



Saudi Arabian Monetary Agency
General Insurance Supervision Department

The Saudi Insurance Market Report
2012



Table of Contents

▪ Introduction	4
▪ Insurance Market Performance - Overall	
– Gross Written Premiums	6
– Insurance Penetration	7
– Insurance Density	8
– Gross Written Premiums by Line of Business	9
– Net Written Premiums by Line of Business	11
– Retention Ratio by Line of Business	13
– Gross Claims Paid by Line of Business	14
– General and Health Net Earned Premiums vs. Net Claims Incurred	15
– Market Profitability	16
– Balance Sheet - Policyholders' Assets	17
– Balance Sheet - Shareholders' Assets	18
– Balance Sheet - Policyholders' Liabilities and Equity	19
– Balance Sheet - Shareholders' Liabilities and Equity	20
▪ Insurance Market Performance - By Line of Business	
– Health Insurance	22
– Protection and Savings Insurance	23
– Motor Insurance	24
– Property/ Fire Insurance	25



Table of Contents

– Engineering Insurance	26
– A&L and Other Insurance	27
– Marine Insurance	28
– Energy Insurance	29
– Aviation Insurance	30
▪ Other Market Indicators	
– Commissions Incurred by Line of Business	32
– Employees Breakdown by Nationality	33
– Insurance Market Structure	34
– Capitalization of Insurance Companies	35
▪ Appendix: Data Tables	
– Table 1: Gross Written Premiums by Line of Business	37
– Tables 2 & 3: Insurance Penetration and Density	38
– Table 4: Net Written Premiums by Line of Business	39
– Table 5: Retention Ratio by Line of Business	40
– Table 6: Commissions Incurred by Line of Business	41
– Table 7: Gross Claims Paid by Line of Business	42



Introduction



Introduction

- In 2012, Gross Written Premiums (GWP) in the Saudi Insurance Market reached SR 21.2 Billion, up from SR 18.5 Billion in 2011. This represents an increase of 14.4%, compared to a 12.8 % growth rate in 2011:
 - Health insurance GWP, which represents 53% of the Insurance Market, increased by 16.2% to SR 11.3 Billion in 2012 compared to SR 9.7 Billion in 2011.
 - General insurance GWP, which represents 43% of the Insurance Market, increased by 14.1% to SR 9 Billion in 2012 compared to SR 7.9 Billion in 2011.
 - Protection & Savings (P&S) insurance GWP, which represents 4% of the Insurance Market, decreased by 1.8% to SR 889 Million in 2012 compared to SR 905 Million in 2011.



Insurance Market Performance - Overall

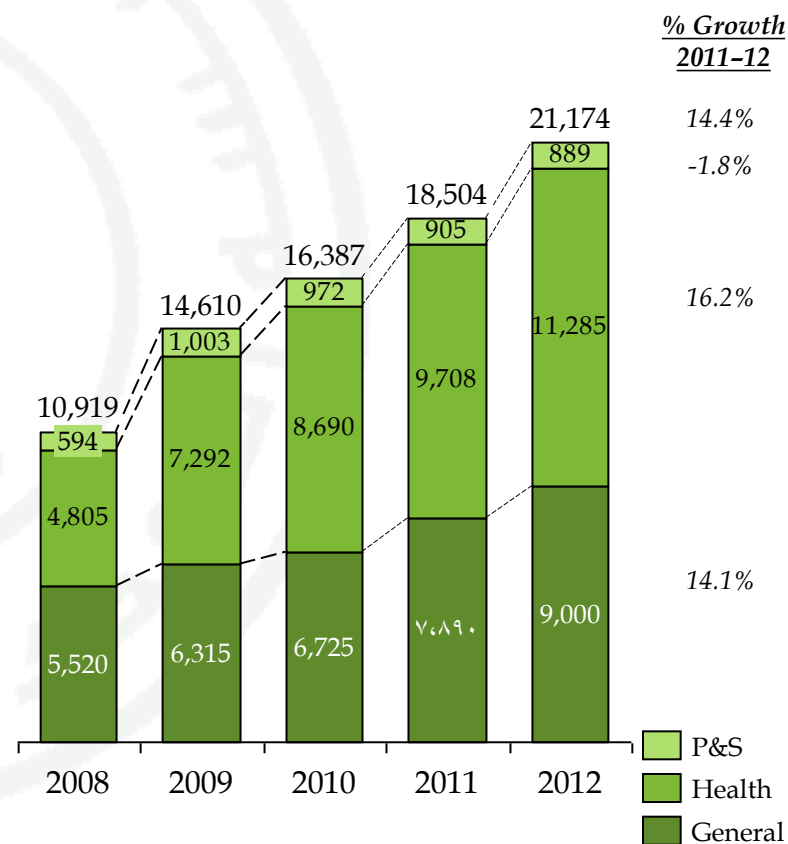


Gross Written Premiums

- The overall insurance Gross Written Premiums (GWP) increased by SR 2.7 Billion to reach SR 21.2 Billion⁽¹⁾ in 2012, compared to SR 18.5 Billion in 2011, which represents a growth rate of 14.4%.
- Health insurance remained the biggest line of business in 2012. Its contribution to total GWP slightly increased from 52% in 2011 to 53% in 2012, while General insurance's contribution to total business volume remains at 43% in 2012.
- Health insurance accounted for SR 1.6 Billion of the SR 2.7 Billion increase of GWP, which represents a 59% contribution to the market's GWP increase.
- Protection and Savings insurance remained the smallest line of business accounting for 4% of total GWP, with a decrease in its written premiums by 1.8% in 2012.

In SR Million	2008		2009		2010		2011		2012	
	SR (M)	% Total	SR (M)	% Total	SR (M)	% Total	SR (M)	% Total	SR (M)	% Total
Protection & Savings	594	5%	1,003	7%	972	6%	905	5%	889	4%
Health	4,805	44%	7,292	50%	8,690	53%	9,708	52%	11,285	53%
General	5,520	51%	6,315	43%	6,725	41%	7,890	43%	9,000	43%
Total	10,919	100%	14,610	100%	16,387	100%	18,504	100%	21,174	100%

Gross Written Premiums
(2008 to 2012, SR Million)

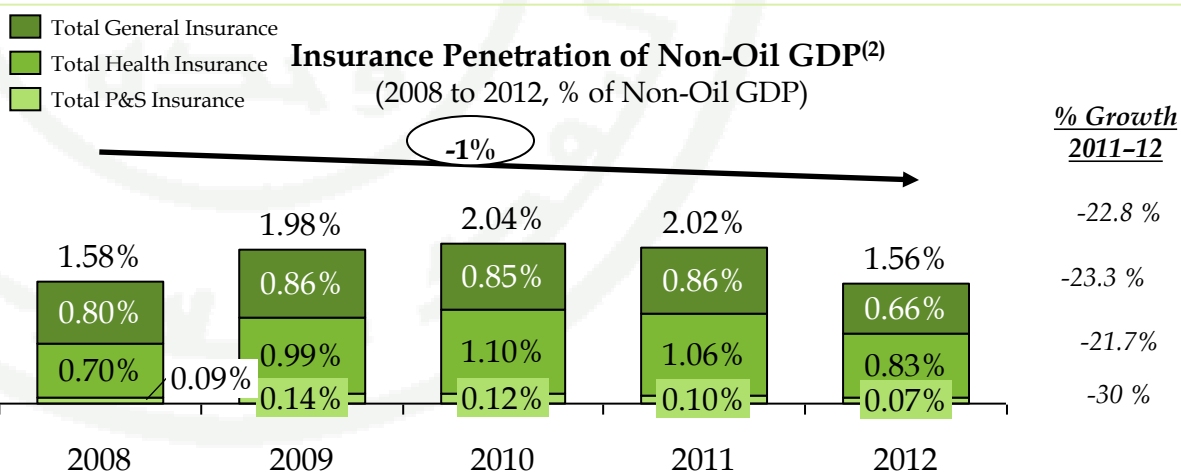
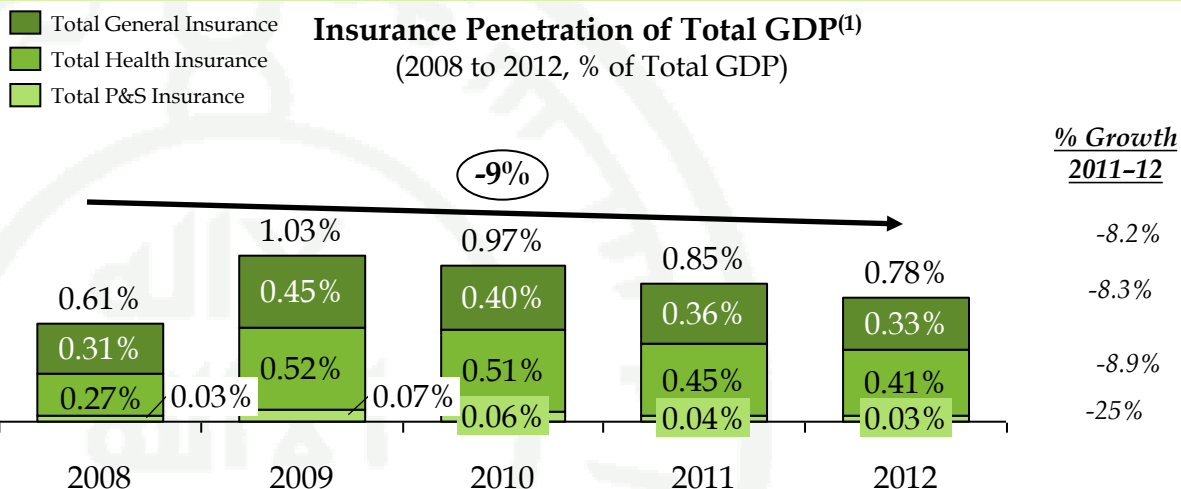


(1) The GWP is the total of accounted premiums. There may be double counting of reinsurance premiums accepted from other Saudi Arabian insurers or reinsurers



Insurance Penetration

- Insurance penetration of total Gross Domestic Product (GDP) is defined as Gross Written Premiums divided by the total GDP.
- Over the past five years, insurance penetration has been slightly diminishing at a compounded annual growth rate (CAGR) of 9%.
- In 2012, insurance penetration decreased to 0.78%, down from 0.85% in 2011. This is mainly due to a continuous strong growth in total GDP (26% in 2012). The oil sector accounted for a significant part of this growth.
- Insurance penetration of non-oil GDP is defined as Gross Written Premiums divided by non-oil GDP.
- Insurance penetration of non-oil GDP has slightly decreased at an average annual growth rate of 1%.
- Insurance penetration of non-oil GDP decreased 1.56%, from 2.02% in 2011.



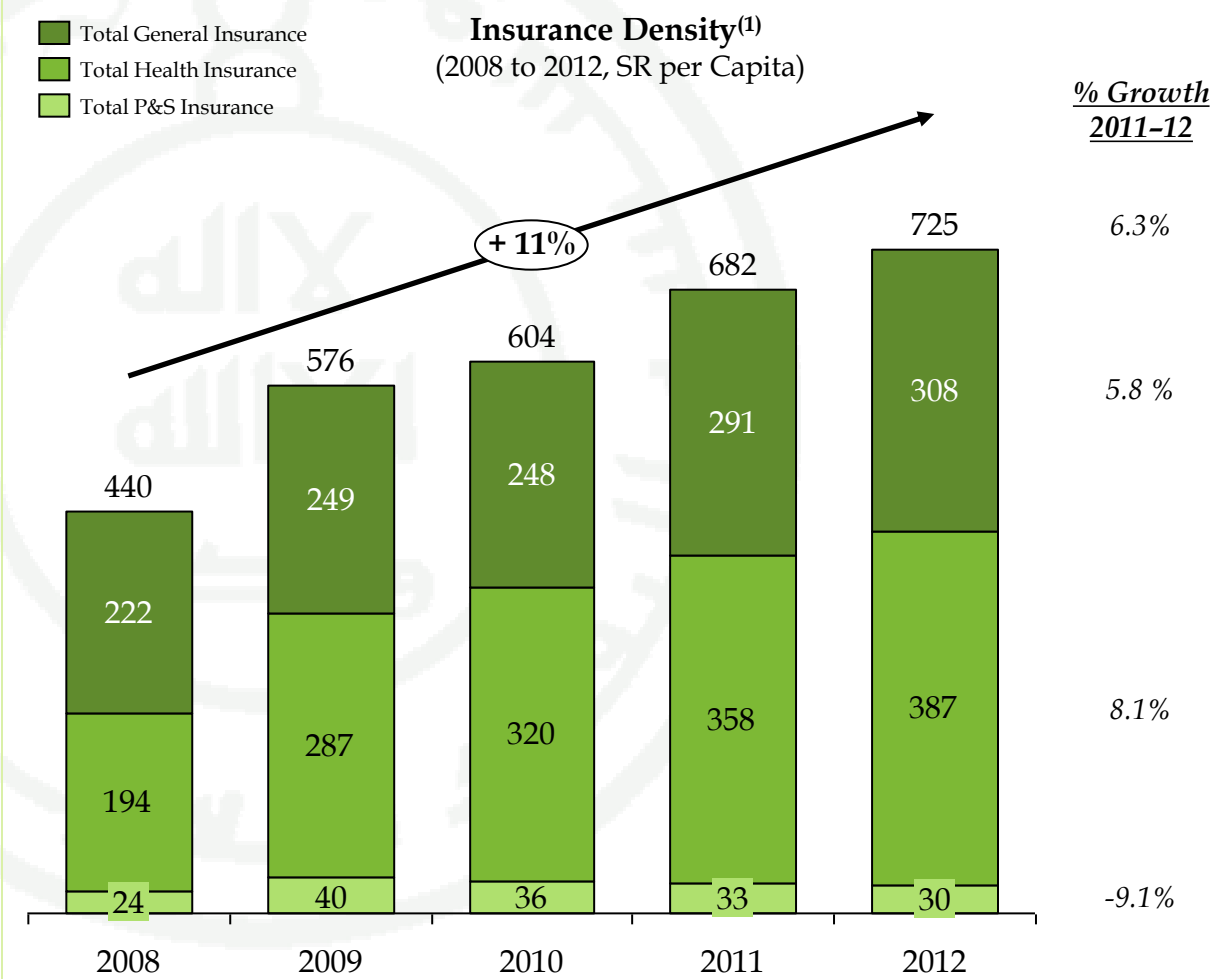
(1) Total GDP of SR 1,786 SR 1,413 SR 1,690 SR 2,163 and SR 2,727 Billion in 2008, 2009, 2010, 2011 and 2012, respectively

(2) Non-oil GDP SR 690 SR 738 SR 792 SR 919 SR and SR 1,353 Million in 2008, 2009, 2010, 2011 and 2012 respectively



Insurance Density

- Insurance density is defined as Gross Written Premiums per Capita. Insurance density increased from SR 682 per Capita in 2011 to SR 725 per capita in 2012, which represents a 6.3% increase.
- Expenditures per Capita on insurance products have increased by an average annual rate of 11% between 2012 and 2008.
- The density of Protection and Savings insurance remained low when compared to General and Health insurance, at SR 30 per Capita.



(1) Saudi population of 24.0, 24.8, 25.4, 27.1, 27.1 and 29.19 Million in 2008, 2009, 2010, 2011 and 2012, respectively



Gross Written Premiums by Line of Business

- Motor and Health insurance accounted for around 75.4% of total GWP in 2012.
- Health insurance, which includes both compulsory and non-compulsory lines of business, remained the largest line of business in 2012, accounting for 53.3% of total GWP.
- Motor compulsory and non-compulsory lines of business stood in second place with a 22.1% share of total GWP in 2012.
- The third lines of business was Property/Fire with a 6.4% share of total GWP in 2012.
- All lines of business grew in 2012 except Protection & Saving and Aviation.

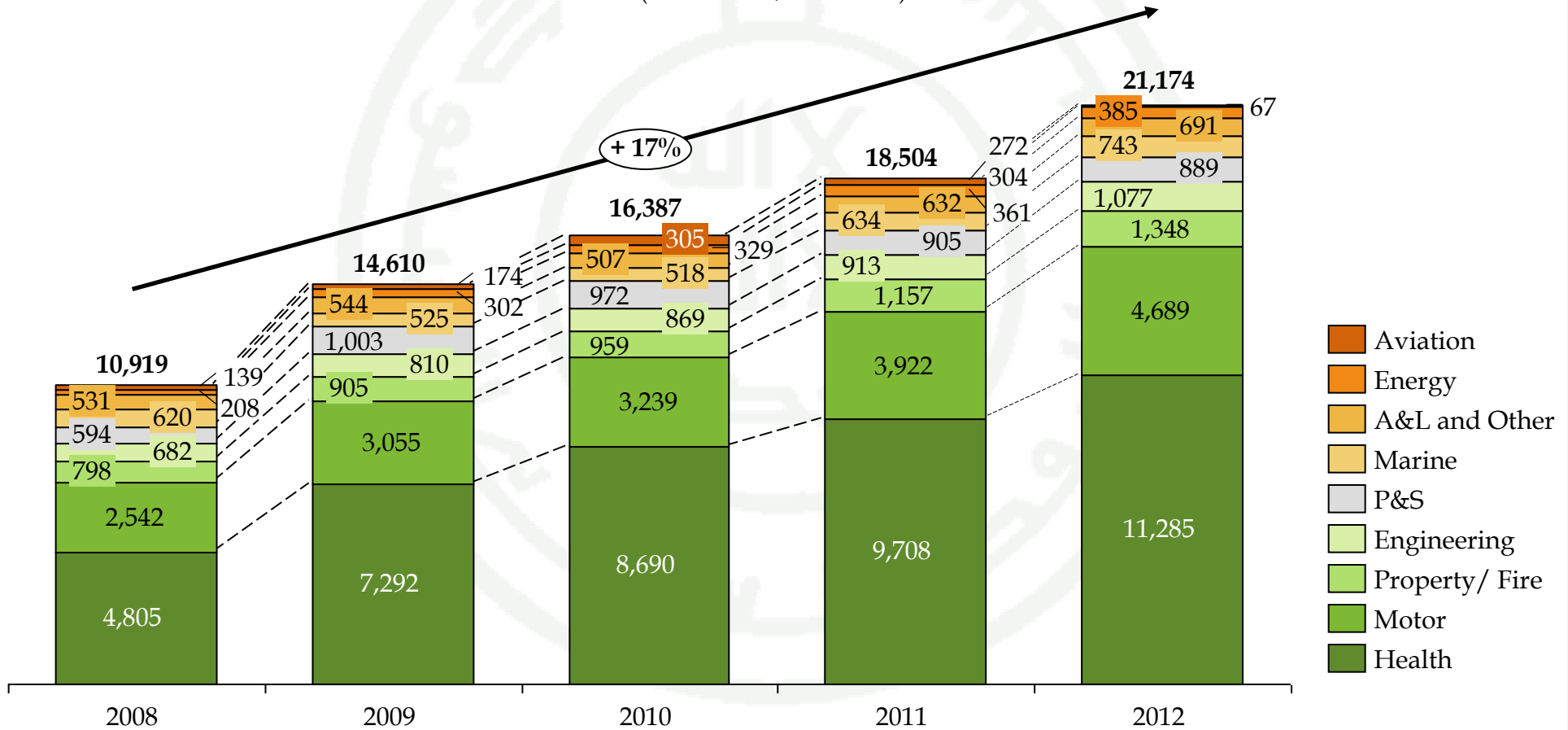
In SR Million	2008		2009		2010		2011		2012		Growth
	SR M	% Total	SR M	% Total	SR M	% Total	SR M	% Total	SR M	% Total	%
Aviation	139	1%	174	1%	305	2%	272	1%	67	0.3%	-75.4%
Energy	208	2%	302	2%	329	2%	361	2%	385	1.8%	6.6%
A&L and Other	531	5%	544	4%	507	3%	632	3%	691	3.3%	9.4%
Marine	620	6%	525	4%	518	3%	634	3%	743	3.5%	17.2%
P&S	594	5%	1,003	7%	972	6%	905	5%	889	4.2%	-1.8%
Engineering	682	6%	810	6%	869	5%	913	5%	1,077	5.1%	18.0%
Property/ Fire	798	7%	905	6%	959	6%	1,157	6%	1,348	6.4%	16.6%
Motor	2,542	23%	3,055	21%	3,239	20%	3,922	21%	4,689	22.1%	19.6%
Health	4,805	44%	7,292	50%	8,690	53%	9,708	52%	11,285	53.3%	16.2%
Total	10,919	100%	14,610	100%	16,387	100%	18,504	100%	21,174	100%	14.4%

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



Gross Written Premiums by Line of Business (continued)

Gross Written Premiums by Line of Business
(2008 to 2012, SR Million)





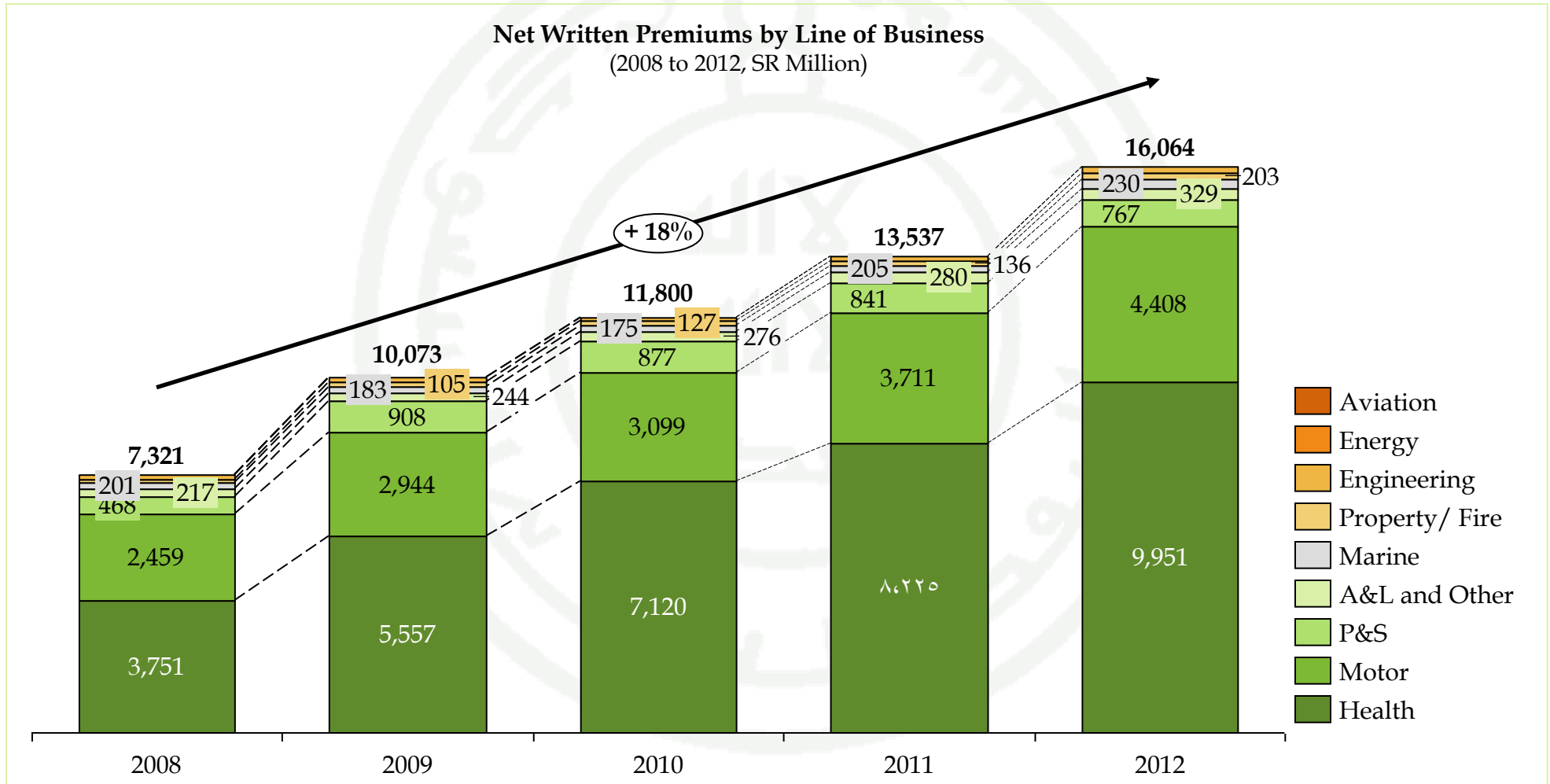
Net Written Premiums by Line of Business

- Net Written Premiums (NWP) is defined as the premiums retained by the insurance company, after the subtraction of the premiums ceded to local or international reinsurers from GWP by line of business.
- Total NWP increased from SR 13.5 Billion in 2011 to SR 16.1 Billion in 2012, with a 18.7% increase.
- Around 89.3% of total NWP in 2012 was generated by Motor and Health insurance.
- Health insurance remained the largest line of business accounting for 61.9% of total NWP in 2012.
- Motor insurance share of total NWP remained in second place. Motor insurance accounted for 27.4% of NWP in 2012.

In SR Million	2008		2009		2010		2011		2012		Growth
	SR M	% Total	SR M	% Total	SR M	% Total	SR M	% Total	SR M	% Total	%
Aviation	6	0%	1	0%	5	0%	1	0%	2	0.0%	92.8%
Energy	1	0%	5	0%	8	0%	7	0%	7	0.0%	-1.2%
Engineering	122	2%	125	1%	114	1%	131	1%	166	1.0%	26.5%
Property/ Fire	95	1%	105	1%	127	1%	136	1%	203	1.3%	49.9%
Marine	201	3%	183	2%	175	1%	205	2%	230	1.4%	12.0%
A&L and Other	217	3%	244	2%	276	2%	280	2%	329	2.0%	17.6%
P&S	468	6%	908	9%	877	8%	841	6%	767	4.8%	-8.8%
Motor	2,459	34%	2,944	29%	3,099	26%	3,711	27%	4,408	27.4%	18.8%
Health	3,751	51%	5,557	55%	7,120	61%	8,225	61%	9,951	61.9%	21.0%
Total	7,321	100%	10,073	100%	11,800	100%	13,537	100%	16,064	100%	18.7%



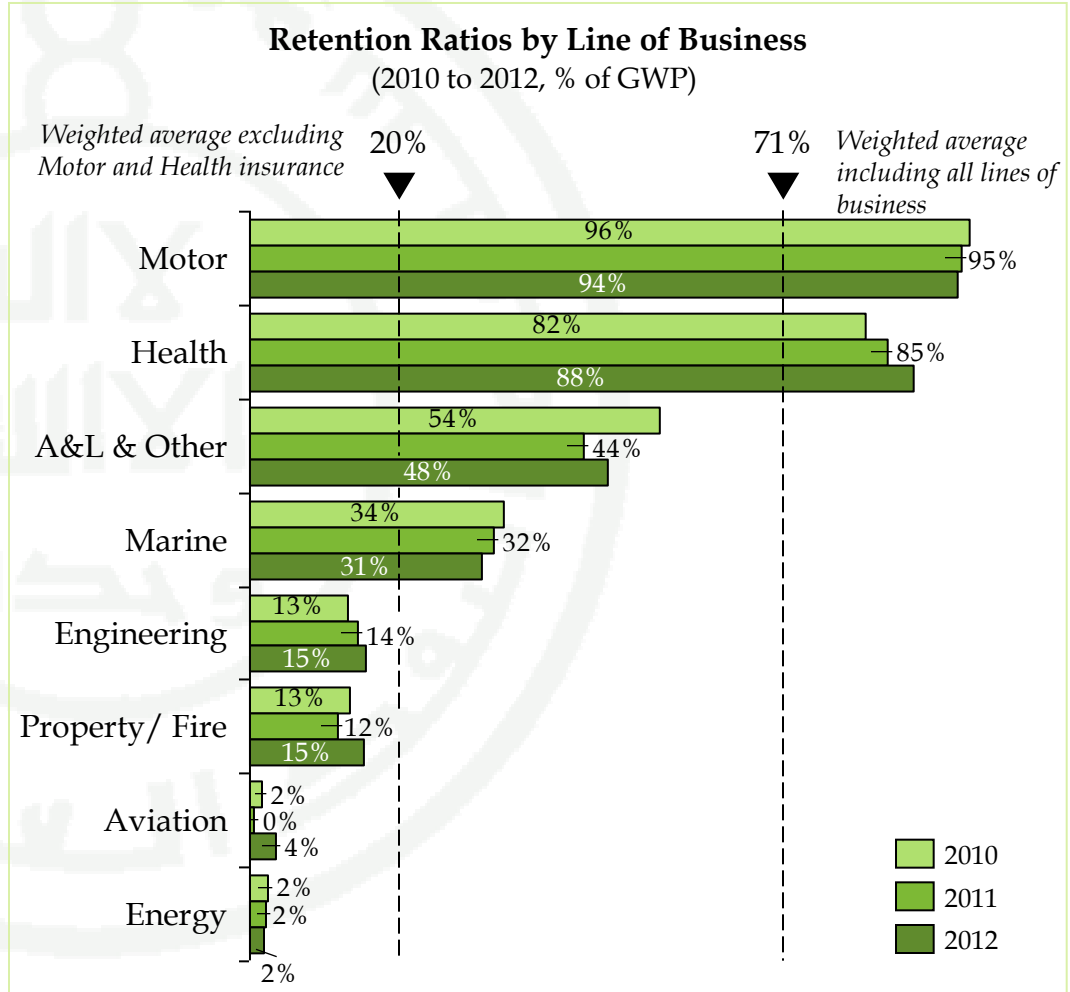
Net Written Premiums by Line of Business (continued)





Retention Ratio by Line of Business

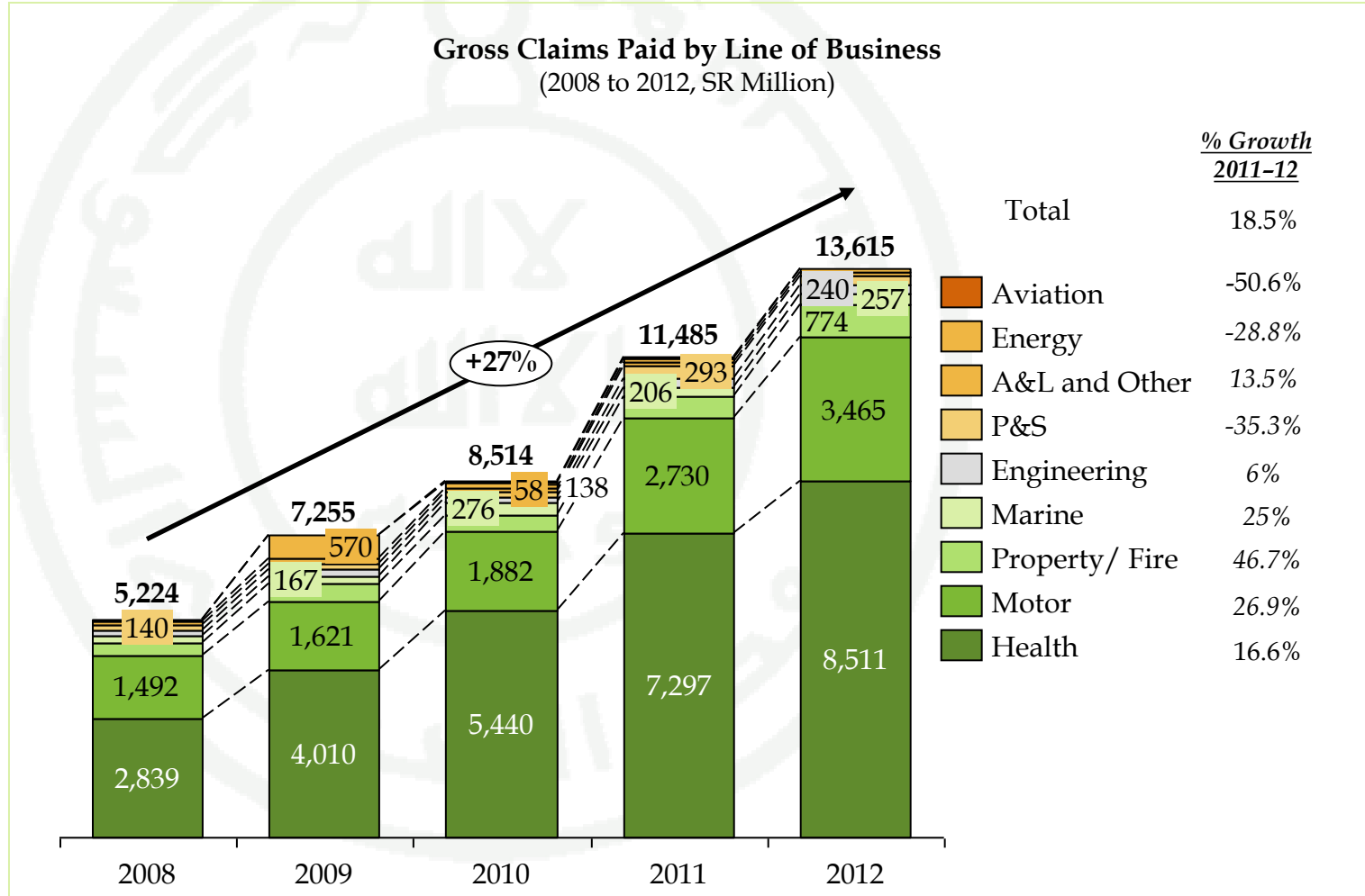
- The retention ratio measures the written premiums retained by the insurance company. It is calculated by dividing the NWP by the GWP.
- The overall retention ratio of insurance companies in the Saudi market increased to 75.8% in 2012 from 73.2% in 2011. This ratio is largely skewed due to the high retention ratio of Motor and Health insurance which collectively account for around 75.4% of total GWP. In 2012, the retention ratios for Motor and Health insurance were 94% and 88%, respectively.
- The weighted average retention ratio of other insurance lines of business (i.e., excluding Motor and Health insurance) unchanged at 20% in 2012 compared to 2011
- Notes:
 - Newly licensed companies are required to adhere to a minimum retention ratio of 30% (as per Article 40 of the Implementing Regulations).
 - Retention ratios are not shown for Protection & Savings insurance as the savings element of the contract must be retained in the Saudi Arabian company. Therefore retentions for Protection & Savings insurance are not directly comparable with other insurance lines of business.





Gross Claims Paid by Line of Business

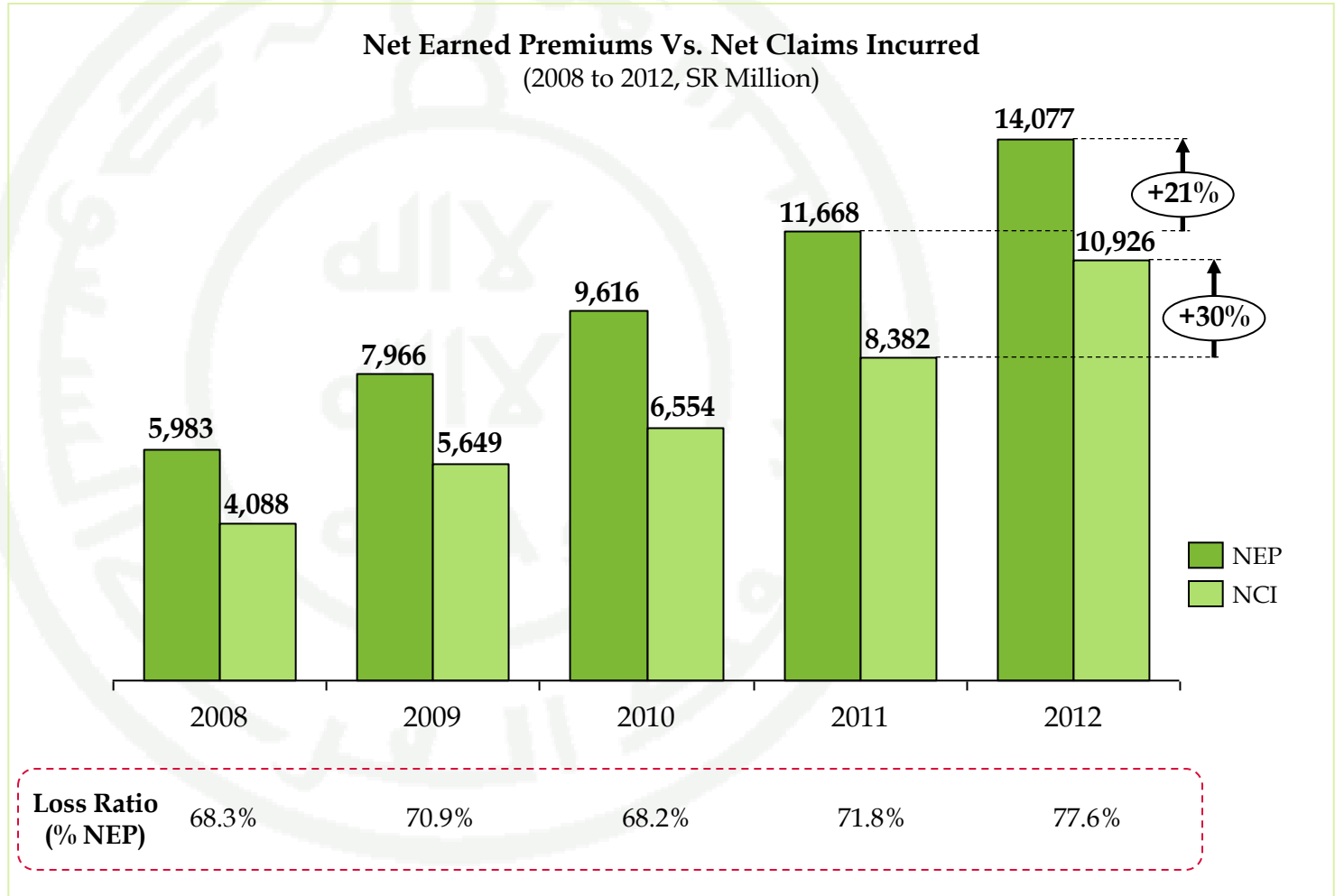
- Total gross claims paid increased by 18.5% from SR 11.5 Billion in 2011 to SR 13.6 Billion in 2012.
- In 2012, Health and Motor gross claims paid grew by 16.6% and 26.9%, respectively compared to 2011 figures.
- In 2012, Property/Fire insurance recorded the highest growth rate in gross claims paid, after increasing by 46.7% from SR 527 Million to SR 774 Million.
- Table 7 in the appendix contains all the gross claims data by line of business from 2008 to 2012.





General and Health Net Earned Premiums vs. Net Claims Incurred

- Net Earned Premiums (NEP) is equal to NWP minus the change in net unearned premiums reserve, while, Net Claims Incurred (NCI) is the total claims paid plus the change in outstanding and IBNR claims reserve.
- The insurance market's General and Health NEP totaled SR 14.1 Billion in 2012, up from SR 11.7 Billion in 2011, which represents a 21% increase.
- General and Health Net Claims Incurred NCI increased by 30% for the year 2012 to reach SR 10.9 Billion.
- The loss ratio is equal to NCI divided by NEP.
- In 2012, General and Health net claims ratio increased to reach 77.6%.

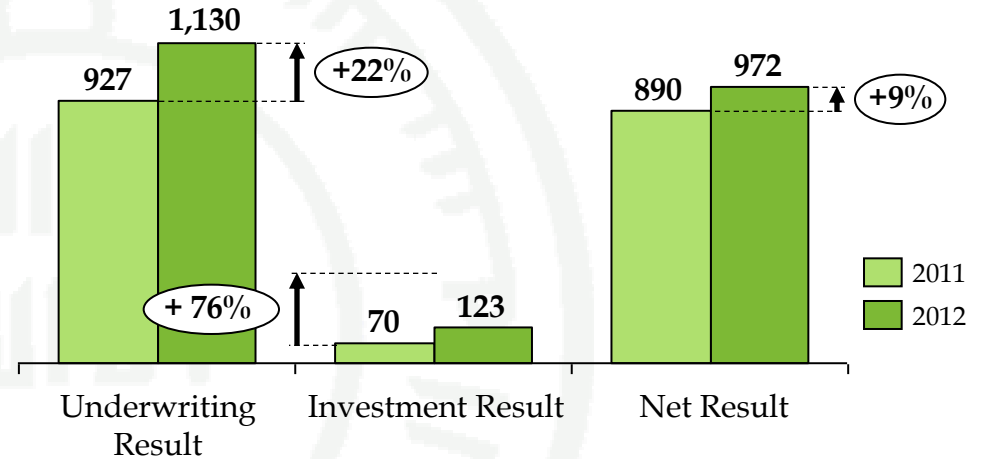




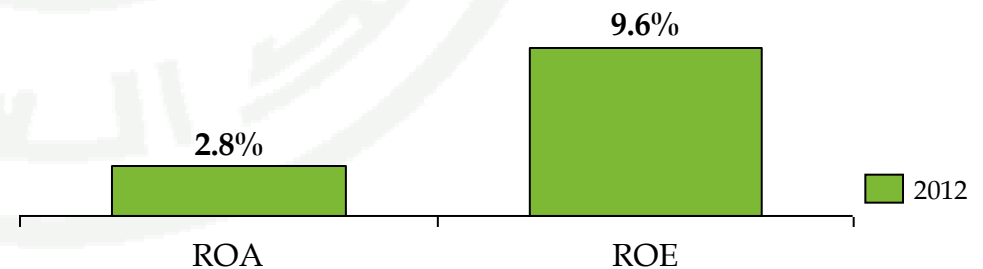
Market Profitability

- Insurance underwriting result is the outcome of subtracting all insurance related expenses from insurance related revenues.
- The net result is equal to the sum of insurance operation revenues minus the sum of insurance operation expenses.
- Investment result is the total of insurance operation investment income minus total of insurance operation investment expense.
- In 2012, the insurance underwriting result totaled SR 1.13 Billion, which represents a 22% increase from 2011 figures.
- Investment result increased to SR 123 Million in 2012 from SR 70 Million in 2011.
- The insurance market's net result increased to 972 Billion in 2012 from SR 890 Billion in 2011, which represents a 9% increase.
- Return on Assets (ROA) is the ratio of net result to total assets. In 2012, insurance market's ROA was 2.8%.
- Return on Equity (ROE) is the ratio of net result to total equity. In 2012, Insurance market's ROE was 9.6%.

Insurance Market Profitability
(2011-2012, SR Million)



Insurance Market ROA/ROE
(2012, % of Net Result to Assets/ Equity)





Balance Sheet - Policyholders' Assets

- At the end of 2012 insurance companies held SR 3.1 Billion in cash and cash equivalents in their policyholders' accounts.
- Investment accounted for the biggest share of policyholders' assets, with a value of SR 6.3 Billion, followed by receivables (net) with a value of SR 6 Billion.
- Total Policyholders' (operation) assets amounted to SR 23.3 Billion.

Policyholders' Assets (2012, SR Thousand)

Item Name	General and Health Insurance	Protection and Saving Insurance	Total Insurance
Cash and cash equivalents	2,993,629	140,439	3,134,068
Receivables, net	5,927,664	95,587	6,023,251
Reinsurance recoverable	5,284,150	23,616	5,307,766
Deferred policy acquisition cost	566,817	2,699	569,516
Prepaid expenses	540,266	594	540,860
Investments	3,711,262	2,542,661	6,253,923
<i>Deposits at financial institutions</i>	1,545,623	89,597	1,635,220
<i>Loans</i>	-	6,868	6,868
<i>Debt securities and fixed income</i>	1,566,054	-	1,566,054
<i>Shares (common, preferred)</i>	313,960	-	313,960
<i>Real estate</i>	11,145	-	11,145
<i>Investment in subsidiaries and affiliates</i>	105,487	-	105,487
<i>Other</i>	168,993	2,446,196	2,615,190
Tangible assets	393,197	2,447	395,644
Intangible assets	16,220	-	16,220
Other policyholders assets	1,032,889	31,443	1,064,332
Total policyholders assets	20,466,094	2,839,486	23,305,580

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



Balance Sheet - Shareholders' Assets

- At the end of 2012, insurance companies' shareholders held SR 2.4 Billion in cash and cash equivalents.
- Investments accounted for the biggest share of shareholders' assets, with a value of SR 7.3 Billion.
- Shareholders' assets amounted to SR 11.4 Billion.
- Insurance companies' total assets amounted to SR 34.73 Billion.

Shareholders' Assets (2012, SR Thousand)			
Item Name	General and Health Insurance	Protection and Saving Insurance	Total Insurance
Cash and cash equivalents			2,378,115
Receivables, net			11,514
Investments			7,349,886
<i>Deposits at financial institutions</i>			3,041,185
<i>Loans</i>			3,723
<i>Debt securities and fixed income</i>			2,096,808
<i>Shares (common, preferred)</i>			642,886
<i>Real estate</i>			12,219
<i>Investment in subsidiaries and affiliates</i>			55,713
<i>Other</i>			1,497,352
Accrued interest, rent, income			29,304
Tangible assets			147,727
Intangible assets			793,300
Distributions due from policyholders account			465,282
Other shareholders assets			252,335
Total shareholders assets			11,427,464
Total Assets			34,733,044



Balance Sheet - Policyholders' Liabilities and Equity

- At the end of 2012, insurance companies held SR 15.8 Billion in technical reserves, which consist of unearned premiums, outstanding claims, IBNR and adjustment expense reserves.
- Mathematical reserves amounted to SR 1.9 Billion.
- Policyholders' liabilities and equity amounted to SR 23.3 Billion.

Policyholders' Liabilities And Equity

(2012, SR Thousand)

Item Name	General and Health Insurance	Protection and Saving Insurance	Total Insurance
Policyholders payables	702,216	31,185	733,401
Reinsurance balances payable	1,126,653	41,171	1,167,824
Technical reserves	15,497,337	79,775	15,577,112
Unearned premium	9,331,566	25,446	9,357,012
Outstanding claims, IBNR and adjustment expenses	6,165,771	54,329	6,220,100
Mathematical reserves	-	1,875,305	1,875,305
Other reserves	1,343,077	10,942	1,354,019
Unearned reinsurance commissions	299,841	5,860	305,701
Accrued expense and deferred income	458,474	19,416	477,891
Declared dividend payable	85,596	450	86,046
Distribution due to shareholders account	444,379	13,374	457,753
Other policyholders liabilities	360,774	16,417	377,190
Total policyholders liabilities	20,318,346	2,093,895	22,412,241
Accumulated surplus	147,748	745,591	893,338
Total policyholders liabilities & equity	20,466,094	2,839,486	23,305,580



Balance Sheet - Shareholders' Liabilities and Equity

- At the end of 2012, shareholders' liabilities amounted to SR 1.3 Billion, while, shareholders' equity totaled SR 10.2 Billion.
- Share capital constituted the biggest share of shareholders' equity with a value of SR 9.1 Billion.
- Shareholders' liabilities and equity registered SR 11.4 Billion.
- Insurance companies' total liabilities and equity amounted to SR 34.73 Billion.

Shareholders' Liabilities And Equity (2012, SR Thousand)

Item Name	General and Health Insurance	Protection and Saving Insurance	Total Insurance
Shareholders payables			151,630
Zakat			377,756
Accrued expenses and deferred income			120,337
Other shareholders liabilities			623,802
Total shareholders liability			1,273,524
Share capital			9,095,722
Statutory reserves			963,505
Retained earnings			(190,234)
Other shareholders equity			284,947
Total shareholders equity			10,153,940
Total shareholders liabilities & equity			11,427,464
Total Liabilities and Equity			34,733,044



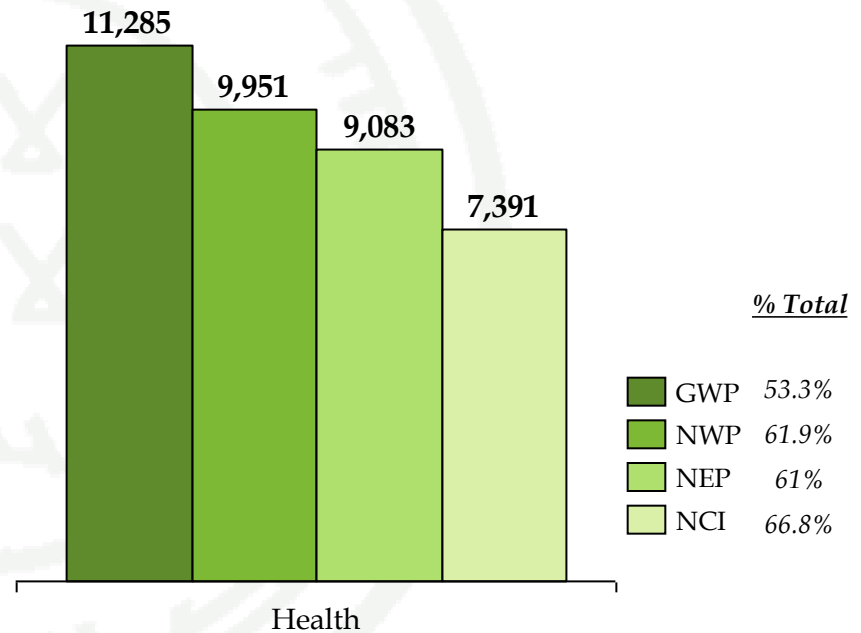
Insurance Market Performance - By Line of Business



Health Insurance

- Health insurance, which includes both compulsory and non-compulsory lines, accounted for 53.3% of the 2012 total market GWP with SR 11.29 Billion in underwritten premiums.
- Health insurance accounted for 61.9% of the market's NWP as insurance companies retained SR 9.95 Billion of their Health insurance GWP, which represents a 88.2% retention ratio.
- Health insurance's NEP registered SR 9.08 Billion.
- Health insurance's NCI amounted to SR 7.39 Billion, which translates into a 81.4% loss ratio for the year 2012.

Health Insurance Performance
(2012, SR Million)



Retention Ratio

88.2%

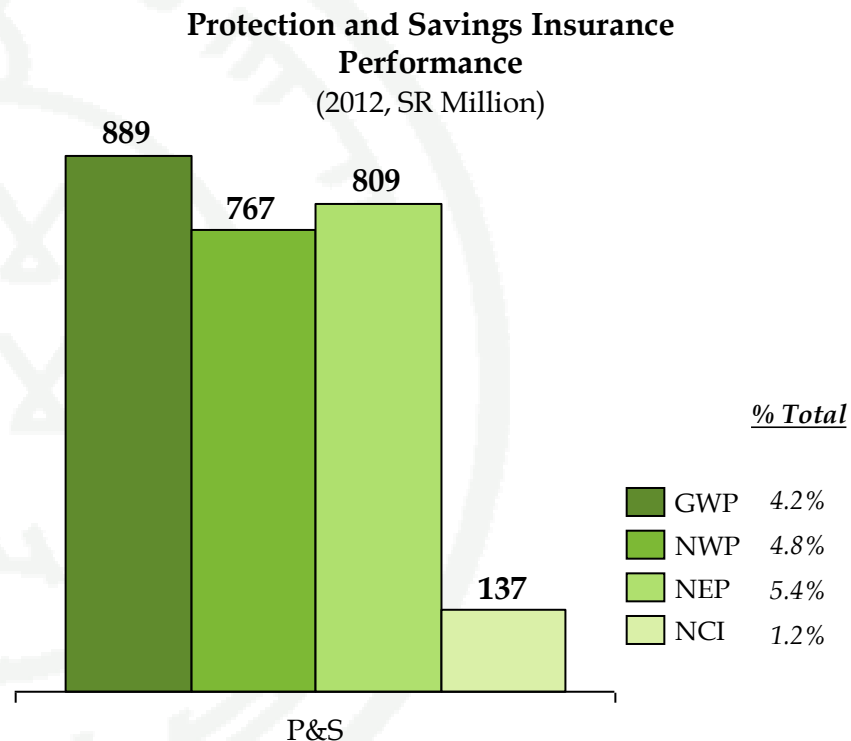
Loss Ratio

81.4%



Protection and Savings Insurance

- Protection and Savings insurance's GWP totaled SR 889 Million in 2012, which represents a 4.2% contribution to the market's total business volume.
- Protection and Savings insurance accounted for 4.8% of the market's NWP as insurance companies retained SR 767 Million of GWP.
- Protection and Savings insurance's NEP registered SR 809 Million, which represents a share of 5.4% of the total insurance market's NEP.
- Protection and Savings insurance's NCI amounted to SR 137 Million.



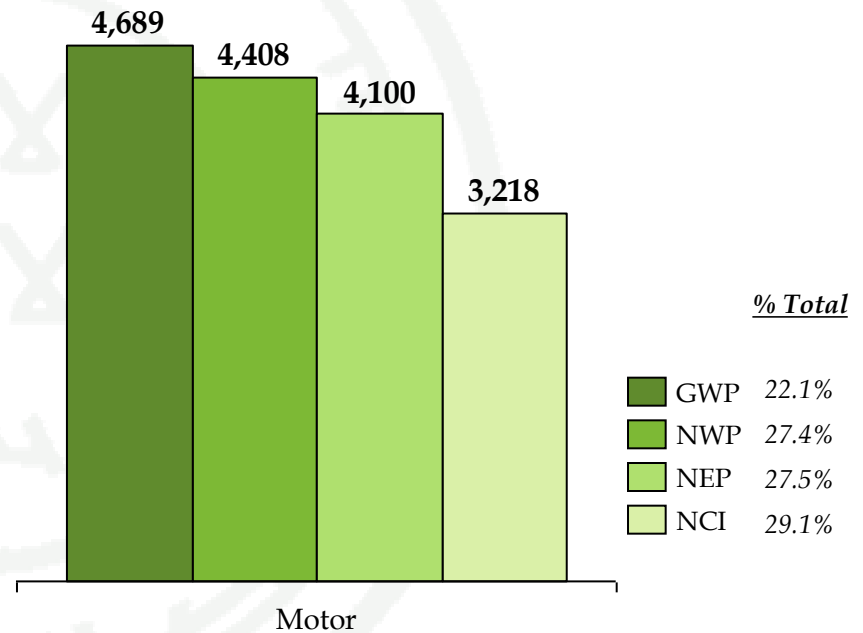
Retention ratio and loss ratio are not shown due to the savings part of the premium which distorts the ratios



Motor Insurance

- Motor insurance's GWP totaled SR 4.69 Billion in 2012, which represents a 22.1% share of total market GWP.
- Motor insurance's retention ratio of 94% was the highest of all business lines. Motor insurance NWP totaled SR 4.41 Billion.
- Motor insurance's NEP amounted to SR 4.1 Billion and accounted for 27.5% of the insurance market's NEP.
- Insurance companies recorded SR 3.22 Billion in Motor insurance's NCI which resulted into a 78.5% loss ratio.

Motor Insurance Performance
(2012, SR Million)



Retention Ratio

94%

Loss Ratio

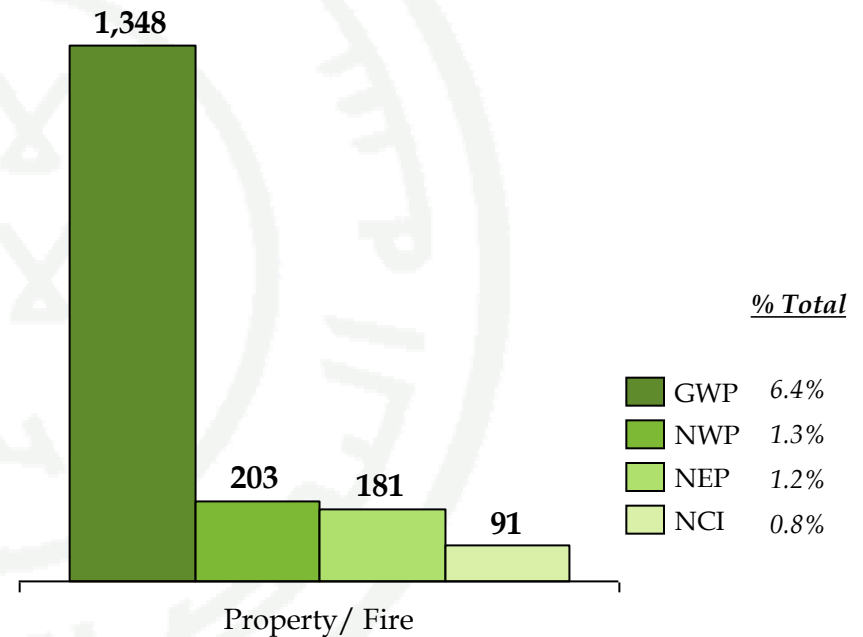
78.5%



Property/ Fire Insurance

- Property/ Fire insurance's GWP totaled SR 1.35 Billion in 2012, which represents a 6.4% share of total market GWP.
- Insurance companies retained only 15.1% of their Property/ Fire insurance premiums as the business line's NWP amounted to 203 Million. Property/ Fire insurance contributed 1.3% to total market NWP in 2012.
- Property/ Fire insurance's NEP registered SR 181 Million.
- Insurance companies recorded SR 91 Million in Property/ Fire insurance's NCI which translates into a 50.5% loss ratio.

Property/ Fire Insurance Performance
(2012, SR Million)



Retention Ratio

15.1%

Loss Ratio

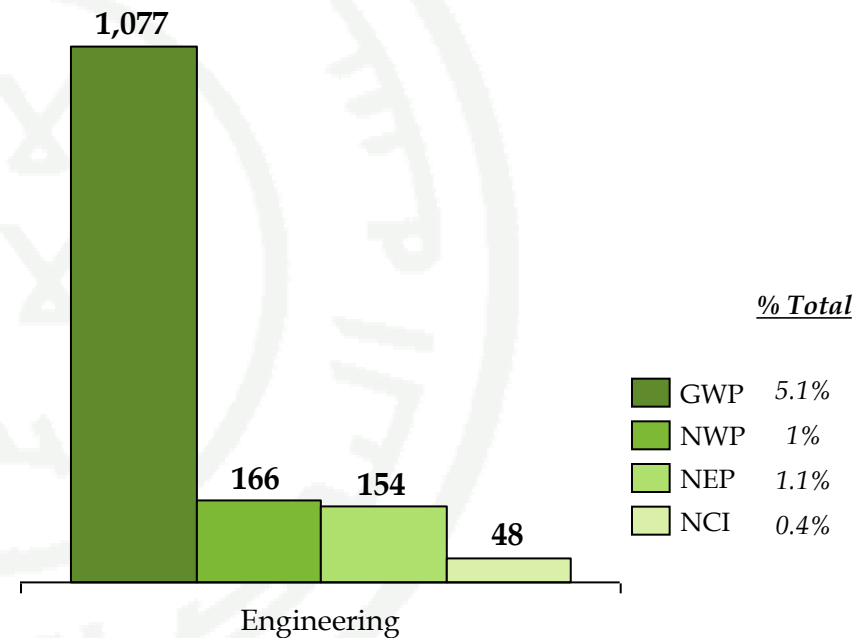
50.5%



Engineering Insurance

- Engineering insurance's GWP totaled SR 1.08 Million in 2012, a 5.1% contribution to total market GWP.
- Insurance companies retained 15.4% of their Engineering underwritten premiums. Engineering insurance NWP registered SR 166 Million.
- Engineering insurance NEP amounted to SR 154 Million and accounted for 1.1% of the insurance market's NEP.
- Engineering insurance recorded a loss ratio of 31%, with NCI, totaling SR 48 Million.

Engineering Insurance Performance
(2012, SR Million)



Retention Ratio

15.4%

Loss Ratio

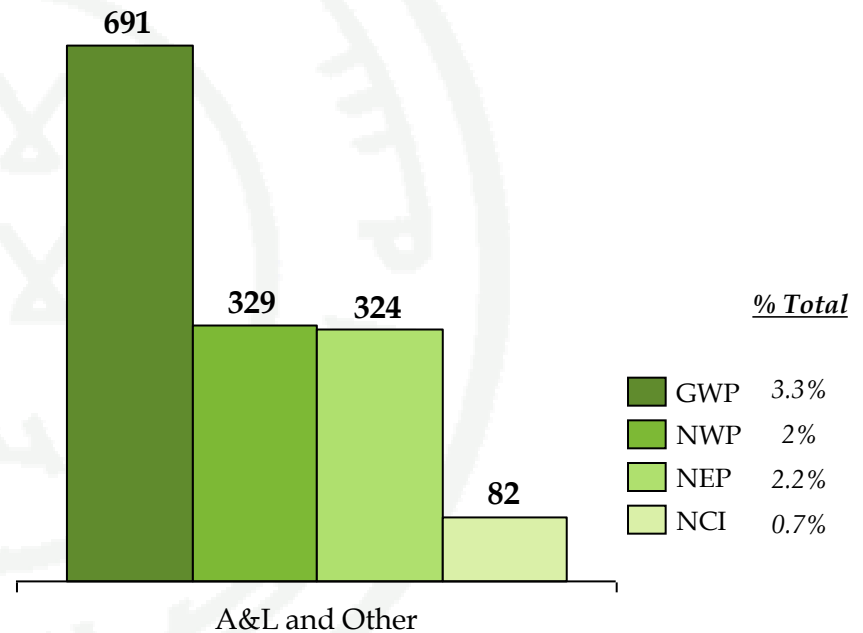
31%



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, safe burglary, fidelity and any other liability.
- Insurance companies underwrote SR 691 Million in A&L and Other general insurance premiums.
- Insurance companies retained SR 329 Million of A&L and Other general insurance underwritten premiums, a 47.6% retention ratio.
- A&L and Other general insurance NEP totaled SR 324 Million, which represents a 2.2% contribution to total NEP.
- Insurance companies recorded SR 82 Million in A&L and Other general insurance's NCI which translates into a 25.3% loss ratio.

A&L and Other Performance
(2012, SR Million)



Retention Ratio

47.6%

Loss Ratio

25.3%

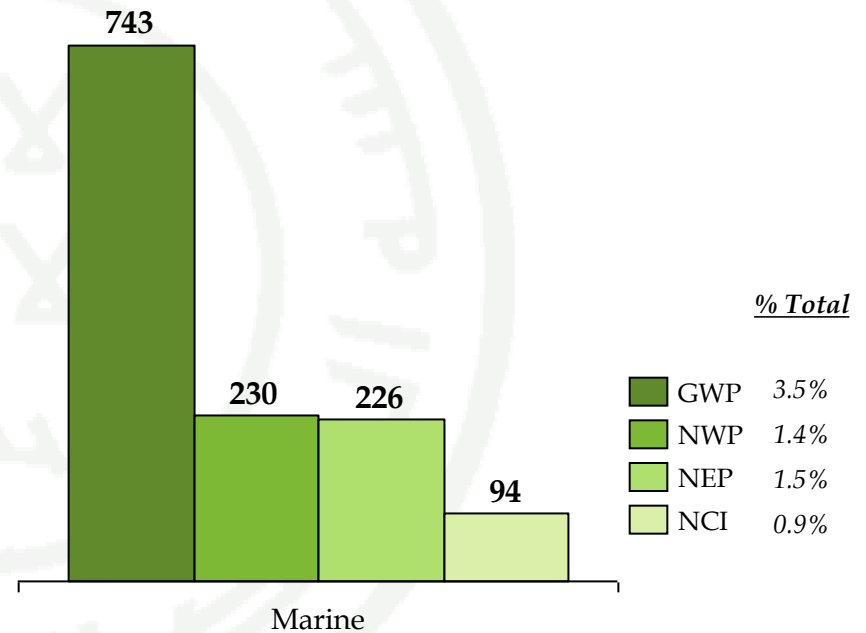
* Other insurance refers to all other business lines in general insurance



Marine Insurance

- The Marine insurance line of business includes both marine cargo and marine hull insurance.
- Marine insurance GWP totaled SR 743 Million in 2012, which represents a 3.5% contribution to total market GWP.
- Insurance companies retained 30.9% of their Marine insurance underwritten premiums as the business line's NWP amounted to SR 230 Million.
- Marine insurance's NEP recorded SR 226 Million, which represents a 1.5% share of total NEP for 2012.
- Marine insurance's NCI amounted to SR 94 Million. This resulted in a loss ratio of 41.8%.

Marine Insurance Performance
(2012, SR Million)



Retention Ratio

30.9%

Loss Ratio

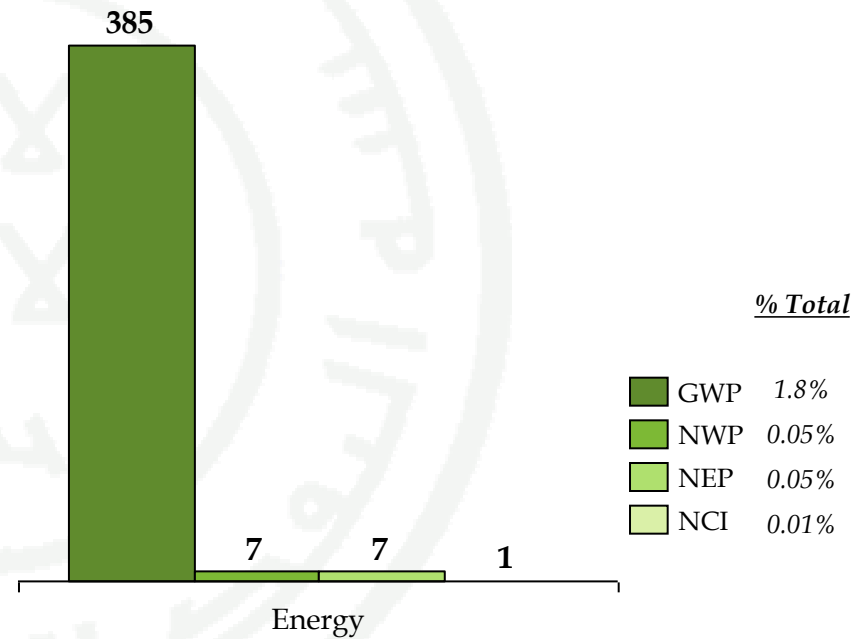
41.8%



Energy Insurance

- In 2012, Energy insurance GWP totaled SR 385 Million, which represents a 1.8% share of total market GWP.
- Insurance companies ceded 98.1% of their Energy insurance underwritten premiums. Energy insurance NWP amounted to SR 7 Million.
- Energy insurance's NEP amounted to SR 7 Million, accounting for only 0.05% of the insurance market's NEP.
- Energy insurance's NCI amounted to SR 1 Million. This resulted in a loss ratio of 9.3%.

Energy Insurance Performance
(2012, SR Million)



Retention Ratio

1.9%

Loss Ratio

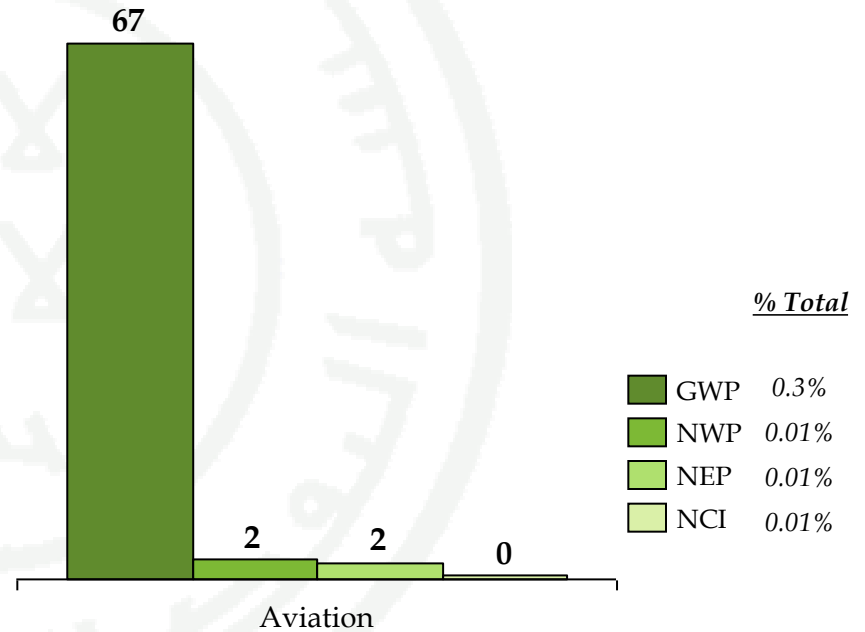
9.3%



Aviation Insurance

- Aviation insurance GWP reached SR 67 Million in 2012, a 0.3% contribution to total market GWP.
- NWP for Aviation insurance reached SR 2.4 Million resulting in a retention ratio of 3.6%.
- Aviation insurance's NEP totaled SR 1.9 Million and NCI amounted to SR 15 Million resulting in a loss ratio of 22% for 2012.

Aviation Insurance Performance
(2012, SR Million)



Retention Ratio

3.6%

Loss Ratio

22%

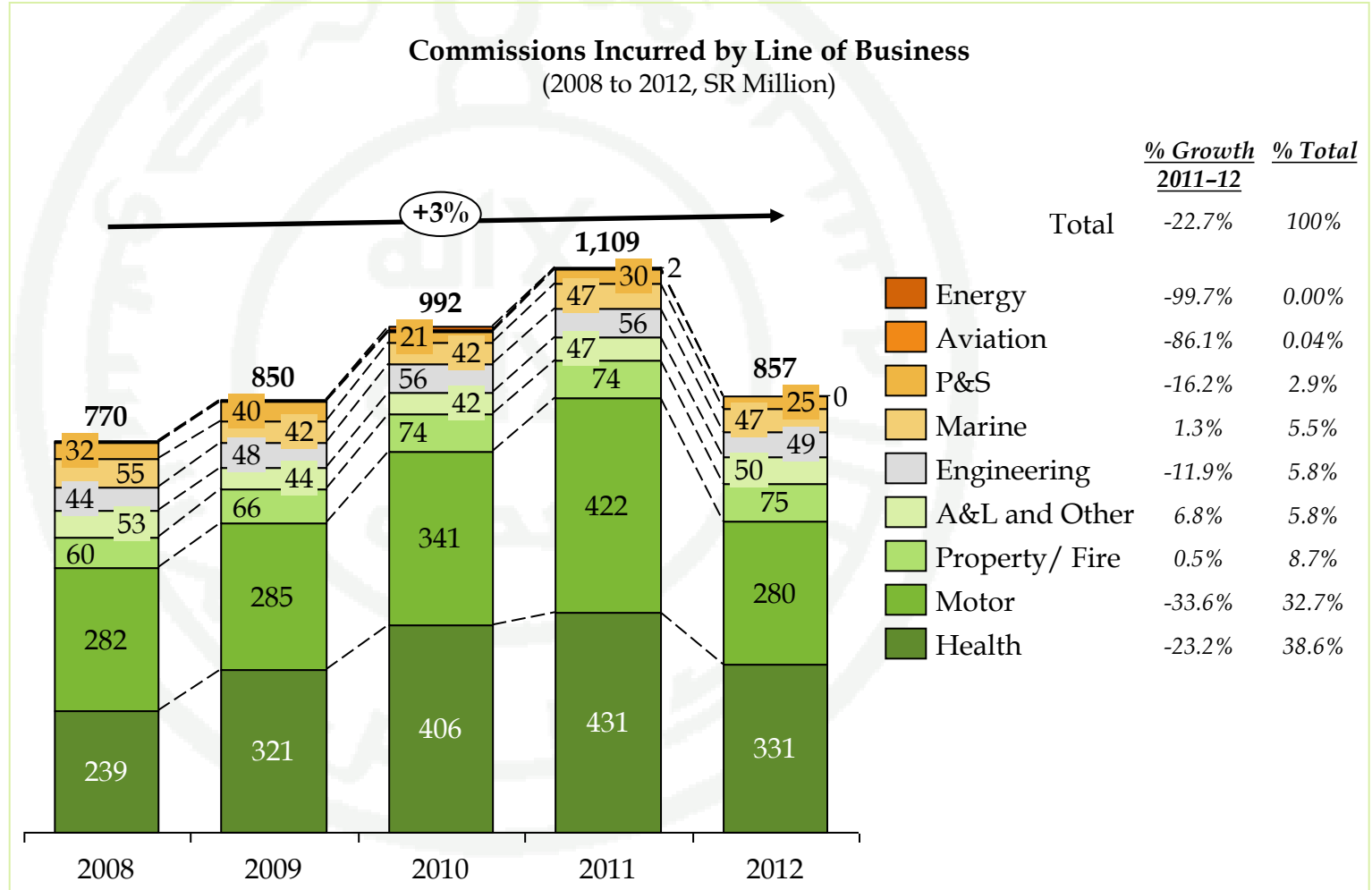


Other Market Indicators



Commissions Incurred by Line of Business

- Total commissions incurred amounted to SR 857 Million in 2012, compared to SR 1.12 Billion in 2011, which represents a decrease of 22.7%.
- General insurance related commissions accounted for 58.5% of total commissions incurred in 2012.
- Health insurance's share of total commissions incurred represented 38.5% in 2012.
- Protection and Savings insurance's commissions incurred was 2.9% of total commissions incurred in 2012.

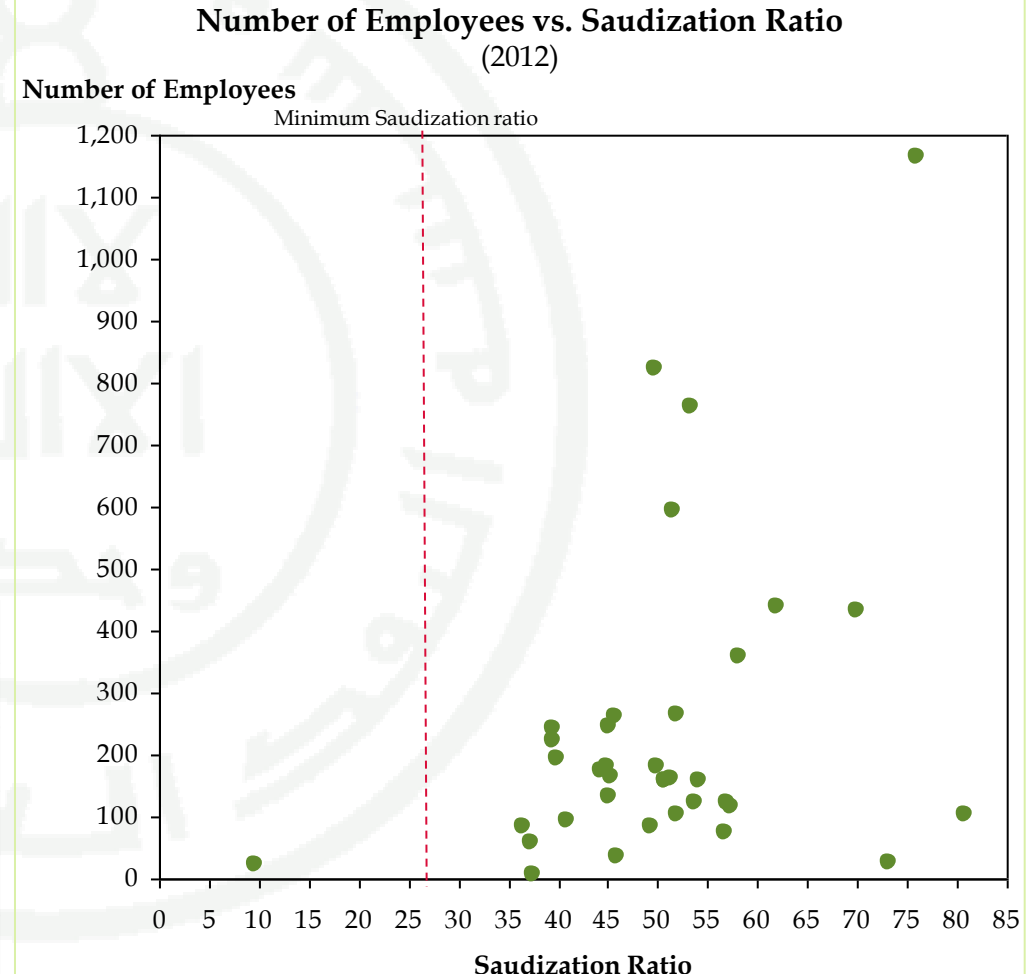




Employees Breakdown by Nationality

- The total number of insurance companies' employees in Saudi Arabia reached 8,519 in 2012, up from 7,457 in 2011.
- Saudi nationals employed by insurance companies account for 55% of the total workforce, increased by 18% from 2011 Saudi nationals employees.
- In 2012, the Saudization ratio for non-managerial positions increased to 57%, while the Saudization ratio for managerial positions slightly decreased to 39% from 40% in 2011.
- Note: Newly licensed insurance companies are required to adhere to a Saudization ratio of 30% during the first year of operations (as per Article 79 of the Implementing Regulations).

Nationality	No. of Non-managerial Employees		No. of Managerial Employees		Total No. of Employees	
	2011	2012	2011	2012	2011	2012
Other Arab	1,222	1,381	309	305	1,531	1,686
Other Non-Arab	1,643	1,823	321	330	1,964	2,153
Saudi	3,542	4,276	420	404	3,962	4,680
Total	6,407	7,480	1,050	1,039	7,457	8,519
Saudization Ratio	55%	57%	40%	39%	53%	55%

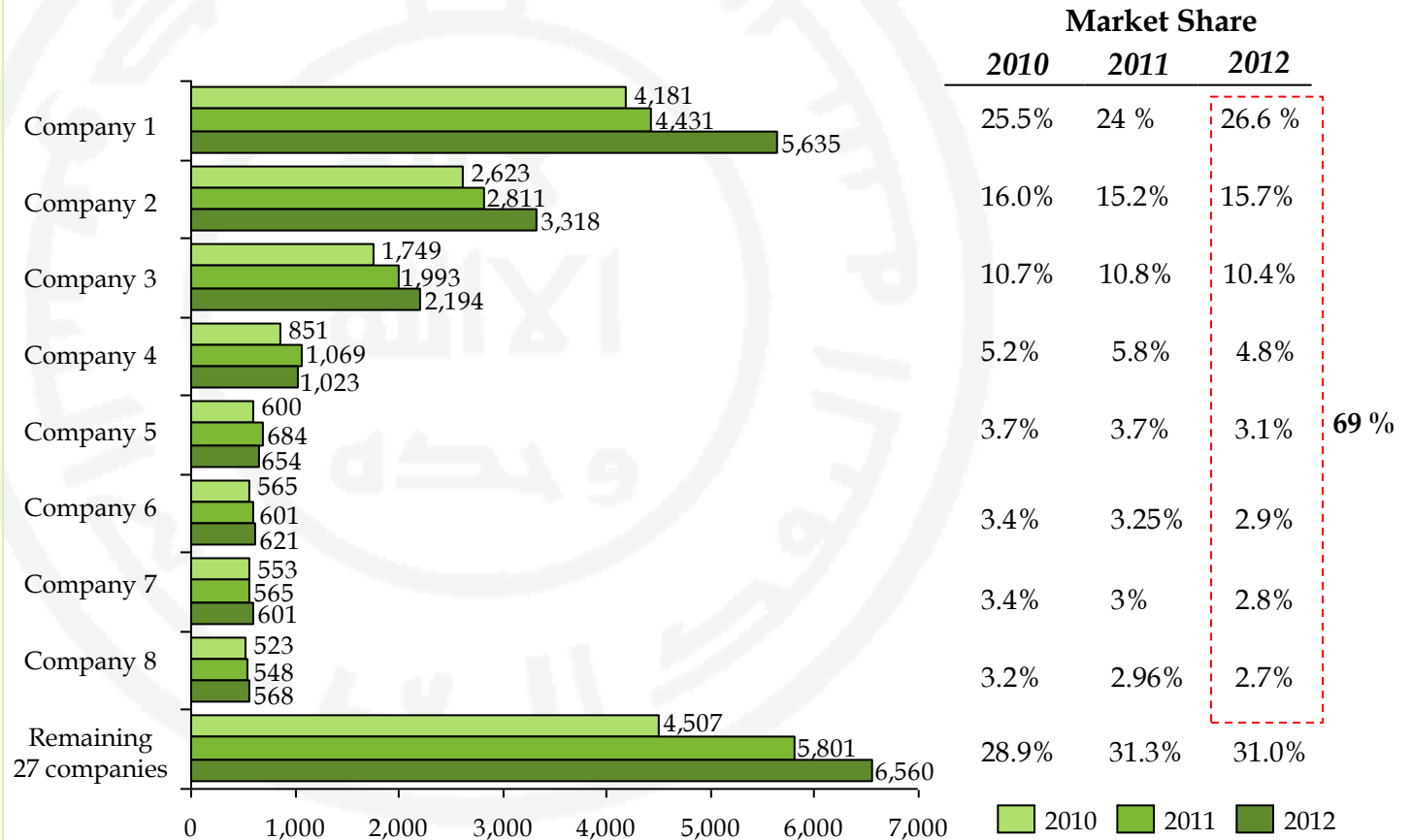




Insurance Market Structure

- In 2012, the top 8 insurance companies generated 69% of the insurance market's GWP.
- The remaining 27 insurance companies included in the report accounted for the remaining 31% of total market premiums.

Gross Written Premiums by Company
(2010 to 2012, SR Million)



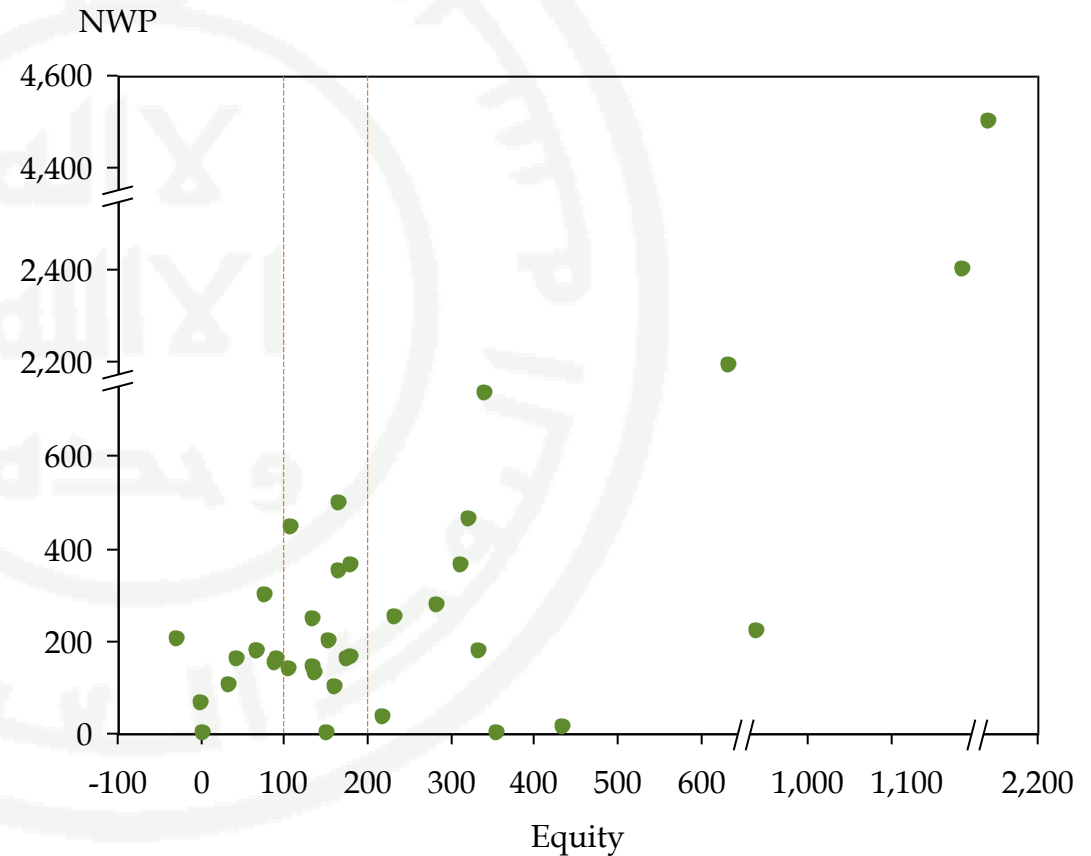


Capitalization of Insurance Companies

- Insurance companies' equity increased from SR 9.2 Billion at the end of 2011 up to SR 10.15 Billion at the end of 2012, with 25 companies exceeding SR 100 Million.
- The largest company by total equity is Tawuniya, with total equity of SR 2.14 Billion at the end of 2012 following an increase from SR 2.05 Billion at the end of 2011.
- Note: the Law on Supervision of Cooperative Insurance Companies stipulates a minimum capital of SR 100 Million for insurance companies and SR 200 Million for companies that will undertake insurance and reinsurance activities.

Shareholders' Equity (2012)	Number of Companies
Up to SR 50 Million	5
SR 50 M to SR 100 Million	5
SR 100 M to SR 150 Million	5
SR 150 M to SR 200 Million	7
SR 200 M to SR 500 Million	9
More than SR 500 Million	4

Insurance Companies' Equity vs. NWP
(2012, SR Million)





Appendix: Data Tables



Table 1: Gross Written Premiums by Line of Business (2008 to 2012)

Table 1: Gross Written Premiums by Line of Business											
Line of Business	2008		2009		2010		2011		2012		% Change
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
A&L and Other	531.3	4.9%	543.7	3.7%	506.8	3.0%	631.5	3.4%	690.9	3.3%	9.4%
Motor	2,542.1	23.3%	3,055.4	20.9%	3,238.8	19.7%	3,922.2	21.2%	4,689.2	22.1%	19.6%
Property/ Fire	798.4	7.3%	904.9	6.2%	958.7	5.7%	1,156.7	6.3%	1,348.4	6.4%	16.6%
Marine	619.6	5.7%	525.0	3.6%	518.2	3.1%	634.1	3.4%	743.1	3.5%	17.2%
Aviation	138.5	1.3%	174.1	1.2%	304.5	1.9%	272.14299	1.5%	67.07574	0.3%	(75.4)%
Energy	208.2	1.9%	301.7	2.1%	328.9	2.0%	361.0	2.0%	384.6	1.8%	6.6%
Engineering	682.1	6.2%	810.3	5.5%	869.2	5.2%	912.5	4.9%	1,076.6	5.1%	18.0%
Total General Insurance	5,520.1	50.6%	6,315.3	43.2%	6,725.1	40.7%	7,890.3	42.6%	8,999.9	42.5%	14.1%
Total Health Insurance	4,805.2	44.0%	7,292.0	49.9%	8,690.1	53.3%	9,708.4	52.5%	11,285.4	53.3%	16.2%
Total P&S Insurance	593.7	5.4%	1,002.8	6.9%	972.2	6.0%	905.1	4.9%	888.5	4.2%	(1.8)%
Total	10,918.9	100.0%	14,610.1	100.0%	16,387.4	100.0%	18,503.7	100.0%	21,173.8	100.0%	14.4%



Tables 2 & 3: Insurance Penetration and Density (2008 to 2012)

Table 2: Insurance Penetration

Line of Business	2008	2009	2010	2011	2012	% Change
	%	%	%	%	%	
Total General Insurance	0.31%	0.45%	0.40%	0.36%	0.33%	-9.5%
Total Health Insurance	0.27%	0.52%	0.51%	0.45%	0.41%	-7.8%
Total P&S Insurance	0.03%	0.07%	0.06%	0.04%	0.03%	-22.1%
Total	0.92%	1.03%	0.97%	0.86%	0.78%	-9.2%

Table 3: Insurance Density

Line of Business	2008	2009	2010	2011	2012	% Change
	SR	SR	SR	SR	SR	
Total General Insurance	222.5	248.9	247.8	290.8	308.3	6.0%
Total Health Insurance	193.7	287.4	320.2	357.8	386.5	8.0%
Total P&S Insurance	23.9	39.5	35.8	33.4	30.4	-8.8%
Total	472.5	292.9	603.9	682.0	725.2	6.3%



Table 4: Net Written Premiums by Line of Business (2008 to 2012)

Table 4: Net Written Premiums by Line of Business											
Line of Business	2008		2009		2010		2011		2012		% Change
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
<i>A&L and Other</i>	217.3	3.0%	244.3	2.4%	275.9	2.3%	279.8	2.1%	329.0	2.0%	17.6%
<i>Motor</i>	2,458.7	33.6%	2,944.1	29.2%	3,098.8	26.1%	3,710.6	27.4%	4,408.2	27.4%	18.8%
<i>Property/ Fire</i>	95.4	1.3%	105.1	1.0%	126.5	1.0%	135.5	1.0%	203.2	1.3%	49.9%
<i>Marine</i>	201.5	2.8%	183.2	1.8%	175.4	1.5%	204.9	1.5%	229.5	1.4%	12.0%
<i>Aviation</i>	5.5	0.1%	1.1	0.0%	4.8	0.0%	1.2	0.01%	2.395449	0.01%	92.8%
<i>Energy</i>	0.9	0.0%	5.2	0.1%	7.6	0.1%	7.4	0.1%	7.3	0.0%	(1.2)%
<i>Engineering</i>	122.2	1.7%	125.3	1.2%	113.9	0.9%	131.2	1.0%	165.9	1.0%	26.5%
Total General Insurance	3,101.6	42.4%	3,608.4	35.8%	3,802.9	31.9%	4,470.7	33.0%	5,345.5	33.3%	19.6%
Total Health Insurance	3,750.9	51.2%	5,556.9	55.2%	7,120.0	60.6%	8,225.1	60.8%	9,951.3	61.9%	21.0%
Total P&S Insurance	468.2	6.4%	908.0	9.0%	876.8	7.5%	841.2	6.2%	767.0	4.8%	(8.8)%
Total	7,320.6	100.0%	10,073.2	100.0%	11,799.7	100.0%	13,537.0	100.0%	16,063.8	100.0%	18.7%



Table 5: Retention Ratio by Line of Business (2008 to 2012)

Table 5: Retention Ratio by Line of Business						
Line of Business	2008	2009	2010	2011	2012	% Change
	%	%	%	%	%	
<i>A&L and Other</i>	40.9%	44.9%	54.4%	44.304%	47.611%	7.5%
<i>Motor</i>	96.7%	96.4%	95.7%	94.603%	94.009%	(0.6)%
<i>Property/ Fire</i>	11.9%	11.6%	13.2%	11.716%	15.068%	28.6%
<i>Marine</i>	32.5%	34.9%	33.8%	32.319%	30.886%	(4.4)%
<i>Aviation</i>	2.9%	0.6%	1.6%	0.457%	3.571%	682.3%
<i>Energy</i>	0.4%	1.7%	2.3%	2.051%	1.902%	(7.3)%
<i>Engineering</i>	17.9%	15.5%	13.1%	14.377%	15.411%	7.2%
Total General Insurance	56.2%	57.1%	56.5%	56.7%	59.4%	4.8%
Total Health Insurance	78.1%	76.2%	81.9%	84.7%	88.2%	4.1%
Total P&S Insurance	78.9%	90.5%	90.2%	92.9%	86.3%	(7.1)%
Total	60.9%	62.4%	72.0%	73.2%	75.9%	3.7%
Total Without life	66.4%	67.4%	70.9%	72.1%	75.4%	4.5%

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



Table 6: Commissions Incurred by Line of Business (2008 to 2012)

Table 6: Commissions Incurred by Line of Business											
Line of Business	2008		2009		2010		2011		2012		% Change
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
<i>A&L and Other</i>	52.8	6.9%	44.1	5.2%	41.8	4.1%	46.5	4.2%	49.7	5.8%	6.8%
<i>Motor</i>	281.6	36.6%	285.1	33.5%	341.4	34.5%	421.6	38.0%	280.1	32.7%	(33.6)%
<i>Property/ Fire</i>	59.5	7.7%	66.4	7.8%	74.1	7.2%	74.4	6.7%	74.7	8.7%	0.5%
<i>Marine</i>	54.9	7.1%	42.3	5.0%	41.6	4.1%	46.8	4.2%	47.4	5.5%	1.3%
<i>Aviation</i>	2.4	0.3%	2.5	0.3%	3.2	0.3%	2.4	0.2%	0.3	0.0%	(86.1)%
<i>Energy</i>	3.0	0.4%	0.6	0.1%	7.0	0.7%	0.7	0.1%	0.0	0.0%	(99.7)%
<i>Engineering</i>	44.3	5.8%	48.0	5.6%	56.3	5.5%	56.0	5.1%	49.4	5.8%	(11.9)%
Total General Insurance	498.7	64.8%	488.9	57.5%	565.5	56.6%	648.4	58.5%	501.7	58.5%	(22.6)%
Total Health Insurance	238.9	31.0%	320.7	37.7%	405.9	41.2%	430.7	38.8%	330.6	38.6%	(23.2)%
Total P&S Insurance	32.0	4.2%	40.4	4.7%	20.9	2.1%	29.6	2.7%	24.8	2.9%	(16.2)%
Total	769.6	100.0%	850.0	100.0%	992.2	100.0%	1,108.7	100.0%	857.1	100.0%	(22.7)%



Table 7: Gross Claims Paid by Line of Business (2008 to 2012)

Table 7: Gross Claims Paid by Line of Business											
Line of Business	2008		2009		2010		2011		2012		% Change
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
<i>A&L and Other</i>	92.0	2%	98.4	1%	57.8	1%	92.5	1%	105.0	1%	13.5%
<i>Motor</i>	1,492.4	29%	1,621.4	22%	1,881.5	22%	2,730.0	24%	3,464.8	25%	26.9%
<i>Property/ Fire</i>	314.9	6%	456.1	6%	397.3	4%	527.4	5%	773.6	6%	46.7%
<i>Marine</i>	195.1	4%	166.7	2%	276.5	3%	205.8	2%	257.3	2%	25.0%
<i>Aviation</i>	11.5	0%	17.8	0%	26.5	0%	31.3	0%	15.5	0%	(50.6)%
<i>Energy</i>	26.5	1%	570.1	8%	138.5	2%	82.2	1%	58.5	0%	(28.8)%
<i>Engineering</i>	111.7	2%	145.6	2%	159.2	2%	226.1	2%	239.7	2%	6.0%
Total General	2,244.1	43%	3,076.2	42%	2,937.3	34%	3,895.4	34%	4,914.3	36%	26.2%
Total Health	2,839.2	54%	4,010.0	55%	5,440.2	64%	7,297.4	64%	8,511.5	63%	16.6%
Total P&S	140.3	3%	169.2	2%	136.2	2%	292.5	3%	189.4	1%	(35.3)%
Total	5,223.6	100%	7,255.4	100%	8,513.8	100%	11,485.3	100%	13,615.2	100%	18.5%