

Address Boulevard, Dubai

AM Best's MENA Insurance Market Briefing - Dubai

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Agenda – Insurance Market Briefing

09:30 Welcome and Introductory Comments

Nick Charteris-Black, Managing Director, Market Development – EMEA

09:35 Global Reinsurance Update

Greg Carter, Managing Director, Analytics, EMEA & AP

10:05 Regional Reinsurance Update

Emily Thompson, Senior Financial Analyst

10:35 ERM in MENA

Mahesh Mistry, Senior Director, Credit Rating Criteria Research

11:15 Coffee Break 

11:45 Keynote Presentation - Operating in the DIFC Over the Years

Peter Englund, SEO - Head of Commercial Insurance Middle East, Zurich Insurance Company Ltd

12:30 Insurance Growth Drivers in the GCC

Vasilis Katsipis, General Manager, Market Development – MENA, South & Central Asia

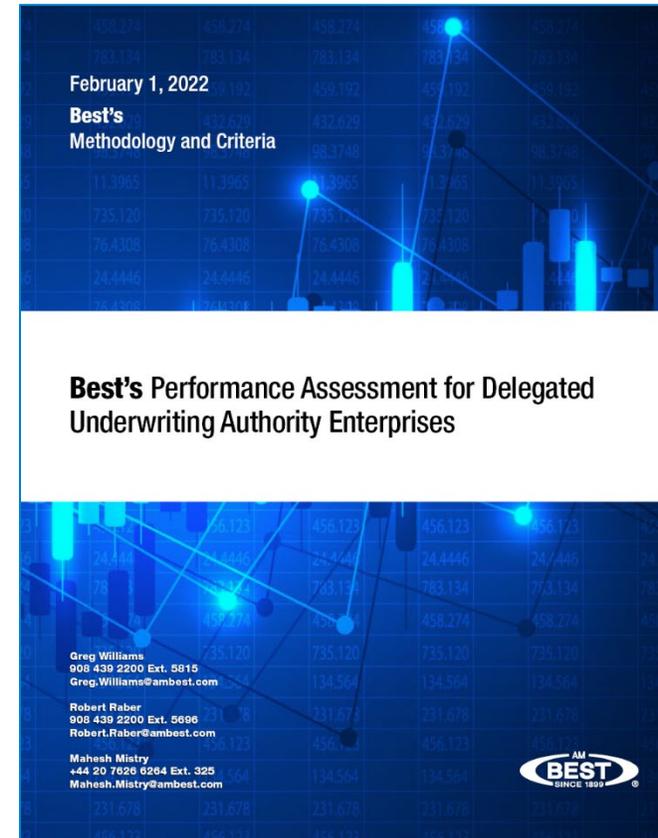
13:15 Q&A and Closing Comments

Nick Charteris-Black, Managing Director, Market Development – EMEA

13:30 Networking Lunch

New AM Best MGA service alert.....

- 1 February 2022 AM Best launched a new service for the MGA sector
- A Performance Assessment for Delegated Underwriting Authority Enterprises (DUAEs) – AM Best’s term for MGAs and similar business models
- An assessment of the ability to provide services on behalf of insurance parties (e.g. carriers/capacity providers) – **not a credit rating**
- AM Best evaluates five areas:
 - Underwriting Capabilities
 - Governance & Internal Controls
 - Financial Condition
 - Organizational Talent
 - Depth and Breadth of relationships
- This results in a Best’s Performance Assessment Scale from PA-1 Exceptional to PA-5 Weak



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Global Reinsurance Update

Greg Carter
Managing Director, Analytics, EMEA & AP

Global Reinsurance Market – Discussion Outline

Outlook: Stable Outlook – Drivers Remain in Flux

Continued Economic and Geopolitical Uncertainty

More Complex and Changing Risk Environment

Results Stabilization: Improving Pricing, Terms

Market Well Capitalized. Subject to Asset Volatility

The Evolving Role of Reinsurance

Global Reinsurance Market Outlook – Stable

Headwinds

**More complex risk environment.
Secondary perils. Emerging risks**

**Modelling challenges/forward looking.
Inability to model human behavior and
government intervention. Social inflation**

**Economic uncertainty: inflation, rising
interest rates, risk of recession**

Investors re-assessing their risk appetite

**Risk of becoming less relevant in the
broader economy**

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Tailwinds

**Sustained upward pricing trends,
improving terms and conditions**

**More stable results following shifts in
business mix. Positive reserve
development**

**Segment remains well capitalized but
subject to asset market volatility.
Available ≠ Dedicated capital**

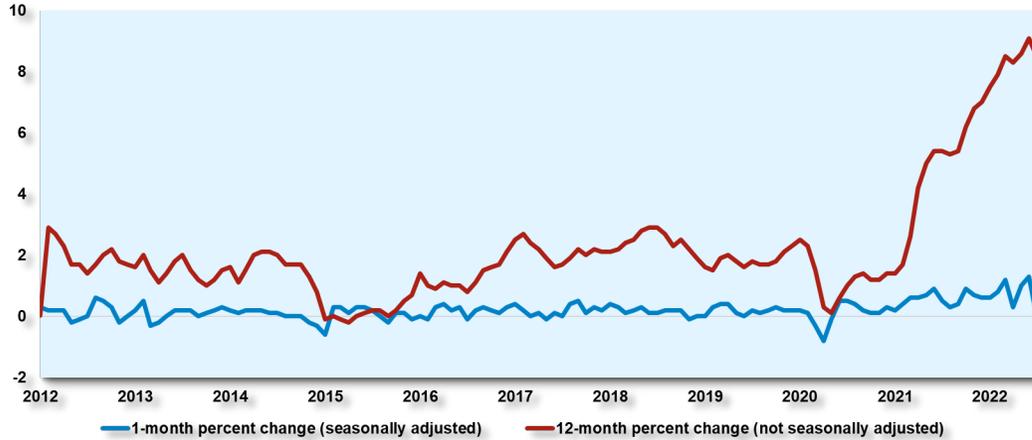
Underwriting discipline

**Strong demand from cedents.
Opportunities from uncertainty and
emerging risks?**

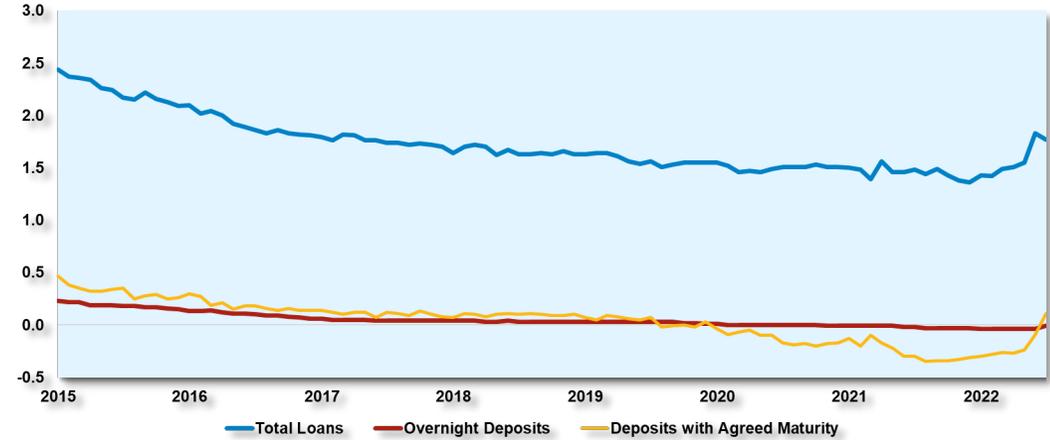
Global Reinsurance Market Continued Economic and Geopolitical Uncertainty

Continued Economic Uncertainty

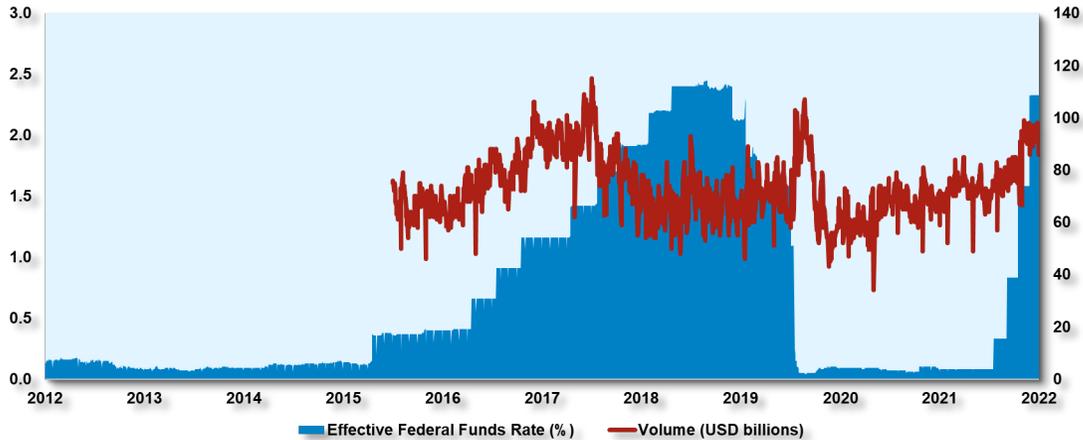
Consumer Price Index



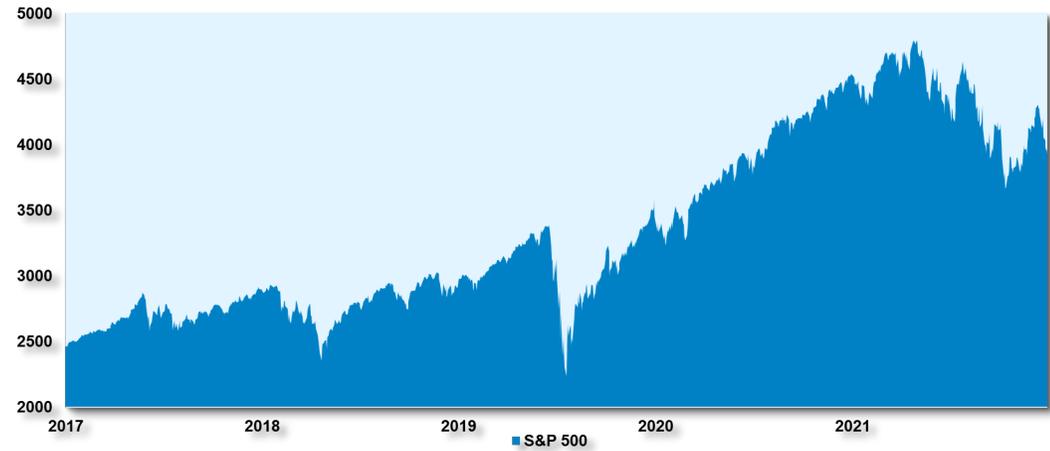
Bank Interest Rates on New Loans to, and Deposits From, Euro Area Corporations



Effective Federal Funds Rate (EFFR) (%) and Volume (USD billions)



S&P 500



Our Insight, Your Advantage™

Sources: U.S. Department of Labor, European Central Bank, Federal Reserve Bank of New York, S&P.



Global Reinsurance Market More Complex and Changing Risk Environment

Risk Modelling Challenges

Traditional risks becoming more unpredictable

Past over-reliance / complacency on cat models?
Commoditized view of risk?

Dividing line between “primary” and “secondary”
perils becoming more blurred

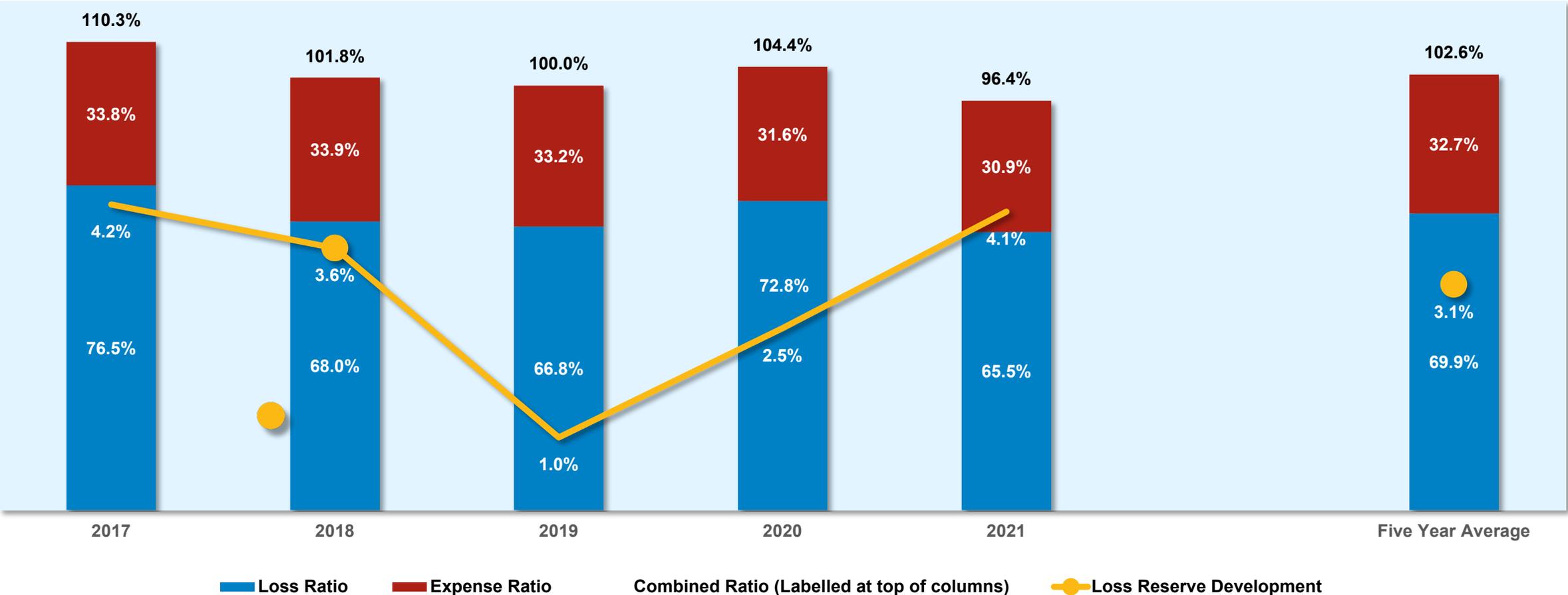
Greater impact from human behavior and
government intervention

Casualty / specialty “seem” attractive and more
stable, but modelling still in early stages

Global Reinsurance Market Results Stabilization: Improving Pricing, Terms

Global Reinsurance Market Performance

Loss and Expense Ratios and Positive Loss Reserve Development



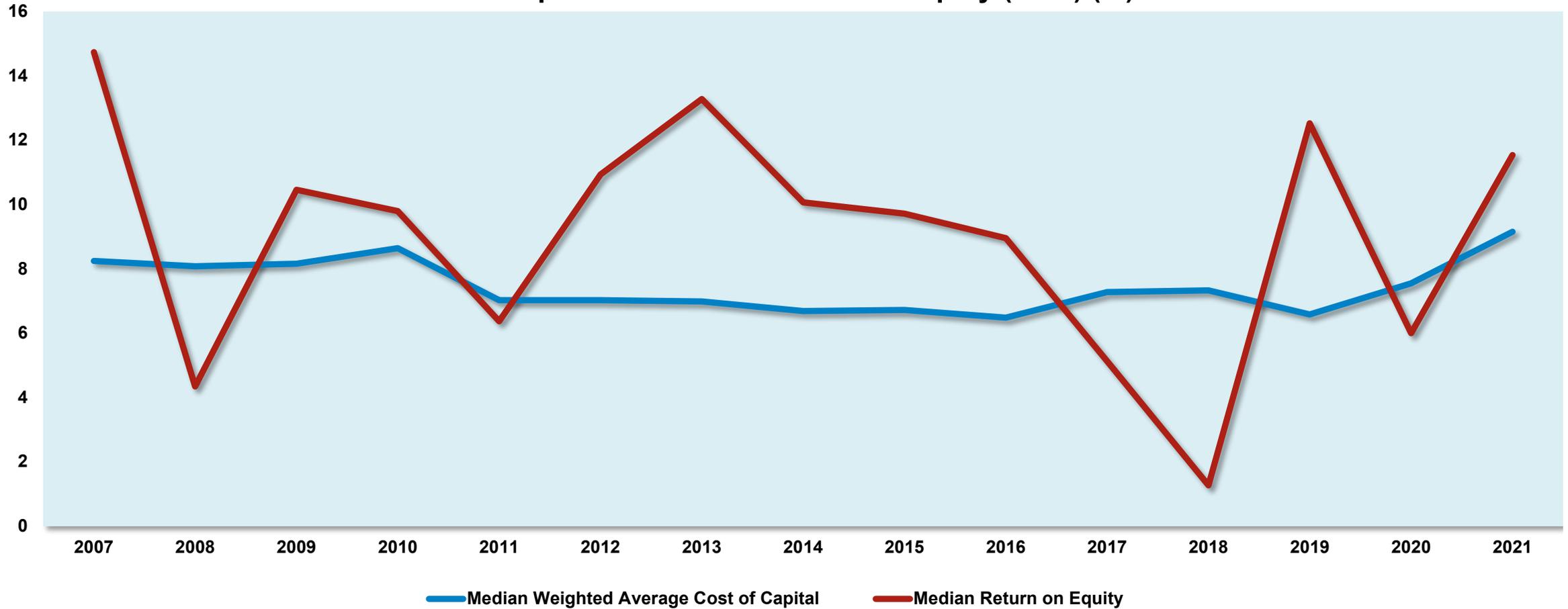
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Source: AM Best data and research



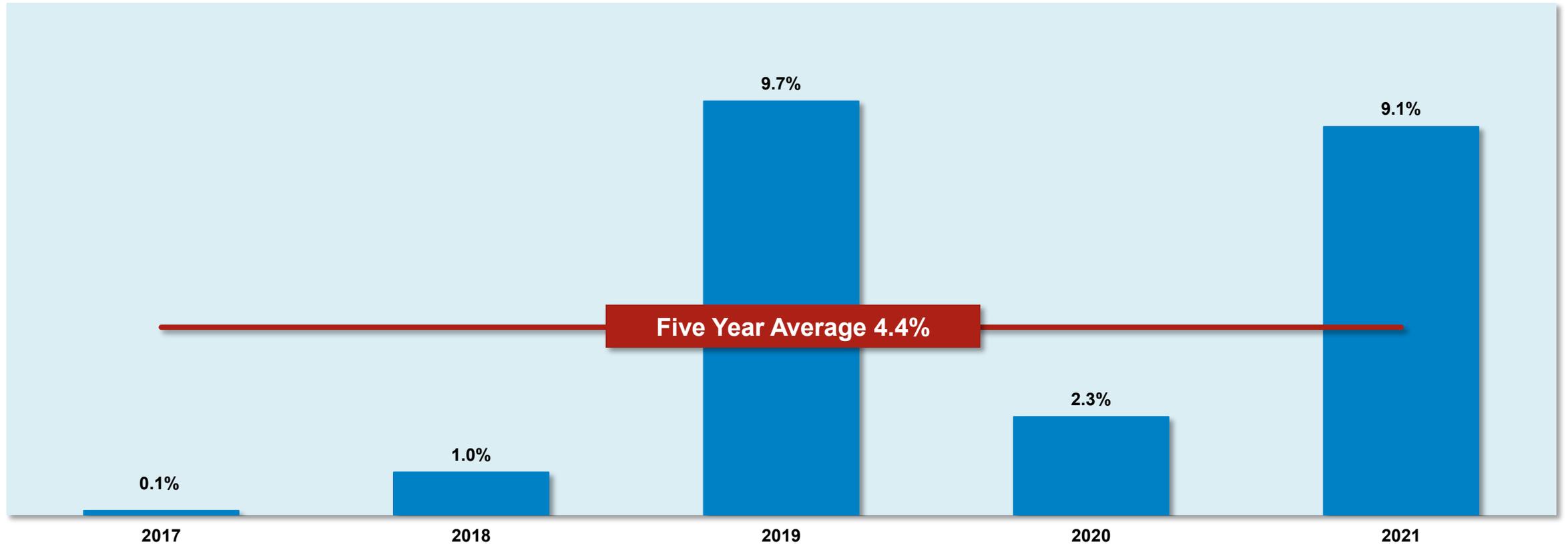
Global Reinsurance Market Performance

Reinsurers' Median Weighted Average Cost of Capital (WACC)
Compared to Median Return on Equity (ROE) (%)



Global Reinsurance Market Performance

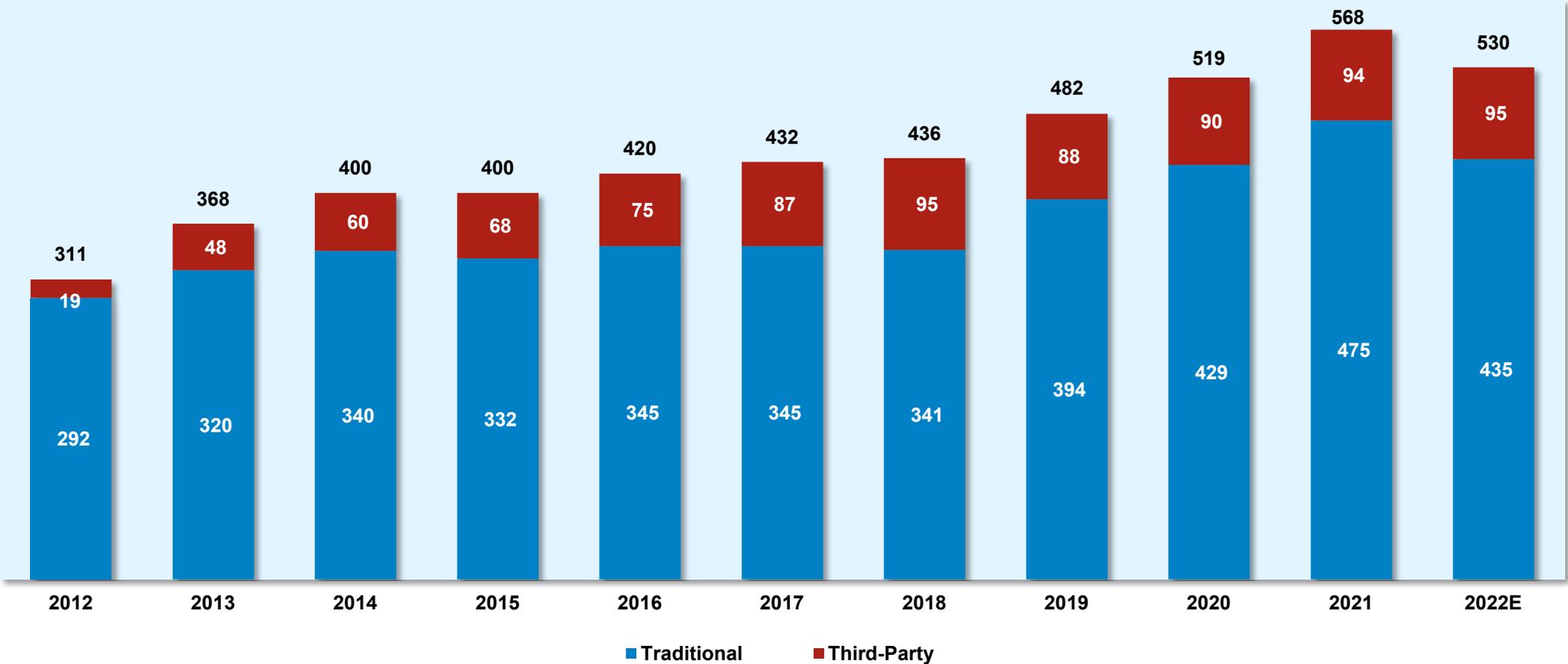
Return on Equity



**Global Reinsurance Market
Market Well Capitalised,
Subject to Asset Volatility**

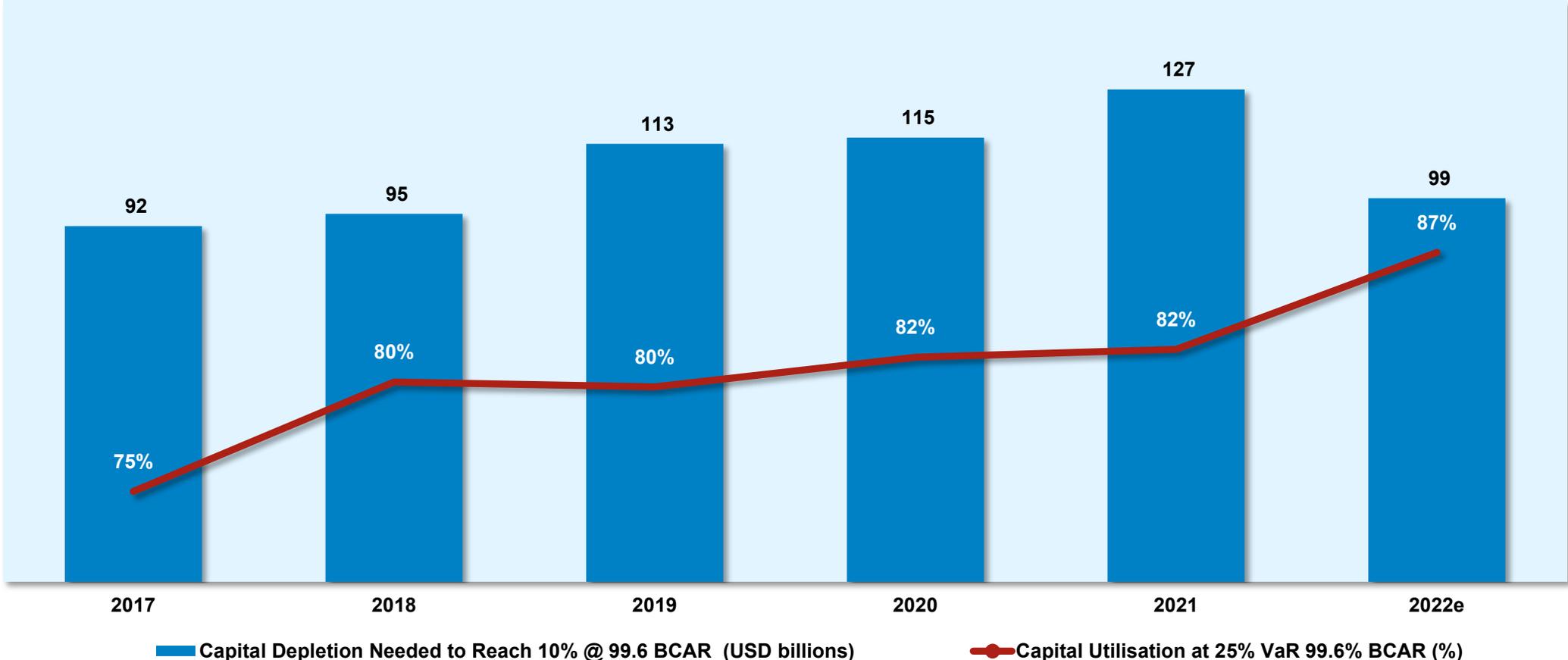
Global Reinsurance Market Capital

Estimate – Total Dedicated Reinsurance Capital (USD billions)



Global Reinsurance Market Capital

Capital Utilisation (USD billions)



Global Reinsurance Market

The Evolving Role of Reinsurance

The Evolving Role of Reinsurance

- Increasing exposure to emerging and intangible risks
- Changing climate and demographic trends
- Higher potential for significant unanticipated accumulations
- Protection shortfalls
- Potential for product innovation

Global Reinsurance Market Stable Outlook (Recap)

Global Reinsurance Market Outlook – Stable

Headwinds

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Q&A

Regional Reinsurance Update

Emily Thompson
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Regional Reinsurance Update



Market Segment Outlook GCC: Stable

MENA Regional Reinsurance Considerations

MENA Regional Reinsurance Performance

Market Segment Outlook

GCC: Stable

GCC Market Segment Outlook Revised to Stable

Headwinds

Strong competition fuelled by a large number of market participants

Pricing pressure threatening underwriting margins in medical and motor lines

Level of IFRS 17 preparedness uncertain

Concentrated economic revenue streams – dependence on petrochemicals

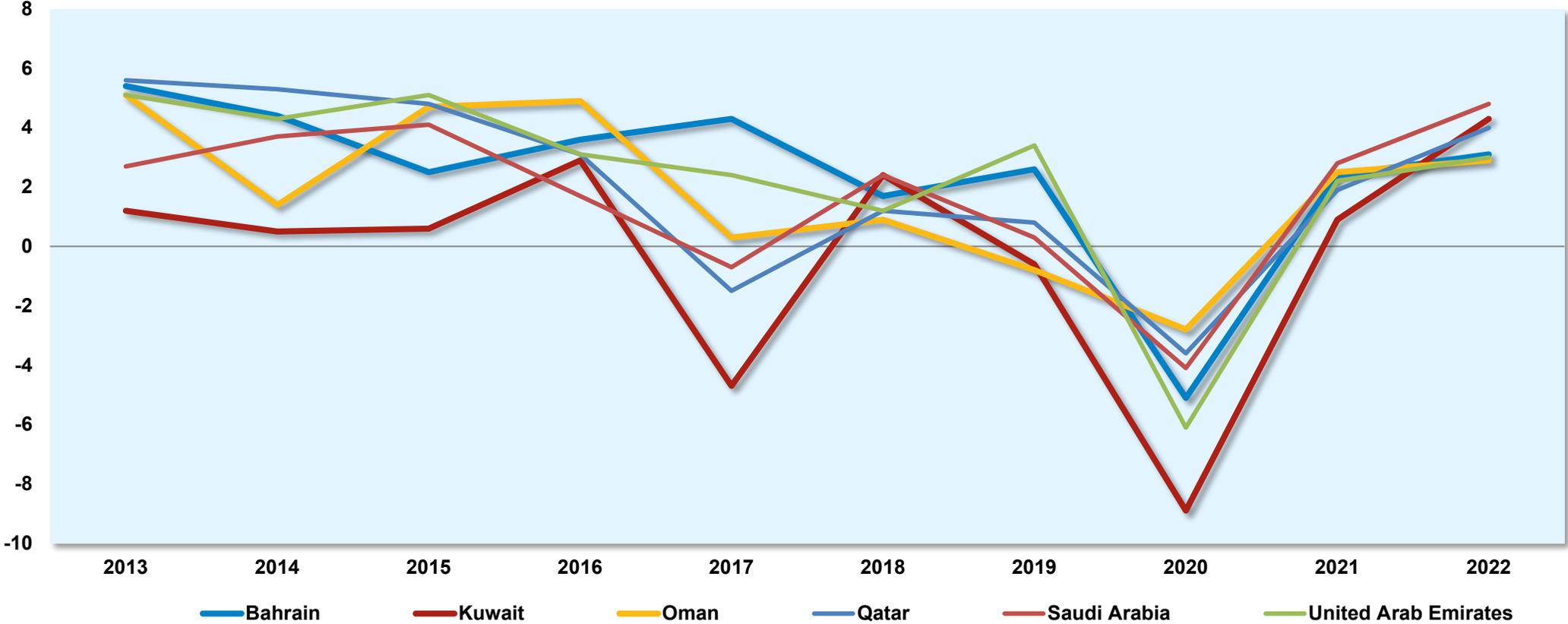
GCC Market Segment Outlook Revised to Stable

Headwinds	Tailwinds
Strong competition fuelled by a large number of market participants	Oil prices driving economic recovery
Pricing pressure threatening underwriting margins in medical and motor lines	Increasing opportunities for insurance sector growth
Level of IFRS 17 preparedness uncertain	Recovering financial markets
Concentrated economic revenue streams – dependence on petrochemicals	Opportunity for increased M&A activity
Geopolitical Environment	



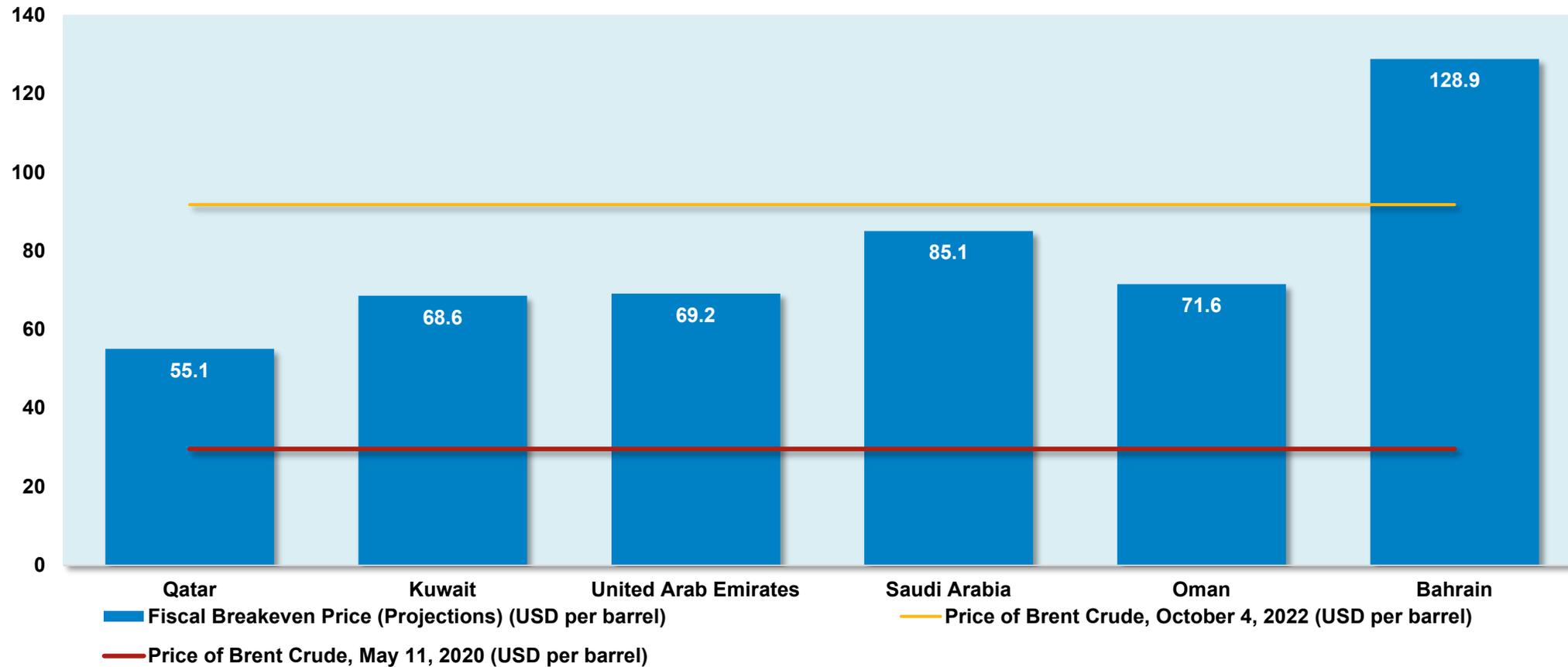
GDP Growth across the GCC – Recovering Financial Markets

Average GDP Growth (%)



Oil Price Environment Favouring Oil Exporting Countries

GCC – Fiscal Breakeven Price, 2022
(USD per barrel)



MENA Regional Reinsurance Considerations

Opportunities Arise for MENA Reinsurers...



BEST'S MARKET SEGMENT REPORT

Our Insight, Your Advantage™

August 30, 2022

Opportunities Arise for MENA Reinsurers, Amid Divergent Economic Conditions

Longer-term prospects for the reinsurance market may transpire from growing product offerings in primary markets

Principal Takeaways

- Hardening reinsurance market conditions in the region, as well as changes in reinsurers' appetites as to where they deploy their capital, have sustained the positive price momentum over recent renewal seasons
- Reinsurance capacity in the region continues to be highly changeable and dynamic, sourced through global reinsurance players, regionally domiciled reinsurers, and reinsurance groups from Africa and Asia
- Divergent economic conditions are expected to continue across the region for oil-exporting and oil-importing countries
- Operational challenges and deteriorating country risk landscapes in several countries have weighed negatively on AM Best's view of the financial strength of the reinsurers domiciled and operating there

Hardening markets conditions over 2021 continued to benefit regional reinsurers domiciled in the Middle East and North Africa (MENA). Positive pricing momentum has been maintained over recent renewal seasons, driven by changes in the region's reinsurance capacity providers, rising claims inflation, elevated frequency of large loss events and improved market discipline. Current market conditions contrast to the persisting soft market experienced in the region prior to 2020, themselves a by-product of plentiful capacity and high levels of price competition.

The reinsurance pricing environment in the MENA region reflects both regional drivers, such as recent underwriting performance strains, as well as global reinsurance trends, and are a clear tailwind for reinsurance providers in the region. In general, AM Best views the region as having good reinsurance growth potential, supported by rebounding economic activity, the extraction of natural resources, and intentions to increase insurance penetration across the region.

However, MENA reinsurers are facing fresh and varying challenges, from supply chain disruptions and inflationary pressures, to elevated economic, financial and political instability in certain markets. AM Best notes that the region is not homogenous, and that what is a positive driver for one market, such as buoyant oil prices, can be a negative contributor for others, and consequently for the regional reinsurers operating there. In this context, AM Best views deteriorating country risk factors in several of the region's markets as a negative credit trend.

Diverging Economic Conditions to Impact Reinsurance Markets

Over 2021, the MENA region experienced a general improvement in economic conditions as countries rebounded following the COVID-19 pandemic. In AM Best's view, this provided a solid platform for (re)insurance market opportunities. In March 2022, AM Best revised

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2022-098.13

Hardening
Market
Conditions

Positive
Pricing
Momentum

Changing
Capacity

Growth
Potential

Focus on
Underwriting
Returns

... However the region is not homogenous and challenges persist



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Inflationary Pressures

Supply Chain Disruption

Political Stability

Oil Importers vs Exporters

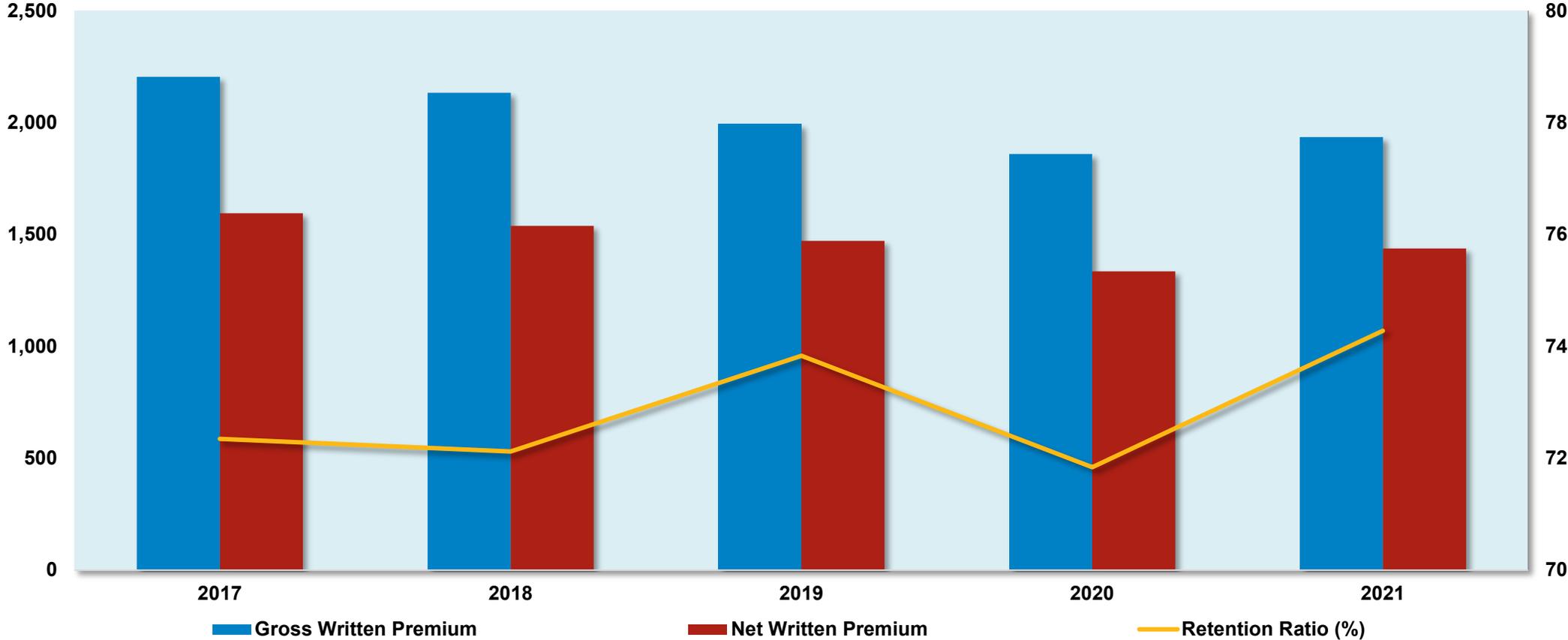
FX Impacts

Natural Catastrophe Losses

MENA Regional Reinsurance Performance

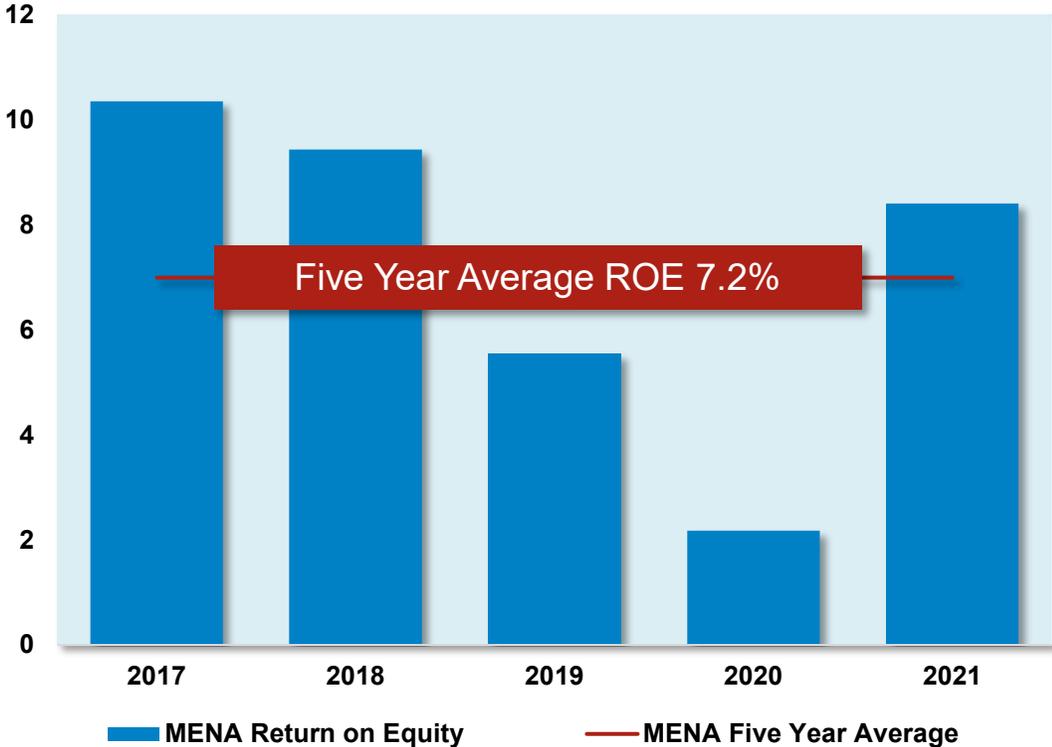
MENA Regional Reinsurance Performance

MENA Reinsurers – Written Premiums (USD millions) and Retention Ratios (%), 2017-2021

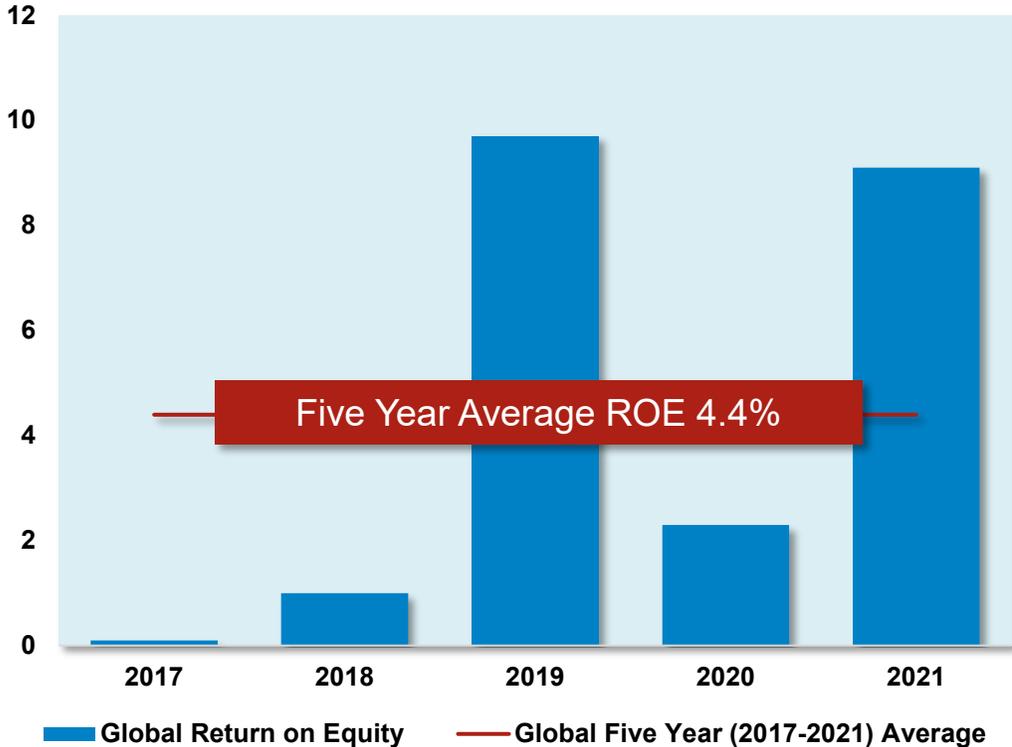


MENA Regional Reinsurance Performance

MENA Reinsurers Return on Equity (%)

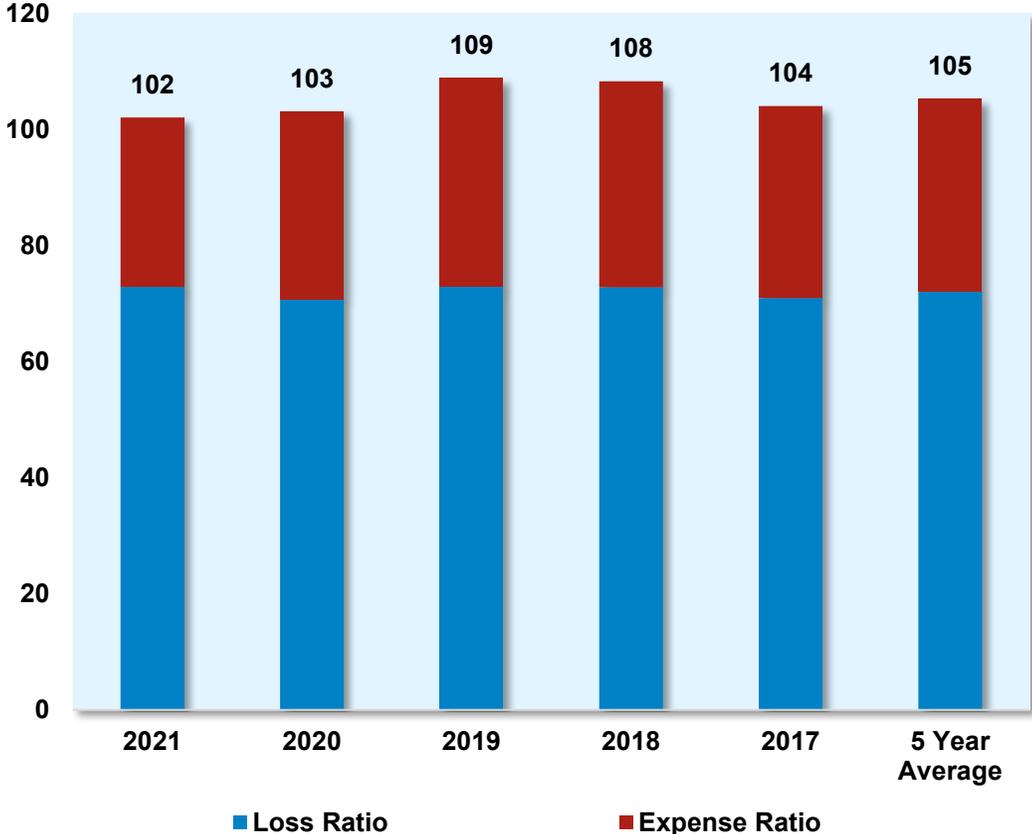


Global Reinsurers Return on Equity

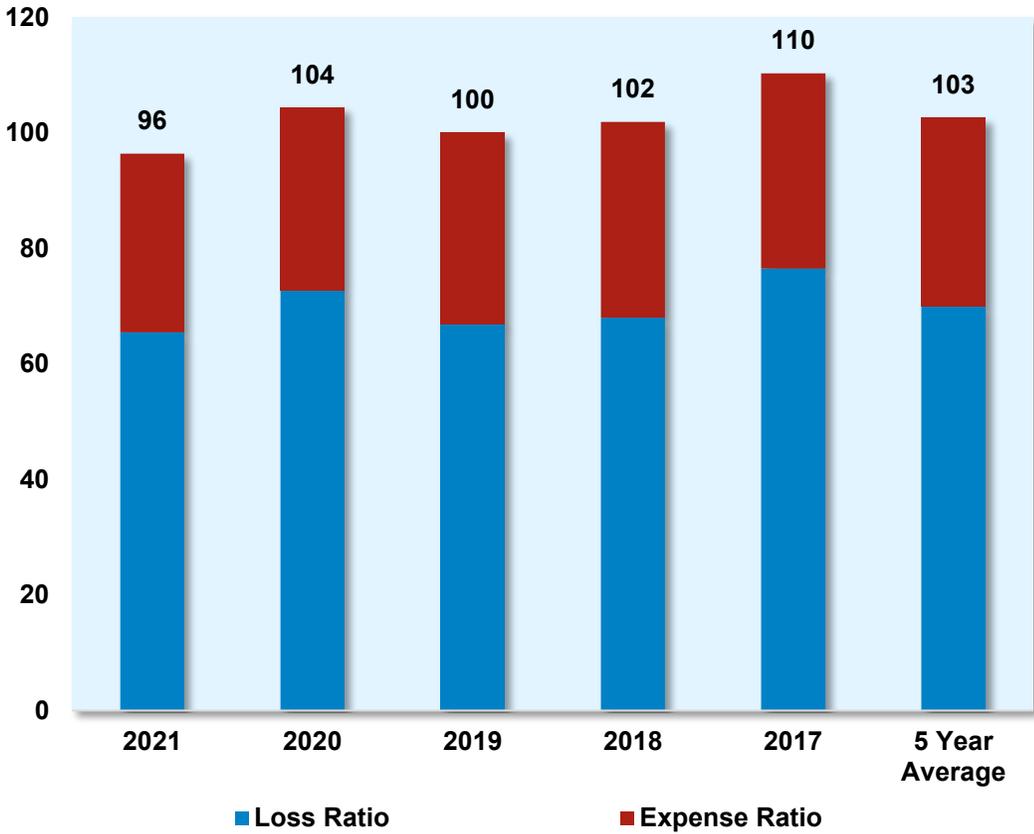


MENA Regional Reinsurance Performance

MENA Non-Life Combined Ratio (%)



Global Non-Life Combined Ratio (%)



MENA Reinsurance – Challenging Operating Environment



Oil Price Environment

Increased Frequency of Catastrophe Events

Rising Inflation Rates

Political Instability

Interest Rate Movements

Government Spending Power

AM Best Country Risk Tier - MENA			
Algeria	5	Morocco	4
Bahrain	4	Oman	4
Egypt	5	Qatar	3
Iraq	5	Saudi Arabia	3
Jordan	4	Tunisia	5
Kuwait	3	Turkey	4
Lebanon	5	UAE	3

Regional Reinsurance Update

Emily Thompson
Senior Financial Analyst

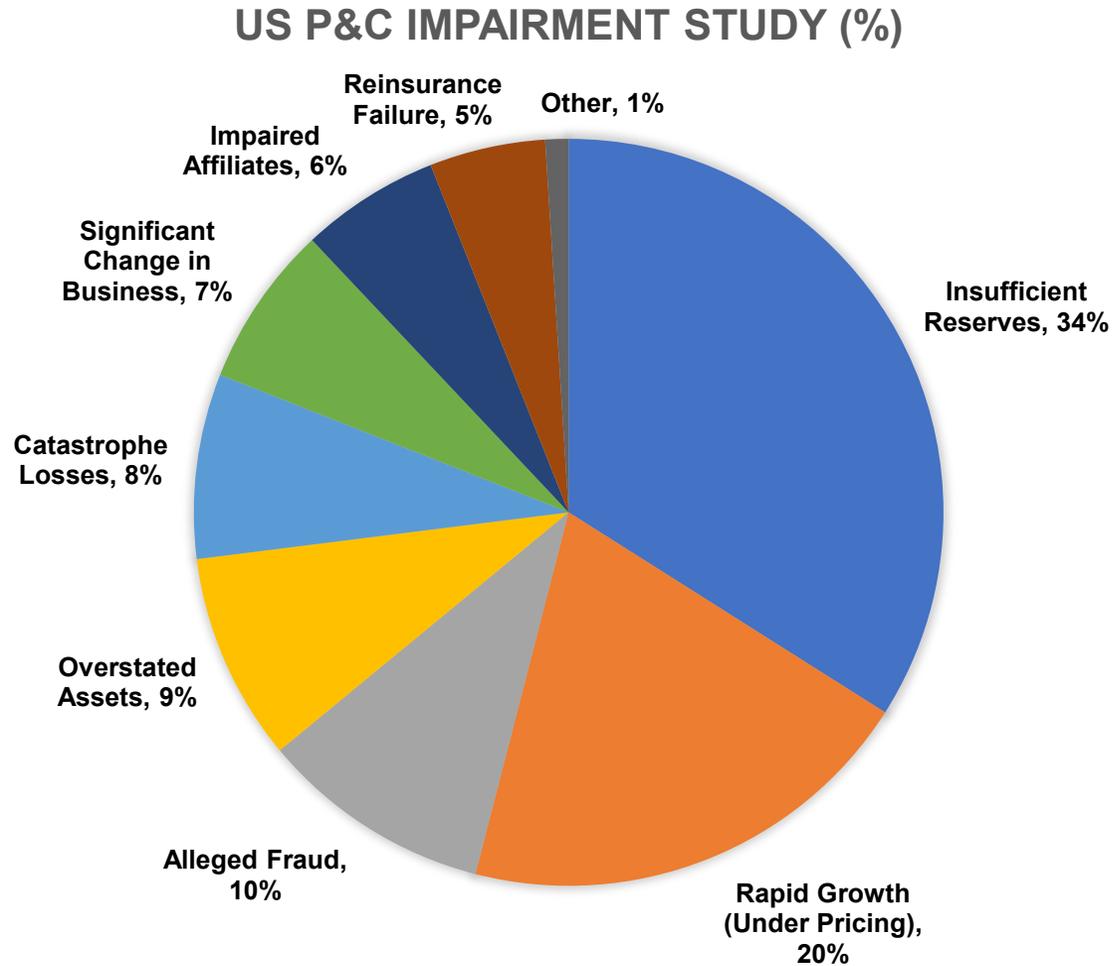
Q&A

ERM Benchmarking – Assessing the Resilience of ERM Strategies

Mahesh Mistry

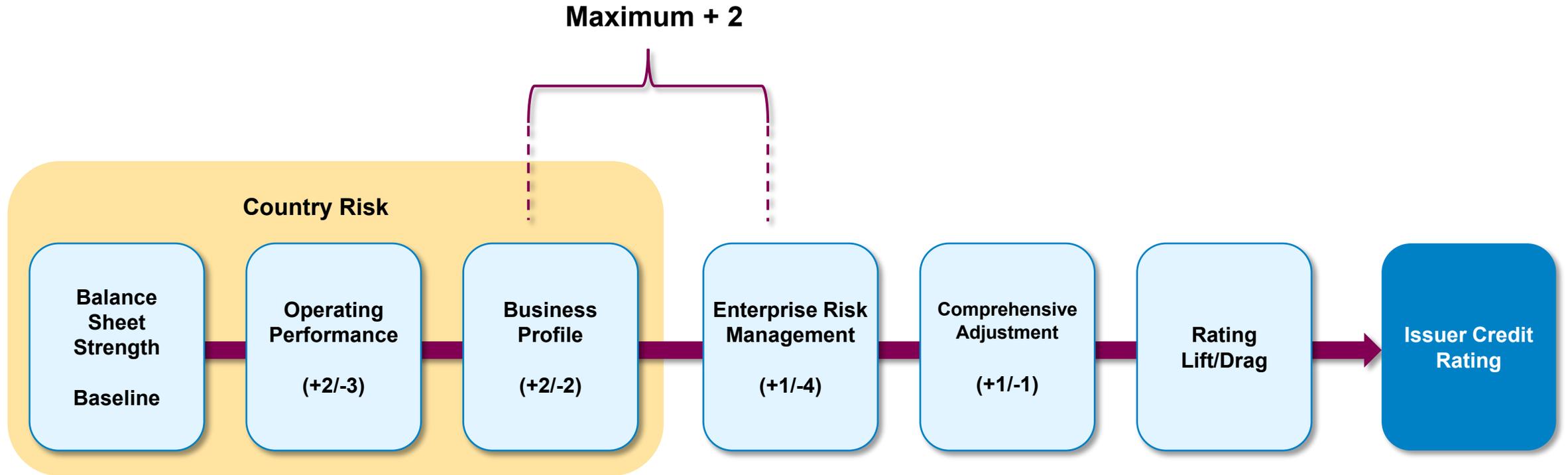
Senior Director, Criteria Research & Analytics

Importance of ERM – Why Do Insurance Companies Fail?



- Impairments have reduced over the past decade
- Interconnectivity and complexity of risks have increased
- Underwriting deficiencies are the main threat to the insurers, but economic and geopolitical risk cannot be ignored

AM Best's Rating Process – BCRM Building Block Approach



Volatility is linked to risk appetite and can affect both Balance Sheet Strength and Operating Performance

Volatility outside expectations or peer group may be a concern

BCRM Building Blocks – Enterprise Risk Management



ERM assessment considers: risk management framework, risk management capabilities in light of risk profile, and overall ERM

Framework Assessment Components
Risk identification and reporting
Risk appetite and tolerances
Stress testing and non-modelled risks
Risk management and controls
Governance and risk culture

Risk Evaluation Review Components	
Product & underwriting risk	Operational risk
Reinsurance risk	Concentration risk
Legislative/ regulatory/ judicial/economic risk	Investment risk
Reserving risk	Liquidity & capital management risk

Enterprise Risk Management (+1/-4)
Assessment
Very Strong +1
Appropriate 0
Marginal -1
Weak -2
Very Weak -3/4



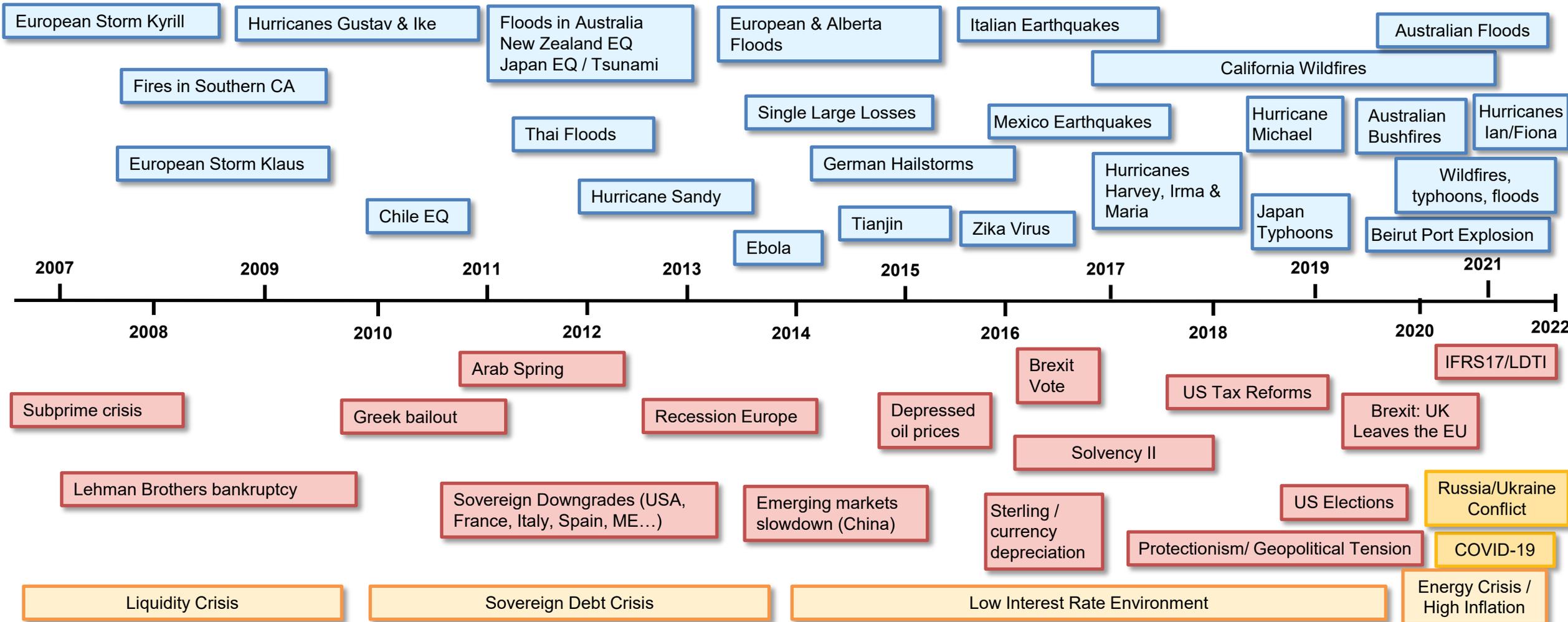
BCRM Building Blocks – ERM Assessment

Assessment	Notches	Key Characteristics
Very Strong	+1	The insurer’s ERM framework is embedded. The insurer demonstrates market best practice techniques. The results are evident in a prudent and stable level of net required capital and successful performance over the long term. Risk management capabilities are very strong and are suitable for the risk profile of the company.
Appropriate	0	The insurer’s ERM framework is developed. Risk management capabilities are well aligned with the risk profile of the company.
Marginal	-1	The insurer’s ERM framework is evolving. Risk management capabilities show some weakness in key risk areas.
Weak	-2	The insurer’s ERM framework contains some nascent elements. Risk management capabilities are largely not aligned with the risk profile of the company.
Very Weak	-3/4	The insurer’s ERM framework is unrecognized. Risk management capabilities relative to the risk profile of the company are not aligned.

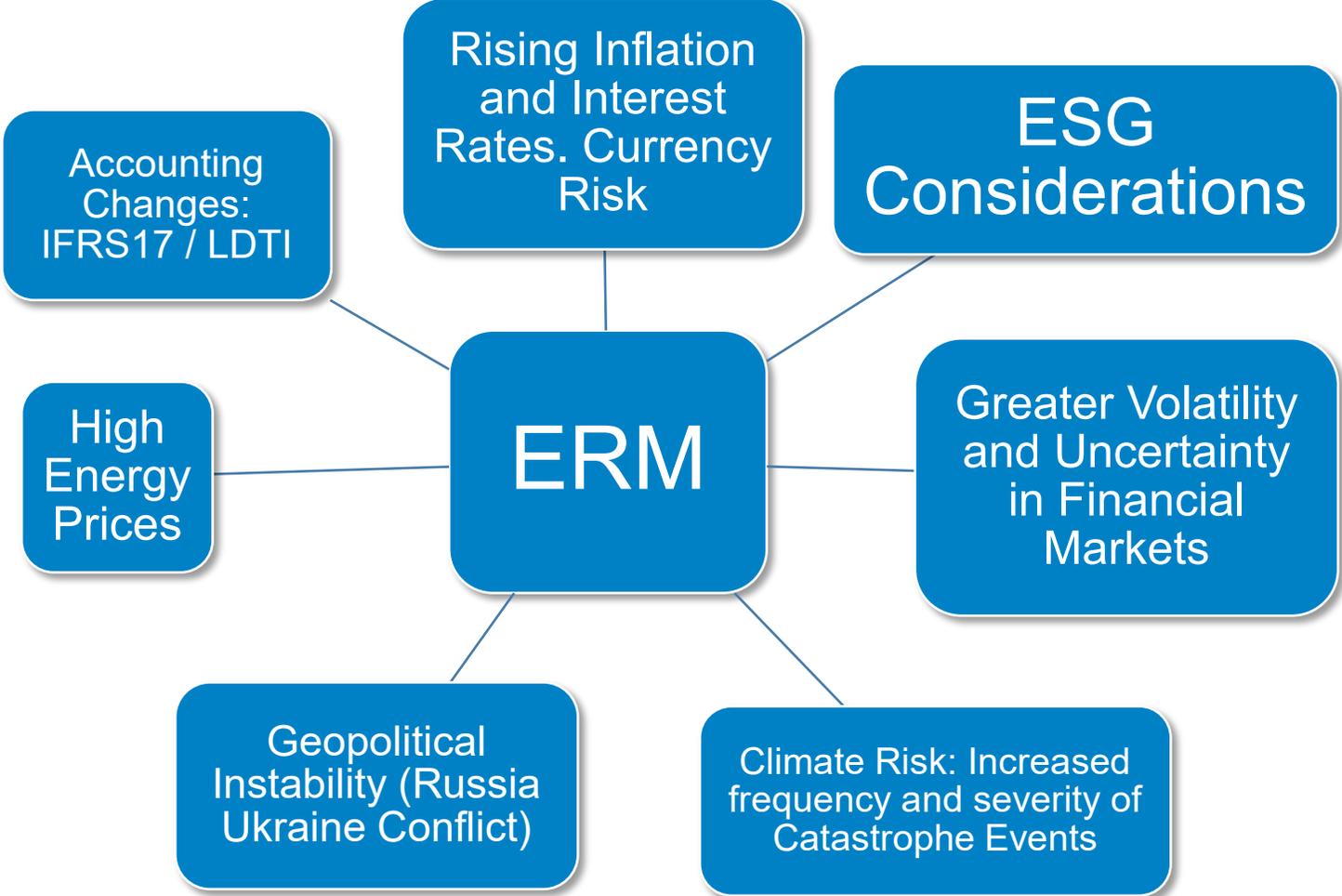
The key characteristics described for each assessment category are ideal scenarios and are not intended to be prescriptive



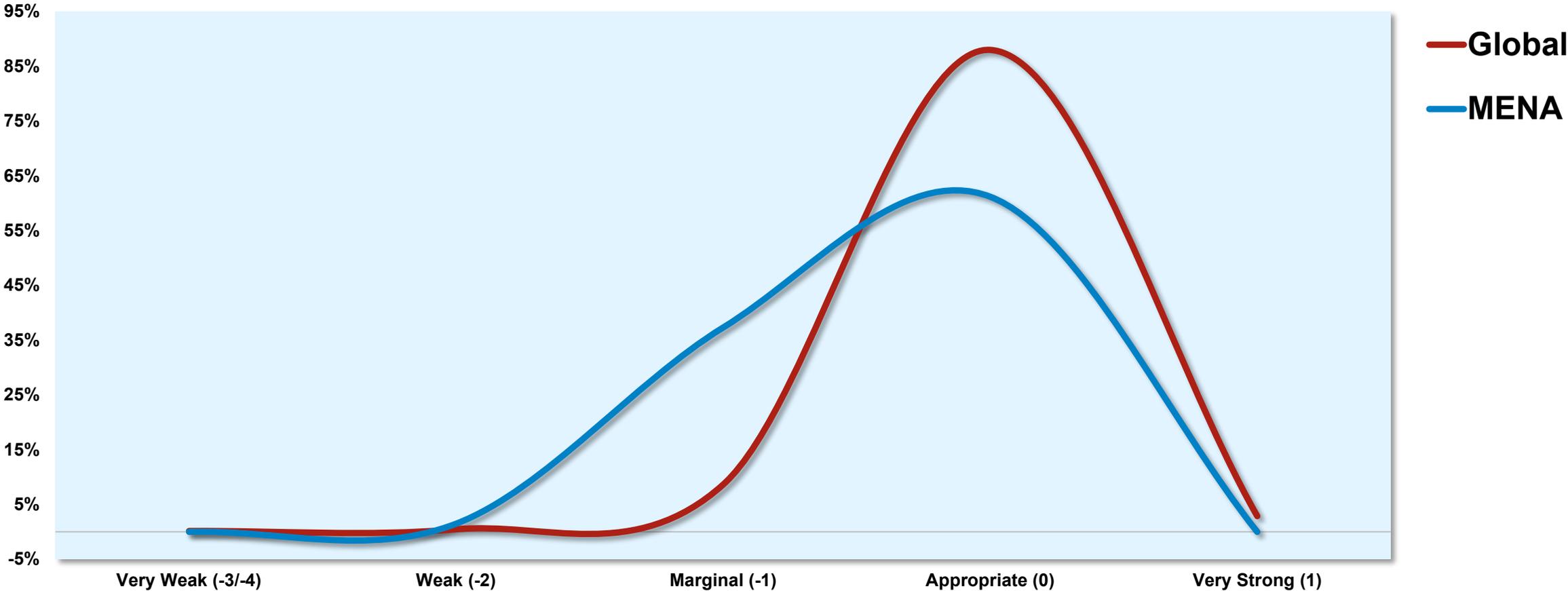
Market Events Helped to Shape ERM Development



ERM – Current topics on the radar

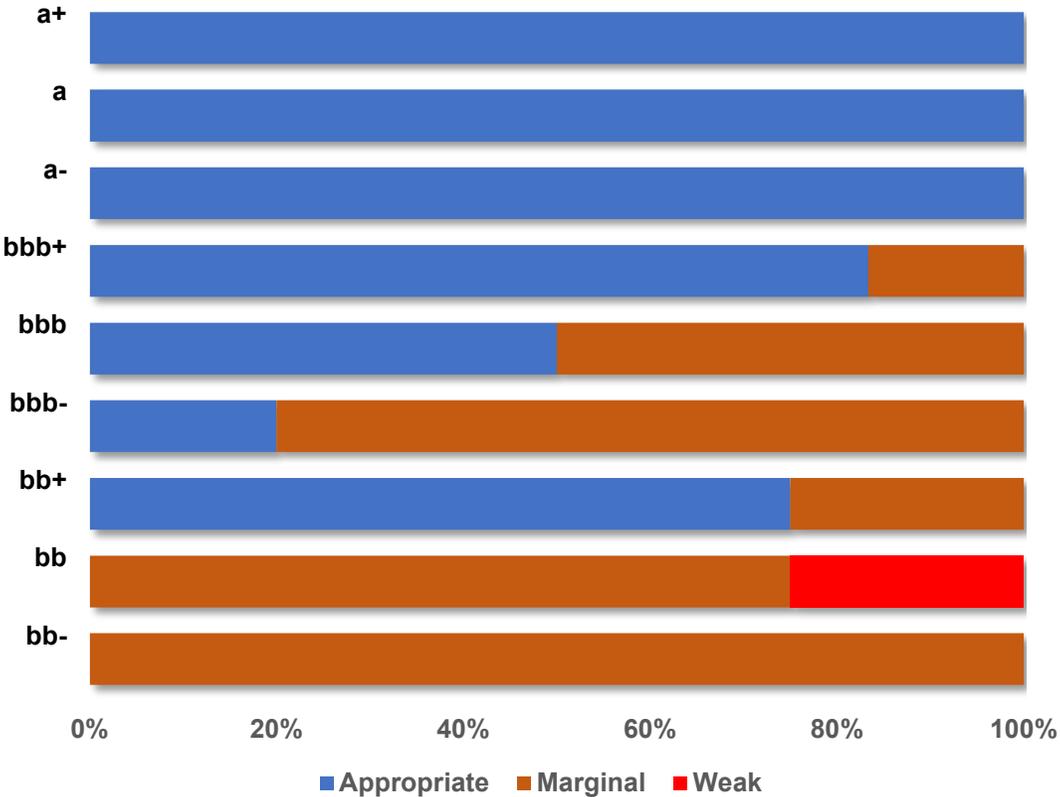


ERM Assessments – MENA vs. Global

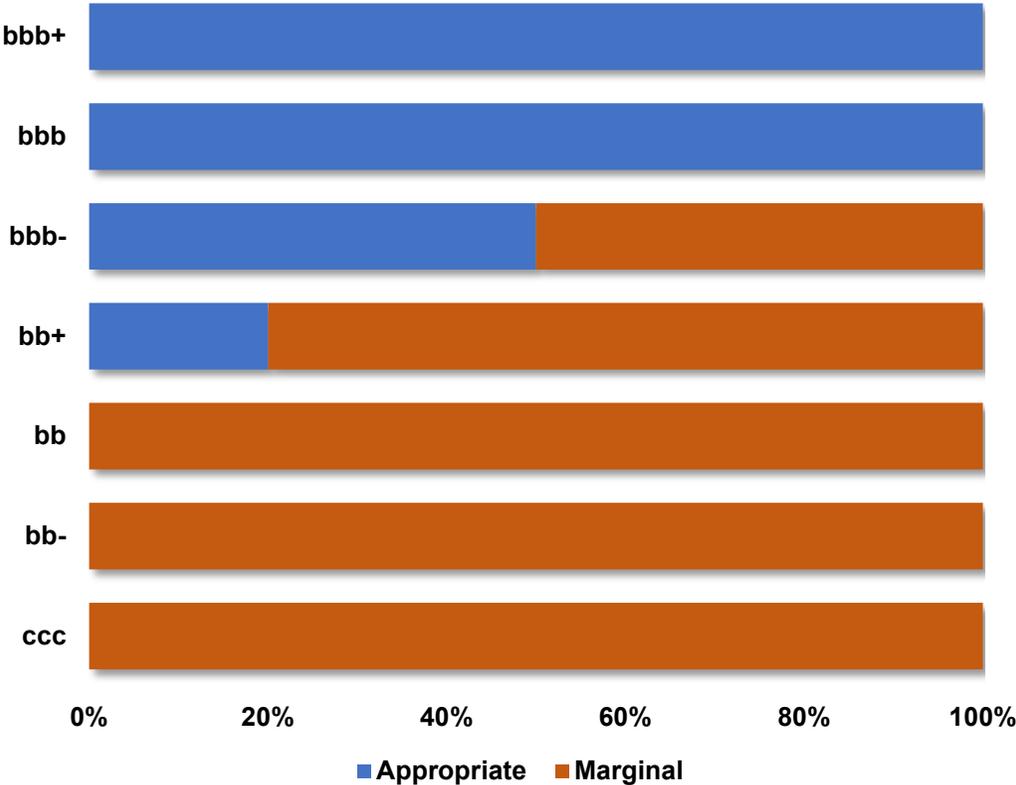


Distribution of ICR Ratings and ERM Assessments (GCC and MENA exc. GCC)

GCC

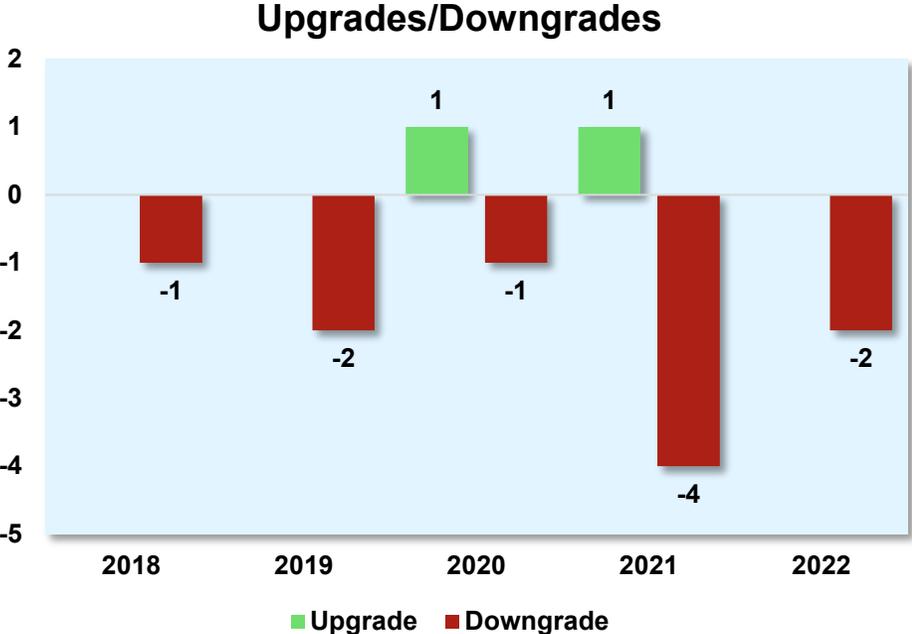


MENA exc. GCC



Changes in ERM Assessment

ERM runs across all building blocks – sometimes ERM strengths or deficiencies may be captured under BSS, OP, BP or Lift/Drag



Themes – Upgrades

Benefit of group approach

New management strengthening ERM practice

Themes – Downgrades

Elevated Country Risk (higher economic, political and financial system risk)

Regulatory solvency issues

Capital management issues

Significant delays in financial reporting

Underwriting controls

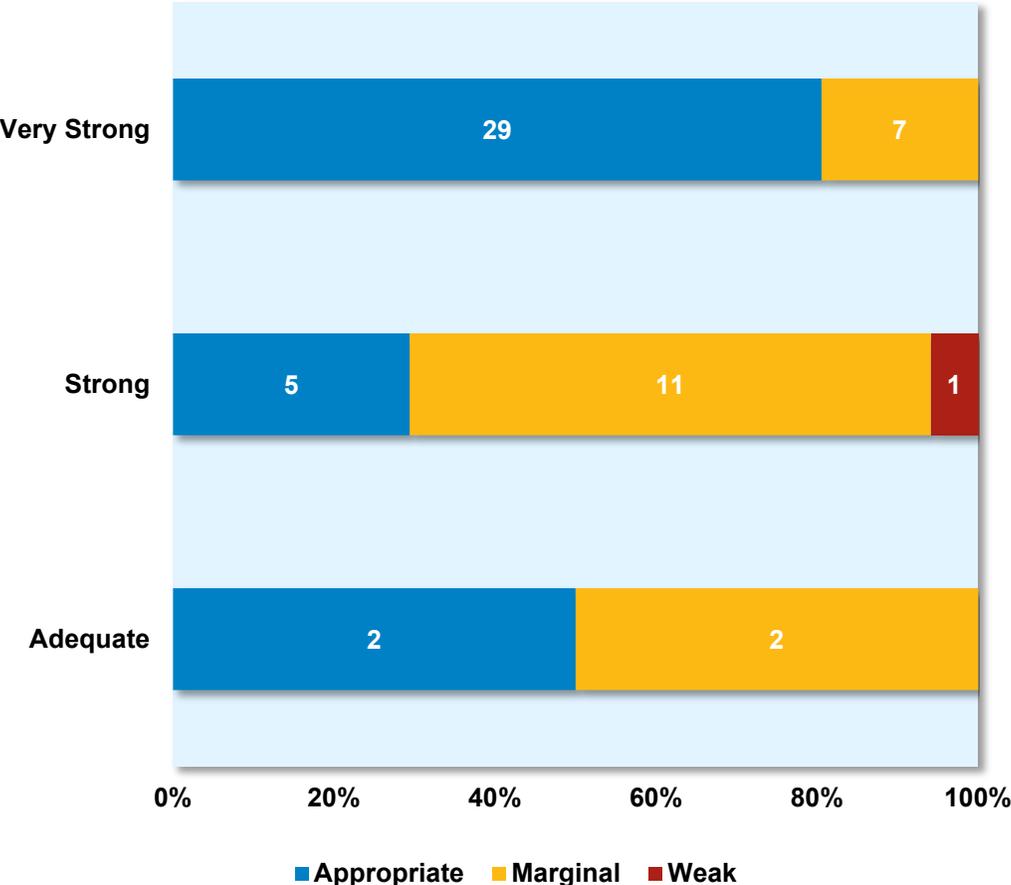
Fraud

Reputational damage

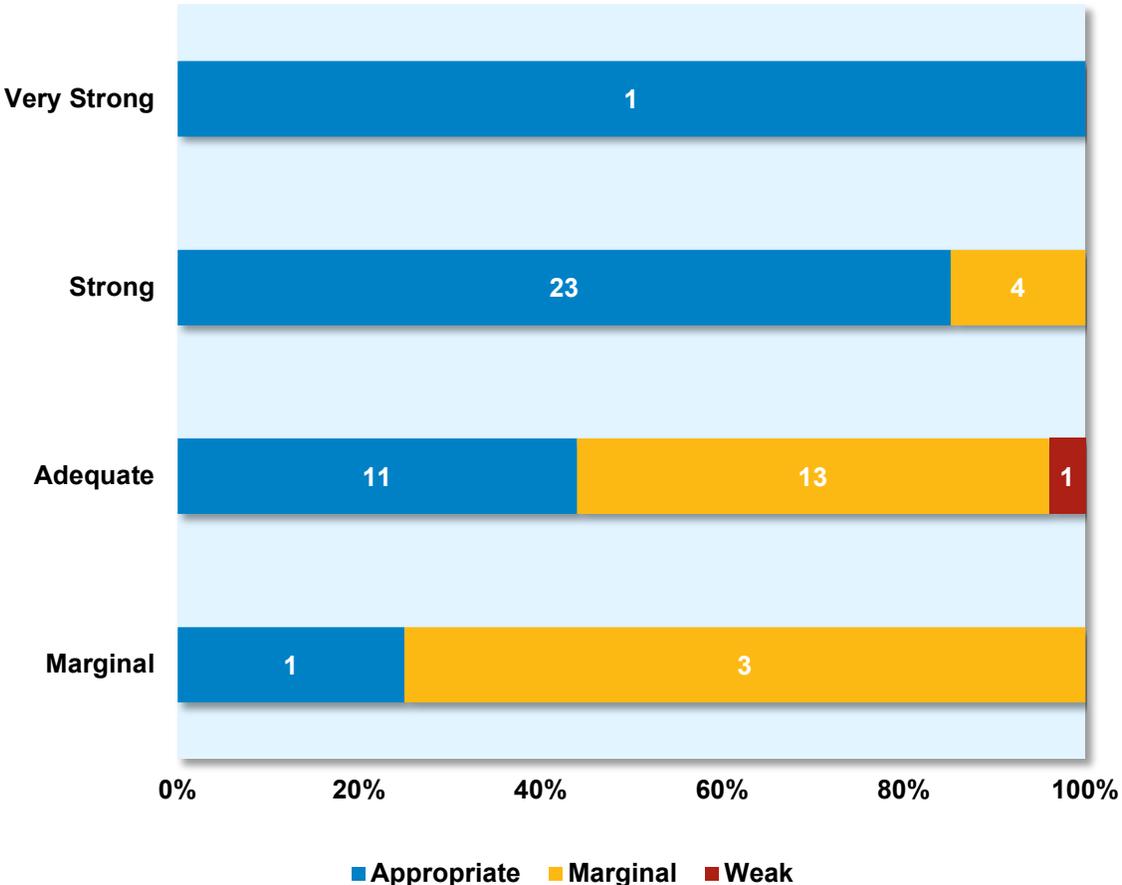


ERM in Relation to Balance Sheet and Operating Performance

ERM Assessment Relative to Balance Sheet Strength



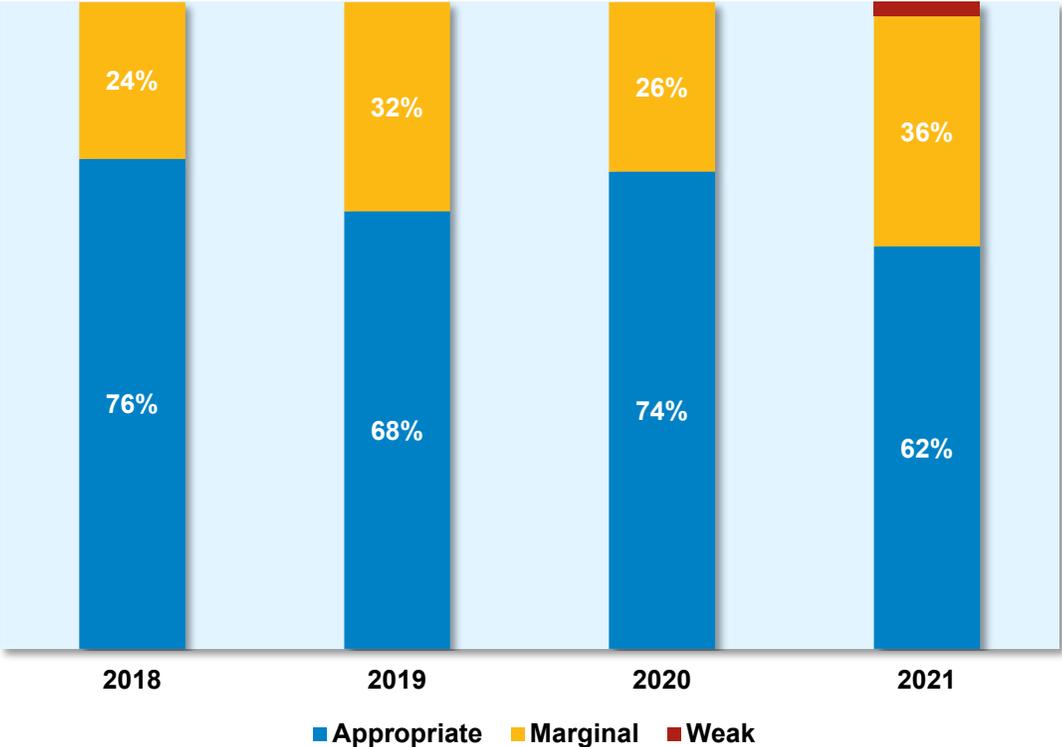
ERM Assessment Relative to Operating Performance



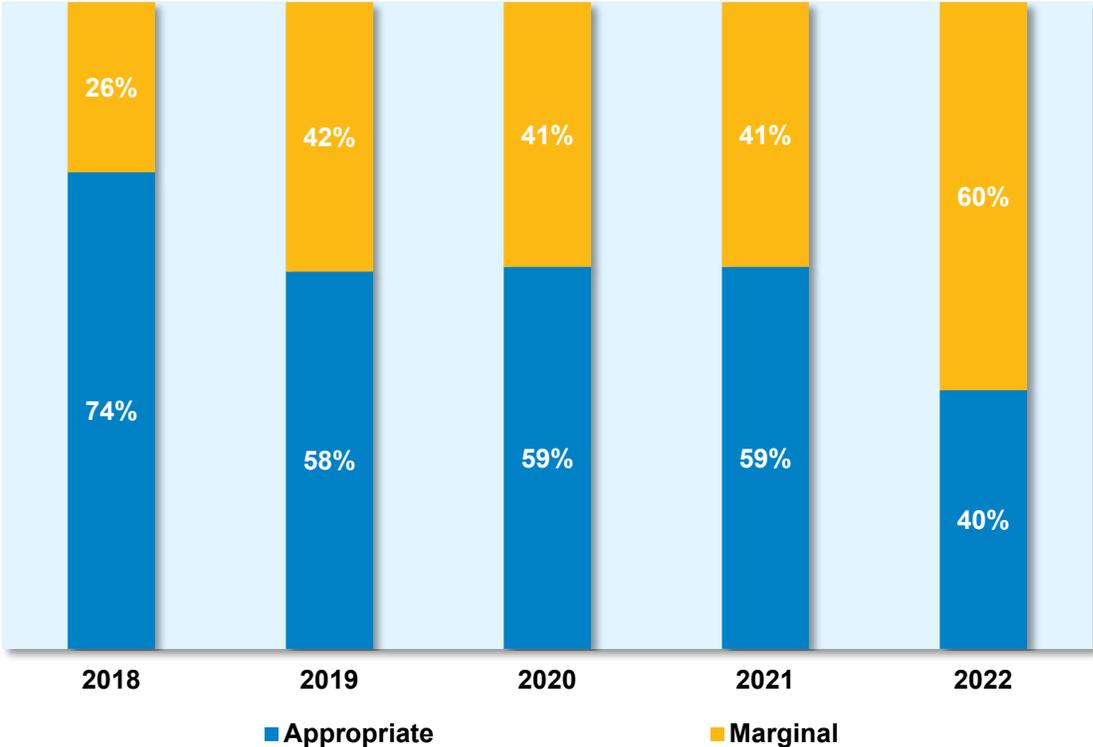
Development Of ERM Assessments

Mounting pressure on ERM assessments as operating environment becomes challenging

GCC ERM Assessments

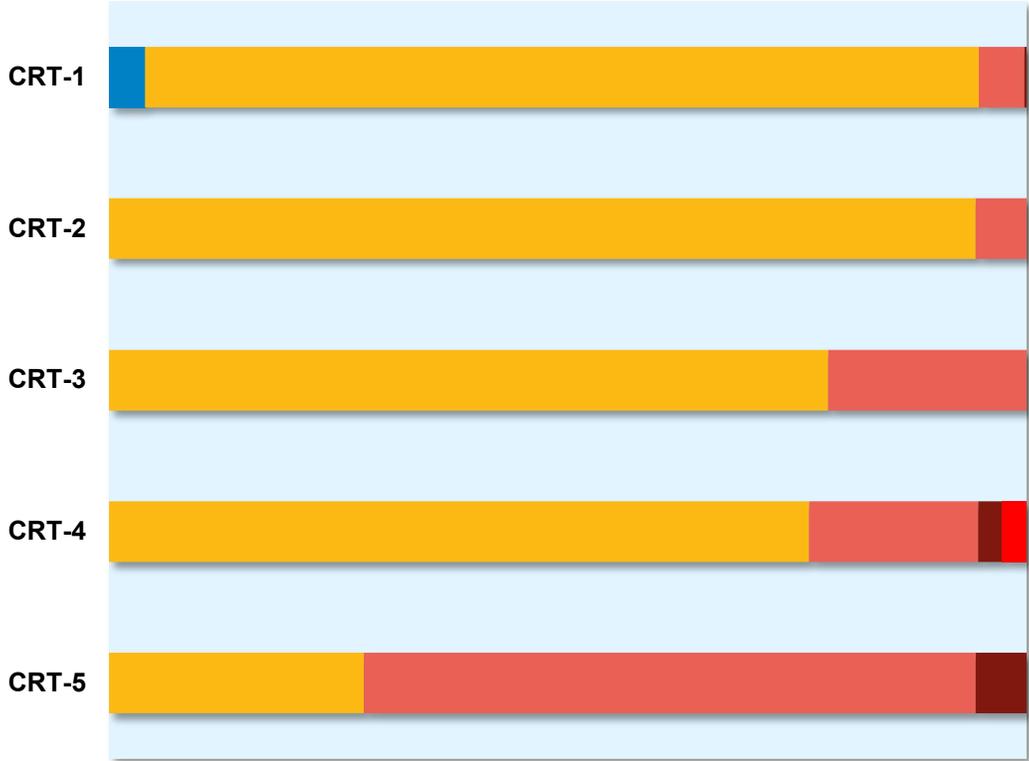


MENA Non-GCC ERM Assessments



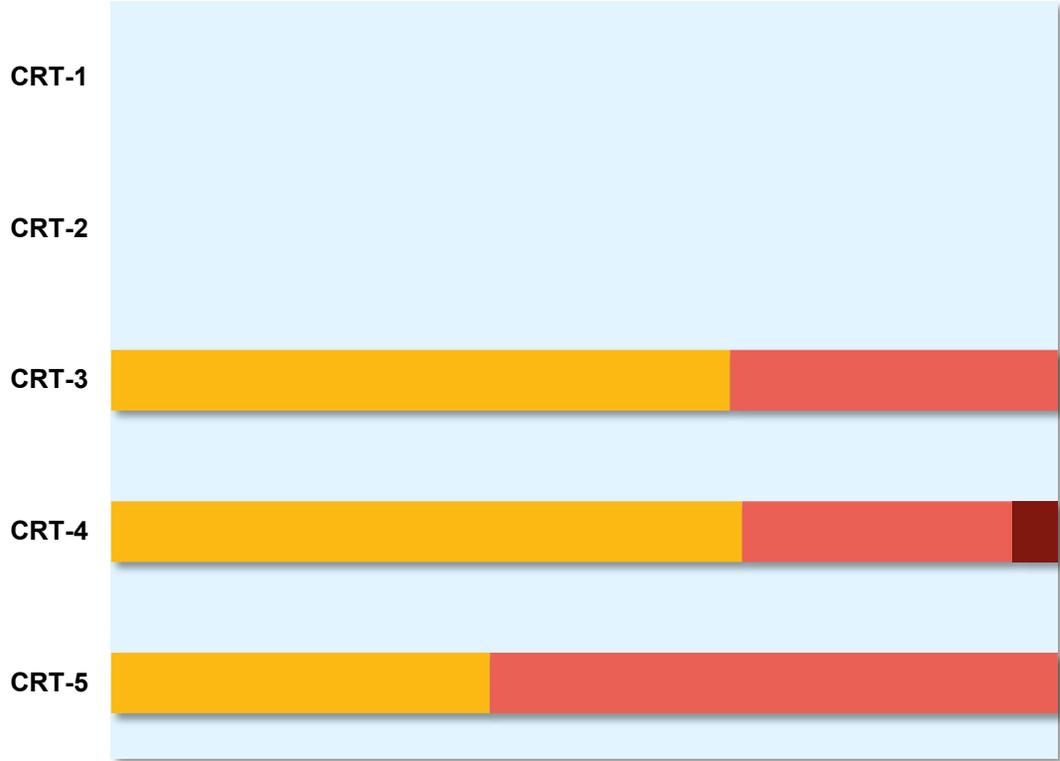
ERM Assessment by Country Risk Tier (1-5)

Global Ratings ERM Assessment by CRT



Very Strong Appropriate Marginal Weak Very Weak

MENA Ratings ERM Assessment by CRT

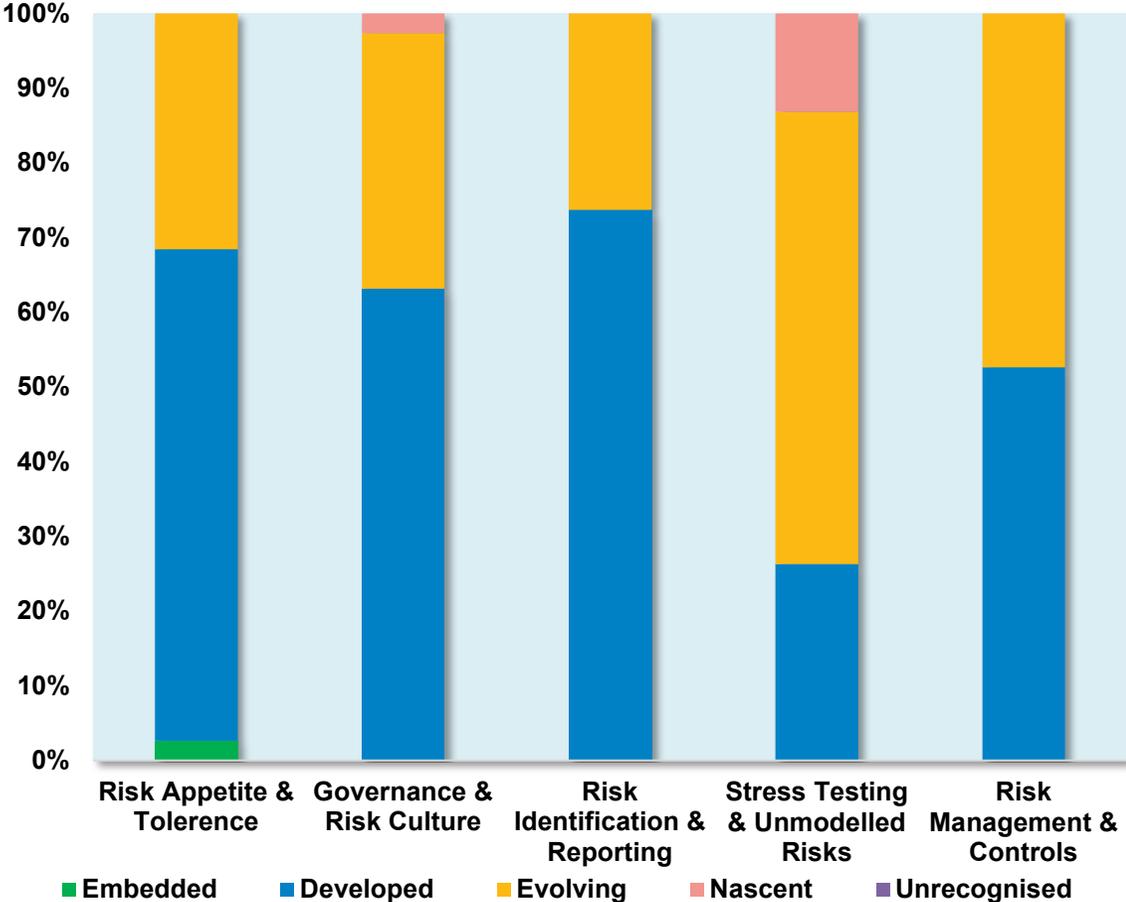


Very Strong Appropriate Marginal Weak

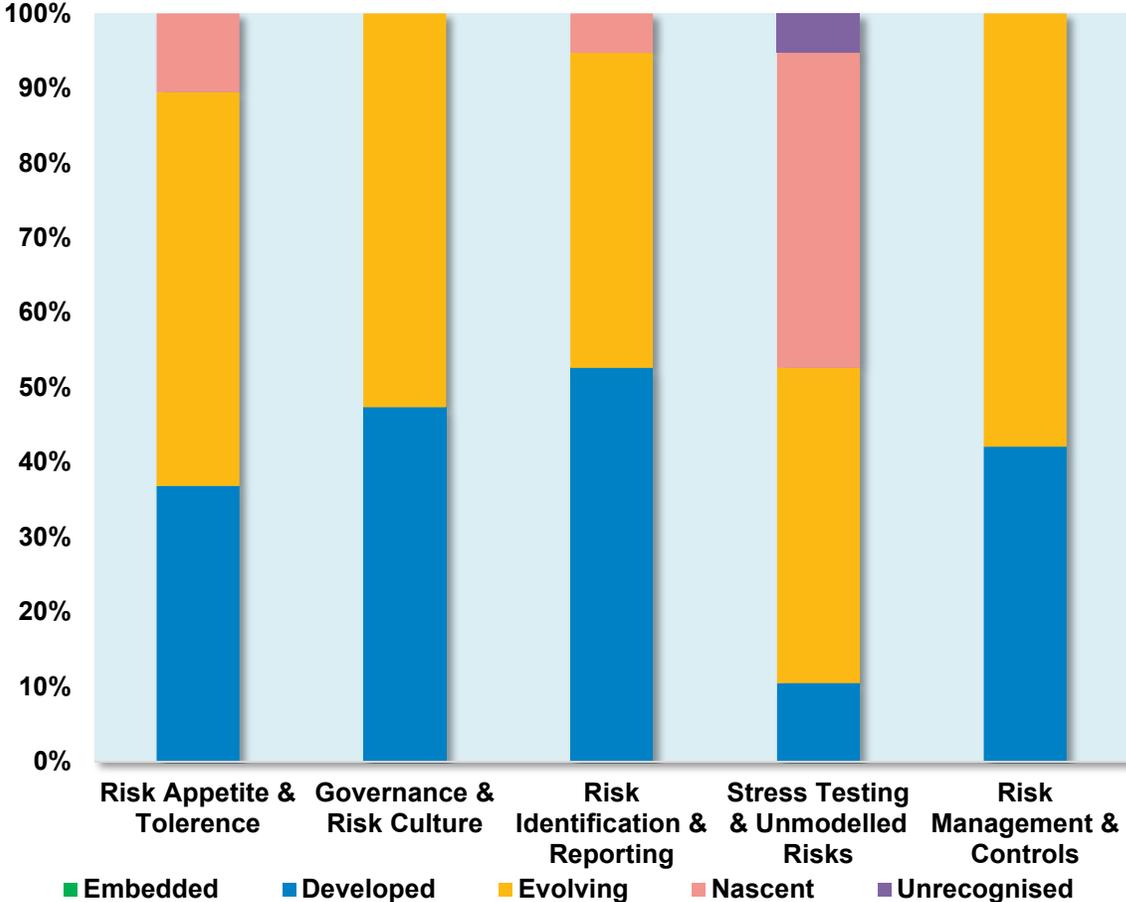


MENA Risk Framework Evaluations

GCC Risk Framework Evaluation

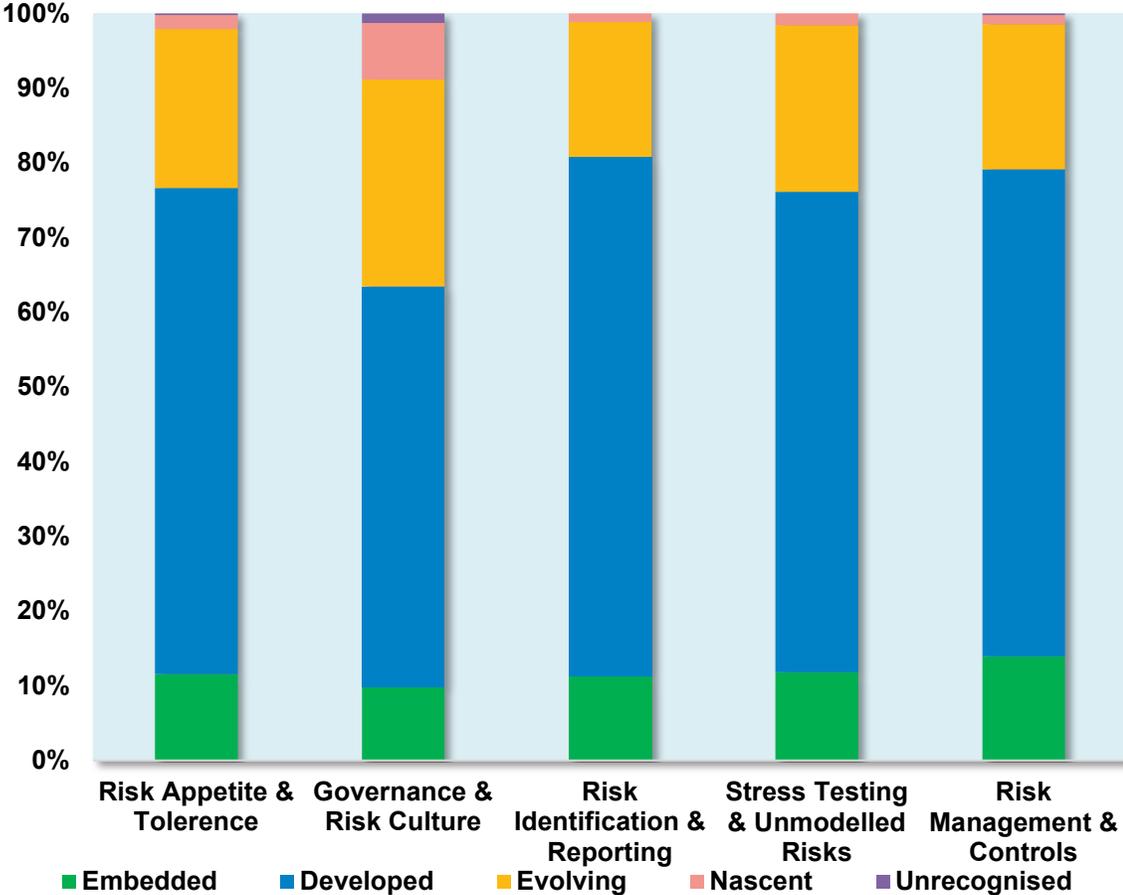


MENA non-GCC Risk Framework Evaluation

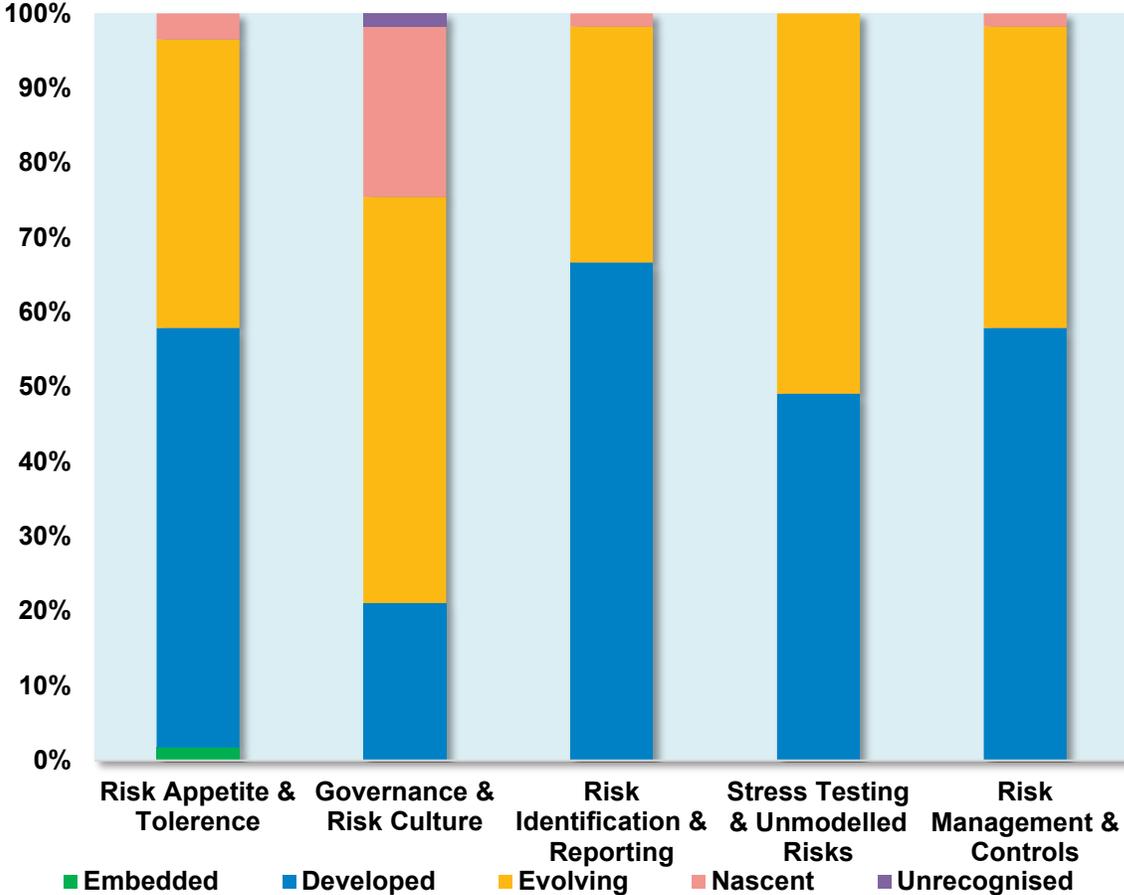


Framework Assessment Distribution – Stress Testing Remains a Weakness

Global Risk Framework Evaluation

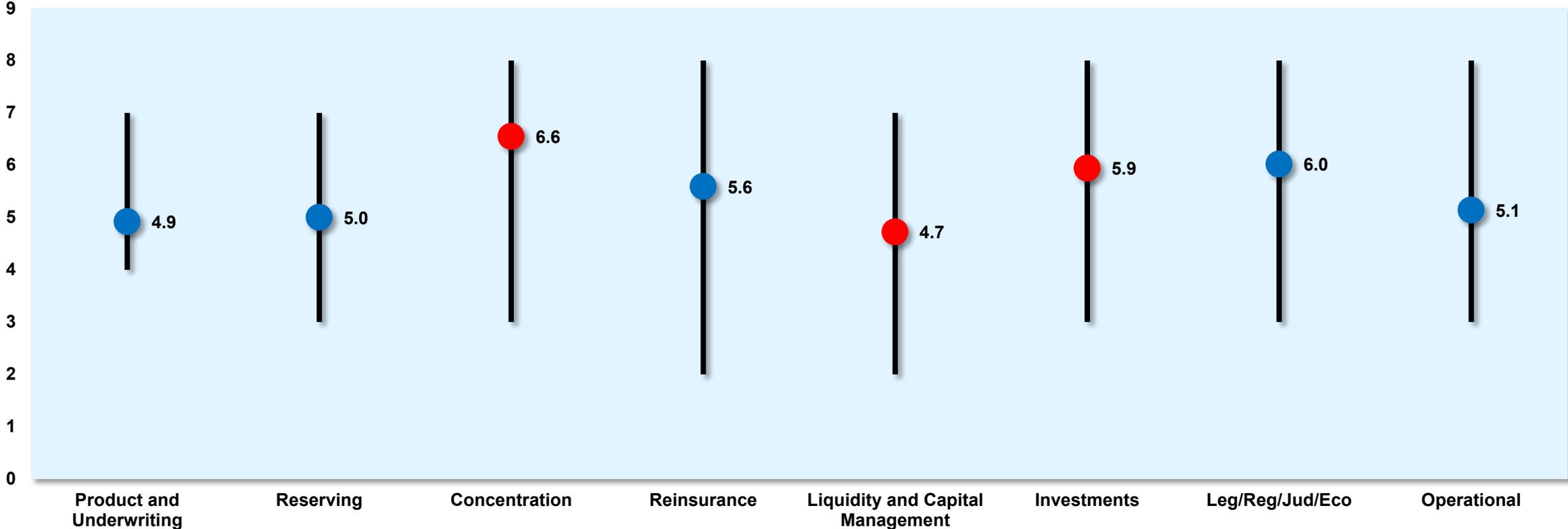


MENA Risk Framework Evaluation



Risk Profile Assessments – Range of Assessments

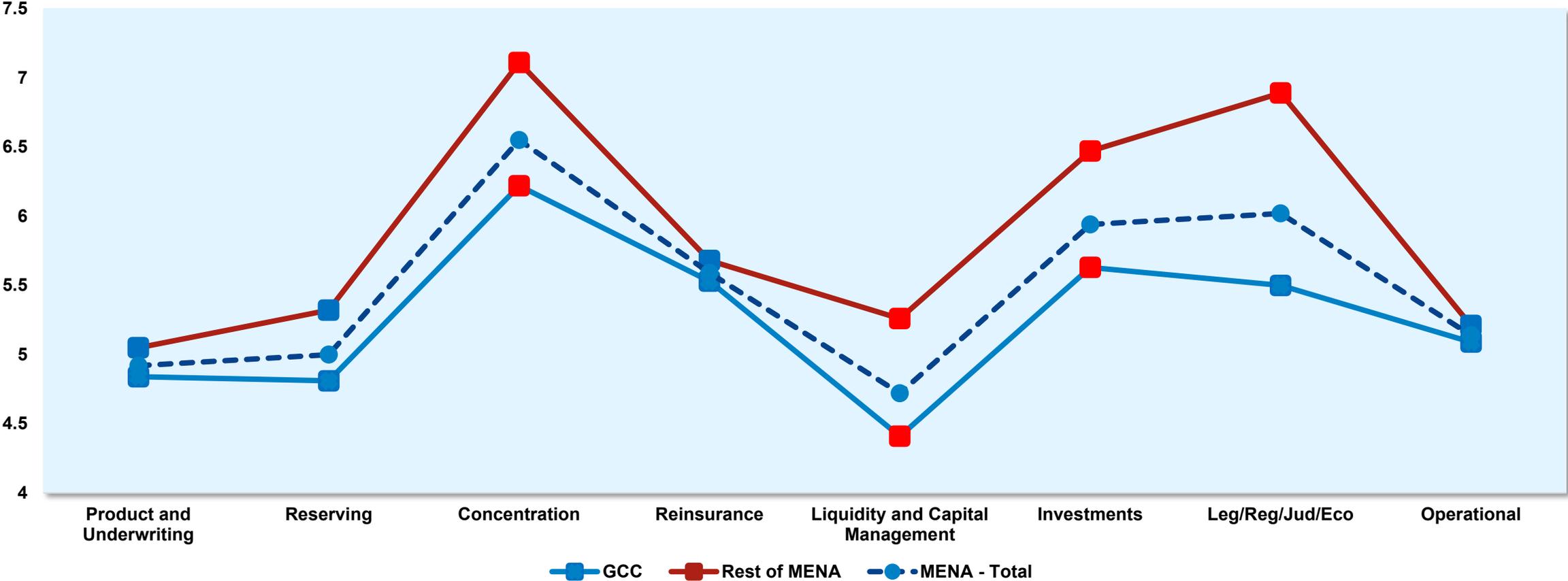
MENA – Risk Profile Assessments



Blue dots indicate market risk capabilities are in line with risk profile assessment
Red dots indicate market risk capabilities are deficient to risk profile assessment

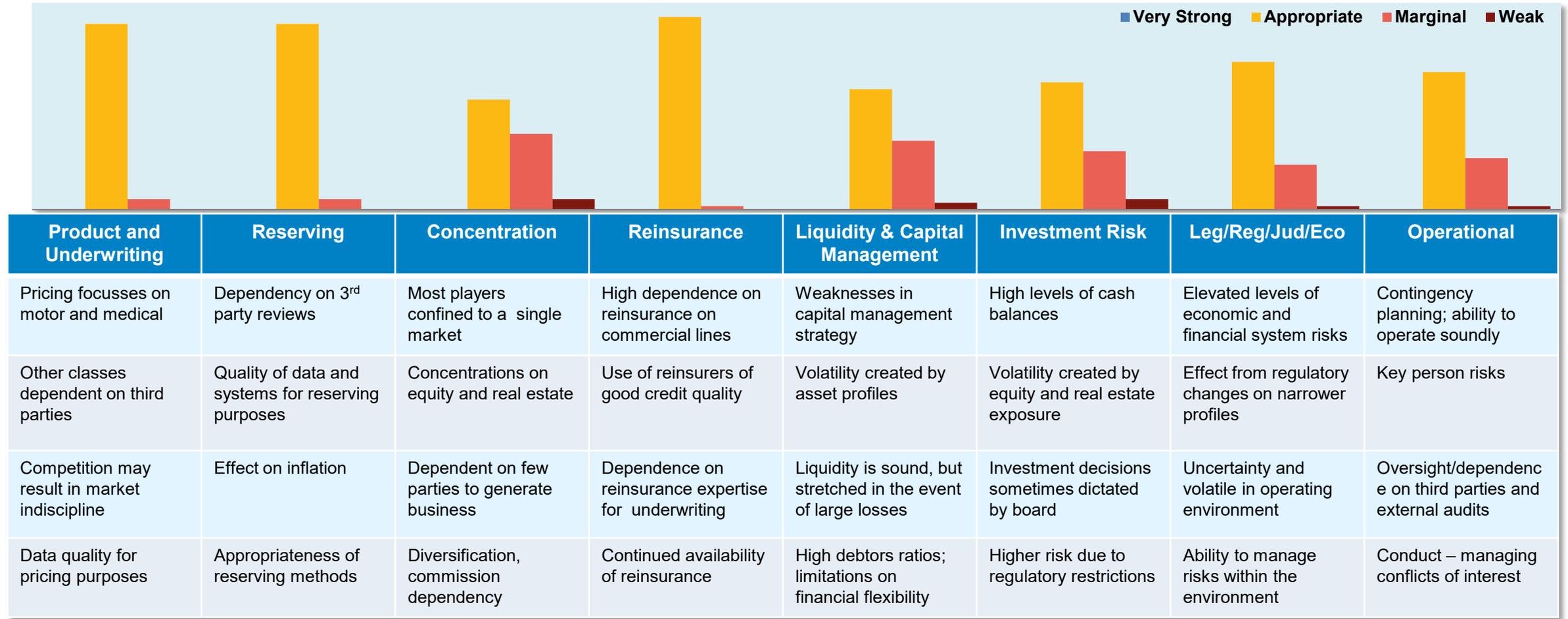
Risk Profile Assessments – GCC vs Rest of MENA

Risk Profile Average Scores - GCC vs Rest of MENA



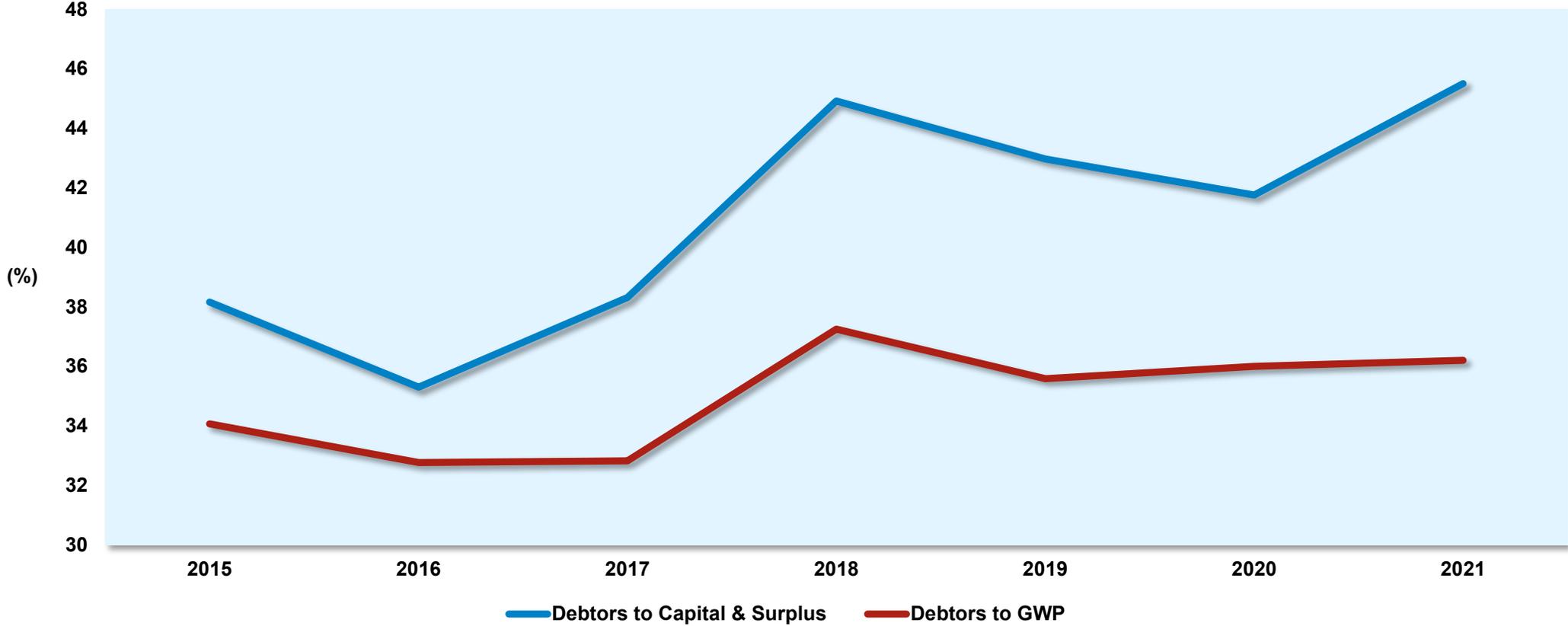
MENA Risk Capabilities

Risk Capabilities Relative to Risk Profile



MENA Debtor Balances Remain High

Debtor Balances in the MENA Region (%)



Final Remarks

- Varied assessments across the MENA; negative pressure remains
- Many insurers still operate silo approach to ERM
- Some topics for focus:
 - Liquidity and capital management
 - Managing inflation
 - Concentration risks
 - Appropriateness of controls (operate within appetite and tolerance)
 - Stress testing / reverse stress testing
 - Emergence of cyber risk
 - Geopolitical and financial system risks
 - Volatility of small operators
 - Conflicts of interest
- Ability to manage future events: past may not be indicative of the future

The screenshot shows a report page with the AM Best logo and the title 'BEST'S MARKET SEGMENT REPORT'. The date is August 15, 2022. The main heading is 'Shortcomings Still Present Despite Steady Improvements in ERM for MENA Insurers'. A sidebar on the left lists 'Despite steady developments over the years, MENA insurance markets continue to lag more mature markets in terms of ERM capabilities'. The main text includes 'Principal Takeaways' with bullet points on risk profiles, ERM frameworks, silo approaches, and ERM weaknesses. It also discusses the impact of the COVID-19 pandemic and the invasion of Ukraine on the MENA region. Contact information for analytical and editorial managers is provided at the bottom left, along with a copyright notice for 2022 A.M. Best Company, Inc.

ERM Benchmarking – Assessing the Resilience of ERM Strategies

Mahesh Mistry

Senior Director, Criteria Research & Analytics

Q&A

Agenda – Insurance Market Briefing

09:30 Welcome and Introductory Comments

Nick Charteris-Black, Managing Director, Market Development – EMEA

09:35 Global Reinsurance Update

Greg Carter, Managing Director, Analytics, EMEA & AP

10:05 Regional Reinsurance Update

Emily Thompson, Senior Financial Analyst

10:35 ERM in MENA

Mahesh Mistry, Senior Director, Credit Rating Criteria Research

11:15 Coffee Break 

11:45 Keynote Presentation - Operating in the DIFC Over the Years

Peter Englund, SEO - Head of Commercial Insurance Middle East, Zurich Insurance Company Ltd

12:30 Insurance Growth Drivers in the GCC

Vasilis Katsipis, General Manager, Market Development – MENA, South & Central Asia

13:15 Q&A and Closing Comments

Nick Charteris-Black, Managing Director, Market Development – EMEA

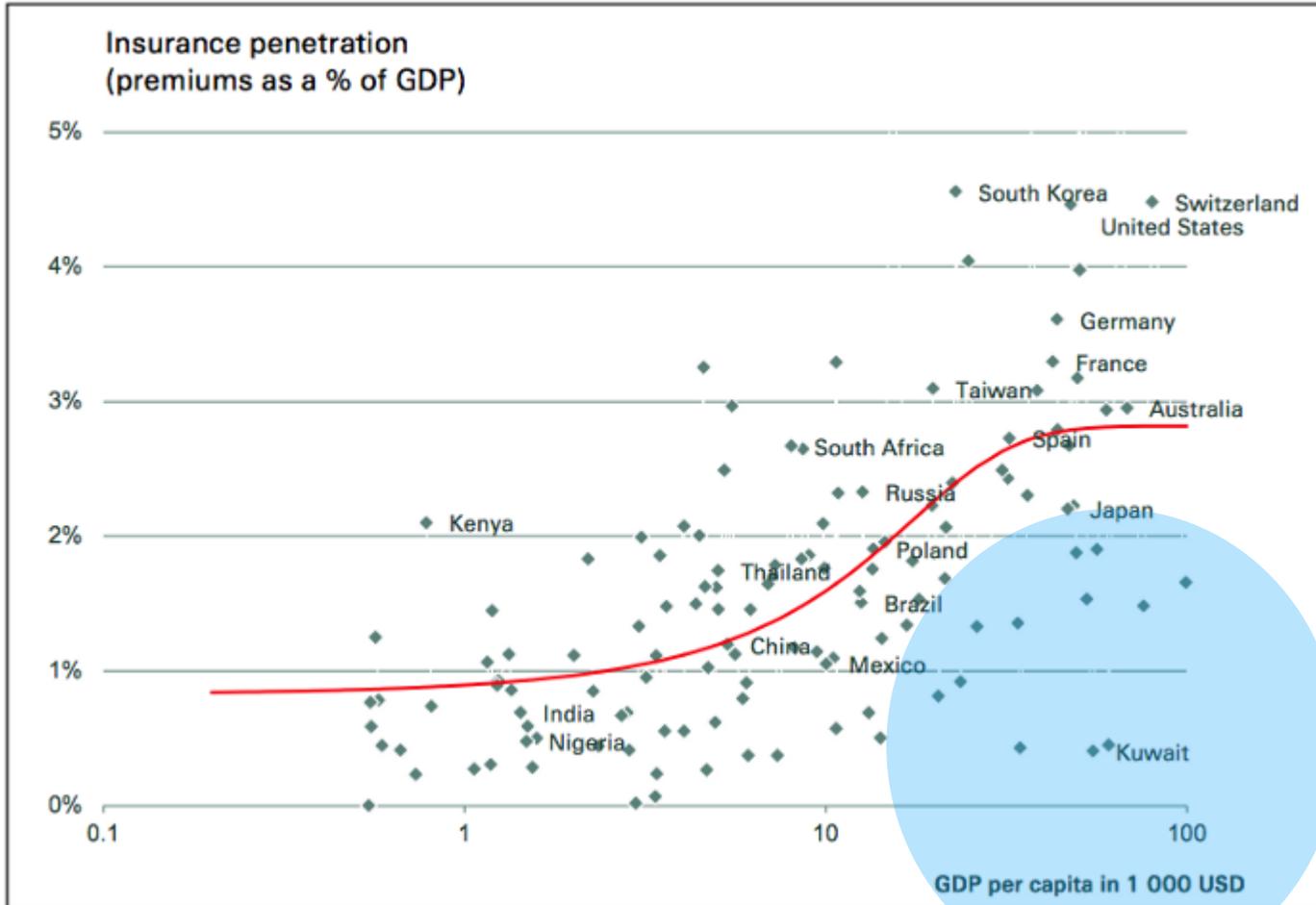
13:30 Networking Lunch

Operating in the DIFC Over the Years

AM Best's MENA Insurance Market Briefing
18 October 2022



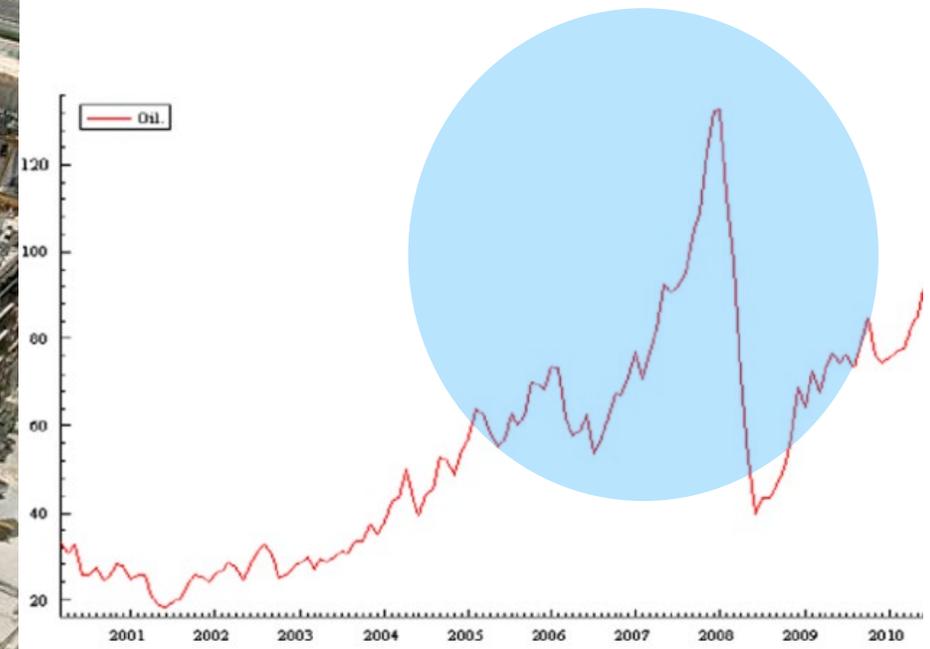
Middle East & The (Insurance) Opportunity



The Early Years & The Establishment



Brent Crude Oil Price (USD) from 2000 to 2010



Finding 'Critical Mass' & The Growth Years from 2011 to 2015

Dow Jones World Index from 2000 to 2022



Global Insurance Pricing Change



Malta – 19-20 September 2015



The Shares – RSA & Zurich

Share Performance – 10 years

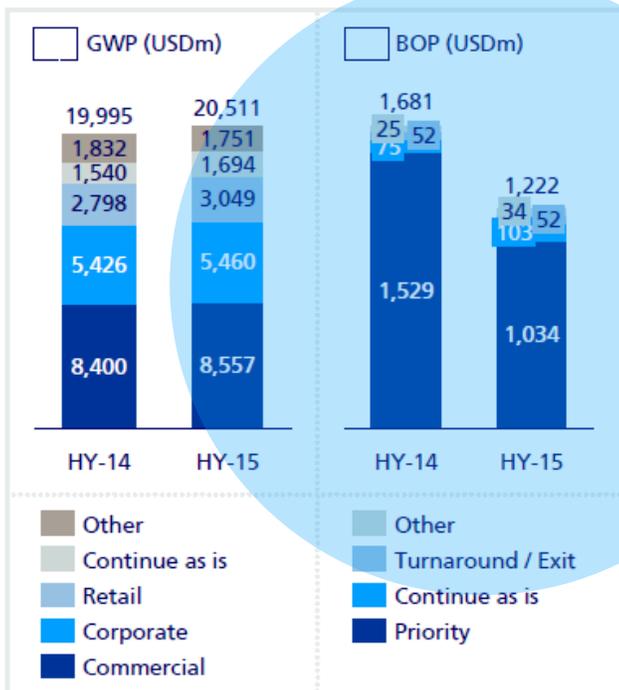


Report card – General Insurance

Further actions required on underperforming portfolios



PRIORITY MARKETS¹



MANAGE FOR VALUE

- Actions in South Africa starting to show progress, with a 9ppt improvement in underlying LR in H1
- Numerous actions underway in Brazil, new CEO for Latin America region appointed

NEXT STEPS

- Continue investments in NAC, Global Corporate and select retail markets
- Complete the work on GI “turnarounds”
- Address underperforming property portfolios and further actions to reduce expense base



¹ All figures calculated at constant HY-14 exchange rates.

Regional & Large Losses

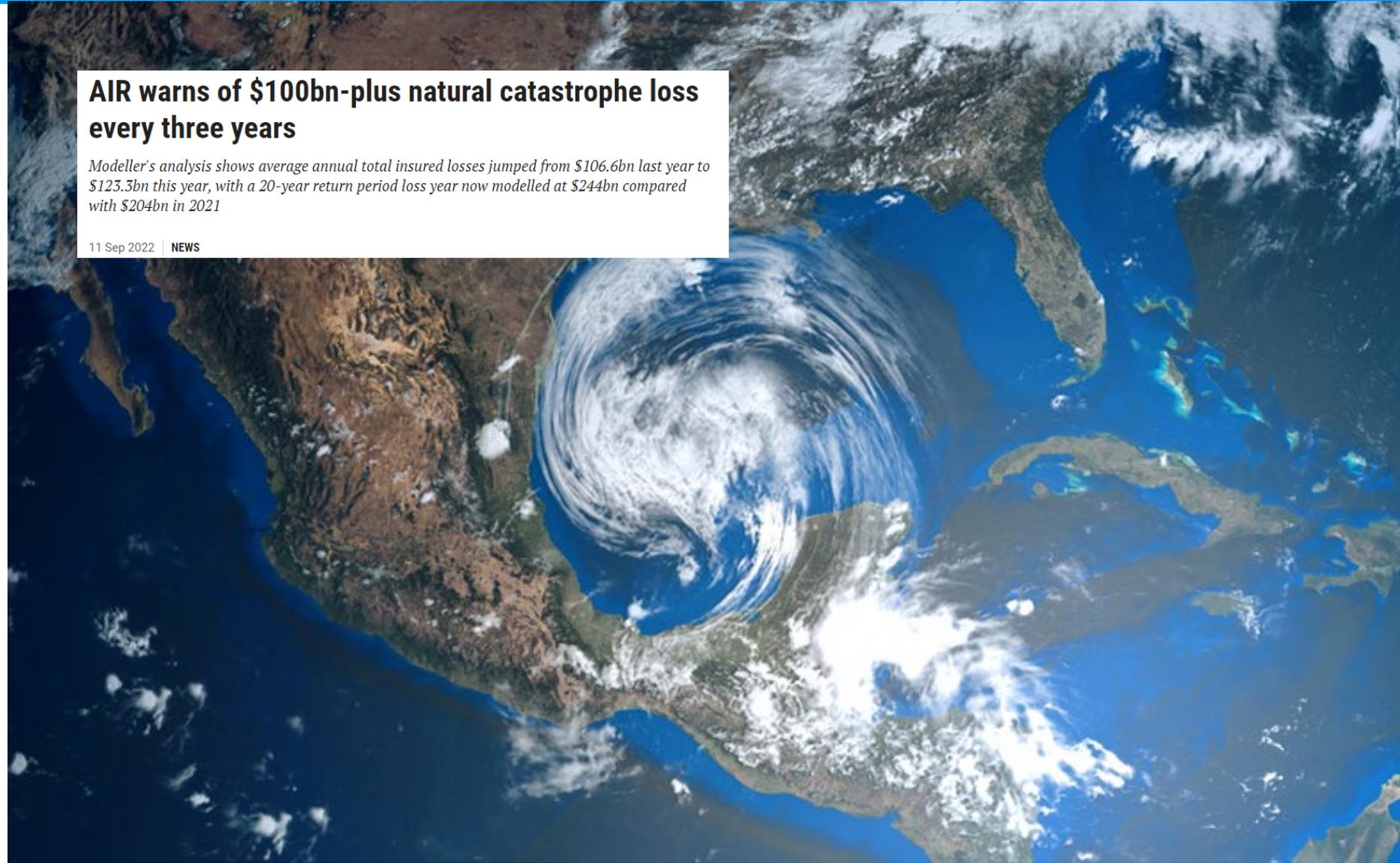


Catastrophic Losses, Capital Markets & Impact on Insurance Premiums

AIR warns of \$100bn-plus natural catastrophe loss every three years

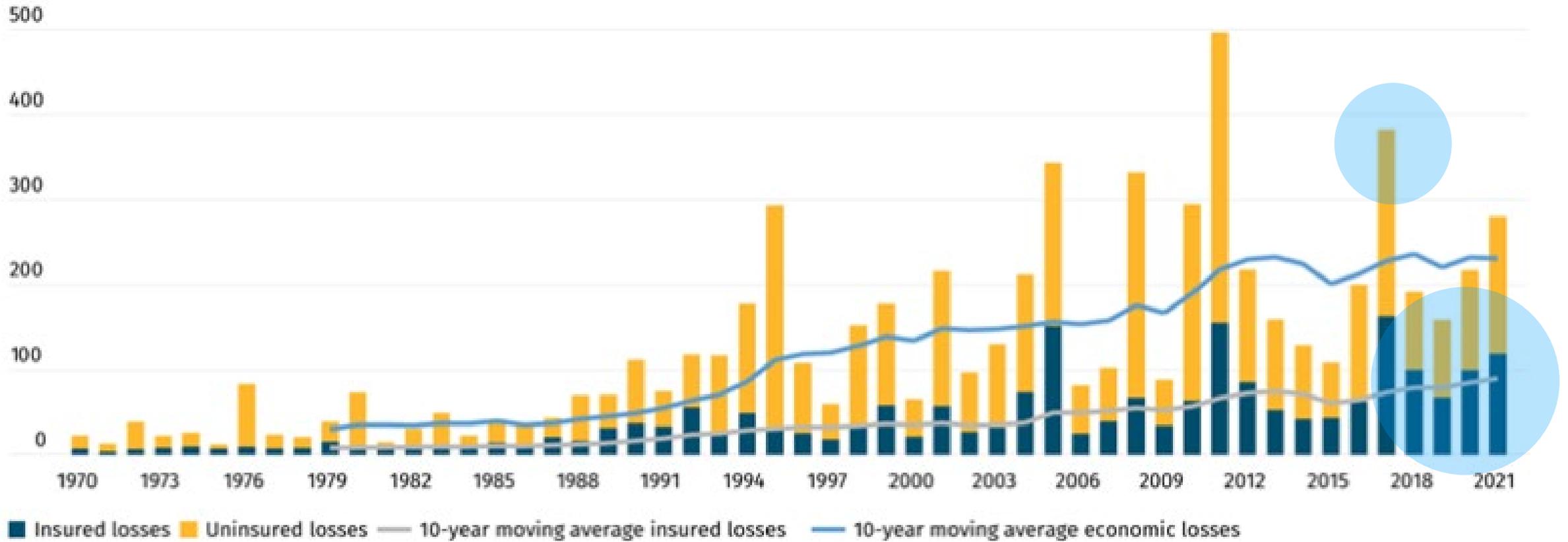
Modeller's analysis shows average annual total insured losses jumped from \$106.6bn last year to \$125.3bn this year, with a 20-year return period loss year now modelled at \$244bn compared with \$204bn in 2021

11 Sep 2022 | NEWS



- Highest Profile 2017 CAT Events
 - Hurricane Harvey
 - Hurricane Irma
 - Hurricane Maria
 - Mexico Earthquake
- Total Number of Global CAT events in 2017: **710**
- Annual Average Number of Global CAT Events: **605**
- Number of Lives Lost due to Global CAT Events in 2017: **Approximately 10,000**
- Total Losses from 2017 CAT Events: **\$330 Billion USD**
- Total Insured Losses from 2017 CAT Events: **\$135 Billion USD** (41%)
- Ten Year Annual Average of Insured Losses from CAT Events: **\$49 Billion USD**

Insured vs. Uninsured Losses 1970-2021 in USD billions

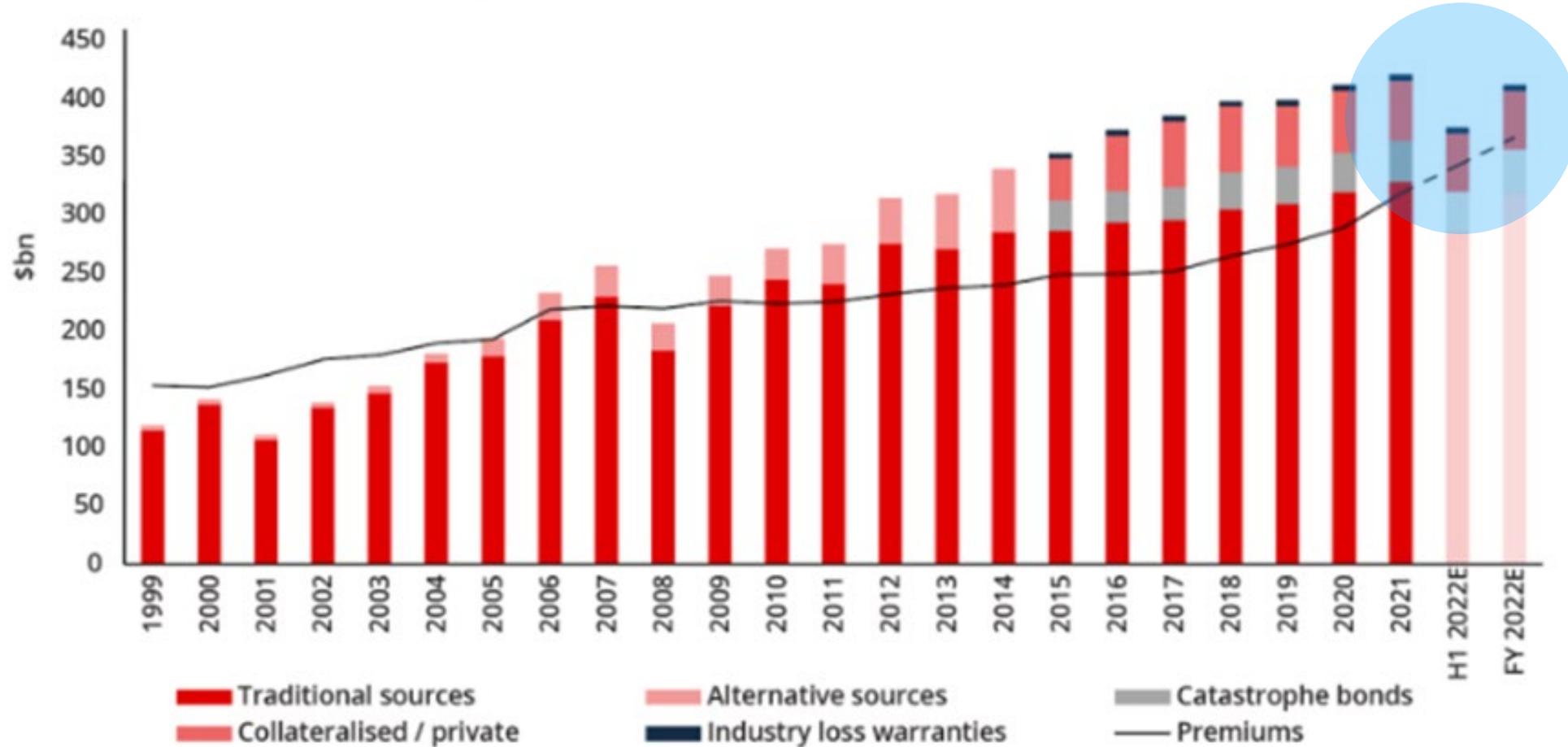


Economic losses = insured + uninsured losses. Source: Swiss Re Institute

Source: Swiss Re

Dedicated reinsurance capital may experience its first decline since 2008

Sources of reinsurance capital, 1999-2022E



Source: Howden

The DIFC Today



Insurance Growth Drivers in the GCC

Vasilis Katsipis

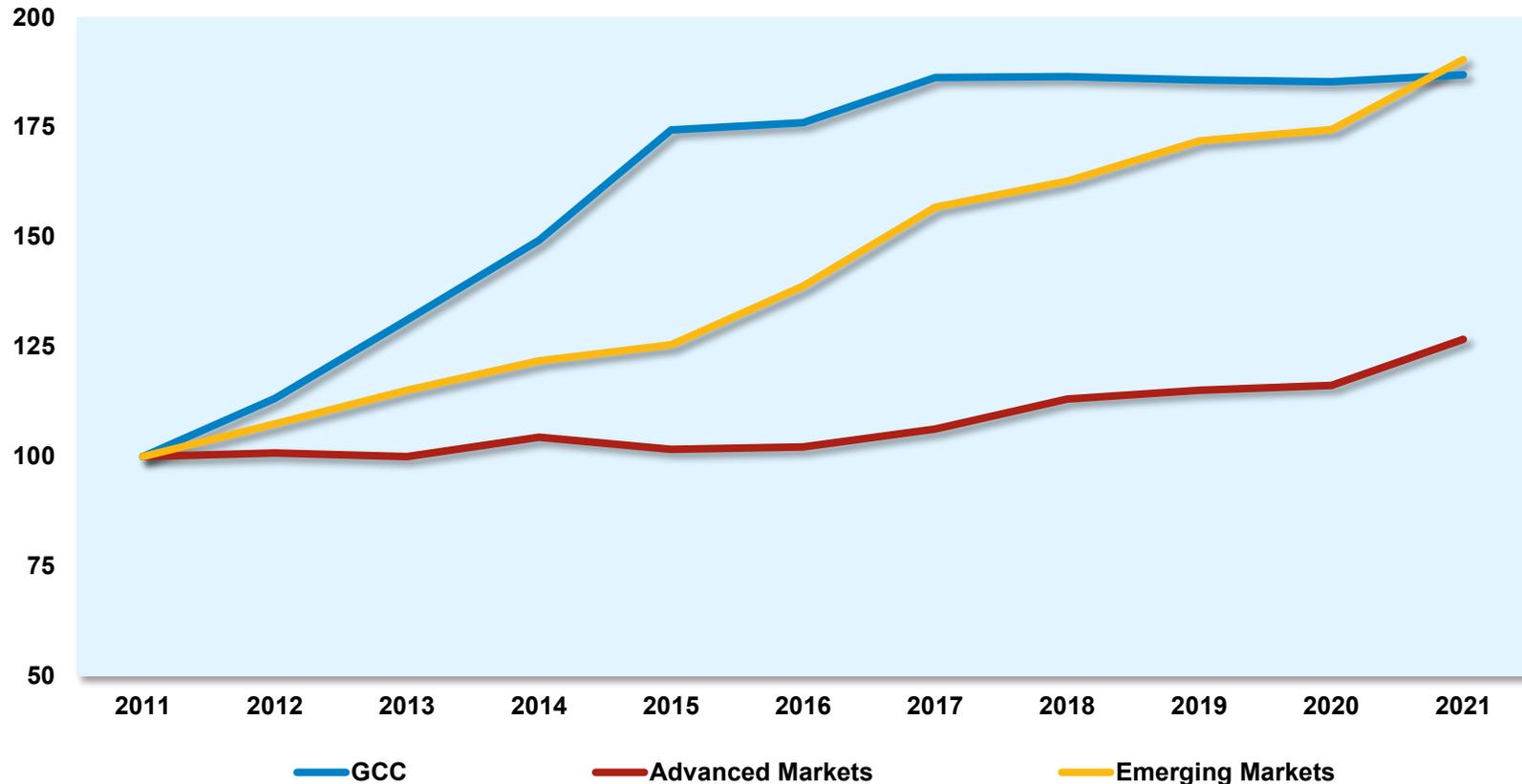
General Manager, MENA, South & Central Asia

Insurance Market Growth



GCC: Very slow premium growth for several years

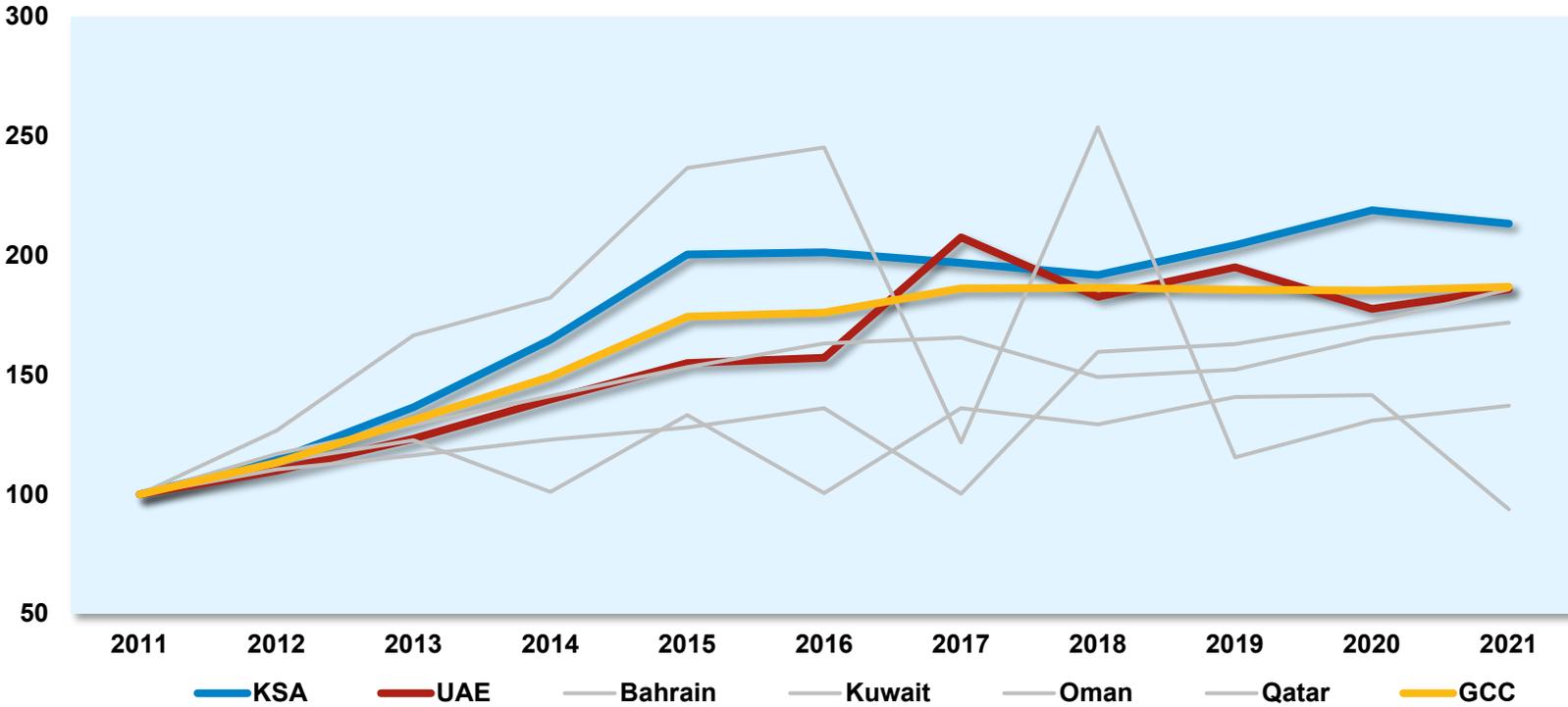
Gross Written Premiums (Index)



- Growth in the GCC insurance markets has slowed down in the last six years
- This has meant that the GCC has been among the slowest growing of emerging markets
- Even the mature insurance markets have grown faster in recent years
- Still, not all markets have been growing at the same pace

GCC insurance market growth driven by main economies

Gross Written Premiums (Index)

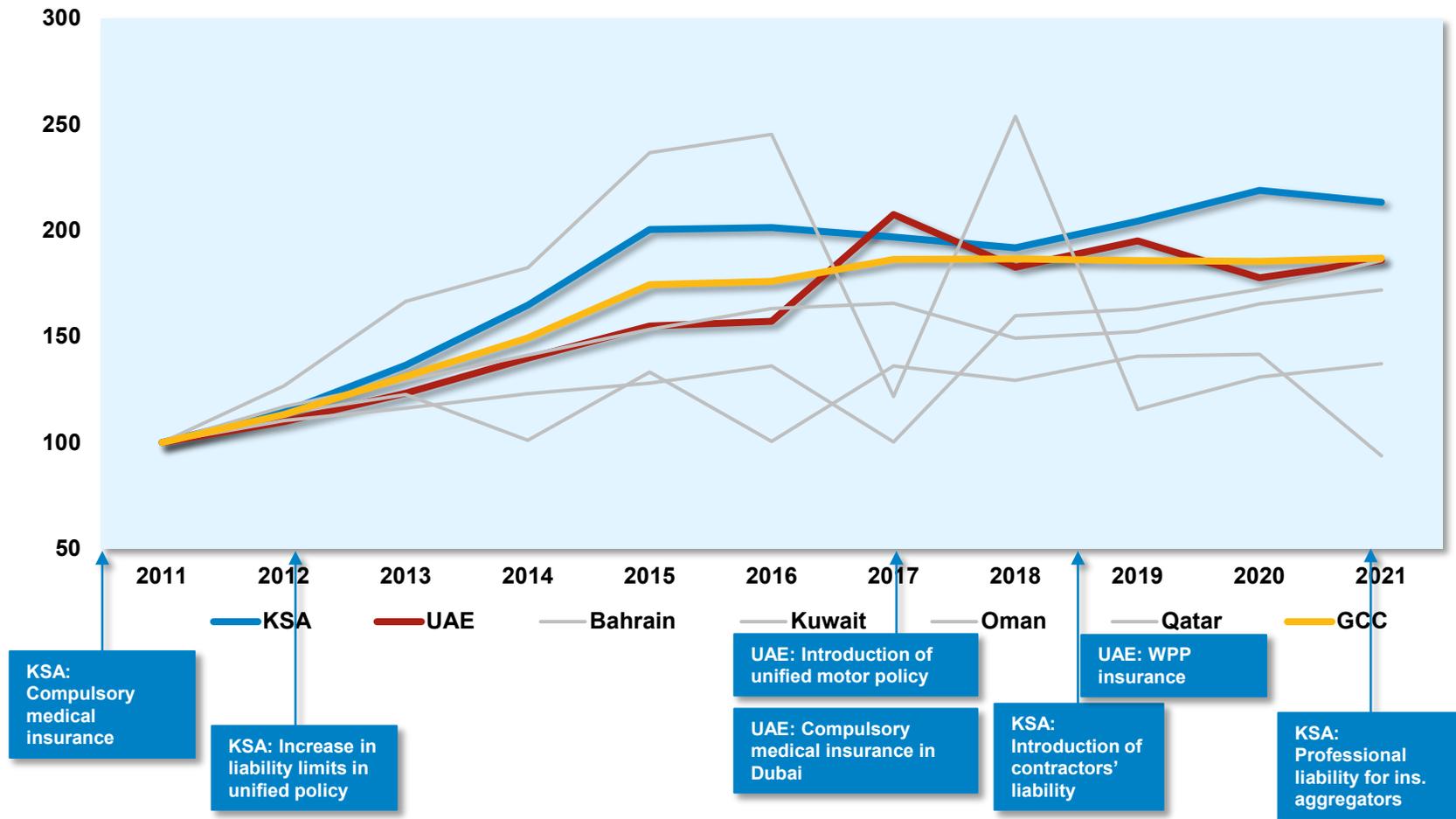


- Saudi Arabia and to a lesser extent the UAE have been the main markets providing the growth in the GCC
- This is not surprising given the relative size of the two markets compared to the others in the GCC
- Qatar impacted severely by the economic exclusion
- Rest markets have been volatile for different reasons



Compulsory covers and regulatory limits have boosted growth

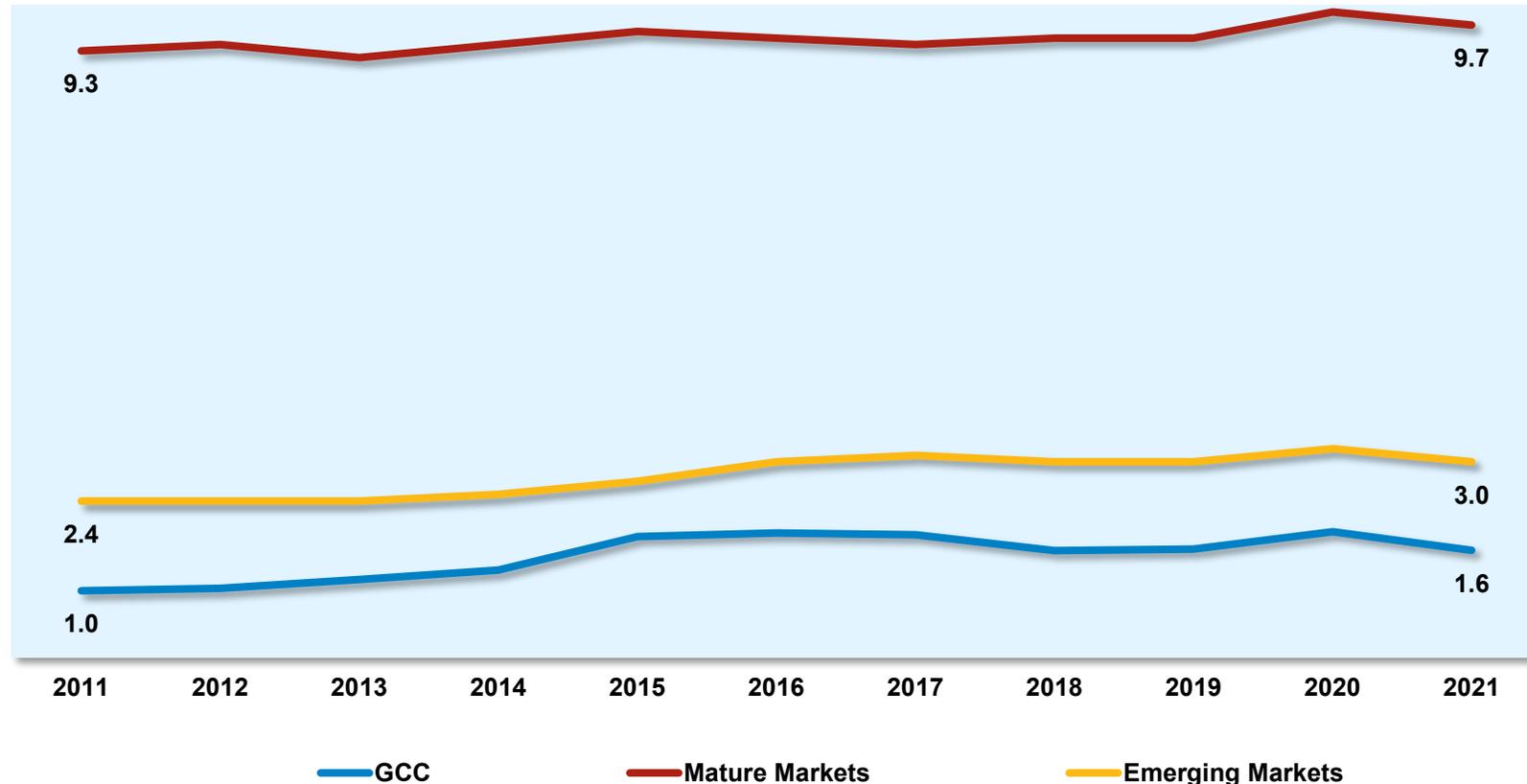
Gross Written Premiums (Index)



- Introduction of compulsory covers have been the main growth drivers
- Saudi Arabia and the UAE have both introduced compulsory medical during the period
- Oman and Qatar are in the process of doing the same but the impact on the whole GCC market will be less pronounced due to their small size
- While governments and regulators continue to introduce new covers, by definition they will not be “bid ticket” items

Insurance penetration well below that of emerging markets

Insurance Market Penetration (%)

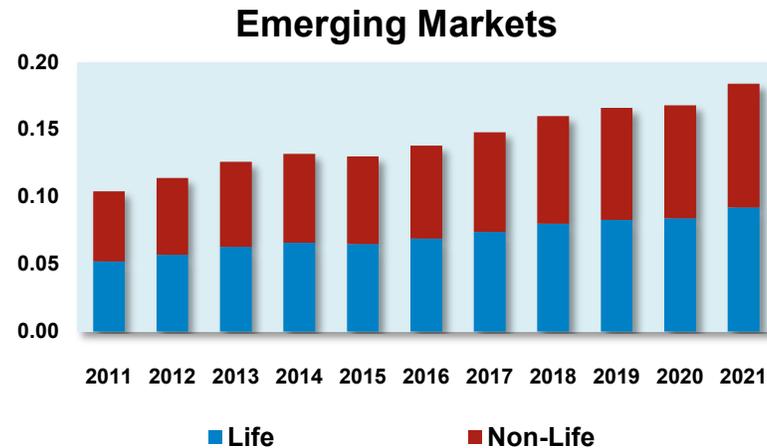
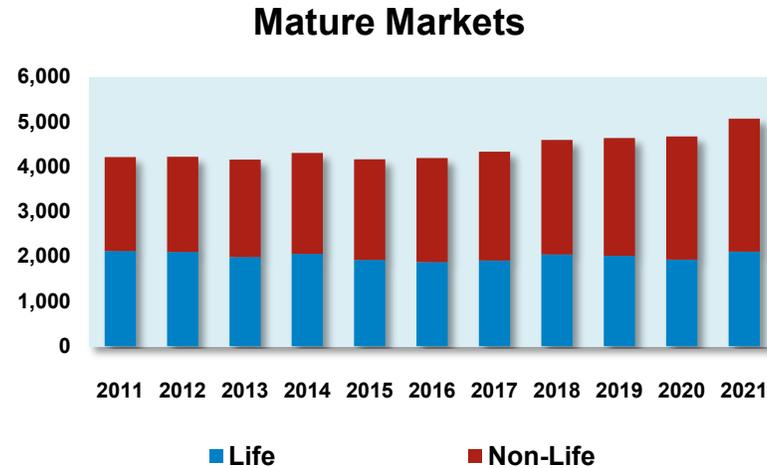
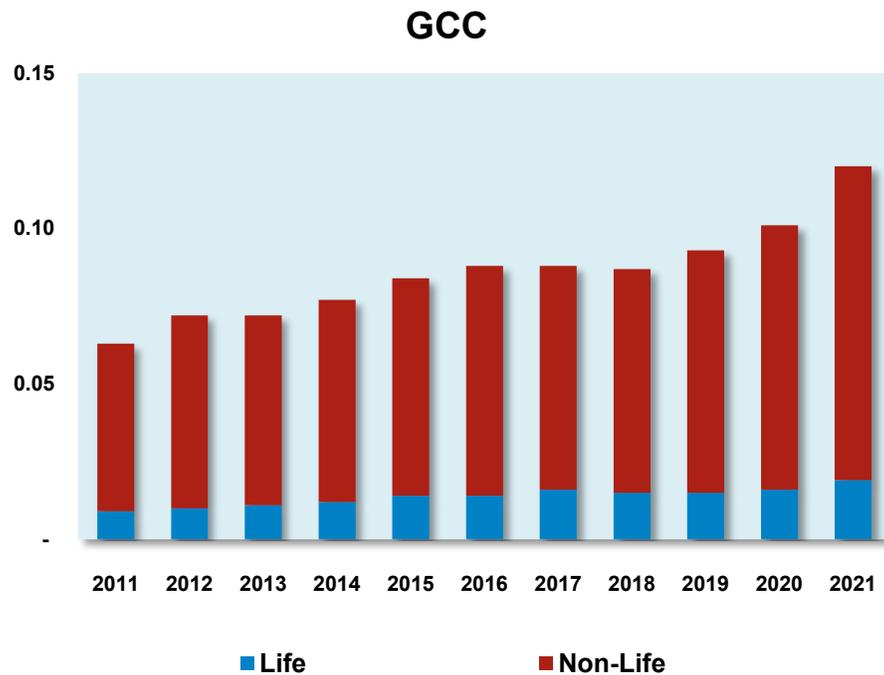


- Insurance penetration (measured as the percentage of GDP that is paid as premiums) is extremely low
- Considering that:
 - a. A large proportion of premiums go to compulsory covers, and
 - b. A large proportion of insured activity paid for large projects and risks

It seems there is little insurance acceptance in the markets

- This is clearly an area for governments and insurance bodies to focus on

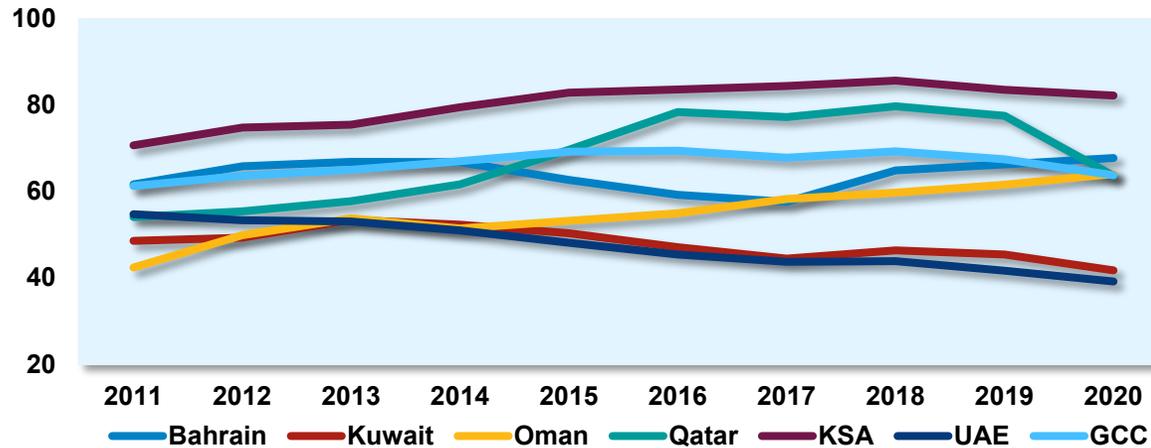
Lack of life business hampers growth of GCC insurance markets



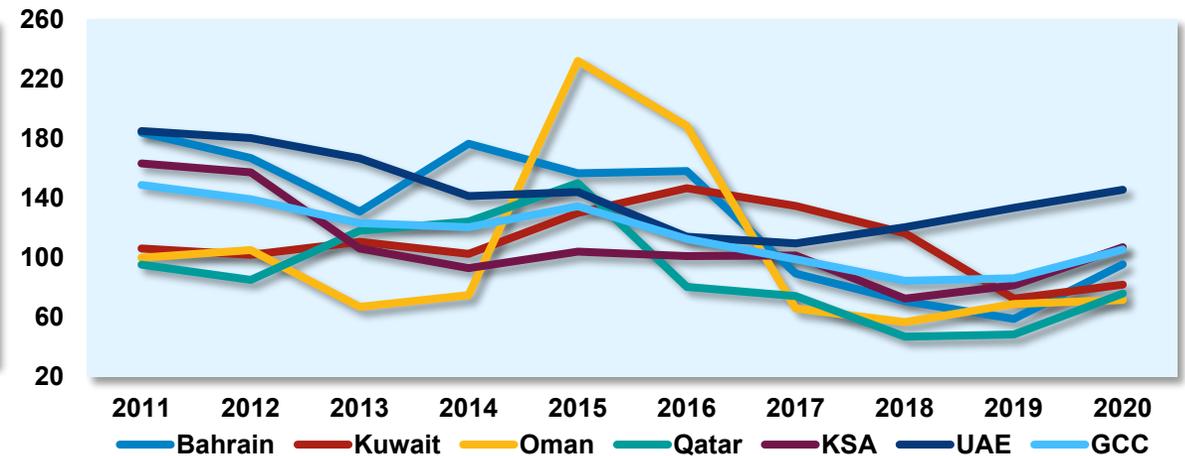
- Very low penetration of life insurance
- Compared to other emerging markets, the GCC has depended solely on non-life business for its growth
- Even taking into account the transient nature of large portions of the population this points to lack of demand for life insurance among local and ex-patriate populations alike
- The reasons seem to vary for each of these groups

High reinsurance dependence persists in many markets

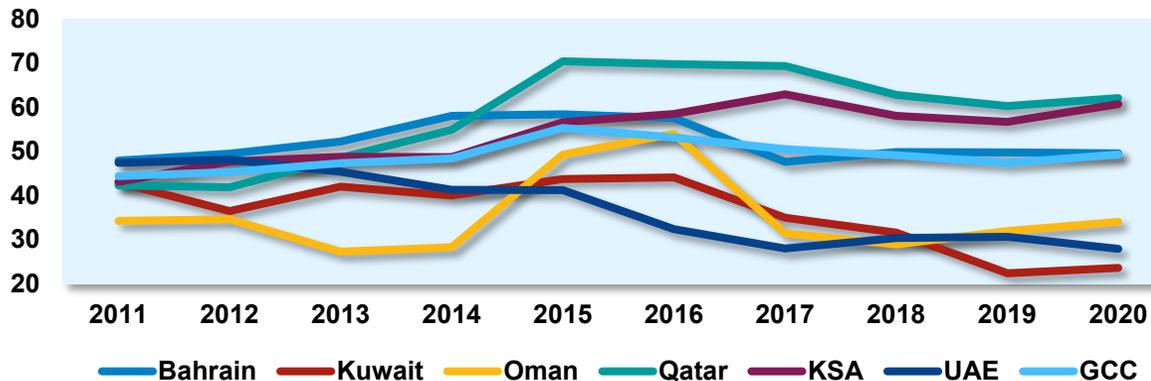
Retention of Premiums (%)



Price of Reinsurance (%)



Retention of Outstanding Claims (%)

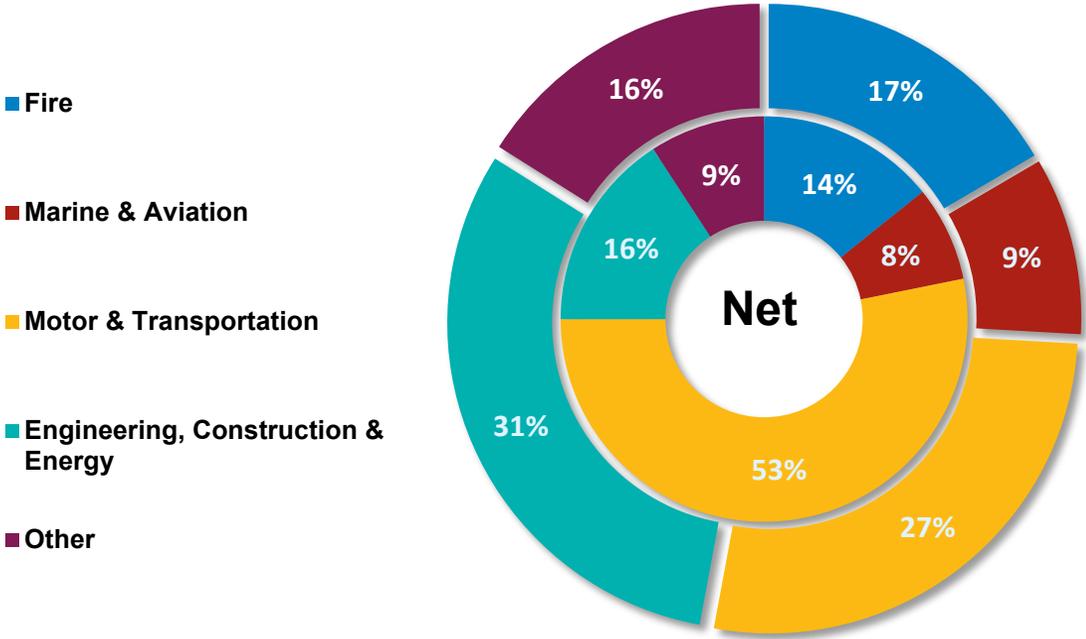


- Cession ratios remain high for many markets
- Saudi Arabia and Qatar the only markets with reduced reinsurance cessions
- Cost of reinsurance had increased in recent years
- Despite this many markets increase reinsurance utilisation

UAE: The market with the highest reinsurance utilisation

UAE Non-Life Gross and Net Liabilities

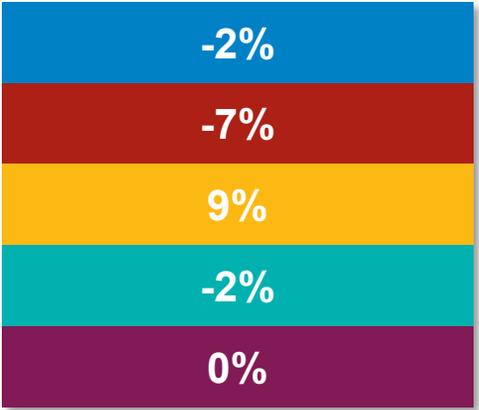
Gross



Retention ratio

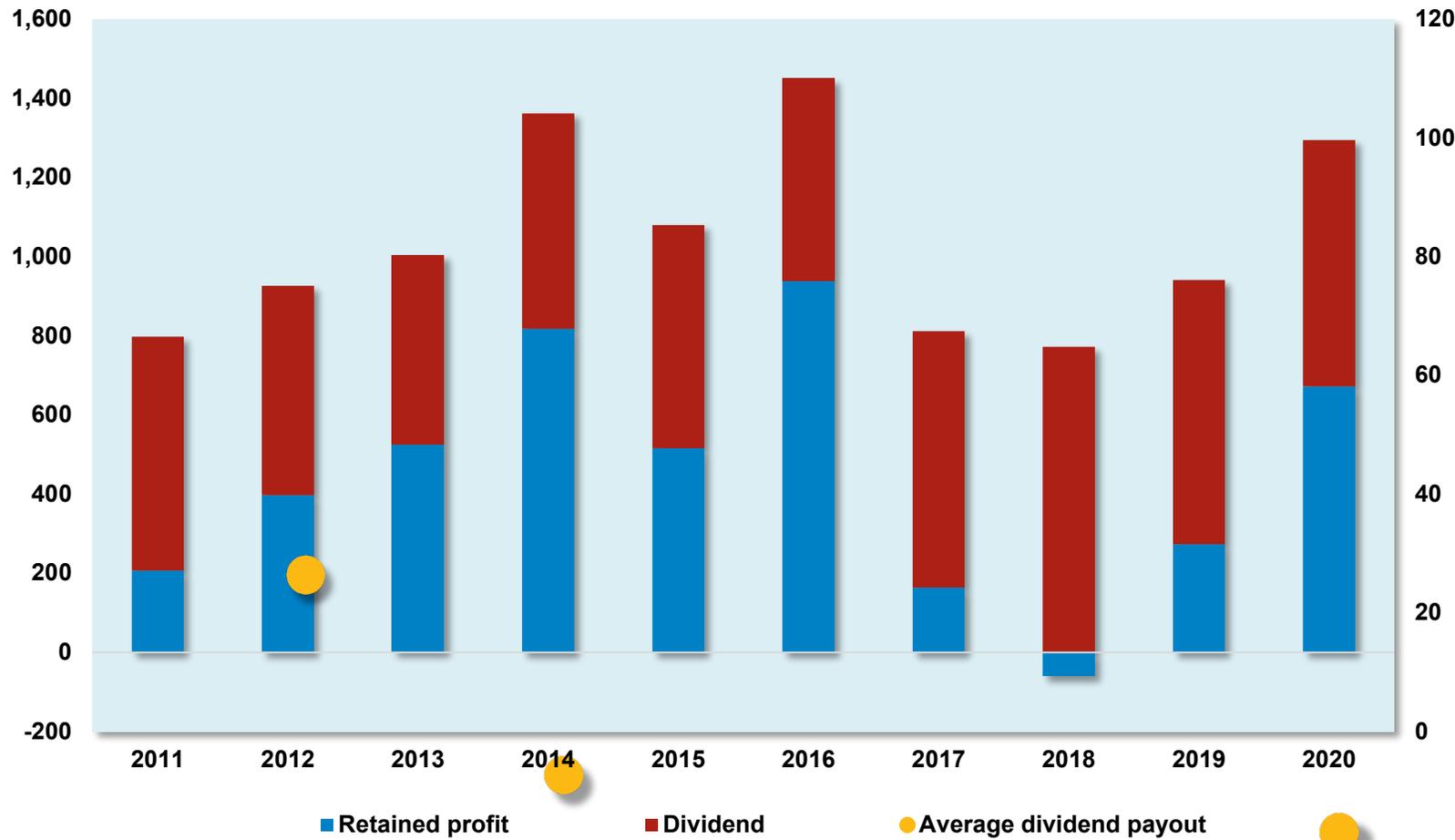


Net Commission ratio



Dividend policy not linked to profitability

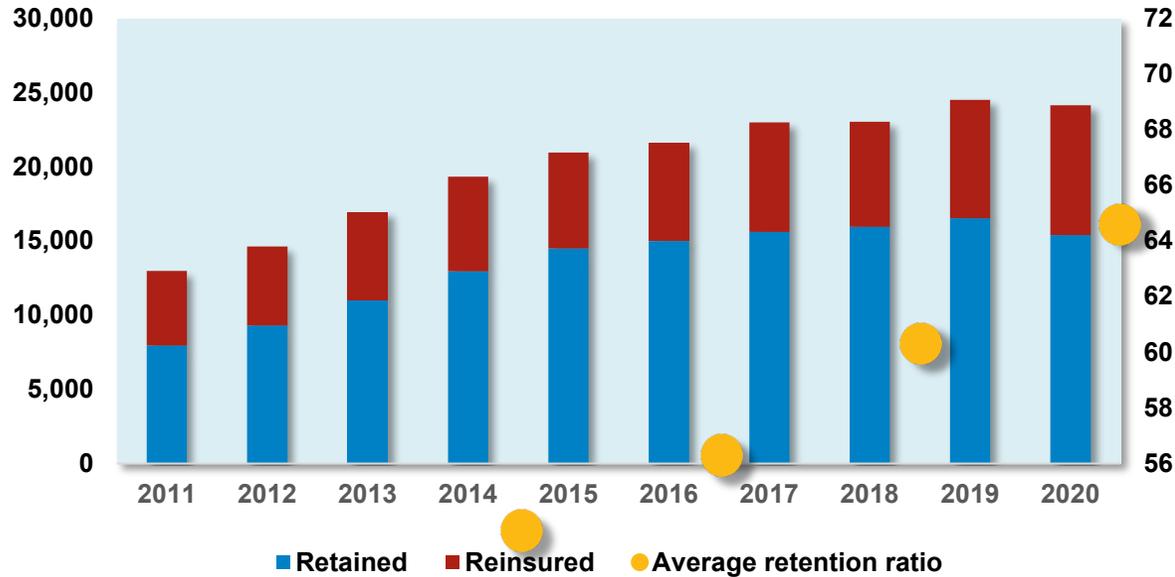
GCC – Profit and Dividends (USD millions and %)



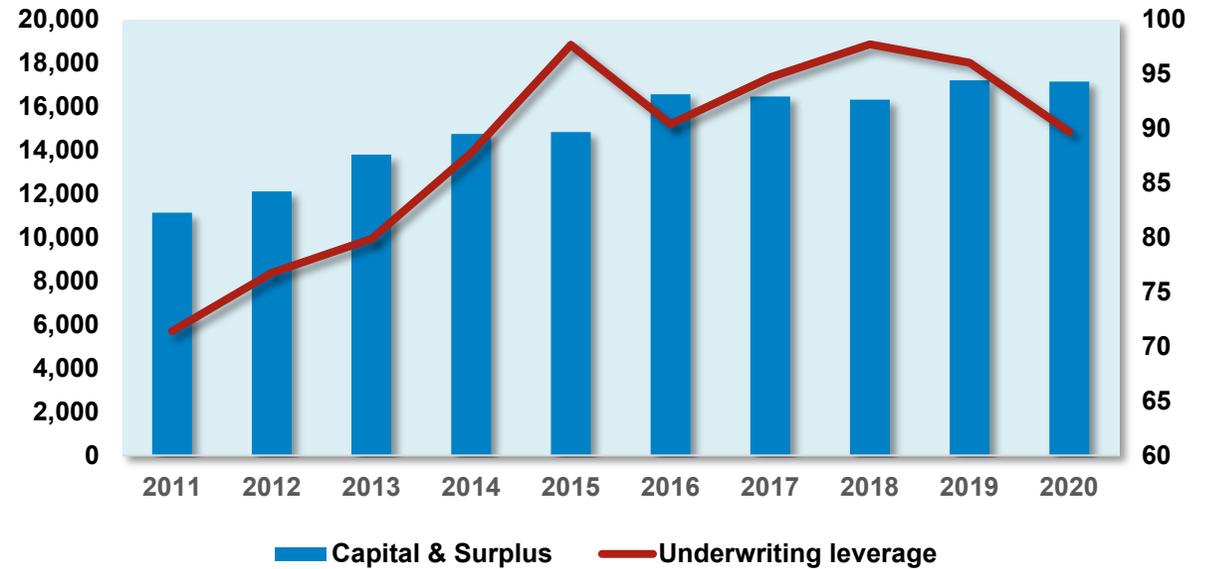
- Generally good profit generation
- Dividend payout ratio ranging from 35% to over 100%
- Dividends are typically linked to paid-up capital rather than profits generation
- In years of generally low liquidity shareholders demand, and get, high dividend pay-outs e.g. in 2018
- This points towards low financial flexibility among many shareholders

Capitalisation in the GCC

Retained and Reinsured Premiums (USD millions and %)



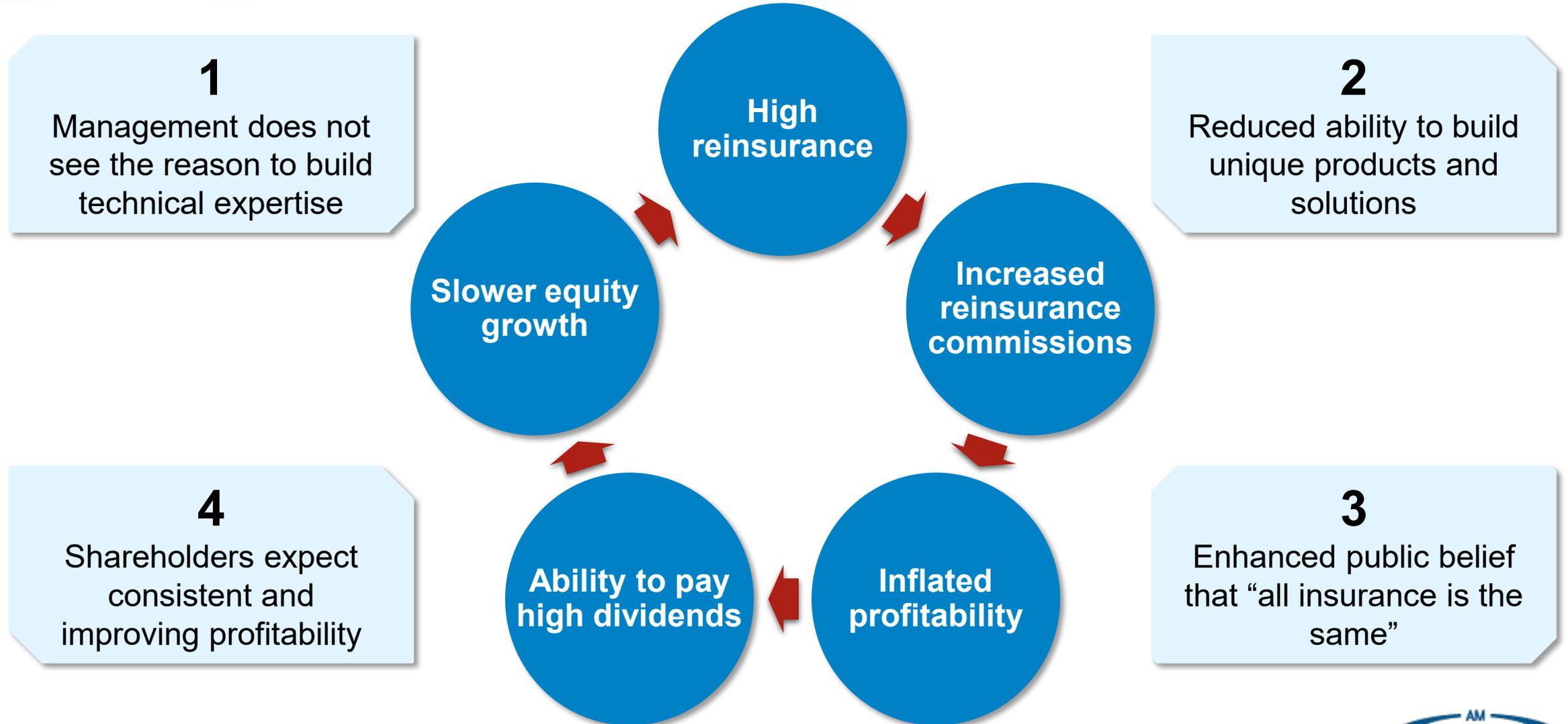
Capital and Surplus and Underwriting Leverage (USD millions and %)



- Increases in retention levels in the earlier part of the decade were mostly driven by the cost of reinsurance rather than risk management decisions
- Retention ratio has been declining in the GCC over the last five years
- It has consistently remained above 60%

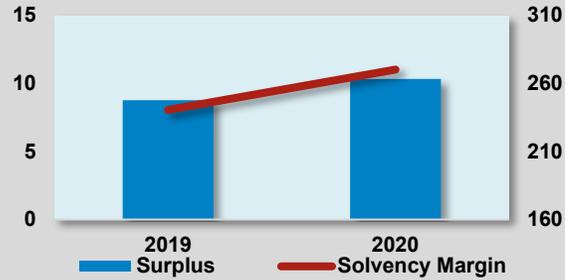
- At the same time, due to high dividends, Shareholders' Equity has remained stable over the last five years
- Combined with the increased levels of retained business it has led to increased underwriting leverage

A circle with some serious side effects



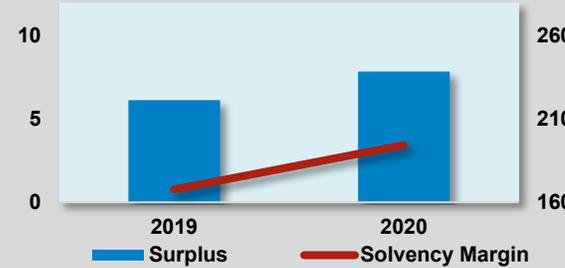
UAE: Regulatory capital requirements met (but some difficult cases exist)

Minimum Capital Requirement & Solvency Margin (%)



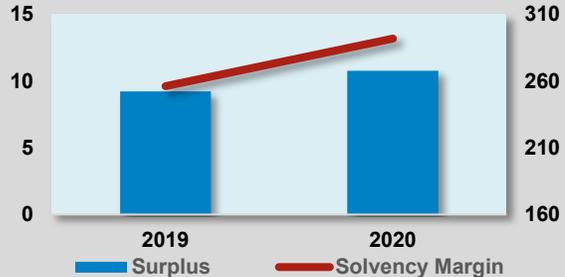
- Solvency surpluses have increased over the last two years

Solvency Capital Requirement & Solvency Margin (%)



- As a result, solvency margins have improved

Minimum Guarantee Fund & Solvency Margin (%)



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Technical Profit										
Company A	*	*	*	*	*	*	*	*	*	*
Company B	*	*	*	*	*	*	*	✓	✓	✓
Company C	*	*	*	*	*	✓	✓	✓	✓	✓
Company D			*	*	*	*	*	✓	✓	✓
Company E	✓	*	*	*	*	*	*	*	*	*
Operating Profit										
Company A	*	✓	✓	*	*	*	*	*	*	*
Company B	✓	*	✓	*	✓	*	*	✓	✓	✓
Company C	*	*	*	✓	*	✓	✓	✓	✓	✓
Company D			*	*	*	*	✓	✓	✓	✓
Company E	✓	*	*	✓	*	*	✓	*	*	✓
Dividend Payment										
Company A	*	✓	*	*	*	*	*	*	*	*
Company B	✓	✓	*	*	*	*	*	*	*	*
Company C	✓	*	*	*	*	*	*	*	*	✓
Company D			*	*	*	*	*	*	*	✓
Company E	✓	✓	*	*	✓	*	*	*	*	*
Movement in Shareholders' Equity										
Company A	↓	↓	↑	↓	↓	↓	↓	↓	↓	↓
Company B	↑	↓	↑	↓	↑	↓	↓	↓	↓	↓
Company C	↑	↓	↑	↑	↓	↓	↑	↑	↑	↑
Company D			↓	↓	↓	↓	↓	↑	↑	↑
Company E	↑	↓	↓	↓	↑	↓	↓	↑	↓	↑

- There are still some companies that breach minimum solvency requirements

Conclusion

- The GCC insurance markets have been undergoing a period of modest growth, one that is well below other emerging markets in the world
- Governments are running out of “big ticket” items like the introduction of compulsory covers which can substantially move the dial
- Long term, building awareness and creating the environment that will encourage the growth of life insurance seem the only viable options for insurance growth
- In the medium term companies and regulators need to strengthen the viability of local insurers to the next level. Emphasis on:
 - Strengthening ERM capabilities
 - Increasing profit retention
 - Building technical expertiseare essential in order for the industry to continue growing profitably

Insurance Growth Drivers in the GCC

Vasilis Katsipis

General Manager, MENA, South & Central Asia

Q&A

Q&A and Closing Comments

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AM Best's Upcoming Events – Autumn 2022



November 1

AM Best's Insurance Market Briefing – Singapore International Reinsurance Conference (SIRC)

Heliconia Ballroom, Marina Bay Sands Expo & Convention Centre

Click on an event
for more details and
to register,
or visit [ambest.com](https://www.ambest.com)
and navigate to the
events page

November 9

AM Best's Europe Insurance Market & Methodology Briefings – London

etc. Venues, St. Paul's, London



Address Boulevard, Dubai

AM Best's MENA Insurance Market Briefing - Dubai