

# Saudi Insurance Sector 9M 2016

The report depicts the performance of insurance sector in Saudi Arabia in 9M 2016. The report shows the main insurance indicators as gross written premium, net earned premium, claims incurred and net income for the sector and individual companies.

## Research Scope:

The statistics in this reports include all the date of the listed insurance companies that are licensed to issue insurance policies in any insurance activity. However, we have excluded the following companies:

1. Saudi Reinsurance Company: The company is excluded as its activity is not consistent with the remaining listed insurance companies as the company operates in reinsurance activity only.
2. Weqaya Takaful Insurance and Reinsurance Co.: The exclusion was due to lack of company's data as the company did not announce its financials for 9M 2016.

Thus, the number of companies under coverage in this report totaled 33 companies out of 35 listed companies.

Source: Insurance Companies filings, SAMA, Tadawul and CCHI.

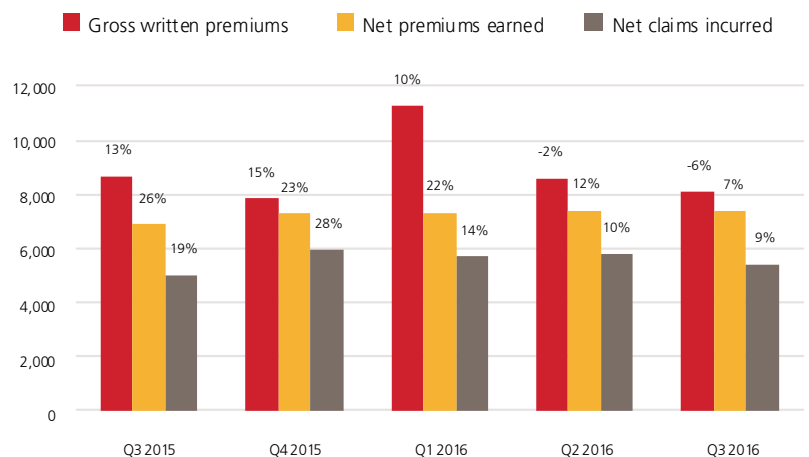
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## Executive Summary

- The growth of Saudi insurance market decelerated for the second quarter respectively, hitting 1.1% YoY in 9M 2016. The deceleration is attributed to a decline in health insurance segment by 2.8% YoY and general insurance segment by 13.8% YoY.
- Gross written premiums came in at SAR 28 billion (USD 7.46 billion) during the first nine-month 2016.
- Health insurance accounted for 51% of the overall gross written premiums, followed by vehicle insurance (33%), general insurance (13%), and protection and savings insurance (3%).
- Insurance density per capita stood at SAR 1,131 (USD 302) in 9M 2016 compared to SAR 1,089 (USD 290) in 9M 2015.
- The retention ratio progressed slightly by 10 basis points to 83.27% in 9M 2016, meantime, the claims ratio slumped 202 basis points to 76.35%.
- Consolidated profit of the insurance sector skyrocketed by 105% coming in at SAR 1,550 million in 9M 2016 compared to SAR 755 million in 9M 2015.

## Insurance Sector Quarterly Evolution with Growth Rates (SAR million)



## Insurance Sector Overview

Insurance sector has made a lower contribution to the non-oil sector GDP. Insurance penetration came in at 2.1% in 2015. Meantime, insurance density stood at SAR 1,131 (USD 302) per capita in 9M 2016 compared to SAR 1,089 (USD 290) per capita in 9M 2015.

Organizationally, Saudi Arabian Monetary Agency (SAMA) is the regulator of the sector, except the health insurance, which jointly regulated with the Council Of Cooperative Health Insurance. In addition, the Capital Market Authority has the responsibility to ensure the commitment of all those companies in the financial market since all insurance companies are listed on the stock market. The insurance sector has 35 listed entities, which operate in at least one of the three main insurance lines, namely general insurance, health insurance as well as protection and savings insurance. Moreover, general insurance includes seven sub-activities: vehicles, marine, aviation, energy, engineering, accident and responsibilities, and finally property and fire insurance.

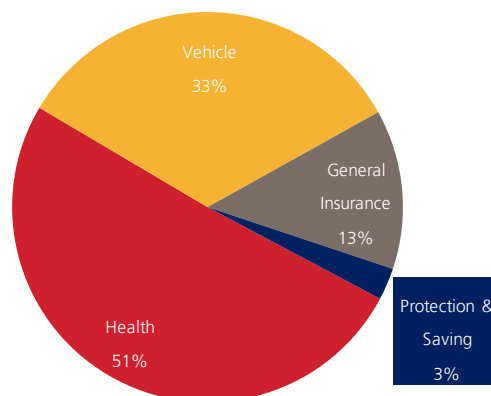
Health insurance maintained its position as the largest insurance segment in the Saudi market, with a share of 50.73% out of the overall gross written premiums, followed by vehicle insurance (33.39%), and general insurance (13.22%). Meanwhile, protection and savings insurance, accounted for 2.65%, came in as the lowest among all other insurance segments.

On the other hand, there are twenty-seven companies that offer health insurance services. Twenty-eight companies provide general insurance, and eleven companies offer protection and savings insurance. In addition, the insurance sector has other players in the insurance market such as 88 insurance brokers, 91 insurance agents, 2 actuarial services providers, 15 loss assessors and loss adjustors, 13 insurance claims settlement specialists and 8 insurance advisors.

Due to the nature of the insurance sector, some laws and regulations may be reflected on the growth of certain insurance activities. Also, some factors may impact only one segment, while other factors may affect the whole insurance sector. The most important of these factors are:

- The total number of health insurance policyholders reached 12.471 million by the end of 9M 2016. Saudis constituted 30% of total policyholders versus 70% for foreigners through 27 health insurance providers with a network of 3,968 outlets.
- The interest rate increase in December 2016 may drive up the return on the investments of the sector in 2017.
- We believe that a weak competition among insurance companies will encourage the regulators to provide incentives for mergers between the companies that will lead to achieve comparative advantages.

Segment Market Share Breakdown - 9M 2016



## Insurance Sector Overview

Saudi insurance market decelerated for the second quarter respectively, registering 1.1% YoY growth in 9M 2016. The deceleration is attributable to a decline in health insurance segment by 2.8% YoY and general insurance segment by 13.8% YoY, despite the growth of vehicle insurance and protection and savings insurance segments by 16% and 3.3% respectively.

### GROSS WRITTEN PREMIUMS (GWP)

Gross written premiums came in at SAR 28 billion (USD 7.46 billion) rising from SAR 27.7 billion (USD 5.07 billion) in 9M 2015. Health and general insurance GWP decreased to SAR 14 billion (USD 3.78 billion) and SAR 3.7 billion (USD 0.98 billion), respectively. Meantime, vehicle insurance GWP sharply rose 16% YoY, to SAR 9 billion (USD 2.49 billion). Much of the growth in vehicle insurance came from repricing vehicle insurance policies as issued policies dropped 9% YoY by the end of 9M 2016. As for protection and savings insurance, the figure increased slightly to SAR 742 million (USD 198 million) compared to SAR 719 million in 9M 2015.

### NET WRITTEN PREMIUMS (NWP)

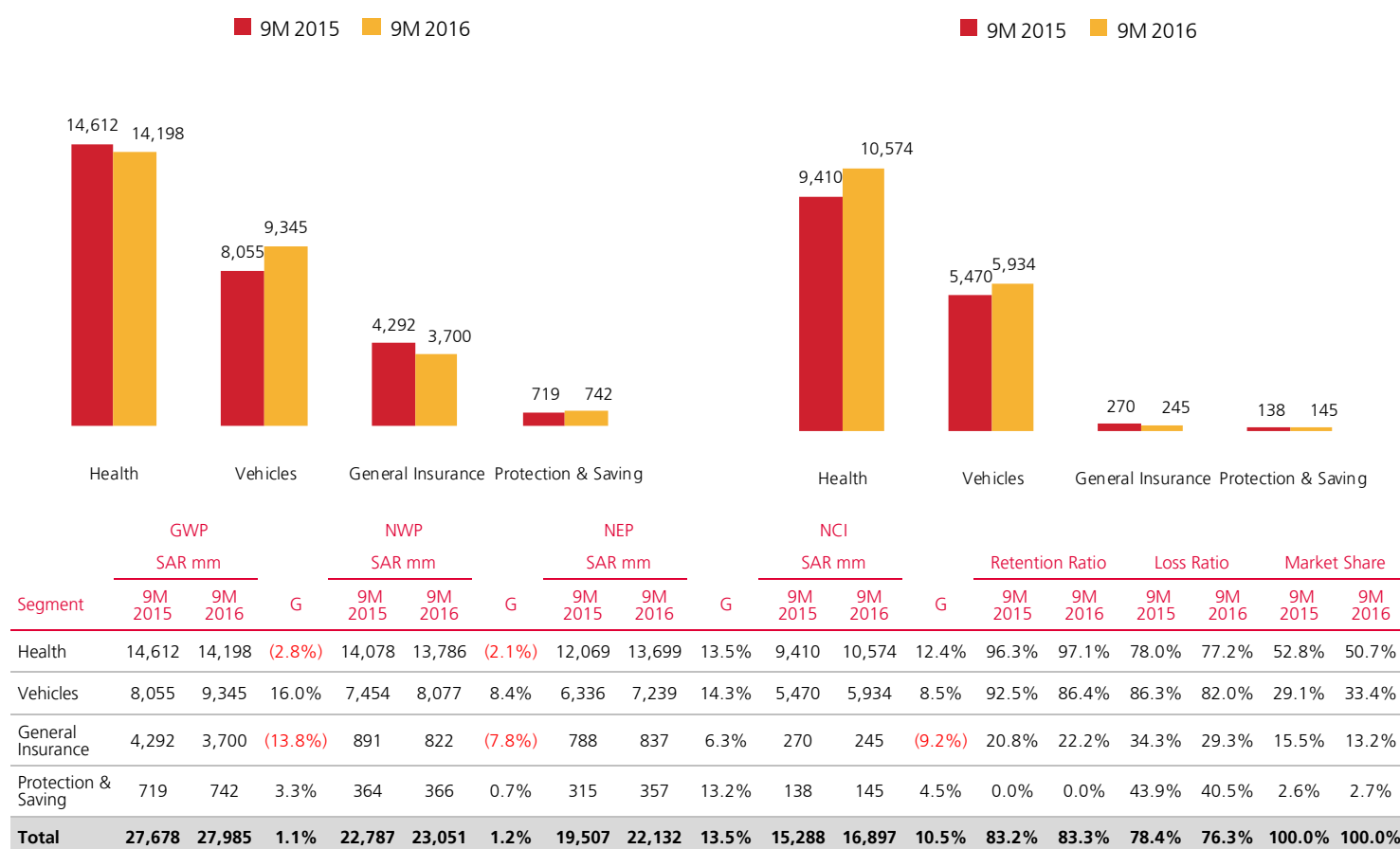
Insurance sector registered a 1.2% YoY rise in net written premiums to SAR 23.1 billion (USD 6.14 billion) by the end of 9M 2016. This was due to an increase in net written premiums for both vehicle and protection & savings insurance segments by approximately 8.4% and 0.7% YoY, respectively. Meanwhile, both health and general insurance segments tumbled 2.1% and 7.8% YoY respectively.

### NET EARNED PREMIUMS (NEP)

By the end of 9M 2016, net earned premiums nudged up 13.5% YoY to SAR 22.1 billion (USD 5.90 billion). Health insurance NEP rose 13.5% to SAR 13.7 billion (USD 3.65 billion). Vehicle insurance NEP mounted nearly 14.3% to reach SAR 7.2 billion (USD 1.9 billion). Furthermore, general insurance NEP increased only 6% to SAR 837 million (USD 223 million). Furthermore, saving and protection NEP jumped 13% hitting SAR 357 million (USD 95 million).

Gross Premiums Written per Segment (SAR million)

Net Claims Incurred per Segment (SAR million)



## Insurance Sector Overview (Cont.)

### NET CLAIMS INCURRED

The insurance sector registered a 10.5% YoY increase in net claims incurred posting SAR 16.9 billion (USD 4.51 billion) in 9M 2016 compared to SAR 15.3 billion (USD 4.08 billion) in 9M 2015. Health insurance and vehicle insurance claims contributed 63% and 35% of aggregate net claims incurred, respectively. Net claims incurred for health insurance came in at SAR 10.5 billion (USD 2.8 billion), a jump of 12.4% YoY. Net claims incurred for vehicle insurance rose nearly 8.5% YoY, to SAR 5.9 billion (USD 1.5 billion). Meantime, net claims incurred for general insurance turned down 9.2% YoY to reach SAR 245 million (USD 65 million) versus SAR 270 million (USD 72 million) in 9M 2015.

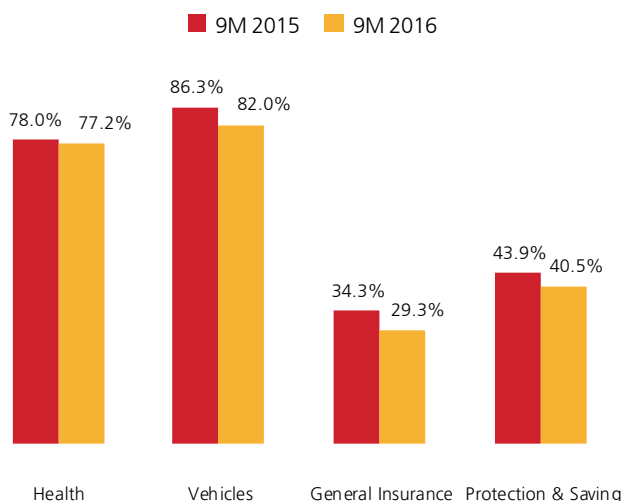
### RETENTION RATIO

The retention ratio grew slightly by 10 basis points, to 83.27% in 9M 2016 compared to the comparable figure of 83.17%. The positive contributions to the growth were the increase in the retention ratio for both health and general insurance, despite the large drop in vehicle insurance by about 611 basis points to be 86.4%. An increase in reinsurance options for vehicle insurance may be the major reason behind lower retention ratio in this segment.

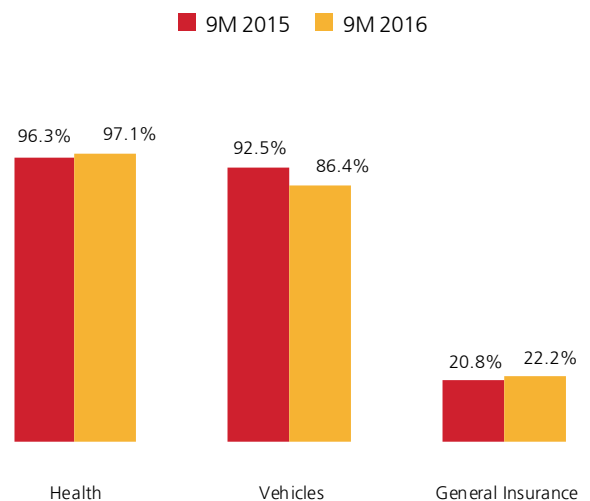
### CLAIMS RATIO

In 9M 2016, the claims ratio slumped 202 basis points to 76.35% versus 78.37% in the prior-year same period. Similarly, the expenses ratio decreased 64 basis points to 13.95% compared to 14.59% in 9M 2015. The drop in both ratios has led to a decline in the combined ratio, to 90.3% by the end of September 2016. This means that the sector's profitability improved from insurance operations. This is due to the decrease in claims ratio, as a result of the growth in premiums earned at a faster pace than the growth of net claims incurred.

Claims Ratio per Segment



Retention Ratio per Segment

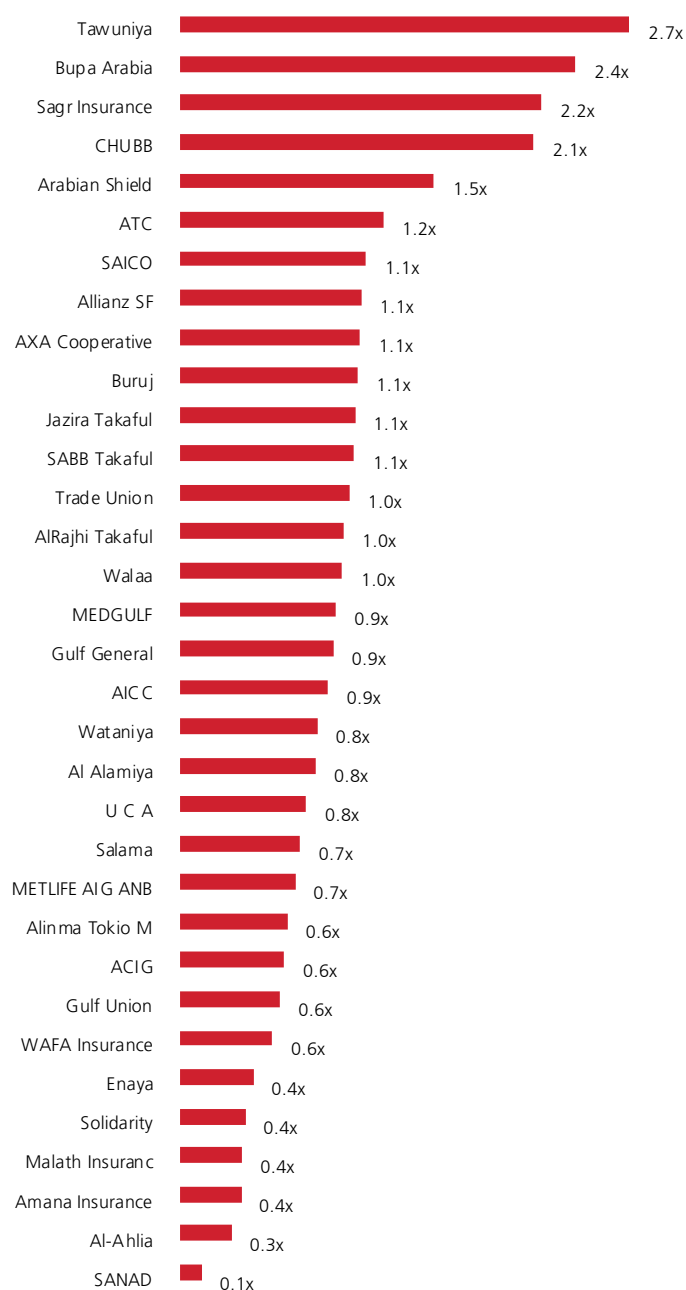


## Market Profitability Overview

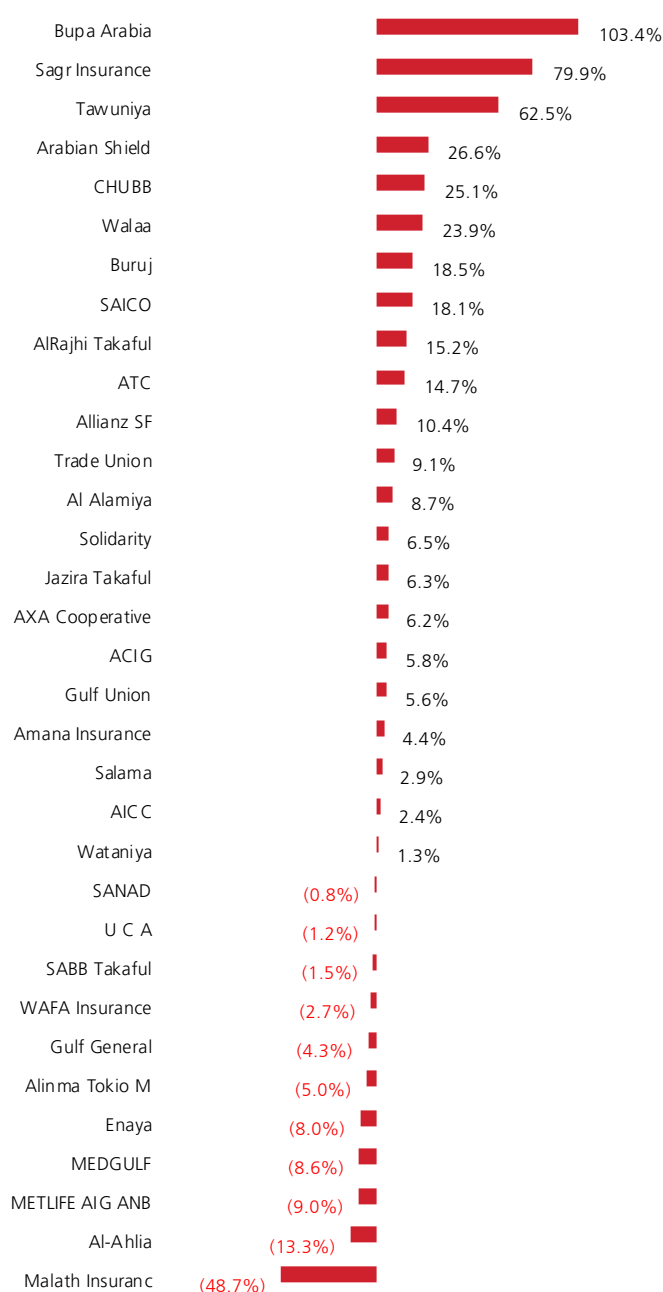
Consolidated profit of the insurers registered robust growth of 105% totaling SAR 1,550 million by the end of 9M 2016 compared to SAR 755 million in 9M 2015. The return on assets ratio was at 3.1%, an increase of 98 basis points over the same period of last year. While, the return on equity ratio has improved 369 basis points to 13.3% versus 9.6% in the comparable period.

By the end of 9M 2016, twenty-two insurers posted positive return on capital, while eleven recorded negative returns. However, the equity to capital ratio for thirteen companies stood above 1, while twenty companies were less than 1 in the same ratio, implying that two third of the insurance companies are suffered remarkable losses.

### Equity / Capital Ratio September 2016



### Return on Capital (LTM ending Q3 2016)



## Balance Sheet Overview

### Assets of insurance operations

The total assets of insurance operations grew 3.7% YoY by the end of 9M 2016, mainly driven due to a rise in investments as well as cash & cash equivalents. Investments climbed 7.6% YoY hitting SAR 10.3 billion, meantime cash & cash equivalents came in at SAR 7.7 billion, skyrocketing 15.3%. In addition, investments and cash & cash equivalents combined represented 44% of total policyholders' assets, up from 42% in 9M 2015. Yet, reinsurers' share of outstanding claims were down around 11% YoY, accounting for 13% of total insurance operations' assets.

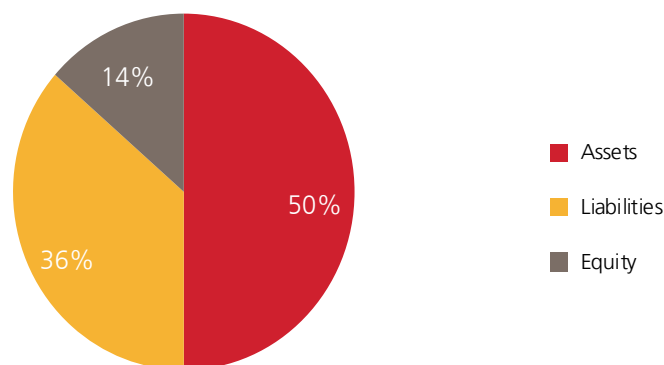
### Assets of shareholders

Shareholders' assets surged around 11.7% YoY, to a record SAR 14.9 billion in 9M 2016 versus SAR 13.3 billion in the comparable period, despite the sharp drop in cash and cash equivalents by approximately 10% YoY. Investments, furthermore, jumped nearly 30% YoY in the latest nine-month period, representing 57% of shareholders' assets.

### Liabilities

By the end of September, total liabilities\* rose 5.8% YoY to SAR 54.9 billion. Policyholders' liabilities increased 3.7% to SAR 40 billion, representing 73% of total liabilities. Meanwhile, shareholders' equity grew by 12.9% YoY, to seize a roughly 24% of total liabilities. Technical reserves increased slightly 1% to SAR 29.9 billion, representing 74.8% of total policyholders' liabilities.

Insurance Sector Balance Sheet Breakdown– September 2016



Important Indicators	9M 2015	9M 2016	Change
Return on Equity	9.6%	13.3%	3.7%
Return on Assets	2.1%	3.1%	1.0%
Net Earned Premiun to Equity	245.2%	238.3%	(6.8%)
Equity to Total Assets	22.3%	23.8%	1.5%
Return on Capital	9.7%	14.3%	4.5%

\* Total insurance operations' liabilities, surplus, and shareholders' liabilities and equity.

## Profitability Ratios

Company	Return on Equity		Return on Assets		Return on Capital Paid		GWP / Equity		Equity / Total Assets		Equity / Capital	
	9M 2015	9M 2016	9M 2015	9M 2016	9M 2015	9M 2016	9M 2015	9M 2016	9M 2015	9M 2016	9M 2015	9M 2016
Tawuniya	30.7%	25.1%	6.2%	5.5%	65.8%	62.5%	310.0%	314.6%	20.3%	23.7%	2.3x	2.7x
METLIFE AIG ANB	(28.3%)	(13.9%)	(9.3%)	(3.8%)	(18.2%)	(9.0%)	102.1%	106.7%	18.0%	34.4%	0.6x	0.7x
Jazira Takaful	3.4%	6.0%	2.9%	4.5%	3.5%	6.3%	17.8%	21.4%	80.5%	69.5%	1.0x	1.1x
Malath Insuranc	2.1%	(75.3%)	0.3%	(6.5%)	1.9%	(48.7%)	758.5%	1192.3%	13.7%	4.6%	0.9x	0.4x
MEDGULF	(7.2%)	(8.7%)	(1.3%)	(1.5%)	(7.9%)	(8.6%)	392.9%	324.0%	17.5%	18.2%	1.0x	0.9x
Allianz SF	12.2%	10.0%	1.4%	1.1%	11.3%	10.4%	436.5%	387.7%	11.3%	10.9%	1.0x	1.1x
Salama	2.6%	4.1%	0.7%	1.3%	1.6%	2.9%	361.1%	277.2%	34.9%	27.8%	0.7x	0.7x
Walaa	(33.0%)	26.9%	(7.7%)	7.0%	(28.7%)	23.9%	278.7%	247.7%	25.5%	26.3%	0.8x	1.0x
Arabian Shield	6.8%	18.9%	2.1%	5.4%	8.4%	26.6%	217.0%	237.1%	29.3%	28.5%	1.3x	1.5x
SABB Takaful	3.8%	(1.4%)	1.5%	(0.6%)	4.0%	(1.5%)	63.0%	59.0%	42.0%	42.8%	1.1x	1.1x
SANAD	(15.7%)	(5.7%)	(2.7%)	(1.3%)	(3.0%)	(0.8%)	7.2%	(1.3%)	22.3%	23.9%	0.2x	0.1x
SAICO	16.2%	17.4%	2.1%	3.4%	14.1%	18.1%	611.7%	304.2%	17.9%	21.0%	1.0x	1.1x
WAFA Insurance	(8.4%)	(4.8%)	(1.6%)	(0.9%)	(4.1%)	(2.7%)	586.6%	520.7%	22.2%	16.1%	0.6x	0.6x
Gulf Union	2.1%	9.8%	0.4%	2.4%	1.1%	5.6%	192.8%	180.3%	22.1%	27.4%	0.5x	0.6x
ATC	19.6%	12.4%	3.2%	2.0%	20.4%	14.7%	212.4%	182.8%	16.5%	16.5%	1.1x	1.2x
Al-Ahlia	(33.4%)	(36.0%)	(11.6%)	(9.0%)	(17.9%)	(13.3%)	160.6%	139.3%	27.6%	22.2%	0.4x	0.3x
ACIG	10.8%	9.5%	2.8%	2.0%	6.1%	5.8%	495.8%	440.0%	21.7%	21.2%	0.6x	0.6x
AICC	(4.5%)	3.3%	(0.5%)	0.7%	(2.1%)	2.4%	469.0%	180.1%	17.3%	26.1%	0.6x	0.9x
Trade Union	7.1%	9.3%	1.3%	1.6%	6.6%	9.1%	346.4%	355.1%	18.0%	16.9%	0.9x	1.0x
Sagr Insurance	11.3%	44.4%	4.0%	17.1%	15.4%	79.9%	192.7%	88.0%	32.3%	43.7%	1.4x	2.2x
U C A	(16.6%)	(1.6%)	(3.3%)	(0.3%)	(13.5%)	(1.2%)	401.6%	268.1%	21.5%	19.8%	0.8x	0.8x
Bupa Arabia	45.1%	36.6%	9.2%	8.7%	133.3%	103.4%	595.8%	469.6%	22.2%	25.0%	3.7x	2.4x
AlRajhi Takaful	13.9%	16.6%	2.1%	2.9%	10.2%	15.2%	549.5%	502.7%	18.8%	16.4%	0.8x	1.0x
CHUBB	7.0%	12.4%	2.0%	4.0%	12.9%	25.1%	146.8%	114.7%	27.9%	37.6%	1.9x	2.1x
AXA Cooperative	5.6%	5.8%	1.4%	1.6%	5.8%	6.2%	376.7%	245.8%	27.7%	28.2%	1.0x	1.1x
Gulf General	2.5%	(4.5%)	0.7%	(1.5%)	2.4%	(4.3%)	181.8%	143.7%	30.4%	35.5%	1.0x	0.9x
Buruj	17.5%	18.7%	4.4%	5.5%	14.2%	18.5%	246.4%	186.8%	30.0%	28.8%	0.9x	1.1x
Al Alamiya	11.1%	11.2%	1.9%	3.5%	7.0%	8.7%	214.8%	100.6%	24.8%	41.1%	0.7x	0.8x
Solidarity	(38.9%)	17.7%	(15.3%)	5.6%	(17.7%)	6.5%	113.5%	127.5%	27.8%	36.1%	0.3x	0.4x
Wataniya	17.8%	1.7%	1.7%	0.3%	11.5%	1.3%	809.8%	431.9%	9.9%	20.3%	0.7x	0.8x
Amana Insurance	(10.3%)	12.6%	(1.6%)	2.3%	(3.5%)	4.4%	339.1%	209.8%	15.7%	20.4%	0.3x	0.4x
Enaya	(25.1%)	(16.6%)	(18.3%)	(9.8%)	(15.0%)	(8.0%)	27.8%	51.0%	65.2%	53.1%	0.5x	0.4x
Alinma Tokio M	(16.3%)	(7.4%)	(8.8%)	(3.4%)	(10.4%)	(5.0%)	86.6%	111.1%	57.4%	36.9%	0.7x	0.6x

## Market Structure

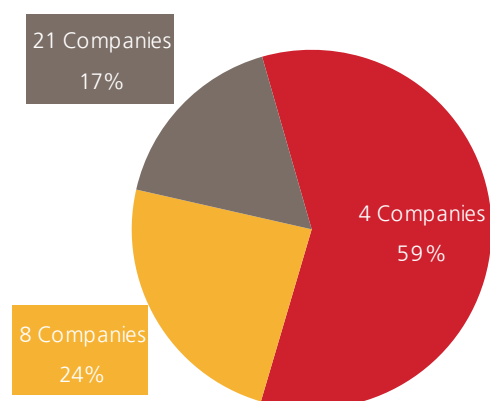
The insurance sector is still remarkably concentrated, as four companies seized 59% of the market. Bupa Arabia, Tawuniya, MEDGULF, and Malath Insurance hold market share of 24.5%, 18.1%, 9.4% and 7% in 9M 2016, respectively.

The market share of both Bupa Arabia and Tawuniya surged around 198 basis points and 87 basis points, respectively. However, eight companies have market shares between 2.1% and 5.3%, representing a total of 24%. On the other side, twenty-one companies collectively held nearly 17% of the market share with shares less than 2% each.

The high degree of concentration in the insurance market indicates a weak competition among insurance companies. We believe that this will encourage the regulators to provide incentives for mergers between the companies that will lead to achieve comparative advantages.

	Total Market Share	9M 2015	9M 2016	Change
1	Bupa Arabia	22.5%	24.5%	2.0%
2	Tawuniya	17.3%	18.1%	0.9%
3	MEDGULF	12.4%	9.4%	(2.9%)
4	Malath Insuranc	5.5%	7.0%	1.6%
5	AlRajhi Takaful	3.6%	5.3%	1.7%
6	AXA Coopera-tive	3.6%	3.7%	0.1%
7	Trade Union	2.5%	2.9%	0.4%
8	Walaa	2.3%	2.7%	0.4%
9	SAICO	2.8%	2.4%	(0.4%)
10	U C A	3.3%	2.4%	(0.9%)
11	Allianz SF	2.2%	2.2%	(0.0%)
12	Arabian Shield	1.7%	2.1%	0.5%
13	WAFA Insurance	1.3%	1.6%	0.3%
14	Wataniya	1.6%	1.6%	(0.0%)
15	ACIG	1.6%	1.5%	(0.1%)
16	Salama	1.1%	1.5%	0.4%
17	Buruj	1.2%	1.2%	0.0%
18	AICC	2.0%	1.2%	(0.8%)
19	ATC	1.1%	1.1%	(0.0%)
20	Alinma Tokio M	0.6%	1.0%	0.4%
21	Al Alamiya	1.1%	0.8%	(0.3%)
22	Gulf General	1.1%	0.8%	(0.3%)
23	Solidarity	0.9%	0.7%	(0.2%)
24	Gulf Union	0.6%	0.6%	0.0%
25	CHUBB	0.8%	0.6%	(0.1%)
26	METLIFE AIG ANB	0.4%	0.5%	0.1%
27	Al-Ahlia	0.8%	0.5%	(0.3%)
28	SABB Takaful	0.5%	0.5%	(0.0%)
29	Amana Insur-ance	1.2%	0.5%	(0.7%)
30	Sagr Insurance	2.2%	0.5%	(1.7%)
31	Enaya	0.2%	0.3%	0.1%
32	Jazira Takaful	0.2%	0.2%	0.0%
33	SANAD	0.0%	0.0%	(0.0%)

### Market Share Concentration of Insurance Companies - 9M 2016



Insurance Sector (SAR million)	9M 2015	9M 2016	Growth
Gross Premium Written	27,678	27,985	1.1%
Net Premium Written	22,787	23,051	1.2%
Net Premium Earned	19,507	22,132	13.5%
Net Claims Incurred	15,288	16,897	10.5%
Retention Ratio	83.2%	83.3%	0.1%
Claims Ratio	78.4%	76.3%	(2.0%)



## Market Structure

### Health Insurance

The health insurance is the largest insurance segment and accounted for 51% of the overall gross written premiums. This comes after the decrease in the health insurance gross written premiums by 2.8% YoY. Net written premiums turned down 2.1% to SAR 13.79 billion. Moreover, net earned premiums recorded SAR 13.70 billion, jumping 13.5% over the same period of last year.

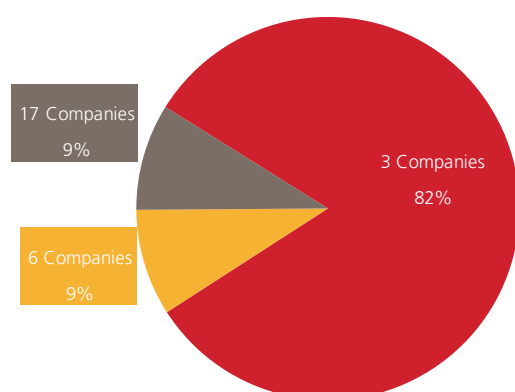
Meantime, net incurred claims grew 12.4% to SAR 10.5 billion versus SAR 9.4 billion in 9M 2015. The retention ratio advanced 75 basis points, to 97.1%. However, the claims ratio was down 79 basis points to 77.2% compared with 78% in 9M 2015, as a result of the growth in net premiums earned at a faster pace than the growth of net claims incurred.

The top three companies seized nearly 82% of the health insurance market share, while six companies captured 9%, and 17 companies shared the remaining 8% of the market (with shares less than 1% for each company).

The biggest change in the market share was the increase in Bupa Arabia by 564 bps, along with the decrease in Medgulf by 367 bps.

Health Insurance Market			
Share	9M 2015	9M 2016	Change
1 Bupa Arabia	42.6%	48.3%	5.6%
2 Tawuniya	19.7%	21.0%	1.2%
3 MEDGULF	16.7%	13.0%	(3.7%)
4 AXA Cooperative	2.1%	1.9%	(0.1%)
5 SAICO	2.2%	1.9%	(0.3%)
6 Arabian Shield	1.2%	1.6%	0.3%
7 Trade Union	0.3%	1.6%	1.3%
8 AlRajhi Takaful	1.2%	1.1%	(0.1%)
9 ACIG	1.0%	1.1%	0.0%
10 Walaa	0.3%	0.9%	0.6%
11 Solidarity	0.7%	0.9%	0.2%
12 AICC	1.5%	0.8%	(0.6%)
13 Buruj	0.4%	0.8%	0.4%
14 Enaya	0.4%	0.6%	0.2%
15 METLIFE AIG ANB	0.4%	0.6%	0.2%
16 Allianz SF	0.6%	0.6%	(0.0%)
17 Amana Insurance	1.9%	0.6%	(1.3%)
18 Wafa Insurance	0.8%	0.5%	(0.3%)
19 Malath Insuranc	0.5%	0.5%	(0.0%)
20 Al-Ahlia	0.4%	0.4%	(0.1%)
21 Sagr Insurance	3.5%	0.4%	(3.1%)
22 U C A	0.7%	0.3%	(0.3%)
23 Gulf Union	0.2%	0.3%	0.1%
24 Gulf General	0.4%	0.2%	(0.2%)
25 Salama	0.2%	0.2%	(0.0%)
26 Alinma Tokio M	0.0%	0.1%	0.1%

### Market Share Concentration of Health Insurance - 9M 2016



Health Insurance (SAR million)	9M 2015	9M 2016	Growth
Gross Premium Written	14,612	14,198	(2.8%)
Net Premium Written	14,078	13,786	(2.1%)
Net Premium Earned	12,069	13,699	13.5%
Net Claims Incurred	9,410	10,574	12.4%
Retention Ratio	96.3%	97.1%	0.8%
Claims Ratio	78.0%	77.2%	(0.8%)

## Market Structure

### Vehicle Insurance

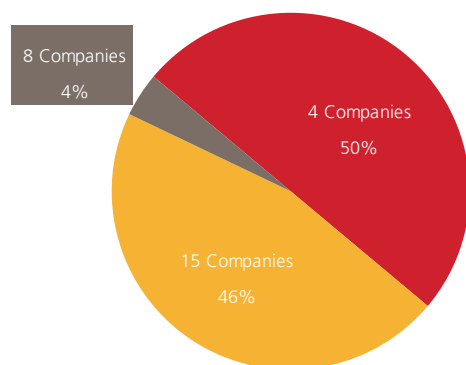
The vehicle insurance segment registered a 16% YoY increase in gross written premiums posting SAR 9.7 billion by the end of 9M 2016. In addition, net written premiums jumped 8.4% YoY to a record SAR 8.1 billion, while net earned premiums surged from SAR 6.3 billion to SAR 7.2 billion (up 14.3% YoY).

Meanwhile, the retention ratio dropped about 611 basis points to 86.4% compared with 92.5% at the end of 9M 2015. The claims ratio also trended 436 basis points lower to 82% versus 86.3% in 9M 2015.

In this type of insurance, the top four companies captured 50% of the market, followed by fifteen firms, which shared 46%. Eight insurers collectively accounted for the remaining 4% of the market.

The major change in the market share in vehicle insurance was the soaring share of both Al Rajhi Takaful and Malath Insurance by 410 and 276 bps respectively as well as the drop in U C A's share by 211 bps.

#### Market Share Concentration of Vehicle Insurance - 9M 2016



#### Vehicle Insurance Market Share

Share	9M 2015	9M 2016	Change
1 Malath Insuranc	16.1%	18.8%	2.8%
2 AlRajhi Takaful	8.6%	12.7%	4.1%
3 Tawuniya	11.1%	12.3%	1.2%
4 AXA Coopera-tive	6.2%	6.4%	0.2%
5 MEDGULF	7.2%	5.3%	(1.9%)
6 Trade Union	6.4%	5.1%	(1.3%)
7 Walaa	4.3%	4.6%	0.3%
8 U C A	6.6%	4.5%	(2.1%)
9 Salama	3.4%	4.0%	0.7%
10 WAFa Insurance	2.7%	3.7%	1.0%
11 Arabian Shield	2.3%	2.9%	0.6%
12 ACIG	3.1%	2.6%	(0.5%)
13 Wataniya	2.8%	2.4%	(0.4%)
14 Allianz SF	1.7%	2.2%	0.5%
15 SAICO	2.7%	1.9%	(0.7%)
16 Buruj	2.6%	1.9%	(0.7%)
17 Alinma Tokio M	0.9%	1.7%	0.8%
18 AICC	2.9%	1.6%	(1.2%)
19 Gulf General	1.4%	1.1%	(0.3%)
20 Al Alamiya	1.8%	0.8%	(1.0%)
21 Gulf Union	0.8%	0.8%	(0.1%)
22 CHUBB	0.8%	0.7%	(0.1%)
23 Al-Ahlia	1.7%	0.6%	(1.1%)
24 Amana Insur-ance	0.5%	0.5%	(0.0%)
25 Sagr Insurance	0.5%	0.4%	(0.1%)
26 Solidarity	1.1%	0.3%	(0.8%)
27 METLIFE AIG ANB	0.0%	0.1%	0.1%

Vehicle Insurance (SAR million)	9M 2015	9M 2016	Growth
Gross Premium Written	8,055	9,345	16.0%
Net Premium Written	7,454	8,077	8.4%
Net Premium Earned	6,336	7,239	14.3%
Net Claims Incurred	5,470	5,934	8.5%
Retention Ratio	92.5%	86.4%	(6.1%)
Claims Ratio	86.3%	82.0%	(4.4%)

## Market Structure

### General Insurance\*

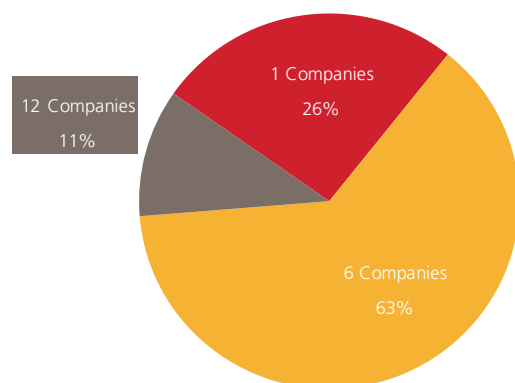
Gross written premiums for general insurance slumped 13.8% YoY, which was the worst decline witnessed in any insurance segment during the period. By the end of 9M 2016, gross written premiums amounted to SAR 3.7 billion. Net premiums written was down 7.8% YoY to reach SAR 822 million. Meanwhile, net claims incurred fell nearly 9.2% YoY coming in at SAR 245 million.

The retention ratio advanced 145 basis points by the end of September to 22.2%. However, the claims ratio have tightened significantly by 500 basis points to 29.3%.

Among twenty-eight companies provide general insurance, Tawuniya captured 26% of the market, while six companies together accounted for 63%, and twelve companies collectively shared the remaining 11% of the market share.

The increase of Tawuniyah share by 241 bps and the decline in the market share of MEDGULF and U C A by 148 and 122 bps respectively were the largest changes in 9M 2016.

### Market Share Concentration of General Insurance - 9M 2016



### General Insurance Market Share

Share	9M 2015	9M 2016	Change
1 Tawuniya	23.3%	25.7%	2.4%
2 MEDGULF	9.4%	7.9%	(1.5%)
3 SAICO	5.8%	6.3%	0.5%
4 U C A	6.7%	5.5%	(1.2%)
5 Allianz SF	5.8%	5.5%	(0.3%)
6 Walaa	5.5%	5.3%	(0.2%)
7 Wataniya	4.8%	5.1%	0.4%
8 AXA Cooperative	3.9%	3.9%	0.1%
9 Malath Insuranc	3.5%	3.9%	0.3%
10 Al Alamiya	3.5%	3.6%	0.2%
11 CHUBB	3.5%	3.0%	(0.5%)
12 Arabian Shield	2.2%	2.8%	0.6%
13 AlRajhi Takaful	2.6%	2.8%	0.2%
14 Trade Union	3.1%	2.7%	(0.4%)
15 Alinma Tokio M	1.8%	2.5%	0.7%
16 Gulf General	2.7%	2.2%	(0.4%)
17 Gulf Union	2.0%	1.9%	(0.1%)
18 AICC	2.5%	1.6%	(1.0%)
19 Buruj	1.2%	1.2%	(0.0%)
20 WAFA Insurance	0.7%	1.1%	0.4%
21 Sagr Insurance	1.1%	1.0%	(0.1%)
22 ACIG	1.0%	1.0%	(0.0%)
23 METLIFE AIG ANB	0.8%	1.0%	0.2%
24 Al-Ahlia	0.7%	0.8%	0.1%
25 SABB Takaful	0.4%	0.5%	0.1%
26 Salama	0.4%	0.4%	0.0%
27 Amana Insurance	0.2%	0.4%	0.2%
28 Solidarity	1.0%	0.3%	(0.7%)

### General Insurance (SAR million)

	9M 2015	9M 2016	Growth
Gross Premium Written	4,292	3,700	(13.8%)
Net Premium Written	891	822	(7.8%)
Net Premium Earned	788	837	6.3%
Net Claims Incurred	270	245	(9.2%)
Retention Ratio	20.8%	22.2%	1.4%
Claims Ratio	34.3%	29.3%	(5.0%)

\* Does not include vehicle insurance

## Market Structure

### Protection and Savings Insurance

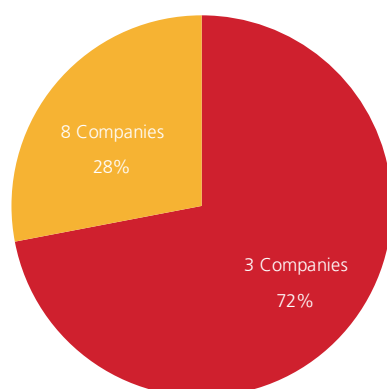
The share of protection and savings insurance is the lowest among all other insurance segments. Gross premiums written for this segment increased by 3.3% YoY to SAR 742 million by the end of 9M 2016. Simultaneously, net premiums earned heightened by 13.2% to reach SAR 357 million.

On the other side, net claims incurred increased 4.5% YoY to SAR 145 million. The claims ratio, however, dropped by 339 bps to 40.5% compared with 43.9% in 9M 2015, as a result of the growth in net premiums earned at a faster pace than the growth of net claims incurred.

The segment is consisted of 11 insurers. The top three companies held over 72% of the overall market, versus 28% for the rest of the protection and savings insurance companies. Furthermore, the largest change has occurred in the market share during the 9M 2016 was the rise of Solidarity by about 354 bps as well as the decline in the market share of Allianz SF and SABB Takaful by 275 and 236 bps respectively.

Protection & Savings Insurance Market Share	9M 2015	9M 2016	Change
1 ATC	41.0%	39.8%	(1.2%)
2 SABB Takaful	18.4%	16.0%	(2.4%)
3 Allianz SF	18.7%	16.0%	(2.8%)
4 Jazira Takaful	8.3%	9.1%	0.8%
5 Wataniya	3.3%	3.8%	0.5%
6 Solidarity	0.0%	3.5%	3.5%
7 Alinma Tokio M	2.1%	2.8%	0.6%
8 AlRajhi Takaful	0.9%	2.6%	1.7%
9 METLIFE AIG ANB	1.9%	2.4%	0.5%
10 AXA Cooperative	3.0%	2.3%	(0.7%)
11 Al Alamiya	2.4%	1.8%	(0.6%)

### Market Share Concentration of Protection and Saving - 9M 2016



Protection & Savings Insurance (SAR million)	9M 2015	9M 2016	Growth
Gross Premium Written	719	742	3.3%
Net Premium Written	364	366	0.7%
Net Premium Earned	315	357	13.2%
Net Claims Incurred	138	145	4.5%
Claims Ratio	43.9%	40.5%	(3.4%)

## Concentration of Insurance Segments per Company

The following table reflects the concentration of insurance activities for every company at the end of 9M 2016, which provides a signal for the sensitivity to the change in the distribution of its insurance portfolio.

Health insurance represented 100% in the cases of Bupa Arabia and Enaya. In the vehicle sector, Salama and Malath held the highest concentration with 91% and 89%, respectively. While, general Insurance represented 63% and 60% of the portfolio of CHUBB and Al Alamiya respectively. In protection and saving insurance, 100% of the operations of Jazira Takaful and Ahli Takaful focused on this type of insurance. At the same time, 8 companies concentrated on several segments.

Company	Health Insurance	Vehicle Insurance	General Insurance	Protection & Savings	Total
<b>Health Insurance</b>					
Bupa Arabia	100.00%	0.00%	0.00%	0.00%	100.00%
Enaya	100.00%	0.00%	0.00%	0.00%	100.00%
MEDGULF	69.90%	18.90%	11.10%	0.00%	100.00%
Solidarity	65.40%	14.40%	6.60%	13.60%	100.00%
Tawuniya	58.70%	22.60%	18.70%	0.00%	100.00%
Amana Insurance	58.00%	31.20%	10.80%	0.00%	100.00%
METLIFE AIG ANB	56.90%	6.90%	24.30%	11.90%	100.00%
<b>Vehicle Insurance</b>					
Salama	5.60%	90.80%	3.60%	0.00%	100.00%
Malath Insuranc	3.40%	89.30%	7.30%	0.00%	100.00%
AlRajhi Takaful	11.00%	80.70%	7.00%	1.30%	100.00%
WAFA Insurance	15.10%	76.20%	8.60%	0.00%	100.00%
U C A	7.10%	62.60%	30.30%	0.00%	100.00%
Trade Union	28.00%	59.50%	12.50%	0.00%	100.00%
AXA Cooperative	26.60%	57.70%	14.00%	1.60%	100.00%
Walaa	16.90%	57.10%	26.00%	0.00%	100.00%
Alinma Tokio M	2.60%	56.60%	33.50%	7.40%	100.00%
ACIG	35.90%	55.40%	8.80%	0.00%	100.00%
Buruj	33.20%	53.70%	13.10%	0.00%	100.00%
Wataniya	0.00%	51.20%	42.40%	6.40%	100.00%
<b>General Insurance</b>					
CHUBB	0.00%	36.70%	63.30%	0.00%	100.00%
Al Alamiya	0.70%	33.60%	59.90%	5.80%	100.00%
<b>Protection &amp; Savings</b>					
Jazira Takaful	0.00%	0.00%	0.00%	100.00%	100.00%
ATC	0.00%	0.00%	0.00%	100.00%	100.00%
SABB Takaful	0.00%	0.00%	13.60%	86.40%	100.00%
<b>Multi sector &amp; other</b>					
Allianz SF	13.50%	33.90%	33.20%	19.40%	100.00%
Sagr Insurance	40.70%	30.60%	28.70%	0.00%	100.00%
SAICO	39.50%	26.50%	34.00%	0.00%	100.00%
Al-Ahlia	39.10%	39.60%	21.40%	0.00%	100.00%
Arabian Shield	37.70%	44.80%	17.50%	0.00%	100.00%
AICC	36.30%	46.20%	17.50%	0.00%	100.00%
Gulf Union	21.90%	38.90%	39.20%	0.00%	100.00%
Gulf General	13.20%	48.30%	38.50%	0.00%	100.00%

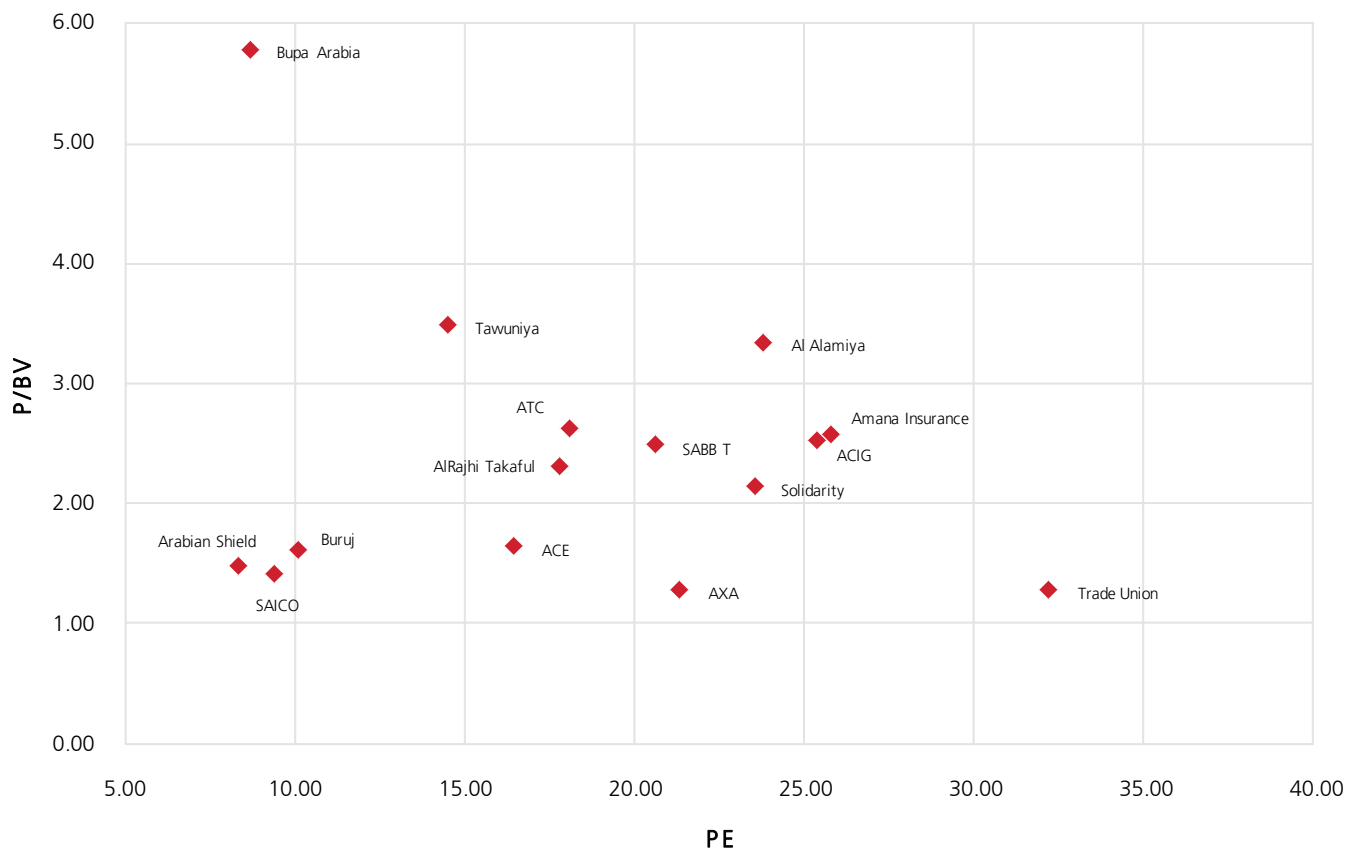
## Financial Indicators

Company	Closing Price (SAR)	Issued Shares (MN)	Free Floating Shares (MN)	Net Income 9M 2016 (MN)	Shareholders Equity (MN)	Market Cap.	12M EPS	PE	P/BV
Tawuniya	108.99	100.00	53.37	663.71	2730.53	10899.00	6.64	16.42	3.99
METLIFE AIG ANB	23.76	35.00	10.51	(23.44)	244.00	831.60	(0.67)	N/A	3.40
Jazira Takaful	27.82	35.00	10.50	23.67	371.36	973.70	0.68	41.14	2.62
Malath Insuranc	8.23	30.00	30.00	(146.77)	112.48	246.90	(4.89)	N/A	2.19
MEDGULF	25.45	100.00	36.50	(71.63)	945.32	2545.00	(0.72)	N/A	2.69
Allianz SF	29.04	20.00	7.00	26.46	219.77	580.80	1.32	21.95	2.64
Salama	11.38	25.00	17.50	7.31	182.39	284.50	0.29	38.92	1.55
Walaa	20.80	40.00	37.78	102.68	393.96	832.00	2.57	8.10	2.11
Arabian Shield	29.48	20.00	14.15	64.04	308.74	589.60	3.20	9.21	1.90
SABB Takaful	26.64	34.00	12.26	(0.64)	360.06	905.76	(0.02)	N/A	2.51
SAICO	17.09	25.00	17.30	45.24	282.96	427.25	1.81	9.44	1.50
WAFA Insurance	15.55	20.50	17.40	(3.00)	114.90	318.78	(0.15)	N/A	2.77
Gulf Union	10.71	22.00	14.97	14.56	133.19	235.62	0.66	16.18	1.76
ATC	35.63	16.67	7.42	29.55	205.74	593.81	1.77	20.10	2.88
Al-Ahlia	5.97	32.00	30.20	(41.44)	99.48	191.04	(1.30)	N/A	1.92
ACIG	13.78	20.00	12.00	13.05	126.61	275.60	0.65	21.12	2.17
AICC	10.62	26.50	17.36	10.17	238.00	281.43	0.38	27.67	1.18
Trade Union	14.53	27.50	18.35	34.12	282.06	399.58	1.24	11.71	1.41
Sagr Insurance	36.23	25.00	17.50	201.32	549.17	905.75	8.05	4.50	1.64
U C A	12.30	49.00	32.08	(0.60)	375.98	602.70	(0.01)	N/A	1.60
Saudi Re	5.94	100.00	89.80	20.13	768.18	594.00	0.20	29.51	0.77
Bupa Arabia	130.00	80.00	56.81	646.54	1921.05	10400.00	8.08	16.09	5.41
AlRajhi Takaful	34.12	40.00	18.40	60.96	396.80	1364.80	1.52	22.39	3.43
CHUBB	41.23	10.00	5.50	30.87	215.00	412.30	3.09	13.36	1.91
AXA Cooperative	14.54	45.00	21.50	37.67	492.10	654.30	0.84	17.37	1.32
Gulf General	14.35	20.00	13.00	(8.52)	185.93	287.00	(0.43)	N/A	1.54
Buruj	20.22	25.00	15.02	46.37	269.71	505.50	1.86	10.90	1.87
Al Alamiya	23.07	40.00	12.00	45.61	328.34	922.80	1.14	20.23	2.81
Solidarity	8.14	55.50	39.94	40.40	218.08	451.77	0.73	11.18	2.07
Wataniya	24.14	20.00	7.70	3.67	166.18	482.80	0.18	131.55	2.90
Amana Insurance	8.23	32.00	25.12	17.26	117.33	263.36	0.54	15.26	2.24
Enaya	15.12	20.00	14.05	(32.07)	176.63	302.40	(1.60)	N/A	1.71
Alinma Tokio M	17.23	45.00	14.53	(21.39)	292.47	775.35	(0.48)	N/A	2.65
Total		1275.67	775.55	1835.86	13824.50	41029.20	1.44	15.25	2.97

Closing prices of December 17, 2016.

## P/E and P/BV for Insurance Companies

In terms of profit, 22 companies in the insurance sector generated profits during the last four quarters, ending September 2016. The following figure reflects the valuation levels of these companies<sup>(1)</sup> based on P/E and P/BV<sup>(2)</sup>:



\* Excluding seven companies with very inflated multiples

\*\* Closing prices of December 17, 2016.

## Insurance Premiums Breakdown

SAR MN Company	GWP			NWP			NEP			Net Claims Incurred			Retention Ratio		Claims Ratio	
	9M 2015	9M 2016	G	9M 2015	9M 2016	G	9M 2015	9M 2016	G	9M 2015	9M 2016	G	9M 2015	9M 2016	9M 2015	9M 2016
Tawuniya	4,781	5,078	6.2%	4,014	4,383	9.2%	4,075	5,101	25.2%	3,010	3,804	26.4%	84.0%	86.3%	73.9%	74.6%
METLIFE AIG ANB	111	148	33.2%	68	99	45.6%	11	108	855.4%	9	91	861.9%	61.5%	67.2%	83.6%	84.1%
Jazira Takaful	59	67	13.0%	21	24	16.5%	16	21	29.4%	3	3	31.1%	35.2%	36.3%	16.0%	16.2%
Malath Insuranc	1,520	1,971	29.7%	1,310	1,309	(0.0%)	1,282	1,048	(18.3%)	1,075	1,164	8.3%	86.2%	66.4%	83.8%	111.0%
MEDGULF	3,418	2,636	(22.9%)	2,910	2,239	(23.1%)	2,610	2,261	(13.4%)	2,416	1,871	(22.5%)	85.1%	84.9%	92.6%	82.8%
Allianz SF	605	610	0.7%	344	397	15.7%	278	366	31.6%	198	284	43.2%	56.7%	65.2%	71.3%	77.6%
Salama	312	415	33.3%	293	394	34.6%	251	307	22.6%	206	238	15.6%	94.1%	95.0%	82.4%	77.6%
Walaa	624	753	20.6%	431	594	37.8%	310	447	44.3%	276	245	(11.0%)	69.0%	78.9%	89.0%	54.9%
Arabian Shield	460	598	29.9%	286	376	31.8%	247	279	13.0%	194	198	2.0%	62.1%	62.9%	78.8%	71.1%
SABB Takaful	149	137	(7.7%)	130	112	(13.3%)	100	120	19.4%	3	12	364.2%	86.9%	81.7%	2.6%	10.1%
SANAD	1	0	(97.0%)	(2)	(1)	(47.6%)	14	(1)	(105.1%)	11	6	(48.1%)			79.9%	(809.7%)
SAICO	778	682	(12.4%)	494	434	(12.1%)	471	386	(18.1%)	365	257	(29.5%)	63.5%	63.7%	77.5%	66.7%
WAFA Insurance	361	454	25.9%	286	388	35.9%	171	363	111.5%	137	246	79.1%	79.2%	85.5%	80.2%	67.9%
Gulf Union	178	181	2.0%	78	88	12.1%	97	69	(28.2%)	68	38	(44.2%)	44.1%	48.5%	70.8%	55.0%
ATC	295	295	0.2%	63	68	8.4%	56	58	4.2%	10	12	28.2%	21.2%	23.0%	17.0%	20.9%
Al-Ahlia	234	140	(40.3%)	217	126	(41.9%)	149	154	3.3%	111	113	1.9%	92.8%	90.3%	74.2%	73.3%
ACIG	444	431	(3.0%)	365	363	(0.4%)	269	320	18.7%	204	245	19.9%	82.2%	84.4%	75.8%	76.6%
AICC	556	328	(41.0%)	322	228	(29.2%)	313	253	(19.4%)	259	162	(37.6%)	57.9%	69.5%	82.7%	63.9%
Trade Union	687	798	16.2%	535	634	18.6%	413	567	37.2%	312	467	49.6%	77.9%	79.5%	75.5%	82.4%
Sagr Insurance	600	132	(78.0%)	544	75	(86.3%)	272	453	66.7%	175	196	11.5%	90.7%	56.7%	64.5%	43.1%
U C A	921	672	(27.0%)	669	269	(59.8%)	541	521	(3.6%)	424	375	(11.6%)	72.7%	40.0%	78.5%	72.0%
Bupa Arabia	6,228	6,852	10.0%	6,210	6,819	9.8%	4,928	5,685	15.4%	3,774	4,514	19.6%	99.7%	99.5%	76.6%	79.4%
AlRajhi Takaful	994	1,473	48.2%	902	1,397	54.9%	738	1,094	48.3%	567	904	59.5%	90.8%	94.8%	76.8%	82.6%
CHUBB	212	176	(17.2%)	102	93	(8.5%)	84	87	3.3%	51	41	(19.5%)	48.1%	53.2%	60.4%	47.1%
AXA Cooperative	990	1,038	4.9%	891	960	7.8%	743	783	5.3%	615	644	4.6%	90.0%	92.4%	82.8%	82.2%
Gulf General	294	215	(26.8%)	142	112	(21.4%)	125	110	(11.8%)	83	59	(29.3%)	48.3%	51.9%	66.5%	53.3%
Buruj	320	336	4.9%	270	295	9.4%	244	300	22.9%	175	185	6.1%	84.4%	88.0%	71.6%	61.8%
Al Alamiya	313	223	(28.6%)	192	114	(40.6%)	165	166	0.7%	91	79	(12.6%)	61.5%	51.2%	55.0%	47.7%
Solidarity	236	194	(17.9%)	167	169	1.1%	139	167	19.7%	138	72	(47.9%)	70.7%	87.1%	99.4%	43.2%
Wataniya	453	446	(1.6%)	207	223	7.9%	151	193	27.7%	113	133	18.3%	45.6%	50.1%	74.7%	69.2%
Amana Insurance	320	137	(57.1%)	245	100	(59.3%)	197	221	12.5%	178	148	(16.4%)	76.6%	72.6%	90.2%	67.0%
Enaya	62	89	44.2%	37	53	44.5%	15	42	171.3%	13	24	87.3%	59.7%	59.8%	84.5%	58.4%
Alinma Tokio M	163	280	71.8%	46	114	149.4%	32	85	167.3%	24	66	178.7%	28.1%	40.8%	73.8%	76.9%
<b>Total</b>	<b>27,678</b>	<b>27,985</b>	<b>1.1%</b>	<b>22,787</b>	<b>23,051</b>	<b>1.2%</b>	<b>19,507</b>	<b>22,132</b>	<b>13.5%</b>	<b>15,288</b>	<b>16,897</b>	<b>10.5%</b>	<b>10.5%</b>	<b>82.4%</b>	<b>78.4%</b>	<b>76.3%</b>

GWP: Gross Written Premium NWP: Net Written Premium NEP: Net Earned Premium



## Retention Ratio Breakdown - 9M 2016

Company	Health Insurance	Vehicle Insurance	General Insurance	Total
Tawuniya	99.2%	100.0%	29.5%	86.3%
METLIFE AIG ANB	97.0%	97.9%	7.4%	67.2%
Jazira Takaful				36.3%
Malath Insuranc	100.0%	69.9%	8.4%	66.4%
MEDGULF	99.9%	69.0%	17.9%	84.9%
Allianz SF	52.0%	99.0%	22.5%	65.2%
Salama	96.8%	97.8%	22.2%	95.0%
Walaa	100.0%	99.7%	19.4%	78.9%
Arabian Shield	100.0%	51.7%	11.8%	62.9%
SABB Takaful			20.9%	81.7%
SANAD	100.0%		(798.3%)	(5382.9%)
SAICO	88.0%	98.8%	8.0%	63.7%
WAFA Insurance	62.6%	98.8%	8.0%	85.5%
Gulf Union	76.9%	57.3%	23.9%	48.5%
ATC				23.0%
Al-Ahlia	95.4%	96.6%	69.4%	90.3%
ACIG	77.8%	97.9%	26.3%	84.4%
AICC	61.8%	95.5%	16.6%	69.5%
Trade Union	64.0%	98.1%	25.9%	79.5%
Sagr Insurance	61.3%	89.0%	15.6%	56.7%
U C A	94.5%	48.4%	9.9%	40.0%
Bupa Arabia	99.5%			99.5%
AlRajhi Takaful	100.6%	99.1%	40.6%	94.8%
CHUBB		97.8%	27.3%	53.2%
AXA Cooperative	99.4%	99.6%	52.4%	92.4%
Gulf General	46.1%	79.2%	19.6%	51.9%
Buruj	99.0%	96.7%	24.2%	88.0%
Al Alamiya	23.1%	97.9%	28.1%	51.2%
Solidarity	98.6%	96.0%	30.1%	87.1%
Wataniya		88.7%	8.7%	50.1%
Amana Insurance	100.3%	39.3%	20.1%	72.6%
Enaya	59.8%			59.8%
Alinma Tokio M	100.0%	59.0%	4.8%	40.8%
<b>Total</b>	<b>97.1%</b>	<b>82.0%</b>	<b>29.3%</b>	<b>76.3%</b>

## Financial Statement

Balance Sheet (SAR million)	9M 2015	9M 2016	Growth
<i>Policyholders' assets</i>			
Cash & cash equivalents	6,704	7,728	15.3%
Investments	9,547	10,269	7.6%
Receivables, net	8,884	9,288	4.5%
Reinsurers' share	6,062	5,393	(11.0%)
Other assets	7,398	7,359	(0.5%)
<b>Total policyholders' assets</b>	<b>38,595</b>	<b>40,037</b>	<b>3.7%</b>
<i>Shareholders assets</i>			
Cash and cash equivalents	4,780	4,294	(10.2%)
Investments	6,558	8,552	30.4%
Other assets	2,038	2,097	2.9%
<b>Total shareholders' assets</b>	<b>13,376</b>	<b>14,943</b>	<b>11.7%</b>
<b>Total assets</b>	<b>51,971</b>	<b>54,980</b>	<b>5.8%</b>
<i>Policyholders' (PH) liabilities</i>			
Gross outstanding claims	12,625	13,121	3.9%
Gross unearned premiums	17,010	16,816	(1.1%)
Other liabilities	8,960	10,100	12.7%
<b>Total policyholders' liabilities</b>	<b>38,595</b>	<b>40,037</b>	<b>3.7%</b>
<i>Shareholders' (SH) liabilities and equity</i>			
Shareholders' liabilities	1,786	1,862	4.2%
Share capital	11,217	11,757	4.8%
Total reserves and others	373	1,325	254.9%
<b>Total shareholders' liabilities and equity</b>	<b>13,376</b>	<b>14,943</b>	<b>11.7%</b>
<b>Total PH liabilities and SH liabilities &amp; equity</b>	<b>51,971</b>	<b>54,980</b>	<b>5.8%</b>
<b>Income Statement (SAR million)</b>			
	<b>2015-I3</b>	<b>2016-I3</b>	<b>Growth</b>
Gross premiums written	27,698	28,002	1.1%
Net premiums written	22,787	23,051	1.2%
Net premiums earned	19,507	22,132	13.5%
Gain (loss) on investments	279	462	65.3%
Gross claims paid	17,340	18,366	5.9%
Net claims incurred	15,265	16,886	10.6%
<b>Surplus (deficit) from insurance operations</b>	<b>882</b>	<b>1,844</b>	<b>109.1%</b>
Shareholder's appropriation from surplus (deficit)	751	1,641	118.5%
<b>Net income (loss) for the period</b>	<b>756</b>	<b>1,551</b>	<b>105.2%</b>

## Definitions

### Gross Premium written:

The total premiums on policies issued by an insurance company during a specific period of time regardless of what portions have been earned. Written premiums are the amount of premium charged for a policy that has already become effective.

### Net Premium written:

It is equal to gross premium written minus the amount the company allocated for reinsurance, as well as premium losses surplus.

### Net Premium Earned:

The amount of total premiums collected by an insurance company over a period that have been earned based on the ratio of the time passed on the policies to their effective life and adjusted to reinsurance. This pro-rated amount of paid-in-advance premiums have been "earned" and now belong to the insurer. It can be calculated as net premiums written minus changes in net premiums unearned.

### Net Claims Paid:

Total amount of paid liabilities for a policy over a given valuation period minus reinsurers share.

### Net Claims Incurred:

Net claims paid plus a reasonable estimate of unpaid liabilities. It is calculated by adding paid claims and unpaid claims minus the estimate of unpaid claims at the end of the prior valuation period.

### Retention Ratio:

Percentage of net premium written to gross premium written.

### Claims Ratio:

Claims owed as a percentage of net premium earned.

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