Defects Insurance aimed at protecting policy holders and beneficiaries in the construction and housing sector.

Major Developments in 2020

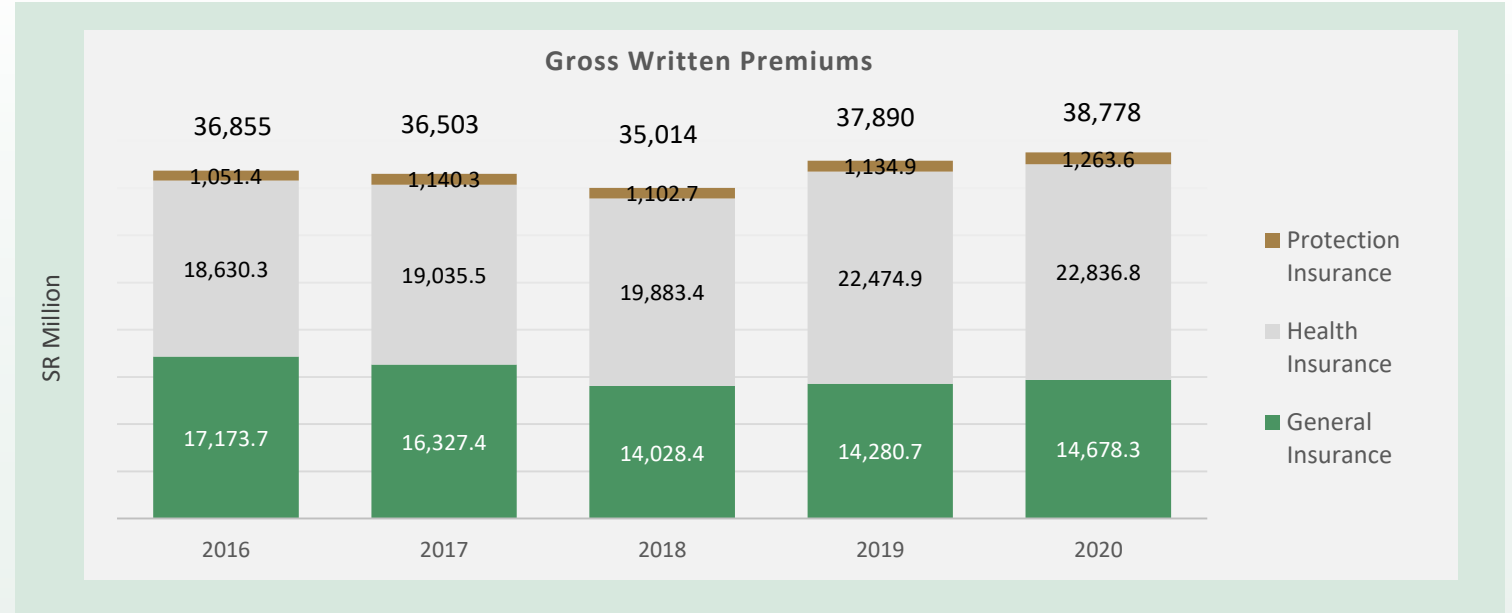
- The sector successfully completed Phase 2 of the IFRS17 implementation-journey, and moved on to Phase 3 of the four-phase implementation road map issued by the Central Bank (Phase 3 is due for completion in April 2021).
- SAMA encouraged insurance companies to adopt the latest technology in their operations and services provided to customers, which was reflected in the digitization of a large number of procedures in the insurance sector. These ranges from right at the start of the sales process until the final claim settlement, in addition to handling of accidents, in order to improve quality of service and hence increase customer satisfaction. The success of this was clearly demonstrated during the lock-down period due to COVID-19.
- The Saudi Central Bank valued the initiatives taken by the insurance sector during the COVID19 pandemic. In the motor sector, insurance companies extended all in force policies for individuals for two months free of charge. In the health sector, with the objective of providing easy and risk-free access to health services, insurance companies introduced telemedicine services for consultation with physicians as well as started a service to deliver medicines to beneficiaries at their homes. The Central Bank also highly appreciates the donation of 68 million riyals made by the insurance sector to a government fund created to deal with the adverse impact of COVID19.



Insurance Market Performance

Gross Written Premiums

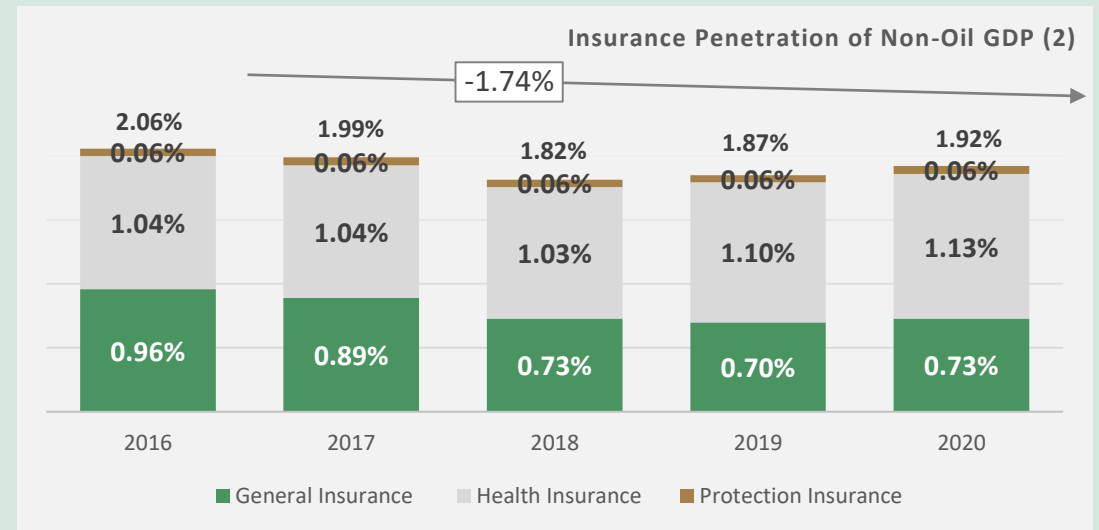
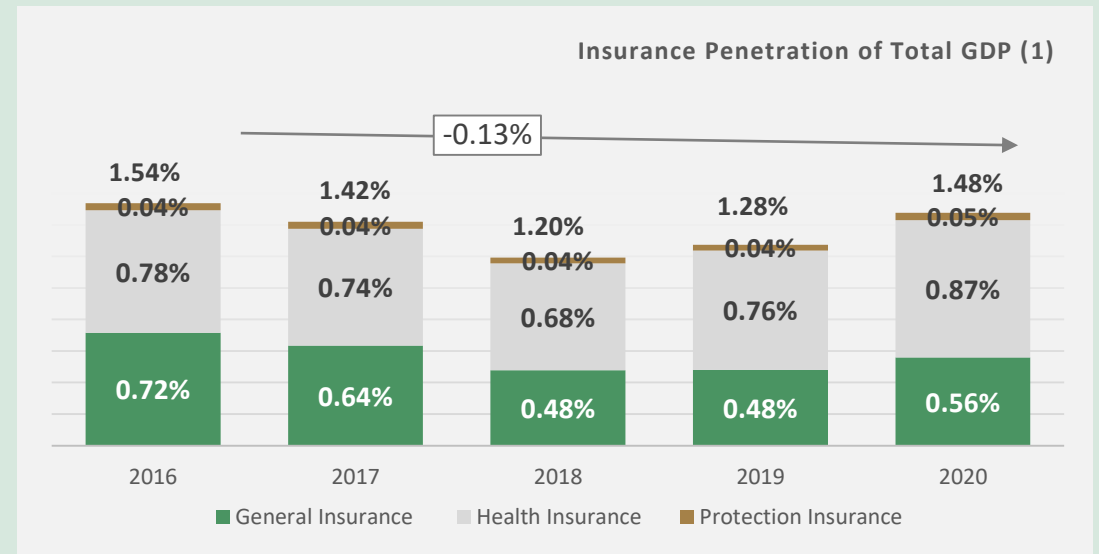
- In 2020, the total Gross Written Premiums grew by 2.3 percent, reaching SR 38.78 Billion compared to SR 37.89 Billion in 2019.
- Health insurance remained the largest line of business in 2020, growing at 1.6%. Its contribution to total GWP in 2020 reached 58.9%.
- General insurance's contribution to total GWP slightly increased from 37.7% in 2019 to 37.9% in 2020.
- Protection and Savings insurance, representing the smallest line of business, slightly increased in 2020 attaining 3.3% share in total premiums.



Line of Business	2016		2017		2018		2019		2020		Growth 2019-2020
	SR M	% of Total	SR M	% of Total	SR M	% of Total	SR M	% of Total	SR M	% of Total	
Health Insurance	18,630.3	50.5%	19,035.5	52.1%	19,883.4	56.8%	22,474.9	59.3%	22,836.8	58.9%	1.6%
General Insurance	17,173.7	46.6%	16,327.4	44.7%	14,028.4	40.1%	14,280.7	37.7%	14,678.3	37.9%	2.8%
Protection Insurance	1,051.4	2.9%	1,140.3	3.1%	1,102.7	3.1%	1,134.9	3.0%	1,263.6	3.3%	11.3%
Total	36,855.3	100%	36,503.2	100%	35,014.5	100%	37,890.5	100%	38,778.7	100%	2.3%

Insurance Penetration

- The insurance penetration (ratio of insurance premium to GDP) increased from 1.28 percent in 2019 to 1.48 percent in 2020 due to the increase in premiums.
- Over the course of 5 years, compound annual growth rate for insurance penetration has been -0.13%
- The penetration of insurance to non-oil GDP increased marginally from 1.87 percent in 2019 to 1.92 percent in 2020.

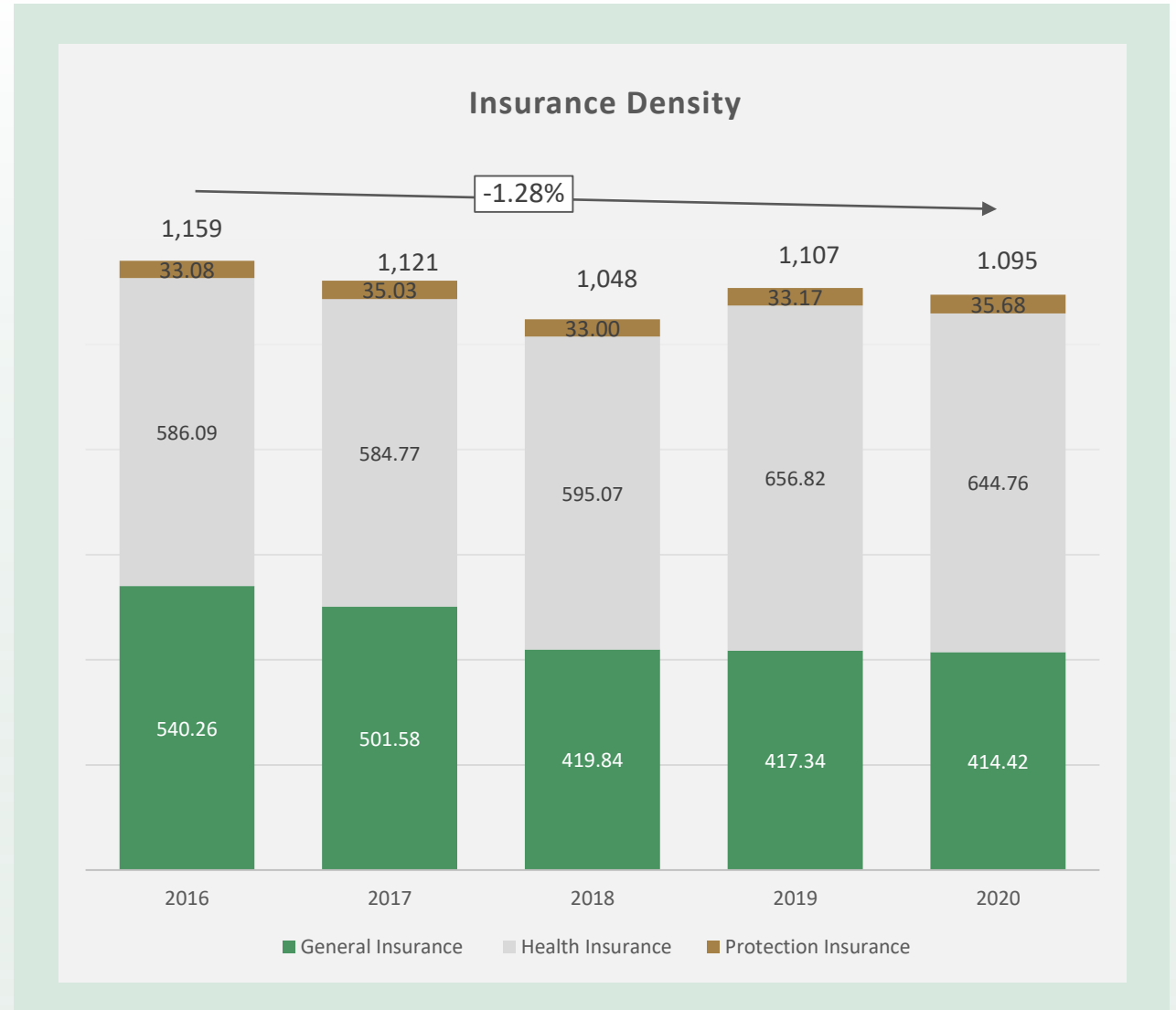


(1) Total GDP of SR 2,398, SR2,570, SR 2.934, SR 2,973 and 2,625 Billion in 2016, 2017, 2018, 2019 and 2020 respectively, General Authority for Statistics

(2) Non-oil GDP SR 1,791 SR 1,835, SR 1.928, SR 2,026, and 2,017 Billion in 2016, 2017, 2018, 2019 and 2020 respectively, General Authority for Statistics

Insurance Density ⁽¹⁾

- Insurance density is defined as Gross Written Premiums per Capita.
- Despite the increase in GWP In 2020, Insurance density decreased by 1.1% to reach SR 1,095, from SR 1,107 per Capita in 2019, due to the increase in population.



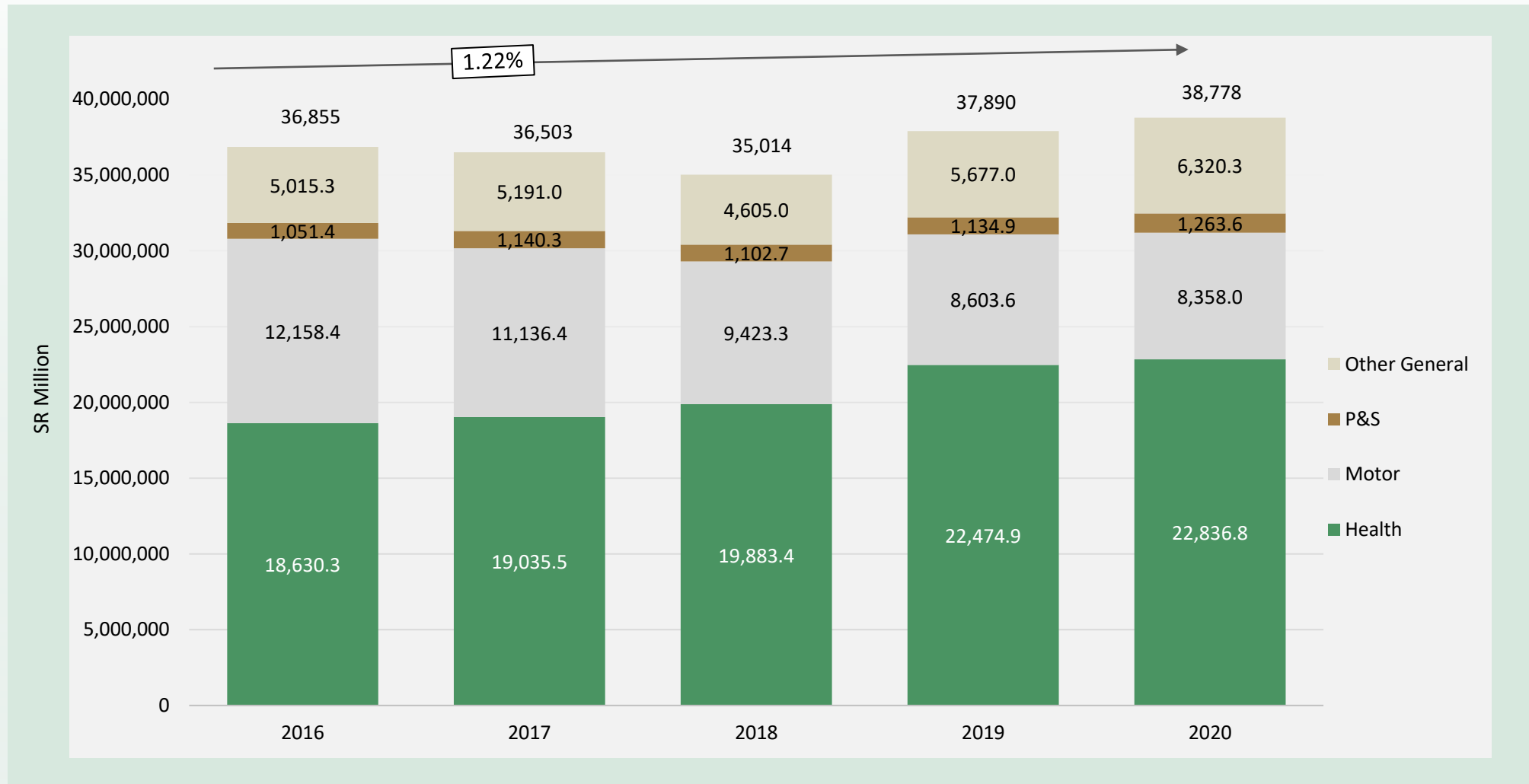
(1) Saudi population of 30.77, 31.78, 32.5, 33.4, 34.2 and 35.42 Million in 2016, 2017, 2018, 2019, and 2020 respectively, General Authority for Statistics

Gross Written Premiums by Line of Business (1 of 2)

- Motor and Health insurance represent 80.4% of total GWP in 2020.
- Health insurance including the compulsory and non-compulsory remained the largest line of business in 2020, accounting for 58.9% of total GWP, and experiencing 1.6% premium growth during 2020.
- Motor insurance stood in the second place with a 21.6% share of total GWP. Its' gross written premiums decreased by 2.9% in 2020.

Line of Business	2016		2017		2018		2019		2020		Growth 2019-2020
	SR M	% of Total	SR M	% of Total	SR M	% of Total	SR M	% of Total	SR M	% of Total	
Aviation	139.7	0.4%	134.9	0.4%	148.0	0.4%	158.5	0.4%	178.6	0.5%	12.7%
Energy	457.8	1.2%	739.0	2.0%	511.5	1.5%	700.4	1.8%	910.8	2.3%	30.0%
Engineering	908.4	2.5%	932.4	2.6%	701.7	2.0%	1,198.4	3.2%	1,061.8	2.7%	(11.4)%
Marine	634.1	1.7%	621.8	1.7%	544.6	1.6%	653.6	1.7%	690.0	1.8%	5.6%
Property / Fire	1,825.8	5.0%	1,708.5	4.7%	1,697.9	4.8%	1,844.6	4.9%	2,109.2	5.4%	14.3%
A&L and Other	1,049.5	2.8%	1,054.2	2.9%	1,001.3	2.9%	1,121.4	3.0%	1,369.9	3.5%	22.2%
P&S	1,051.4	2.9%	1,140.3	3.1%	1,102.7	3.1%	1,134.9	3.0%	1,263.6	3.3%	11.3%
Motor	12,158.4	33.0%	11,136.4	30.5%	9,423.3	26.9%	8,603.6	22.7%	8,358.0	21.6%	(2.9)%
Health	18,630.3	50.5%	19,035.5	52.1%	19,883.4	56.8%	22,474.9	59.3%	22,836.8	58.9%	1.6%
Total	36,855.3	100%	36,503.2	100%	35,014.5	100%	37,890.5	100%	38,778.7	100%	2.3%

Gross Written Premiums by Line of Business (2 of 2)

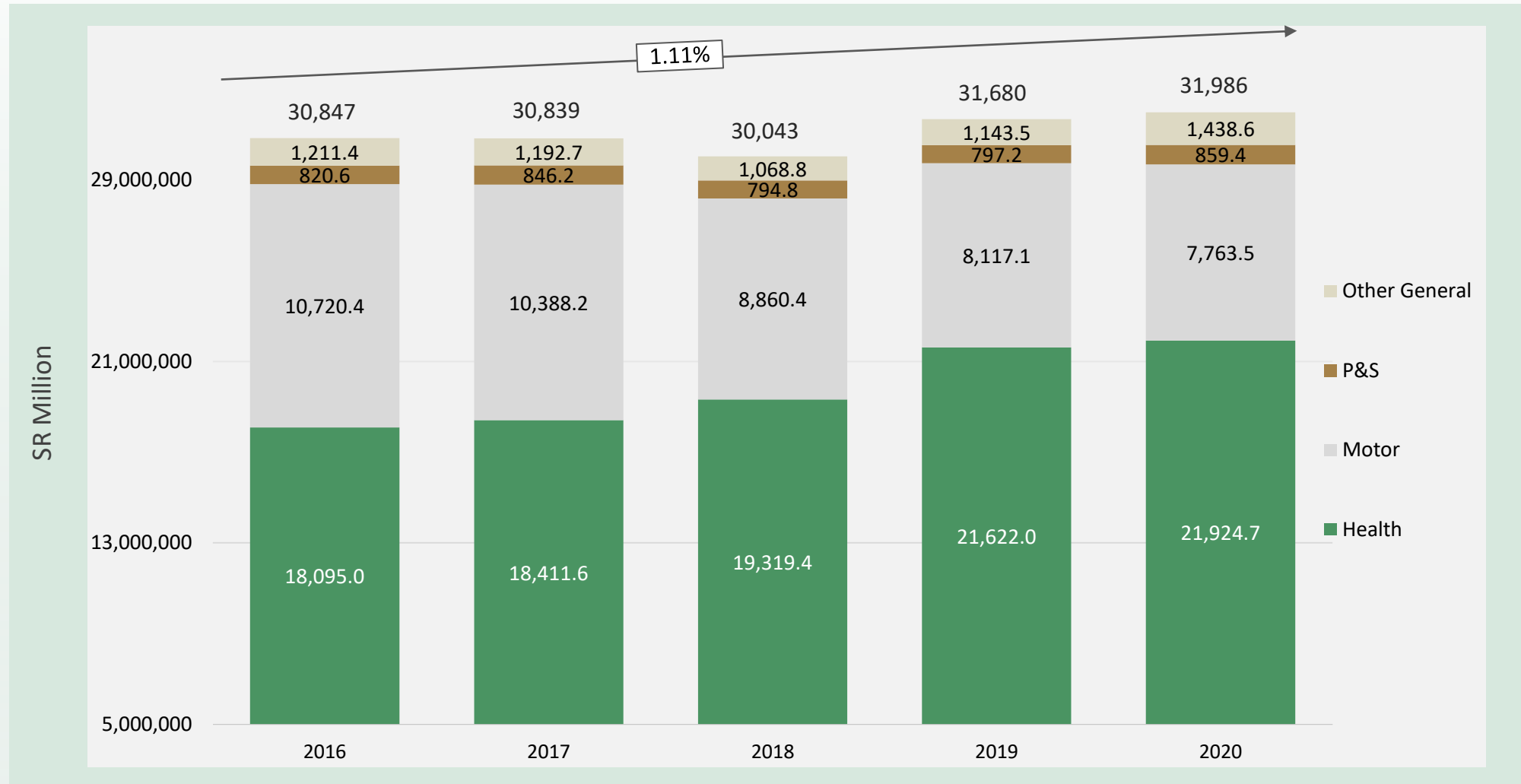


Net Written Premiums by Line of Business (1 of 2)

- 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 1% from SR 31.68 Billion in 2019 to SR 31.99 Billion in 2020.
- General Insurance (excluding Motor) share of total NWP increased slightly from 3.6% in 2019 to 4.5% in 2020.
- Health insurance accounted for 68.5% of total NWP in 2020, whereas Motor insurance share was 24.3% of total NWP in 2020

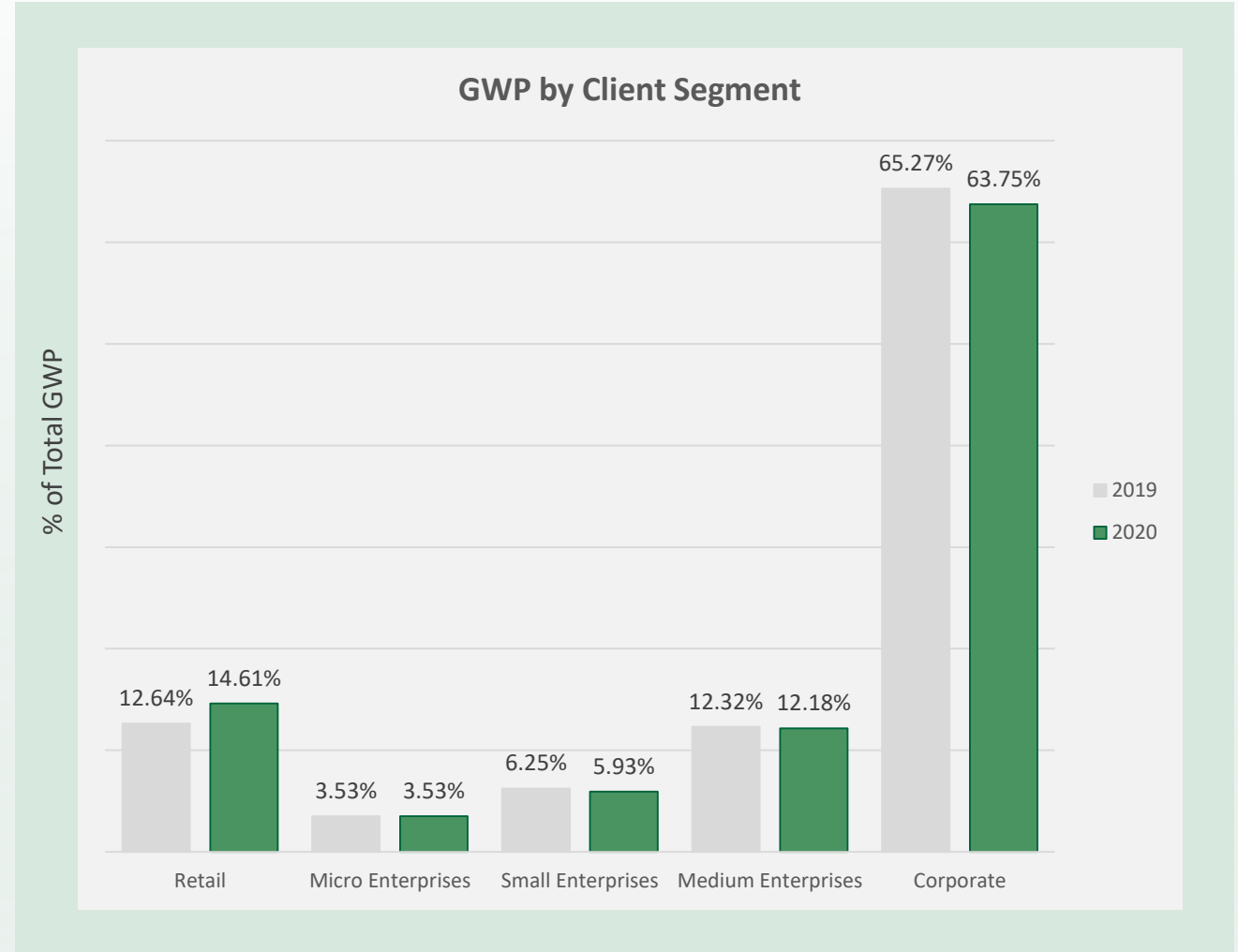
Line of Business	2016		2017		2018		2019		2020		Growth 2019-2020
	SR M	% of Total	SR M	% of Total	SR M	% of Total	SR M	% of Total	SR M	% of Total	
Aviation	9.1	0.03%	5.7	0.02%	5.3	0.02%	4.0	0.01%	8.7	0.03%	115.6%
Energy	12.6	0.04%	17.2	0.06%	3.5	0.01%	12.8	0.04%	16.9	0.05%	32.5%
Engineering	199.2	0.6%	168.6	0.5%	120.2	0.4%	144.2	0.5%	236.5	0.7%	64.0%
Marine	192.3	0.6%	172.4	0.6%	155.4	0.5%	181.2	0.6%	176.6	0.6%	(2.5)%
Property / Fire	272.7	0.9%	322.4	1.0%	314.0	1.0%	314.6	1.0%	362.7	1.1%	15.3%
A&L and Other	525.4	1.7%	506.3	1.6%	470.4	1.6%	486.6	1.5%	637.2	2.0%	31.0%
P&S	820.6	2.7%	846.2	2.7%	794.8	2.6%	797.2	2.5%	859.4	2.7%	7.8%
Motor	10,720.4	34.8%	10,388.2	33.7%	8,860.4	29.5%	8,117.1	25.6%	7,763.5	24.3%	(4.4)%
Health	18,095.0	58.7%	18,411.6	59.7%	19,319.4	64.3%	21,622.0	68.3%	21,924.7	68.5%	1.4%
Total	30,847.5	100%	30,838.7	100%	30,043.4	100%	31,679.7	100%	31,986.3	100%	1.0%

Net Written Premiums by Line of Business (2 of 2)



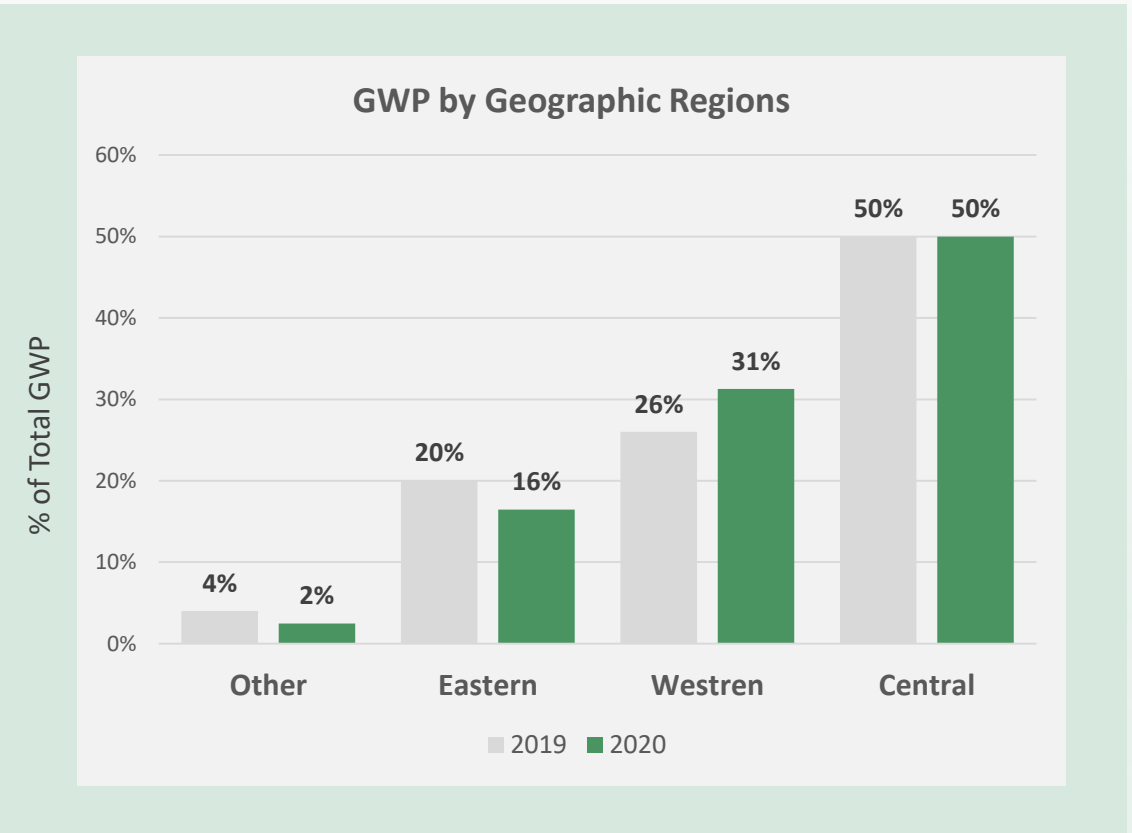
Gross Written Premiums by Client Segment

- Retail insurance GWP totaled SR 5.67 Billion, representing 14.6% share of total market GWP in 2020. Under motor insurance, individual policyholders represent 51.8% share of total motor premium.
- Micro enterprises, small enterprises, and medium enterprises insurance represents 3.5%, 5.9%, and 12.2% share of total market GWP respectively.
- Large Enterprises' insurance represents 63.7% of total market GWP. Under health insurance, large enterprises' premium totaled SR 16.26 Billion, representing 71.2% of total health insurance GWP.



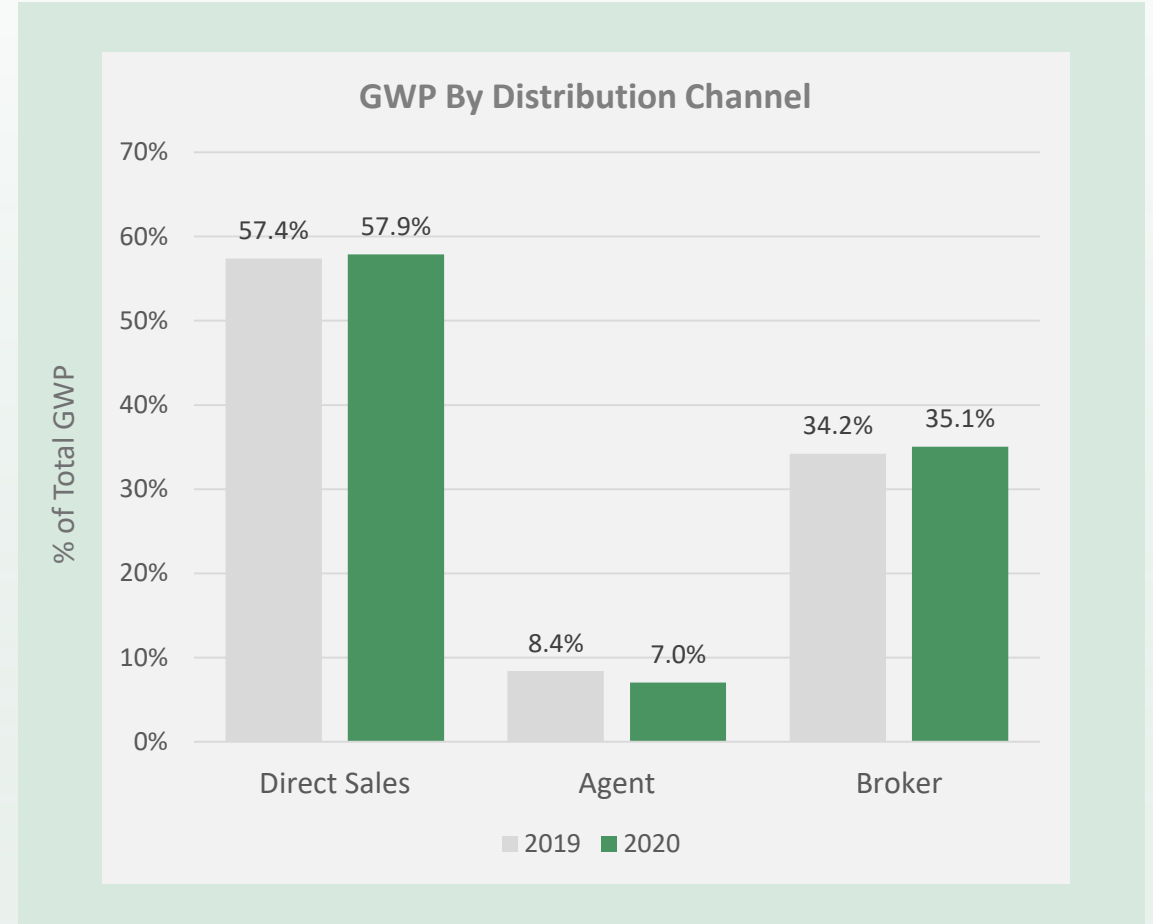
Gross Written Premiums by Geographic Regions

- Central region remained the highest in GWP reaching a 50% share of total GWP in 2020
- Western region stood in second place with a 31% share of total GWP in 2020 compared to 26% in 2019.
- Eastern region's share of total GWP decreased from 20% in 2019 to reach 16% in 2020.



GWP by Distribution Channel

- Direct sales remained the largest distribution channel in 2020. Its contribution to total GWP in 2020 reached 57.9% compared to 57.4% in 2019.
- Sales through brokers increased from 34.2% in 2019 to reach 35.2% in 2020.

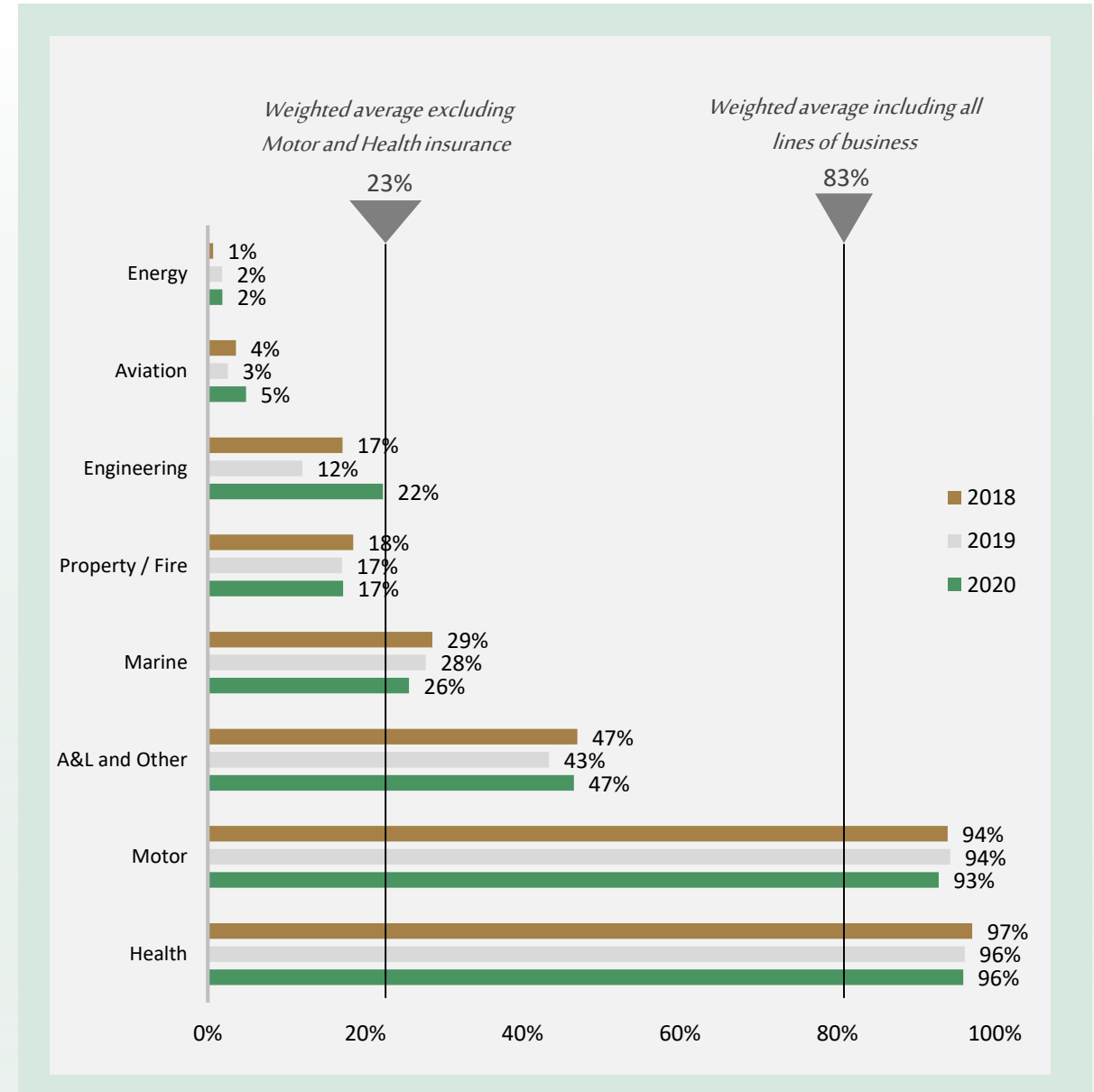


Retention Ratio by Line of Business for General and Health Insurance

- The retention ratio measures the written premiums retained by the insurance company after excluding the reinsurers' share, which is considered a measure of the net risk carried by the insurer. Retention ratio is calculated by dividing the NWP by the GWP.
- The overall retention ratio decreased from 84% in 2019 to 83% in 2020
- The retention for health and motor insurance classes remained high, at 96% and 93% respectively
- For other general insurance classes in aggregate, the retention ratio reached 23% in 2020 compared to 20% in 2019

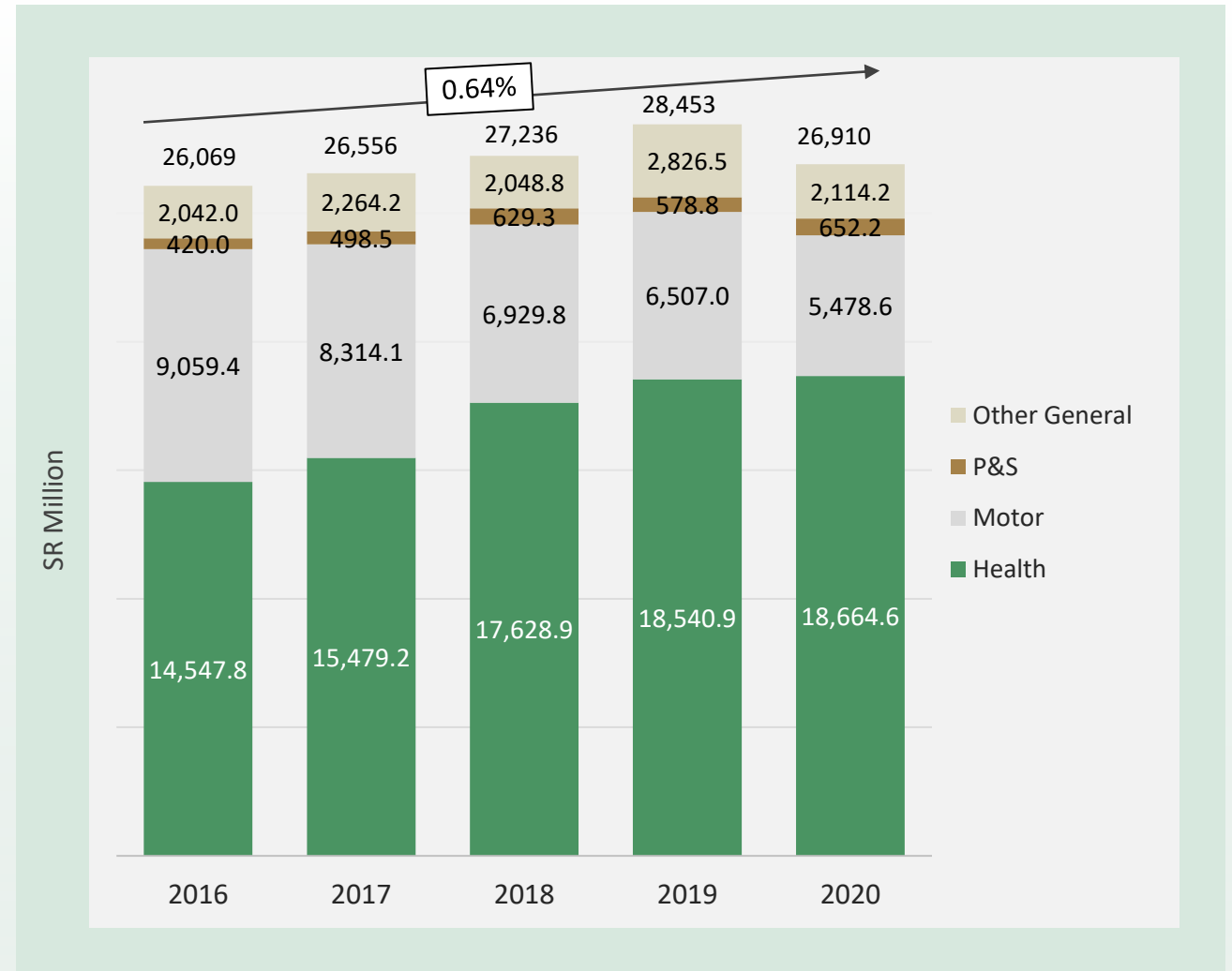
Notes:

- 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

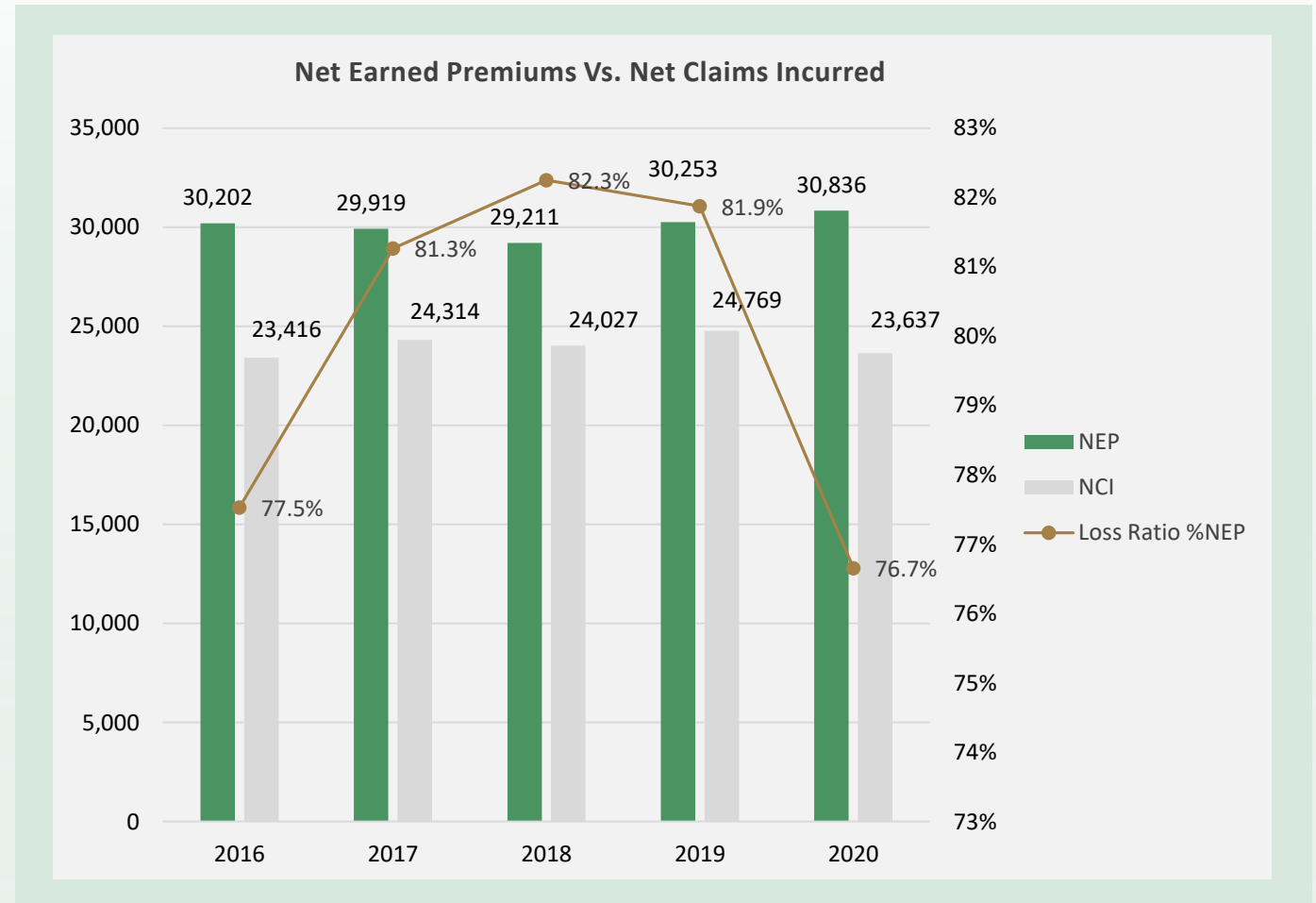
- Total gross claims paid decreased from SR 28.45 Billion in 2019 to SR 26.91 Billion in 2020, which represents a decrease of 5.4%
- In 2020, Health gross claims paid increased by 0.7% whereas Motor gross claims paid decreased by 15.8% over 2019
- Table 9 in the appendix contains all the gross claims paid data by line of business from 2016 to 2020



% Growth	Health	Motor	Other General	P&S
	0.7%	(15.8)%	(25)%	13%

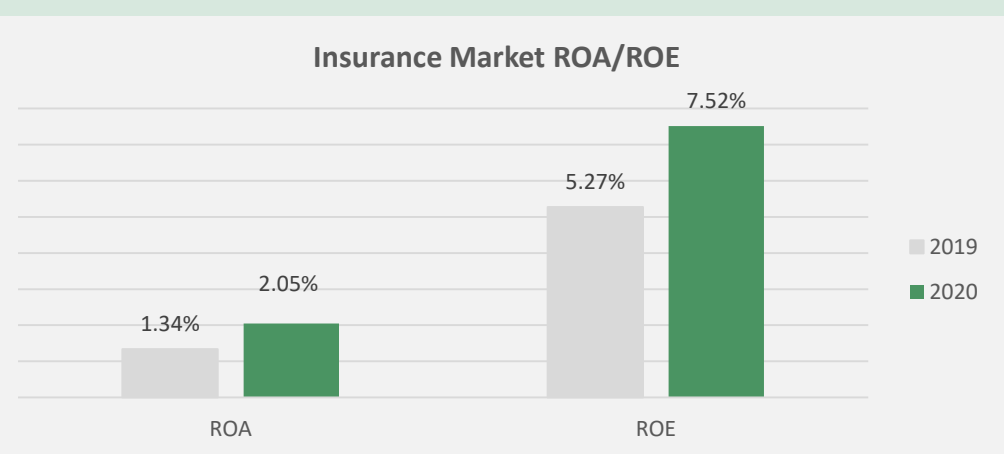
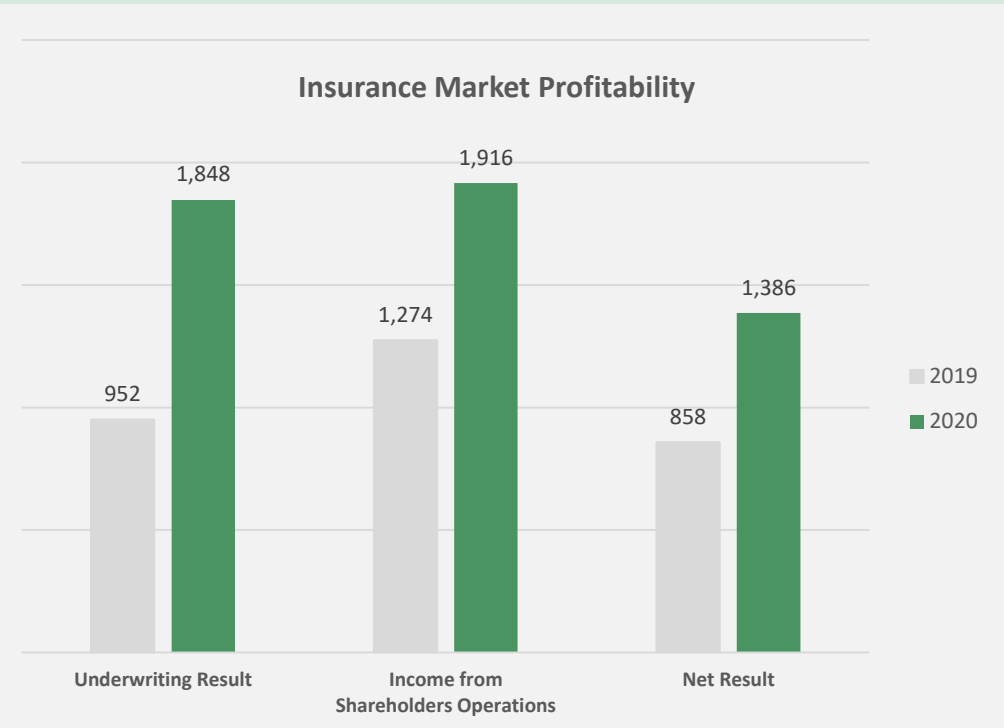
General and Health Net Earned Premiums vs. Net Claims Incurred

- 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 30.84 Billion in 2020, compared to SR 30.25 Billion in 2019, an increase of 1.9%
- 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 2020 General and Health net claims incurred decreased by (4.6%) to reach SR 23.64 Billion
- In 2020 General and Health net Loss ratio decreased and reached 76.7% from 81.9% in 2019



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 2020, the underwriting result increased by 94.1% to reach SR 1,848 million, compared to 952 million in 2019.
- Shareholders operations' results increased to SR 1,916 million in 2020, representing a 50.3% growth compared to SR 1,274 million in 2019.
- The insurance market's net result increased by 61.6% to 1,386 million in 2020, compared to SR 858 million in 2019.
- Return on Assets (ROA) is the ratio of net result to total assets. In 2020, insurance market's ROA was 2.05%
- Return on Equity (ROE) is the ratio of net result to total equity. In 2020, insurance market's ROE was 7.52%



Balance Sheet - Policyholders' Assets

- Total Policyholders' assets amounted to SR 46.33 Billion in 2020 compared to SR 44.59 Billion in 2019
- Investments accounted for the largest share of policyholders' assets, with a value of SR 17.46 Billion in 2020 compared to SR 16.21 Billion in 2019
- At the end of 2020 insurance companies held SR 4.88 Billion in cash and cash equivalents in their policyholders' accounts compared to SR 5.48 Billion in 2019

	General and Health Insurance		Protection and Savings Insurance		Total Insurance	
	2019	2020	2019	2020	2019	2020
Cash and cash equivalents	5,209,090	4,669,582	273,422	210,869	5,482,512	4,880,451
Receivables, net	8,102,764	10,510,947	215,915	322,373	8,318,678	10,833,320
Reinsurance recoverables	9,662,429	8,700,784	423,120	521,191	10,085,549	9,221,975
Deferred policy acquisition cost	775,122	845,335	4,212	4,878	779,334	850,213
Prepaid expenses	980,337	1,497,107	2,058	8,624	982,395	1,505,731
Investments	13,192,386	14,198,588	3,015,187	3,261,042	16,207,573	17,459,629
Deposits at financial institutions	9,735,284	9,138,054	86,964	68,141	9,822,248	9,206,195
Loans	-	-	-	-	-	-
Debt securities and fixed income	2,699,798	3,593,212	9,844	9,888	2,709,642	3,603,100
Shares (common, preferred)	260,279	317,788	-	-	260,279	317,788
Real estate	9,861	62,138	-	-	9,861	62,138
Investment in subsidiaries & affiliates	-	-	996,927	-	996,927	-
Other	487,164	1,087,395	1,921,452	3,183,013	2,408,616	4,270,408
Tangible assets	529,323	444,479	4,364	6,143	533,687	450,622
Intangible assets	52,833	79,527	-	-	52,833	79,527
Other policyholders assets	2,149,006	1,018,327	(5,140)	27,696	2,143,866	1,046,023
Total	40,653,290	41,964,676	3,933,137	4,362,816	44,586,427	46,327,491

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

Balance Sheet - Shareholders' Assets

Amount In Thousands

- Shareholders' assets amounted to SR 21.32 Billion in 2020 compared to SR 19.34 Billion in 2019
- Investments accounted for the largest share of shareholders' assets, with a value of SR 15.51 Billion in 2020 compared to SR 15.9 Billion in 2019
- At the end of 2020, insurance companies' shareholders held SR 2.87 Billion in cash and cash equivalents compared to SR 1.7 Billion in 2019
- Insurance companies' total assets amounted to SR 67.64 Billion in 2020 compared to SR 63.93 Billion in 2019

	2019	2020
Cash and cash equivalents	1,698,302	2,868,429
Receivables, net	2,666	295
Investments	15,945,918	15,510,237
Deposits at financial institutions	8,839,169	7,516,955
Loans	-	-
Debt securities and fixed income	3,757,182	4,037,497
Shares (common, preferred)	1,313,413	1,583,286
Real estate	7,025	5,435
Investment in subsidiaries & affiliates	202,001	215,195
Other	1,827,129	2,151,869
Tangible assets	265,681	375,555
Accrued interest, rent, income	101,116	135,251
Intangible assets	953,166	1,121,397
Distributions due from policyholders account	540,716	991,871
Other shareholders assets	(168,670)	311,995
Total Shareholders Assets	19,338,896	21,315,029
Total Assets	63,925,323	67,642,521

Balance Sheet - Policyholders' Liabilities and Equity

Amount In Thousands

- At the end of 2020, insurance companies held SR 32.41 Billion in technical reserves, which consist of unearned premiums, outstanding claims, IBNR and adjustment expense reserves, compared to SR 33.1 Billion in 2019
- Mathematical reserves amounted to SR 3.37 Billion in 2020 compared to SR 3.19 Billion in 2019
- Total policyholders' liabilities and allocated surplus amounted to SR 46.33 Billion in 2020 compared to SR 44.59 Billion in 2019

Policy	General and Health Insurance		Protection and Savings Insurance		Total Insurance	
	2019	2020	2019	2020	2019	2020
Total Policyholders liabilities	39,848,295	41,295,794	3,870,737	4,275,897	43,719,032	45,571,692
Policyholders payables	1,159,536	1,001,986	19,550	22,538	1,179,086	1,024,524
Reinsurance balances payable	1,861,493	1,756,375	83,085	88,993	1,944,578	1,845,367
Technical reserves	32,658,465	31,778,526	446,074	628,676	33,104,540	32,407,202
Unearned premium	16,009,879	16,518,420	103,708	125,561	16,113,588	16,643,981
Outstanding claims, IBNR and adjustment expenses	16,648,586	15,260,106	342,366	503,115	16,990,952	15,763,221
Mathematical reserves			3,190,892	3,372,983	3,190,892	3,372,983
Other reserves	430,305	861,263	3,529	10,556	433,834	871,818
Unearned reinsurance commissions	249,521	283,354	2,547	2,207	252,069	285,561
Accrued expense and deferred income	2,080,082	3,412,480	85,272	118,674	2,165,354	3,531,154
Declared dividend payable	-		-		-	-
Distribution due to shareholders account	515,870	977,894	24,846	13,977	540,716	991,871
Other policyholders liabilities	893,022	1,223,918	14,942	17,293	907,964	1,241,211
Accumulated surplus	804,994	668,880	62,400	86,918	867,394	755,798
Total Policyholders liabilities and Equity	40,653,290	41,964,674	3,933,137	4,362,815	44,586,427	46,327,489

Balance Sheet - Shareholders' Liabilities and Equity

- At the end of 2020, shareholders' liabilities decreased to SR 2.88 Billion from SR 3.07 Billion in 2019 while shareholders' equity increased to SR 18.44 Billion in 2020 compared to SR 16.27 Billion in 2019
- Share capital increased to SR 12.49 Billion in 2020 compared to SR 12.4 Billion in 2019
- Shareholders' liabilities and equity increased to SR 21.32 Billion in 2020 compared to SR 19.34 Billion in 2019

Policy	Amount In Thousands	
	2019	2020
Total Shareholders liability	3,065,329	2,876,783
Shareholders payables	345,827	303,481
Zakat	1,041,592	1,182,076
Accrued expenses and deferred income	182,829	189,100
Other shareholders liabilities	1,495,080	1,202,127
Total Shareholders equity	16,273,567	18,438,246
Share capital	12,402,667	12,488,539
Statutory reserves	2,544,807	2,726,161
Retained earnings	1,109,539	2,599,571
Other shareholders equity	216,554	623,975
Total Shareholders Liabilities & Equity	19,338,896	21,315,029
Total Liabilities & Equity	63,925,323	67,642,519



Insurance Market Performance By Line of Business

Health Insurance

- Health insurance, which includes both compulsory and non-compulsory lines, accounted for 58.9% of the 2020 total market gross written premiums (GWP) with SR 22.84 Billion in underwritten premiums
- Health insurance accounted for 68.3% of the market's net written premiums (NWP) as insurance companies retained SR 21.92 Billion of their Health insurance GWP, which was the highest of all business lines representing a 96% retention ratio
- Health insurance's net earned premiums (NEP) registered SR 21.79 Billion, representing 68.8% of the insurance market's NEP.
- Health insurance's net claims incurred (NCI) amounted to SR 17.99 Billion, and resulted in a loss ratio of 82.6%



% of Total	Health				
		GWP	NWP	NEP	NCI
	2019	59.3%	68.3%	67.5%	72.5%
2020	58.9%	68.5%	68.8%	74.1%	

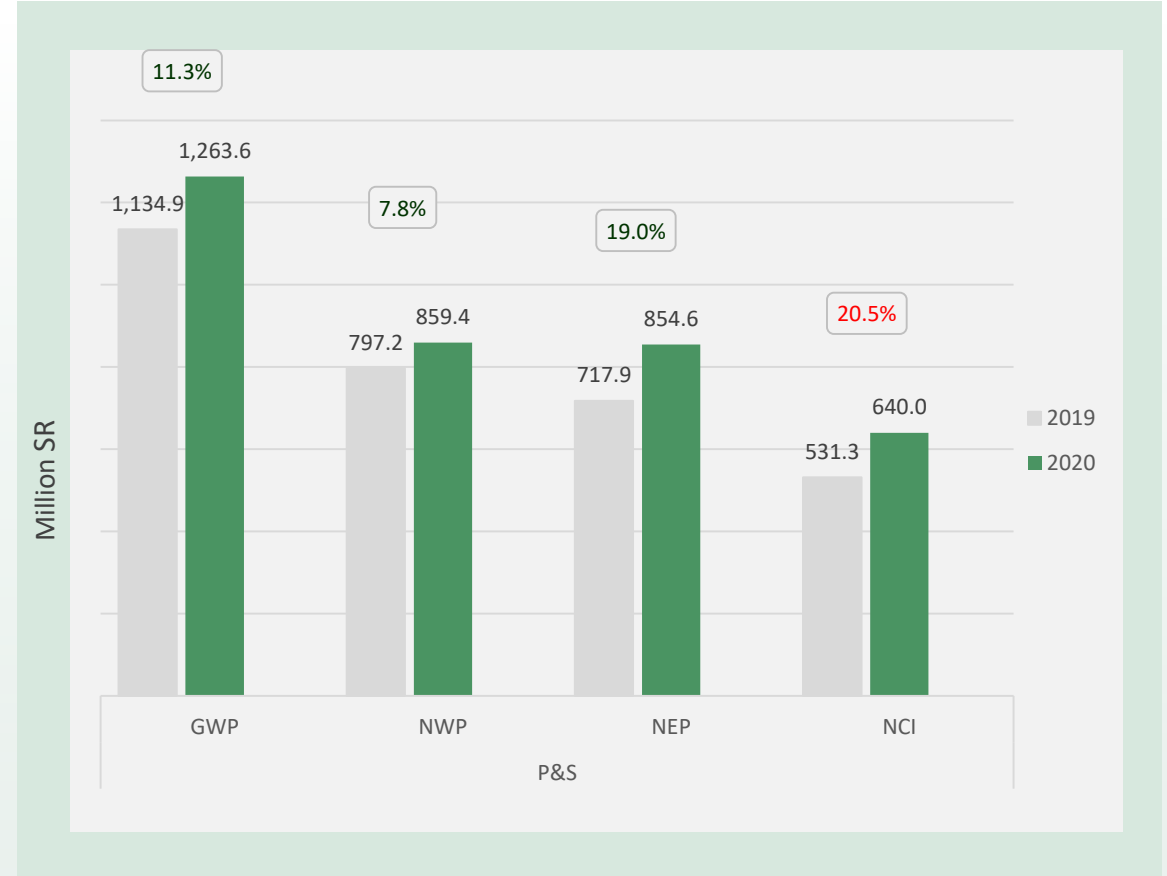
	Retention Ratio
2019	96.2%
2020	96.0%

	Loss Ratio
2019	87.8%
2020	82.6%

- 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 1.26 Billion in 2020, which represents a 3.3% 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 859.4 Million of GWP.
- Protection and Savings insurance's NEP registered SR 854.6 Million, which represents a share of 2.7% of total NEP.
- Protection and Savings insurance accounted for 2.7% of total market's NCI in 2020 and amounted to SR 640 Million.



		GWP	NWP	NEP	NCI
% of Total	2019	3.0%	2.5%	2.3%	2.1%
	2020	3.3%	2.7%	2.7%	2.6%

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 8.36 Billion in 2020, which represents a 21.6% share of total market GWP
- Insurance companies retained 92.9% of their Motor underwritten premiums Motor insurance NWP totaled SR 7.76 Billion
- Motor insurance's NEP amounted to SR 7.76 Billion and accounted for 24.5% of the insurance market's NEP
- Insurance companies recorded SR 5.17 Billion in Motor insurance's NCI and resulted in a loss ratio of 66.6%

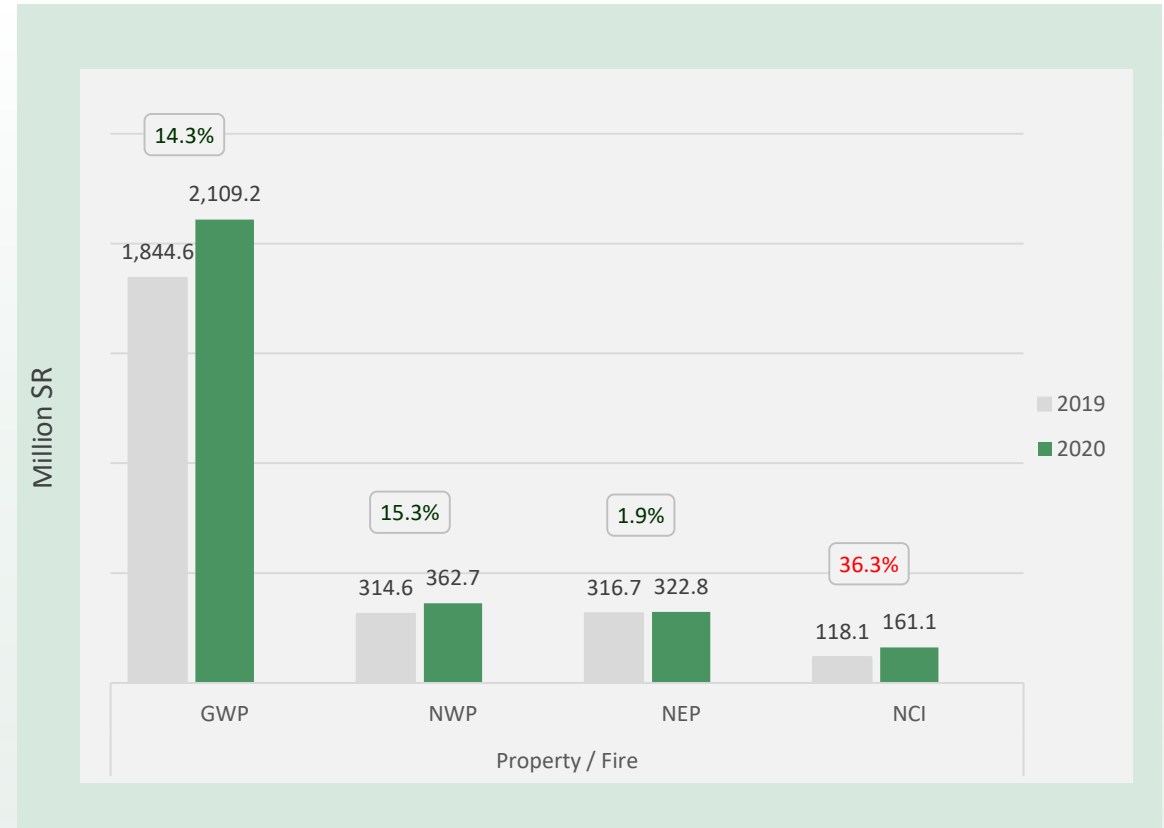


% of Total	Motor				
	2019	GWP	NWP	NEP	NCI
2019	22.7%	25.6%	26.5%	23.7%	
2020	21.6%	24.3%	24.5%	21.3%	

	Retention Ratio	Loss Ratio
2019	94.3%	73.1%
2020	92.9%	66.6%

Property/ Fire Insurance

- Property/ Fire insurance's GWP totaled SR 2.1 Billion in 2020, which represents a 5.4% share of total market GWP
- Insurance companies retained 17.2% of their Property/ Fire insurance premiums, as the business line's NWP amounted to SR 362.7 Million. Property/ Fire insurance contributed 1.1% to total market NWP in 2020
- Property/ Fire insurance's NEP amounted SR 322.8 Million
- Insurance companies recorded SR 161.1 Million in Property/ Fire insurance's NCI, and resulted in a loss ratio of 49.8%



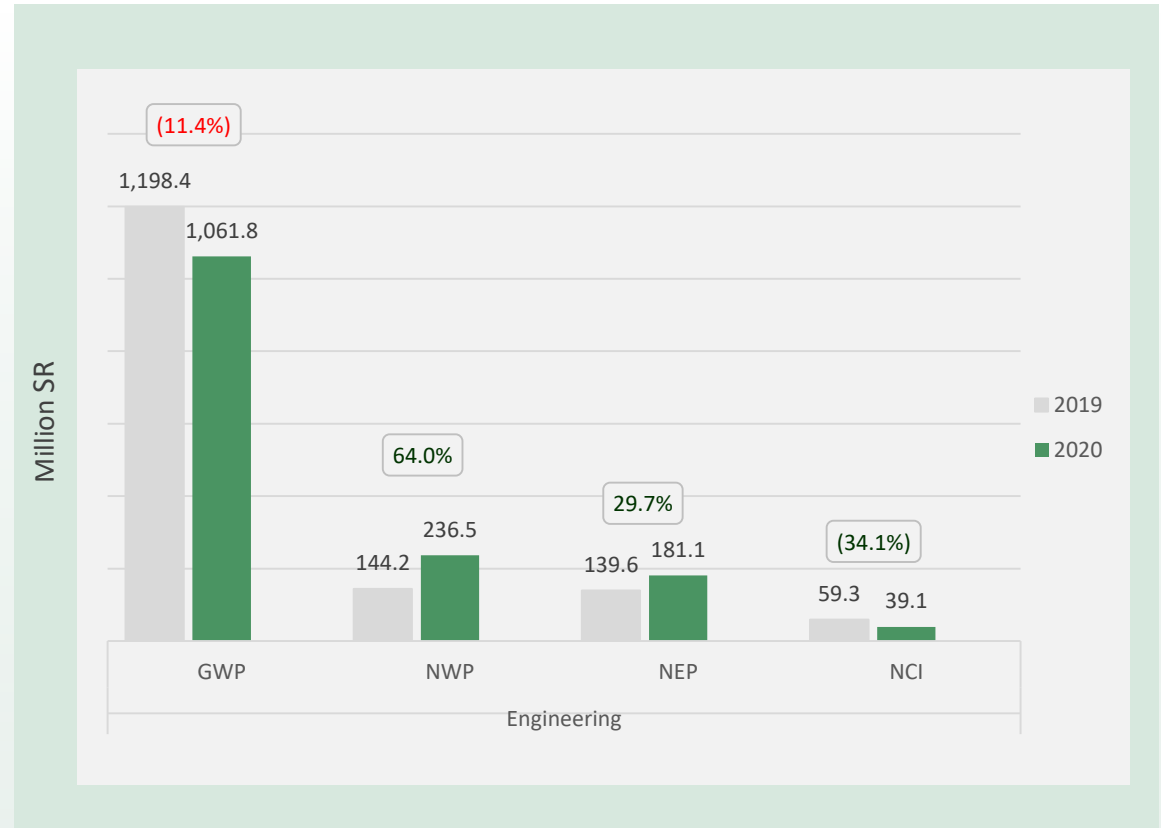
		GWP	NWP	NEP	NCI
% of Total	2019	4.9%	1.0%	1.0%	0.5%
	2020	5.4%	1.1%	1.0%	0.7%

	Retention Ratio
2019	17.1%
2020	17.2%

	Loss Ratio
2019	37.3%
2020	49.9%

Engineering Insurance

- Engineering insurance's GWP totaled SR 1.06 Billion in 2020, which represent a 2.7% contribution to total market GWP
- Insurance companies retained 22.3% of their Engineering underwritten premiums. Engineering insurance NWP amounted SR 236.5 Million
- Engineering insurance NEP amounted to SR 181.1 Million and accounted for 0.6% of the insurance market's NEP
- Engineering insurance recorded a loss ratio of 21.6%, with NCI, totaling SR 39.1Million



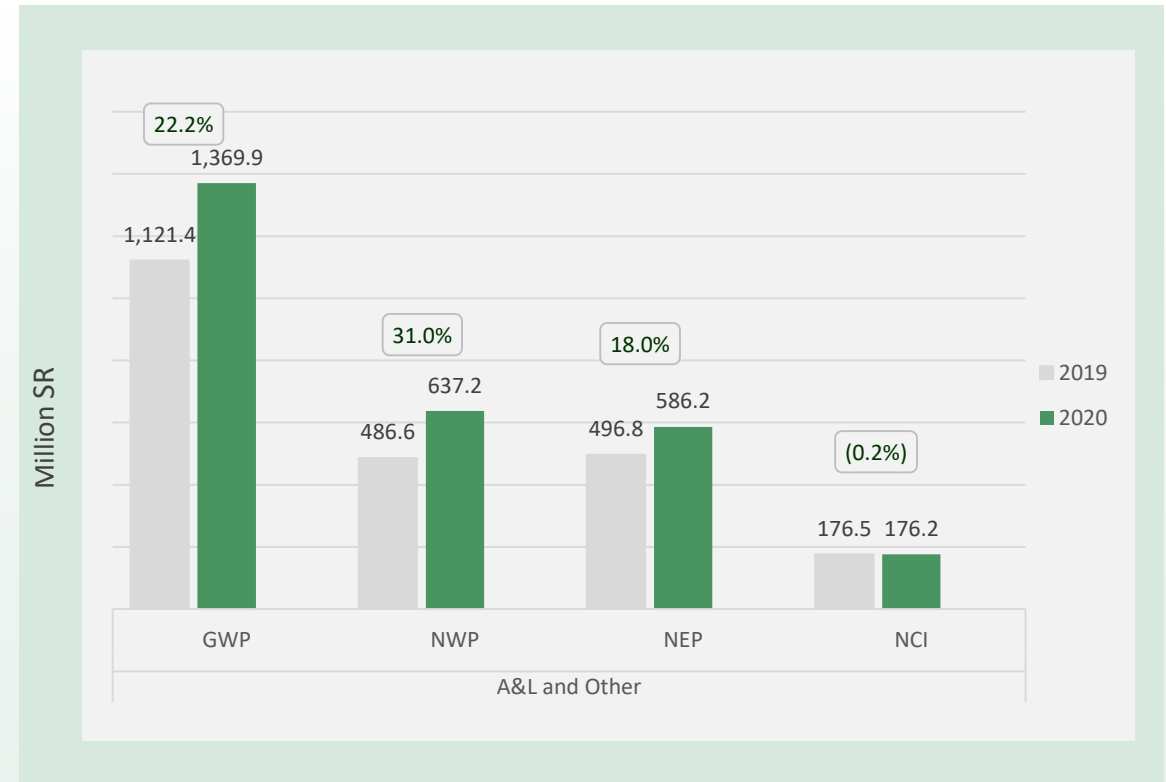
		GWP	NWP	NEP	NCI
% of Total	2019	3.2%	0.5%	0.5%	0.2%
	2020	2.7%	0.7%	0.6%	0.2%

	Retention Ratio
2019	12.0%
2020	22.3%

	Loss Ratio
2019	42.4%
2020	21.6%

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 underwritten SR 1.37 Billion in A&L and Other general insurance premiums in 2020
- Insurance companies retained SR 6372 Million of A&L and Other general insurance underwritten premiums, with a 46.5% retention ratio
- A&L and Other general insurance NEP totaled SR 586.2 Million, which represents a 1.8% contribution to market's NEP
- Insurance companies recorded SR 176.2 Million in A&L and Other general insurance's NCI, and resulted in a loss ratio of 30.1%

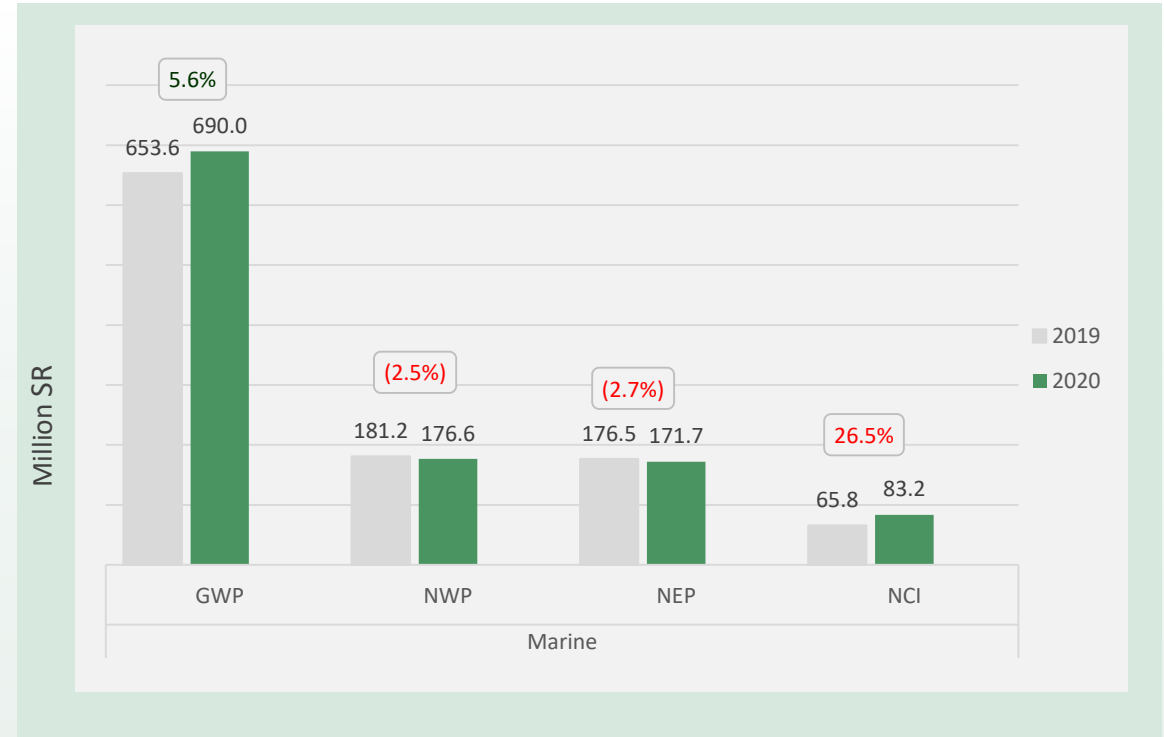


% of Total	A&L and Other				
	2019	GWP	NWP	NEP	NCI
2019	3.0%		1.5%	1.6%	0.7%
2020	3.5%		2.0%	1.8%	0.7%

	Retention Ratio	Loss Ratio
2019	43.4%	35.5%
2020	46.5%	30.1%

Marine Insurance

- The Marine insurance line of business includes both marine cargo and marine hull insurance
- Marine insurance GWP totaled SR 690 Million in 2020, which represents a 1.8% contribution to market's GWP
- Insurance companies retained 25.6% of their Marine insurance underwritten premiums, as the business line's NWP amounted to SR 176.6 Million
- Marine insurance's NEP recorded SR 171.7 Million, which represents a 0.5% share of market's NEP in 2020
- Marine insurance's NCI amounted to SR 83.2 Million. This resulted in a loss ratio of 48.5%

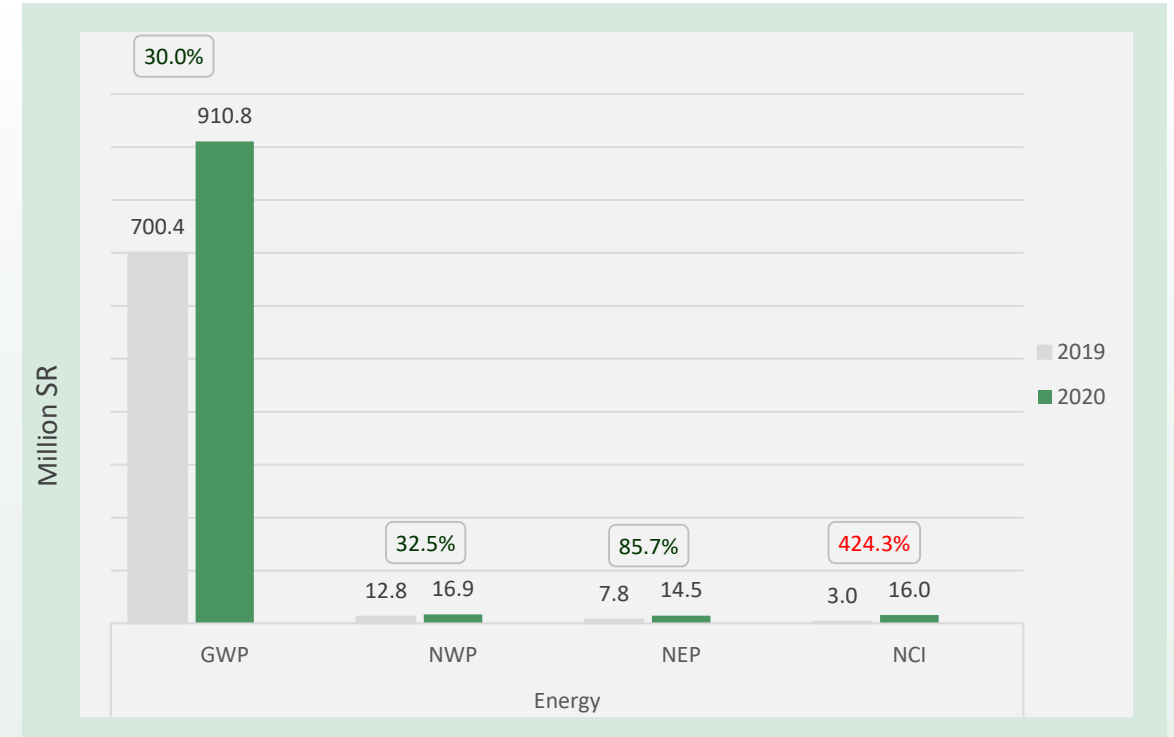


		GWP	NWP	NEP	NCI
% of Total	2019	1.7%	0.6%	0.6%	0.3%
	2020	1.8%	0.6%	0.5%	0.3%

	Retention Ratio	Loss Ratio
2019	27.7%	37.3%
2020	25.6%	48.5%

Energy Insurance

- In 2020, Energy insurance GWP totaled SR 910.8 Million, which represents a 2.3% share of total market's GWP
- Energy insurance NWP amounted to SR 16.9 Million, accounting for only 0.05% of the insurance market's NWP
- Energy insurance's NEP amounted to SR 14.5 Million, accounting for only 0.05% of the insurance market's NEP
- Energy insurance's NCI amounted to SR 16 Million. This resulted in a loss ratio of 110.2%

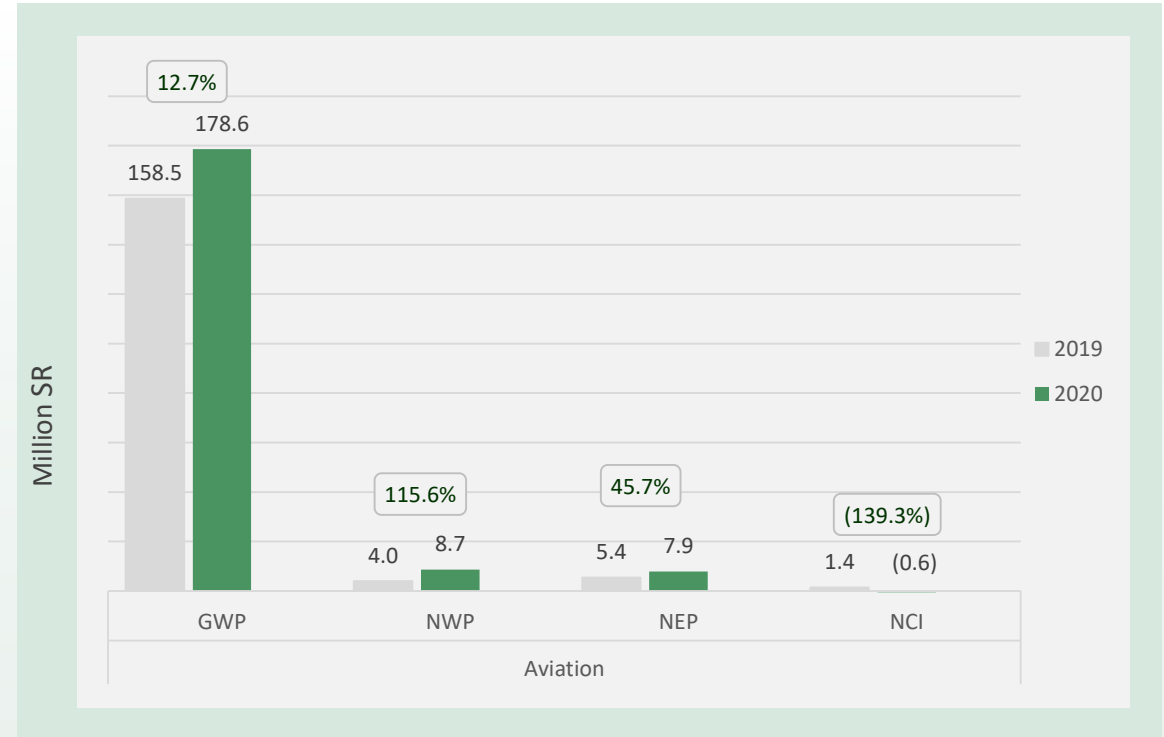


% of Total	Energy				
		GWP	NWP	NEP	NCI
	2019	1.8%	0.04%	0.03%	0.01%
2020	2.3%	0.05%	0.05%	0.07%	

	Retention Ratio	Loss Ratio
2019	1.8%	39.0%
2020	1.9%	110.2%

Aviation Insurance

- Aviation insurance GWP reached SR 178.6 Million in 2020, a 0.5% contribution to market's GWP
- NWP for Aviation insurance reached SR 8.7 Million, resulting in a retention ratio of 4.9%
- Aviation insurance's NEP totaled SR 7.9 Million, accounting for only 0.02% of the insurance market's NEP
- Aviation insurance's NCI amounted to SR (0.6) Million, resulting in a loss ratio of (7%)



		GWP	NWP	NEP	NCI
% of Total	2019	0.4%	0.01%	0.02%	0.01%
	2020	0.5%	0.03%	0.02%	0.00%

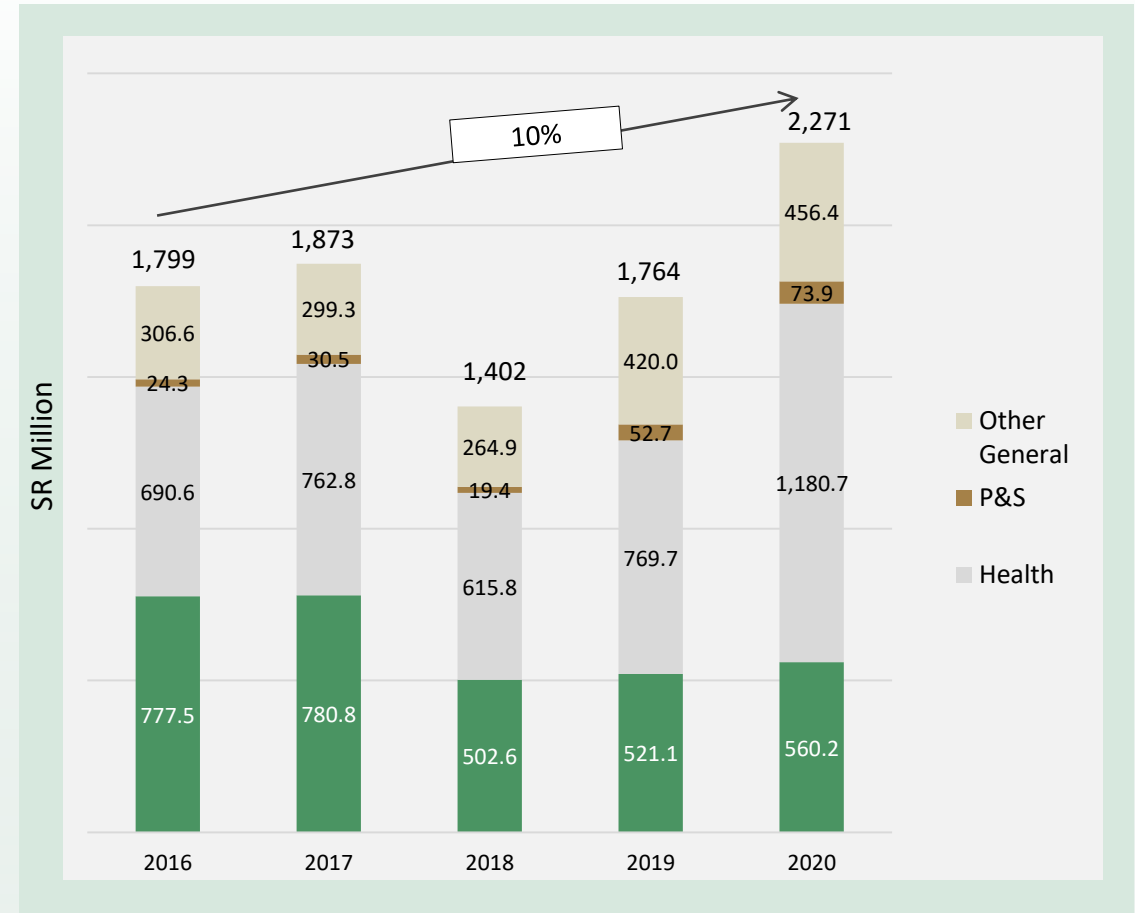
	Retention Ratio	Loss Ratio
2019	2.5%	25.9%
2020	4.9%	-7.0%



Other Market Indicators

Gross Commissions Incurred by Line of Business

- Total commissions incurred amounted to SR 2.27 Billion in 2020, compared to SR 1.76 Billion in 2019, which represents an increase of 28.8%
- General insurance related commissions accounted for 44.8% of total commissions incurred in 2020
- Health insurance's share of total commissions incurred represented 52% in 2020
- Protection and Savings insurance's commissions incurred was 3.3% of total commissions incurred in 2020

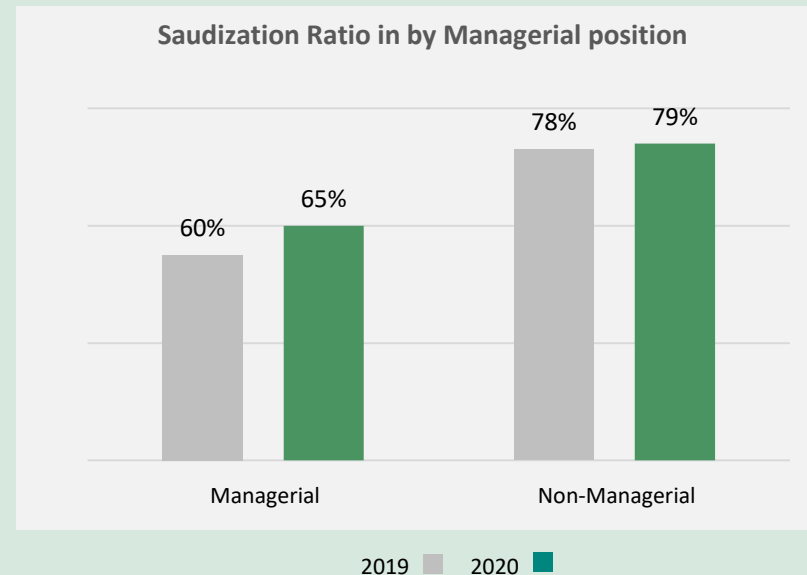
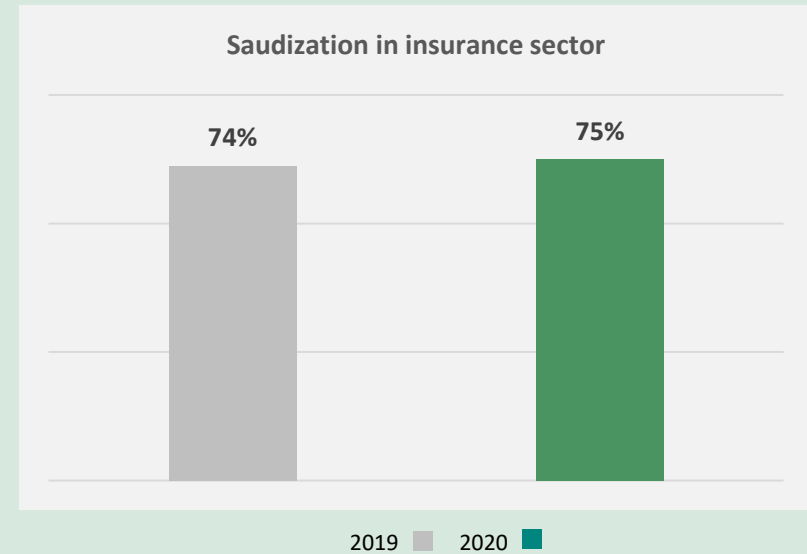


	Motor	Health	P&S	Other General
Growth 2019-2020	7.5%	53.4%	40.2%	8%
% of Total	24.7%	52.0%	3.3%	20.03%

Employees of Insurance Companies by Nationality

- The total number of insurance companies' employees in Saudi Arabia was 11,015 in 2020, compared to 11,213 in 2019
- The ratio of Saudi nationals employed by insurance companies in 2020 increased to 75% of the total workforce
- The Saudization ratio for non-managerial positions in 2020 increased to 79%, while the Saudization ratio for managerial positions increased to 65%
- 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)

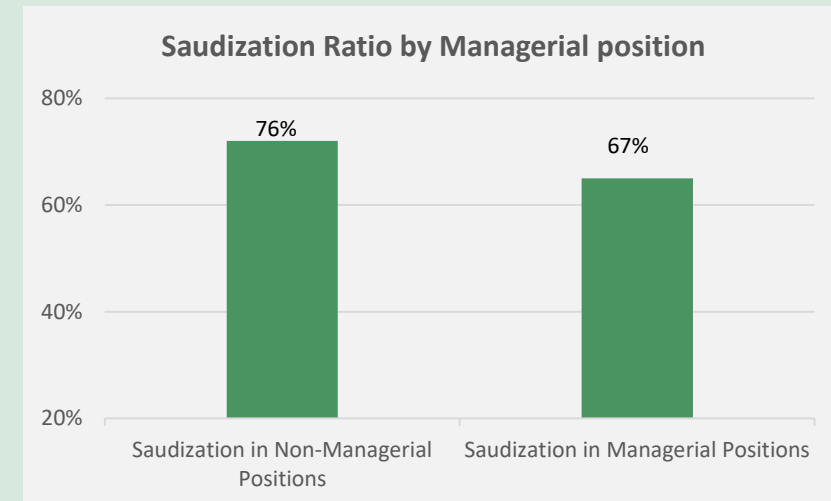
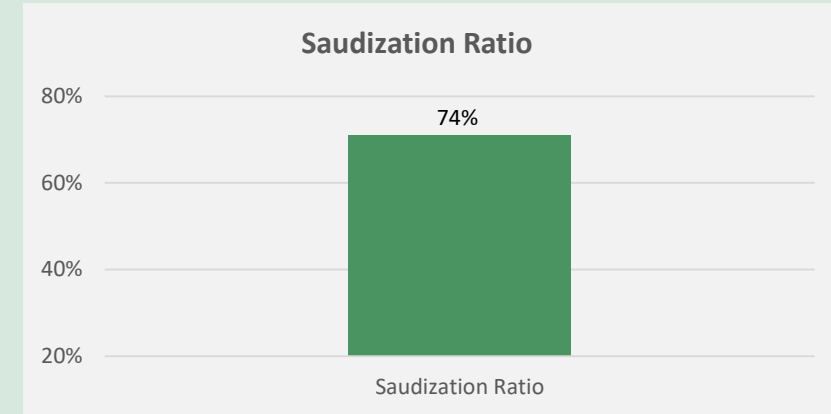
Nationality	2019		Total 2019	2020		Total 2020
	Non-Managerial	Managerial		Non-Managerial	Managerial	
Non-Saudi	1,924	955	2,879	1,814	889	2,703
Saudi	6,913	1,421	8,334	6,645	1,667	8,312
Total	8,837	2,376	11,213	8,459	2,556	11,015
Saudization Ratio	78%	60%	74%	79%	65%	75%



Employees of Insurance intermediaries by Nationality

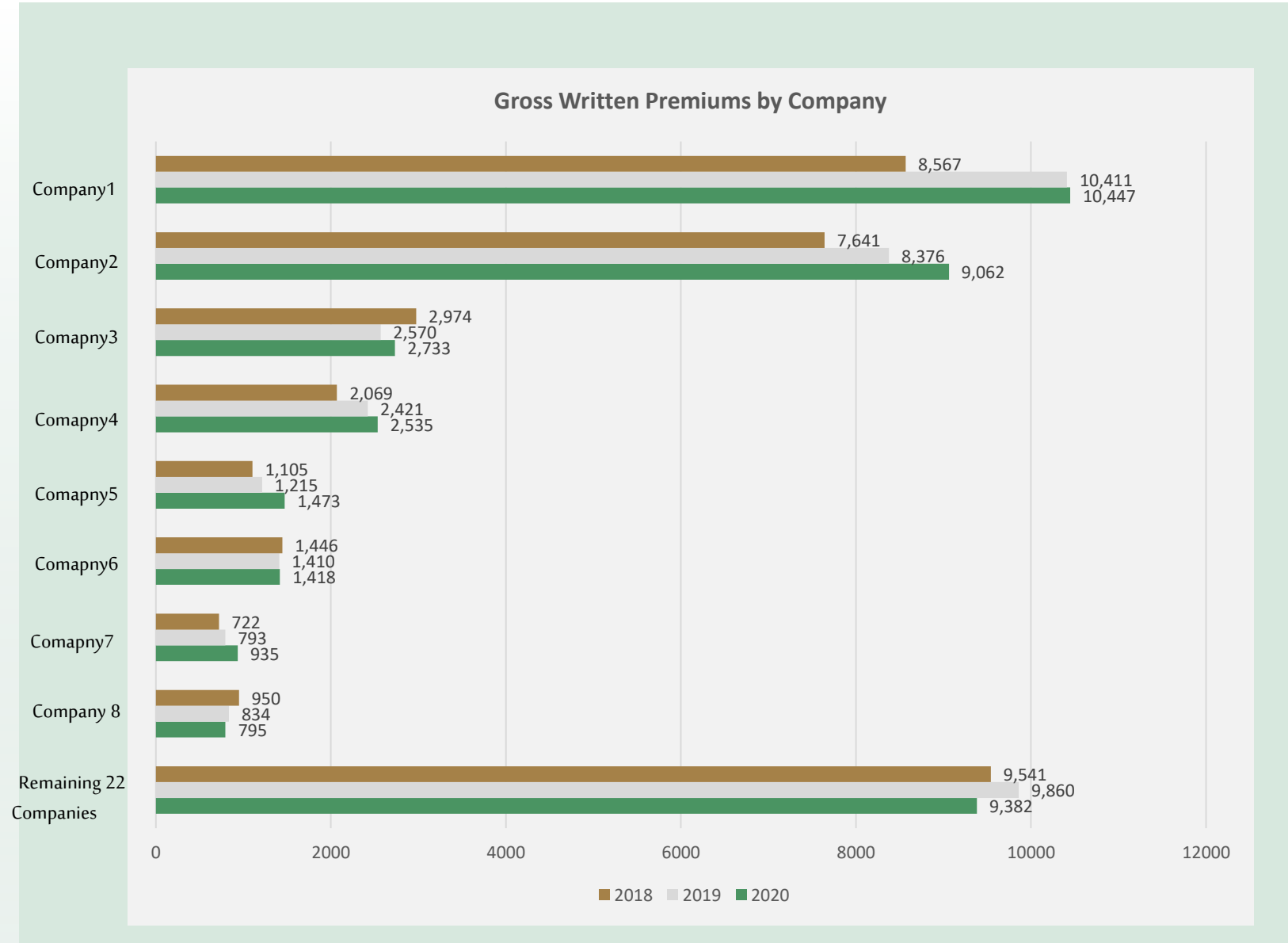
- The total number of employees in insurance intermediaries was 6,139 in 2020.
- The percentage of Saudi nationals employed in insurance intermediaries was 74% in 2020
- The Saudization percentage in non-managerial positions in 2020 was 76%, while the Saudization ratio in managerial positions was 67%.

Nationality	2020		Total 2020
	Non-Managerial	Managerial	
Non-Saudi	1,207	370	1,577
Saudi	3,810	752	4,562
Total	5,017	1,122	6,139
Saudization Ratio	76%	67%	74%



Insurance Market Structure

- In 2020, the top 8 insurance companies generated 75.8% of the insurance market's GWP
- The remaining 22 insurance companies included in the report accounted for the remaining 24.2% of total market premiums

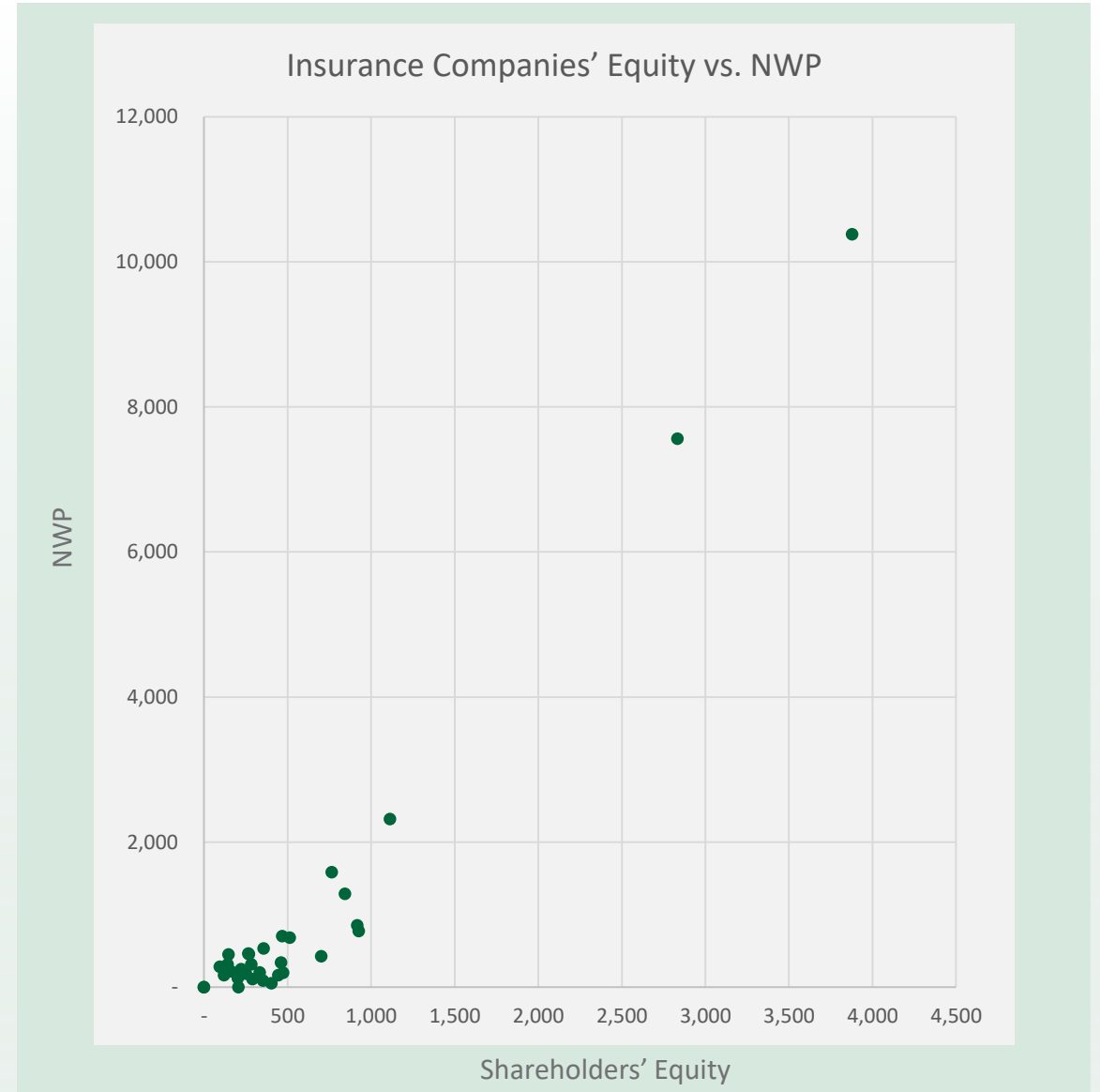


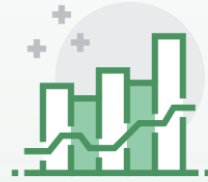
Capitalization of Insurance Companies

- Insurance companies' equity increased to SR 18.43 Billion in 2020 compared to SR 16.27 Billion in 2019

Shareholders' Equity	Number of Companies
500 M and Above	9
200 M to 500 M	16
150 M to 200 M	1
100 M to 150 M	3
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 (2016 to 2020)

Line of Business	2016		2017		2018		2019		2020		Change 2019-2020
	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	
General Insurance	17,173.7	46.6%	16,327.4	44.7%	14,028.4	40.1%	14,280.7	37.7%	14,678.3	37.9%	2.8%
A&L and Other	1,049.5	2.8%	1,054.2	2.9%	1,001.3	2.9%	1,121.4	3.0%	1,369.9	3.5%	22.2%
Motor	12,158.4	33.0%	11,136.4	30.5%	9,423.3	26.9%	8,603.6	22.7%	8,358.0	21.6%	(2.9)%
Property / Fire	1,825.8	5.0%	1,708.5	4.7%	1,697.9	4.8%	1,844.6	4.9%	2,109.2	5.4%	14.3%
Marine	634.1	1.7%	621.8	1.7%	544.6	1.6%	653.6	1.7%	690.0	1.8%	5.6%
Aviation	139.7	0.4%	134.9	0.4%	148.0	0.4%	158.5	0.4%	178.6	0.5%	12.7%
Energy	457.8	1.2%	739.0	2.0%	511.5	1.5%	700.4	1.8%	910.8	2.3%	30.0%
Engineering	908.4	2.5%	932.4	2.6%	701.7	2.0%	1,198.4	3.2%	1,061.8	2.7%	(11.4)%
Health Insurance	18,630.3	50.5%	19,035.5	52.1%	19,883.4	56.8%	22,474.9	59.3%	22,836.8	58.9%	1.6%
P&S Insurance	1,051.4	2.9%	1,140.3	3.1%	1,102.7	3.1%	1,134.9	3.0%	1,263.6	3.3%	11.3%
Total	36,855.3	100%	36,503.2	100%	35,014.5	100%	37,890.5	100%	38,778.7	100%	2.3%

Tables 2 & 3: Insurance Penetration and Density (2016 to 2020)

Table 2: Insurance Penetration (%)

Line of Business	2016	2017	2018	2019	2020	Change 2019-2020
General Insurance	0.72%	0.64%	0.48%	0.48%	0.56%	16.4%
Health Insurance	0.78%	0.74%	0.68%	0.76%	0.87%	15.1%
Protection Insurance	0.04%	0.04%	0.04%	0.04%	0.05%	26.1%
Total	1.54%	1.42%	1.19%	1.27%	1.48%	15.9%

Table 3: Insurance Density (SR)

Line of Business	2016	2017	2018	2019	2020	Change 2019-2020
General Insurance	540.26	501.58	419.84	417.34	414.42	(0.7)%
Health Insurance	586.09	584.77	595.07	656.82	644.76	(1.8)%
Protection Insurance	33.08	35.03	33.00	33.17	35.68	7.6%
Total	1,159.43	1,121.37	1,047.91	1,107.33	1,094.86	(1.1)%

Table 4: Net Written Premiums by Line of Business (2016 to 2020)

Line of Business	2016		2017		2018		2019		2020		Change 2019-2020
	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	
General Insurance	11,931.8	38.7%	11,580.9	37.6%	9,929.2	33.0%	9,260.6	29.2%	9,202.2	28.8%	(0.6)%
A&L and Other	525.4	1.7%	506.3	1.6%	470.4	1.6%	486.6	1.5%	637.2	2.0%	31.0%
Motor	10,720.4	34.8%	10,388.2	33.7%	8,860.4	29.5%	8,117.1	25.6%	7,763.5	24.3%	(4.4)%
Property / Fire	272.7	0.9%	322.4	1.0%	314.0	1.0%	314.6	1.0%	362.7	1.1%	15.3%
Aviation	9.1	0.03%	5.7	0.02%	5.3	0.0%	4.0	0.0%	8.7	0.0%	115.6%
Marine	192.3	0.6%	172.4	0.6%	155.4	0.5%	181.2	0.6%	176.6	0.6%	(2.5)%
Energy	12.6	0.04%	17.2	0.1%	3.5	0.01%	12.8	0.04%	16.9	0.1%	32.5%
Engineering	199.2	0.6%	168.6	0.5%	120.2	0.4%	144.2	0.5%	236.5	0.7%	64.0%
Health Insurance	18,095.0	58.7%	18,411.6	59.7%	19,319.4	64.3%	21,622.0	68.3%	21,924.7	68.5%	1.4%
P&S Insurance	820.6	2.7%	846.2	2.7%	794.8	2.6%	797.2	2.5%	859.4	2.7%	7.8%
Total	30,847.5	100%	30,838.7	100%	30,043.4	100%	31,679.7	100%	31,986.3	100%	1.0%

Table 5: Gross Written Premiums by Distribution Channel

Sales Channel	Direct Sales				Agent				Broker				Total	
	2019		2020		2019		2020		2019		2020		2019	2020
Year	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	SR Million	SR Million
General Insurance	6,883	48.2%	6,847	48.2%	1,254	8.8%	1,166	7.9%	6,150	43.0%	6,664	45.4%	14,287	14,678
A&L and Other	481	42.6%	386	42.6%	47	4.2%	72	5.2%	601	53.2%	912	66.6%	1,129	1,370
Motor	4,989	58.0%	5,072	58.0%	1,039	12.1%	903	10.8%	2,576	29.9%	2,383	28.5%	8,604	8,358
Property / Fire	521	28.2%	561	28.2%	93	5.0%	113	5.4%	1,231	66.7%	1,435	68.0%	1,845	2,109
Marine	273	41.8%	278	41.8%	33	5.1%	45	6.5%	347	53.1%	367	53.2%	653	690
Aviation	54	83.1%	36	34.0%	1	1.5%	1	0.6%	10	15.4%	142	79.4%	65	179
Energy	144	20.5%	97	20.5%	0	0.0%	0	0.0%	557	79.5%	814	89.4%	701	911
Engineering	423	35.3%	404	35.3%	41	3.4%	34	3.2%	735	61.3%	624	58.8%	1,198	1,062
Health Insurance	14,443	64.3%	14,971	64.3%	1,404	6.2%	1,124	4.9%	6,628	29.5%	6,742	29.5%	22,475	22,837
P&S Insurance	415	36.8%	547	36.8%	531	47.1%	447	35.4%	182	16.1%	269	21.3%	1,128	1,264
Total	21,741	57.4%	22,452	57.4%	3,189	8.4%	2,732	7.0%	12,960	34.2%	13,595	35.1%	37,890	38,779

Table 6: Gross Written Premiums by Client Segments

Client Segment	2019										
	Retail		Micro Enterprises		Small Enterprises		Medium Enterprises		Corporate		Total
Line of Business	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	SR Million
Health	368	1.6%	1,089	4.8%	1,754	7.8%	3,252	14.5%	16,011	71.2%	22,475
Motor	3,734	43.4%	113	1.3%	293	3.4%	710	8.3%	3,753	43.6%	8,604
P&C	104	1.8%	133	2.3%	317	5.6%	679	11.9%	4,452	78.3%	5,684
P&S Insurance	584	51.8%	1	0.1%	3	0.3%	27	2.4%	513	45.5%	1,127
Total	4,790	12.6%	1,336	3.5%	2,367	6.2%	4,668	12.3%	24,729	65.3%	37,890

Client Segment	2020										
	Retail		Micro Enterprises		Small Enterprises		Medium Enterprises		Corporate		Total
Line of Business	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	SR Million
Health	554	2.4%	1,181	5.2%	1,726	7.6%	3,118	13.7%	16,258	71.2%	22,837
Motor	4,329	51.8%	104	1.2%	306	3.7%	753	9.0%	2,867	34.3%	8,358
P&C	197	3.1%	84	1.3%	265	4.2%	788	12.5%	4,986	78.9%	6,320
Protection and Savings	586	46.4%	1	0.0%	4	0.3%	63	5.0%	610	48.3%	1,264
Total	5,667	14.6%	1,369	3.5%	2,301	5.9%	4,722	12.2%	24,720	63.7%	38,779

Table 7: Retention Ratio by Line of Business (2016 to 2020)

Line of Business	2016	2017	2018	2019	2020	Change 2019-2020
General Insurance	69.5%	70.9%	70.8%	64.8%	62.7%	(3.3)%
A&L and Other	50.1%	48.0%	47.0%	43.4%	46.5%	7.2%
Motor	88.2%	93.3%	94.0%	94.3%	92.9%	(1.5)%
Property / Fire	14.9%	18.9%	18.5%	17.1%	17.2%	0.8%
Marine	30.3%	27.7%	28.5%	27.7%	25.6%	(7.7)%
Aviation	6.5%	4.2%	3.6%	2.5%	4.9%	91.3%
Energy	2.8%	2.3%	0.7%	1.8%	1.9%	1.9%
Engineering	21.9%	18.1%	17.1%	12.0%	22.3%	85.1%
Health Insurance	97.1%	96.7%	97.2%	96.2%	96.0%	(0.2)%
Total	83.7%	84.5%	85.8%	83.6%	82.5%	(1.3)%

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 (2016 to 2020)

Line of Business	2016		2017		2018		2019		2020		Change 2019-2020
	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	
General Insurance	1,084.2	60.3%	1,080.0	57.7%	767.6	54.7%	941.1	53.4%	1,016.6	44.8%	8.0%
A&L and Other	101.8	5.7%	85.0	4.5%	86.3	6.2%	119.5	6.8%	141.6	6.2%	18.5%
Motor	777.5	43.2%	780.8	41.7%	502.6	35.8%	521.1	29.6%	560.2	24.7%	7.5%
Property / Fire	109.2	6.1%	117.4	6.3%	103.6	7.4%	169.4	9.6%	156.6	6.9%	(7.6)%
Marine	39.3	2.2%	43.2	2.3%	35.9	2.6%	58.1	3.3%	64.0	2.8%	10.3%
Aviation	0.8	0.0%	1.1	0.1%	1.3	0.1%	2.0	0.1%	2.8	0.1%	38.6%
Energy	1.6	0.1%	1.1	0.1%	1.2	0.1%	5.5	0.3%	9.5	0.4%	71.7%
Engineering	53.9	3.0%	51.5	2.7%	36.6	2.6%	65.5	3.7%	81.9	3.6%	25.0%
Health Insurance	690.6	38.4%	762.8	40.7%	615.8	43.9%	769.7	43.6%	1,180.7	52.0%	53.4%
P&S Insurance	24.3	1.4%	30.5	1.6%	19.4	1.4%	52.7	3.0%	73.9	3.3%	40.2%
Total	1,799.0	100%	1,873.3	100%	1,402.8	100%	1,763.5	100%	2,271.2	100%	28.8%

Table 9: Gross Claims Paid by Line of Business (2016 to 2020)

Line of Business	2016		2017		2018		2019		2020		Change 2019-2020
	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	SR Million	% of Total	
General Insurance	11,101.4	42.6%	10,578.3	39.8%	8,978.6	33.0%	9,333.5	32.8%	7,592.7	28.2%	(18.7)%
A&L and Other	240.7	0.9%	310.8	1.2%	263.3	1.0%	265.2	0.9%	336.5	1.3%	26.9%
Motor	9,059.4	34.8%	8,314.1	31.3%	6,929.8	25.4%	6,507.0	22.9%	5,478.6	20.4%	(15.8)%
Property / Fire	1,033.8	4.0%	961.1	3.6%	624.4	2.3%	699.1	2.5%	303.3	1.1%	(56.6)%
Marine	263.7	1.0%	207.7	0.8%	223.7	0.8%	444.3	1.6%	269.2	1.0%	(39.4)%
Aviation	92.6	0.4%	18.1	0.1%	123.8	0.5%	84.8	0.3%	27.9	0.1%	(67.1)%
Energy	53.2	0.2%	18.6	0.1%	356.8	1.3%	1,048.5	3.7%	909.9	3.4%	(13.2)%
Engineering	358.0	1.4%	748.0	2.8%	456.8	1.7%	284.6	1.0%	267.3	1.0%	(6.1)%
Health Insurance	14,547.8	55.8%	15,479.2	58.3%	17,628.9	64.7%	18,540.9	65.2%	18,664.6	69.4%	0.7%
P&S Insurance	420.0	1.6%	498.5	1.9%	629.3	2.3%	578.8	2.0%	652.2	2.4%	12.7%
Total	26,069.2	100%	26,556.0	100%	27,236.8	100%	28,453.2	100%	26,909.5	100%	(5.4)%

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