

# Overview of KSA Insurance Sector

- Industry
- Technologies
- Insurance

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# Overview of KSA’s Insurance Sector

Insurance serves as a safeguard for individuals against financial setbacks. It falls under the umbrella of risk management and is primarily employed to shield against the risk of sudden losses. The entities that offer these services are known as insurance companies. The significance of insurance for individuals lies in mitigating financial losses arising from medical emergencies, disasters, accidents, and other perils. It provides predetermined and mutually agreed-upon sums of money between the insurance company and its policyholders. For businesses, its importance lies in minimizing the financial risks associated with damage to their property and assets.

Emerging as a frontrunner in the insurance domain, the Kingdom of Saudi Arabia is unwavering in its commitment to fostering the growth and refinement of the insurance sector. This unwavering commitment is manifested in the issuance and implementation of indispensable regulatory frameworks governing this substantial industry. Furthermore, the Kingdom's relentless pursuit of enhancing the insurance landscape underscores its unwavering dedication to safeguarding the financial well-being and economic stability of its citizens and enterprises.





# Overview of KSA’s Insurance Sector

The Insurance Authority (IA) released its 2023 annual report on the Saudi Arabian insurance market. The report provides a comprehensive overview of the sector's recent developments, key findings, financial performance, and contribution to GDP. This initiative aligns with the IA's commitment to transparency by offering accurate and timely insights into the insurance industry.

## Key Findings of the Insurance Sector in 2023

The insurance sector witnessed a growth of 22.7% , bringing the total value of written premiums to SAR 65.5 billion in 2023, compared to SAR 53.4 billion in 2022.



# The insurance companies' net income increased to SAR 3.2 billion



## Net Income

<b>244</b>	<b>3.2</b>
SAR million	SAR billion
2022	2023



## Insurance Services Results

<b>-203</b>	<b>2.66</b>
SAR million	SAR billion
2022	2023



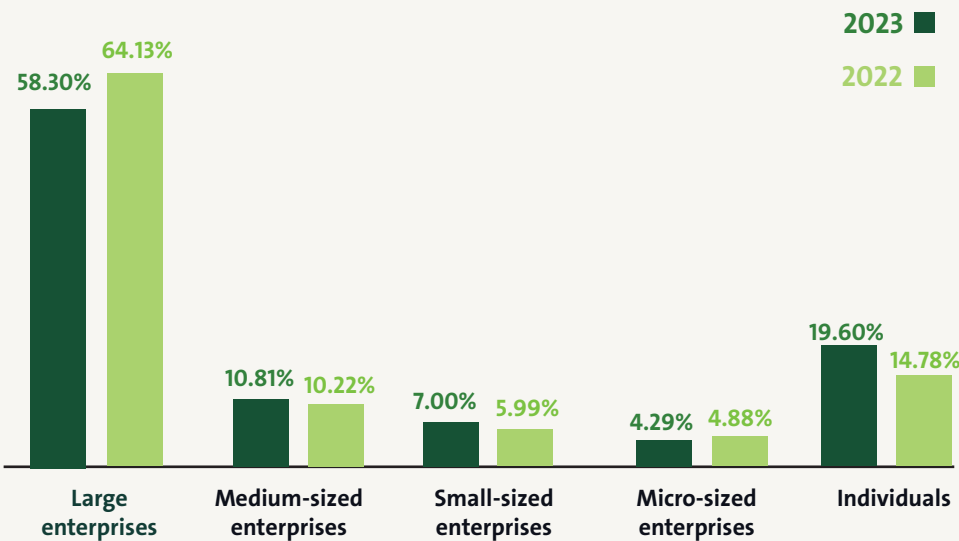
## Net Investment Income

<b>1.24</b>	<b>2.56</b>
SAR billion	SAR billion
2022	2023

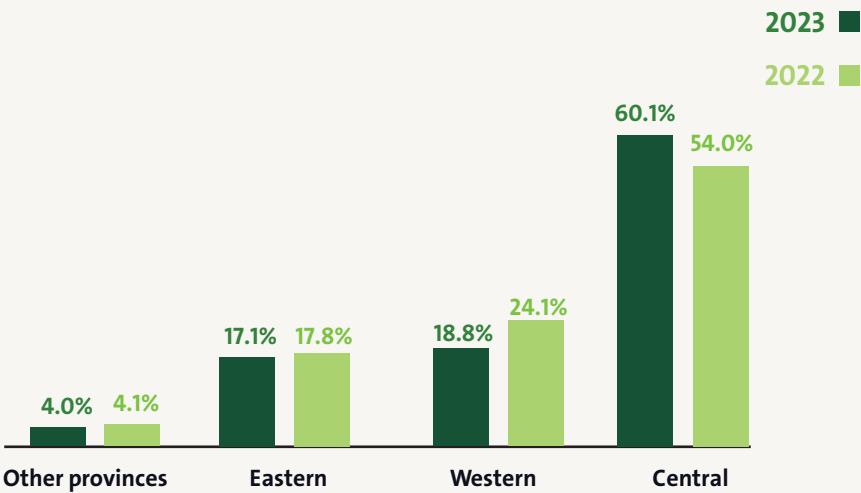
# Overview of KSA's Insurance Sector

## Key Findings of the Insurance Sector in 2023

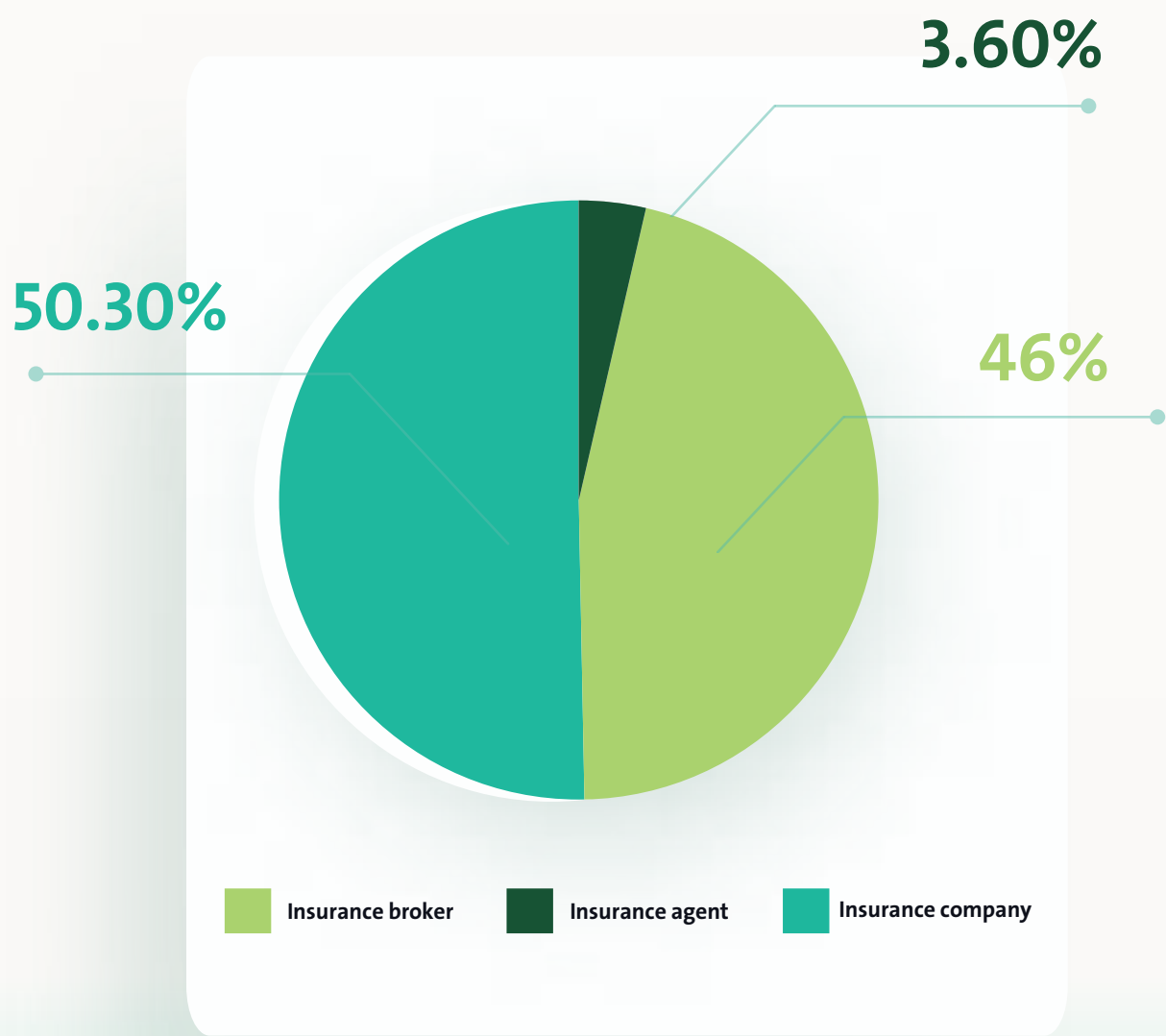
### Distribution of Insurance Premiums According to Customer Categories



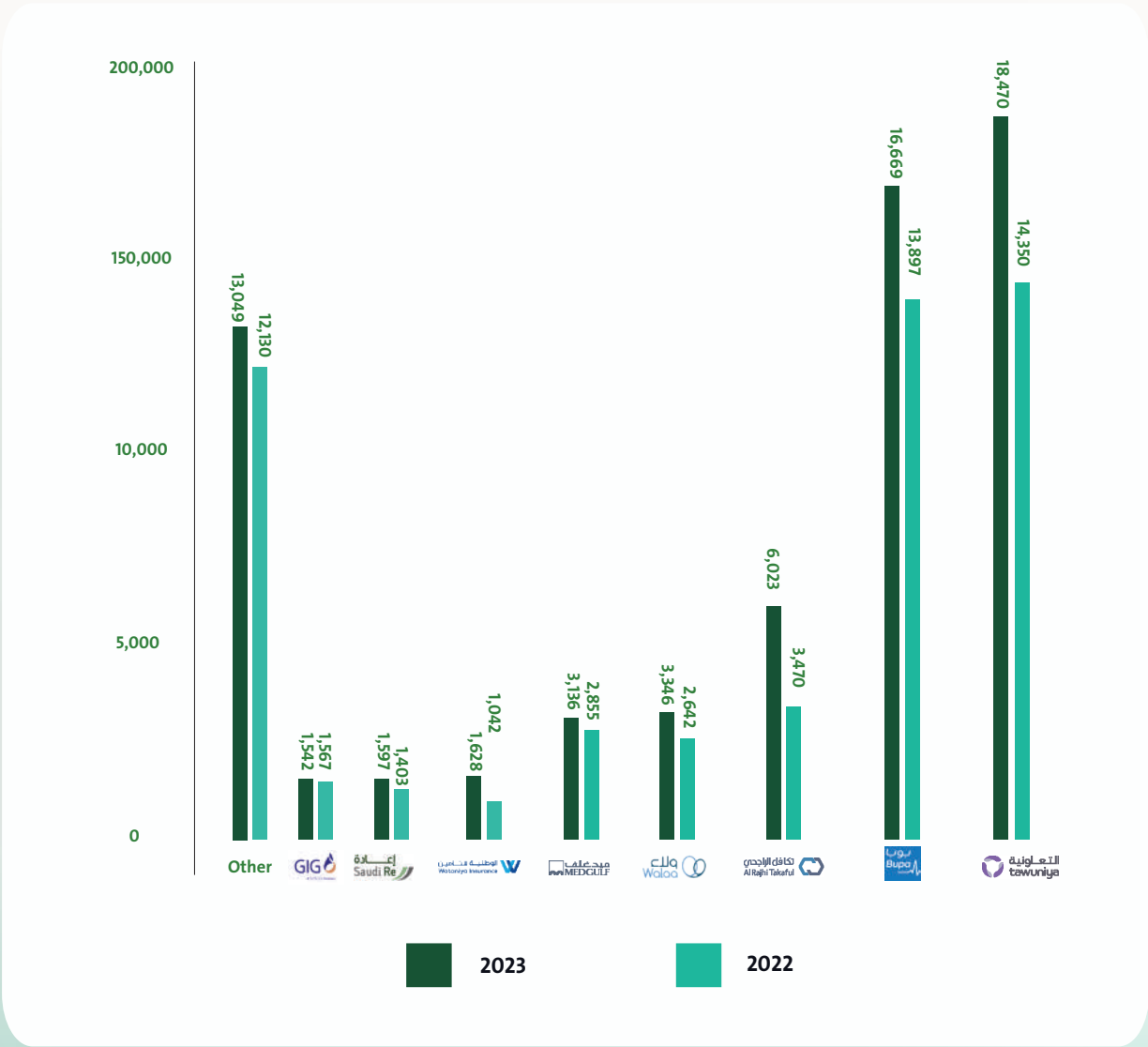
### Distribution of Written Insurance Premiums According to Geographical Regions



Gross Written Premiums by Distribution Channel



The top 8 insurance companies accounted for approximately 80% of the total written premiums in the insurance market in 2023





# Overview of the 8 largest insurance companies

Date of Establishment **1986**<sup>735</sup>

Number of Employees  
**1735**

Authorized Capital  
**1,500,000,000**

CEO  
**Othman Yousef Al-Qasabi**



Date of Establishment **1997**<sup>1735</sup>



Number of Employees  
**2200**

Authorized Capital  
**1,500,000,000**

CEO  
**Talal Hisham Nazer**

Date of Establishment **2006**<sup>35</sup>

Number of Employees  
**+800**  
Annual Report 2023

Authorized Capital  
**1,050,000,000**

CEO  
**Omar bin Abdulrahman Al Mahmoud**



Date of Establishment **2007**<sup>1735</sup>



Number of Employees  
**470**

Authorized Capital  
**850,583,250**

CEO  
**Johnson Vargas**

Date of Establishment **2008**

Number of Employees  
**74**

Authorized Capital  
**891,000,000**

CEO  
**Ahmed Ali Al Jabr**

إعانة  
**Saudi Re**

Date of Establishment **2008**

تكاful الراجحي  
**Al Rajhi Takaful**

Number of Employees  
**974**

Authorized Capital  
**1,000,000,000**

CEO  
**Saud Ghanim Bin Ghanim**



Date of Establishment **2009**

Number of Employees  
**not available**

Authorized Capital  
**525,000,000**

CEO  
**Khaled Abdulaziz Al Shuwaier**

**GIG**  
A FAIRFAX Company

Date of Establishment **2010**

الوطنية للتأمين  
**Wataniya Insurance**

Number of Employees  
**248**

Authorized Capital  
**400,000,000**

CEO  
**Haitham Bin Habib Al Bakri**



# KSA's Groundbreaking Efforts in the Insurance Sector

KSA seeks to enhance the insurance sector effectiveness and stability in line with its wise leadership aspirations. The insurance sector is among the pivotal economic sectors that have witnessed remarkable developments in KSA over the years, dating back to several decades during which various economic eras were witnessed, contributing to its formation and establishment.

2023

## Establishment of the Insurance Authority (IA)

The Insurance Authority (IA) aims to regulate, supervise and control the insurance sector in the Kingdom in a way that supports and enhances its effectiveness, works to develop insurance awareness, protect the rights of the insured and beneficiaries, stabilize the insurance sector, contribute to financial stability, promote and develop the insurance sector, and consolidate the principles and pillars of the insurance contractual relationship.

In this context, Chairman of the General Committee for Insurance Companies and Chairman of Executive Committee, Mr. Fawaz Al-Hajji, affirmed that the Saudi insurance sector is currently witnessing many developments and opportunities in light of the economic prosperity KSA is nowadays experiencing. This would, therefore, encourage foreign investors to enter the market and compete with local insurance companies, benefitting from the regulatory environment and support provided to establish financial rules and drive mergers and acquisitions, leading to the formation of insurance companies with large capital that can better meet the market needs and ensure further development and growth of the Saudi insurance market.



# Insurance Authority (IA)

The Insurance Authority (IA) is the regulator of the insurance sector in KSA, and is in charge of its supervision in a way that supports and enhances its effectiveness. IA aims to:

- 01 Develop insurance awareness
- 02 Protect the rights of the insured and beneficiaries
- 03 Contribute to financial stability
- 04 Promote and develop the insurance sector





# Types of Insurance

Protection and Savings Insurance

Health Insurance

General Insurance





# health insurance

Insurance includes medical costs, medicines, all medical and therapeutic services and supplies, and the management of medical programs determined by the system and its executive regulations, and is practiced by cooperative insurance companies licensed to operate in the Kingdom in accordance with the Insurance Companies Control System.

The introduction of mandatory health insurance is expected to increase health insurance coverage in the Kingdom to **45%** by 2025, at an annual growth rate of **2%** per year, and to increase total written premiums to non-oil GDP to **2.4%** by 2025

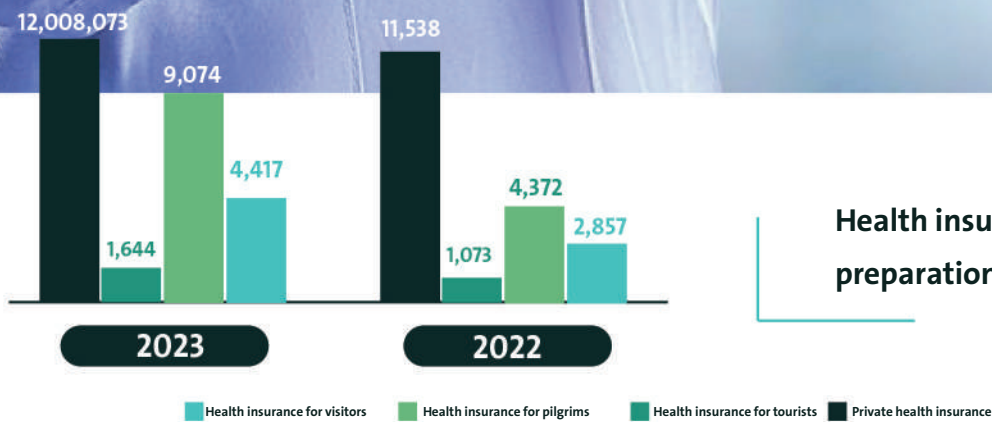
The total premiums subscribed for health insurance amounted to approximately

**38** billion riyals

which constitutes 59% of the total insurance premiums subscribed in 2032

Insurance coverage for health insurance beneficiaries in Saudi Arabia.

**12** million



Health insurance beneficiary preparation form 2022-2023

# Protection and Savings Insurance

This includes insurance operations where the insurer pays a sum or sums, including the proceeds of savings, at a future date in exchange for the premiums paid by the insured. It also includes insurance operations related to the consequences of death and total, partial, or temporary permanent disability for individuals and groups.

The total written protection and savings insurance premiums amounted to

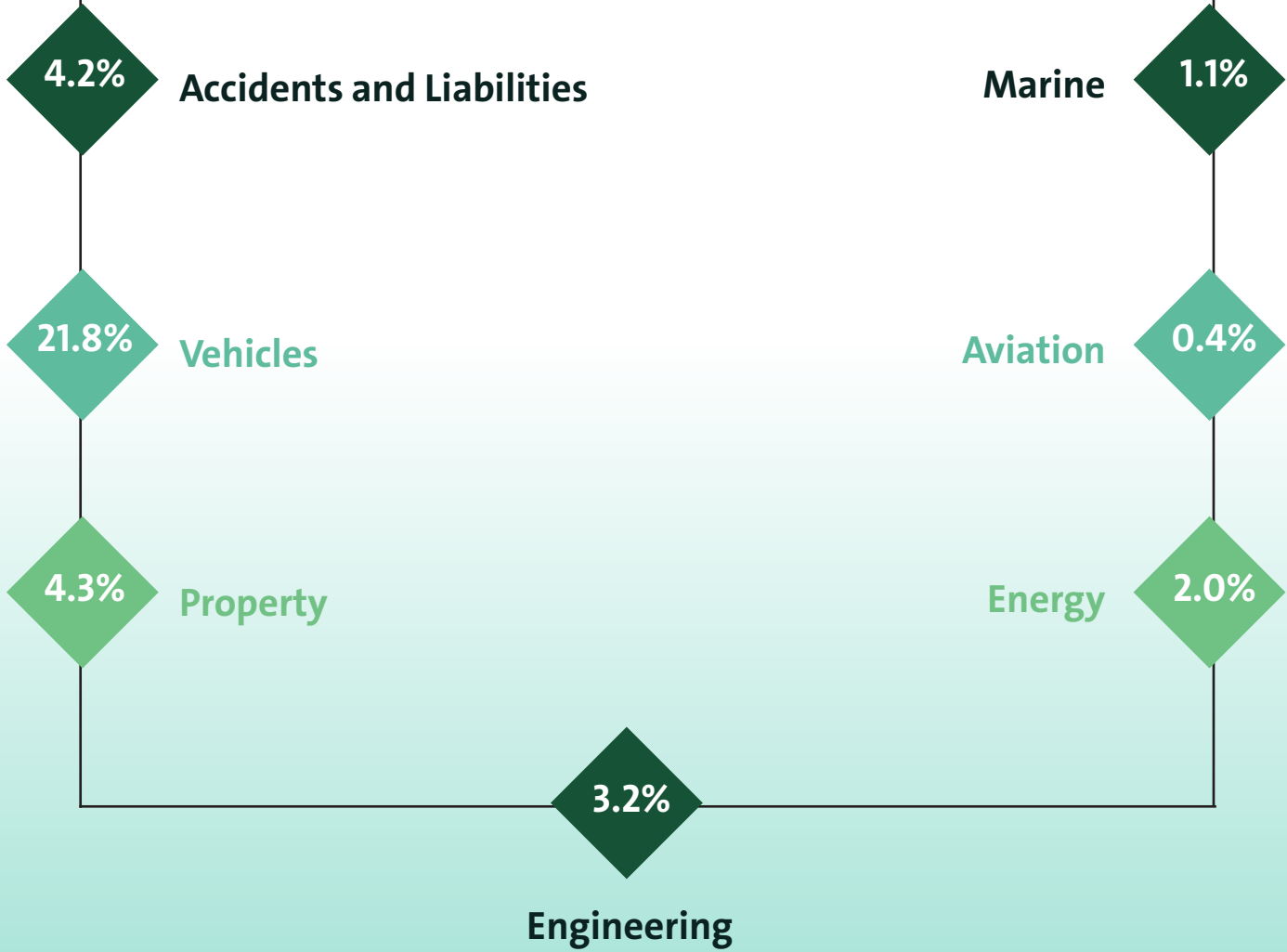


Representing 3.9% of total market size



# General Insurance

The total written general insurance premiums amounted to approximately SAR 24 billion, representing 37.1% of the total market size







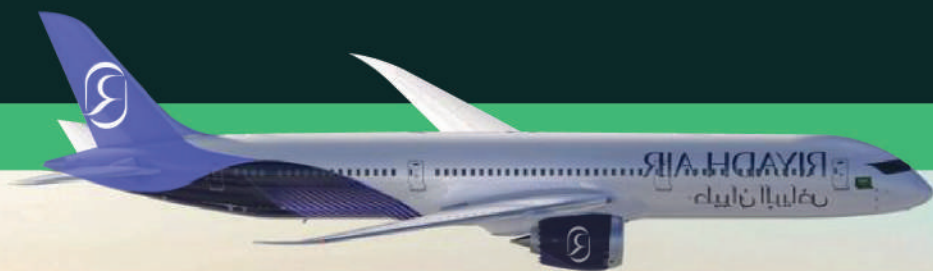
# Marine Insurance

Includes insurance against seaborne goods, ship structures, liabilities, and any other insurances that fall within this branch.




# Energy Insurance

Includes insurance of petroleum facilities, petrochemical facilities, other energy facilities, and any other insurances that fall within this branch.



# Aviation Insurance

Includes insurance of aircraft bodies, liabilities towards passengers and third parties, and air-carried goods, and any other insurances that fall within this branch.



# Engineering

## Insurance

Includes insurance against contractors' risks, installation and construction risks, electrical and electronic devices, machinery breakage, and any other insurances that fall within this branch.



# Vehicle


## Insurance

Includes insurance against losses and liabilities related to vehicles, excluding transportation risks.

Types:

- 1- Liability towards others
- 2- Comprehensive





# Property

## Insurance

Includes insurance against losses resulting from fire, theft, explosions, natural phenomena, disturbances, and any other insurances that fall within this branch.



# against accidents, liability, and others

## Insurance

### Includes:

- A) Personal accident insurance.
- B) Work injury insurance.
- C) Employer liability insurance.
- D) Liability insurance towards others.
- E) General liability insurance.
- F) Product liability insurance.
- G) Medical liability insurance.

- H) Professional liability insurance.
- I) Theft and burglary insurance.
- J) Insurance against breach of trust.
- K) Insurance of funds in the safe and during transportation.
- L) Any other insurances that fall within the scope of liability insurance.

# List of Top Insurance Companies Listed on the Saudi Exchange (Tadawul)

Company	Company
Code	Name
8012	Al-Jazira Takaful Taawuni Company
8020	Malath Cooperative Insurance Company
8030	The Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (MEDGULF)
8040	Allianz Saudi Fransi Cooperative Insurance Company
8050	Salama Cooperative Insurance Company (SALAMA)
8060	Walaa Insurance
8070	Arabian Shield Cooperative Insurance Company
8100	Saudi Arabian Cooperative Insurance Company (SAICO)
8120	Gulf Union Al Ahlia Cooperative Insurance Company
8150	Allied Cooperative Insurance Group (ACIG)
8160	Arabia Insurance Cooperative Company
8170	Al-Etihad Co-operative Insurance Co.
8180	Al Sagr Co-operative Insurance Company (SCIC)
8190	United Cooperative Assurance (UCA)
8200	Saudi Reinsurance Company (Saudi Re)
8210	Bupa Arabia
8230	Al Rajhi Company for Cooperative Insurance
8240	Chubb Arabia Cooperative Insurance Company
8250	Gulf Insurance Group (GIG)
8260	Gulf General Cooperative Insurance Co.
8270	Buruj Cooperative Insurance Company
8280	Liva Insurance
8300	Wataniya Insurance Company
8310	Amana Cooperative Insurance
8311	Saudi Enaya Cooperative Insurance Company

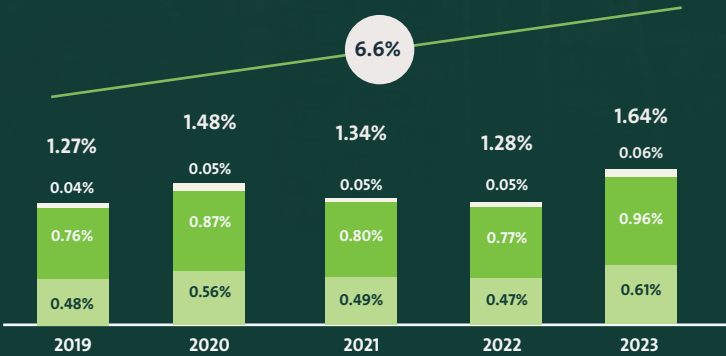


# Insurance Sector Contribution to GDP

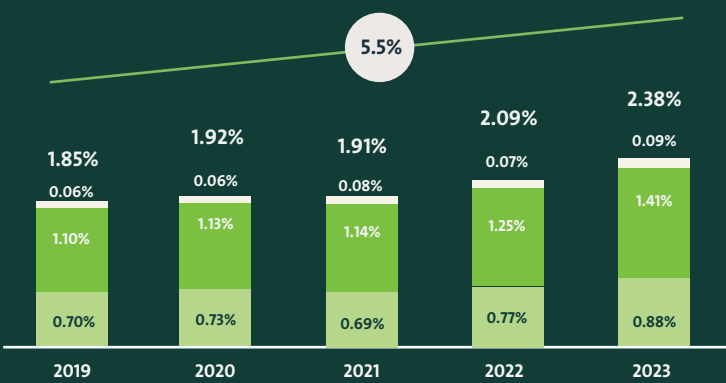
The 2023 report issued by the Saudi Insurance Authority revealed that the insurance sector's contribution to the non-oil GDP had increased to 2.38 % in 2023, compared to 2.09% in 2022

Protection and Savings Insurance    Health Insurance    General Insurance

Insurance Sector Contribution to Non-Oil GDP



Insurance Sector Contribution to Non-Oil GDP





# Future of KSA's Insurance Sector

The insurance sector in the Kingdom is undergoing a comprehensive transformation, rewriting its history and modern trajectory. This transformation positions it as a winning bet in realizing Saudi Vision 2030 and building a strong, growing national economy capable of sustainably enriching and supporting the Kingdom's treasury.

As a compelling evidence of the great interest in the insurance sector, the decision to establish the Insurance Authority (IA) - to serve as a standalone entity - aims to regulate and prioritize the sector's operations. This goal confirms the IA legal personality, financial and administrative independence, and regulatory connection to the Prime Minister, and proves KSA's desire to advance the sector and achieve growth and prosperity thereof.

Certainly, the IA tasks and duties reveal KSA's aspirations towards the future of the sector and the importance of advancing and improving the quality of its services provided. The advantages of establishing this new IA will extend far beyond those limits to further achieve KSA's aspirations, including the unification of the sector's regulatory procedures into one entity. Furthermore, another key advantage will allow the insured and beneficiaries to enjoy protection guaranteed by virtue of their contracts concluded with their insurance companies, whose relationship will be governed by and subject to relevant legal provisions and other provisions agreed upon thereby, allowing the insurance sector to become a significant and promising market in the years to come.



# References



Click here to access the directory of licensed companies operating across the Saudi insurance market



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