

United Arab Emirates

INSURANCE MARKET OVERVIEW

by Hussein Elsayed



Official Name:

United Arab Emirates

Location:

UAE Located in West Asia, in the Middle East. It is located at the eastern end of the Arabian Peninsula and shares borders with Oman and Saudi Arabia, while also having maritime borders in the Arabian Gulf with Qatar and Iran

Surface Area:

83,600 km².

Time Zone:

(GMT+4).

Income Category:

High income

Religion:

Religion in the United Arab Emirates (2022 estimate): Islam (Official) (76%) | Christianity (9%) | Hinduism (6%) | Others (including Buddhism and Baha'i faith) (8%)

Language:

Arabic (official) | English is commonly used as a second language, especially in commerce.

Government:

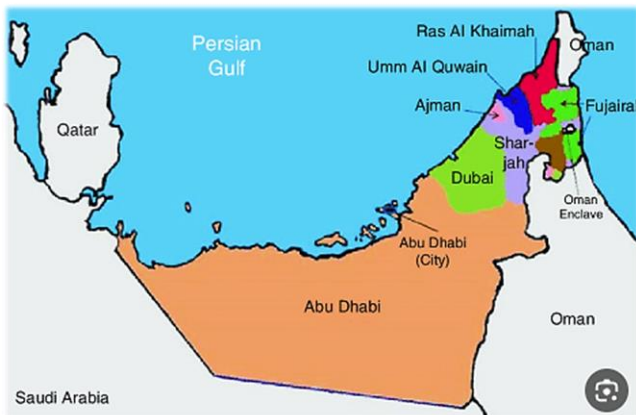
The United Arab Emirates has a presidential, federal. It is a federation of 7 different constituent monarchies, which include the Emirates of Dubai, Abu Dhabi, Ras al-Khaimah, Umm al-Quwain, Ajman, and Fujairah. The President who is also the UAE's head of state is the ruler of Abu Dhabi while the Prime Minister is the ruler of Dubai and the head of government of the UAE..

Climate:

UAE has an arid climate with very dry, hot and humid summers from April to September and generally warm and dry conditions in winter from October to March. The majority of the rainfall occurs during the winter months. The climate is affected by the ocean due to its close proximity to the Arabian Gulf and the Gulf of Oman. Most of the country experiences severe dust storms.

Natural Hazards:

Coastal flood: High | Landslide: High |
Water scarcity: High | Extreme heat: High
Earthquake: Medium | Tsunami: Medium |
Urban flood: Low | Cyclone: Low |
Wildfire: Very low | Volcano: No Data



(I) UAE: Socio-Economic Information

Region	Western Asia			UN membership date	09 December 1971	
Population (000, 2023)	9 441 ^{a,b}			Surface area (km ²)	71 024 ^{c,d}	
Pop. density (per km ² , 2023)	132.9 ^{a,b}			Sex ratio (m per 100 f)	226.3 ^{a,b}	
Capital city	Abu Dhabi			National currency	UAE Dirham (AED) ^e	
Capital city pop. (000, 2023)	1 452.1 ^f			Exchange rate (per US\$)	3.7 ^b	
Economic indicators	2010	2015	2023			
GDP: Gross domestic product (million current US\$)	289 787	358 135	405 468 ^d			
GDP growth rate (annual %, const. 2015 prices)	1.6	5.1	3.8 ^d			
GDP per capita (current US\$)	34 165.9	40 163.6	43 295.4 ^d			
Economy: Agriculture (% of Gross Value Added)	0.8	0.7	0.9 ^d			
Economy: Industry (% of Gross Value Added)	52.5	43.9	46.6 ^d			
Economy: Services and other activity (% of GVA)	46.7	55.4	52.5 ^d			
Employment in agriculture (% of employed) ^g	3.8	2.4	1.7 ^d			
Employment in industry (% of employed) ^g	26.8	33.2	27.1 ^d			
Employment in services & other sectors (% employed) ^g	69.4	64.4	71.2 ^d			
Unemployment rate (% of labour force) ^g	2.5	1.8	2.7			
Labour force participation rate (female/male pop. %) ^g	42.4 / 89.0	49.4 / 91.4	56.2 / 92.8			
CPI: Consumer Price Index (2010=100)	100	109	112 ^d			
Agricultural production index (2014-2016=100)	130	98	125 ^d			
International trade: exports (million current US\$)	198 362	300 479	586 532 ^{g,b}			
International trade: imports (million current US\$)	187 001	287 025	424 374 ^{g,b}			
International trade: balance (million current US\$)	11 361	13 454	162 158 ^{g,b}			
Major trading partners						2022
Export partners (% of exports) ^g	China	12.4	India	12.3	Japan	9.3
Import partners (% of imports) ^g	Areas nes	15.3	China	15.0	India	9.2
Social indicators	2010	2015	2023			
Population growth rate (average annual %)	1.1	0.9	0.8 ^{a,b}			
Urban population (% of total population)	84.1	85.7	86.8 ^f			
Urban population growth rate (average annual %) ^h	12.3	2.4	...			
Fertility rate, total (live births per woman)	1.8	1.5	1.4 ^{a,b}			
Life expectancy at birth (females/males, years)	80.2 / 76.5	81.2 / 77.6	81.4 / 77.7 ^{a,b}			
Population age distribution (0-14/60+ years old, %)	13.7 / 0.3	14.3 / 1.1	15.2 / 3.5 ^{a,b}			
International migrant stock (000/% of total pop.) ^{i,j}	7 316.7 / 85.6	7 995.1 / 86.3	8 716.3 / 88.1 ^k			
Refugees and others of concern to the UNHCR (000)	0.6 ^l	0.8	8.7 ^b			
Infant mortality rate (per 1 000 live births)	7.4	6.5	5.2 ^{a,b}			
Health: Current expenditure (% of GDP) ^m	3.9	3.6	5.7 ^{g,n,k}			
Health: Physicians (per 1 000 pop.)	1.4	2.3	2.9 ^k			
Education: Government expenditure (% of GDP)	...	1.7	3.9 ^d			
Education: Primary gross enrol. ratio (f/m per 100 pop.)	102.1 / 101.1 ^o	111.6 / 111.4	113.2 / 111.5 ^b			
Education: Lowr. sec. gross enrol. ratio (f/m per 100 pop.)	85.1 / 85.2	95.2 / 97.8	99.0 / 100.6 ^b			
Education: Upr. sec. gross enrol. ratio (f/m per 100 pop.)	... / / ...	110.5 / 112.6 ^b			
Intentional homicide rate (per 100 000 pop.)	0.8	0.7	0.5 ^d			
Seats held by women in the National Parliament (%)	22.5	17.5	50.0 ^p			
Environment and infrastructure indicators	2010	2015	2023			
Individuals using the Internet (per 100 inhabitants)	68.0 ^q	90.5 ^q	100.0 ^d			
Research & Development expenditure (% of GDP)	...	0.9	1.5 ^d			
Threatened species (number)	48	48	94 ^b			
Forested area (% of land area)	4.5	4.5	4.5 ^k			
CO ₂ emission estimates (million tons/tons per capita)	155.6 / 18.1	187.5 / 20.1	181.9 / 18.3 ^k			
Energy production, primary (Petajoules)	7 849	9 995	9 465 ^k			
Energy supply per capita (Gigajoules)	351	401	392 ^k			
Tourist/visitor arrivals at national borders (000)	7 126 ^{r,s}	16 842 ^t	11 479 ^{u,d}			
Important sites for terrestrial biodiversity protected (%)	28.6	42.8	51.6 ^b			
Pop. using safely managed sanitation (urban/rural %)	98.4 / 98.5	98.4 / 98.5	98.5 / 98.5 ^b			
Net Official Development Assist. disbursed (% of GNI) ^v	0.38 ^w	...	0.36 ^d			

a Projected estimate (medium fertility variant). **b** 2022. **c** Land area only. **d** 2021. **e** United Arab Emirates Dirham. **f** 2019. **g** Estimate. **h** Data refers to a 5-year period preceding the reference year. **i** Refers to foreign citizens. **j** Including refugees. **k** 2020. **l** Data as at the end of December. **m** Data based on calendar year (January 1 to December 31). **n** Data are based on SHA2011. **o** 2007. **p** Data are as at 1 January of reporting year. **q** Refers to total population. **r** Non-resident tourists staying in hotels and similar establishments. **s** 2005. **t** Break in the time series. **u** Non-resident tourists staying in all types of accommodation establishments. **v** Data reported at activity level, represent flows from all government agencies. **w** 2009.

(II) UAE: Insurance Market

KEY HIGHLIGHTS

- *The UAE's insurance industry is governed by the IA, which aims to promote stability and confidence in the financial system*
- *The foreign direct investment (FDI) limit in the UAE insurance industry was increased from 25% to 49% in June 2017*
- *Health insurance was made compulsory for residents in Dubai effective from January 2014*
- *Insurance and reinsurance companies in the UAE are not subject to corporate income tax*
- *Non-admitted reinsurance is permitted in the UAE*

(A) Historical Landmarks and Regulatory Environment

➤ Historical Landmarks

- 1970s:**
 - 1970 Dubai Insurance Company was formed, becoming the first national company.
 - 1972 Abu Dhabi National, the first national insurance company in Abu Dhabi, was established.
 - National companies such as the Al Fujairah, Al Ain Ahlia, Al Dhafra and Oman Insurance were formed along with the setting up of the first major brokers, HSBC Insurance Brokers, Al Futtaim Willis and Sedgwick Group.
- 1980s**
 - 1980 Arab Orient was created.
 - 1982 Emirates Insurance and Alliance Insurance were established.
 - 1984 The Insurance Companies and Insurance Agents Law No 9/1984 was passed.
- 1990s**
 - 1991 Dubai National Insurance and Reinsurance Company commenced business.
 - 1998 Arabian Health Services (Mednet) was set up as well as Al Ittihad National of Ajman. The Gulf Insurance Company became Al Wathba.
- 2000-2010**
 - 2000 Ministerial Resolution No 11 regulating insurance brokers was passed.
 - 2002 The Ministry of Economy and Commerce began a review of insurance legislation.
 - 2004 The Financial Free Zone Law was passed on 1 April.
 - 2005 The Dubai International Financial Centre (DIFC) was opened.
 - 2006 The first phase of Law No 23/2005 and executive regulations regarding compulsory healthcare insurance for expatriates in Abu Dhabi was implemented.
 - Federal Law No 16/2006 allowing foreign companies 25% ownership of public joint stock insurance companies was passed.
 - 2007 A new insurance law, Federal Law No 6/2007, was introduced. The Insurance Authority was established by this law as an independent body to supervise insurance in the UAE.
- 2011-2020**
 - 2008 A moratorium on the issue of operating licences for new insurance companies was announced.
 - Regulations were introduced related to Islamic/takaful operations.
 - 2013 Law No 11/2013 introduced compulsory health insurance in Dubai.
 - The revised Insurance Broking Regulations were issued by the regulator and came into force in October 2013.



- **2014** The regulator's Board of Directors Decision No 26 of 2014 finalised new regulations for takaful operators relating to definitions of wakala and wakala-mudharaba models, with provisions relating to the distribution of surplus to participants and the separation of participants' and shareholders' accounts.
- In February **2015**, the Insurance Authority implemented solvency requirements similar to the European model for both traditional and takaful insurers operating in the country. According to the new regulations, investment guidelines have been set for insurance companies as follows:
 - Overall exposure to real estate assets is limited to 30%.
 - Investment in equities is limited to 30%, in which only one-third may be invested in a particular asset class. Mutual fund investments are limited to 20%, in which only one-third may be invested in a particular asset class.
 - Insurers can invest 100% of assets in securities and bonds issued by the UAE government with a 25% limit on each investment, or 80% in non-UAE government bonds with a 25% limit on each investment. Insurers must also deposit a minimum of 5% with a bank.
- The UAE cabinet granted insurance companies one more year from 28 August 2015 to separate their life and non-life operations.
- **2016** Insurance Authority (IA) Board of Directors Resolution No 10 of 2016 provided implementing regulations for the splitting of life and non-life insurance operations in composite and takaful companies.
- New unified motor insurance policies (one for third party liability and the other for loss and damage) were issued under IA Board of Directors
- Decision No 25 of 2016 in September 2016. A regulator's circular of 2016 contained instructions on the marketing of insurance policies through banks.
- A regulator's circular of 2016 issued regulations on the licensing and registration of actuaries and their operations. All insurers and takaful operators were obliged by the Financial Regulations to appoint an actuary to validate technical reserve provisions.
- **2017** Some modifications were made to the maximum and minimum motor insurance tariffs.
- **2019**: The UAE's insurance regulator issued, on 15 July 2019, a new, highly restrictive claims management procedure. The new text provides for the creation of specialized committees to settle all insurance disputes and all types of claims. Policyholders and other beneficiaries will be able to submit their complaints directly to these committees. The latter consist of three members, each of whom is appointed for a (renewable) one-year period. Each Committee will include one chairman and two members appointed by the UAE Insurance Authority.
- **2020**: In July 2020: The Emirati government decided to merge the Insurance Authority with the Securities and Commodities Authority (SCA). This merger establishes one single regulatory body specialising in the oversight and supervision of the non-bank financial sector comprising the capital market, futures exchanges and the insurance sector.



Abu Dhabi



Dubai



Sharjah



Al Ain

2021-2022

- **2021:** In February 2021, Central Bank of the UAE started the operational procedures to merge the Insurance Authority into the UAE Central Bank (CBUAE). The decision aims at transforming the CBUAE into one of the top 10 central banks in the world. The CBUAE will now assume the supervisory and regulatory responsibility, licensing and enforcement functions of the insurance sector in the UAE. The regulator will also monitor the financial solvency of insurance companies, ensure ethical conduct of firms, and protect the rights of the insured in the country.

Following the completion of the merger process, CBUAE in co-operation with international authorities, will ensure implementation of best practices and standards in the insurance sector.

The CBUAE also aims to further facilitate the advancement of new technologies as part of its FinTech strategy, including the adoption of InsurTech for insurance services. These initiatives are expected to make the UAE insurance sector more competitive, innovative and facilitate financial inclusion

Insurance companies made progress in 2022 implementing Internal Controls over Financial Reporting (ICFR) to upgrade the quality of insurance financial reporting. Adoption will permit high quality information-sharing with the public and other stakeholders by ensuring the reliability of insurance firms' financial reporting, in accordance with generally accepted accounting principles.

- **2022:** In 2021, firms were asked to design and test their own ICFR strategies. Plans were made to require insurance firms to start preparing their general purpose financial reports in conformity with the latest IFRS 17 accounting standards in 2023. During 2022, companies submitted management assessments of their ICFRs, with a view to remedying any gaps in time for 2023 year-end external audits.
- The IFRS 17 reporting requirement for insurance firms initially covers only general purpose financial reporting. Regulatory reporting will continue under existing regulations. CBUAE plans to monitor implementation of IFRS 17 starting in 2023 once implementation is supported by robust auditing and ICFR at insurance firms.



➤ Regulatory framework

● Regulators:

Insurance has been governed and supervised by four different regulatory authorities since the establishment of insurance services in the UAE



Until recently, the UAE insurance market was regulated by the Insurance Authority. The Insurance Authority was established in 2007 and since its inception has gradually increased the number of regulations applicable to insurance companies and other insurance-related professions operating in the UAE. However, in October 2020, the UAE Cabinet approved the issuance of a federal decree law merging the Insurance Authority with the UAE Central Bank.

In January 2021, the Central Bank announced the commencement of operational procedures aimed at assuming the supervisory and regulatory responsibility of the insurance sector, which resulted in the Insurance Authority coming under the supervisory authority of the UAE Central Bank.

In addition to the Regulator, which is responsible for overseeing onshore insurance entities, there are separate dedicated regulators for the health insurance sector in some of the individual Emirates; at present, these are the Dubai Health Authority, the Department of Health of Abu Dhabi and the Sharjah Health Authority.

Further, the Dubai Financial Services Authority (DFSA) and the Financial Services Regulatory Authority (FSRA), respectively, regulate the DIFC and ADGM insurance/reinsurance industry. Each regulator has its requirements for the authorization and regulation of companies offering insurance services.



- **Insurance Association:**
Emirates Insurance Association



🔗 **Legislations & Regulations:**

There are Several laws and regulations govern the insurance sector in the United Arab Emirates.

Part 3 of Chapter 4 (Articles 1026–1055) of Federal Law 5/1985 on Civil Transactions ('Civil Code') sets out among other things:

- the basic essence of an insurance contract; and
- the obligations of the insurer and the insured under the insurance contract.

However, the main law setting out guidelines for the insurance sector in the United Arab Emirates is Federal Law 6/2007 on the Establishment of the Insurance Authority and Organisation of its Operations. Among other things, this law:

- identifies the types of insurance operations that can be conducted in the United Arab Emirates (ie, life insurance, property insurance and life liability insurance); and
- provided for the establishment of the Insurance Authority to regulate the conduct of the insurance markets in the country.

Marine insurance in the United Arab Emirates is governed by Federal Law 26/1981 on Commercial Maritime Law.

Takaful insurance is governed by the Insurance Authority's Board of Directors Resolution 4/2010 Concerning the *Takaful* Insurance Regulations.

There are various other laws and regulations and ministerial resolutions governing the conduct of insurance business in the United Arab Emirates. In summary, these laws and regulations set out guidelines on issues such as: Ethics; Corporate Governance; Insurance Broking; and Insurance consultancy.

There are two separate insurance jurisdictions in the UAE:

- The "onshore" UAE market.
- The wholesale "offshore" reinsurance centres (that is, the "free zones") made up of the Dubai International Financial Centre and the Abu Dhabi counterpart, the Abu Dhabi Global Market.

▪ Form and Structure of Insurers

Types of insurance companies are regulated by:

Federal Law 6/ 2007 on the Regulation of Insurance Operations;

Federal Law 32/2021 on Commercial Companies;

Federal Law 4/2012 on the Regulation of Competition; and various Insurance Authority directives issued from time to time.

Based on Article 11 of Federal Law 32/2021 on Commercial Companies, only public joint stock companies may engage in banking and insurance business, unless otherwise provided by the special laws regulating these activities or the decisions issued pursuant thereto.

According to Article 24 of Federal Law 6/2007 on the Regulation of Insurance Operations, insurance activities may be exercised in the state by any of the following persons that are licensed and registered with the Insurance Authority:

- *a public joint stock company established in the state;*
- *a branch of a foreign insurance company; or*
- *an insurance agent.*

The prior approval of the Insurance Authority must be obtained before:

- *incorporating any insurance company;*
- *opening a branch of a foreign insurance company; or*
- *carrying out the operations of an insurance agent in the United Arab Emirates.*

Any insurance contract concluded by a company that is not duly registered according to the provisions of the law will be deemed invalid and the affected party may claim compensation due to such invalidation.

Insurance companies registered with the Dubai International Financial Centre (DIFC) or the Abu Dhabi Global Market (ADGM) are regulated by their own set of rules and regulations and are further regulated by the Dubai Financial Services Authority and the Financial Services Regulatory Authority instead of the Insurance Authority.

▪ Capital Requirements

According to Article 1 of Insurance Authority Board of Directors' Decision 25/2014 dealing with the minimum capital requirements for insurance companies, the minimum subscribed and paid-up capital of each insurance company should not be less than:

- *AED 100 million for an insurance company; and*
- *AED 250 million for a reinsurance company*

There are also requirements under the law to maintain a minimum guarantee fund and a solvency margin.

The law initially required that at least 75% of the capital of an insurer in the United Arab Emirates be owned by:

- *UAE or Gulf Cooperation Council (GCC) nationals; or*
- *legal persons wholly owned by citizens holding UAE or GCC nationality.*

However, this provision was amended in 2017 by Cabinet Decision 16/2017, as a result of which the law now requires that 51% of the capital of an insurer in the United Arab Emirates be owned by:

- *UAE or GCC nationals; or*
- *legal persons wholly owned by citizens holding UAE or GCC nationality.*



Position of Non-Admitted Insurers

Insurers conducting insurance business in the UAE must be licensed by the Regulator. The DIFC and ADGM also prohibit non-licensed insurers operating within their jurisdictions.

There are no express legal provisions restricting insurance fronting transactions in the UAE. Therefore, as long as the insurer is in compliance with applicable prudential limitations in local regulations, there is no provision preventing it from ceding 100 per cent of a given written risk (i.e., fronting the risk), either to a local reinsurer or a foreign reinsurer. In practice, however, reinsurers may impose stricter terms and conditions.

Onshore reinsurance business is regulated by the Reinsurance Regulations



Position of Brokers

Brokers operating in the UAE are also required to be licensed by the Regulator. The primary piece of legislation governing insurance brokers is the Broker Regulations

Distribution of Products

Insurance products can only be distributed in the UAE by licensed entities.

Compulsory Insurances

List of Compulsory Insurances

- *Motor third party liability for bodily injury and material damage.*
- *Professional indemnity insurance for insurance brokers.*
- *Professional indemnity insurance for insurance consultants.*
- *Professional indemnity insurance for advocates and legal consultants.*
- *Professional indemnity insurance for medical practitioners.*
- *Medical expenses (health) insurance for expatriates and their dependants resident in Abu Dhabi emirate.*
- *Medical expenses (health) insurance in Dubai for private sector employees and their resident spouses and dependants.*
- *Health insurance for visitors to the UAE (with the exception of visitors who can obtain a visa on arrival).*
- *Aircraft operators' liability.*
- *Shipowners' liability for marine oil pollution (financial guarantee or insurance).*



Taxation of Premiums

On 1 January 2018, the UAE introduced value added tax (VAT) at the rate of 5 per cent. All insurance and reinsurance premiums are subject to VAT with the exception of life insurance.

Reinsurance Business:

The Federal Law No 19 of 2018 on Foreign Direct Investment allows for increased foreign ownership of companies in certain sectors, but not financial services. It was reported in October 2018 that the regulator is considering permitting 100% foreign ownership of insurance companies. Since branches of foreign insurers are already permitted to operate in the UAE, there may be little interest by foreign insurers in establishing a wholly owned local subsidiary.

A foreign reinsurer wishing to establish a branch in the UAE must have a minimum capital of AED 250mn. Furthermore, it must have a minimum rating of BBB (Standard & Poor's), Baa (Moody's), B+ (AM Best), BBB (Fitch) or an equivalent rating from an internationally recognised rating agency. These minimum ratings must also apply to the country where the reinsurer is incorporated.



Board of Directors Decision No 23 of 2019

The Insurance Authority issued Board of Directors Decision No 23 of 2019 on 14 May 2019 sets out the conditions for local insurers accepting reinsurance business as follows:

- the company may only accept treaty business subject to authorisation of the IA and subject to having a minimum capital of AED 350mn (USD 95.27mn)
- accepted reinsurance premiums (facultative and treaty) may not exceed 49% of the total written premiums except as allowed by the IA
- accepted facultative reinsurance must be within the insurer's retention limit or reinsured under its treaty (if reinsured on a facultative basis, approval of the ceding company is required).

Resolution No 4/2010, issued in 2010, provides for specific regulations in respect of Islamic insurers (takaful operators). The regulations direct that takaful operators must use retakaful (as opposed to conventional reinsurance). It is also noted, however, that if there is insufficient retakaful capacity, conventional reinsurance may be used. Retakaful protection may be placed outside the UAE as is the case currently in respect of conventional reinsurance.

Alternative risk transfer (ART) has been considered by a few locally licensed direct insurance companies, but none so far appears to have used it.

For more, see "Federal law & Executive Regulation" via this Webpage:

(B) Insurance Market Statistics & Performance

➤ Market Structure:

Licensed Entities in the UAE's Insurance Sector (2021 vs 2022)

	Total as of 2021	Total as of 2022
Insurance companies	62	62
Other Insurance Related Professions	462	491
Total	524	553

Licensing of Insurance Companies and Professionals (2022 vs 2021)

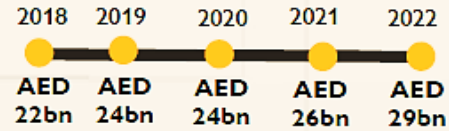
	Total as of 2022	Total as of 2021
National Traditional Insurance Companies	23	23
National Takaful Insurance Companies	12	12
Foreign Insurance Companies	27	27
Insurance Broker Companies	168	168
Insurance Agents Companies	29	30
Insurance Consultant (individuals & Companies)	51	46
Loss & Damage Adjusters (individuals & Companies)	136	126
Actuaries (individuals & Companies)	74	67
Third Party Administrator Companies	20	21
Insurance Policies Price Comparison Websites	13	4

Source: Central Bank of the UAE – Report 2022

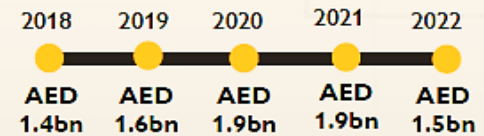
➤ 2022 Highlights:

Gross Premiums Written Gross Premiums for the listed insurance companies	AED 29 Billion (AED 26 Billion in 2021)
Retention Ratio The weighted average retention ratio of the listed insurance companies.	38% (41% in 2021)
Profit Profit for listed insurance companies.	AED 1.5 Billion (AED 1.9 Billion in 2021)
Loss Ratio Weighted Average loss ratio recorded for UAE listed insurance companies.	62% (63% in 2021)
Return on Equity Weighted average return on equity by Listed insurance Companies.	8% (11% in 2021)

Industry GWP Growth Timeline



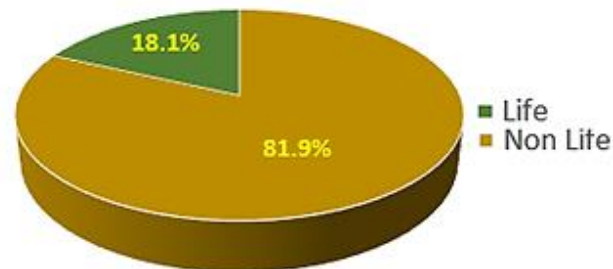
Industry Profit Growth Timeline



➤ Gross Premium:

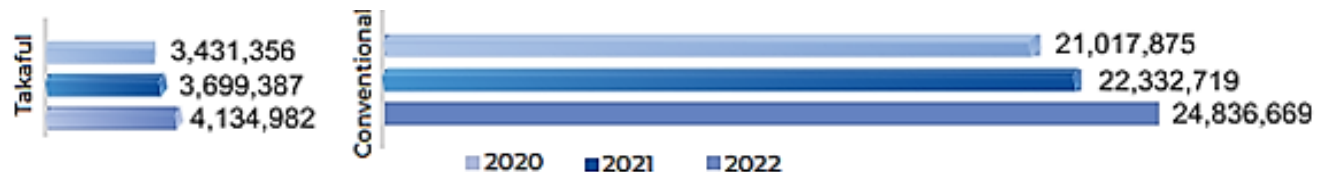
▪ Market Premium (Life & Non-Life)

- The Emirati life insurance market had total gross written premiums of \$2.3 billion in 2022, representing a negative compound annual growth rate (CAGR) of 2.4% between 2017 and 2022.
- The Emirati non-life insurance market had total gross written premiums of \$10.4 billion in 2022, representing a compound annual growth rate (CAGR) of 1.7% between 2017 and 2022.



Source: MarketLine – March 2023

▪ Conventional Vs Takaful



■ Insurance Companies: GWP, Net Profit and Total Equity (AED Millions)

INSURANCE COMPANY	GWP		NET PROFIT		TOTAL EQUITY	
	YE 2022	YE 2021	YE 2022	YE 2021	YE 2022	YE 2021
Orient Insurance (Audited)	6,071	5,008	521	476	3,998	3,796
Abu Dhabi National Insurance Company (Audited)	5,125	4,267	378	402	2,688	2,831
Oman Insurance Company (Audited)	4,390	3,539	224	206	2,461	2,229
Dubai Insurance Company (Audited)	1,469	1,226	92	81	684	630
Emirates Insurance Company (Audited)	1,136	1,118	72	71	1,150	1,173
Islamic Arab Insurance Company (Audited)	1,118	1,088	42	48	810	843
Al Buhaira National Insurance Company (Audited)	943	898	(34)	25	622	681
Al Ain Al Ahlia Insurance Company (Audited)	923	1,206	63	83	1,317	1,301
Union Insurance Company (Audited)	868	900	18	13	254	235
Dar Al Takaful (Audited)	808	706	(55)	22	204	152
National General Insurance Company (Audited)	650	646	54	71	529	533
Al Sagr National Insurance Company (Audited)	634	500	(49)	(63)	206	256
Orient UNB Takaful (Audited)	531	401	30	15	239	209
Abu Dhabi National Takaful Company (Audited)	447	370	18	88	491	516
Ras Al Khaimah National Insurance Company (Audited)	433	469	(35)	10	145	203
United Fidelity Insurance Company (Audited)	422	384	1	8	140	101
Dubai National Insurance & Reinsurance Company (Audited)	419	301	44	59	678	750
Alliance Insurance (Audited)	362	304	38	41	547	539
Takaful Emarat (Audited)	354	584	2	(7)	126	123
Methaq Takaful Insurance Company (Audited)	327	302	14	(8)	99	85
Al Dhafra Insurance Company (Audited)	317	315	28	39	451	463
Al Wathba National Insurance Company (Audited)	306	316	38	164	992	974
Insurance House (Audited)	281	207	4	10	146	149
Al Fujairah National Insurance Company (Audited)	262	237	(14)	19	295	339
Dubai Islamic Insurance & Reinsurance Co. (Audited)	254	249	(10)	12	78	85
Arabian Scandinavian National Insurance Company (Audited)	130	123	(30)	6	252	310
Axa Green Crescent Insurance Company (Audited)	71	52	3	1	123	124
Sharjah Insurance Company (Audited)	23	25	31	27	249	230
TOTAL	29,076	25,744	1,488	1,921	19,970	19,859

Source: UAE Insurance Industry Report 2022 - by Milliman, April 2023

The total GWP of the top 10 companies increased from AED 19,956,870 in 2021 to AED 22,852,025 in 2022, which indicates an overall growth of approximately 14.5%. ORIENT and ADNIC were the top two performers in terms of GWP in both 2021 and 2022. ORIENT had the highest GWP in both years, while ADNIC had the second-highest. ALAIN and UNION had a decrease in their growth rates from 2021 to 2022. ALAIN's growth rate decreased by approximately 23%, while decrease of 4% displayed by UNION. The bottom 5 companies, namely EIC, ABNIC, DARTAKAFUL, SALAMA, and DIN, had a combined market share of approximately 44% in 2022.

TAKAFULEM saw a significant decrease in their NWP from 2021 to 2022, with a drop of almost 40%. ASNIC saw an increase of about 32% in their NWP from 2021 to 2022. METHAQ saw a substantial increase in their NWP from 2021 to 2022, with a growth of almost 67%. DNIR also experienced a significant increase of almost 62% in their NWP from 2021 to 2022. Several companies saw a decrease in their NWP from 2021 to 2022, including RAKNIC, FIDELITYUNITED, AWNIC, DHAFRA, and SICO.

▪ **Insurance Companies: Market Share by GWP (Ranked by Company)**

INSURANCE COMPANY	MARKET SHARE		MARKET RANK		CHANGE
	YE 2022	YE 2021	YE 2022	YE 2021	
Orient Insurance (Audited)	20.9%	19.5%	1	1	0
Abu Dhabi National Insurance Company (Audited)	17.6%	16.6%	2	2	0
Oman Insurance Company (Audited)	15.1%	13.7%	3	3	0
Dubai Insurance Company (Audited)	5.1%	4.8%	4	4	0
Emirates Insurance Company (Audited)	3.9%	4.3%	5	6	+1
Islamic Arab Insurance Company (Audited)	3.8%	4.2%	6	7	+1
Al Buhaira National Insurance Company (Audited)	3.2%	3.5%	7	9	+2
Al Ain Al Ahlia Insurance Company (Audited)	3.2%	4.7%	8	5	-3
Union Insurance Company (Audited)	3.0%	3.5%	9	8	-1
Dar Al Takaful (Audited)	2.8%	2.7%	10	10	0
National General Insurance Company (Audited)	2.2%	2.5%	11	11	0
Al Sagr National Insurance Company (Audited)	2.2%	1.9%	12	13	+1
Orient UNB Takaful (Audited)	1.8%	1.6%	13	15	+2
Abu Dhabi National Takaful Company (Audited)	1.5%	1.4%	14	17	+3
Ras Al Khaimah National Insurance Company (Audited)	1.5%	1.8%	15	14	-1
United Fidelity Insurance Company (Audited)	1.5%	1.5%	16	16	0
Dubai National Insurance & Reinsurance Company (Audited)	1.4%	1.2%	17	22	+5
Alliance Insurance (Audited)	1.2%	1.2%	18	20	+2
Takaful Emarat (Audited)	1.2%	2.3%	19	12	-7
Methaq Takaful Insurance Company (Audited)	1.1%	1.2%	20	21	+1
Al Dhafra Insurance Company (Audited)	1.1%	1.2%	21	19	-2
Al Wathba National Insurance Company (Audited)	1.1%	1.2%	22	18	-4
Insurance House (Audited)	1.0%	0.8%	23	25	+2
Al Fujairah National Insurance Company (Audited)	0.9%	0.9%	24	24	0
Dubai Islamic Insurance & Reinsurance Co. (Audited)	0.9%	1.0%	25	23	-2
Arabian Scandinavian National Insurance Company (Audited)	0.4%	0.5%	26	26	0
Axa Green Crescent Insurance Company (Audited)	0.2%	0.2%	27	27	0
Sharjah Insurance Company (Audited)	0.1%	0.1%	28	28	0

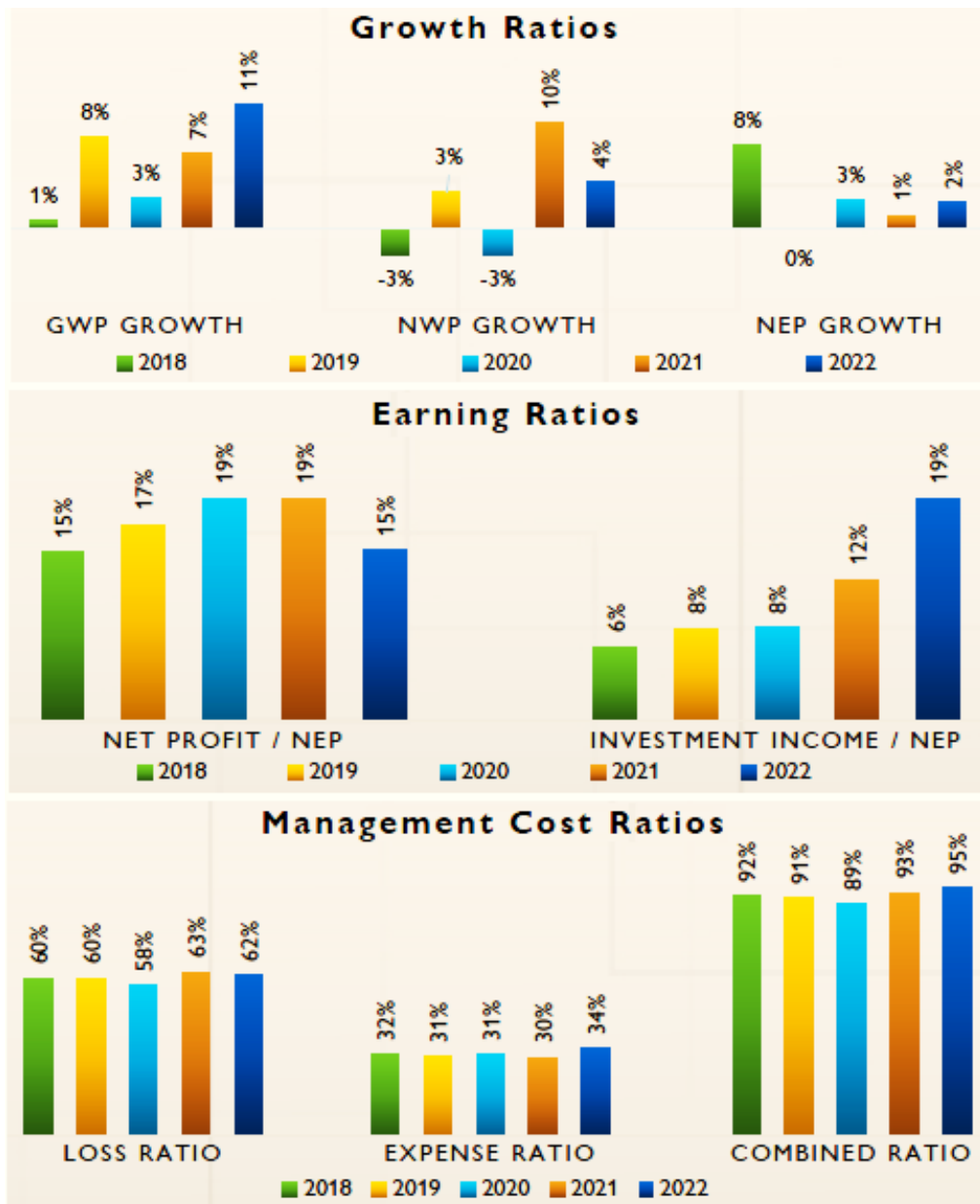
Source: UAE Insurance Industry Report 2022 - by Milliman, April 2023

➤ Performance Ratios 2018-2022

Listed companies in the UAE experienced an 11% increase in their topline in the year 2022.

The return on investments has gone up from 12% in 2021 to 19% in 2022, while the Profit Earning ratio has decreased from 19% in 2021 to 15% in 2022.

The loss ratio has slightly decreased from 63% in 2021 to 62% in 2022, but the expense ratio has increased from 30% in 2021 to 34% in 2022.



Source: UAE Listed Insurance Companies Performance Analysis Year End 2022 - by BADRI Management Consultancy, April 2023

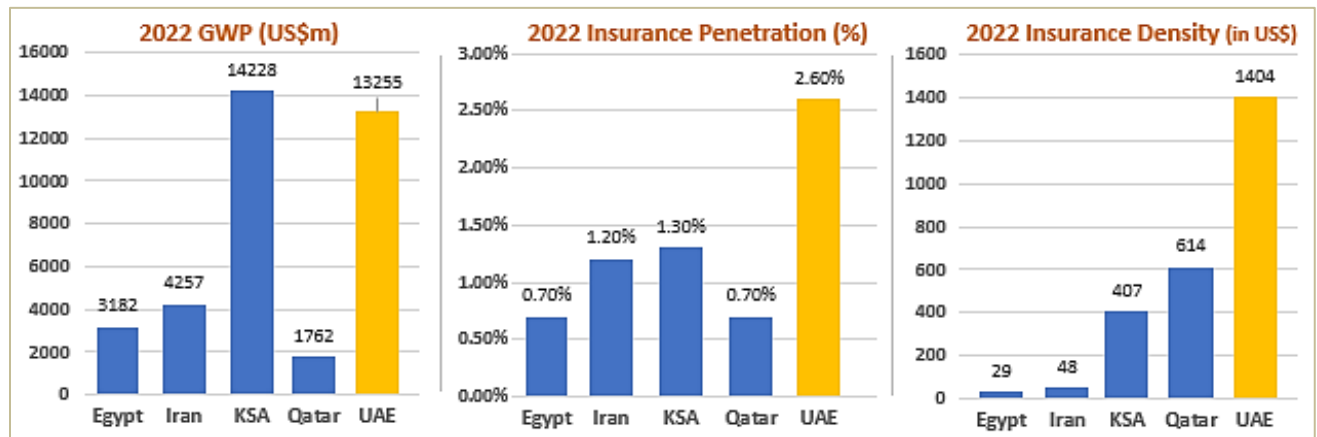


➤ **UAE Insurance Market: Regional Comparison**

MIDDLE EAST AND NORTH AFRICA INSURANCE RISK/REWARD INDEX										
	Industry Rewards	Industry Rewards Non-Life	Industry Rewards Life	Country Rewards	Rewards	Industry Risk	Country Risks	Risks	Insurance Risk/Reward Score	Rank
UAE	45,00	52,50	37,50	64,18	52,67	70,00	59,96	63,97	56,06	1
Bahrain	27,50	32,50	22,50	69,79	44,42	85,00	50,93	64,56	50,46	2
Saudi Arabia	32,50	50,00	15,00	65,63	45,75	60,00	55,29	57,17	49,18	3
Oman	26,25	35,00	17,50	63,67	41,22	65,00	59,00	61,40	47,27	4
Morocco	37,50	37,50	37,50	46,14	40,96	70,00	51,23	58,74	46,29	5
Kuwait	25,00	27,50	22,50	67,62	42,05	50,00	59,01	55,41	46,05	6
Jordan	23,75	27,50	20,00	54,90	36,21	70,00	48,90	57,34	42,55	7
Qatar	25,63	46,25	5,00	70,21	43,46	55,00	21,00	34,60	40,80	8
Egypt	27,50	27,50	27,50	42,74	33,60	60,00	43,50	50,10	38,55	9
Lebanon	16,25	17,50	15,00	48,84	29,29	65,00	36,88	48,13	34,94	10
Tunisia	22,50	27,50	17,50	43,97	31,09	55,00	33,47	42,08	34,39	11
Iran	18,75	22,50	15,00	41,47	27,84	20,00	45,10	35,06	30,01	12
Algeria	12,50	17,50	7,50	27,12	18,35	50,00	37,11	42,27	25,52	13
Yemen	13,75	15,00	12,50	33,59	21,68	60,00	6,06	27,64	23,47	14
Libya	3,75	5,00	2,50	35,88	16,60	15,00	21,11	18,66	17,22	15
Regional Average	23,88	29,42	18,33	51,72	35,01	56,67	41,90	47,81	38,85	

Note: Scores out of 100; higher score = lower risk. Source: Fitch Solutions

Source: UAE Insurance Report Q2_2023 - by Fitch solutions, February 2023



Source: SwissRe Sigma Explorer (<http://www.sigma-explorer.com>)



(D) UAE: Insurance Market SWOT Analysis



Strengths	<ul style="list-style-type: none"> ▪ The potential market is reasonably large and affluent by global standards and is rapidly growing as the UAE attracts more migrant workers. ▪ Dubai is the most important regional centre for international life companies serving the needs of expatriates. ▪ Instability in neighbouring markets has strengthened the UAE's position as a safe regional investment opportunity. ▪ Stock exchange listings have improved the transparency of the sector and probably individual companies' access to capital. ▪ The Dubai International Finance Centre has attracted a number of leading international insurers and reinsurers. ▪ Certain local players have the backing of ruling families, government-linked institutions or major conglomerates based in the UAE.
Weaknesses	<ul style="list-style-type: none"> ▪ Fragmentation - there are about 60 insurers, most of which are sub-scale, with limited access to capital and writing low volumes of premiums annually. ▪ The regulatory environment is being improved, but it is still a work in progress. ▪ Securing the proper licencing for local operations has proved difficult, even for some large foreign insurers. ▪ Brutal price competition has reduced profitability in motor insurance lines, among others. ▪ Life insurance predominantly involves the provision of solutions to expatriates, with very limited demand from local customers. ▪ Rising claims in a number of lines are eroding profitability. ▪ A lack of suitably qualified staff in the domestic labour pool makes nationalization targets difficult to achieve.
Opportunities	<ul style="list-style-type: none"> ▪ Health insurance is growing, albeit no longer at rates seen in recent years. ▪ Takaful, in which the UAE is a global leader, continues to grow, although this growth has slowed by some metrics. ▪ The UAEA is capturing international business at the expense of other regional centres such as Bahrain. ▪ Bancassurance presents opportunities following the finalisation of the necessary regulations. ▪ Massive consolidation. ▪ Innovation is an ongoing opportunity; companies are developing new products, forming new partnerships and pursuing new opportunities.
Threats	<ul style="list-style-type: none"> ▪ Commodity price shocks and oil price volatility could derail domestic economic growth and budgetary allocations. ▪ Non-life penetration appears unlikely to increase substantially without reform and expansion of compulsory covers. ▪ Cutthroat competition in many non-life lines keeps pressure on pricing. ▪ Potential increases in taxation rates could slow the uptake of non-essential products. ▪ A sharp deterioration in the general economic environment as a result of the global economic recession.

Source: Business Monitor Online, 18 September 2023

References & Resources:

- [Central Bank of the UAE: Research and Statistics - Insurance Sector](#)
- [Performance Analysis of UAE Insurance Companies \(including Branches\) for years from 2015 to 2022 - by BADRI Management Consultancy](#)
- [UAE Insurance Industry Analysis Reports - for Years from 2021 to 2022 - by SHMA Consulting](#)
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