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التأمين
Insurance
Authority

Saudi Arabia Insurance Market Pulse Q1 2026

Insurance Authority | Quarterly Report

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About this Report

Purpose statement

The Saudi Arabia Insurance Market Pulse Q1 2026 is the Insurance Authority's quarterly insurance statistics & data release. It provides a sector-level assessment of market growth, profitability, solvency, reinsurance, conduct and emerging themes to support market transparency, supervisory dialogue and sector development.

Scope and coverage

The report covers licensed insurers and reinsurers operating in the Saudi insurance market. Analysis is presented at market, line-of-business, peer-group and segment level where data quality and confidentiality considerations permit. Unless stated otherwise, figures are shown on a sector aggregate basis.

Methodology and Data note

Definitions, calculation bases, peer-grouping methodology, line-of-business classifications and data-treatment rules are unchanged from prior publications.

Selected Motor and Health deep-dive insights are supplemented by sample-based Insurance Data Hub analysis where this provides additional detail on price, volume, cover mix, risk profile and claims indicators. The sample includes a mix of large, medium and small insurers selected based on ongoing IDH validation outcomes. It is considered suitable for directional market insight, but it is not yet a fully validated market-wide dataset.



Key Facts

Reporting period

1 Jan 2026–31 Mar 2026

Publication date

September 2026

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Dma@ia.gov.sa

[\(Feedback Form – Saudi Arabia Insurance Market Pulse Q1 2026\)](#)

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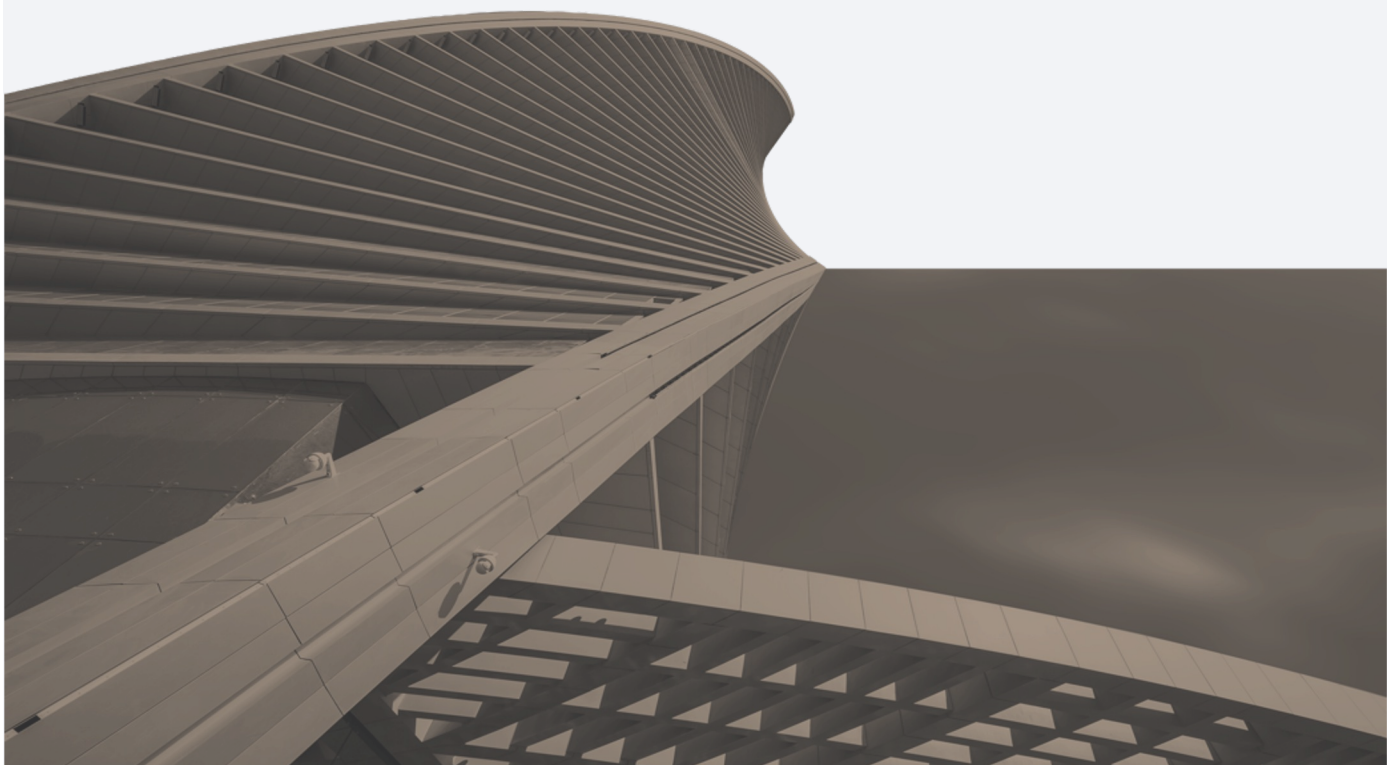
Insurance Authority, Saudi Arabia Insurance Market Pulse Q1 2026, September 2026

Data Tables



Caveats and limitations

The report is based on information available at the time of publication. Some indicators may be provisional, subject to resubmission or affected by classification changes. Forward-looking views are analytical watchpoints, not forecasts.



1.0

Quarter-at-a-Glance

Q1 2026 At-a-Glance: Growth and underwriting improved, capital buffers weakened

The sector delivered stronger premium growth and improved underwriting results in Q1 2026, while Motor profitability, capital buffers and earnings dependence on investment income remain key areas to monitor.

Sector Indicators Dashboard

KPI	FY 2025	Q1 2026	Trend
GWP Growth (YoY)	10.7%	14.4%	↑
Insurance Penetration Rate	2.8%*	3.1%	↑
Net Combined Ratio	99.9%	98.3%	↓
Net Combined Ratio – Motor	107.3%	102.5%	↓
Net Combined Ratio – Health	96.1%	93.7%	↓
Investment Income Ratio (Annualised)	2.3%	2.3%	→
SCR Coverage Ratio	154%**	146%	↓
Market Concentration (HHI)	1,637	1,527	↓
Monthly Complaints Rate	0.12%	0.09%	→

* Comparative value as at Q1 2025

** Updated relative to prior publication due to late submission(s) of FY2025 insurer solvency returns



Top 3 Takeaways

Growth accelerated, led by Health and Motor:

Sector GWP increased by 14.4% YoY, supported by continued expansion in the two largest lines. Growth remains concentrated, so durability should be assessed through volume, pricing and cover-depth indicators.

Underwriting improved, but recovery is not yet broad-based:

The sector net combined ratio improved to 98.3%, but Motor remains above breakeven at 102.5%. Health margins remain positive, while commercial and specialty lines require monitoring for volatility, mix and reinsurance effects.

Capital buffers weakened ahead of RBC:

Current-regime SCR coverage fell to 146%, below the 150% comfort reference band. This is not immediate sector instability, but it is a resilience watchpoint ahead of the 2027 RBC transition.

What to Watch in Q2/Q3

Motor pricing:

Whether TPL pricing correction improves profitability without unsupported rate increases or consumer fairness concerns.

Health inflation:

Whether premium-per-life growth keeps pace with medical inflation, utilisation, provider costs and drug-cost pressure.

Capital buffer movement ahead of RBC:

Whether available capital grows faster than required capital, especially for lower-buffer insurers.

External risk and reinsurance conditions:

Whether geopolitical, inflationary or reinsurance pressures emerge in specialty lines, Motor repair costs and Medical claims costs.

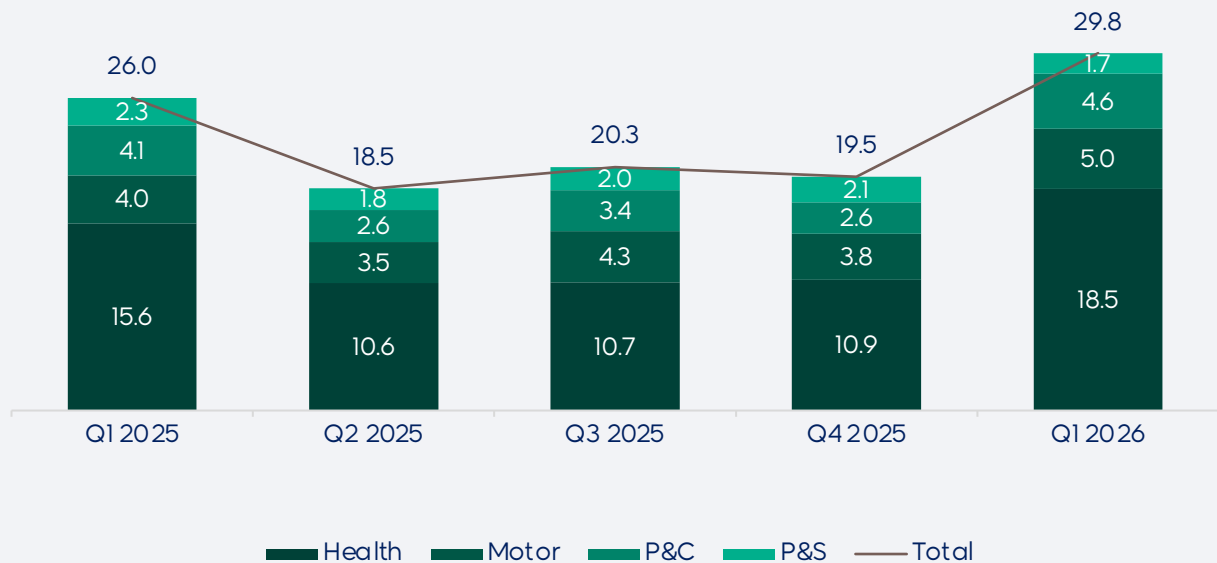
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**Market Growth &
Development**

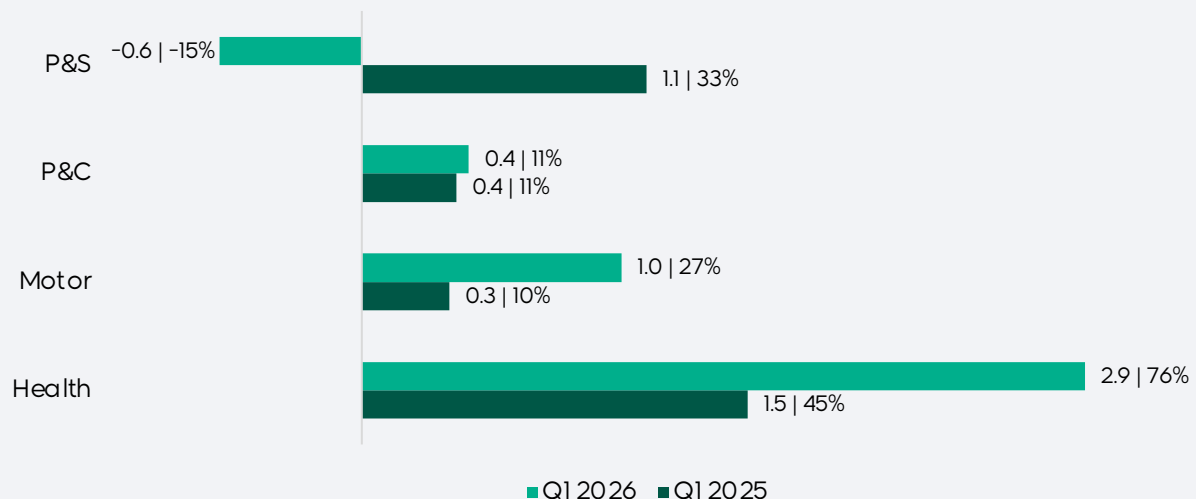
Premium Income and Growth: Q1 growth accelerated

Sector GWP reached SAR 29.8bn in Q1 2026, up 14.4% YoY; growth remains concentrated in the largest lines

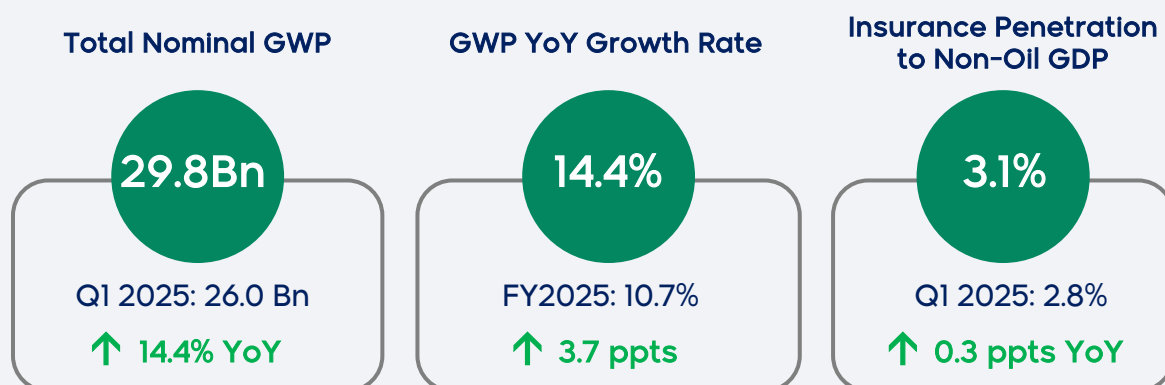
Gross Written Premiums by Line of Business (SAR 'bn)



Contribution to YoY Growth by Line of Business: Q1 2026 vs Q1 2025 (SAR 'bn)



KPI snapshot



Key Insights

Sector GWP increased to SAR 29.8bn in Q1 2026, up 14.4% YoY, continuing the growth momentum from 2025.

Growth remains concentrated in Health and Motor - Health contributed the largest share of incremental growth, while Motor also contributed materially. Growth quality differs by line - the Motor and Health deep dives show that growth reflects both exposure expansion and price / average premium effects, while P&C growth should be read alongside higher retention.

Insurance penetration increased to an estimated 3.06%, directionally positive for market development.

What to Watch

Health and Motor are likely to remain the main near-term growth engines if insured lives, vehicle coverage and pricing levels remain supportive.

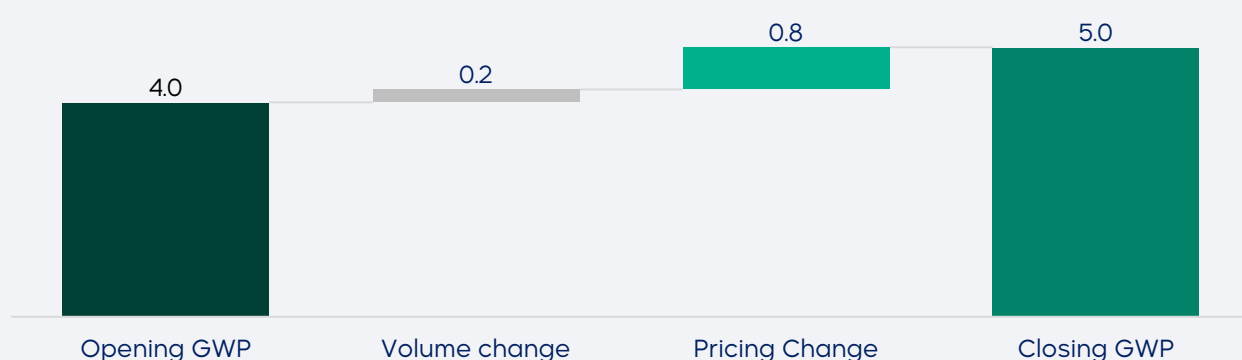
P&C growth is positive for commercial-lines development, but higher retention means growth may also increase retained loss volatility and capital needs.

P&S contraction should be monitored to understand whether it reflects timing, product mix, strategic repositioning or a broader product depth challenge.

Motor Growth Deep Dive: growth strengthened, but comprehensive uptake remains limited

Q1 2026 Motor growth was supported by both insured vehicle expansion and pricing correction; however, the market remains predominantly TPL led.

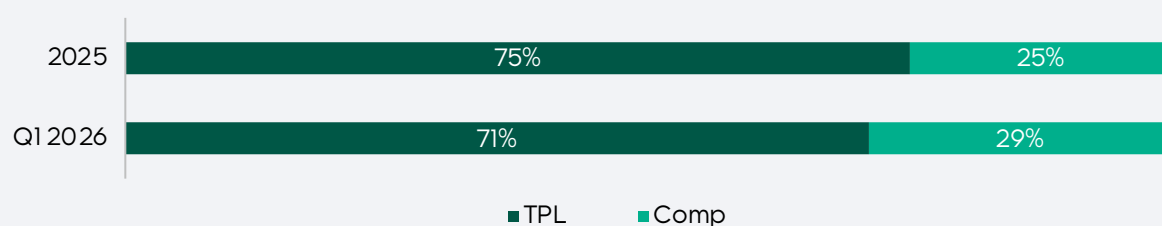
Motor GWP YoY Bridge (SAR 'bn)



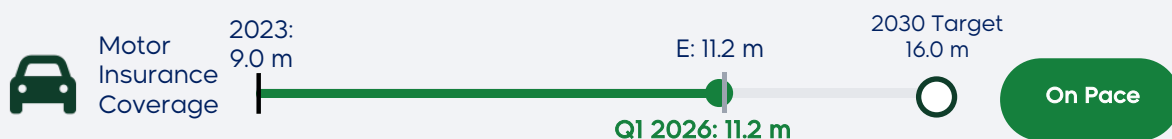
12-Month Rolling Motor GWP and Insured Vehicles Trend (in SAR)



Motor Cover Mix by Active Vehicles



NIS Initiative Tracker: Vehicle Coverage



Key Insights

- Q1 Motor GWP growth is supported by both insured vehicle expansion and pricing correction indicating expansion in both market participation and premium base.
- Vehicle coverage remains broadly on track against the NIS trajectory, supporting continued sector development.
- Comprehensive penetration remains largely unchanged, indicating that Motor growth is still mainly driven by compulsory TPL coverage rather than deeper voluntary product participation. NIS initiatives are expected to help address this persistent market-depth challenge by supporting broader product relevance, consumer awareness and innovation.

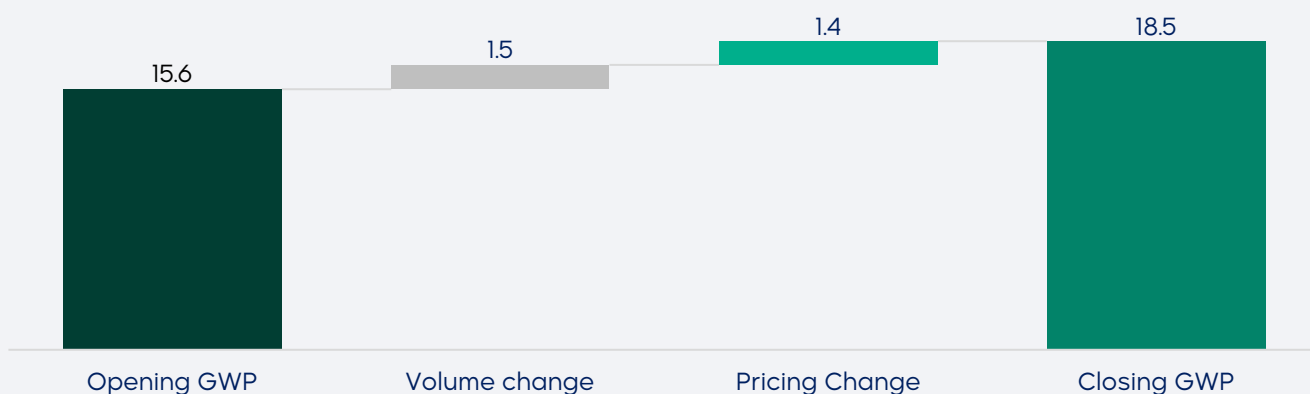
What to Watch

- Under continued vehicle coverage growth and broadly sustained pricing levels, Motor GWP should remain supported in Q2/Q3.
- The risk is shifting from under-pricing only to a dual-sided pricing risk: renewed price competition on one side, and unjustified or poorly evidenced price increases on the other.

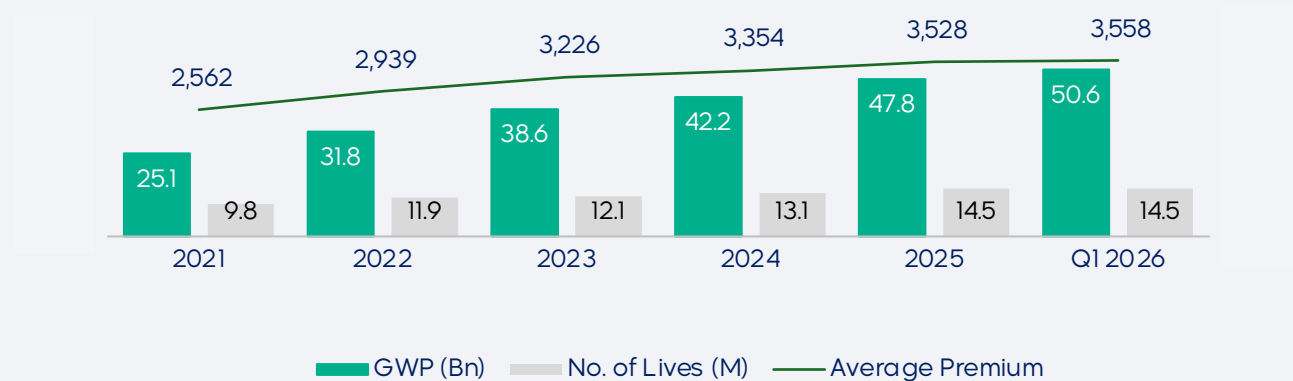
Health Growth Deep Dive: Lives and premium growth remain positive

Q1 2026 Health growth remains positive, with increases across both lives insured as well as price.

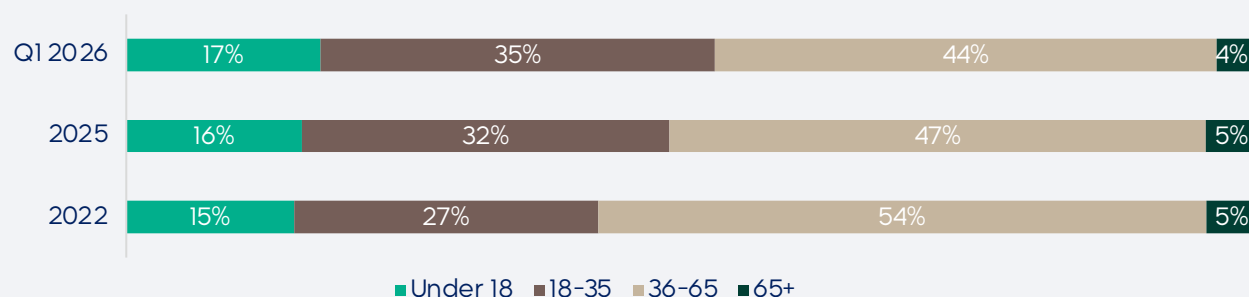
Health GWP YoY Bridge (SAR 'bn)



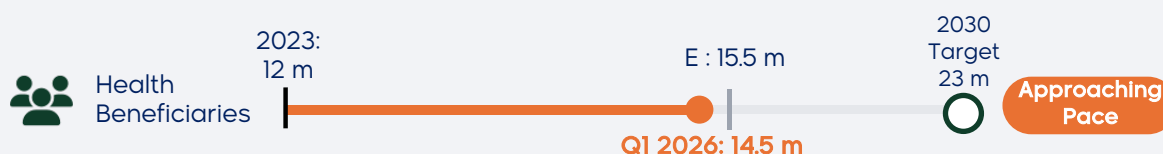
12-Month Rolling Health GWP and Active Lives Trend (in SAR)



Health Risk Profile by Active Lives



NIS Initiative Tracker: Health Beneficiaries



Key Insights

Health growth remains positive, with rolling GWP increasing to SAR 50.6bn and active lives remaining stable at 14.5m, supporting the sector development agenda.

Average premium per life has increased only modestly, suggesting that growth is not purely price-led and should be assessed alongside lives growth and risk profile.

The active lives mix has shifted toward younger age bands, which would partly offset the extent of average premium growth.

Health beneficiary growth remains directionally positive, but progress should be monitored to ensure the market remains aligned with the NIS 2030 coverage ambition.

What to Watch

Health is likely to continue driving sector growth through 2026, supported by ongoing expansion in the number of active insured lives.

Premium-per-life growth needs to be monitored against medical inflation and utilisation, as margin pressure can re-emerge even while top-line growth remains strong.

Age / risk mix should be tracked alongside claims experience to understand whether growth is improving or diluting risk quality.

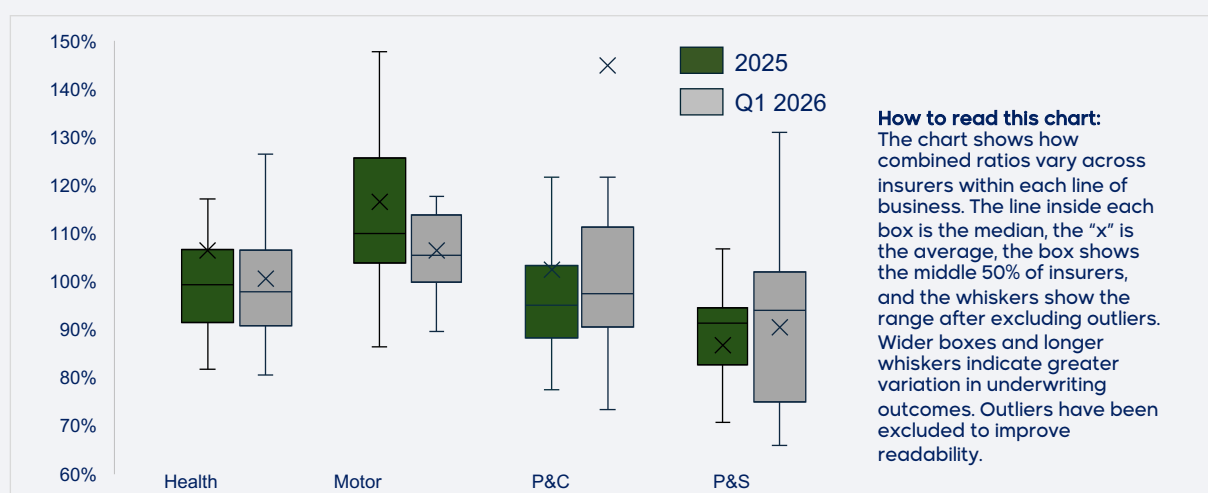
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Profitability: Underwriting

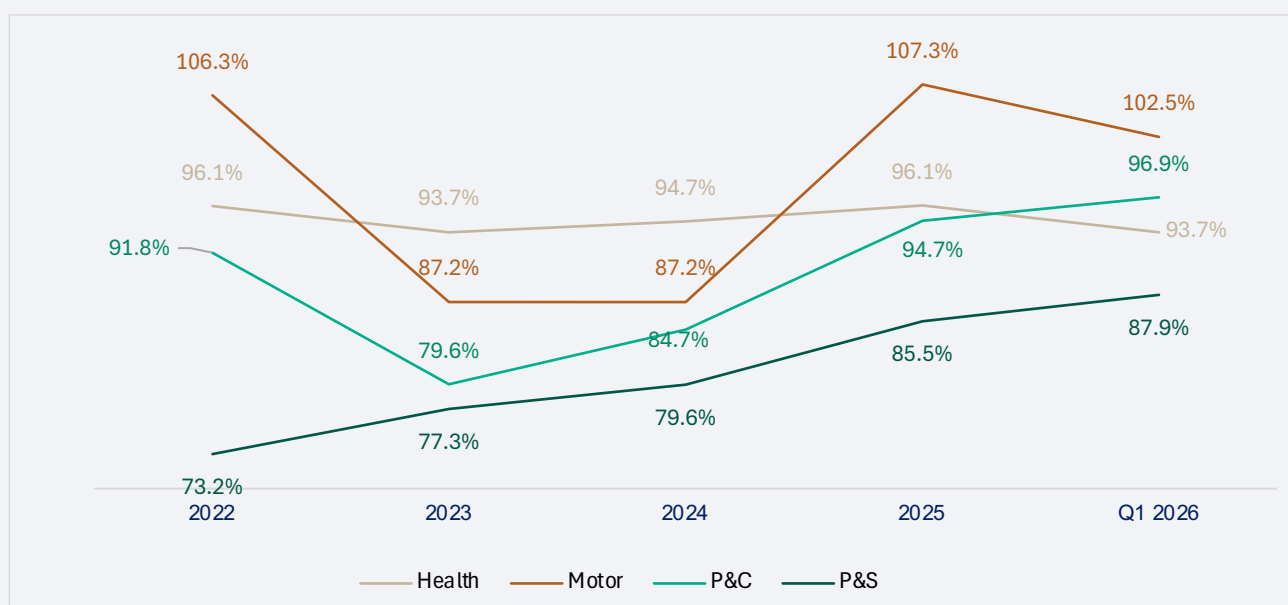
Profitability: Q1 improved, but not yet a broad underwriting recovery

Sector NCR improved in Q1 2026, but Motor remains above breakeven and line-of-business outcomes remain dispersed

Combined Ratio Distribution by Line of Business

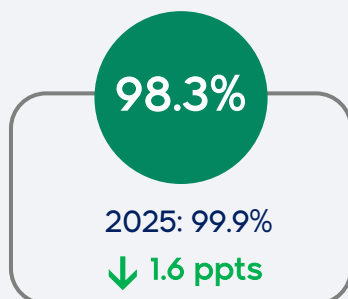


Net Combined Ratio



KPI Snapshot: Net Combined Ratio

Net Combined Ratio



KPI	2025 YE	Q1 2026	Trend
Health	96.1%	93.7%	↓
Motor	107.3%	102.5%	↓
P&C	94.7%	96.9%	↑
P&S	85.5%	87.9%	↑

Key Insights

- Sector underwriting performance improved in Q1, but remains close to breakeven.
- Health improved and remains relatively tightly distributed. This suggests the Q1 improvement is broad-based. However, the median remains close to 100%.
- Motor improved from the 2025 peak and dispersion in profit outcomes has narrowed, suggesting the most extreme underwriting strain has moderated as pricing correction has started to earn through.
- P&C and P&S remain profitable in aggregate, but both require monitoring for volatility, mix effects, reinsurance changes and insurer-level dispersion

What to Watch

- Motor profitability should improve if recent pricing actions earn through and claims frequency / severity remain stable.
- Health margins depend on whether premium-per-life keeps pace with medical inflation and utilisation.
- P&C should be monitored for large-loss volatility and reinsurance effects, particularly where retention has increased.

Motor Profitability Deep Dive: Pricing correction is improving results, but losses remain

Motor NCR improved in Q1 2026 but remains above breakeven; recent premium hardening has not yet fully restored underwriting profitability.

Motor Net
Combined Ratio

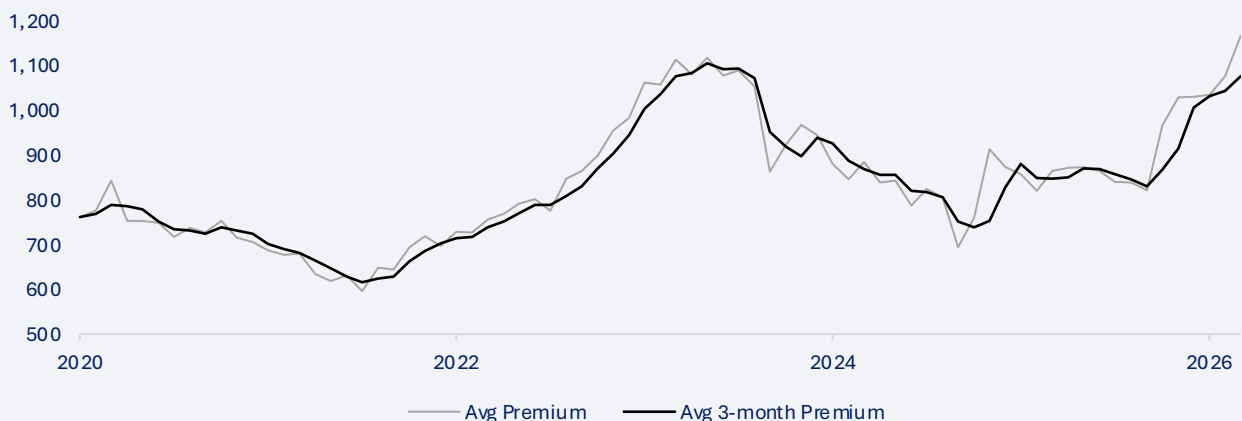
%102.5

TPL Avg Premium
change

%22.9+

Premium hardening signals

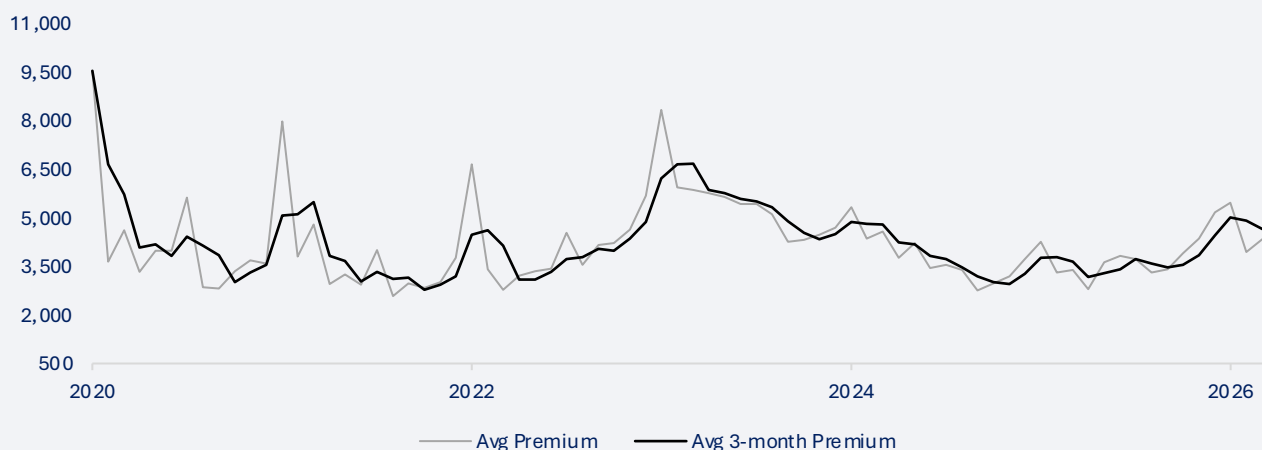
Indicative TPL Average Premium Cycle



COMP Avg Premium

%9.8+

Indicative Comprehensive Average Premium Cycle



Indicative Claims Signal: No Clear Frequency/Severity Shock



Key Insights

Premium hardening is visible, especially in TPL. TPL average premium increased materially, while comprehensive pricing increased more moderately.

Available claims indicators do not show a clear sudden claims shock.

What to Watch

- Whether Motor Net Combined Ratio moves sustainably below 100% as recent TPL repricing earns through.
- Whether claims frequency and severity remain stable, particularly as vehicle exposure continues to grow.
- Whether premium increases remain proportionate to claims experience and risk mix, to avoid renewed under-pricing or consumer affordability pressure.

Interpretation Note: Motor claims indicators are directional and based on sample data available to the IA. Recent-year severity may not yet reflect ultimate claims cost due to reporting and settlement lags. The most recent quarter is excluded from frequency trends because reported claims data may understate ultimate frequency before IBNR claims emerge.

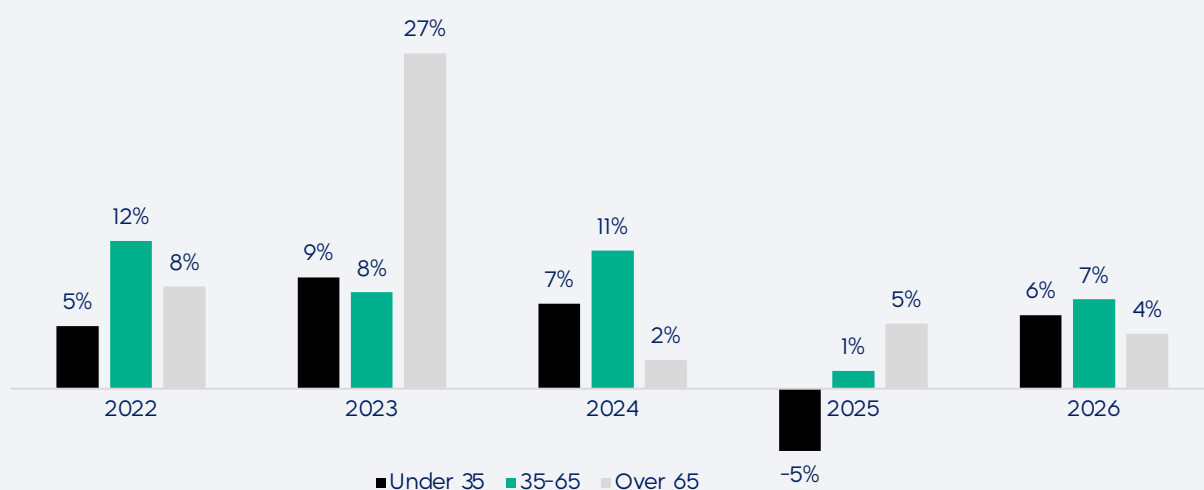
Health Profitability Deep Dive: Margins improved, but claims inflation risk remains elevated

Health NCR improved to 93.7%, but short-term claims cost inflation and utilisation pressure remain the key risks to margin durability.

Health Net Combined Ratio **%81.0**

Gross Claims Ratio **%93.7**

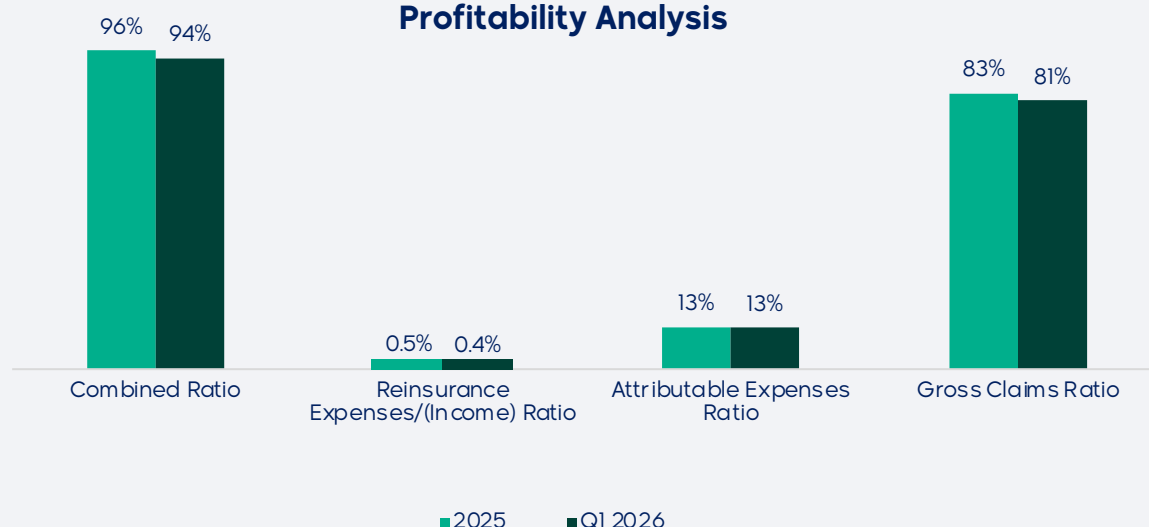
Indicative Average Premium Growth by Age Band



Attributable Expense Ratio **%12.5**

Claims Inflation Risk **Elevated**

Profitability Analysis



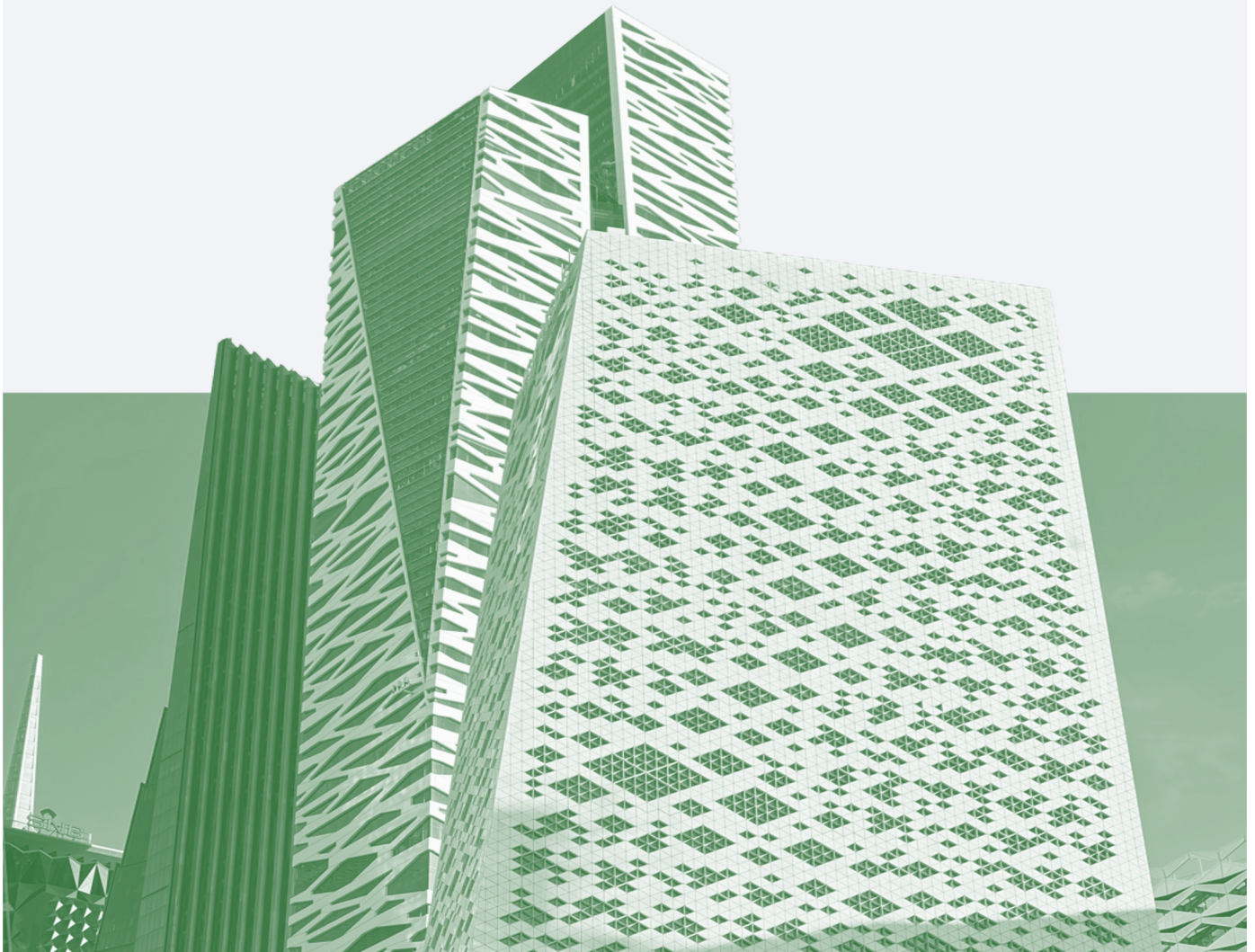
Interpretation Note: The average premiums analysis above is directional analysis based on a sample of insurers.

Key Insights

- Health underwriting performance improved in Q1, with net combined ratio at 93.7% and gross claims ratio around 81.0%.
- Average premium growth is positive across age bands, but adequacy depends on whether it keeps pace with claims inflation and risk mix.

What to Watch

- Whether premium-per-life growth keeps pace with medical inflation and utilisation.
- Whether provider, drug and treatment-cost pressure accelerates in Q2/Q3.
- Whether age / risk mix changes continue to support near-term claims experience.



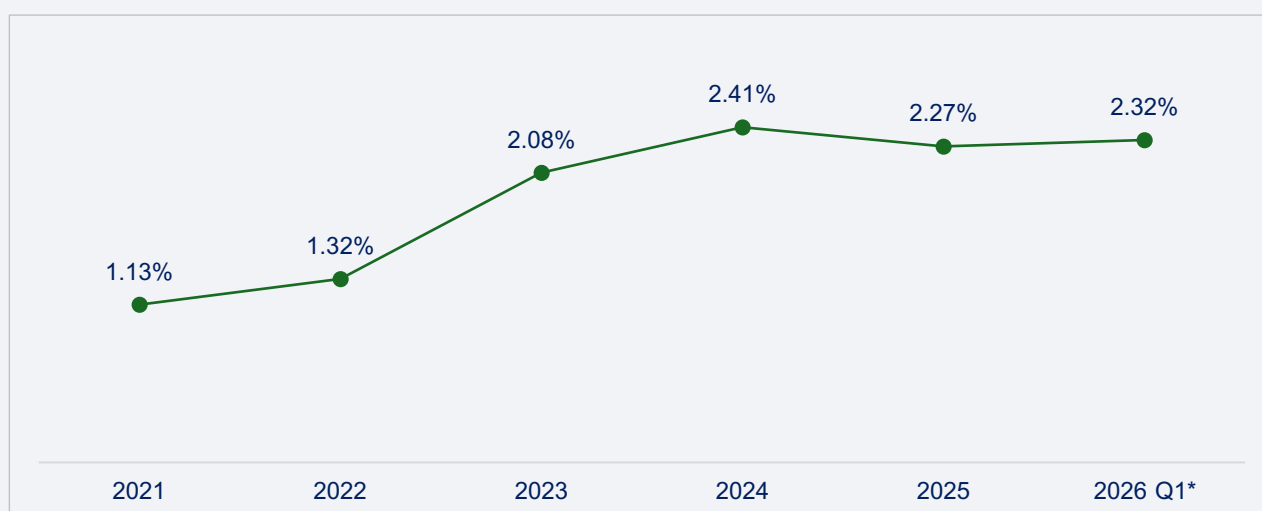
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Profitability: Investments

Investment Profits: Profitability remains highly investment-dependent

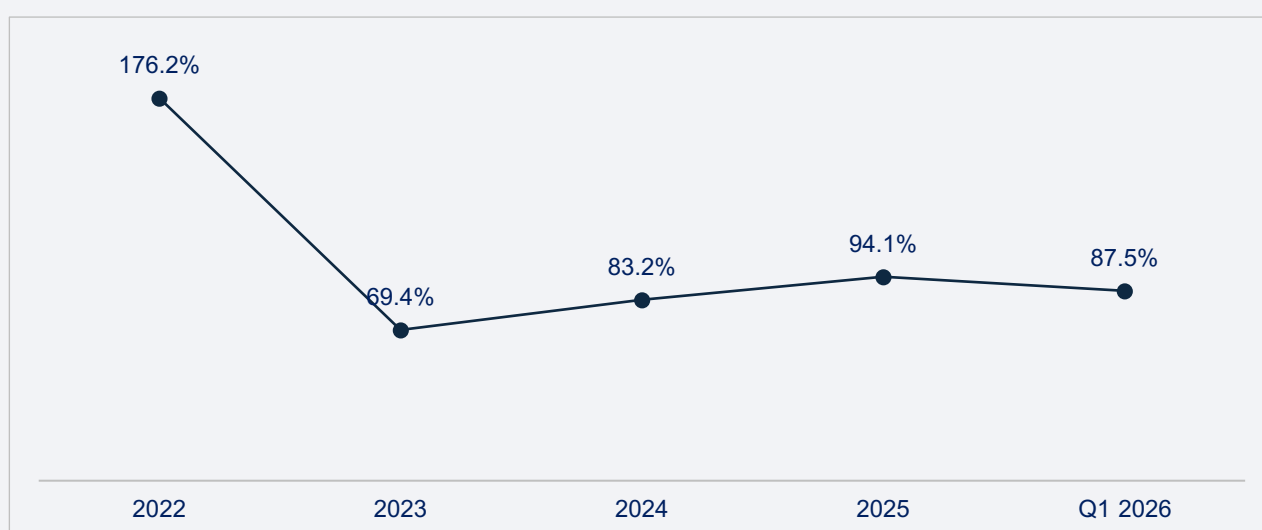
Core investment yields remained broadly stable in Q1 2026, while investment income continued to contribute a material share of sector profitability.⁵

Core Investment Income Ratio



* Annualized 2026 figures

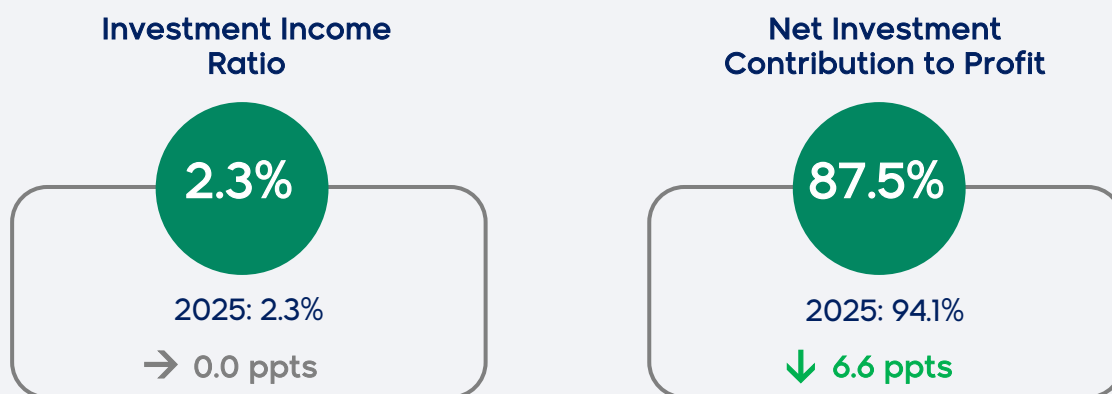
Historic Contribution to Profits (Before Zakat & Tax)



Interpretation Guardrail: Investment income terminology

This report distinguishes core investment income — interest, dividends and recurring yield on invested assets — from fair-value, realised-gain and credit-related movements. Both contribute to profit, but differ in durability and sensitivity to market conditions.

KPI Snapshot: Investment Profits



KPI snapshot: Investment Profits

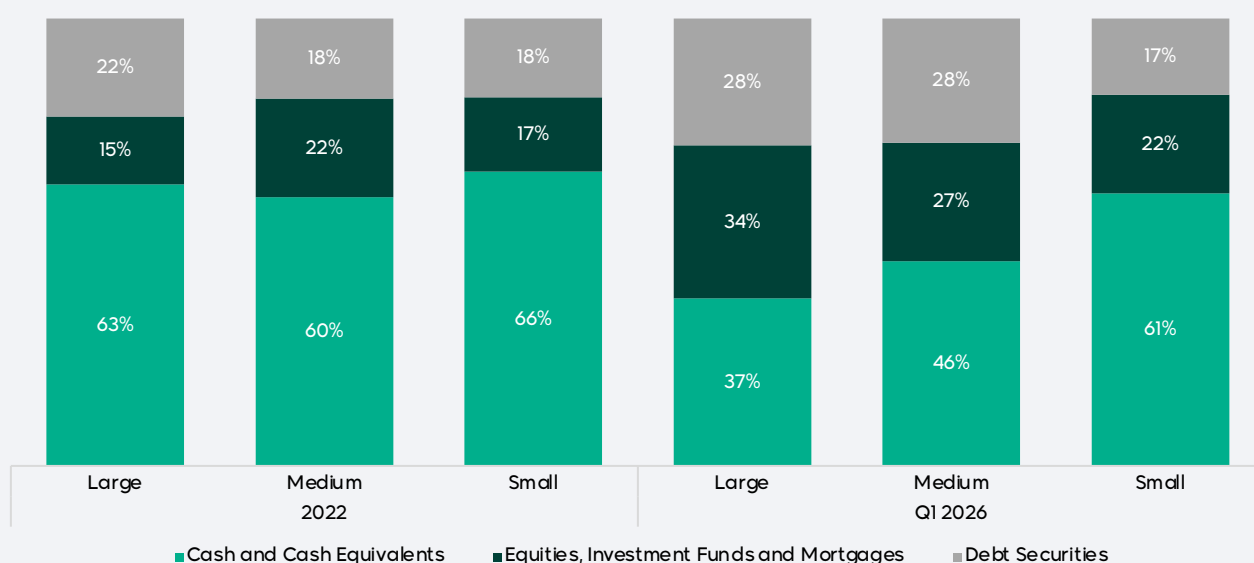
- Investment income remained stable in Q1, with the core investment income ratio broadly unchanged at 2.32%.
- Investment returns continue to be a material contributor to sector profitability, accounting for 87.5% of reported profit in Q1 2026.
- The sector's conservative investment profile supports stability, but also makes earnings sensitive to changes in interest rates.
- Investment income plays different roles across insurers: for stronger underwriters it supplements earnings, while for weaker underwriters it may offset thin or negative underwriting margins.

What to watch

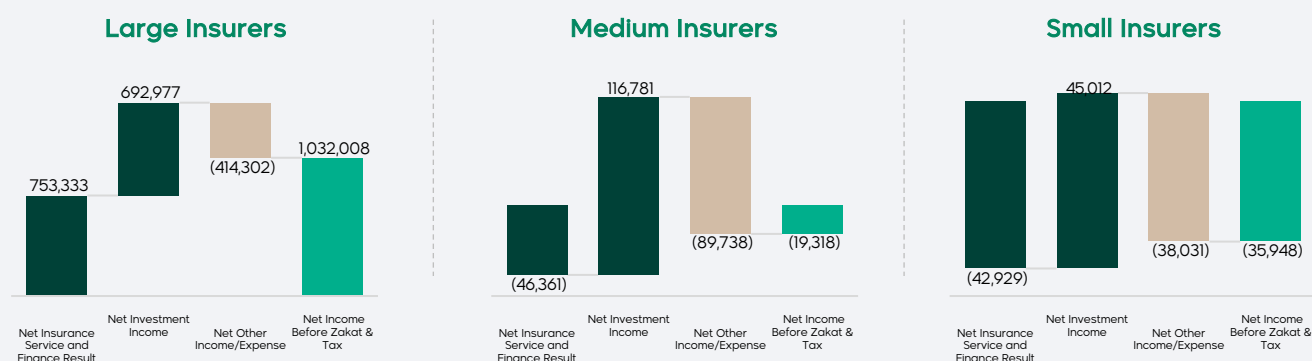
- Whether interest-rate easing reduces reinvestment yields on cash, deposits and debt securities.
- Whether underwriting improvement reduces reliance on investment income as the main profitability support.
- Whether insurers with weaker underwriting margins remain more exposed to earnings volatility if investment returns normalise.

Asset-mix divergence drives a widening yield gap by insurer size* - leaving small and medium insurers structurally reliant on investment income for net result

Large insurers shifted to debt; small insurers stayed cash-heavy

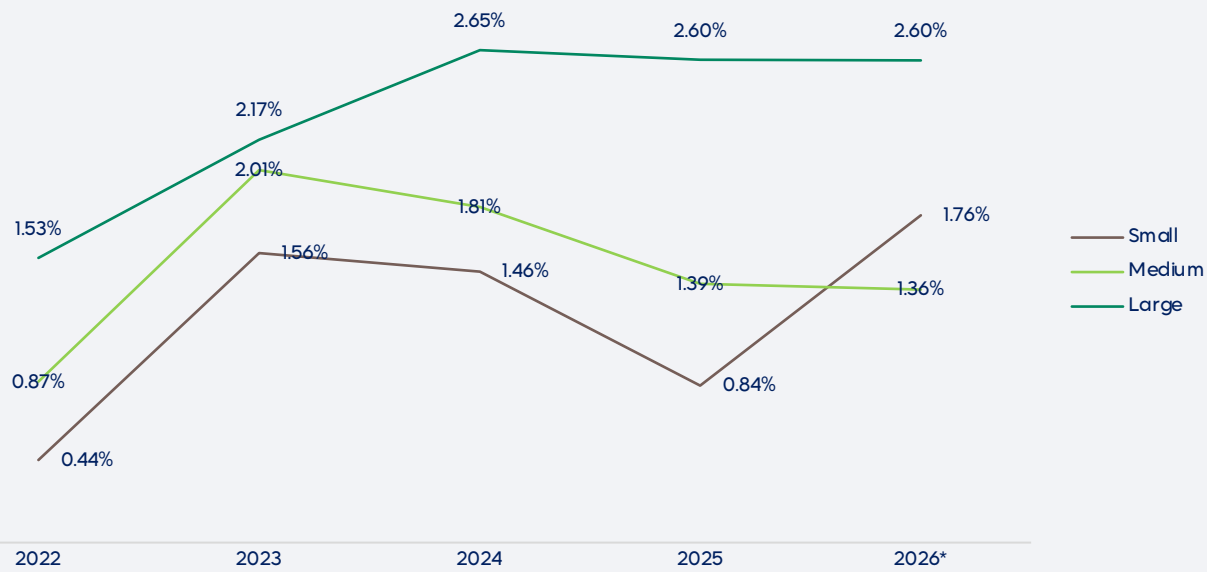


Investment income is the primary positive earnings component for small and medium insurers



* Company size classification is based on net admissible assets

Core investment income ratio by insurer size



*Annualized 2026 figures



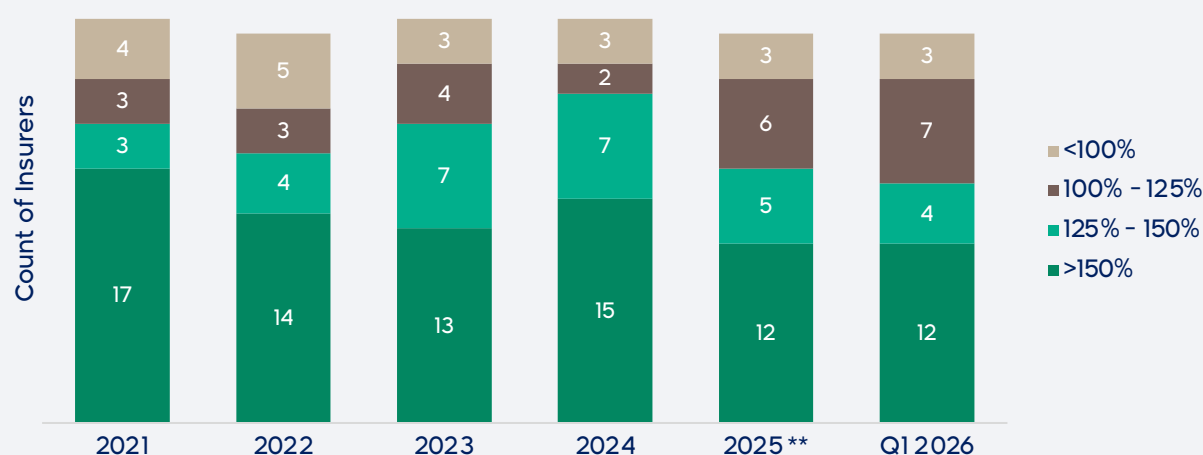
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**Financial Resilience
and Capital**

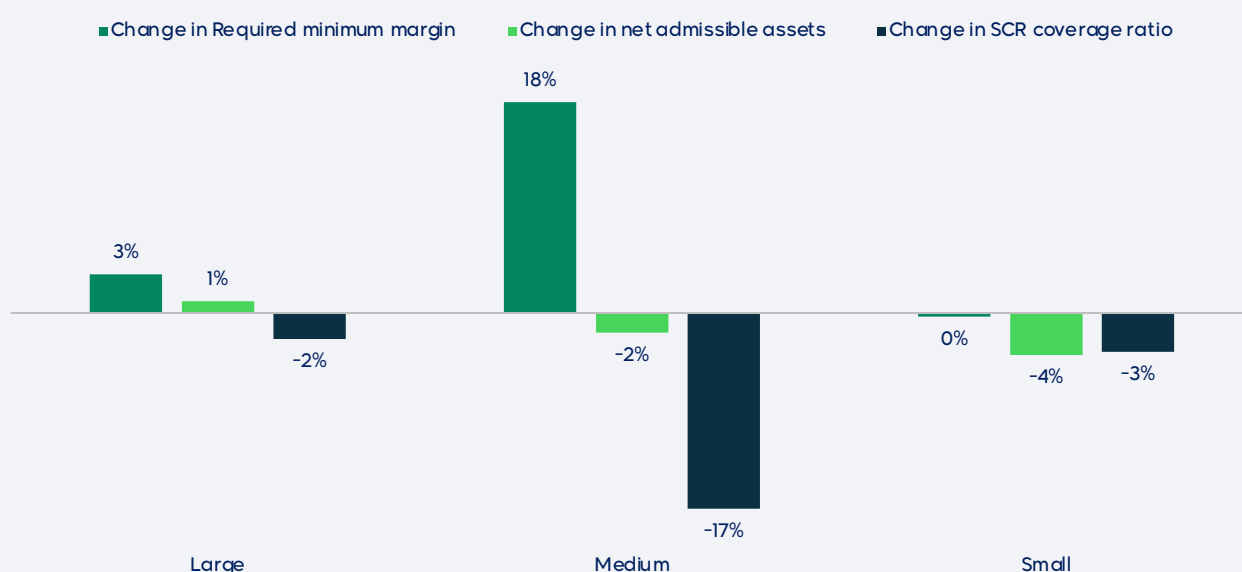
Financial Resilience: Solvency buffers weakened ahead of RBC

Average SCR coverage declined to 146% in Q1 2026 with the sharpest deterioration in the medium-insurer cohort.

Distribution of Solvency Coverage Ratios (SCR) across the Market



SCR Coverage Movement (Proportional) by Insurer Size *



Note: Figures on this slide are based on the prudential submissions at the time of this report being compiled

* Company size classification is based on net admissible assets

** Updated relative to prior publication due to late submission(s) of FY2025 insurer solvency returns

KPI Snapshot: SCR

KPI	2025 YE	Q1 2026	Trend
Overall Average	154% *	146%	↓
Overall Median	141% *	140%	↓
Average SCR for Large Insurers*	155% *	152%	↓
Average SCR for Medium Insurers*	161% *	134%	↓
Average SCR for Small Insurers*	124% *	120%	↓

* Updated relative to prior publication due to late submission(s) of FY 2025 insurer solvency returns

Key Insights

- Sector average SCR fell to 146% (from 154%) as required capital outpaced admissible-asset growth; the sector median of 140% confirms dispersion below the average.
- The median SCR coverage ratio remained lower at 140%, indicating that the sector average continues to mask variation across insurers.
- Medium sized insurers showed the sharpest deterioration, with average SCR coverage falling from 161% to 134%, driven by required capital increasing while admissible assets declined.
- Smaller insurers continue to operate with thinner capital buffers, with average SCR coverage of 120%, leaving less room to absorb adverse underwriting, reserving or investment experience.

What to watch

- Whether available capital rebuilds faster than required capital grows, particularly for medium and smaller insurers.
- Whether underwriting improvement translates into stronger capital generation, especially where profitability has been close to breakeven.
- Whether RBC transition increases reported capital sensitivity, as capital requirements become more risk-sensitive from 2027.
- Whether lagged claims, reinsurance or inflation effects place additional pressure on capital buffers in Q2/Q3.

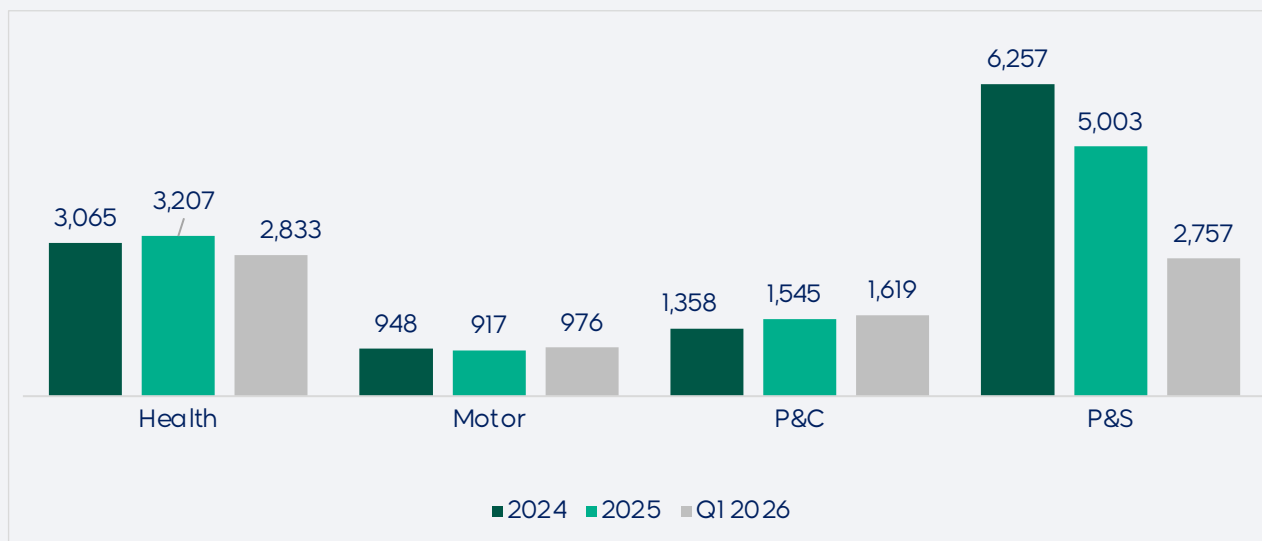
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Market Structure

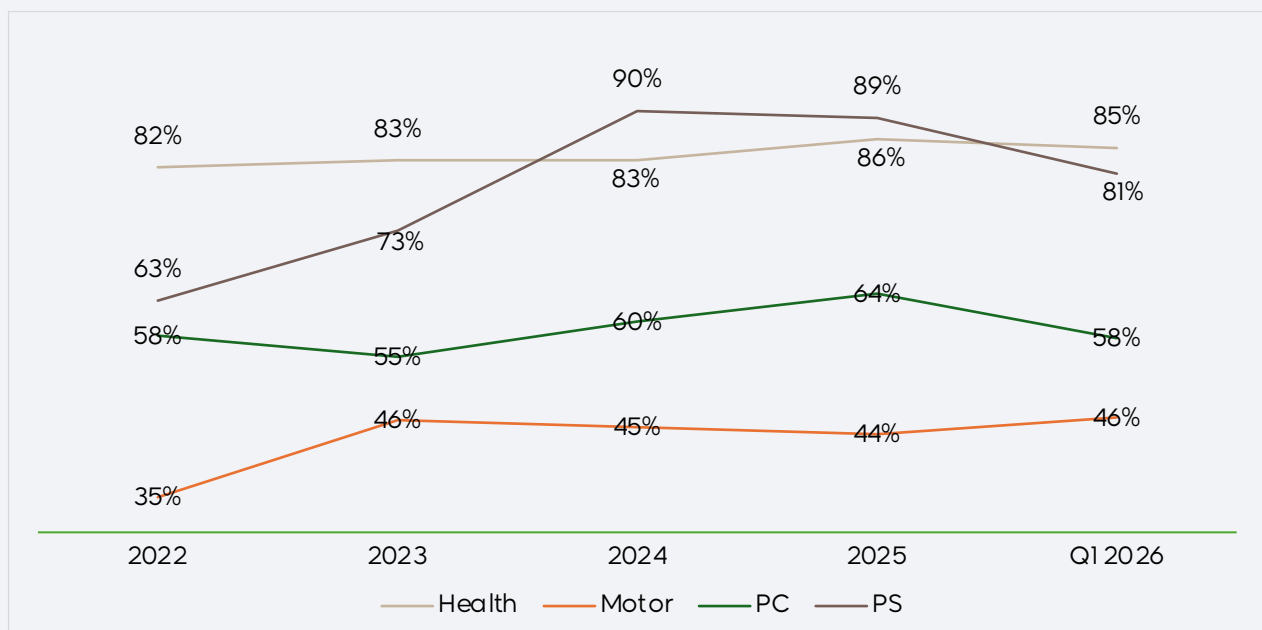
Market Concentration: structure differs materially by line of business

Total market concentration declined in Q1 2026, driven by Health, but concentration remains high in Health and P&S, while Motor remains comparatively fragmented.

Market Concentration (HHI Trend)



GWP Market Share of Top 3 Insurers per Line of Business



Key Insights

- Aggregate concentration declined, with sector HHI moving from 1,637 to ~1,527 on lower Health concentration — a structural signal consistent with NIS objectives around market depth and consumer choice.
- Concentration profiles by line of business remain materially divergent. Health and P&S Individual remain highly concentrated; Motor is fragmented; P&C and P&S Group trended upward in Q1.
- The line-level structures shape sector dynamics differently — Health concentration amplifies the impact of pricing and utilisation movements at the largest writers, while Motor fragmentation supports competition but can intensify pricing-cycle behaviour.

What to Watch

- Whether Health concentration continues to reduce as coverage expands and growth is distributed across a broader set of insurers.
- Whether Motor fragmentation supports sustainable competition, rather than renewed pricing-cycle pressure.
- Whether rising P&C concentration affects capacity, innovation and resilience in commercial and specialty lines.
- Whether P&S Individual concentration remains high, despite the Q1 reduction.



Reinsurance: higher retention is reshaping the risk-transfer profile

Q1 2026 shows lower P&C cession, stronger domestic cession and continued reliance on international capacity for large and specialty risks

Ceded premium

SAR 3.6bn

+23% YoY

Q1 2025:

SAR 2.9bn

Sector cession ratio

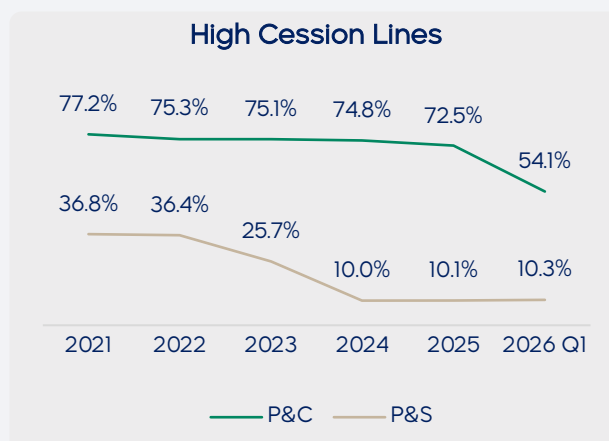
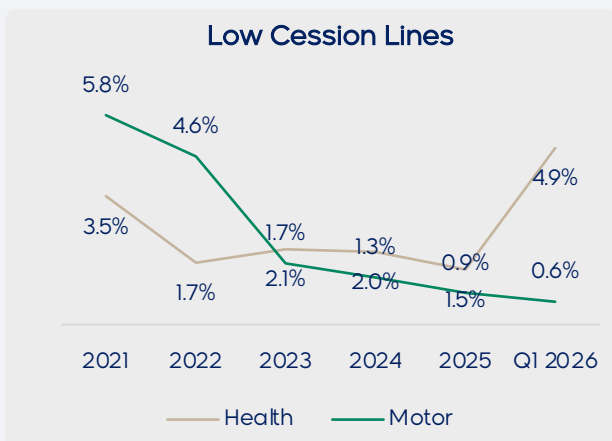
%12.0

lower retained transfer

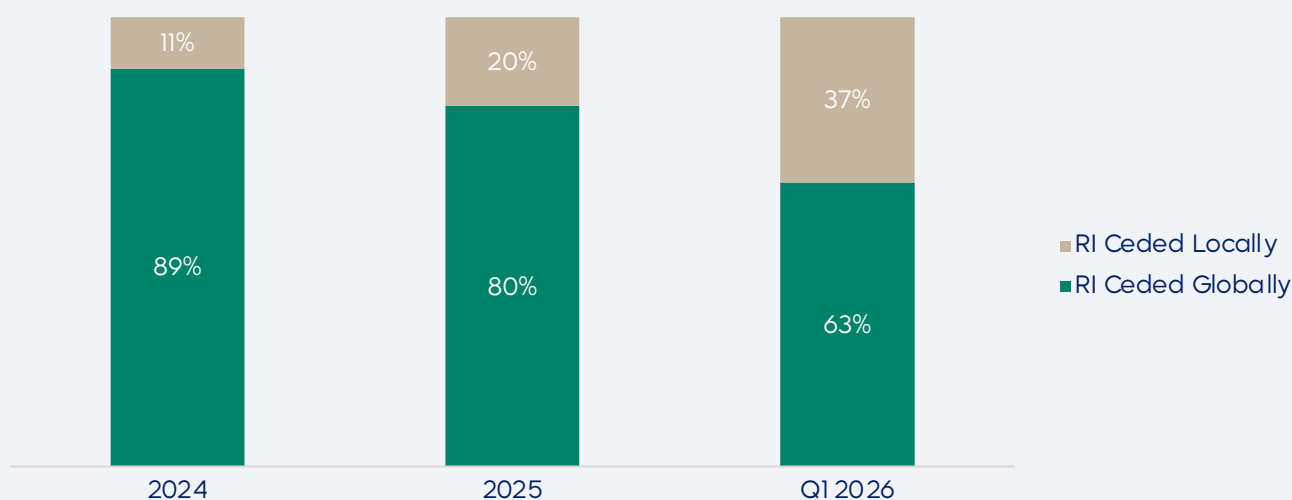
2025

%13.0

Cession Ratio by Line of Business (Trend)



Reinsurance: Domestic Vs. International



International share of ceded premium

%63.2

still high cross-border dependence

YoY2025

%80.2

Facultative share

%62.0

large/specialty reliance

YoY2025

%63.3

Key Insights

- Reinsurance usage remains line-specific. Health and Motor are highly retained, while P&C remains the main ceded-risk line.
- P&C cession declined materially in Q1 relative to prior year annual cession averages, increasing retained commercial and specialty risk on local balance sheets.
- Domestic cession increased to 37% of ceded premium, consistent with local market development and local cession requirements.
- International reinsurance capacity remains important, particularly for large, complex and specialty risks where global diversification and technical capacity are needed.

What to Watch

- Whether higher P&C retention is supported by pricing, reserving and capital strength.
- Whether local cession continues to build domestic risk-bearing capacity without concentrating risk excessively.
- Whether international reinsurance pricing, exclusions or capacity change under geopolitical and market stress.
- Whether reinsurance structures remain effective under the incoming RBC framework.

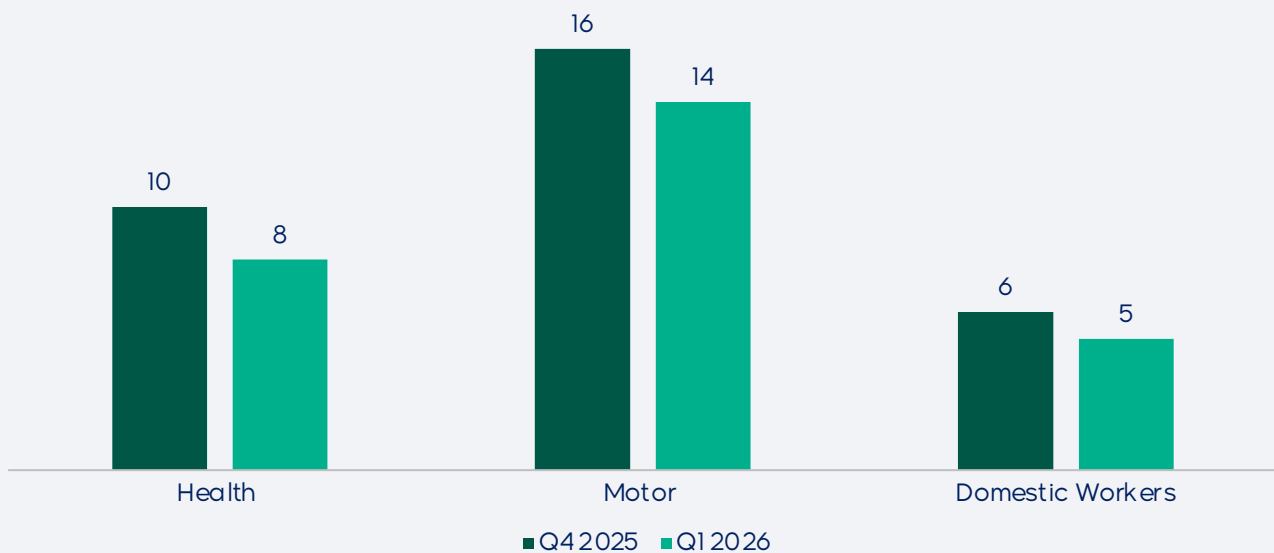
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**Consumer Outcomes
and Conduct**

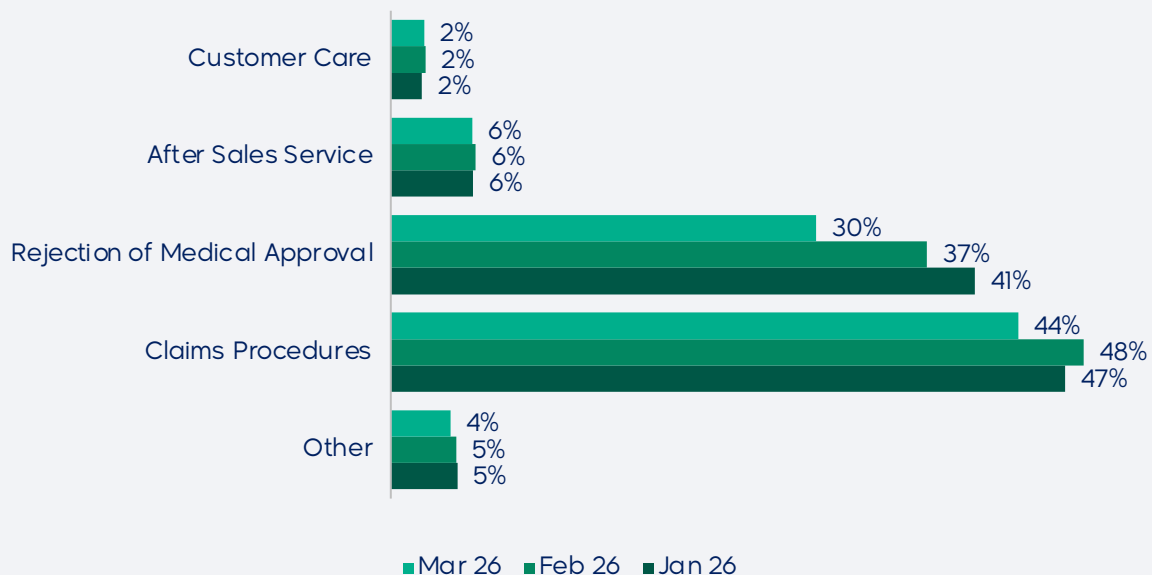
Complaints improved, but claims-related issues remain the key watchpoint

Q1 complaint rates reduced across Health, Motor and Domestic Workers; claims procedures and rejection of medical approvals remain the largest complaint categories

Quarterly Customer Complaints by Line of Business (Per 10,000)



Complaint Type Distribution



Key Insights

- Aggregate complaint volumes per 10,000 policies improved in Q1 across Health (10 → 8), Motor (16 → 14) and Domestic Workers (6 → 5), reflecting the cumulative effect of regulatory interventions through 2025.
- Complaint-type composition remained stable — Claims Procedures and Rejection of Medical Approval continue to account for the large majority of customer complaints, making claims-handling the dominant conduct dimension.

What to Watch

- Whether complaint reductions continue in Q2/Q3, particularly in Health and Motor.
- Whether claims-related complaints reduce, including claims procedures, medical approvals and settlement experience.



Back Matter

Abbreviations

Abbreviation	Full Form
NIS	National Insurance Strategy
KPI	Key Performance Indicator
GDP	Gross Domestic Product
GWP	Gross Written Premium
NWP	Net Written Premium
SCR	Solvency Coverage Ratio
RBC	Risk-Based Capital
IFRS	International Financial Reporting Standards
IFRS 17	International Financial Reporting Standard 17 – Insurance Contracts
YoY	Year-on-Year
LoB	Line of Business
P&C	Property and Casualty
P&S	Protection and Savings
TPL	Third-Party Liability
CPI	Consumer Price Index
RI	Reinsurance
HHI	Herfindahl-Hirschman Index
CX	Customer Experience
AML	Anti-Money Laundering
CTF	Counter-Terrorism Financing
TNAA	Total Net Admissible Assets
FVTPL	Fair Value Through Profit or Loss
TASI	Tadawul All Share Index
MT30	MSCI Tadawul 30 Index
NatCat	Natural Catastrophe

A low-angle, black and white photograph of several modern skyscrapers reaching towards a cloudy sky. The buildings feature glass facades and complex structural patterns. The perspective creates a sense of height and scale.

Thank You