



Saudi Arabian Monetary Agency – Insurance Supervision Department

**The Saudi Insurance Market Report
2009**



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
– Balance Sheet - Policyholders' Assets	15
– Balance Sheet - Shareholders' Assets	16
– Balance Sheet - Policyholders' Liabilities and Equity	17
– Balance Sheet - Shareholders' Liabilities and Equity	18
– Net Claims Incurred vs. Net Earned Premiums	19
– Market Profitability	20
▪ Insurance Market Performance - By Line of Business	
– Health Insurance Performance Overview	22
– Protection and Savings Insurance Performance Overview	23
– Motor Insurance Performance Overview	24
– Property/ Fire Insurance Performance Overview	25



Table of Contents

– Engineering Insurance Performance Overview	26
– A&L and Other Insurance Performance Overview	27
– Marine Insurance Performance Overview	28
– Energy Insurance Performance Overview	29
– Aviation Insurance Performance Overview	30
▪ Other Market Indicators	
– Commissions Paid 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: Gross Claims Paid by Line of Business	41
– Table 7: Commissions Paid by Line of Business	42



Introduction



Introduction

- In 2009, the insurance market in Saudi Arabia continued its strong growth driven by the expansion of compulsory insurance lines, with gross written premiums reaching SR 14.6 Billion, up from SR 10.9 Billion in 2008. This represents an increase of 33.8%, compared to a 27.2% growth rate in 2008:
 - Health insurance gross written premiums, which represent 50% of the insurance market, increased by 51.8% to SR 7.3 Billion in 2009 compared to SR 4.8 Billion in 2008
 - General insurance gross written premiums, which represent 43% of the insurance market, increased by 14.4% to SR 6.3 Billion in 2009 compared to SR 5.5 Billion in 2008
 - Protection & savings insurance gross written premiums, which represent 7% of the insurance market, increased by 68.9% to SR 1.0 Billion in 2009 compared to SR 0.59 Billion in 2008
- This report is based on the data collected from 34 insurance and reinsurance companies.



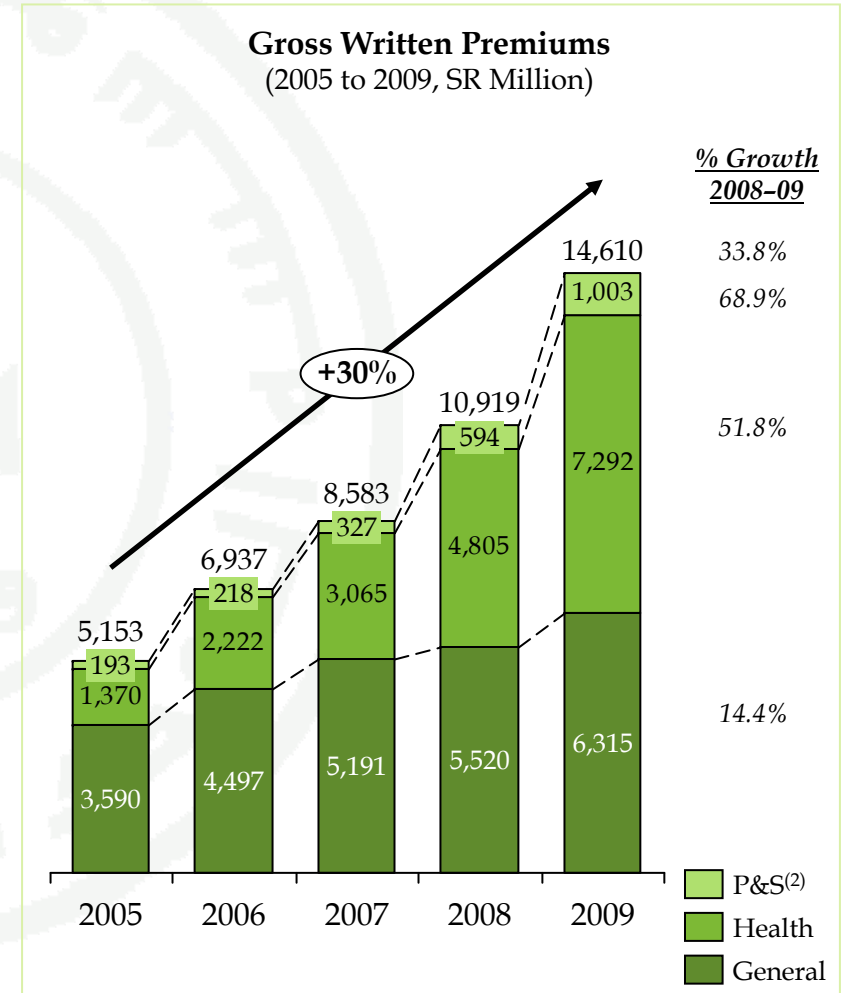
Insurance Market Performance - Overall



Gross Written Premiums

- The overall insurance Gross Written Premiums (GWP) increased by SR 3.69 Billion to reach SR 14.61 Billion⁽¹⁾ in 2009, compared to SR 10.92 Billion in 2008, which represents a growth rate of 33.8%. For reference, the GWP growth rate in 2008 was 27.2%.
- Health insurance replaced general insurance as the biggest line of business in 2009. Health insurance's contribution to total GWP increased from 44% in 2008 to 50% in 2009, while general insurance's contribution to total business volume decreased from 51% in 2008 to 43% in 2009.
- Protection and savings insurance remained the smallest line of business accounting for 7% of GWP, which represents a 2 percentage point increase from its 2008 share.
- Health insurance accounted for SR 2.49 Billion of the SR 3.69 Billion increase, which represents a 67.4% contribution to the market's GWP increase.

In SR Million	2005		2006		2007		2008		2009	
	SR (M)	% Total	SR (M)	% Total	SR (M)	% Total	SR (M)	% Total	SR (M)	% Total
Protection & Savings	193	4%	218	3%	327	4%	594	5%	1,003	7%
Health Insurance	1,370	27%	2,222	32%	3,065	36%	4,805	44%	7,292	50%
General Insurance	3,590	70%	4,497	65%	5,191	60%	5,520	51%	6,315	43%
Total	5,153	100%	6,937	100%	8,583	100%	10,919	100%	14,610	100%



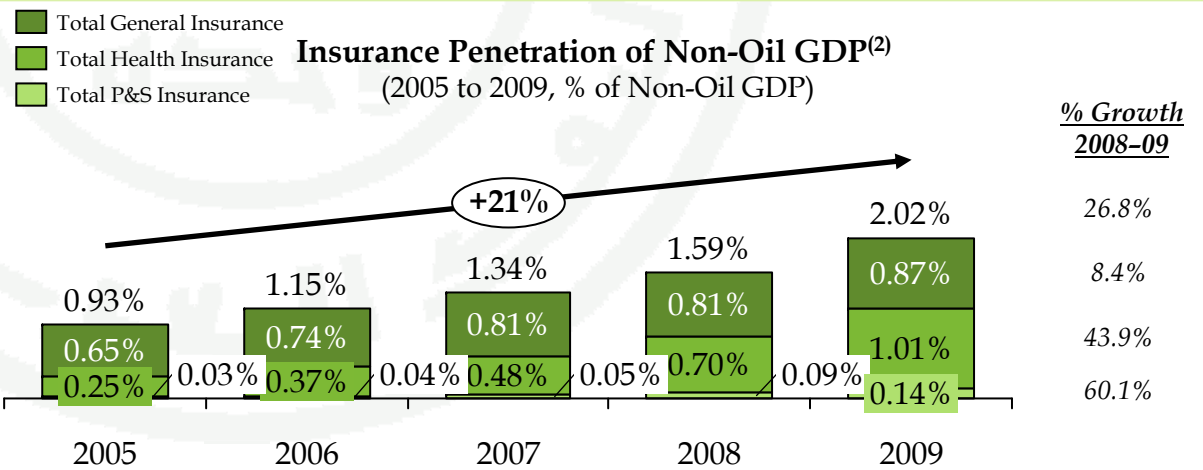
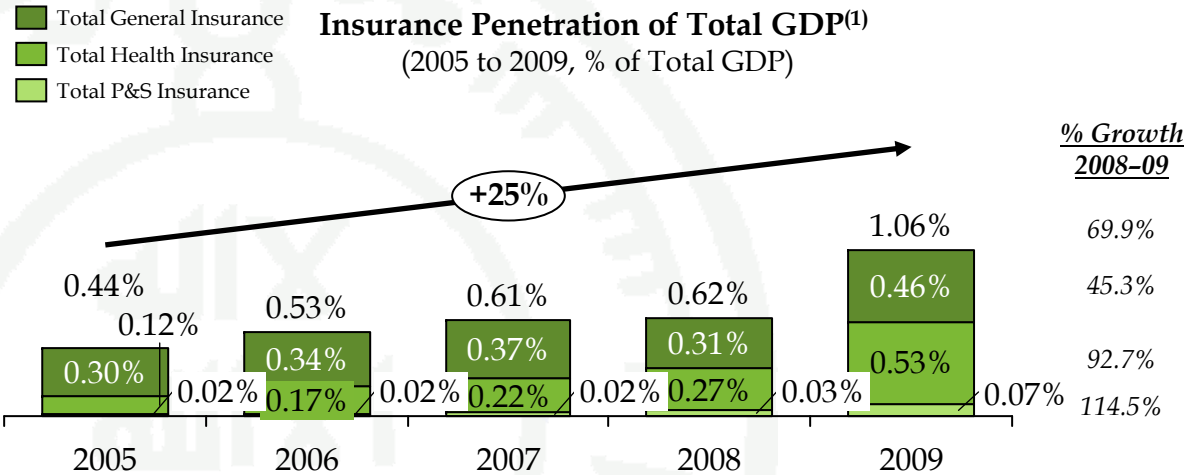
(1) The GWP is the total of accounted premiums. There may be double counting of facultative reinsurance premiums accepted from other Saudi Arabian insurers

(2) P&S stands for Protection and Savings insurance throughout the document



Insurance Penetration

- Insurance penetration of total GDP is defined as Gross Written Premiums divided by the total Gross Domestic Product (GDP).
- In 2009, insurance penetration of total GDP increased to 1.06%, up from 0.62% in 2008, which represents a 69.9% increase. This significant increase in insurance penetration of total GDP is driven by the high increase in the insurance business volume on one hand and the decrease in total GDP on the other.
- Insurance penetration of total GDP has grown at an average annual rate of 25% between 2005 and 2009.
- Insurance penetration of non-oil GDP is defined as Gross Written Premiums divided by non-oil Gross Domestic Product (GDP).
- Insurance penetration of non-oil GDP increased to 2.02%, up from 1.59% in 2008, which represents a 26.8% increase.
- Insurance penetration of non-oil GDP has grown at an average annual rate of 21% between 2005 and 2009.



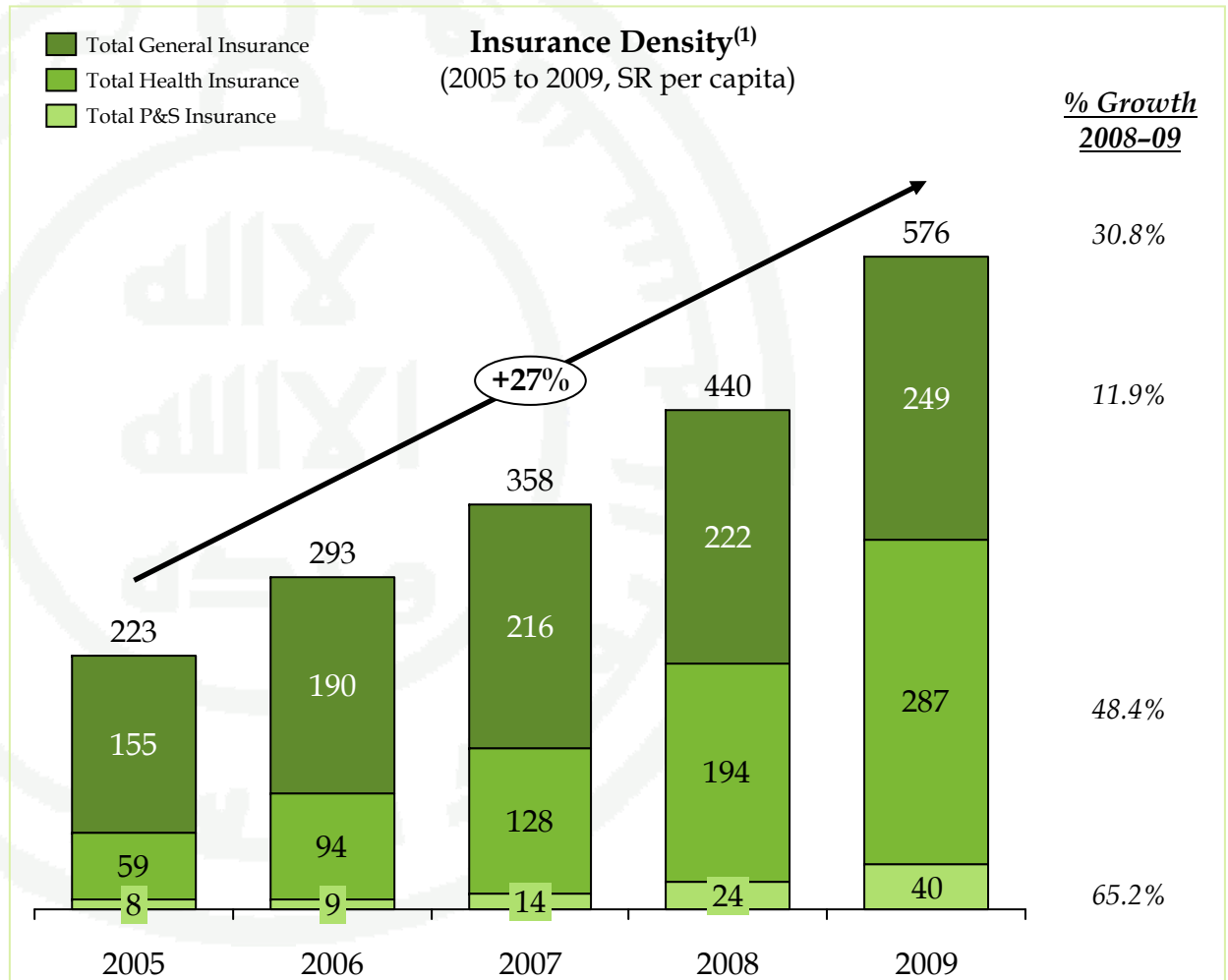
(1) Total GDP of SR 1,183, SR 1,308, SR 1,414, SR 1,758 and SR 1,384 Billion in 2005, 2006, 2007, 2008, and 2009, respectively

(2) Non-oil GDP of SR 554, SR 604, SR 642, SR 686 and SR 723 Million in 2005, 2006, 2007, 2008, and 2009, respectively



Insurance Density

- Insurance density is defined as Gross Written Premiums per Capita. Insurance density increased from SR 440 per capita in 2008 to SR 576 per capita, which represents a 30.8% increase.
- Expenditures per capita on insurance products have increased by an average annual rate of 27% between 2005 and 2009.
- The density of Protection and Savings insurance remained low in absolute terms, and relative to General and Health insurance, at SR 40 per Capita.



(1) Saudi population of 23.1, 23.7, 24.0, 24.8 and 25.4 Million in 2005, 2006, 2007, 2008, and 2009, respectively



Gross Written Premiums by Line of Business

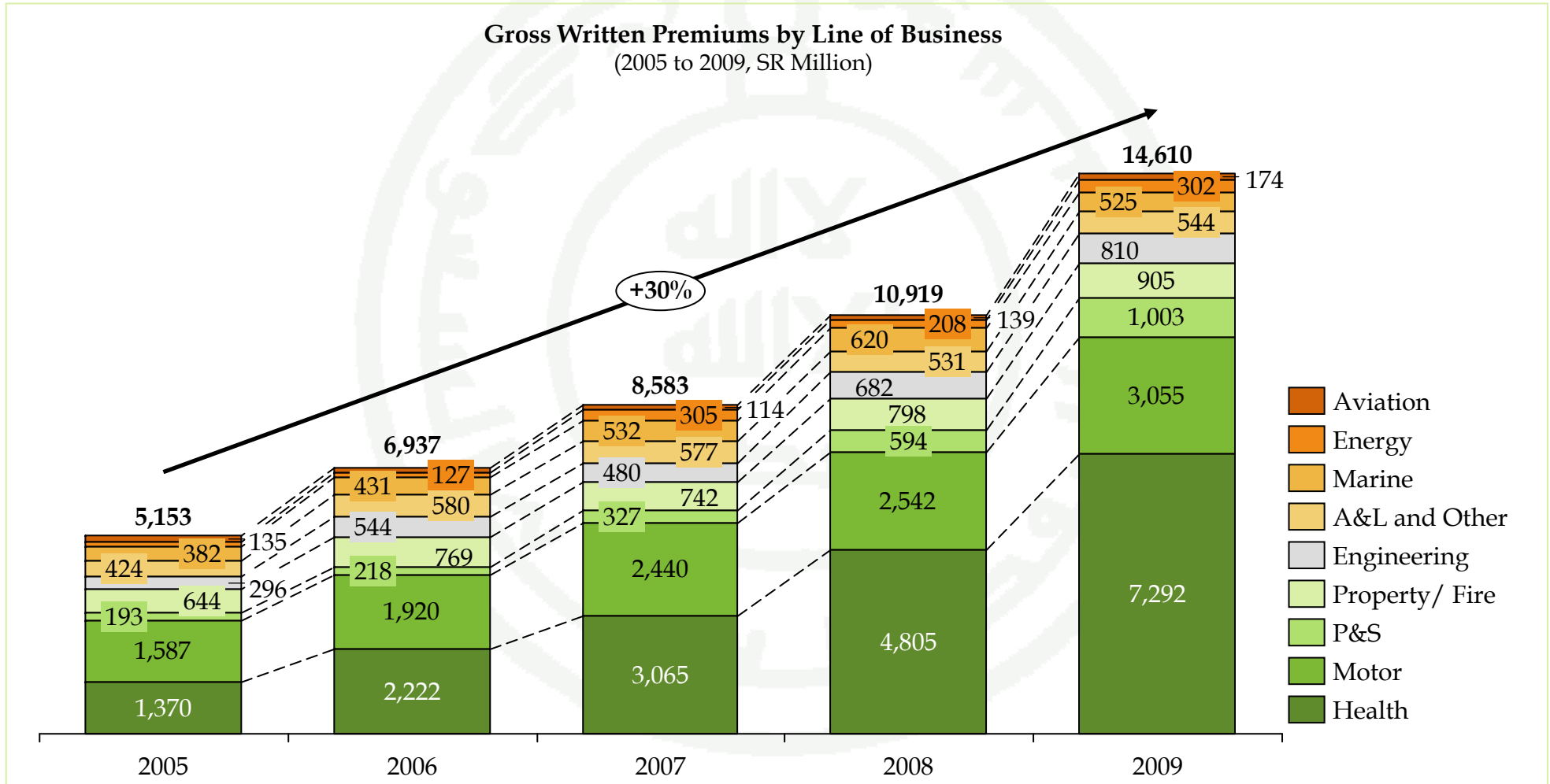
- Around 71% of total GWP was generated by Motor and Health insurance in 2009.
- Health insurance, which includes both compulsory and non-compulsory lines of business, remained the largest line of business in 2009, accounting for 50% of total GWP.
- Motor insurance, which includes both compulsory and non-compulsory lines of business, stood in second place with a 21% share of GWP.
- The fastest growing lines of business continued to be Protection and Savings, and Health insurance, which realised growth rates of 68.9% and 51.8%, respectively.
- Marine insurance underwritten premiums decreased by 15.3% in 2009.

In SR Million	2005		2006		2007		2008		2009		Growth
	SR M	% Total	SR M	% Total	SR M	% Total	SR M	% Total	SR M	% Total	% 08 - 09
Health	1,370	26%	2,222	32%	3,065	36%	4,805	44%	7,292	50%	51.8%
Motor	1,587	31%	1,920	28%	2,440	28%	2,542	23%	3,055	21%	20.2%
P&S	193	4%	218	3%	327	4%	594	5%	1,003	7%	68.9%
Property	644	13%	769	11%	742	9%	798	7%	905	6%	13.3%
Engineering	296	6%	544	8%	480	6%	682	6%	810	6%	18.8%
A&L ⁽¹⁾ + Other	424	8%	580	8%	577	7%	531	5%	544	4%	2.3%
Marine	382	7%	431	6%	532	6%	620	6%	525	4%	-15.3%
Energy	122	2%	127	2%	305	4%	208	2%	302	2%	45.0%
Aviation	135	3%	126	2%	114	1%	139	1%	174	1%	25.7%
Total	5,153	100%	6,937	100%	8,583	100%	10,919	100%	14,610	100%	33.8%

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



Gross Written Premiums by Line of Business (continued)





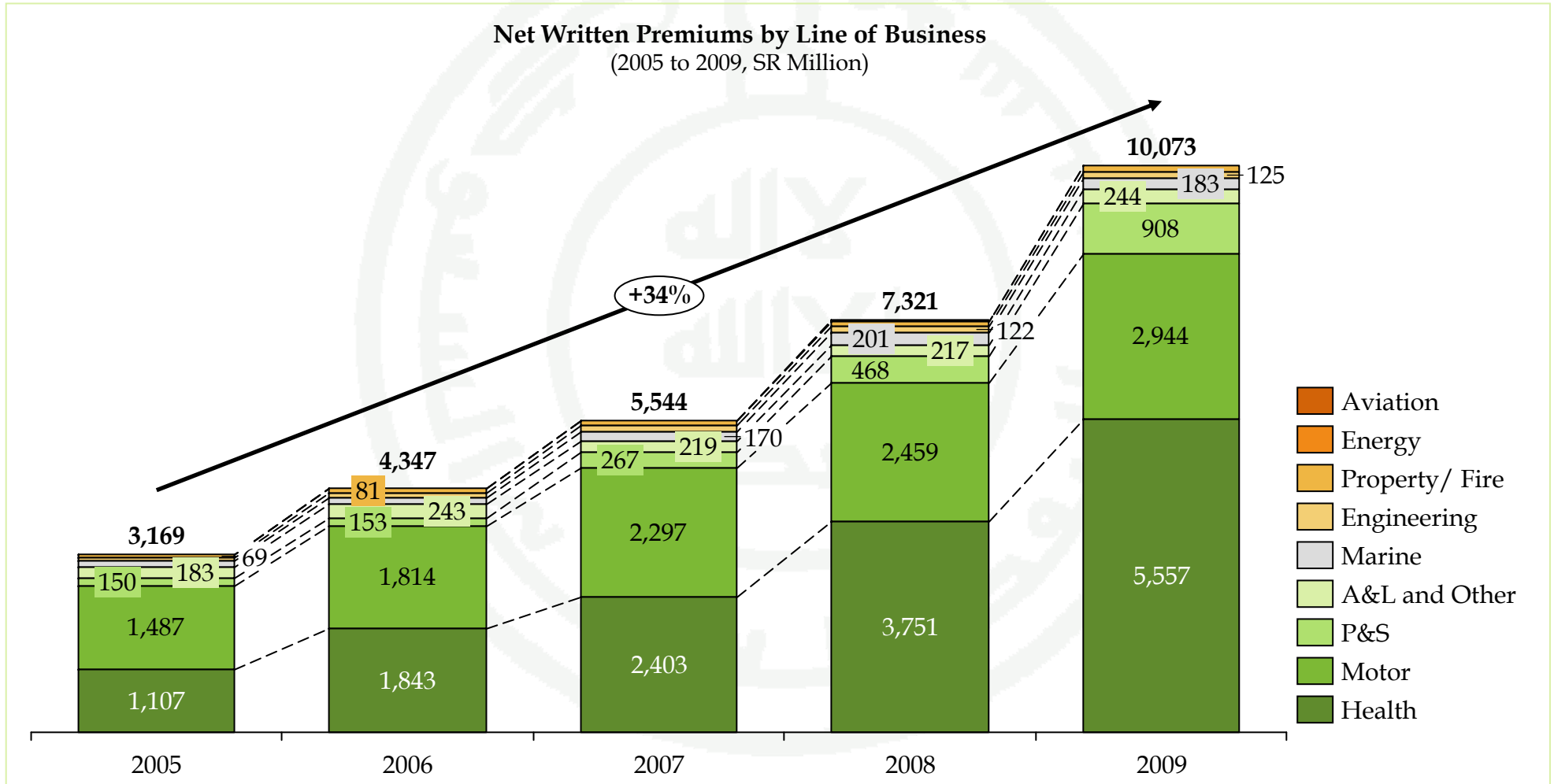
Net Written Premiums by Line of Business

- Net Written Premiums (NWP) is defined as the premiums retained by the insurance company, after the subtraction of the premiums ceded to local or international reinsurers from GWP by line of business.
- Total NWP increased from SR 7,321 Million in 2008 to SR 10,073 Million, a 37.6% increase.
- Around 84% of total NWP in 2009 was generated by Motor and Health insurance.
- Health insurance remained the largest line of business accounting for 55% of total NWP compared to 51% in 2008.
- Motor insurance share of total NWP continued to decrease but remained in second place. Motor insurance accounted for 29% of NWP in 2009, down from 34% in 2008.

In SR Million	2005		2006		2007		2008		2009		Growth
	SR M	% Total	SR M	% Total	SR M	% Total	SR M	% Total	SR M	% Total	% 08 - 09
Health	1,107	35%	1,843	42%	2,403	43%	3,751	51%	5,557	55%	48.1%
Motor	1,487	47%	1,814	42%	2,297	41%	2,459	34%	2,944	29%	19.7%
P&S	150	5%	153	4%	267	5%	468	6%	908	9%	93.9%
A&L + Other	183	6%	243	6%	219	4%	217	3%	244	2%	12.4%
Marine	113	4%	124	3%	170	3%	201	3%	183	2%	-9.1%
Engineering	57	2%	84	2%	98	2%	122	2%	125	1%	2.5%
Property	69	2%	81	2%	84	2%	95	1%	105	1%	10.2%
Energy	0	0%	0	0%	2	0%	1	0%	5	0%	463.9%
Aviation	4	0%	4	0%	4	0%	6	0%	1	0%	-80.2%
Total	3,169	100%	4,347	100%	5,544	100%	7,321	100%	10,073	100%	37.6%



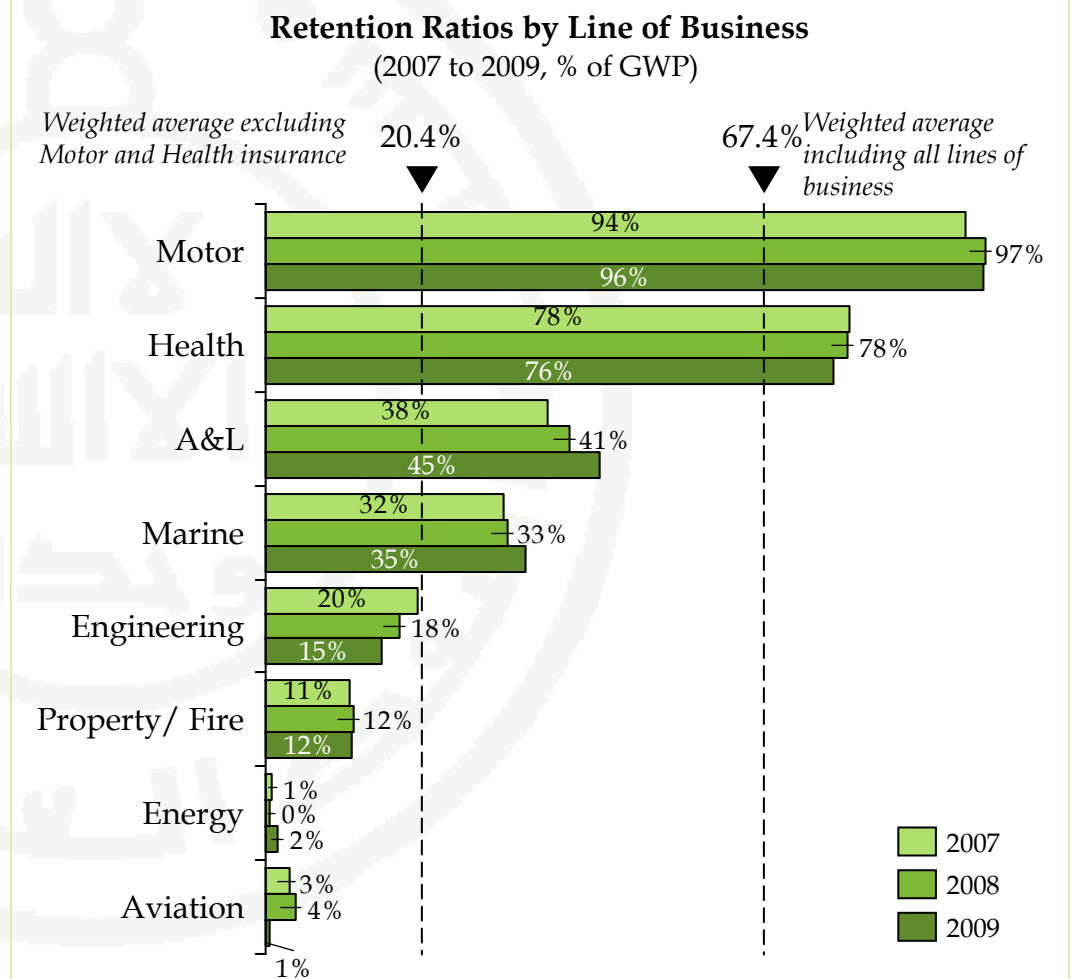
Net Written Premiums by Line of Business (continued)





Retention Ratio by Line of Business

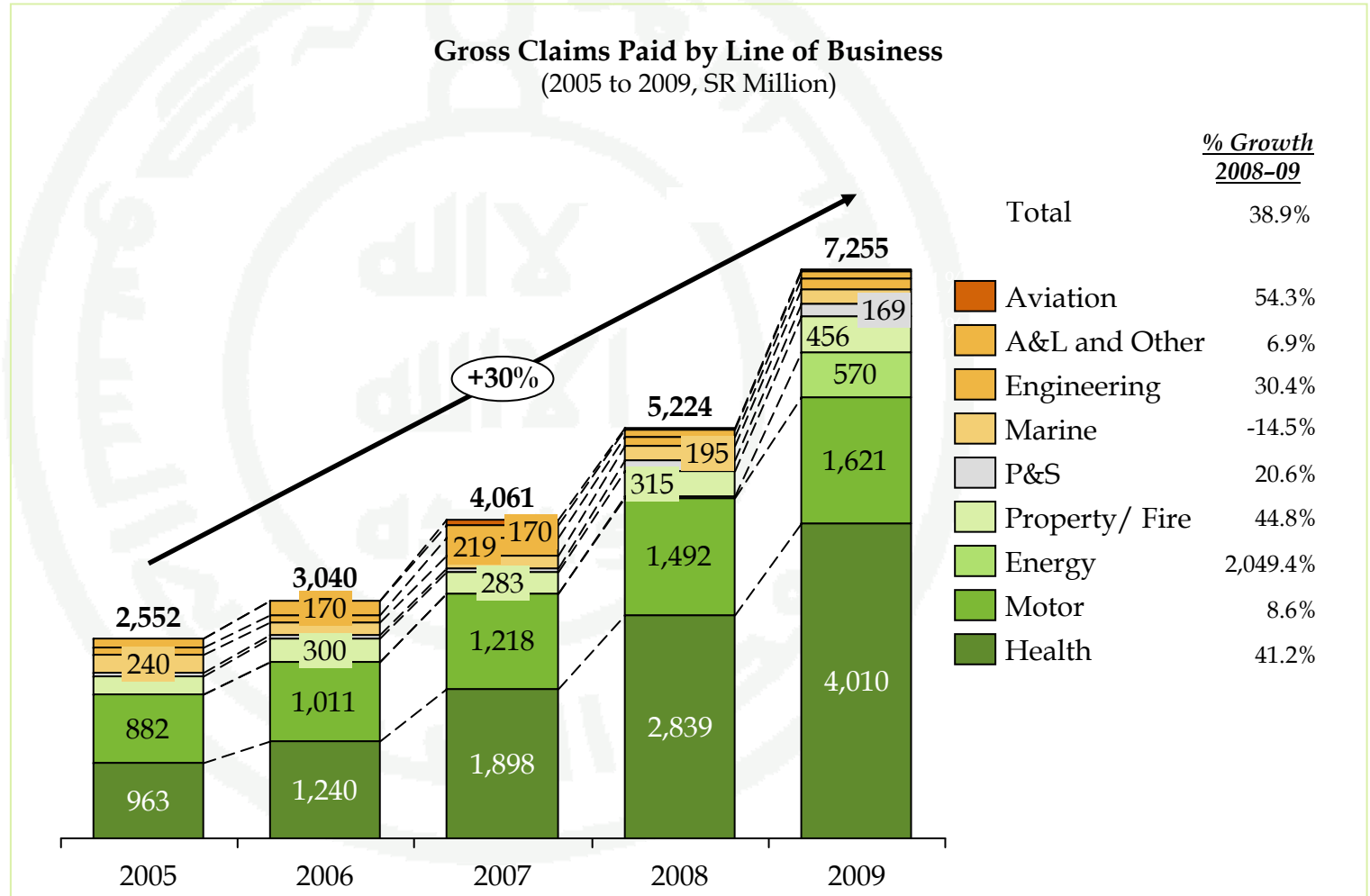
- The retention ratio measures the written premiums retained by the insurance company. It is calculated by dividing the NWP by the GWP.
- The overall retention ratio of insurance companies in the Saudi market increased slightly from 67.0% in 2008 to 67.4% in 2009. This ratio is largely skewed due to the high retention ratio of Motor and Health insurance which collectively account for around 71% of total GWP. In 2009, the retention ratios for Motor and Health insurance were 96% and 76%, respectively.
- The weighted average retention ratio of other insurance lines of business (i.e., excluding Motor and Health insurance) was 20.4% in 2009, down from 22% in 2008.
- 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 38.9% from SR 5,224 Million in 2008 to SR 7,255 Million in 2009.
- In 2009, Health and Motor insurance accounted for 55.3% and 22.3% of total claims paid, respectively.
- In 2009, Energy insurance recorded the highest growth rate in gross claims paid, after increasing by 2,049.4% from SR 27 Million to SR 570 Million.
- Table 6 in the appendix contains all the gross claims data by line of business from 2005 to 2009.





Balance Sheet - Policyholders' Assets

- In 2009, insurance companies hold SR 2 Billion in cash and cash equivalents in their policyholders' accounts.
- Receivables accounted for the biggest share of policyholders' assets, with a value of SR 4.8 Billion.
- Total investments amounted to SR 3.8 Billion.
- Policyholders' (operational) assets amounted to SR 16.2 Billion.

Policyholders Assets (2009, SR Thousand)

Item Name	General and Health Insurance	Protection and Savings Insurance	Total Insurance
Cash and Cash Equivalents	1,920,088	91,632	2,011,720
Receivables, net	4,567,794	194,282	4,762,075
Reinsurance Recoverable	3,825,063	37,494	3,862,557
Deferred Policy Acquisition Costs	374,997	1,070	376,067
Prepaid Expenses	370,679	527	371,206
Investments	2,875,372	897,450	3,772,822
Deposits at Financial Institutions	1,535,232	6,256	1,541,488
Loans	-	11,204	11,204
Debt, Securities and Fixed Income	759,313	22,453	781,766
Shares (common, preferred)	250,054	357,757	607,812
Real Estate	9,861	-	9,861
Investments in Subsidiaries and Affiliates	154,984	-	154,984
Other	165,927	499,780	665,708
Tangible Assets	383,657	2,710	386,367
Intangible Assets	3,178	-	3,178
Other Policyholders' Assets	685,787	8,592	694,379
Total Policyholders' Assets [1]	15,006,613	1,233,758	16,240,371



Balance Sheet - Shareholders' Assets

- In 2009, insurance companies shareholders held SR 1.2 Billion in cash and cash equivalents.
- Investments accounted for the biggest share of shareholders' assets, with a value of SR 5.4 Billion.
- Shareholders' assets amounted to SR 8.2 Billion.
- Insurance companies' total assets amounted to SR 24.4 Billion.

Shareholders Assets (2009, SR Thousand)

Item Name	General and Health Insurance	Protection and Savings Insurance	Total Insurance
Cash and Cash Equivalents			1,253,534
Receivables, net			70,854
Investments			5,415,779
Deposits at Financial Institutions			2,328,319
Loans			-
Debt, Securities and Fixed Income			1,829,952
Shares (common, preferred)			481,219
Real Estate			3,133
Investment in Subsidiaries and Affiliates			191,029
Other			582,127
Accrued, Interest and Income			32,827
Tangible Assets			91,831
Intangible Assets			581,632
Distributions due from Policyholders Account			267,431
Other Shareholders' Assets			488,470
Total Shareholders' Assets [2]			8,202,359
Total Assets [1] + [2]	15,006,613	1,233,758	24,442,730



Balance Sheet - Policyholders' Liabilities and Equity

- In 2009, insurance companies held SR 10 Billion in technical reserves, which consist of unearned premiums, outstanding claims, IBNR and adjustment expense reserves.
- Mathematical reserves amounted to SR 850 Million.
- Policyholders' liabilities and equity amounted to SR 16 Billion.

Policyholders Liabilities And Equity (2009, SR Thousand)

Item Name	General and Health Insurance	Protection and Savings Insurance	Total Insurance
Policyholders' Payables	573,937	45,007	618,944
Reinsurance Balances Payables	1,716,541	22,196	1,738,736
Technical reserves	10,005,984	83,533	10,089,517
Unearned Premiums	5,623,858	22,834	5,646,693
Outstanding Claims, IBNR and Adjustment Expense	4,382,126	60,699	4,442,824
Mathematical Reserves	-	850,187	850,187
Other Reserves	26,700	-	26,700
Unearned Reinsurance Commissions	207,701	507	208,208
Accrued Expense and Deferred Income	1,128,337	92,254	1,220,591
Declared Dividend Payable	-	-	-
Distribution due to Shareholders Account	66,659	-	66,659
Other Policyholders' Liabilities	747,374	10,600	757,974
Total Policyholders' Liabilities	14,473,142	1,104,284	15,577,426
Accumulated Surplus	16,819	431,735	448,554
Total Policyholders' Liabilities & Equity [3]	14,489,962	1,536,019	16,025,980



Balance Sheet - Shareholders' Liabilities and Equity

- In 2009, shareholders' liabilities amounted to SR 907 Million while shareholders equity totaled SR 7.5 Billion.
- Share capital constituted the biggest share of shareholders' equity with a value of SR 6.5 Billion.
- Shareholders' liabilities and equity registered SR 8.4 Billion.
- Insurance companies' total liabilities and equity amounted to SR 24.4 Billion.

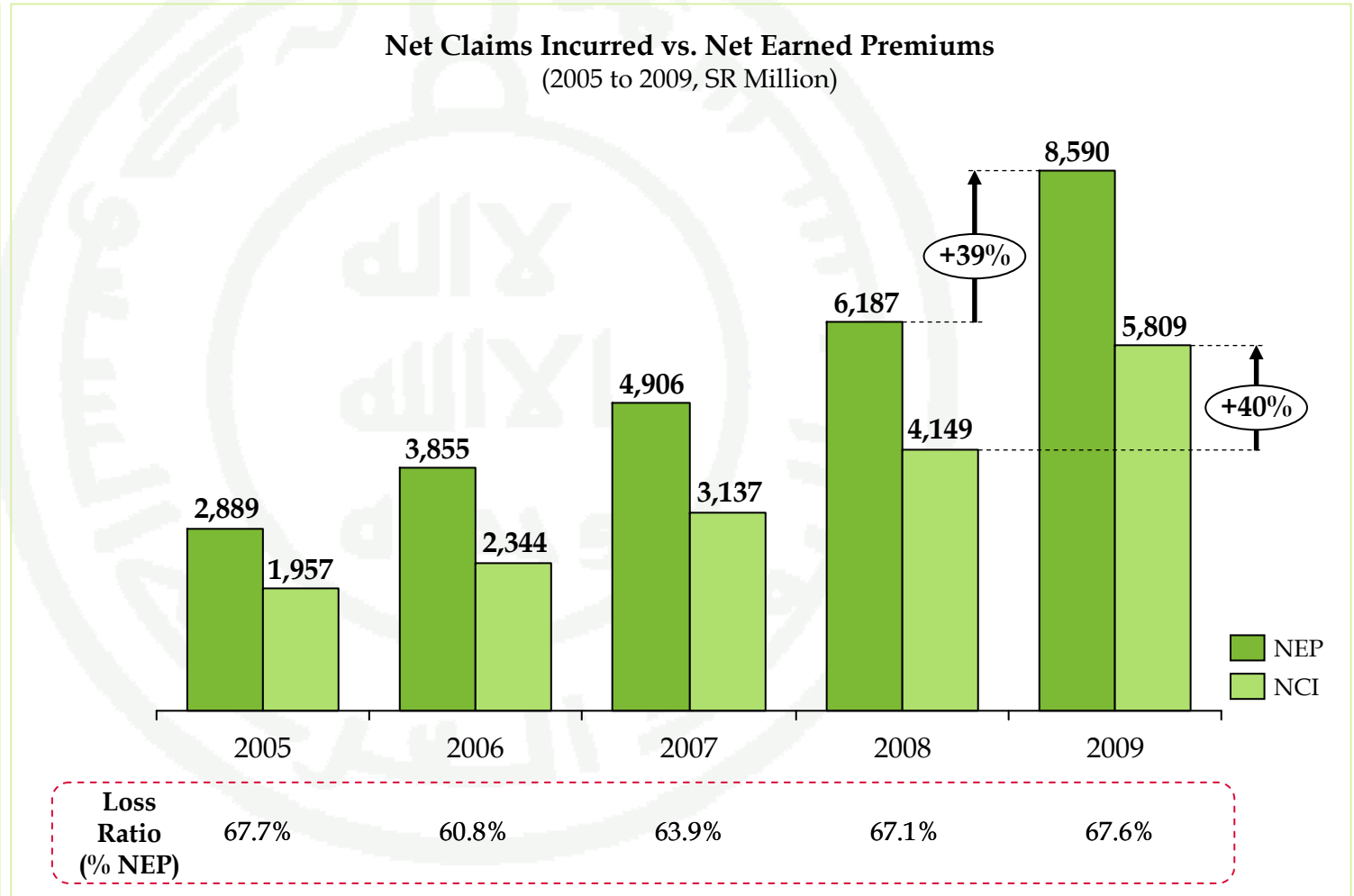
Shareholders Liabilities And Equity
(2009, SR Thousand)

Item Name	General and Health Insurance	Protection and Savings Insurance	Total Insurance
Shareholders Payables			319,595
Zakat			174,824
Accrued Expenses and Deferred Income			84,586
Other Shareholders Liabilities			327,655
Total Shareholders Liability			906,659
Share Capital			6,531,418
Statutory Reserves			614,377
Retained Earnings			158,347
Other Shareholders' Equity			205,949
Total Shareholders' Equity			7,510,091
Total Shareholders' Liabilities & Equity [4]			8,416,750
Total Liabilities & Equity [3] + [4]	14,489,962	1,536,019	24,442,730



Net Claims Incurred vs. Net Earned Premiums

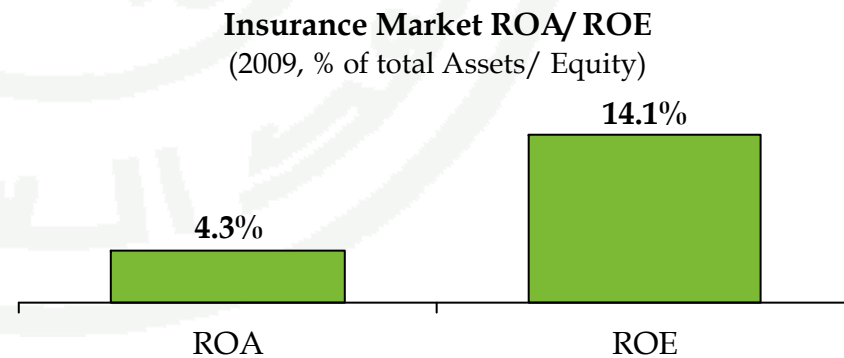
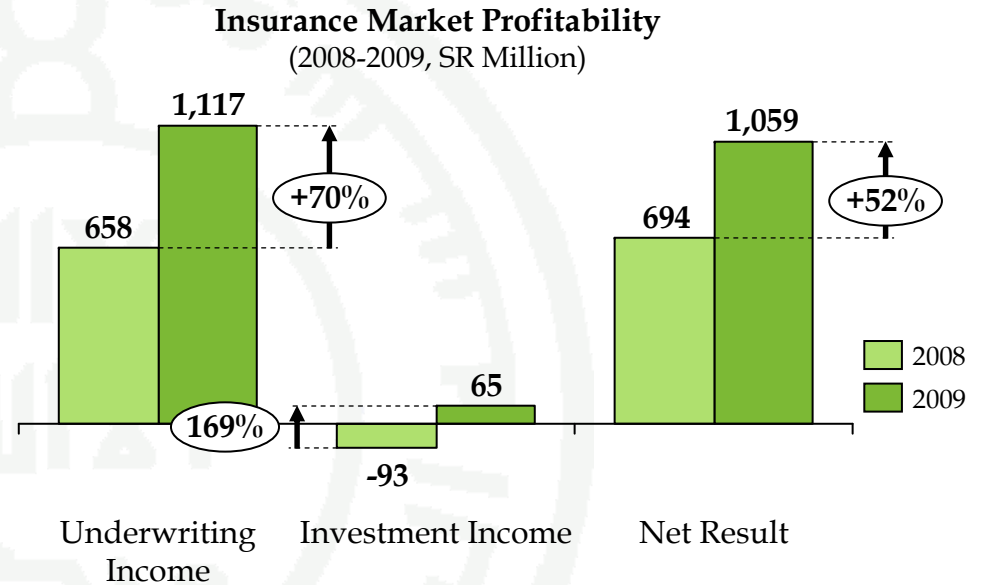
- Net Earned Premiums (NEP) is equal to NWP minus the change in unearned premiums reserve.
- The insurance market's NEP totaled SR 8,590 Million in 2009, up from SR 6,187 Million in 2008, which represents a 39% increase.
- Net Claims Incurred (NCI), i.e., the total of net claims paid, claims outstanding and IBNR claims, increased by 40% for the year 2009 to reach SR 5,809.
- For 2009, the net claims ratio, i.e., the loss ratio, which is equal to NCI divided by NEP, increased slightly to reach 67.6%.





Market Profitability

- Insurance underwriting income is the result of subtracting all insurance related expenses from insurance revenues (NEP).
- The net result is equal to the sum of underwriting income, investment income, and other revenues minus other expenses¹⁾.
- In 2009, the insurance underwriting income totaled SR 1,117 Million, which represents a 70% increase from 2008 figures.
- Investment income amounted to SR 65 Million in 2009 after recording SR 93 Million in losses in 2008.
- The insurance market's net result increased from SR 694 Million in 2008 to SR 1,059 Million in 2009, which represents a 52% increase.
- Return on Assets (ROA) is the ratio of the Net Result to Total Assets. In 2009, Insurance market's ROA was 4.3%.
- Return on Equity (ROE) is the ratio of the Net Result to Total Equity. In 2009, Insurance market's ROE was 14.1%.



1) Other revenues amounted to SR 32.9 Million, while other expenses amounted to SR 155.9 Million



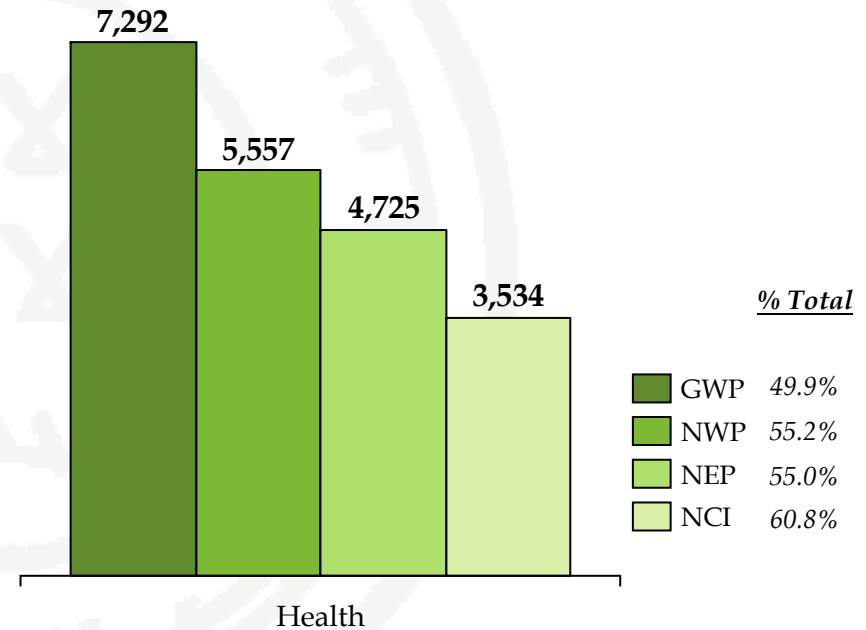
Insurance Market Performance - By Line of Business



Health Insurance Performance Overview

- Health insurance, which includes both compulsory and non-compulsory lines, accounted for 49.9% of the 2009 market GWP with SR 7,292 Million in underwritten premiums.
- Health insurance accounted for 55.2% of the market's NWP as insurance companies retained SR 5,557 Million of their Health insurance GWP, which represents a 76.2% retention ratio.
- Health insurance's NEP registered SR 4,725 Million.
- Finally, Health insurance's NCI amounted to SR 3,534 Million, which translates in a 74.8% loss ratio for the year 2009.

Health Insurance Performance
(2009, SR Million)



Retention Ratio

76.2%

Loss Ratio

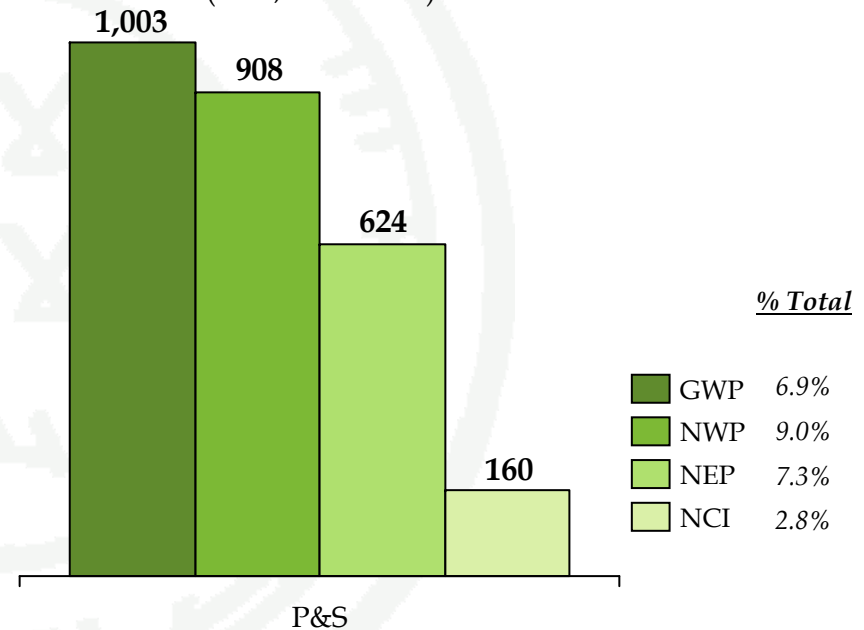
74.8%



Protection and Savings Insurance Performance Overview

- Protection and Savings insurance's GWP totaled SR 1,003 Million in 2009, which represents a 6.9% contribution the market's total business volume.
- Protection and Savings insurance accounted for 9.0% of the market's NWP as insurance companies retained SR 908 Million of GWP, which represents a 90.5% retention ratio.
- Protection and Savings insurance's NEP registered SR 624 Million, which represents a share of 7.3% of total NEP.
- Finally, Protection and Savings insurance's loss ratio reached 25.7% with NCI amounting to SR 160 Million.

Protection and Savings Insurance Performance
(2009, SR Million)



Retention Ratio

90.5%

Loss Ratio

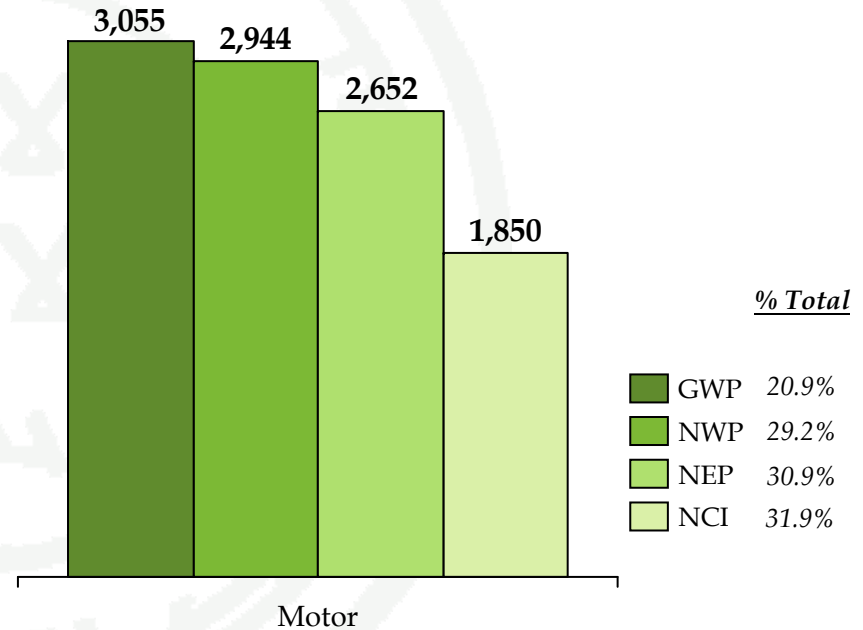
25.7%



Motor Insurance Performance Overview

- Motor insurance GWP totaled SR 3,055 Million, which represents a 20.9% share of total market GWP.
- Motor insurance's retention ratio of 96.4% was the highest of all business lines. Motor insurance NWP totaled SR 2,944 Million.
- Motor insurance's NEP amounted to SR 2,652 Million and accounted for 30.9% of the insurance market's NEP.
- Finally, Motor insurance's loss ratio was 69.8%, with NCI totaling SR 1,850 Million.

Motor Insurance Performance
(2009, SR Million)



Retention Ratio

96.4%

Loss Ratio

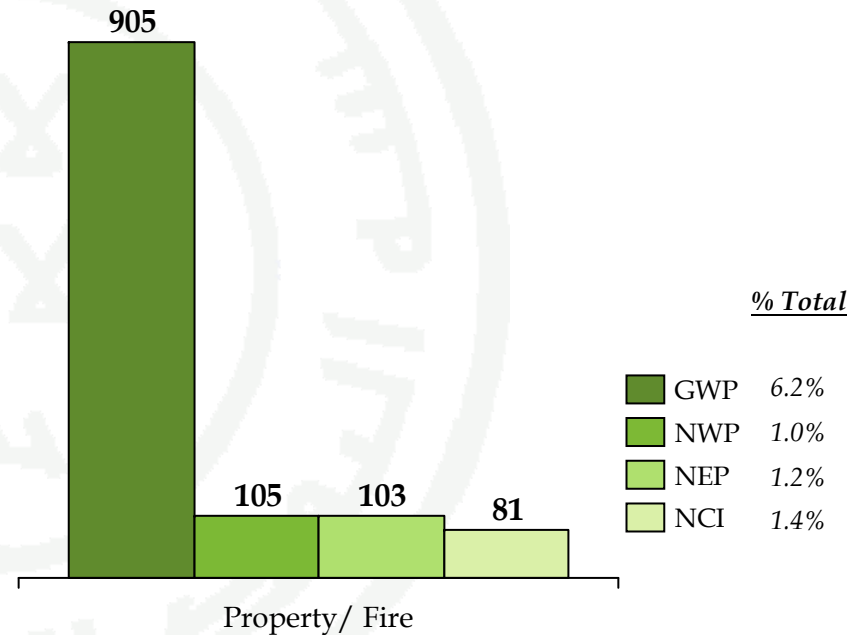
69.8%



Property/ Fire Insurance Performance Overview

- Property/ Fire insurance's GWP totaled SR 905 Million, which represents a 6.2% share of total market GWP.
- Insurance companies retained only 11.6% of their Property/ Fire insurance premiums as the business line's NWP amounted to 105 Million. Property/ Fire insurance contributed 1.0% to total market NWP in 2009.
- Property/ Fire insurance's NEP registered SR 103 Million.
- Finally, insurance companies recorded SR 81 Million in Property/ Fire insurance's NCI which translates into a 78.5% loss ratio.

Property/ Fire Insurance Performance
(2009, SR Million)



Retention Ratio

11.6%

Loss Ratio

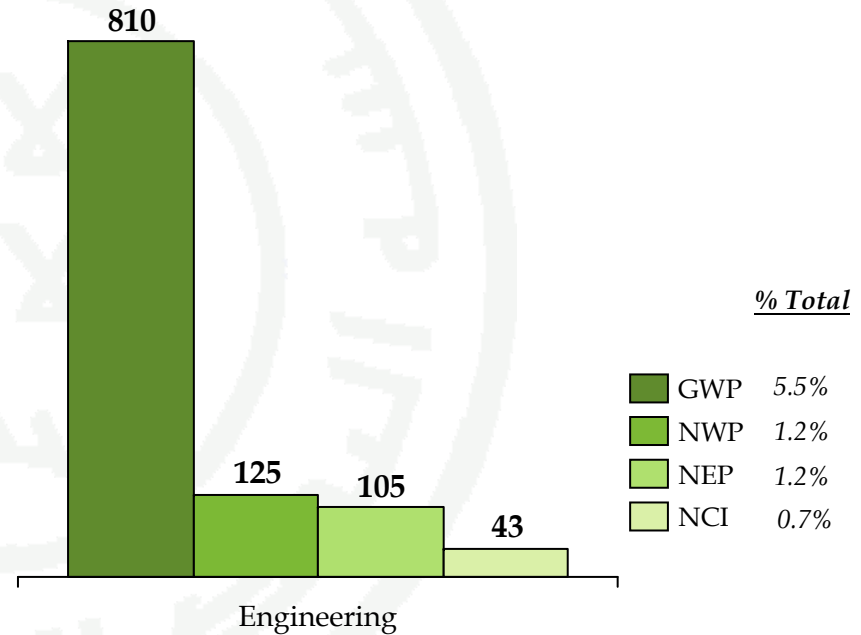
78.5%



Engineering Insurance Performance Overview

- In 2009, Engineering insurance GWP totaled SR 810 Million, a 5.5% contribution to total market GWP.
- Insurance companies retained 15.5% of their Engineering underwritten premiums. Engineering insurance NWP registered SR 125 Million.
- Engineering insurance NEP amounted to SR 105 Million and accounted for 1.2% of the insurance market's NEP.
- Engineering insurance recorded a loss ratio of 41.2%, with NCI, totaling SR 43 Million.

Engineering Insurance Performance
(2009, SR Million)



Retention Ratio

15.5%

Loss Ratio

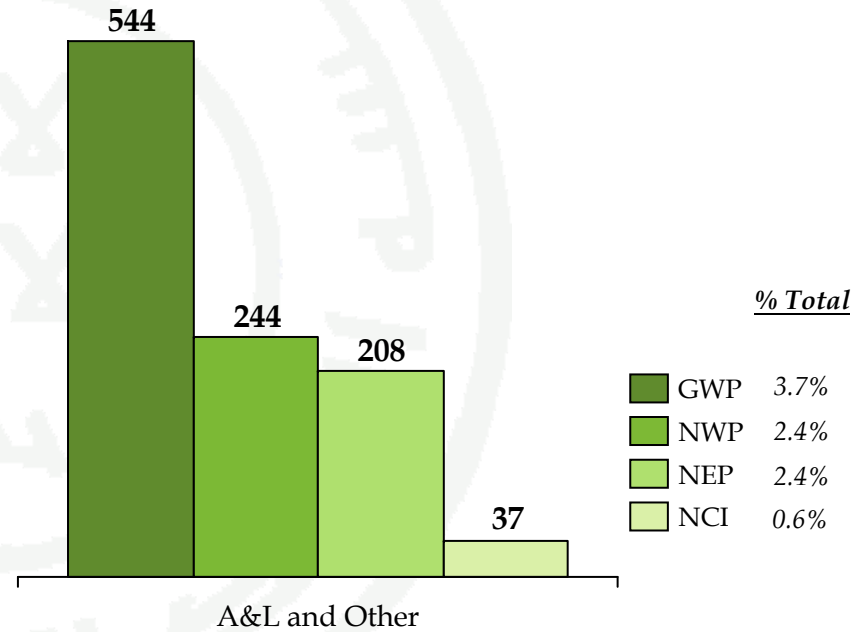
41.2%



A&L and Other Insurance Performance Overview

- 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.
- Other general insurance refers to all other business lines in general insurance.
- Insurance companies underwrote SR 544 Million in A&L and Other general insurance premiums.
- Insurance companies retained SR 244 Million of A&L and Other general insurance underwritten premiums, a 44.9% retention ratio.
- A&L and Other general insurance NEP totaled SR 208 Million, which represents a 2.4% contribution to total NEP.
- Finally, insurance companies recorded SR 37 Million in A&L and Other general insurance's NCI which translates into a 17.7% loss ratio.

A&L and Other Performance
(2009, SR Million)



Retention Ratio

44.9%

Loss Ratio

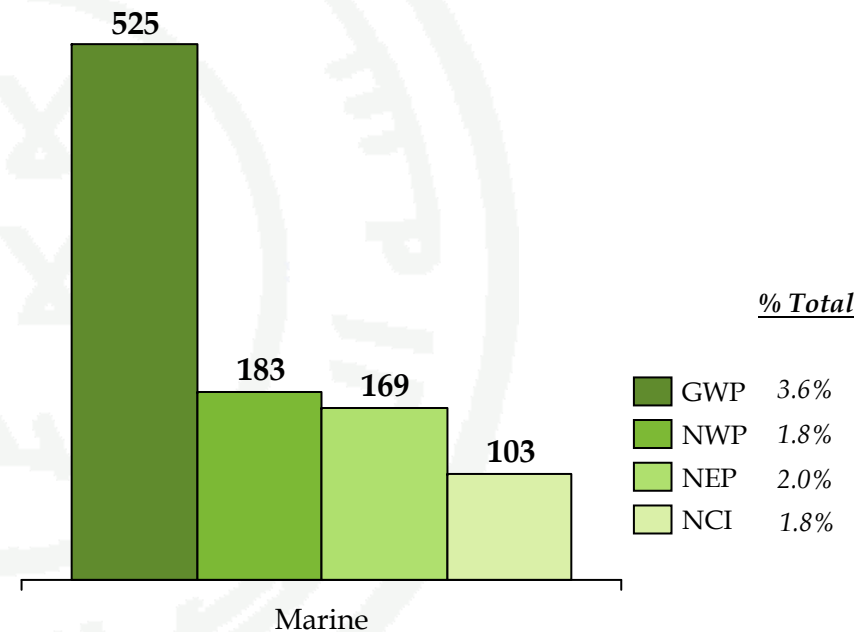
17.7%



Marine Insurance Performance Overview

- The Marine insurance line of business includes both marine cargo and marine hull insurance.
- In 2009, Marine insurance GWP registered SR 525 Million, which represents a 3.6% contribution to total market GWP.
- Insurance companies retained 34.9% of their Marine insurance underwritten premiums as the business line's NWP amounted to SR 183 Million.
- Marine insurance's NEP recorded SR 169 Million, which represents a 2.0% share of total NEP for 2009.
- Finally, Marine insurance's NCI amounted to SR 103 Million. This resulted in a loss ratio of 61.1%.

Marine Insurance Performance
(2009, SR Million)



Retention Ratio

34.9%

Loss Ratio

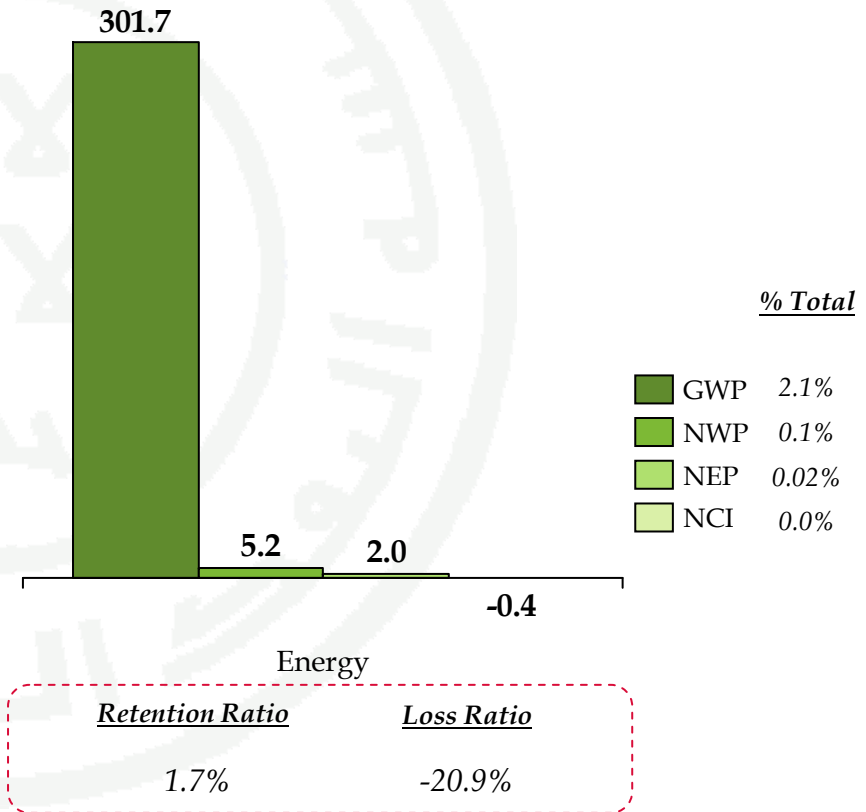
61.1%



Energy Insurance Performance Overview

- In 2009, Energy insurance GWP totaled SR 302 Million, which represents a 2.1% share of total market GWP.
- Insurance companies ceded 98.3% of their Energy insurance underwritten premiums. Energy insurance NWP amounted to SR 5 Million.
- Energy insurance's NEP amounted to SR 2 Million, accounting for only 0.02% of the insurance market's NEP.
- Finally, Energy insurance's NCI were negative and amounted to (SR 0.43 Million). This is due to the adjustment entry of an overestimated claim from a prior period into the ledger of one insurance company. Excluding this claim, Energy insurance's NCI amounted to SR 0.93 Million.

Energy Insurance Performance
(2009, SR Million)

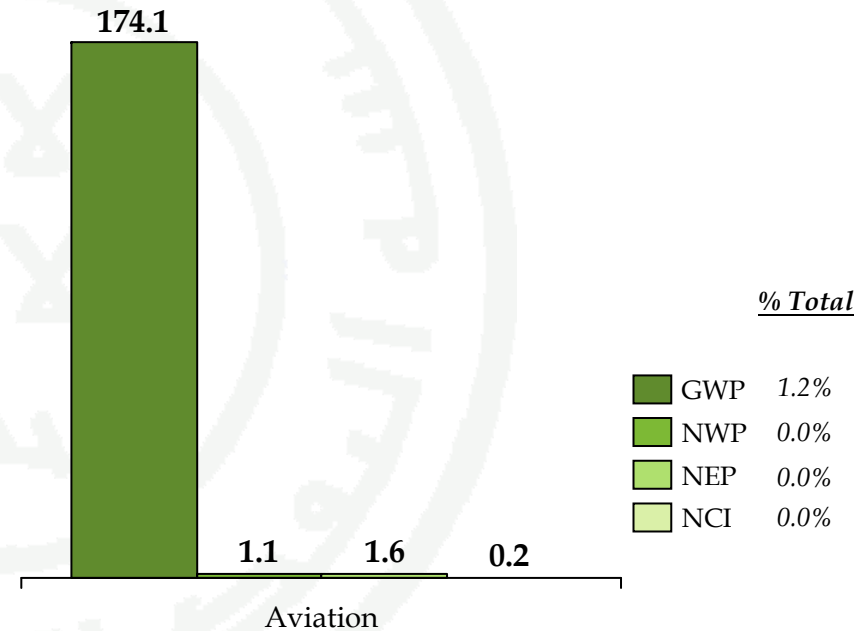




Aviation Insurance Performance Overview

- Aviation insurance GWP reached SR 174 Million in 2009, a 1.2% contribution to total market GWP.
- Insurance companies retained 0.6% of their Aviation insurance underwritten premiums as the business line's NWP amounted to SR 1.1 Million.
- Aviation insurance NEP totaled SR 1.6 Million
- Finally, Aviation insurance's NCI amounted to SR 0.2 Million, resulting in a 14.7% loss ratio

Aviation Insurance Performance
(2009, SR Million)



Retention Ratio

0.6%

Loss Ratio

14.7%

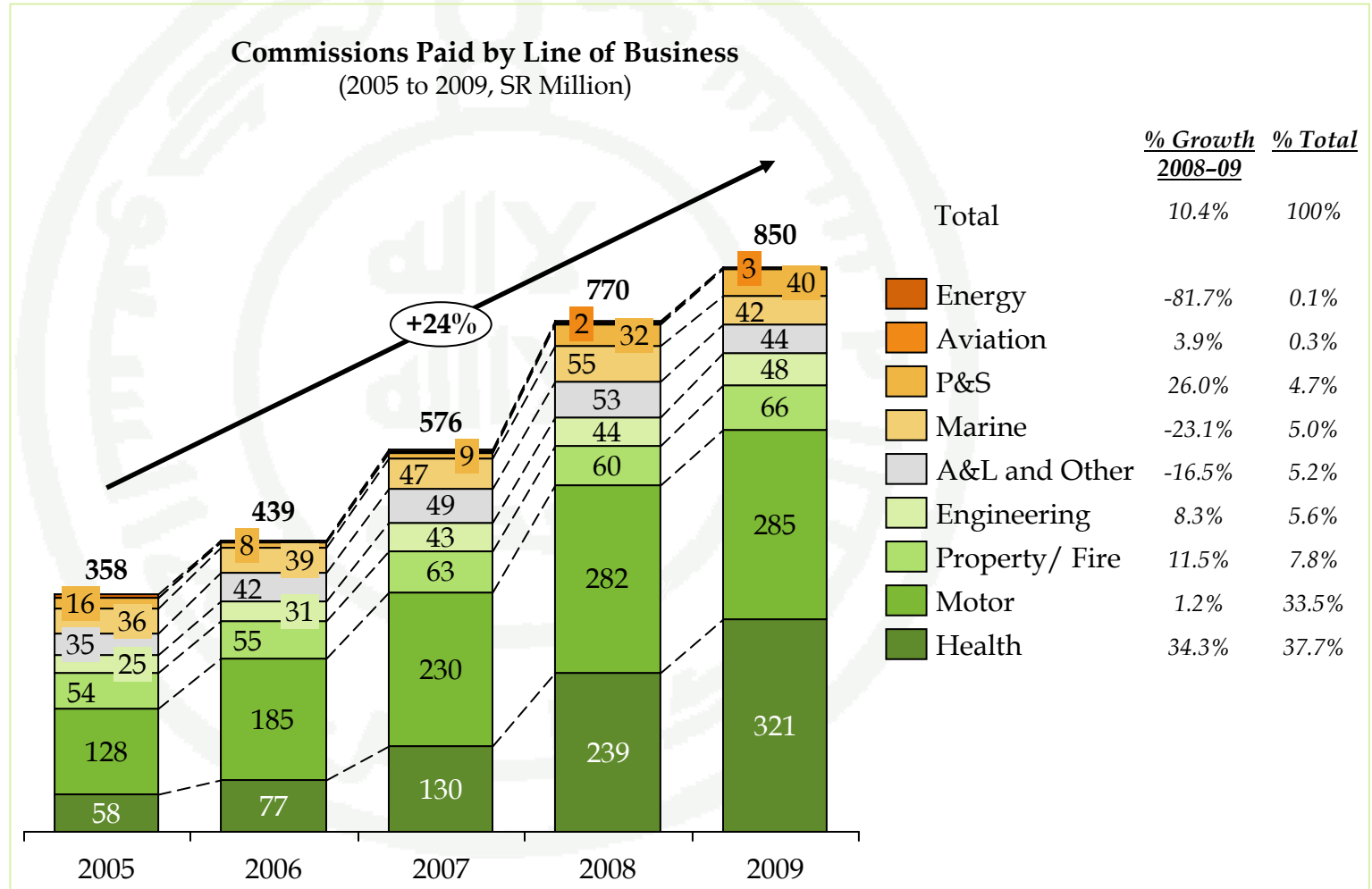


Other Market Indicators



Commissions Paid by Line of Business

- Total commissions paid by insurance companies amounted to SR 850 Million in 2009, compared to SR 770 Million in 2008, which represents an increase of 10.4%.
- General insurance related commissions accounted for 57.5% of total commissions paid in 2009.
- Health insurance's share of total commissions paid represents 37.7% in 2009.
- Protection and Savings insurance's commissions paid increased by 26% in 2009 and amounted to 4.7% of total commissions paid.

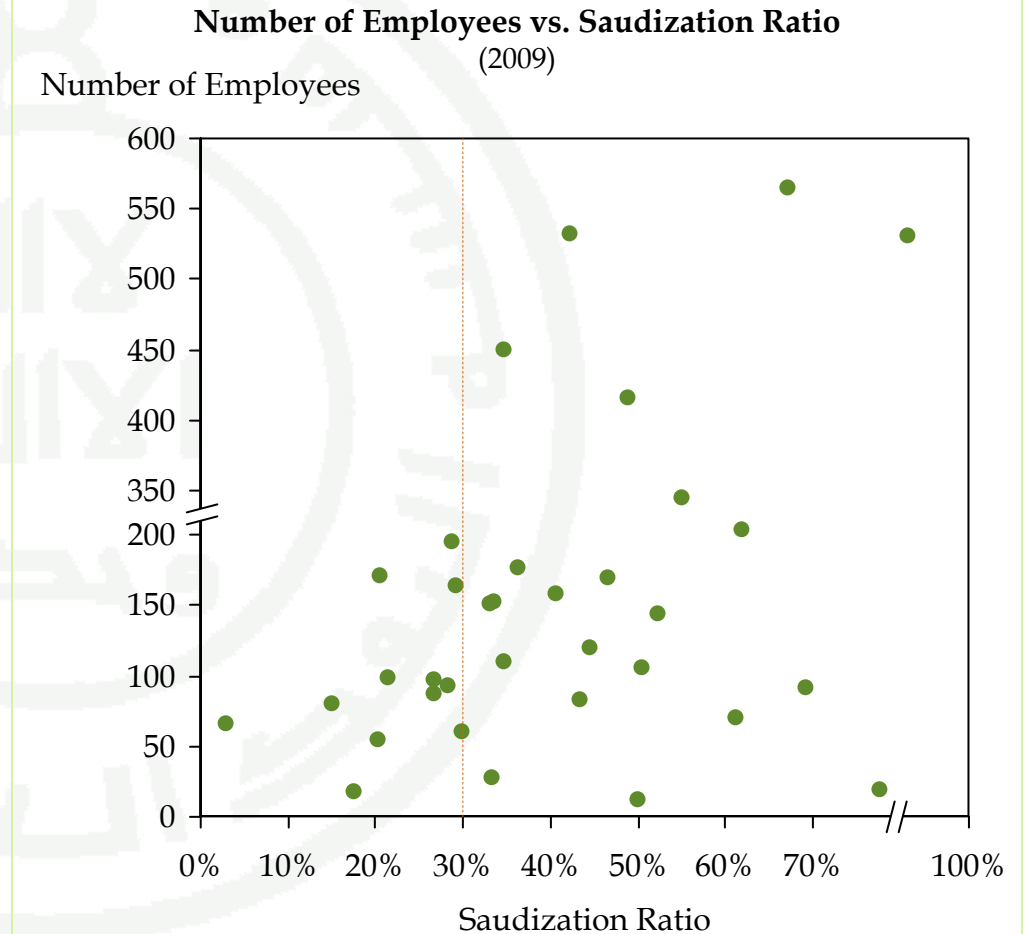




Employees Breakdown by Nationality

- The total number of insurance companies' employees in Saudi Arabia reached 5,800 in 2009, up from 5,447 in 2008.
- Saudi nationals employed by insurance companies account for 47.5% of the total work force, an increase of 2.7 percentage points from 2008 figures.
- 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).

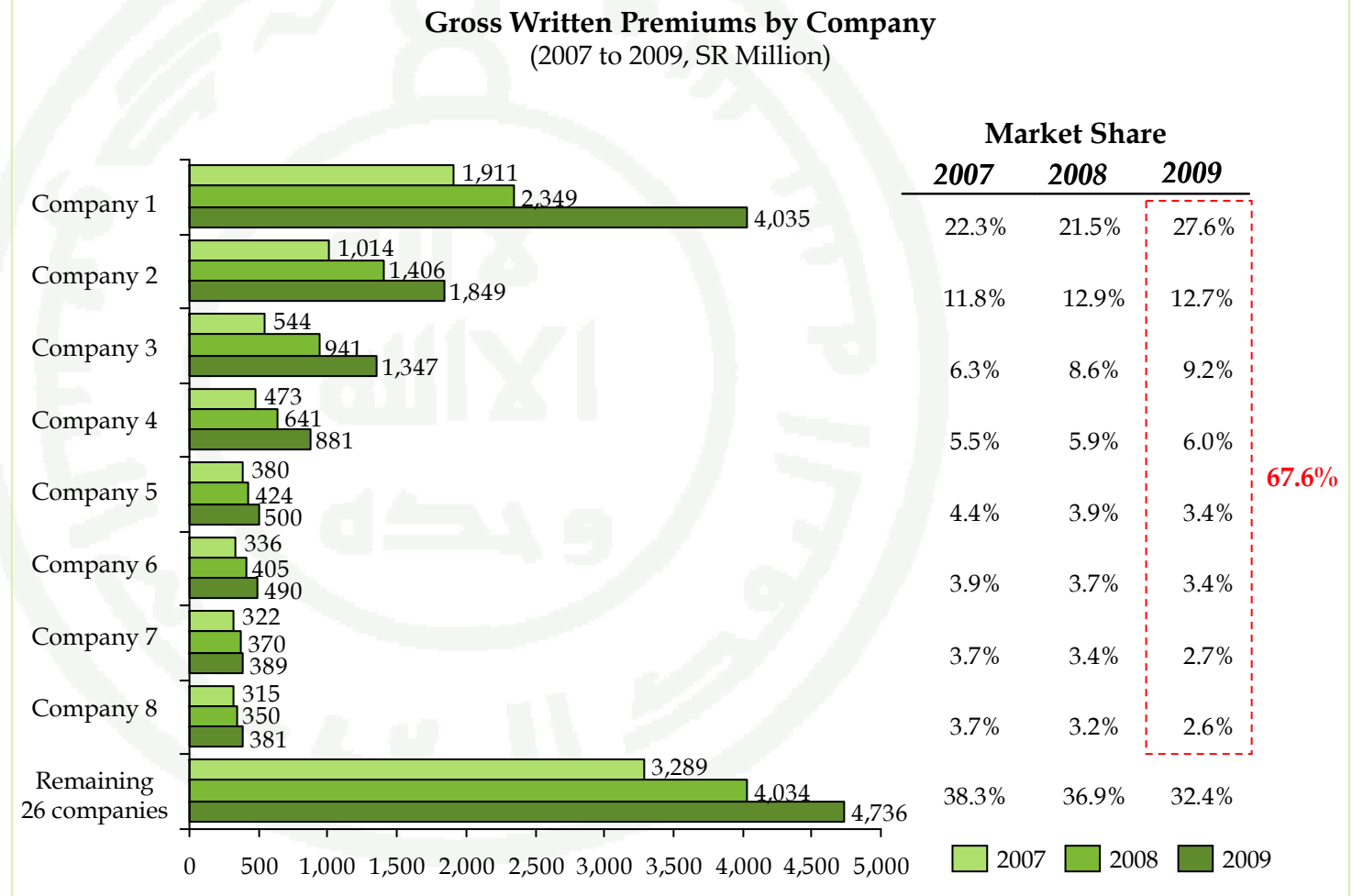
Nationality	No. of Non-manual Employees		No. of Managerial Employees		Total No. of Employees	
	2008	2009	2008	2009	2008	2009
Other Arab	1,152	1,221	301	361	1,453	1,582
Other Non-Arab	1,320	1,083	234	382	1,554	1,465
Saudi	2,176	2,488	264	265	2,440	2,753
Total	4,648	4,792	799	1,008	5,447	5,800
Saudization Ratio	46.8%	51.9%	33.0%	26.3%	44.8%	47.5%





Insurance Market Structure

- In 2009, the top 8 insurance companies generated 67.6% of the insurance market's GWP, an increase from 63.1% in 2008.
- The remaining 26 insurance companies included in the report accounted for the remaining 32.4% of total market premiums.



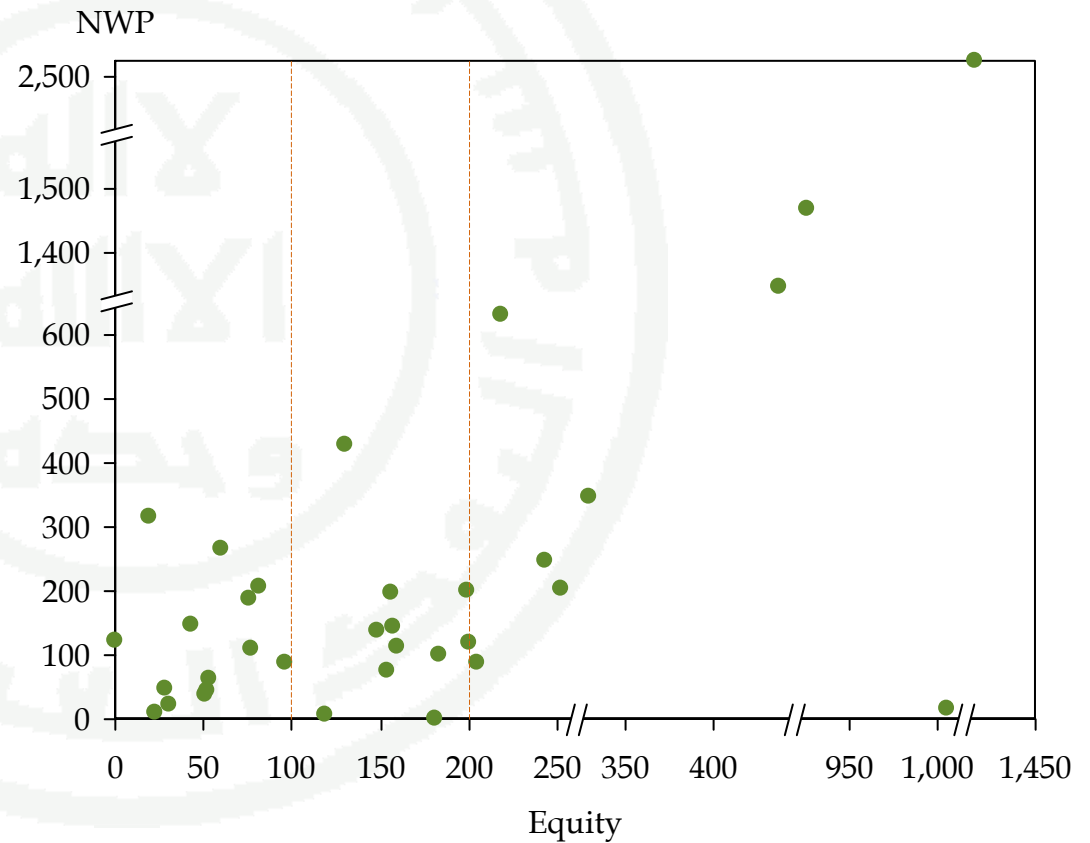


Insurance Companies Shareholders' Equity

- In 2009, the number insurance companies with more than SR 100 Million in shareholders' equity increase to 20, compared to 9 companies in 2008.
- The largest company by total equity is Tawuniya, with total equity of SR 1.4 Billion following an increase from SR 1.2 Billion in 2008.
- 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 (2009)	Number of Companies
Up to SR 50 Million	6
SR 51 M to SR 100 Million	8
SR 101 M to SR 150 Million	3
SR 151 M to SR 200 Million	7
SR 201 M to SR 500 Million	7
More that SR 501 Million	3

Insurance Companies' Equity vs. NWP
(2009, SR Million)





Appendix: Data Tables



Table 1: Gross Written Premiums by Line of Business (2005 to 2009)

Table 1: Gross Written Premiums by Line of Business (2005 to 2009)											
Line of Business	2005		2006		2007		2008		2009		% Change 08 - 09
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
<i>A&L and Other</i>	424.0	8.2%	579.6	8.4%	577.3	6.7%	531.3	4.9%	543.7	3.7%	2.3%
<i>Motor</i>	1,587.3	30.8%	1,920.2	27.7%	2,440.2	28.4%	2,542.1	23.3%	3,055.4	20.9%	20.2%
<i>Property/ Fire</i>	643.5	12.5%	769.2	11.1%	742.2	8.6%	798.4	7.3%	904.9	6.2%	13.3%
<i>Marine</i>	382.0	7.4%	431.4	6.2%	531.6	6.2%	619.6	5.7%	525.0	3.6%	(15.3%)
<i>Aviation</i>	135.1	2.6%	126.1	1.8%	114.5	1.3%	138.5	1.3%	174.1	1.2%	25.7%
<i>Energy</i>	121.6	2.4%	126.7	1.8%	305.3	3.6%	208.2	1.9%	301.7	2.1%	45.0%
<i>Engineering</i>	296.4	5.8%	543.7	7.8%	479.7	5.6%	682.1	6.2%	810.3	5.5%	18.8%
Total General Insurance	3,589.9	69.7%	4,496.9	64.8%	5,190.7	60.5%	5,520.1	50.6%	6,315.3	43.2%	14.4%
Total Health Insurance	1,370.3	26.6%	2,222.2	32.0%	3,065.0	35.7%	4,805.2	44.0%	7,292.0	49.9%	51.8%
Total P&S Insurance	193.2	3.7%	217.9	3.1%	327.0	3.8%	593.7	5.4%	1,002.8	6.9%	68.9%
Total	5,153.4	100.0%	6,937.3	100.0%	8,582.7	100.0%	10,918.9	100.0%	14,610.1	100.0%	33.8%



Tables 2 & 3: Insurance Penetration and Density (2005 to 2009)

Tables 2: Insurance Penetration of Saudi GDP (2005 to 2009)						
Line of Business	2005	2006	2007	2008	2009	% Change 08 - 09
	%	%	%	%	%	
Total General Insurance	0.30%	0.34%	0.37%	0.31%	0.46%	45.3%
Total Health Insurance	0.12%	0.17%	0.22%	0.27%	0.53%	92.7%
Total P&S Insurance	0.02%	0.02%	0.02%	0.03%	0.07%	114.5%
Total	0.44%	0.53%	0.61%	0.62%	1.06%	69.9%

Tables 3: Insurance Density (2005 to 2009)						
Line of Business	2005	2006	2007	2008	2009	% Change 08 - 09
	SR	SR	SR	SR	SR	
Total General Insurance	155.3	189.9	216.5	222.5	248.9	11.9%
Total Health Insurance	59.3	93.8	127.8	193.7	287.4	48.4%
Total P&S Insurance	8.4	9.2	13.6	23.9	39.5	65.2%
Total	223.0	292.9	357.9	440.1	575.8	30.8%



Table 4: Net Written Premiums by Line of Business (2005 to 2009)

Table 4: Net Written Premiums by Line of Business (2005 to 2009)											
Line of Business	2005		2006		2007		2008		2009		% Change 08 - 09
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
<i>A&L and Other</i>	182.7	5.8%	243.4	5.6%	219.2	4.0%	217.3	3.0%	244.3	2.4%	12.4%
<i>Motor</i>	1,486.9	46.9%	1,814.1	41.7%	2,297.3	41.4%	2,458.7	33.6%	2,944.1	29.2%	19.7%
<i>Property/ Fire</i>	69.2	2.2%	80.8	1.9%	84.1	1.5%	95.4	1.3%	105.1	1.0%	10.2%
<i>Marine</i>	112.7	3.6%	124.4	2.9%	169.8	3.1%	201.5	2.8%	183.2	1.8%	(9.1%)
<i>Aviation</i>	4.0	0.1%	4.3	0.1%	3.6	0.1%	5.5	0.1%	1.1	0.0%	(80.2%)
<i>Energy</i>	0.1	0.0%	0.0	0.0%	2.4	0.0%	0.9	0.0%	5.2	0.1%	463.9%
<i>Engineering</i>	56.8	1.8%	84.2	1.9%	97.6	1.8%	122.2	1.7%	125.3	1.2%	2.5%
Total General Insurance	1,912.5	60.4%	2,351.2	54.1%	2,873.9	51.8%	3,101.6	42.4%	3,608.4	35.8%	16.3%
Total Health Insurance	1,106.6	34.9%	1,842.5	42.4%	2,403.1	43.3%	3,750.9	51.2%	5,556.9	55.2%	48.1%
Total P&S Insurance	149.7	4.7%	153.2	3.5%	266.8	4.8%	468.2	6.4%	908	9.0%	93.9%
Total	3,168.8	100.0%	4,346.9	100.0%	5,543.8	100.0%	7,320.6	100.0%	10,071.4	100.0%	37.6%



Table 5: Retention Ratio by Line of Business (2005 to 2009)

Table 5: Retention Ratio by Line of Business (2005 to 2009)						
Line of Business	2005	2006	2007	2008	2009	% Change 08 - 09
	%	%	%	%	%	
<i>A&L and Other</i>	43.1%	42.0%	38.0%	40.9%	44.9%	9.9%
<i>Motor</i>	93.7%	94.5%	94.1%	96.7%	96.4%	(0.4)%
<i>Property/ Fire</i>	10.8%	10.5%	11.3%	11.9%	11.6%	(2.7)%
<i>Marine</i>	29.5%	28.8%	31.9%	32.5%	34.9%	7.3%
<i>Aviation</i>	2.9%	3.4%	3.1%	4.0%	0.6%	(84.2)%
<i>Energy</i>	0.1%	0.0%	0.8%	0.4%	1.7%	289.0%
<i>Engineering</i>	19.2%	15.5%	20.3%	17.9%	15.5%	(13.7)%
Total General Insurance	53.3%	52.3%	55.4%	56.2%	57.1%	1.6%
Total Health Insurance	80.8%	82.9%	78.4%	78.1%	76.2%	(2.4)%
Total	60.9%	62.4%	64.6%	67.0%	67.3%	0.4%

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: Gross Claims Paid by Line of Business (2005 to 2009)

Table 7: Gross Claims Paid by Line of Business (2005 to 2009)											
Line of Business	2005		2006		2007		2008		2009		% Change 08 - 09
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
<i>A&L and Other</i>	111.7	4%	169.8	6%	170.2	4%	92.0	2%	98.4	1%	6.9%
<i>Motor</i>	882.0	35%	1,010.5	33%	1,217.9	30%	1,492.4	29%	1,621.4	22%	8.6%
<i>Property/ Fire</i>	217.7	9%	299.9	10%	283.0	7%	314.9	6%	456.1	6%	44.8%
<i>Marine</i>	240.2	9%	154.9	5%	165.9	4%	195.1	4%	166.7	2%	(14.5%)
<i>Aviation</i>	12.8	1%	18.5	1%	62.8	2%	11.5	0%	17.8	0%	54.3%
<i>Energy</i>	1.2	0%	9.0	0%	6.2	0%	26.5	1%	570.1	8%	2,049.4%
<i>Engineering</i>	78.1	3%	102.2	3%	219.2	5%	111.7	2%	145.6	2%	30.4%
Total General Insurance	1,543.7	60%	1,764.9	58%	2,125.3	52%	2,244.1	43%	3,076.2	42%	37.1%
Total Health Insurance	963.0	38%	1,240.4	41%	1,897.9	47%	2,839.2	54%	4,010.0	55%	41.2%
Total P&S Insurance	44.9	2%	34.9	1%	38.0	1%	140.3	3%	169.2	2%	20.6%
Total	2,551.6	100%	3,040.2	100%	4,061.2	100%	5,223.6	100%	7,255.4	100%	38.9%



Table 7: Commissions Paid by Line of Business (2005 to 2009)

Table 6: Commissions Paid by Line of Business (2005 to 2009)											
Line of Business	2005		2006		2007		2008		2009		% Change 08 - 09
	SR Million	%	SR Million	%	SR Million	%	SR Million	%	SR Million	%	
<i>A&L and Other</i>	34.7	9.7%	41.8	9.5%	49.2	8.5%	52.8	6.9%	44.1	5.2%	(16.5%)
<i>Motor</i>	128.4	35.9%	185.2	42.1%	229.6	39.9%	281.6	36.6%	285.1	33.5%	1.2%
<i>Property/ Fire</i>	54.4	15.2%	54.8	12.5%	63.2	11.0%	59.5	7.7%	66.4	7.8%	11.5%
<i>Marine</i>	35.6	10.0%	38.5	8.8%	46.8	8.1%	54.9	7.1%	42.3	5.0%	(23.1%)
<i>Aviation</i>	2.0	0.6%	2.3	0.5%	1.9	0.3%	2.4	0.3%	2.5	0.3%	3.9%
<i>Energy</i>	3.9	1.1%	0.9	0.2%	2.9	0.5%	3.0	0.4%	0.6	0.1%	(81.7%)
<i>Engineering</i>	24.6	6.9%	31.4	7.1%	43.5	7.5%	44.3	5.8%	48.0	5.6%	8.3%
Total General Insurance	283.7	79.3%	354.8	80.7%	437.1	75.9%	498.7	64.8%	488.9	57.5%	(2.0%)
Total Health Insurance	57.6	16.1%	76.9	17.5%	129.8	22.5%	238.9	31.0%	320.7	37.7%	34.3%
Total P&S Insurance	16.4	4.6%	7.7	1.8%	9.0	1.6%	32.0	4.2%	40.4	4.7%	26.0%
Total	357.7	100.0%	439.4	100.0%	575.9	100.0%	769.6	100.0%	850.0	100.0%	10.4%