

SHMACONSULTING



Growth Through Knowledge

**Motor Insurance Industry**  
**Kingdom of Saudi Arabia**  
**2021**



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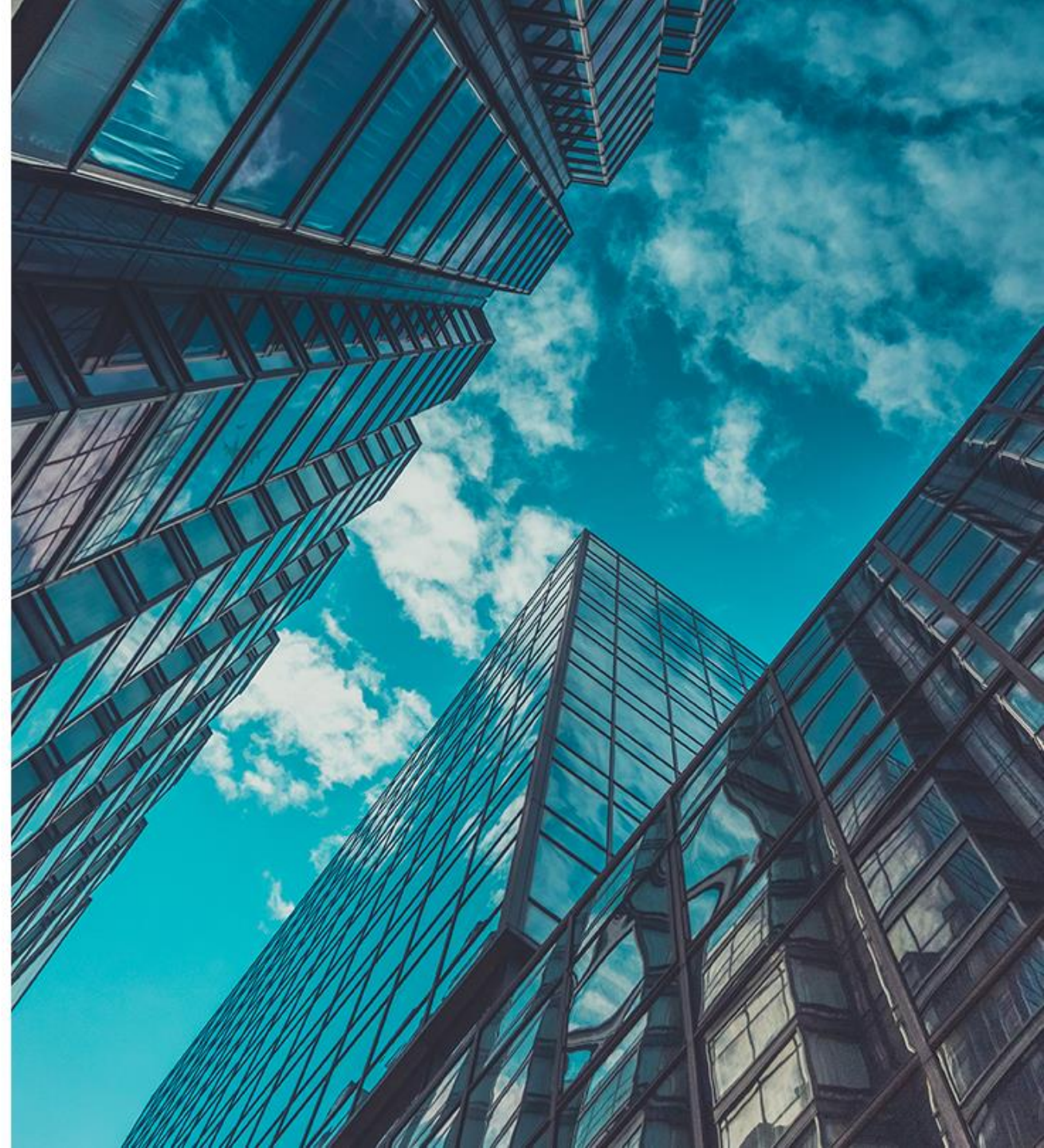
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## About Us

SHMA Consulting first offered actuarial services relating to insurance in Saudi Arabia in 2003 and currently provides actuarial services to 8 companies in Saudi Arabia, 11 insurance companies in the UAE, and several insurance companies in the GCC (Kuwait, Oman, Qatar and Bahrain).

We have been providing actuarial services to insurance companies since 1990 and to companies in the GCC (starting with the UAE) since early 1997. We are currently engaged with some of the biggest names in the UAE Insurance Sector, including ADNIC, ADNTC, Orient, etc.

We provide a range of services to our valued business partners across the globe including Europe, the Middle East, Southeast Asia, and the Far East. Our specialty services include financial reporting, product and business development, and enterprise risk management. In addition, our firm provides expert personnel outsourcing for allowing organizations to engage in full-time consulting for long-term cost effectiveness.

**Life Insurance**

- IFRS, statutory, & embedded valuations
- Product development, pricing, & reserving
- Experience studies
- Advising on agency & broker compensation structures, reinsurance arrangements, underwriting policies, and capital adequacy.

**Retirement Benefits**

- Valuations for financial reporting
- Advise on benefit design and cost benefit analysis
- Pension benefits administration
- Benefit communication material
- Provident fund maintenance software and audit of retirement schemes and funds



**Our Services**

- Actuarial reserving and certifications
- Underwriting and pricing solutions
- Data and predictive analytics
- Advising on reinsurance arrangements, underwriting, and claims practices
- Profitability and capital adequacy analysis

**General Insurance**

- ERM Framework and risk management policies and procedures
- Risk identification tools and training
- Risk measurement and quantification by using a capital model
- Asset liability management policy
- Advising on risk appetite and controls

**ERM and Capital Modeling**



## Limitations and Disclaimers

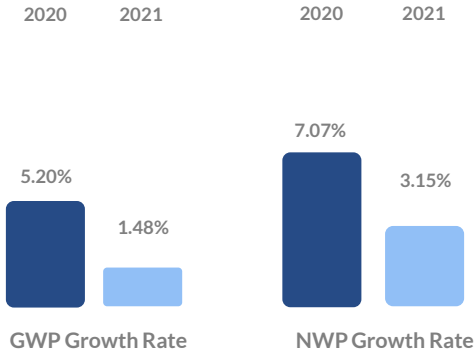
- ❖ The data used for the preparation of this report has been collected from Tadawul; it was extracted from the financial statements of the listed companies. For some entries, such as Underwriting Costs and Expenses, the Line of Business (LOB) wise information was not available; hence, we distributed the total value amongst the LOBs using their respective Net Earned Premiums (NEP) proportion.
- ❖ KSA's Insurance Industry has 29 insurance companies, we have included 25 of these companies in our Motor analyses. Bupa Arabia, AlAhli Takaful, Saudi Enaya and SABB have been excluded because they don't underwrite motor products.
- ❖ We excluded Al Jazira from our 2020 analysis because the company only underwrote individual and group life products at that time.

# Performance Highlights

## Retention Ratios



## Total GWP Growth Rate

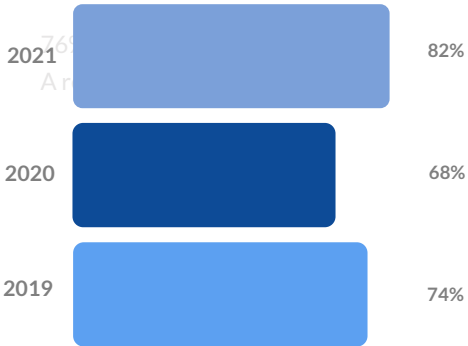


Total Gross Written Premium

# SAR 8.162 Bn

▲ 1.48%

## Loss Ratios



## Total Net Underwriting Result

# SAR 422 Mn

▼ -77.21%

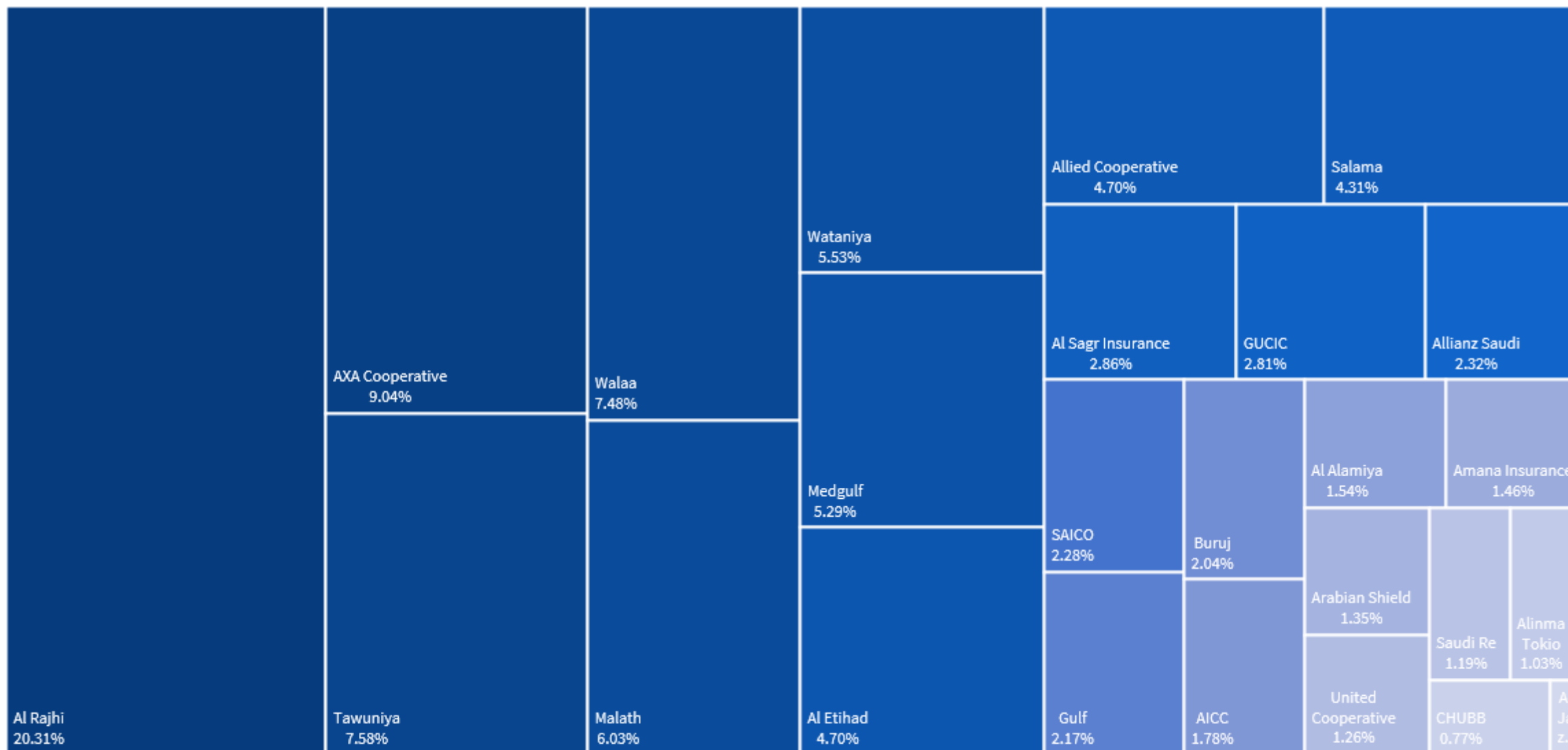
## Total Net Earned Premium



# SAR 7.55 Bn

▲ 1.79%

# Market Share Proportion

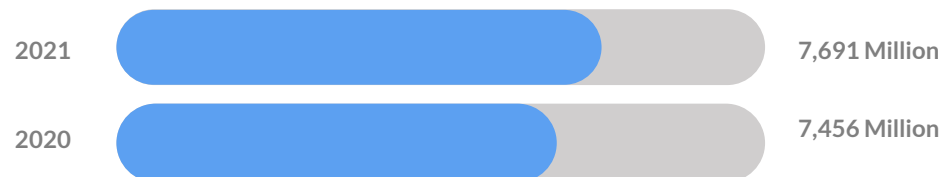


# GWP, NWP, NEP and Ranking

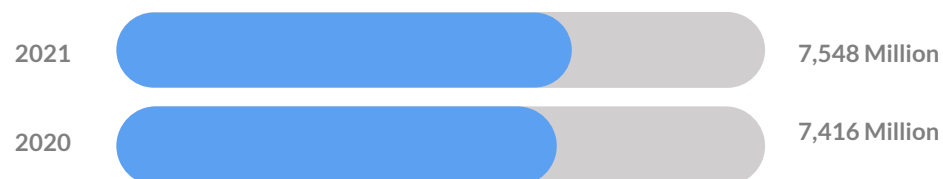
## Gross Written Premiums



## Net Written Premiums



## Net Earned Premiums



The GWP, NWP and NEP of the Motor Insurance Industry in KSA have smoothly increased over the past year, with movements of 1.48%, 3.15%, and 1.79% from 2020 to 2021, respectively. We have enumerated the rankings in terms of GWP for 2021.

1. Al Rajhi —	11. Al Sagr Insurance ▲	21. United Cooperative ▼
2. AXA Cooperative —	12. GUCIC ▲	22. Saudi Re ▼
3. Tawuniya ▲	13. Allianz Saudi —	23. Alinma Tokio ▼
4. Walaa ▼	14. SAICO —	24. CHUBB —
5. Malath ▲	15. Gulf ▼	25. Al Jazira —
7. Wataniya —	16. Buruj —	
6. Medgulf —	17. AICC —	
8. Al-Etihad ▼	18. Al Alamiya ▲	
9. Allied Cooperative —	19. Amana Insurance ▲	
10. Salama —	20. Arabian Shield ▼	

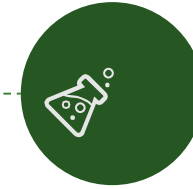
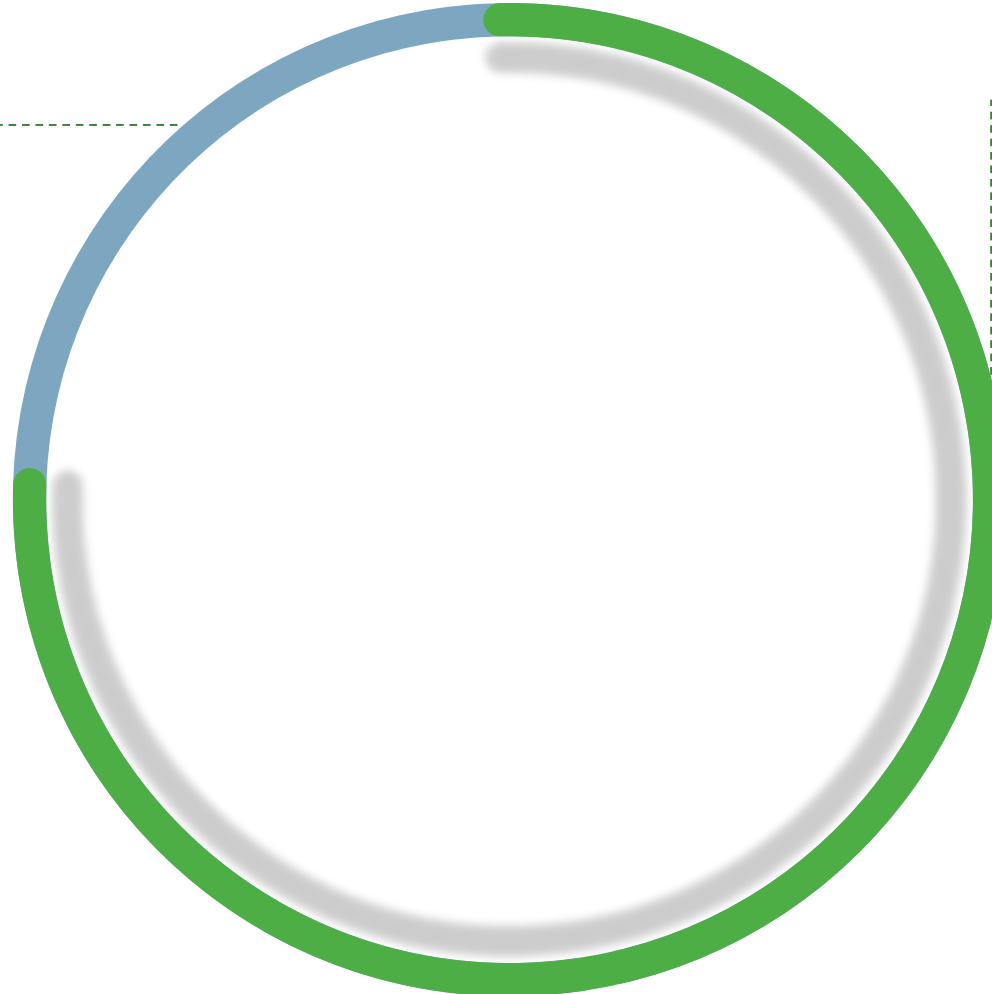


# Premium Composition Top 10 vs Other Companies



## Other Companies

The remaining companies make up only 25% of the entire Medical Market Share.

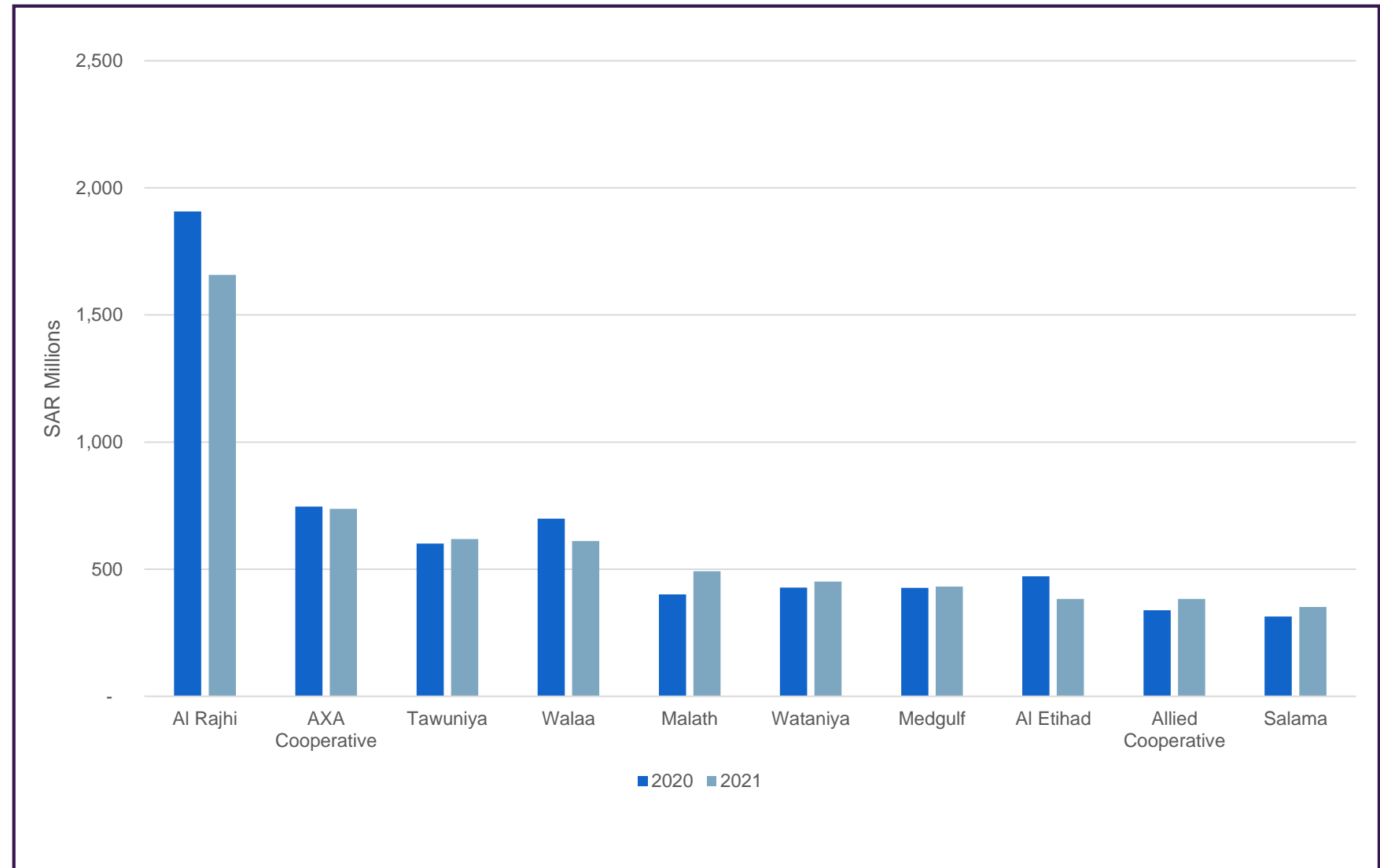


## Top 10 Companies

The top 10 companies make up an overwhelming 75% of the entire Medical Market Share.

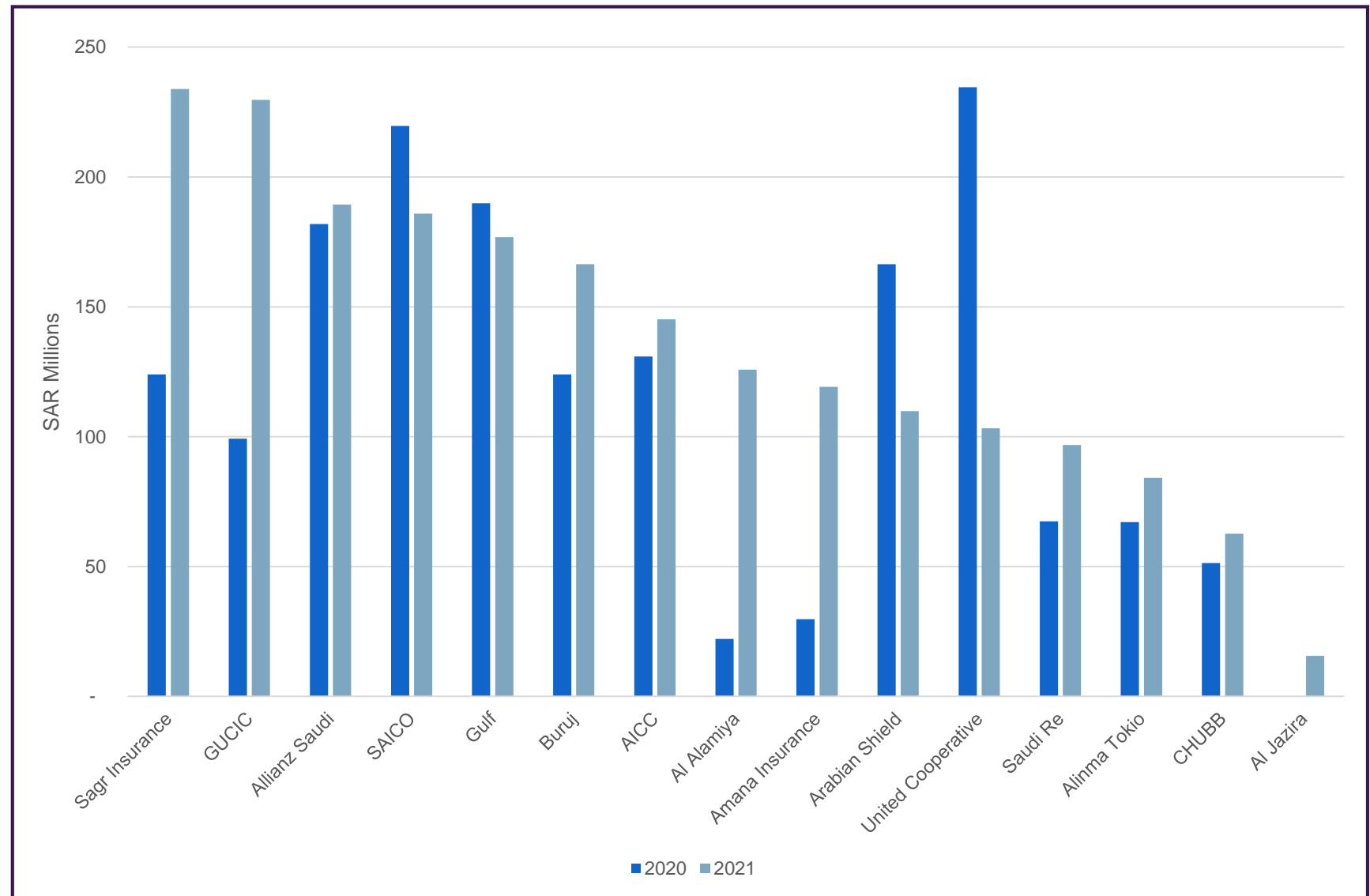
## Gross Written Premiums – Top 10 Companies

Al Rajhi continues to capture the biggest market share since 2020. AXA Cooperative has also held second place since 2020. Of the top 10 companies, Salama has the least premiums. Al Rajhi remains to be the only company that had a GWP of more than SAR 1 billion for the past 3 years; its market share alone constitutes 20% of the Motor Industry.

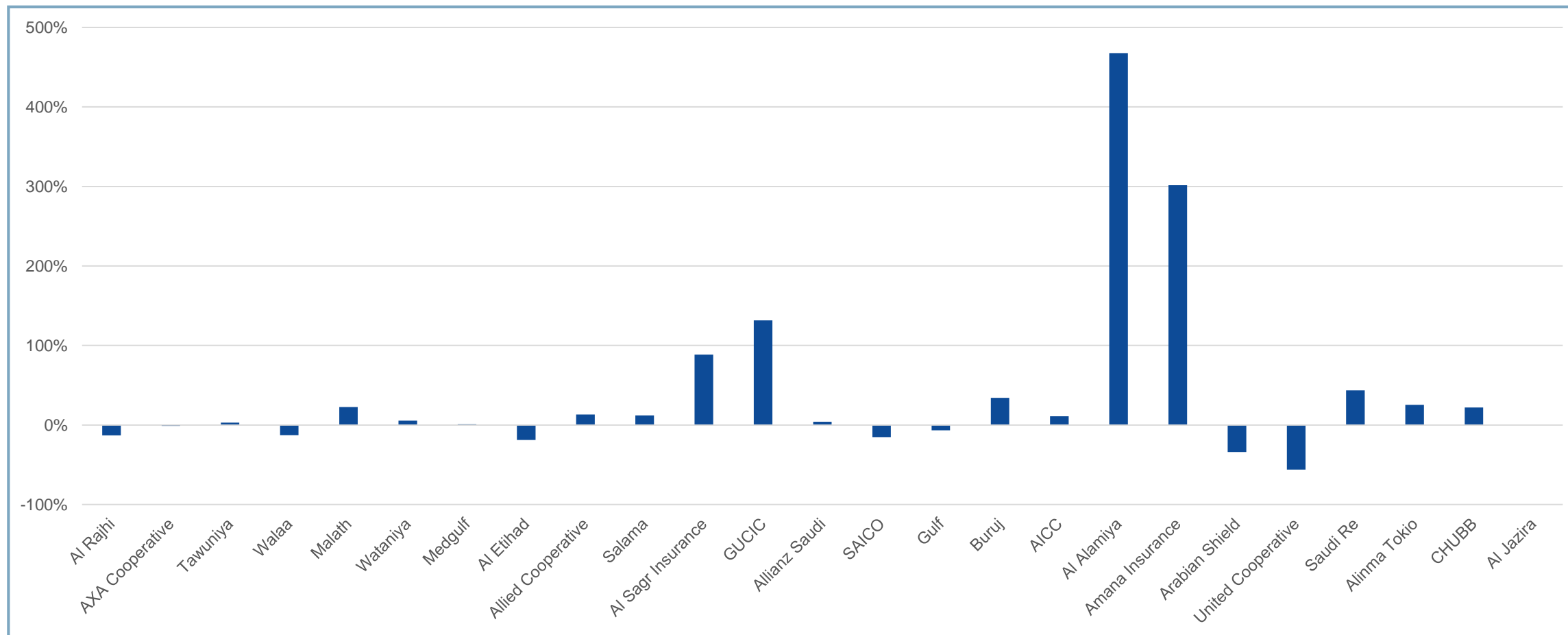


## Gross Written Premiums – Other Companies

Of the remaining companies, United Cooperative's top spot of SAR 235 million in 2020 was taken by Sagr Insurance in 2021, with its GWP of SAR 234 million. Al Jazira is the only company in the Motor Industry to have less than SAR 50 million for the year 2021. It must be noted that Al Alamiya and Amana Insurance had GWP movements of greater than 300% from 2020 to 2021.



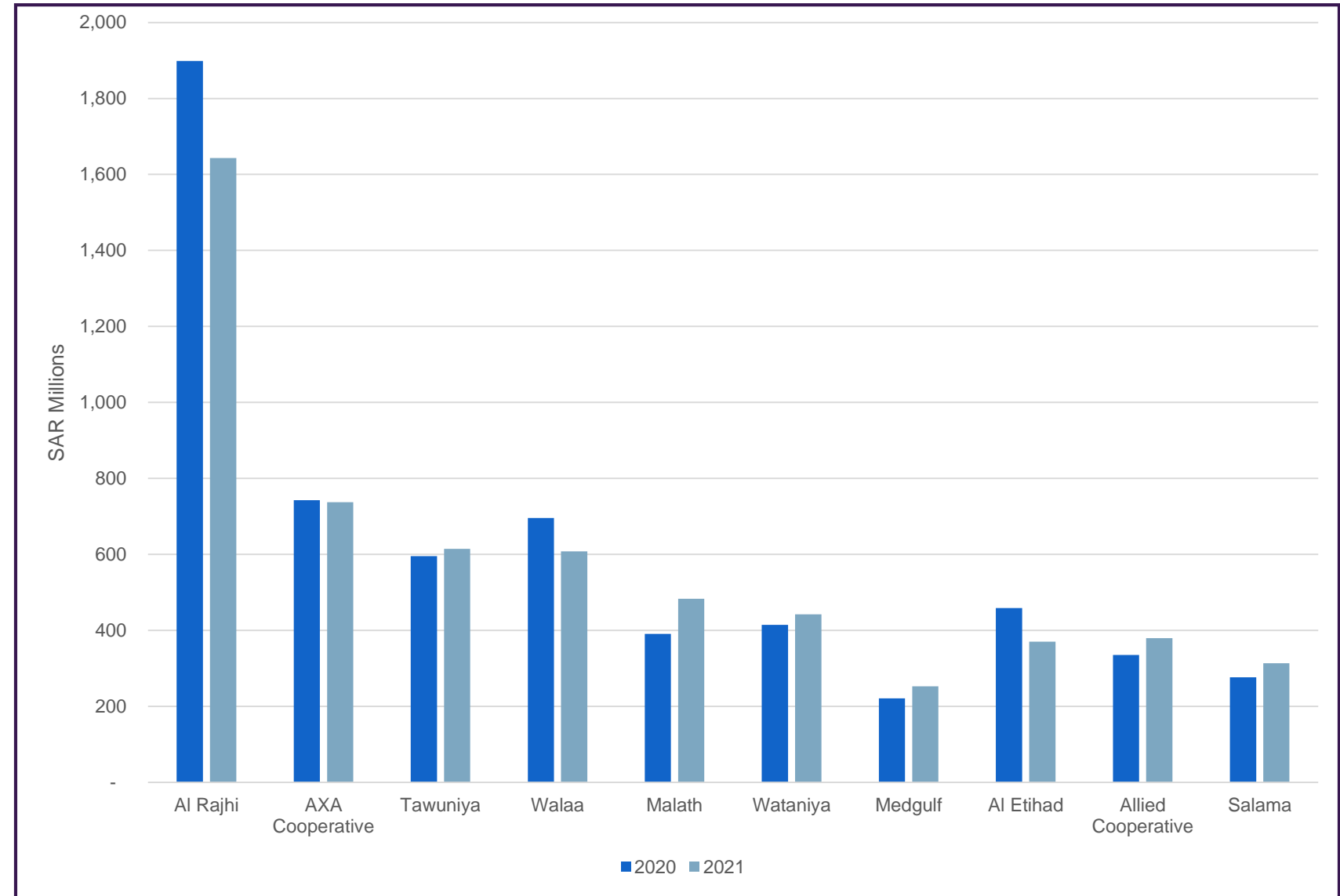
## Gross Written Premiums – Movement



As noted earlier, Al Alamiya and Amana Insurance were able to increase their business the most in 2021, with movements of 468% and 301%, respectively. The highest decline was of United Cooperative’s -56%. The top 10 companies had a more stable and narrower movement in their GWP compared to those of the remaining companies.

## Net Written Premiums – Top 10 Companies

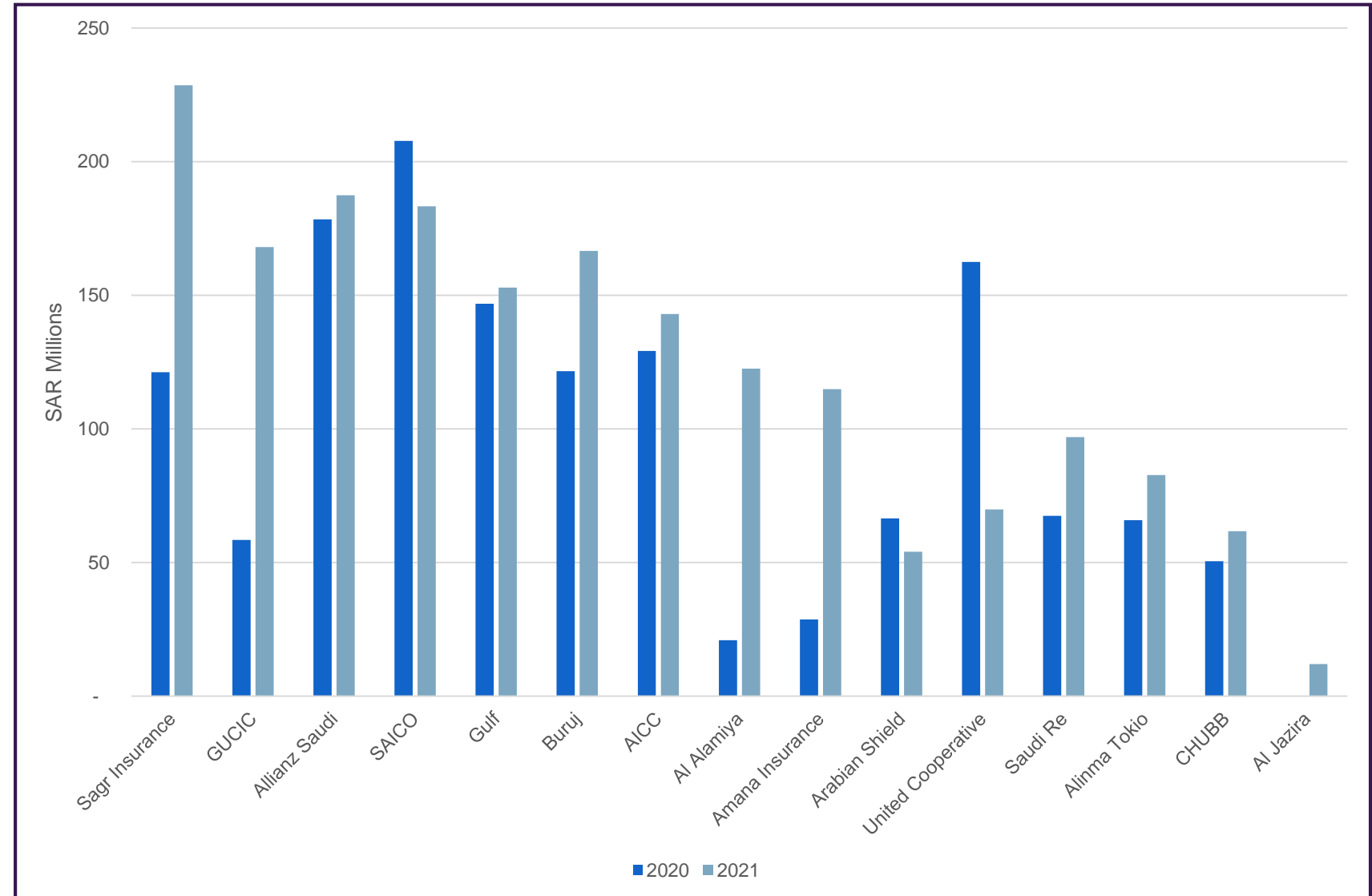
Al Rajhi continues to capture the highest Net Written Premiums for another year. Medgulf had the lowest NWP for both years. Nearly half of the top ten companies experienced a decrease in their NWP, with the overall change of the companies not being substantial.



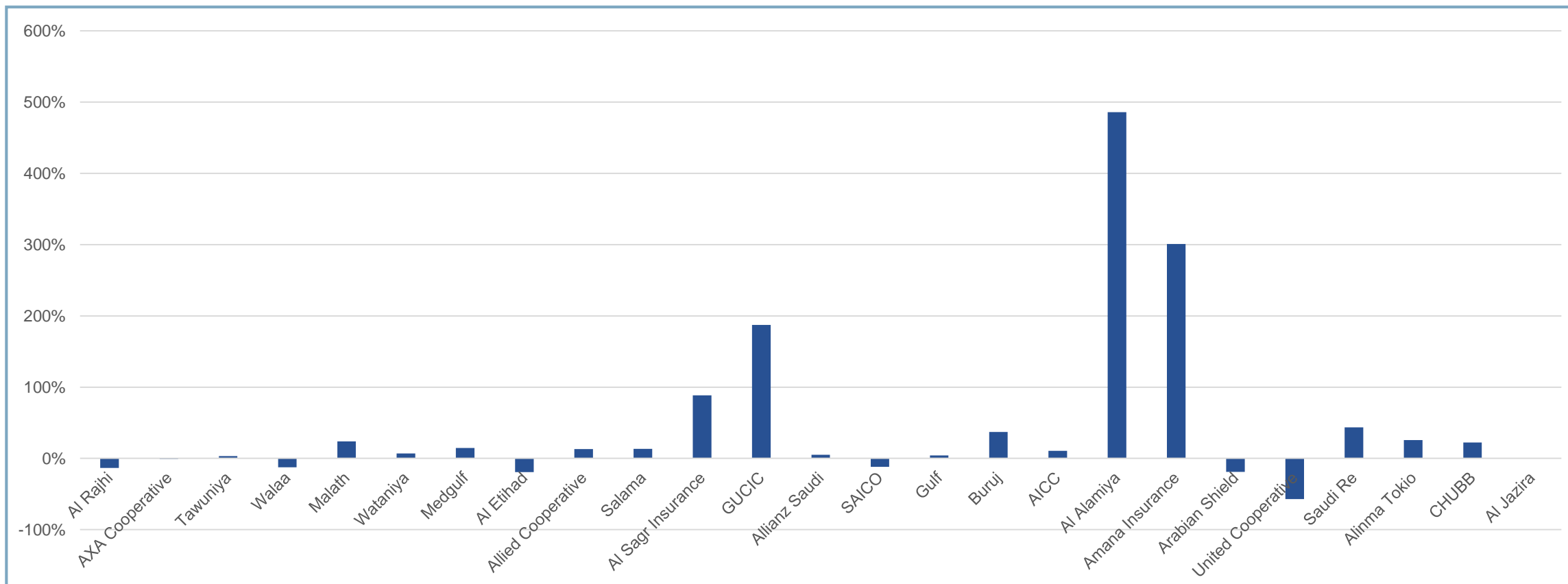


## Net Written Premiums – Other Companies

Of the remaining companies, none had an NWP of more than SAR 250 million. Sagr Insurance had the highest NWP for 2021 and SAICO for 2020. Al Jazira had the lowest NWP in the Motor Industry in 2021, with a value of SAR 12 million only. SAICO, Arabian Shield and United Cooperative were the only three companies experiencing a decrease in their NWP from the previous year.



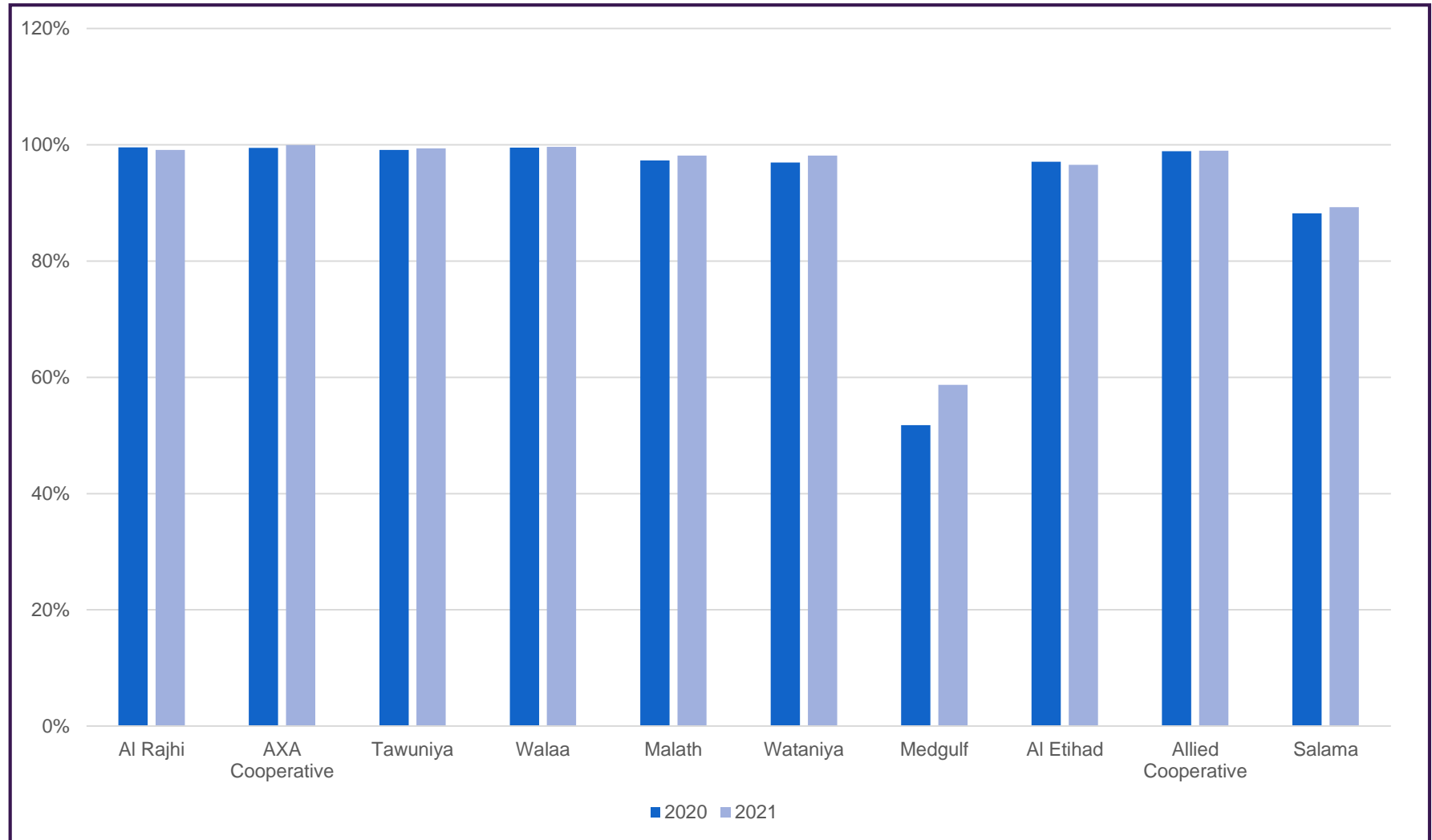
# Net Written Premiums – Movement



It can be observed that the change in the NWP is narrower for the top 10 companies as compared to the remaining companies. Al Rajhi, AXA Cooperative, Walaa, Al Etihad, SAICO, Arabian Shield and United Cooperative experienced a decrease in their NWP from the previous year. As was the case with their GWP, Al Alamiya and Amana Insurance had unusually large movements in their NWP as well.

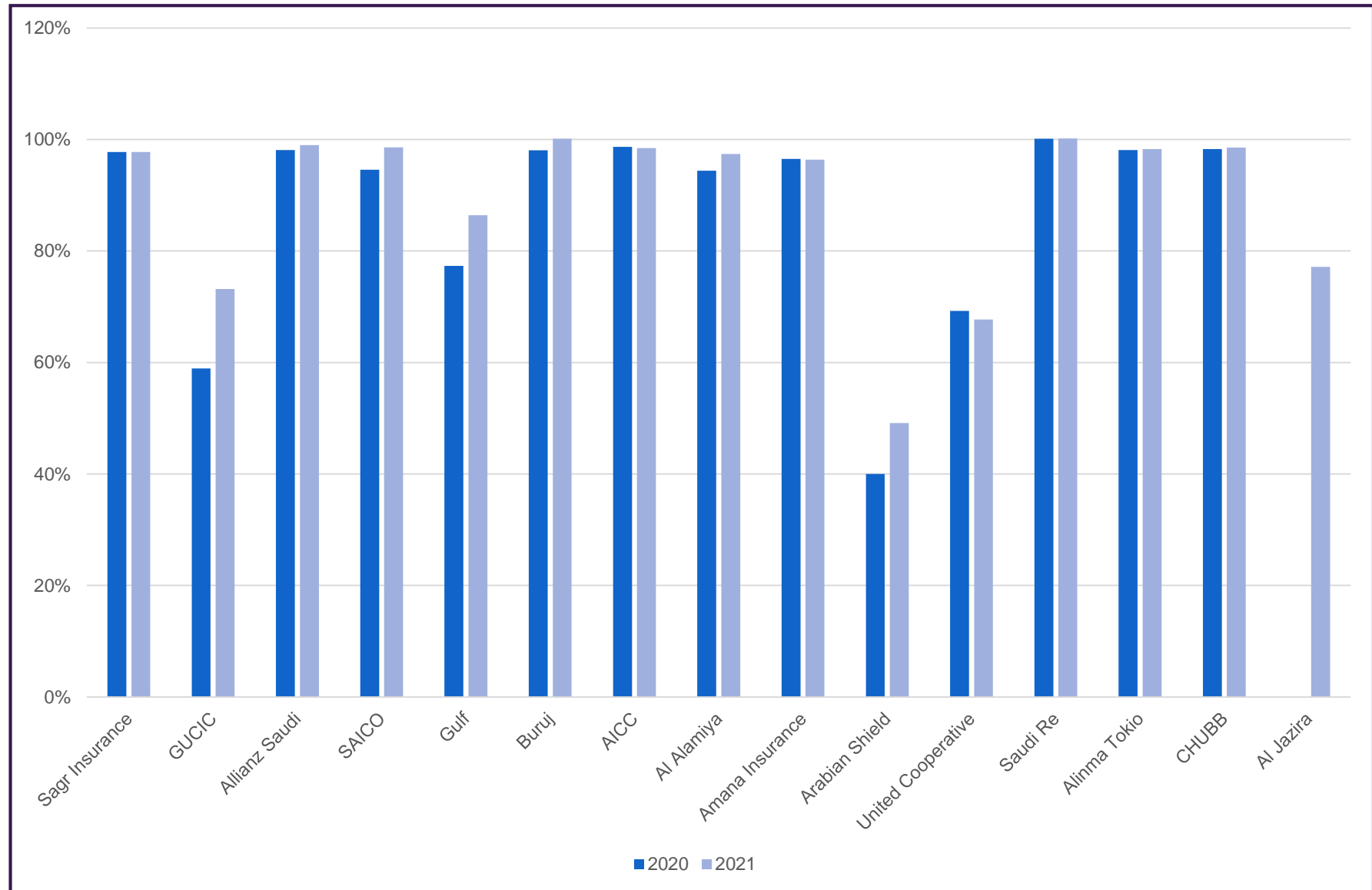
## Retention Ratios - Top 10 Companies

Most of the top 10 companies had their Motor line of business retained either fully or above 80%, except for Medgulf. The Motor Industry retained 90% of its business in 2021.



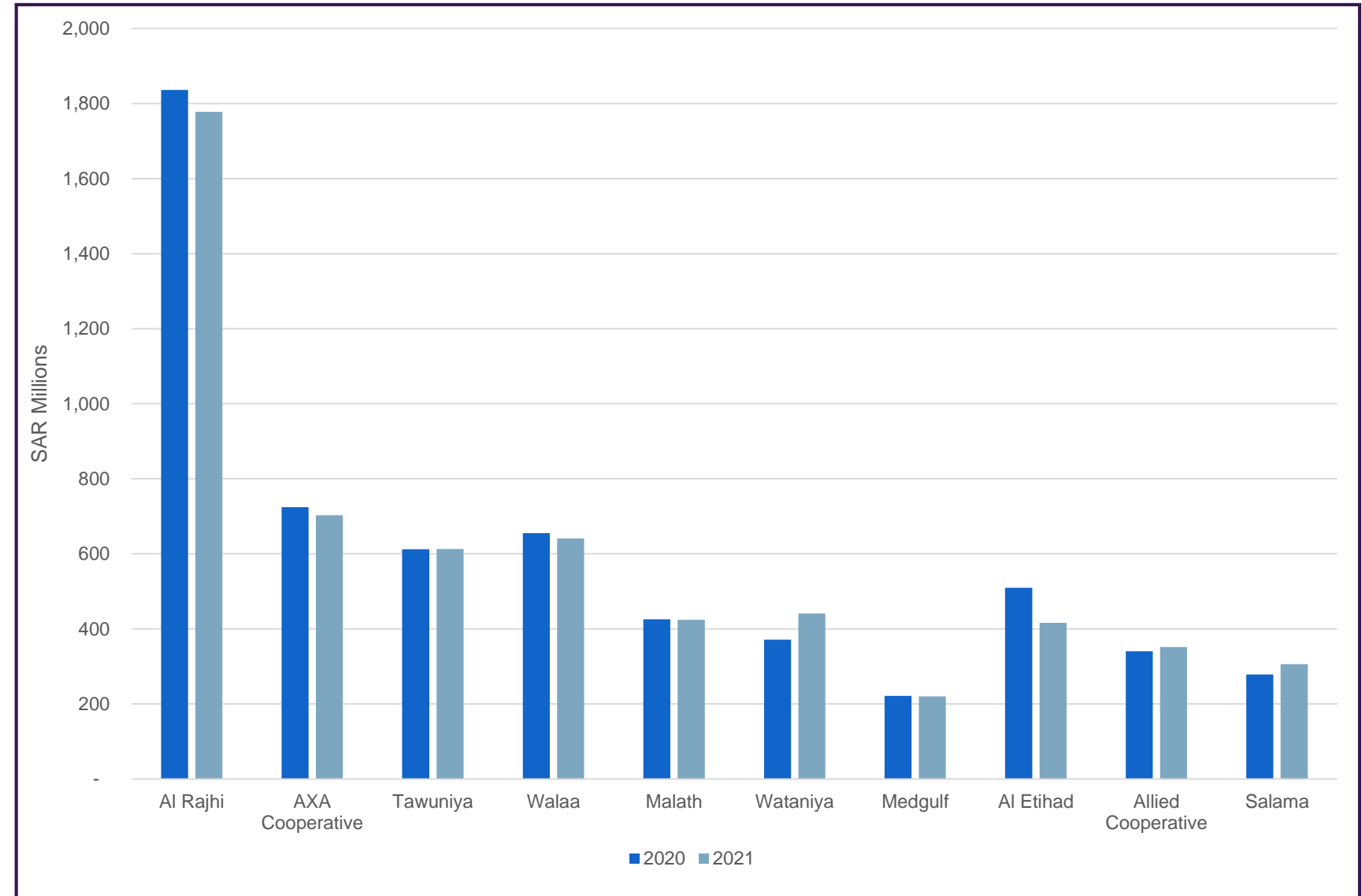
# Retention Ratios - Other Companies

With the exception of GUCIC, Gulf, Arabian Shield, United Cooperative and Al Jazira, the remaining companies retained most of their business well above 90%. Arabian Shield retained the lowest in both years.



# Net Earned Premiums - Top 10 Companies

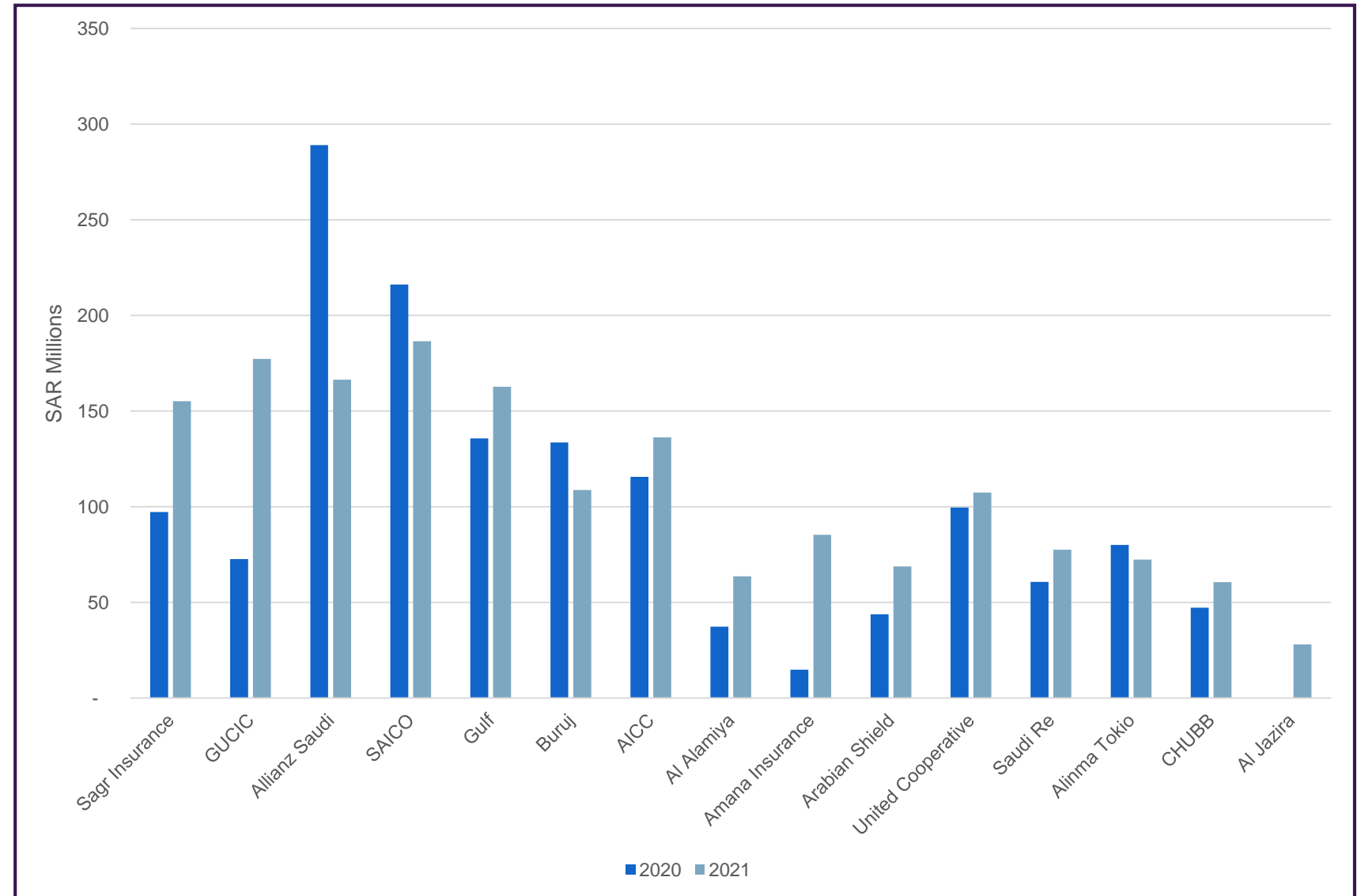
By far, Al Rajhi had the highest Net Earned Premium for 2020 and 2021, touching around SAR 1.8 billion. On the opposite end, Medgulf had the lowest NEP in both years, with values well below SAR 300 million. The NEP movement from 2020 to 2021 was stable for all the top 10 companies.



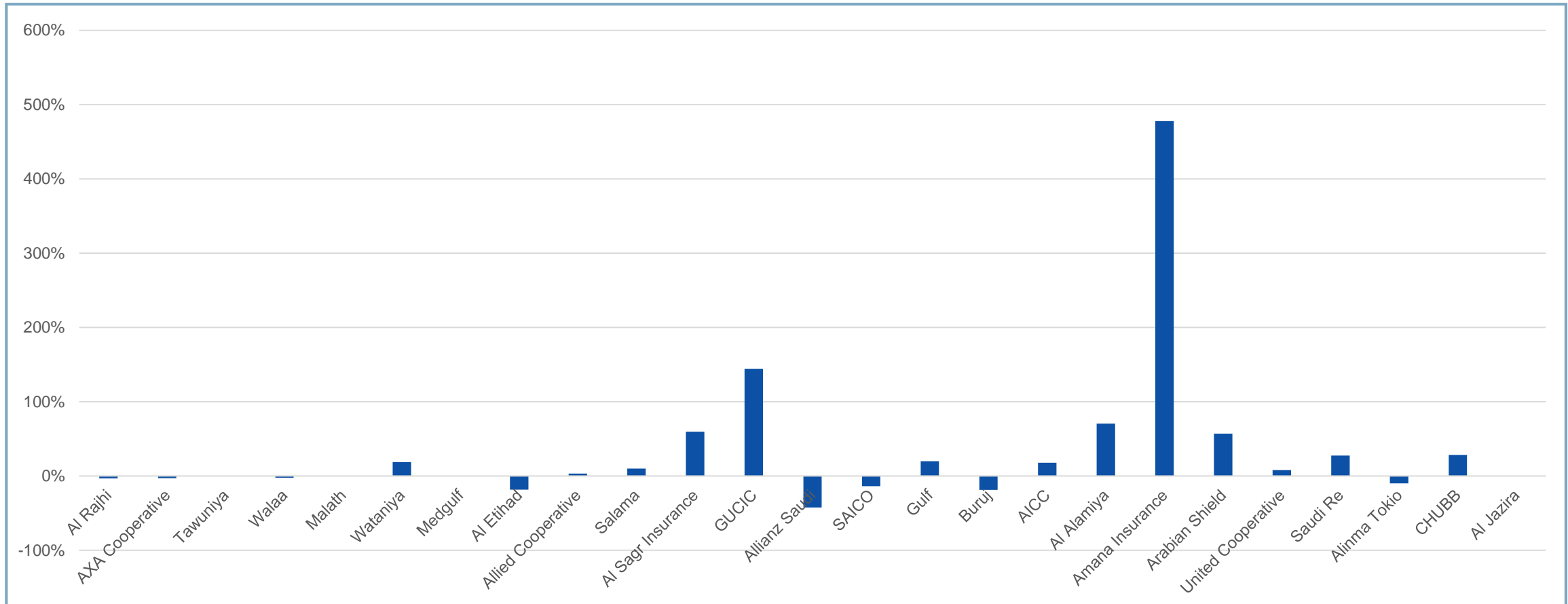


## Net Earned Premiums - Other Companies

Of the remaining companies, the highest NEP of SAR 186 million was claimed by SAICO. In the previous year, Allianz Saudi's NEP of SAR 289 million was the highest. All companies had an increase in their NEP, except for Allianz Saudi, SAICO, Buruj, and Alinma Tokio.



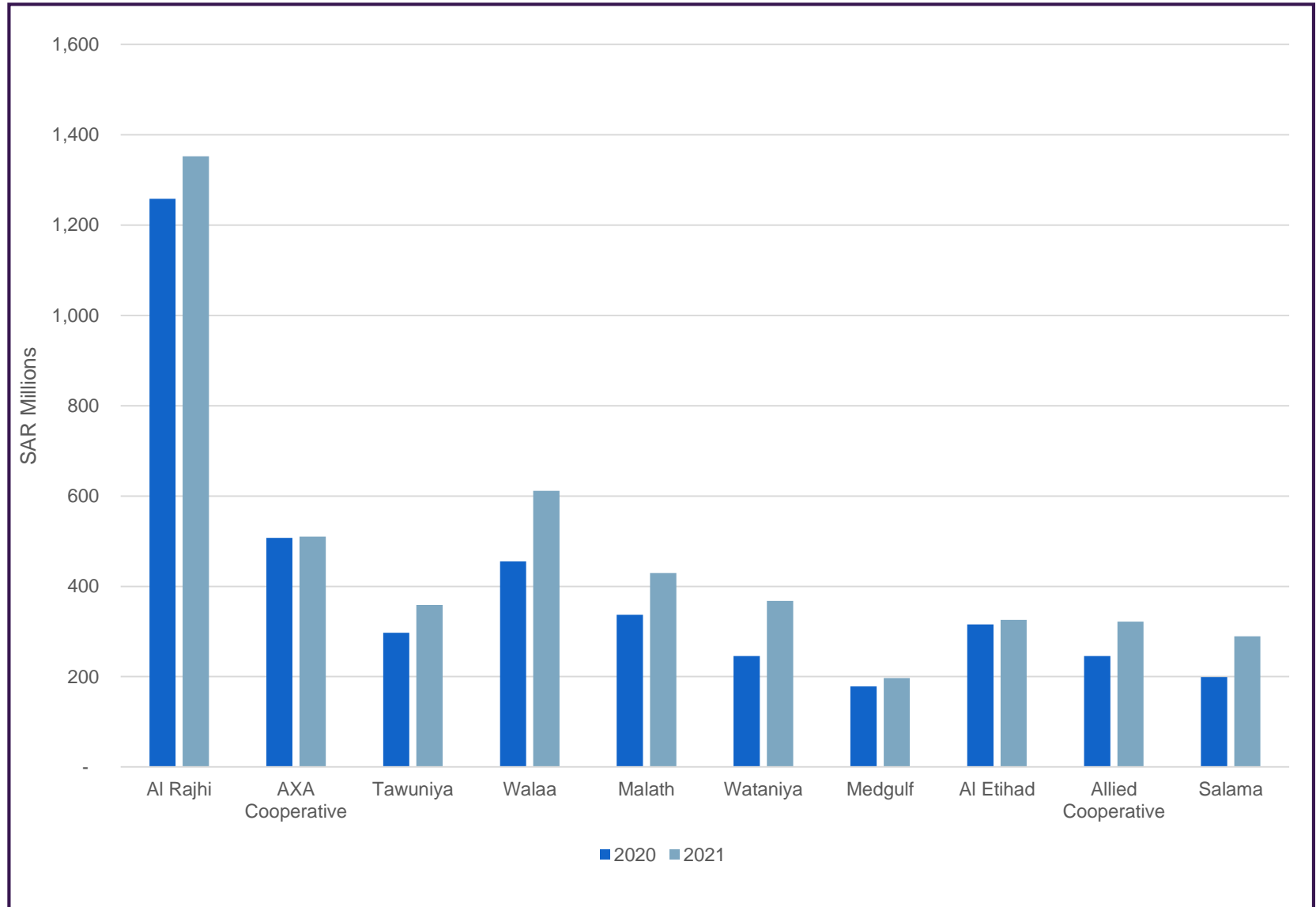
# Net Earned Premiums – Movement



The Motor Industry had a movement of 1% only, indicating stability. As can be observed, most companies in the top 10 experienced very stable and few movements. Amana Insurance had the largest movement from 2020 to 2021, with a value of 478%. The only other company to have a movement of above 100% was GUCIC.

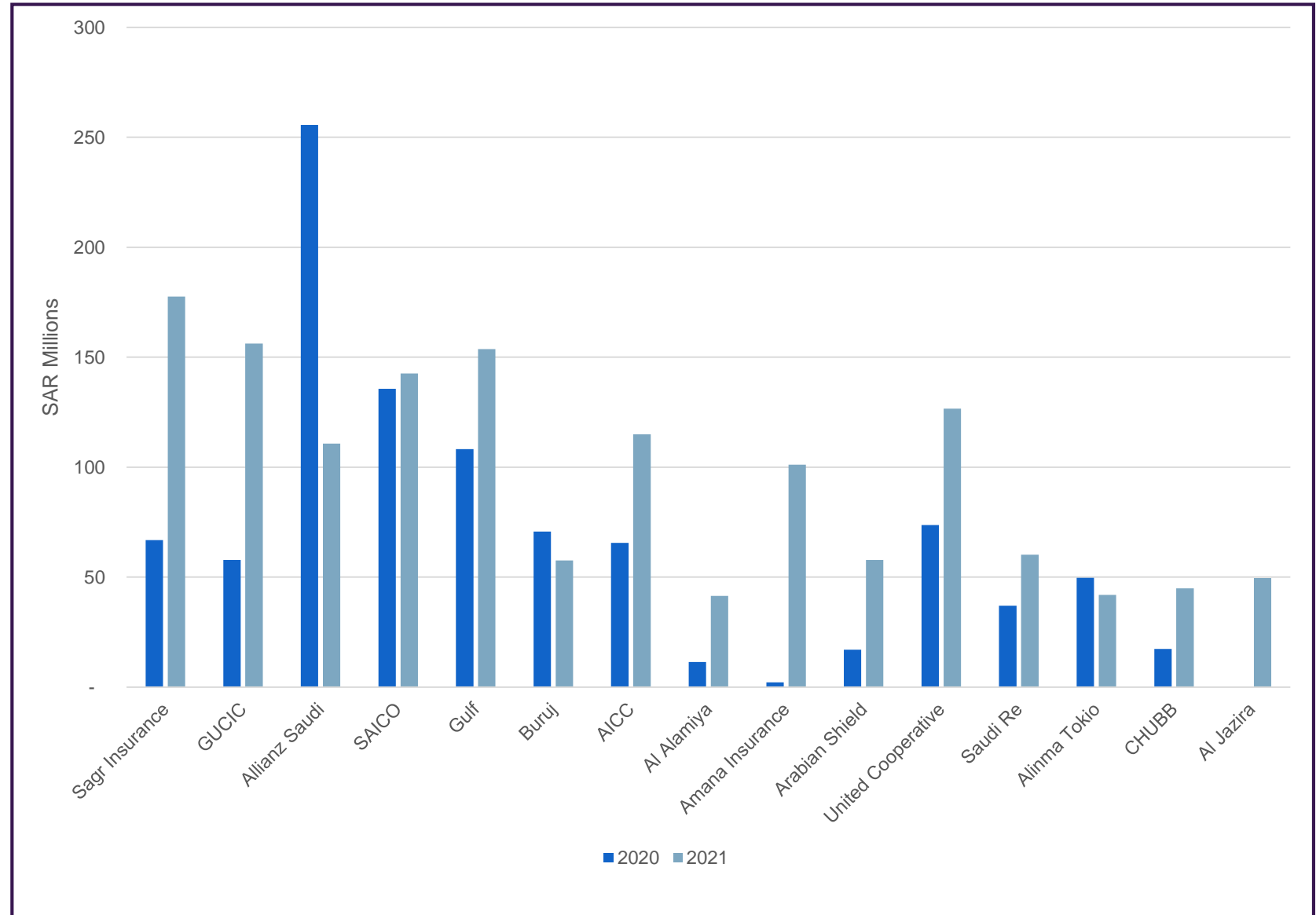
# Net Incurred Claims - Top 10 Companies

All top 10 companies experienced a positive movement. Not surprisingly, Al Rajhi had the highest Incurred Claims in both years. Medgulf had the lowest in both years.



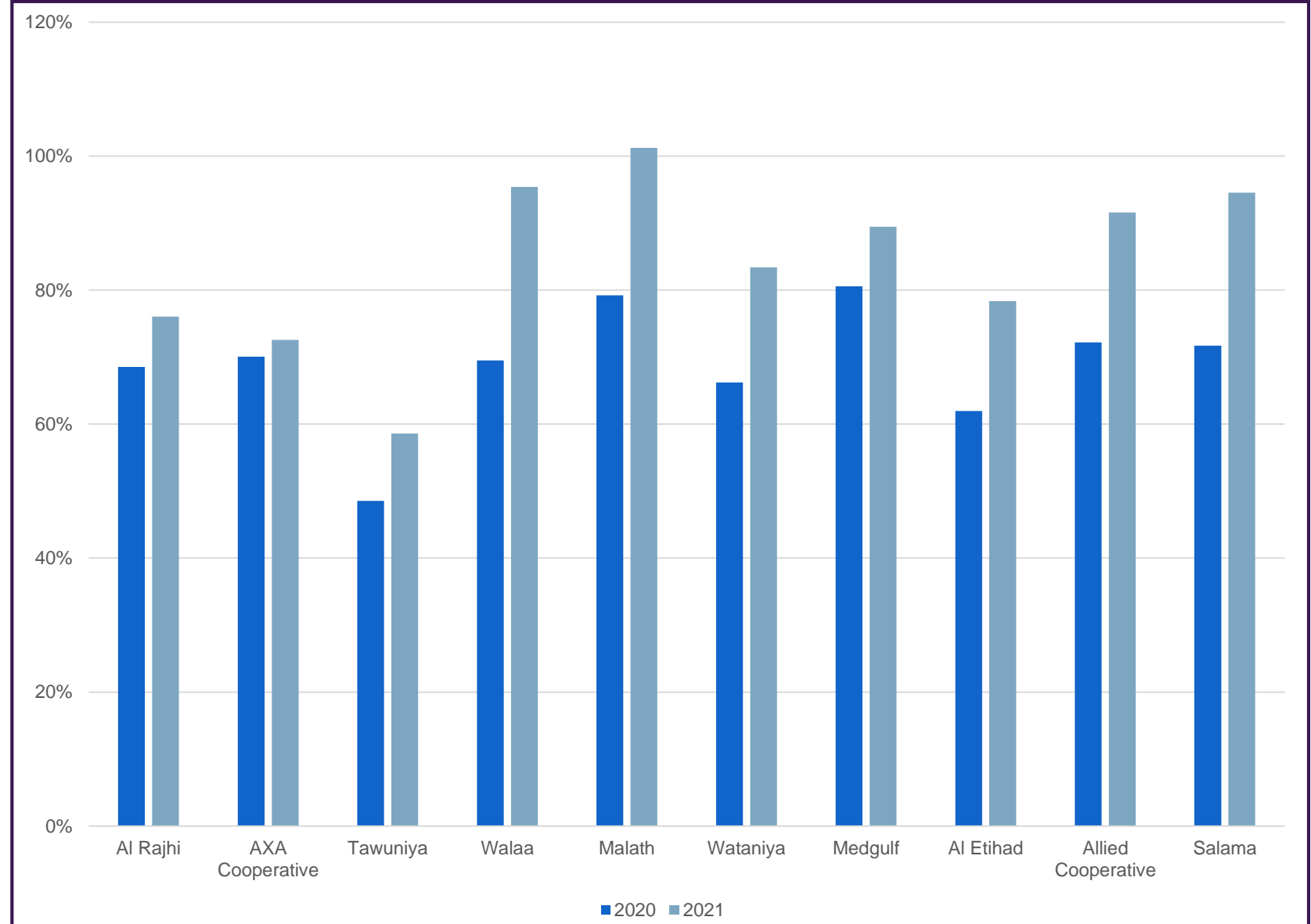
# Net Incurred Claims - Other Companies

Sagr Insurance had the highest Incurred Claims of SAR 178 million in 2021, while Allianz Saudi had the highest Incurred Claims of SAR 256 million in 2020. Al Alamiya had the lowest claims of SAR 41 million in 2021. Except for Allianz Saudi, Buruj and Alinma Tokio, all of the remaining companies had an increase in their Incurred Claims from 2020 to 2021.



# Loss Ratios - Top 10 Companies

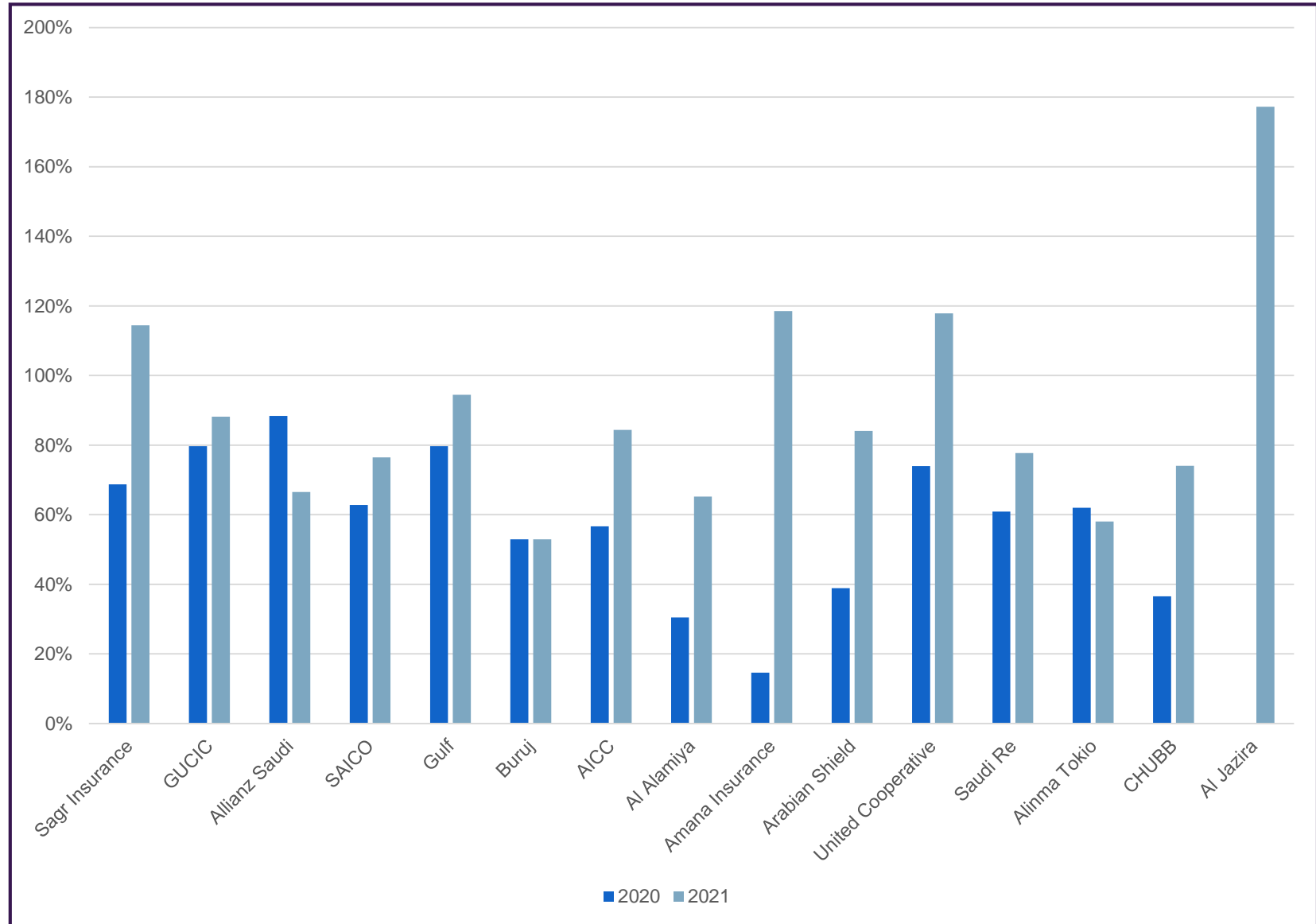
Medgulf and Malath had the highest Loss Ratios in 2020 and 2021, respectively. Tawuniya had the lowest Loss Ratios for both years. All of the top 10 companies had their Loss Ratios increase from last year. Increase in Malath's Loss Ratio resulted in the Loss Ratio exceeding 100% in 2021.



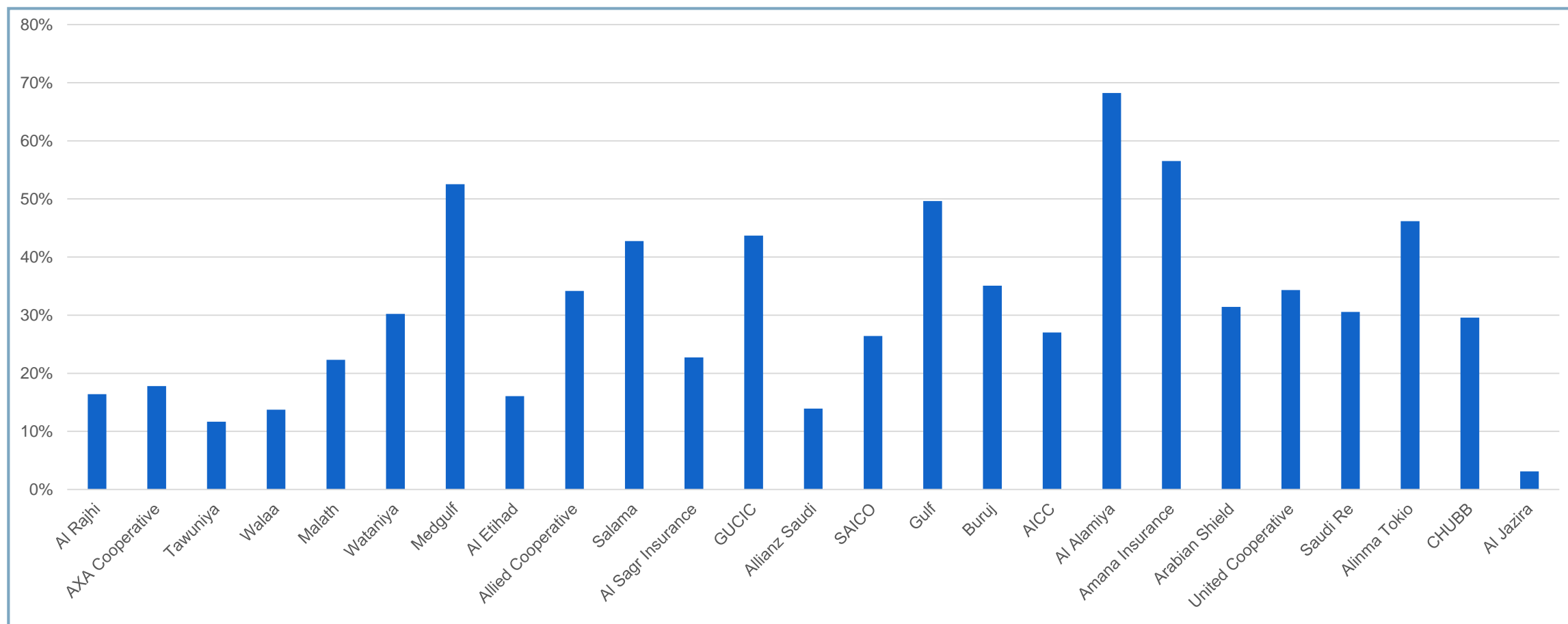


# Loss Ratios - Other Companies

For 2021, Al Jazira had the highest Loss Ratio in the entire Motor Industry, with a value of 177%. Buruj had the lowest Loss Ratio (53%) of the remaining companies. Except for Allianz Saudi and Alinma Tokio, all of the remaining companies experienced an increase in their Loss Ratios.

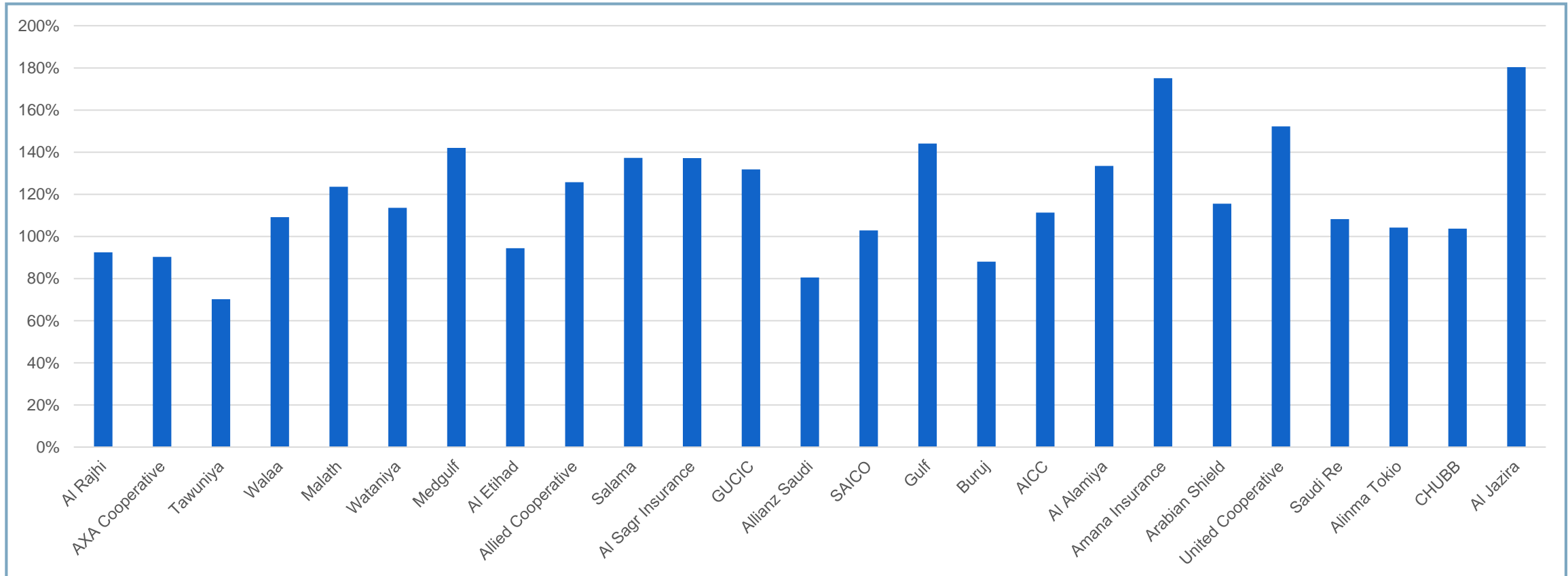


## Expense Ratios



For 2021, the highest Expense Ratio in the Motor business was Al Alamiya's, with a value of 68%. Amana Insurance and Medgulf came in second and third place, respectively. Al Jazira had the lowest ratio of just 3%.

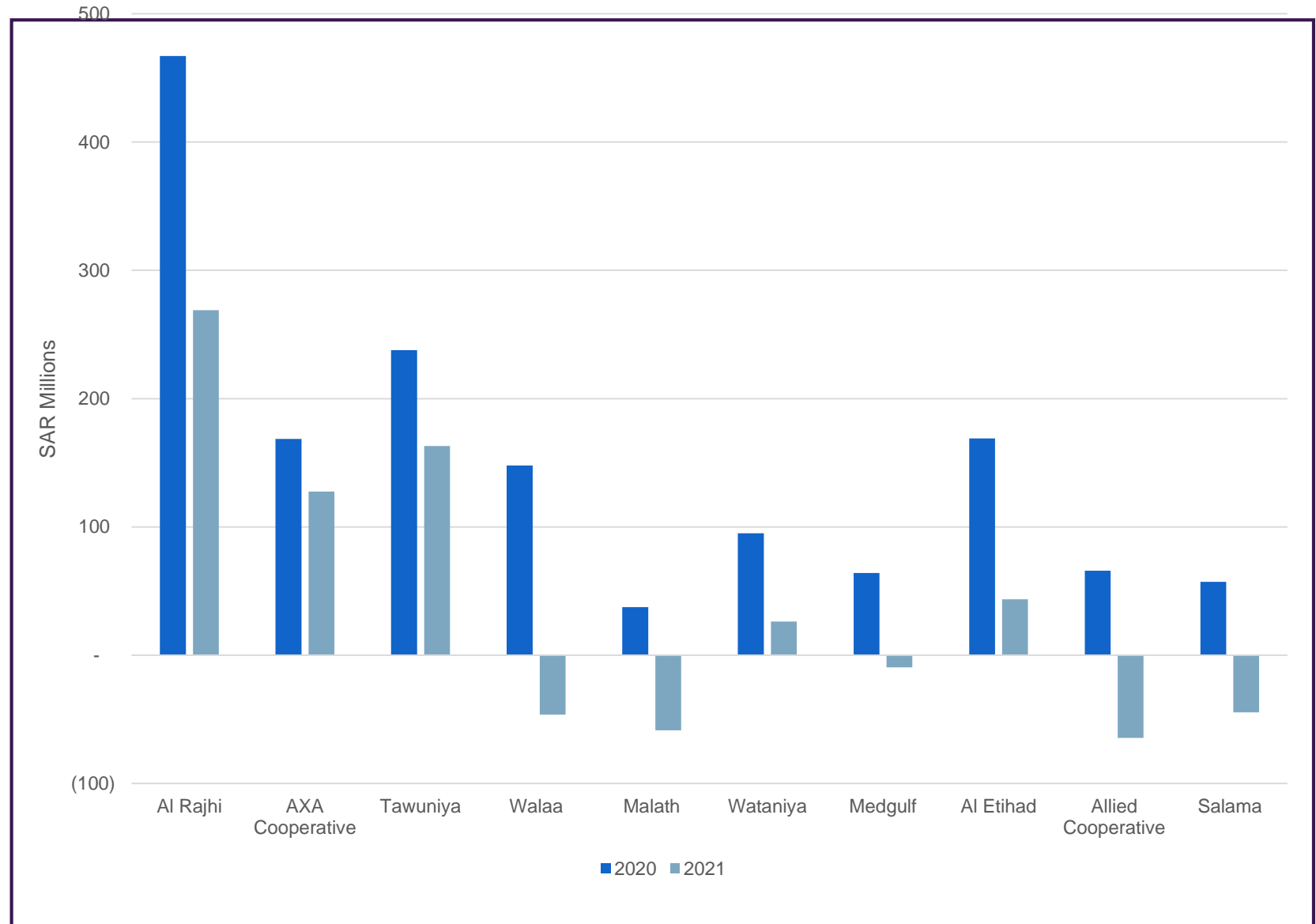
# Combined Ratios



Al Jazira had the highest Combined Ratio of 180%. The average ratio for the top 10 companies was 110% and for the entire Motor Industry was 119%.

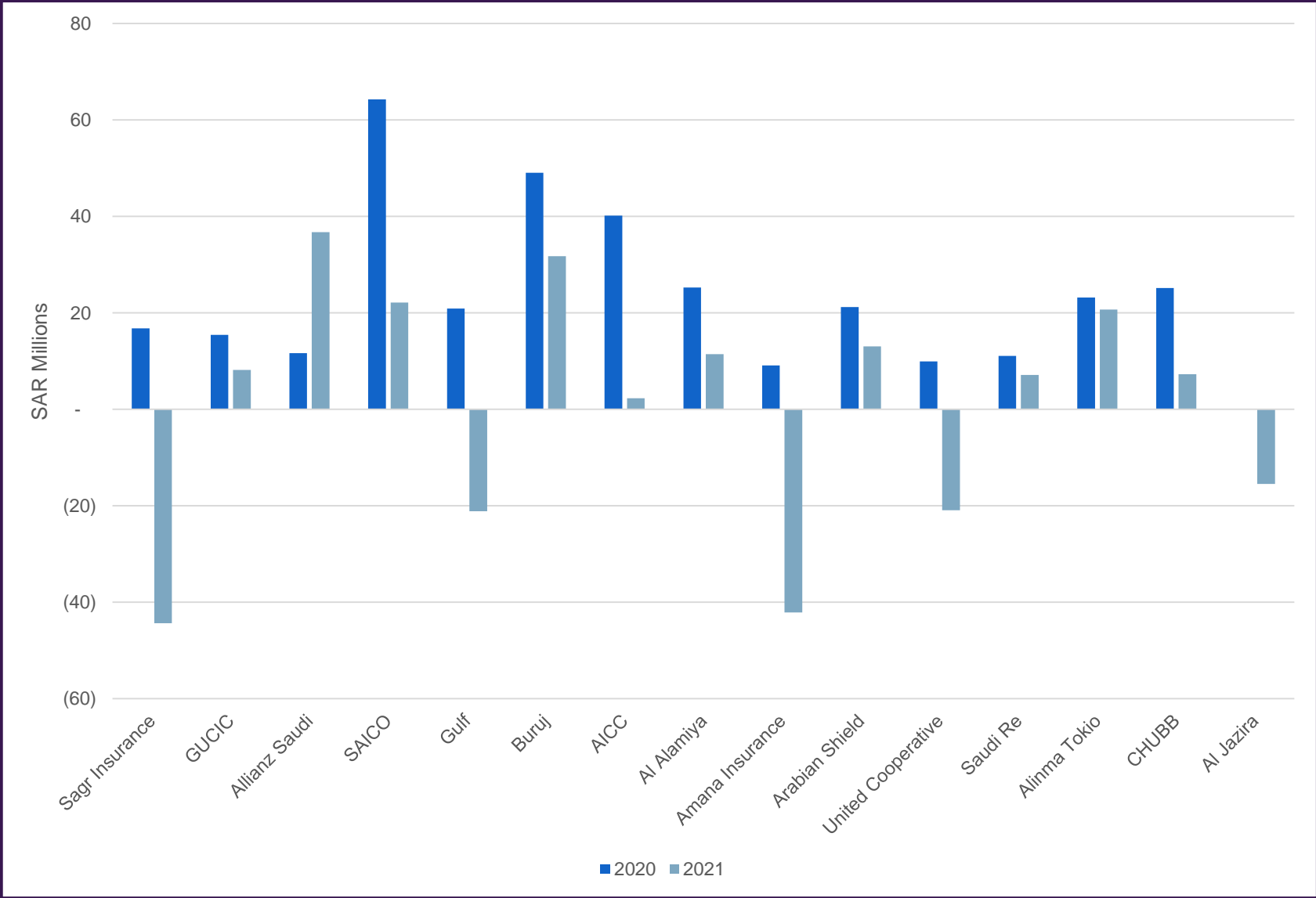
# Net UW Income - Top 10 Companies

Al Rajhi secured the top position for Net Underwriting Income in 2020 and 2021, despite its income decreasing in 2021. Walaa, Malath, Medgulf, Allied Cooperative and Salama went into UW loss in 2021.



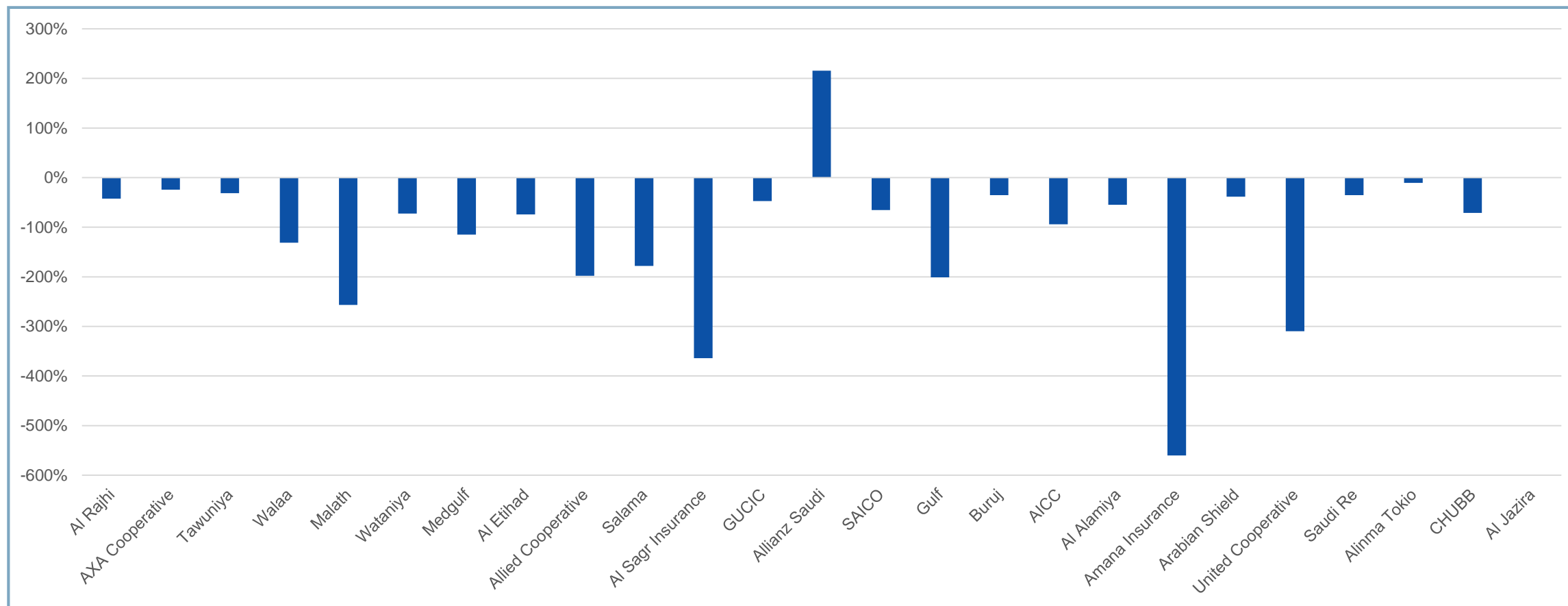
# Net UW Income - Other Companies

Of the remaining companies, Sagr Insurance and Amana Insurance went into the most UW loss in 2021, with UW loss values of SAR 44 and SAR 42 million, respectively. Allianz Saudi had the highest UW Income of SAR 37 million, a 215% increase from its 2020 profit.





# Net UW Income – Movement



As can be easily noted, the Motor portfolio of the Insurance Industry has been experiencing negative movements with respect to its underwriting profits. The movement from 2020 to 2021, for this industry as a whole, sits at -76%. Amana Insurance experienced the greatest of these negative movements, with a value of -560%, while Allianz Saudi experienced the greatest positive movement of 215%.

## Meet the Team

**Zeeshan Ali**  
ASA, AIA, APSA,  
Manager

**Zaid Bin Muzammil**  
Senior Actuarial Consultant

**Bilal Shakir**  
Senior Actuarial Analyst

**Behlole Bukhari**  
Actuarial Analyst

**Rida Naveed**  
Data and Research Trainee

**Hiba Ibad**  
Data and Research Trainee

# SHMACONSULTING

## Feedback

SHMA Consulting is proud to present Motor Insurance Industry Analysis – Kingdom of Saudi Arabia for the Year-End 2021. We have a dedicated and talented pool of individuals to bring you industry insights in the form of this report.

We welcome your feedback on the analysis presented in this report.



<https://www.linkedin.com/company/shma-consulting/>



[www.shmaconsulting.com](http://www.shmaconsulting.com)

## About Us

SHMA Consulting has been providing actuarial services to insurance companies since 1990 and to companies in the GCC (starting with the UAE) since early 1997.



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