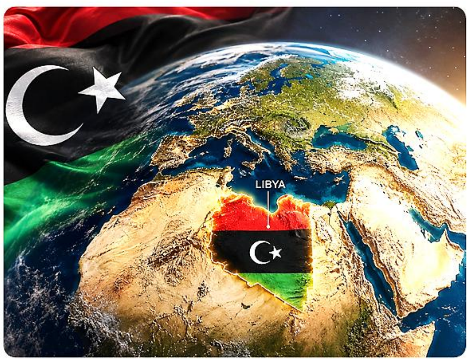
LIBYA

Insurance Market Overview

by Hussein Elsayed



Official Name:
Libya.
The country's full formal name is State of Libya. Under the Gaddafi government the country was known as the Great Socialist People's Libyan Arab Jamahiriya.

Location:
Libya is located on the Mediterranean coast of north Africa. The country is bordered by Egypt to the east, Sudan to the south-east, Chad and Niger to the south, and Algeria and Tunisia to the west.

Surface Area:
1,759,540 km².

Time Zone:
UTC+2 (EET)

Income Category:
Medium income

Religion:
Sunni Islam is the dominant religion in Libya, practised by 97% of the indigenous population. Berbers in some of the western rural areas practise Ibadi Islam.

Language:
Arabic is the official language. European languages are not widely spoken, but the older generation and workers in the commercial sector may speak some English, Italian or French.

Government:
Unitary republic under a provisional unity government.

Climate:
The climate is mostly extremely dry and desertlike in nature. However, the northern regions enjoy a milder Mediterranean climate.

(I) LIBYA: General Information

Indicator	Value	Indicator	Value
Region	Northern Africa	**Surface area (km²)**	1,676,198
Population ('000, 2025)	7,459	**Sex ratio (m per 100 f)**	103.4
Population density (per km², 2025)	4.4	**National currency**	Libyan Dinar (LYD)
Capital city	Tripoli	**Exchange rate (per US$)**	4.9
Capital city population ('000, 2025)	1,160.9	**Surface area (km²)**	1,676,198
UN membership date	14 December 1955		

Economic Indicators

Indicator	2015	2020	2025
GDP: Gross domestic product (million current US$)	48,718	46,854	44,030
GDP growth rate (annual %, constant 2015 prices)	-0.8	-50.1	10.2
GDP per capita (current US$)	7,458.0	6,650.0	6,027.0
Economy: Agriculture (% of Gross Value Added)	3.9	3.6	3.6
Economy: Industry (% of Gross Value Added)	31.2	42.4	43.5
Economy: Services and other activity (% of GVA)	64.9	54.0	52.8
Employment in agriculture (% of employed)	9.8	9.2	8.7
Employment in industry (% of employed)	23.3	23.2	23.2
Employment in services & other sectors (% employed)	66.9	67.6	68.1
Unemployment rate (% of labour force)	19.7	19.6	17.6
Labour force participation rate (female/male %)	34.1 / 64.1	33.5 / 63.3	32.5 / 62.9
CPI: Consumer Price Index (2010=100)	142	253	278
Agricultural production index (2014-2016=100)	101	105	106
International trade: exports (million current US$)	25,949	8,454	30,164
International trade: imports (million current US$)	12,865	11,510	17,901
International trade balance (million current US$)	13,084	-3,056	12,263
Balance of payments, current account (million US$)	-9,346	-4,780	1,865

Major Trading Partners (2024)

Category	Country	Share (%)
Export partners	Italy	21.1
Export partners	Germany	14.6
Export partners	UK	8.5

Category	Country	Share (%)
Import partners	China	15.3
Import partners	Türkiye	11.9
Import partners	Italy	10.5

Social Indicators

Indicator	2015	2020	2025
Population growth rate (average annual %)	1.5	1.3	1.0
Urban population (% of total population)	79.3	80.4	...
Urban population growth rate (average annual %)	0.5	...	...
Fertility rate, total (live births per woman)	2.7	2.5	2.3
Life expectancy at birth (females/males, years)	75.2 / 68.6	75.7 / 69.5	75.3 / 71.2
Population age distribution (0-14/60+ years old, %)	31.0 / 6.5	29.5 / 7.1	26.8 / 8.5
International migrant stock ('000 / % total pop.)	771.1 / 11.8	826.5 / 11.7	897.8 / 12.2
Refugees and others of concern to UNHCR ('000)	471.7	460.9	190.6
Under five mortality rate (per 1000 live births)	14.6	11.9	12.1
Health: Current expenditure (% of GDP)	5.8	7.1	4.7
Health: Physicians (per 1,000 pop.)	1.9	2.0	...
Seats held by women in National Parliament (%)	16.0	16.0	16.5

Environment and Infrastructure Indicators

Indicator	2015	2020	2025
Individuals using the Internet (per 100 inhabitants)	17.8	87.6	88.5
Threatened species (number)	54	75	99
Forested area (% of land area)	0.1	0.1	0.1
CO2 emission estimates (million tons / tons per capita)	51.9 / 7.9	30.3 / 4.3	47.2 / 6.5
Energy production, primary (Petajoules)	1,569	1,204	2,668
Energy supply per capita (Gigajoules)	134	70	106
Important sites for terrestrial biodiversity protected (%)	0.0	0.0	0.0
Net Official Development Assistance received (% of GNI)	0.32	0.45	0.71

Source: UN - World Statistics Pocketbook 2025

1 - Libya: Country Risks

- ♣ ***Political & Security Risks***

  Libya continues to face deep political fragmentation and institutional division between rival eastern and western authorities, while national reconciliation and electoral processes remain uncertain. Armed groups and militias continue to influence internal security conditions and strategic oil infrastructure.

  Oil production disruptions and shutdowns of oil fields and export terminals remain among the country's most significant sovereign risks, given Libya's heavy dependence on hydrocarbon revenues.

- ♣ ***Economic & Fiscal Risks***

  The Libyan economy remains overwhelmingly dependent on the oil and gas sector, accounting for around 65% of GDP and more than 90% of exports and government revenues. This leaves the economy highly exposed to oil price volatility and production disruptions.

  Although economic growth is expected to recover during 2025-2026 due to stronger oil production, the IMF has warned about unsustainable public spending, widening fiscal deficits, rising public debt, and pressure on foreign reserves. The absence of a unified national budget continues to constrain fiscal governance and economic reforms.

THE WORLD BANK

- ♣ ***Financial Sector & Liquidity Risks***

  Libya's banking sector continues to suffer from liquidity shortages, exchange rate distortions, and weak financial intermediation. The Libyan dinar experienced multiple devaluations during 2025 and 2026 amid mounting pressure on foreign reserves and persistent macroeconomic imbalances.

  Institutional fragmentation between competing financial authorities further increases systemic vulnerabilities and constrains private-sector financing and credit growth.

- ♣ ***Geo-Regional Risks***

  Libya remains exposed to geopolitical tensions across North Africa, the Sahel, and the Mediterranean region, alongside ongoing regional and international involvement in Libyan affairs. The country's long and porous borders continue to facilitate smuggling, irregular migration, and armed group movements. Regional instability and global energy market shocks could directly affect Libya's fiscal and economic stability.

2 - Libya: Natural Catastrophe (NatCat) Risks

INTERNATIONAL MONETARY FUND

- ♣ ***Flooding***

  Floods and flash floods represent one of Libya's most severe natural catastrophe risks, particularly in coastal and northeastern regions. The 2023 Derna disaster highlighted the vulnerability of dams, drainage systems, and urban infrastructure, while climate change is expected to increase future flood severity and losses.

- ♣ ***Drought & Heat Stress***
  Libya faces chronic drought conditions, extreme heat exposure, desertification, and increasing water scarcity risks. Heavy dependence on groundwater resources creates long-term sustainability challenges for water and agricultural security.

- ♣ ***Coastal Erosion & Storm Surge***
  Libya's coastal areas are increasingly exposed to sea-level rise, shoreline erosion, and storm surges, posing risks to ports, coastal infrastructure, and low-lying urban areas along the Mediterranean coast.

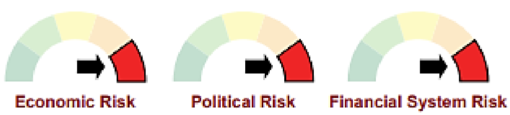
- ♣ ***Geophysical (Earthquake)***
  Earthquake risk in Libya is considered moderate compared to Eastern Mediterranean countries; however, northern and coastal areas remain exposed to low-to-moderate seismic activity associated with regional tectonic systems.

BEST'S COUNTRY RISK REPORT

Libya
CRT-5

August 21, 2025

Region: Middle East & North Africa



- The Country Risk Tier (CRT) reflects AM Best's assessment of three categories of risk: Economic, Political, and Financial System Risk.
- Libya, a CRT-5 country, has very high levels of economic, political, and financial system risk.
- The IMF projects Libya's real GDP will rebound from a contraction of 0.6% in 2024 to 17.3% in 2025, driven by a recovery in oil production. Libya's economic performance remains highly volatile, reflecting its dependence on hydrocarbons and persistent political instability.
- Inflation is expected to rise moderately from 2.1% in 2024 to 2.3% in 2025. The government provides extensive subsidies which help keep prices low.

Vital Statistics		
Nominal GDP	USD bn	42.2
Population	mil	6.9
GDP Per Capita	USD	6,098
Real GDP Growth	%	-0.6
Inflation Rate	%	2.1
ESG/Innovation Rankings		
Notre Dame Global Adaptation Initiative Index	Rank (out of 187)	117
Global Innovation Index	Rank (out of 133)	n.a.
Insurance Statistics		
Insurance Regulator	Libyan Insurance Supervisory Authority (LISA)	
Insurance Density	USD	21
Insurance Penetration	%	0.3
Regional Comparison		
	Country Risk Tier	
Libya	CRT-5	
Algeria	CRT-5	
Egypt	CRT-5	
Lebanon	CRT-5	
Morocco	CRT-4	
Tunisia	CRT-5	

Source: IMF, UN, Swiss Re, Axco and AM Best

Conclusion

Libya remains a high-risk environment from political, economic, and institutional perspectives due to persistent fragmentation, heavy oil dependence, and limited structural reforms. Nevertheless, the country retains substantial hydrocarbon and reconstruction potential that could support medium-term recovery if political stabilization and governance reforms improve.
At the same time, growing climate-related and natural catastrophe risks reinforce the need for stronger infrastructure resilience and disaster risk management frameworks.

(II) LIBYA: Insurance Market

Key Highlights

- *The insurance industry of Libya is regulated by Insurance Supervision and Oversight Authority.*
- *Up to 49% FDI is permitted in the Libyan insurance industry.*
- *Composite insurance is not permitted in Libya.*
- *Motor third-party liability insurance and health insurance are the key compulsory classes of insurance.*
- *Non-admitted insurance is permitted with a few exceptions.*

(A) Insurance Market - Historical Landmarks and Regulatory Environment

The Libyan insurance market has undergone a long and gradual historical evolution over nearly a century, transitioning from a market dominated by foreign insurers to a fully nationalized sector, followed by partial liberalization and modern regulatory reform aimed at strengthening market resilience and diversification.

Insurance activity in Libya began during the 1930s and 1940s through Italian and British insurance companies operating via local agencies and branches. In 1959, the sector witnessed its first major regulatory milestone with the issuance of the Supervision and Control Law No. 7, which established the legal foundation for regulating insurance activities in the country.

Between 1964 and 1969, several major national insurance companies were established, including Libya Insurance Company, Sahara Insurance Company, El Mukhtar Insurance Company, and North Africa Insurance Company, marking the emergence of a structured domestic insurance market.

A major turning point occurred in 1970 when the government issued a ministerial order terminating the operations of foreign insurance branches and agencies while nationalizing all insurers operating in Libya. During the same year, the Supervision and Control of Insurance Companies Law No. 131 of 1970 was introduced. In 1981, several local insurers were merged into Libya Insurance Company, effectively creating a predominantly state-controlled insurance market for many years.

The late 1990s marked the beginning of gradual market liberalization. In 1997, United Insurance Company commenced operations as a joint public-private sector insurer. A major regulatory transformation followed in 2005 with the introduction of Insurance Law No. 3 of 2005, which replaced the earlier legislation, allowed for a relatively liberalized insurance market, increased minimum capital requirements, and introduced solvency margin regulations.

This reform paved the way for new insurance companies entering the market from 2007 onward, including both state-owned and private insurers. Between 2009 and 2013, the market experienced expansion in health insurance and assistance services, alongside the establishment of new insurers such as Qafela Insurance, International Insurance Company, and Libdety Insurance. Regulatory authorities also introduced new rules governing takaful insurance operations.

However, the sector faced significant challenges following the outbreak of armed conflict in 2014. Violent clashes in Tripoli caused severe damage to Tripoli International Airport, aircraft fleets, infrastructure, and commercial activity, while political fragmentation disrupted legislative and regulatory development and constrained market growth.

In recent years, the market has shown signs of gradual recovery. In 2022, Umbrella Re launched operations in Tripoli, reflecting renewed interest in the reinsurance sector. Meanwhile, Storm Daniel, which struck eastern Libya in September 2023, represented a major stress event for the insurance market after causing widespread human and property losses, highlighting the urgent need to strengthen catastrophe insurance capabilities and natural disaster risk management frameworks.

In April 2024, Minister of Economy and Trade and the Chairman of the Insurance Supervisory Authority to discuss key market challenges. Proposed measures included developing new insurance regulations and preparing a governance guide for approval by the Authority's Board of Directors

Overall, the historical evolution of the Libyan insurance market reflects a journey shaped by nationalization, liberalization, geopolitical instability, and regulatory modernization, as the sector continues working toward stronger governance, solvency, and long-term market resilience.

In September 2025, Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) signed a facultative reinsurance agreement with Takaful Libya to strengthen Shariah-compliant export credit insurance in Libya. The agreement aims to support Libyan exporters and banks involved in international trade by providing protection against payment default risks. The partnership will enhance Takaful Libya's underwriting capacity and help expand access to new export markets. It also includes technical cooperation in underwriting, credit risk assessment, capacity building, and claims management.

Ministerial Resolution No. 315 of 2026, issued by the Minister of Economy, represents the most significant regulatory catalyst for the Libyan insurance market in recent years. The Resolution mandates that professionals and practitioners in the professional, technical, and engineering sectors obtain insurance coverage comprising Professional Indemnity Insurance, Public Liability Insurance, and Mandatory Fire Insurance for premises engaged in professional, technical, or engineering activities.
The effective implementation of the Resolution is expected to generate an additional LYD 200–350 million in annual direct premiums, increasing the market's Direct Written Premiums (DWP) to approximately LYD 1.4–1.6 billion by the end of 2026 or in early 2027.

LIBYA: Insurance Market Supervision

Regulatory framework

- **Insurance Law:**

Insurance ***Law No 3 of 2005*** on Supervision and Control of Insurance Business.

- **Insurance Supervisory Authority:**

The Libyan insurance industry is governed by ***Libyan Insurance Supervisory Authority***.
It functions in accordance with the guidelines stipulated in the Insurance law No 3 of 2005 on Supervision and Control of Insurance Business.

هيئة الإشراف على التأمين
Libyan Insurance Supervisory Authority
https://lisa.gov.ly

The Supervisory Authority of Libya in the supervision of insurance companies performs tasks that should ensure the preservation and strengthening of financial stability of the insurance market, as part of a modern, efficient and stable financial sector, in order to protect the rights and interests of policyholders and other insurance beneficiaries. The insurance supervisory body carries out activities through: issuing and revoking licenses for performing insurance activities, performing control, ie supervision over the performance of those activities and other related activities.

Supervision includes assessment of: legality of performing insurance activities, management system in the company, market behavior, investment activities, accounting and reporting, actions of administrative bodies, as well as compliance with the rules of insurance and actuarial profession, good business practices and business ethics.

The task of supervision is also to ensure that insurance companies are at all times financially capable and ready to fulfill their obligations to policyholders, insurance beneficiaries and third parties injured, and that persons performing insurance sales are adequately prepared to meet the needs of citizens and businesses for insurance.

▪ Insurance Association:

Libyan Insurance Federation which established in 2004 under the provisions of the Commercial Code and Law No. 131 of 1970

الاتحاد الليبي للتأمين
Libyan Insurance Federation

The Association aims to:

1. Study the technical foundations of tariffs and prices, and develop legislation to suit market needs.
2. Preparing various insurance policies and presenting them to members for guidance.
3. Conducting studies to reduce losses in insurance branches, and analyzing information about the Libyan market
4. Cooperation with experienced arab and international markets
5. Supporting technical cooperation between its members through the exchange of experiences and information.
6. Strengthening ties with regional and international insurance markets, bodies and unions.

➢ *Company Registration and Operation*

- The newly introduced regulatory requirements governing the establishment of direct insurance companies, reinsurance companies, insurance brokerage firms, and medical expense management companies reflect an advanced supervisory approach aimed at strengthening governance, financial solvency, and risk-based supervision across the insurance sector and its supporting services.
- Key requirements include:

  Submission of specialized economic and technical feasibility studies aligned with the proposed business activities.
  - Full disclosure of ownership structures, shareholders, and sources of capital.
    Mandatory professional and technical qualifications for founders and executive management.
    Obtaining prior approvals from the relevant supervisory authority.
    Implementation of robust internal control, risk management, compliance, and anti-money laundering frameworks.
  - Obliging reinsurance companies to submit reinsurance programs and risk transfer arrangements in line with applicable legal regulations.
  - Requiring medical expense management companies to establish advanced technological infrastructure to ensure efficient claims management and protection of medical data confidentiality.
  - Requiring brokerage firms to comply with professional conduct standards, customer protection principles, and transparency requirements.
- These measures demonstrate the sector's transition toward a more sophisticated regulatory framework focused on enhancing financial stability, improving insurance service quality, protecting policyholders and clients, and aligning the market with international best practices and supervisory standards

➢ *Foreign Ownership & FDI*

Foreign ownership is permitted subject to Central Bank approval up to a maximum of 49% of the total shares issued in respect of joint stock companies.

➢ *Non-Admitted Insurance:*

Non-admitted insurance is not permitted because the law provides that insurance must be purchased from locally authorized insurers to which 100% of the gross premium must be paid locally. The regulator may grant an exemption to the non-admitted rules but this would be extremely rare.

Compulsory Insurances

The key compulsory insurances are:

- Motor third party legal liability in respect of bodily injury.
- Professional indemnity insurance for the medical profession.
- Workers' compensation (entirely dealt with by the state social security system).
- Health insurance for all citizens and residents.
- Shipowners' liability for marine oil pollution (financial guarantee or insurance).

Supplementary Information on Compulsory Insurances:

- Law No 28 of 1971 dealt with compulsory insurance against civil liabilities resulting from vehicle accidents. This law has been amended over the years by various decrees including the General People's Committee Decree No 195 issued in August 2001 and the Resolution of the Secretariat of the People's General Committee No 213 of 2003.
- Professional indemnity insurance for the medical profession used to be dealt with by the state-owned Libya Insurance Company, but is now open to all companies. The minimum limit is LYD 100,000 (USD 74,080).
- Law No 20 of May 2010 introduced compulsory private healthcare insurance. In 2012 private medical insurance (PMI) became compulsory.
- There is a requirement under the International Convention on Civil Liability for Oil Pollution Damage, 1969, renewed in 1992 to give evidence of an insurance or other financial guarantee in respect of oil pollution.
- Libya was a signatory to this convention in 2005. The convention requires owners of ships carrying more than 2,000 tonnes of oil in cargo to maintain "insurance or other financial security" sufficient to cover the maximum liability for one oil spill.

Reinsurance Business:

Reinsurance Market Map 2026

The Libyan reinsurance market remains highly dependent on regional and international reinsurance capacity due to the limited size of the domestic market and the significant exposure generated by the oil, gas, energy, engineering, and infrastructure sectors.

Local Reinsurers:

Libya Reinsurance Company: The national reinsurance company of Libya and the leading domestic reinsurer in the market. *The Core Functions are:*

- Providing Treaty Reinsurance solutions.
- Offering Facultative Reinsurance capacity.
- Supporting the retention capabilities of Libyan insurance companies.
- Providing local underwriting capacity for industrial, commercial, and large-scale risks.

The company serves as a cornerstone of the Libyan reinsurance market and plays a central role in virtually all locally arranged reinsurance programmes.

Umbrella Reinsurance Company: A Libyan reinsurer headquartered in Tripoli, providing a broad range of reinsurance services to both domestic and regional insurance markets.
The company supports insurers through risk-sharing arrangements, reinsurance capacity provision, and participation in regional reinsurance programmes, contributing to the development of the Libyan and wider North African insurance sectors.

The Libyan reinsurance market operates under a framework that traditionally favors the participation of the national reinsurer, Libya Reinsurance Company, through preferential access to domestic reinsurance placements.

However, no publicly available regulation currently establishes a fixed compulsory cession percentage applicable across all classes of business.

Additionally, **Delta Reinsurance Company** and **Al Eqtisadia Reinsurance Company** are also among the local companies operating in the market.

- **Regional Reinsurers:**

  African Re, Continental Re, WAICA Re, CICA Re & NCA Re

- **Global Reinsurers:**

  Munich Re, Swiss Re, Hannover Re, SCOR & Lloyd's of London

- **Reinsurance Brokers**

Reinsurance brokers play a pivotal role in the Libyan insurance market, as the majority of reinsurance capacity is sourced from international markets.

Tripolis Insurance & Reinsurance Brokers

- The first licensed insurance and reinsurance brokerage company in Libya.
- Maintains offices in Libya, Malta, and Spain.
- Serves as a key link between the Libyan market and international insurance and reinsurance markets.

Oya Company for Insurance and Reinsurance Brokerage

- Established in 2022.
- Specializes in arranging reinsurance programs both locally and internationally.

United Experts Company (UEC)

- Provides insurance and reinsurance brokerage and consultancy services.
- Actively involved in the oil & gas, energy, and engineering sectors.

EELELL Insurance & Reinsurance Broker

- A modern brokerage firm focused on facilitating access to global insurance and reinsurance markets.
- Specializes in risk management and reinsurance placement solutions.

Key Market Characteristics

- Heavy reliance on foreign reinsurance capacity.
- Oil and energy risks represent the largest source of reinsurance demand.
- Reinsurance brokers play a critical role in connecting Libyan insurers with international markets.
- Expected growth in demand for energy, construction, and infrastructure covers.

Libya Reinsurance Market: Lines of Business Ranked by Reinsurance Dependence

Rank	Insurance Class	Reinsurance Reliance	Rank	Insurance Class	Reinsurance Reliance
1	Oil & Gas	Very High	6	Fire & Industrial Risks	High
2	Energy & Utilities	Very High	7	Liability Lines	Moderate to High
3	Engineering & Construction	High	8	Health	Low
4	Aviation	Very High	9	Motor	Low to Moderate
5	Marine & Transit	High			

(B) LIBYA: Insurance Market Performance & Statistics

The Libyan insurance industry is a developing but historically under-penetrated market. Historically, the Libyan insurance sector has suffered from a low penetration rate (well under 1%) and economic instability due to civil conflict. However, the industry is experiencing a transitional phase focused on: Regulatory Overhaul and Digital Transformation.

Libya: Insurance Market Structure:

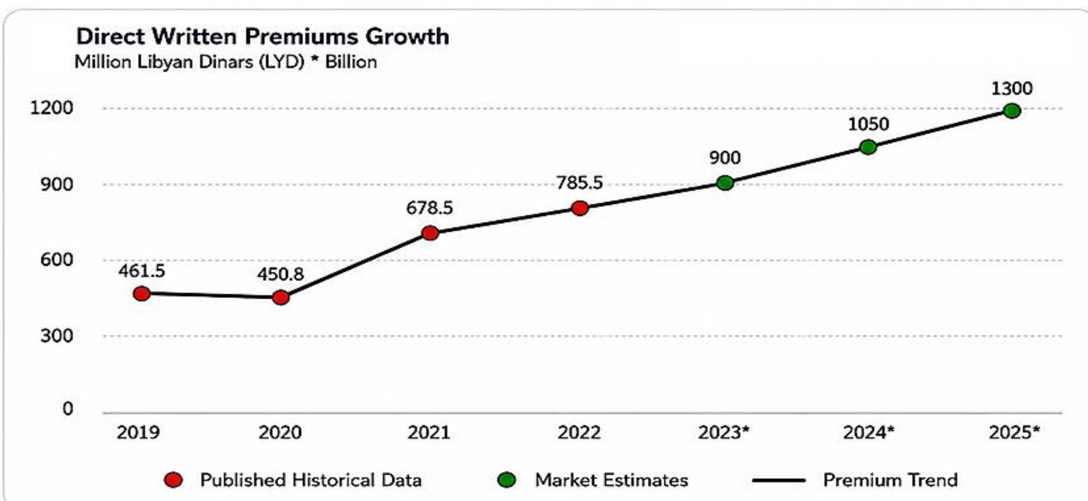
According to information published by the Libyan Insurance Federation, the Libyan insurance market comprised 45 insurance companies in 2024, of which 30 companies were registered members of the Federation. The number of companies operating in the market in 2025 is estimated at around 45 companies, including 4 reinsurance companies.

The latest data published by the Libyan Insurance Federation indicate that the Libyan insurance market comprised 60 operating insurance companies in 2026.

In addition, data published by the Insurance Supervisory Authority indicate the presence of several other entities operating within the Libyan insurance market, as outlined below:

- ***11*** *Re/Insurance Brokers*
- ***29*** *Third-Party Administrators (TPAs)*
- ***25*** *Insurance Expert Consultants*
- ***45*** *Insurance agents*
- ***6*** *Surveyors and loss adjuster experts*
- ***5*** *Actuarial experts*

Libya: Insurance Market Performance:



Insurance Penetration & Density

Item	2020	2021	2022
Penetration (%)	0.72%	0.37%	0.33%
Density (in US$)	50.98	21.97	22.21

2022 Financial Indicator	Value	Assessment
Loss Ratio	29%	Excellent
Expense Ratio	61.9%	Good
Liquidity Ratio	205%	Good
Return on Investment	3%	Acceptable
Retention Ratio	55.1%	Average
Overall Solvency Ratio	226%	Within Acceptable Limits

Source: Libyan Insurance Federation & General Arab Insurance Federation (GAIF)

2020-2022 Main Indicators (in USD Million)

Item	2020	2021	2022
Direct Premiums	99.79	150.28	148.95
Inward Premiums	0.83	1.16	2.09
Gross Written Premiums (GWP)	100.62	151.45	151.04
Outward Reinsurance Premiums	33.04	69.32	70.67
Net Written Premiums (NWP)	67.57	82.13	80.37
Premium Retention Ratio	67%	54%	53%
Direct Claims	34.55	50.46	89.32
Inward Claims	0.45	0.62	1.25
Gross Incurred Claims	35.00	51.08	90.57
Reinsurance Recoveries	1.33	2.34	65.61
Net Claims	33.67	48.74	24.97
Claims Retention Ratio	96%	95%	28%

1- Gross Written Premiums (GWP) increased from approximately USD 100.6 million in 2020 to USD 151.0 million in 2022.
2- The compound annual growth rate (CAGR) of gross written premiums during the period was approximately 22.5%.
3- The premium retention ratio declined from 67% to 53%, indicating a growing reliance on foreign reinsurance capacity.
4- 2022 witnessed a significant surge in reinsurance recoveries, reaching approximately USD 65.6 million, which explains the substantial decline in net retained claims.
5- The analysis is based on the new unified exchange rate regime, ranging between LYD 4.48 and LYD 4.90 per USD.

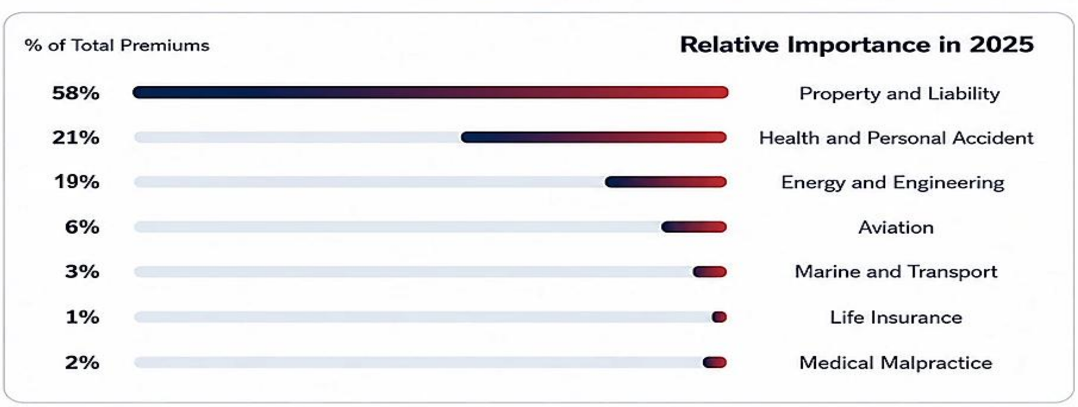
Source: General Arab Insurance Federation (GAIF Magazine - Issue 158, Sep 2023)

Libya Insurance Market Estimates 2023-2025

- **Distribution of Premium by Line of Business in 2025**

Based on latest Libyan Insurance Federation Study in 2026, Premiums are concentrated in property and liability, health and accidents, and marine & transportation, while life insurance sectors remain relatively small.
This structure reflects growth opportunities if products are developed to meet the requirements of financing, savings and trade.

Line of Business	Estimated Premium Volume
Property and Liability	+700 million LYD
Health and Personal Accident	250 million LYD
Energy and Engineering	230 million LYD
Aviation	70 million LYD
Marine and Transport	40 million LYD
Life Insurance	10 million LYD
Medical Malpractice	10 million LYD

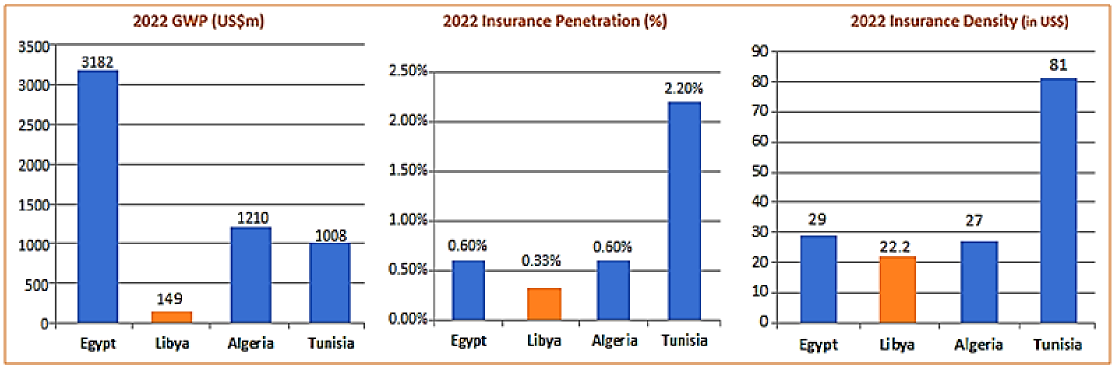


Technical Insight: The projected increase in Energy and Engineering premiums to approximately LYD 230 million would strengthen the relative weight of specialty insurance lines. However, the market's full potential can only be realized if part of the growth shifts toward higher value-added classes, such as Professional Liability, Free Zone Insurance, Transit Insurance, and Credit Life Insurance associated with the banking sector.

Source: Libyan Insurance Federation, July 2026

Regional Comparison:

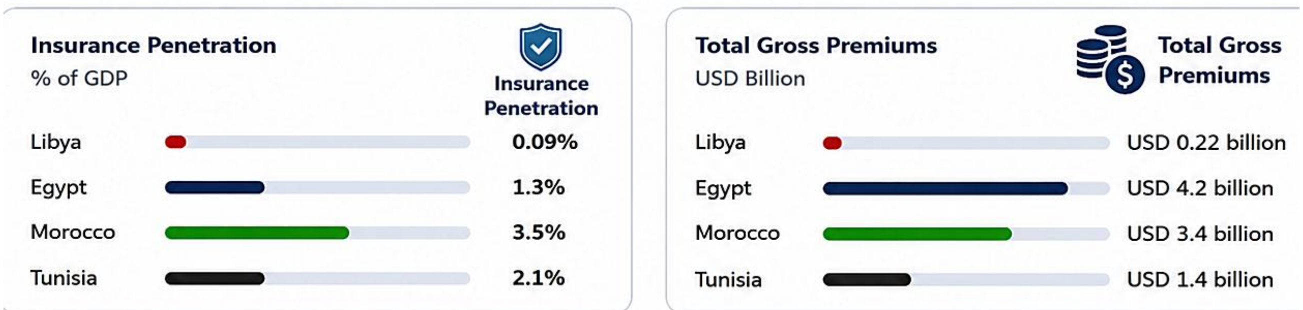
2022



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

2025

The following comparative overview is based on data from the Libyan insurance market in comparison with key regional and global markets in terms of size, insurance penetration, and key financial indicators.



Indicator	Libya	Egypt	Morocco	Tunisia	Source
Total Gross Premiums (USD)	USD 220 million (≈ LYD 1.3 billion)	USD 4.2 billion (≈ EGP 130.8 billion)	USD 3.4 billion (≈ MAD 34.5 billion)	USD 1.4 billion (≈ TND 4,255 million)	Estimated
Insurance Penetration (% of GDP)	0.09%	1.3%	3.5%	2.1%	Estimated
Solvency Ratio	226%	190%	170%	160%	Estimated
Technical Loss Ratio	29%	37%	30%	45%	Estimated
Liquidity Ratio	205%	190%	185%	170%	Estimated
Return on Investment	3%	9%	7%	6%	Estimated

Key Reading: The Technical Loss Ratio is the most significant indicator, as a lower ratio reflects better underwriting performance. In contrast, Solvency and Return on Investment ratios have a relative impact.

Analysis & Interpretation: The comparison shows that Libya has a higher Solvency Ratio (226%) and Liquidity Ratio (205%); however, it has a very low Insurance Penetration (0.09%) compared with Egypt (1.3%) and Morocco (3.5%). In terms of market size, Libya has the largest insurance market among the four (around USD 4.2 billion), with Egypt following. Morocco stands out with the highest Solvency Ratio (3.5%) in comparison with Egypt (1.3%) and Tunisia (2.1%). Libya also records a high Return on Investment (3%) with elevated solvency, while Tunisia has the largest market size among the four, but a relatively higher Technical Loss Ratio (45%) that puts pressure on profitaability.

Conclusion: Libya needs to expand its customer base through new insurance products such as health, automotive, and general insurance, in addition to raising awareness of the importance of insurance and the benefits of protection.

Note: All figures are approximate based on available data and have not been published in global sources.

Source: Libyan Insurance Federation, July 2026

LIBYAN INSURANCE COMPANIES 2022-2024

LIBYAN INSURANCE COMPANIES: RANKING BY PREMIUM WRITTEN - YEAR 2022

Figures in thousands of US$

Rank	Company Name	Premium Written 2022	Premium Written 2021	Assets 2022	Assets 2021	Shareholders Equity 2022	Shareholders Equity 2021	Net Profit 2022	Net Profit 2021	ROE %
1	**LIBYA**	82000	77200	308800	301090	59440	57350	5500	4100	9.3
2	**TRUST**	56000	54100	193000	193000	11000	10100	2000	1900	18.2
3	**AFRICAN**	49100	49100	60600	60600	10550	10550	-	-	-
4	**SAHARA**	26000	25100	45250	44300	11320	10200	-	-	-
5	**UNITED**	21200	19100	112220	110000	15150	14400	2400	2250	15.8
6	**LIBO**	14850	14200	33100	32000	8250	8100	2150	2000	26.1
7	**TAKAFULY**	14000	15100	-	-	-	-	-	-	-
8	**QAFELA**	5820	4000	19580	16000	5780	5000	140	100	24
9	**ALETEHADIYA**	3930	3900	5550	5450	4700	4460	-	-	-
10	**TIBESTY**	3870	3800	3420	3300	2250	1900	-	-	-
11	**AMIC**	2100	1900	-	-	-	-	-	-	-

Source: *"MENA Insurers, Reinsurers and Reinsurance Brokers Ranking" Albayan Magazine, Dec 2023*

LIBYAN INSURANCE COMPANIES: RANKING BY PREMIUM WRITTEN - YEAR 2024

Figures in (US$000)

Rank	Company Name	Premium Written 2024	Premium Written 2023	Assets 2024	Assets 2023	Shareholders' Equity 2024	Shareholder' Equity 2023	Net Profit 2024	Net Profit 2023	ROE (%)
001	LIBYA	87,580	82,500	355,200	310,100	72,200	59,550	9,220	7,200	12.8
002	TRUST	58,150	57,200	195,520	194,000	18,440	12,800	10,020	9,100	54.3
003	AFRICAN	39,300	38,500	61,120	60,600	13,140	10,550	N/A	N/A	N/A
004	QAFELA	31,010	28,200	47,120	41,500	12,450	7,500	2,840	2,400	22.8
005	SAHARA	29,100	28,200	49,240	48,190	17,220	13,240	N/A	N/A	N/A
006	UNITED	29,070	23,250	125,190	123,140	18,400	17,980	2,500	3,120	13.6
007	LIBO	16,340	15,250	35,220	34,220	11,050	9,150	2,190	2,150	19.8
008	TAKAFULY	13,800	14,280	N/A	N/A	N/A	N/A	N/A	N/A	N/A
009	TIBESTY	7,010	4,850	8,670	6,450	7,740	4,420	N/A	N/A	N/A
010	AMIC	3,110	3,020	N/A	N/A	N/A	N/A	N/A	N/A	N/A
011	ALETHADIYA	2,450	2,200	7,340	7,220	5,910	5,800	N/A	N/A	N/A
012	MUKHTAR	1,480	1,320	3,520	3,360	2,850	2,340	70	50	2.5
013	ISLAMIC TAKAFUL	-	-	-	-	-	-	-	-	-
TOTAL (US$000)		**318,400**	**298,770**	**888,140**	**828,780**	**179,400**	**143,330**	**26,840**	**24,020**	

Source: *"MENA Insurers, Reinsurers and Reinsurance Brokers Ranking" Albayan Magazine, Dec 2025/Jan 2026*

The ranking of Libya's leading insurance companies varies depending on the financial indicator used.

Top 5 Insurance Companies by Gross Written Premiums (2024)

Rank	Company	GWP (US$ million)	*Key Observations*
1	Libya Insurance Company	87.58	Collectively, these five companies accounted for approximately **76.8% of total gross written premiums** in the Libyan insurance market during 2024.
2	Trust Insurance Company	58.15	
3	African Insurance Company	39.30	
4	Qafela Insurance Company	31.01	
5	Sahara Insurance Company	29.10	

Top 5 Insurance Companies by Net Profit (2024)

Rank	Company	Net Profit 2024 (US$'000)	*Key Observations*
1	Trust Insurance Company	10,020	• **Trust Insurance Company** recorded the highest profitability in the market, outperforming Libya Insurance Company despite generating lower premium volumes. • Trust and Libya Insurance Companies together accounted for approximately **71.7% of the total reported profits** within the market.
2	Libya Insurance Company	9,220	
3	Qafela Insurance Company	2,840	
4	United Insurance Company	2,500	
5	Libo Insurance Company	2,190	

Top 5 Insurance Companies by Total Assets (2024)

Rank	Company	Total Assets 2024 (US$'000)	*Key Observations*
1	Libya Insurance Company	355,200	• **Libya Insurance Company** possesses the largest asset base in the market by a substantial margin. • The top three insurers alone account for approximately **76% of total market assets**.
2	Trust Insurance Company	195,520	
3	United Insurance Company	125,190	
4	African Insurance Company	61,120	
5	Sahara Insurance Company	49,240	

Top 5 Insurance Companies by Shareholders' Equity (2024)

Rank	Company	Shareholders' Equity 2024 (US$'000)	*Key Observations*
1	Libya Insurance Company	72,200	• **Libya Insurance Company** leads the market in terms of capital strength, representing approximately **40% of total shareholders' equity** across the market. • Trust Insurance Company and United Insurance Company exhibit a very similar level of capitalization.
2	Trust Insurance Company	18,440	
3	United Insurance Company	18,400	
4	Sahara Insurance Company	17,220	
5	African Insurance Company	13,140	

Quick Analytical Snapshot

Indicator	Market Leader	Value (US$'000)
Gross Written Premiums	Libya Insurance Company	87,580
Total Assets	Libya Insurance Company	355,200
Shareholders' Equity	Libya Insurance Company	72,200
Net Profit	Trust Insurance Company	10,020
Return on Equity (ROE)	Trust Insurance Company	54.3%

LIBYA: INSURANCE MARKET OUTLOOK 2025-2029

MARKET OVERVIEW

- **Key View:**

Libya's insurance market has been crippled by years of social, political and economic turmoil, leaving the sector severely constrained. Life insurance is virtually non-existent due to structural barriers, a weak middle class and cultural resistance, while non-life lines should fare better, supported by energy-sector FDI over 2025-2029. The outlook remains highly fragile, with persistent political fragmentation and unrest risks weighing heavily despite headline GDP growth providing some support.

- **Key Updates And Forecasts**
  - The structural economic, social and institutional framework or life insurance is largely absent in Libya and these trends will keep the market broadly unattractive for the foreseeable future. Total life premiums will remain below LYD1.0mn (USD0.2mn) by the end of 2029 with carriers likely struggling to commercialise life insurance products.
  - In 2025, we expect that non-life premiums will grow by 8.0% in local currency terms to LYD0.3bn (USD59.5mn). Positive real GDP growth will provide support for basic commercial policies while energy sector strength should lend some support as well. Over the forecast period, we expect premiums to rise by an annual average of 8.1% in nominal dinar terms, taking the value of premiums to LYD0.4bn (USD77.3mn) in 2029.

LIBYA LIFE INSURANCE PREMIUMS FORECAST

- **Key View:**

The Libyan life insurance market is miniscule by regional and global standards owing to cultural, economic, social and structural barriers. Market growth has been hampered by years of social and civic unrest, political fragmentation and lack of addressable market. At present, we expect this sector to remain a major underperformer with little to no real gains.

- **Latest Updates**
  - The structural economic, social and institutional framework or life insurance is largely absent in Libya and these trends will keep the market broadly unattractive for the foreseeable future.
  - Total life premiums will remain below LYD1.0mn (USD0.2mn) by end of 2029 with carriers likely struggling to commercialise life insurance products.

- **Structural Trends:**

The small size of Libya's life segment is testament to a variety of structural challenges. Even in the absence of the political and social turmoil that has plagued the country since early 2011, constraints such as low levels of household incomes among the vast majority of the population (despite the country's huge oil wealth), a lack of understanding of the benefits of life insurance and a lack of trust in institutions would keep premiums at a very low level. These challenges are expected to prevail beyond the end of our five-year forecast period

Life Insurance Premiums: Little To No Demand

Libya's life segment hardly exists. Life density has been running at less than USD1 per capita for years. There remain enormous structural constraints to the development of the industry.

Such constraints include the low income levels of the population, the underdevelopment of Libya's financial markets, the lack of access of insurance companies to capital and the lack of understanding of life insurance on the part of potential customers. We see no reason why this would change during the forecast period.

We believe that life insurance will remain virtually non-existent in 2029, with written premiums remaining under LYD1mn (USD0.2mn) by 2029. Social upheaval, a difficult business environment and a lack of trust in institutions have prevented the development of organised savings in general and life insurance. For the population as a whole, life expectancy is around 72 years and the percentage of the population aged 65 years or older is less than 5%, but this is increasing gradually. In the event that the security situation in Libya normalises, breadwinners may turn to life insurance policies as a fallback for their families and as savings vehicles.

The country has significant potential given its huge oil reserves, which would under normal circumstances make its citizens among the richest in the developing world. Over the very long term, this provides significant potential for Libya's life insurance market. However, the fragility of the security situation - even accounting for Islamic State being pushed out of the coastal city of Sirte in late 2015 - means that it is highly unlikely that insurance markets will gain significant traction on a five-year view, as various powerful militias continue to vie for control of key urban centres and the internationally recognised governing coalition has not been able to unify its rule.

Stronger-than-expected economic growth in Libya presents upside potential for the country’s nascent life insurance market. The acceleration of oil production, rising foreign investment and renewed exploration activity have the potential to boost household incomes and create demand for long-term financial protection products. As economic conditions improve, opportunities will expand for insurers to develop and distribute life insurance solutions tailored to a wider segment of the population.

Libya Non-Life Insurance Premiums Forecast

- **Key View:**

The non-life market is as a nascent stage of development and the structural political, economic and social challenges over the last 15 years have stifled growth. We project steady gains from a very low base and our optimism is supported by rising oil production and foreign CapEx announcements in the extractive sector in recent months. Nevertheless, risks are weighed to the downside given the fractured nature of institutions and political momentum.

- **Latest Updates**
  - In 2025, we expect that premiums will grow by 8.0% in local currency terms to LYD0.3bn (USD59.5mn). Positive real GDP growth will provide support for basic commercial policies while energy sector strength should lend some support as well.
  - Over the forecast period, we expect premiums to rise by an annual average of 8.1% in nominal dinar terms, taking the value of premiums to LYD0.4bn (USD77.3mn) in 2029.
- **Structural Trends**

The very difficult social and political conditions in Libya mean that the non-life insurance sector has essentially contracted to the irreducible minimum, with only basic motor, property and other lines being covered by indigenous insurers. For now, we see no reason why non-life penetration would rise through the forecast period.

Long-term premium growth in real terms will be driven by the two interrelated variables, with a gradual normalisation of the highly fragmented security situation and a recovery in real economic activity. Additionally, trends in production and prices of hydrocarbons will exert a significant influence on growth

Non-Life Insurance Premiums: Very Small Addressable Market

Libya's non-life segment is and will remain at an embryonic level of development for the remainder of the forecast period. We estimate that non-life premiums will grow by 8.0% to LYD0.3bn (USD59.5mn) in 2025. The conflict in the country and the general weakness of the economy mean that private sector demand for insurance covers will be minimal.

By the end of our forecast period in 2029, we see total premiums reaching LYD0.4bn (USD77.3mn) with average annual gains of 8.1% projected. As with the life sector, the primary risk to our current forecasts for growth in the Libyan non-life insurance market stems from the potential for domestic instability to escalate.

At present, our Country Risk team expects to see sustained GDP growth in Libya, based primarily on an expected increased oil production. However, should violent clashes between various rebel groups and militias escalate, the current growth trajectory could well be derailed, which would in turn result in a downward revision of our current premium growth forecasts, with affordability and relevance of insurance premiums in such a highly insecure environment coming under further sustained pressure.

Source: *Business Monitor Online – 19 September 2025*