FAIR Review

Issue No. 204 (2025- Q2)

Market Overview of

Indonesia

Market Overview of

Uganda


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FAIR Review

FAIR in Brief

Federation of Afro-Asian Insurers & reinsurers "FAIR" is a priceless instrument and media for cooperation, and our responsibility is to make it more responsive, more effective and more dynamic. FAIR was established in September 1964, to promote cooperation among insurance and reinsurance companies in Africa and Asia, through the regular exchange of information, experience and the development of business relations.

Vision:

FAIR aims to become a driving force for international insurance cooperation by promoting collaboration and adoption of international standards.

Mission:

FAIR will lead the effort to achieve harmonization of insurance markets by promoting the adoption and implementation of international standards among members facilitating the sharing of information and expertise and enhancing cooperation to be of added value to members.

FAIR's added value is based on:

- Wide recognition of brand and name of FAIR on the world scene,
- A broad range of deliverable affecting the members' interests,
- Strong national membership base,
- Extensive networking at both international and regional levels,
- Building regional bases (hub) that provides a variety of shared resources and services to local member companies.

FAIR Review

The "FAIR Review" is published quarterly by the central office and circulated to over 6000 of FAIR's members & friends from various insurance markets. It is devoted to disseminate the research work, articles and information, to enhance professional knowledge among insurance professionals.

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Global Markets

• *Global Insurance Market Index Q1 2025*

Marsh's Q1 2025 Global Insurance Market Index reveals a continued decline in commercial insurance rates across all major regions, driven by increased insurer competition and favorable reinsurance pricing.

Below is a regional breakdown with direct links to detailed reports:

Global Overview

Global composite insurance rates increased by 1% in Q1 2025, indicating a continued moderation in rate changes.

Increased insurer competition drives declining rates

Global commercial insurance rates declined by 3% in the first quarter of 2025, the third consecutive decrease in the composite rate following seven years of increases, according to the Marsh Global Insurance Market Index.

A continuing increase in insurer competition was the main catalyst behind rate trends, which declined globally in every region and across all major product lines other than casualty.

The UK and the Pacific regions experienced the largest composite rate decreases, at -6% and -8%, respectively, while US rates declined 1%.

Many clients used the increasingly competitive environment to negotiate better terms, enhance coverage, and explore alternative risk transfer solutions such as self-insurance and captives.

Global product line trends, Q1 2025:

- Property rates declined by 6% globally, with rate movement varying by region. The US and Pacific regions experienced the largest decreases, at -9%; while the UK declined 6% and all other regions experienced low single-digit declines.
- Casualty rates increased 4% globally, led by an 8% increase in the US, driven largely by excess/umbrella rates. Other regions varied between 2% increases and 2% decreases.
- Financial and professional lines rates decreased 6% globally, declining in every region, including by 10% in the UK and Pacific.
- Cyber insurance rates declined 6%, with declines seen in every region, including 10% in Europe.

Europe

Insurance rates in Europe declined 1% in the first quarter of 2025.

Property rates decline, driven by insurer competition

Property insurance rates declined 1% amid greater insurer competition and ample capacity.

- Larger organizations generally experienced more favorable pricing compared to the middle market, despite increased appetite from insurers for middle market companies.
- Cyber clauses remained a key discussion point with underwriters.
- Ongoing economic and political pressures in major European countries negatively affected certain industries, leading to decreased business interruption (BI) values, particularly in the automotive sector.
- Long-term agreements (LTAs) were commonly available in most European markets as insurers prioritized retention and growth.

Casualty rates increase, US exposures remain a key factor

Casualty insurance rates increased 2%.

- Increases were driven by general liability clients with US exposure and shifts in workers' compensation/employers' liability in larger markets like Belgium and Italy.
- Most European organizations without US exposure renewed at flat rates due to increased competition and insurer growth targets.
- Coverage terms remained generally stable, though some exclusionary wording for biometric data was being introduced.

Financial and professional rates decline, particularly in excess layers

Financial and professional lines rates decreased 6%, with more significant reductions in excess layers compared to primary layers.

- Capacity in financial and professional lines exceeded demand, with capacity increasing from new entrants and incumbents alike.
- Approximately 80% of directors and officers (D&O) renewals benefited from rate decreases, with many large programs renewed under LTAs that included pre-agreed rate decreases.
- Crime insurance rates declined due to increased competition.
- The professional indemnity market remained fragmented, with overall rate decreases generally less than in D&O, and some small increases noted.
- Opportunities existed for renegotiating policy wording and innovating coverage, particularly in D&O and environmental, social, and governance (ESG) exposures.

Cyber insurance rates decrease on insurer competition

Cyber insurance rates decreased 10%.

- The middle market has become significantly more competitive due to increased capacity.
- Insurers have set high growth targets, and capacity per layer continued to increase.
- Clients trended toward purchasing higher limits as they benefitted from favorable market conditions.
- Restrictions often were eliminated, and insurers broadened coverage with additional industry-specific extensions and innovative solutions.
- New regulations, including the NIS2 Directive and the EU Digital Operational Resilience Act (DORA), are coming into effect, with the EU AI Act legislation progressing towards a 2026 effective date. Underwriters are focusing on vendor management and data collection practices.

UK insurance rates in Q1 2025

United Kingdom

UK rates decline overall, casualty increases. Insurance rates in the UK declined 6% in the first quarter of 2025.

UK property insurance rates decline; insurer capacity increases

Property rates decreased 6% as competition remained strong in a dynamic insurance market.

- Competition strengthened for high-risk trades where strong risk management practices can be demonstrated.
- Insurers pursued growth ambitions, focusing on new business, organic growth on existing placements, and retaining positions on current accounts.
- Discussions around cyber clauses remain a key topic among insurers.
- Long-term agreements (LTAs) were commonly available, often with built-in reductions in year two or three.
- Early access to markets remained a crucial advantage for clients, enabling them to strengthen their position in negotiations.

Casualty rates increase, driven by motor liability

Casualty insurance rates increased 1%; excluding motor liability, casualty rates decreased 5%.

- The motor insurance market experienced an 8% rate increase.
- Inconsistent approaches to renewals and new business were observed, with sectors like passenger transport and logistics facing regular increases, while private car and van fleets experienced significant competition.
  - Care inflation reached 25% due to provider shortages, impacting individual injury claims.
  - Car theft remained a concern.
  - Insurers emphasized the importance of maintaining accurate Motor Insurance Database (MID) records to avoid unwarranted claims exposure from disposed vehicles.
- In general liability and employer's liability, insurers focused on growth, creating an increasingly competitive environment, particularly for companies with minimal US exposure.
  - Insurers typically looked to include broader coverage options as a way to differentiate their offerings.
  - LTAs were commonly available.

Financial and professional lines rates decline

Financial and professional lines rates declined 10%.

- Directors and officers (D&O) liability rates declined between 5% and 10%.
- Capacity and competition remained abundant in the financial institutions (FI) market.
- Rate reductions in the crime insurance market slowed, nearing flat levels.

Cyber insurance rates continue to decline

Cyber insurance rates decreased 8%.

- In the first quarter, 78% of cyber clients received rate reductions as insurer competition increased.
- 26% of clients opted to add to their limits.

India, Middle East, and Africa

Insurance rates in the first quarter of 2025 decreased 4% in the IMEA region, where rates for large and complex organizations are often driven or influenced by the reinsurance market.

IMEA property rates decline

Property insurance rates decreased 4% as demand and competition increased.

- Catastrophe-exposed sectors and high-hazard industries with poor loss records — including chemical, food, waste, and recycling — faced capacity constraints and rate hikes of 10% to 25%.
- Regional insurers and multinational reinsurers typically looked to expand their property portfolios across IMEA for diversification, fostering competition and a decrease in rates in the first quarter, particularly in the Middle East and Africa.

Casualty insurance composite rate flat, underwriters scrutinize US exposures

Casualty insurance rates remained flat.

- Capacity-driven risks experienced rates from flat to increases of 5%, while non-complex, lower-capacity risks typically saw reductions ranging from 5% to 10%.
- Rates in India, the UAE, and South Africa were stable, while Saudi Arabia experienced rates from flat to decreases of 5%.
- US-based exposures significantly influenced insurer appetite and capacity deployment in the region.
- The introduction of new capacity, particularly in reinsurance, contributed to a competitive environment.

Financial and professional lines rates decline, vary regionally

Financial and professional lines rates declined 6%.

- Directors and officers (D&O) liability rates varied across the region: India remained flat, South Africa saw increases of 5% to 10%, and UAE and Saudi Arabia experienced decreases of 20% to 25%.
- Financial institutions (FI) in the Middle East saw rate reductions of 10% to 15%, supported by increased capacity from London and Dubai. In India, FI rates remained stable, with insurers reducing capacity or deploying lower limits.
- The professional indemnity (PI) market in India remained stable, South Africa experienced increases of 5% to 10%, and the Middle East experienced decreases of 15% to 20%.

Cyber insurance rates decline as capacity increases

Cyber insurance rates decreased 8%.

- The Middle East experienced declines of 15% to 20% and higher, India remained stable, and South Africa saw slight increases in the range of 5% to 10%.
- There was also an influx of new capacity, particularly in excess and primary layers.
- In the Middle East, increased capacity was driven by new entrants, competition among insurers, and aggressive pricing. Insurers in India and South Africa were more cautious.

Asia

Asia rates decline across major product lines. Insurance rates in Asia declined 3% in the first quarter of 2025.

Property insurance rates decline, interest in alternative solutions rises

Property insurance rates declined 3%.

- Insurers continued to exercise strict underwriting discipline — particularly for industries perceived as high risk, distressed businesses, and those impacted by losses — and emphasized the importance of accurate valuations.
- The involvement of international and wholesale markets has contributed to the competitive environment, leading to generally improved outcomes for clients across local, regional, and global insurance programs.
- There was an increase in the offering of long-term agreements (LTAs), which now frequently include provisions for rate reductions and low-claims bonuses.
- Clients actively reviewed deductibles and self-insurance options, resulting in a growing interest in alternative risk transfer solutions, such as parametric insurance and captive insurance.

Casualty rates decline, capacity stable

Casualty insurance rates declined 2%.

- Organizations without losses and those benefiting from competitive capacity in London markets typically experienced more significant rate decreases, ranging from 5% to 10%.
- Businesses with substantial US exposure faced rising rates, driven by increases for primary and umbrella coverage.
- Workers' compensation rates remained stable.
- Auto liability rates were generally stable, although increases of 5% to 10% were experienced in Japan and Thailand, indicating regional variations in risk assessments.
- Insurers adopted a diversified approach to underwriting risks associated with per- and polyfluoroalkyl substances (PFAS), with some applying broad exclusions while others opted for selective or partial exclusions.

Financial and professional lines rates decline

Financial and professional lines rates declined 8%.

- Limited activity in capital markets restricted new business opportunities for insurers, and increased competition for renewal business.
- Directors and officers (D&O) liability insurance rates were, again, a significant factor in overall rate changes, with average reductions ranging from 10% to 20% across the region.
- Professional indemnity (PI) and financial institutions (FI) rates moderated, with decreases ranging from 5% to 10%, reflecting the competitive market.

Cyber rates decline as capacity increases

Cyber insurance rates decreased 8%.

- The ongoing reduction in rates was driven by heightened insurer competition, fueled by new entries into the market and increased capacity from existing players.
- The severity and sophistication of ransomware attacks remained a significant concern for insurers, particularly around data encryption and business interruption.
- Insurers and reinsurers actively reviewed war and infrastructure exclusions.
- There was an increase in discussions surrounding physical damage coverage and "silent cyber," leading to the introduction of broader property damage offerings in the region.

Asia-Pacific

Pacific rates decline across all major lines Insurance rates in the Pacific region declined 8% in the first quarter of 2025.

Property rates decline for fourth consecutive quarter

Property insurance rates declined 9%.

- Property insurers actively sought new business and typically offered increased capacity on existing policies as competition continued into 2025.
- Incumbent underwriters primarily competed on price, with limited changes to retentions, limits, and coverages.
- Clients with larger limits were encouraged to request alternative retentions, limits, and program structures, generating greater competition for lead terms.
- Some clients are accepting long-term agreements (LTAs) for certainty on future rate movements.

Casualty rates decline as competition increases

Casualty insurance rates declined 2%, the second consecutive quarter of decline.

- Insurers competed on price, terms, and conditions as the market shifted to an increasingly competitive landscape.
- Larger accounts typically experienced significant improvements in terms.
- The approach to underwriting polyfluoroalkyl substances (PFAS) exposures continued to vary across territories and occupations.
- The challenging conditions in the US casualty market were reflected in Australian placements involving US-domiciled risks.

Financial and professional lines rates continue to decline

Financial and professional lines pricing decreased 10%.

- Rate decreases continued across most classes, but at a moderating pace compared to prior quarter.
- Rates for large directors and officers (D&O) liability programs have moderated from peak levels, allowing for retention adjustments.
  - Large D&O claims, such as shareholder class actions, remained.
  - Strong primary alternatives were generally available for large D&O programs.
- LTAs were commonly available.

Cyber insurance rates decline, capacity abundant

Cyber insurance rates decreased 8%.

- Rates trended down, albeit at a slower pace in the quarter.
- Claims notifications rose due to an increase in cyber incidents, with ransomware, extortion, and fraudulent funds transfers driving claims; long-tail liability claims impacted insurer loss ratios, particularly in the US.
- Insurers generally enhanced pre-loss offerings, with various risk management services available to policyholders in Australia and London.
- LTAs continued to be offered, with broad coverage remaining available.

US Insurance Market Rates

United States

Rates increased by 3%, consistent with the preceding quarter.

US property insurance rates decline on insurer competition

Property insurance rates declined 9%, driven by increased insurer competition and decreasing reinsurance costs.

- Insurers typically offered coverage enhancements to clients, including higher limits, revised definitions, and lower deductibles, seeking to avoid concessions on rates.
- Underwriting scrutiny of submission data typically decreased, though the broader economic environment may renew insurer focus on valuations.
- Clients with high loss activity and submissions viewed as lower quality by insurers generally faced less favorable renewals, although the environment remained more positive than in previous years.
- Insurer appetite increased in warehousing, food and beverage, and technical risk sectors.
- As organizations evaluated insurance costs, many considered self-insurance, captives, or alternative risk transfer as long-term solutions.

Casualty rate increases driven by auto liability and jury verdicts

Casualty insurance rates increased 8%; excluding workers' compensation, the increase was 12%.

- Workers' compensation continued to be the primary casualty line of interest for most insurers for reasons including strong historical profitability and stable performance; however, concerns continued regarding increasing reserves and rising medical costs.
- Auto liability continued to pose challenges for insurers due to larger jury verdicts nationwide and rising repair costs.
- General liability rates remained relatively stable, with average increases of approximately 2%.
  - Loss activity in certain industry classes — including real estate, hospitality, and public entities — drove larger increases.
  - Coverage restrictions continued to increase, including per- and polyfluoroalkyl substances (PFAS) exclusions, biometric restrictions, and cyber exclusions, with real estate and hospitality organizations seeing additional exclusions related to sexual abuse, human trafficking, and assault.
- In the umbrella and excess liability market, risk-adjusted rates increased 16% compared to 15% in the prior quarter.
  - Rates for lead umbrella programs with favorable loss experience and low-hazard exposure trended higher by 12% to 15%.
  - Clients with adverse loss development typically experienced changes to limits, attachments, coverage, and/or pricing, with rate increases exceeding 30%.
  - Insurers continued to reduce limits; four London insurers closed down in 2024 and new capacity has been limited. Some high excess insurers raised the minimum price per million to $10,000, affecting umbrella and excess tower pricing.
  - Insurers shifted away from concentrating capacity on single towers due to increased frequency of severe claims.
  - Concerns increased regarding adverse outcomes seen as tied to third-party litigation funding in the US court system.
  - Frequency and severity of auto liability claims increased across all business classes and vehicle types. Some insurers raised auto attachment points for fleets over 100 units, especially in higher risk states. Third-party hauling contributed to adverse auto liability loss development.
  - General and product liability claims showed higher sever-

ity trends. Premises exposures are leading to large verdicts, adding pressure to pricing programs already strained by auto and product liability issues.

- Certain insurers limited/excluded coverage for specific risks — such as PFAS and biometric data — increasing costs for clients.

Financial and professional lines rates continue to decline

Financial and professional lines rates decreased 3% for the fourth consecutive quarter.

• Directors and officers (D&O) liability rates declined 5%.

- Pricing for D&O continued to stabilize, with single digit decreases in both primary and total program rates; the gap between primary and excess layer pricing narrowed.

- Some insurers reduced participation in mid to high excess layers; some either opted out of renewals or reduced capacity. Drivers included heightened claims severity, rising litigation costs, and a more cautious underwriting approach.

• Fiduciary insurance rates declined 2%.

- Insurers faced uncertainty due to lawsuits, particularly excessive fee litigation involving retirement plans, health plans, and pharmacy benefit managers (PBMs). Two notable cases could significantly impact the fiduciary insurance market.

- Ongoing Employee Retirement Income Security Act (ERISA) 401(k) excessive fee litigation, along with increasing defense costs, settlements, and plaintiffs' fees, continued to drive insurer losses, particularly for improper investment claims.

- Insurers typically sought minimum retentions of $1 million to $10 million for larger plans, amid rapidly increasing defense costs and expert fees.

- Recent lawsuits regarding pension risk transfer and pension calculations prompted underwriters to renew their focus on defined benefit plans.

- New entrants offered lower retentions and often sought to participate on the D&O program as well as writing fiduciary.

• Errors and omissions (E&O) rates were flat while financial institution (FI) rates decreased 1%.

Cyber rates decrease as capacity increases

Cyber insurance rates decreased 4%, the eighth consecutive quarter of reductions.

• Cyber insurance capacity increased, with several new insurers and additional facilities joining the market. A capacity shortage is not expected in the near term.

• Clients used premium savings to purchase higher limits, reduce retentions, shorten waiting periods, and broaden coverage.

• The frequency of cyber events and claim notifications in 2024 highlights the growing complexity of cyber risks, where a single point of failure can impact thousands of organizations.

• Generative AI continued to emerge as a concern, with its ability to amplify existing cyber risks, leading to potential consequences including business interruptions from AI system failures, wire transfer fraud from hyper-realistic deepfakes, and inadvertent copyright infringements.

Latin America and the Caribbean

Insurance rates in the LAC region decreased 2% in the first quarter of 2025, the first decline in the composite since the third quarter of 2017.

Property insurance rates decrease

Property insurance rates declined 4%, driven by heightened competition.

- Rates declined 10% to 15% in Chile; Colombia saw similar trends for some medium-sized risks; Brazil experienced significant declines; and rates in Peru declined 5% to 10%.
- Underwriting caution remained for high-hazard accounts and those with poor loss records.
- Strikes, riots, and civil commotion (SRCC) insurance experienced rate reductions of up to 40%, driven by competitive pressures from the international market. Reductions were particularly significant in Chile, which influenced insurer pricing strategies across the region.

Casualty rates increase for 12th consecutive quarter

Casualty insurance rates increased by 2%, the twelfth consecutive quarter of increase.

- The composite increase was influenced by rising automobile rates in Mexico and general liability rates in Argentina, Brazil, and Puerto Rico.
- Local markets in many countries outside of Mexico, Argentina, Brazil, and Puerto Rico were significantly more competitive than international markets and offered ample capacity.
- Rate decreases of 5% to 10% were common for claims-free policies, especially in general third-party liability coverage.
- The auto insurance sector was increasingly competitive, offering discounts for low- and medium-loss ratio accounts, while high-loss accounts faced scrutiny.

Financial and professional lines rates decline

Financial and professional lines rates declined 6%, marking the sixth consecutive quarter of decline amid competition in regional and global markets.

- The directors and officers (D&O) liability market remained highly competitive. Renewals benefitted from increased capacity and competitive pricing, which facilitated negotiations on limits and coverages.
- Insurers were cautious about granting substantial rate reductions for perceived high-risk exposures, however continued to offer attractive rates to retain clients amid evolving market dynamics.

Cyber rates decline, limit increases common

Cyber insurance rates declined 6%.

- The largest reductions were observed in Mexico, Brazil, and Colombia, where rates fell between 8% and 10%.
- In markets like Peru, Chile, and Argentina, pricing reductions were generally lower.
- Insurers offered attractive rates, leading clients to increase coverage limits. Reductions of 30% to 45% were noted for buyers with exceptional cybersecurity controls.
- Major insurers were actively underwriting more risks, contributing to favorable renewal conditions and enhancing overall market capacity.
- Cyber renewals typically saw broader terms and the removal of ransomware-related restrictions. ■

Explore more

• *Navigating the Escalating Risk Trajectory:*
Q2 Special Report

Overview
From AI-driven cyber threats and billion-dollar climate events to sweeping regulatory changes and litigation shocks, today's insurance environment demands a new level of preparedness.

Drawing from Zywave's proprietary Loss Insight platform—featuring over 1 million historical loss events and more than $10 trillion in total loss value—this report provides a deep, data-driven analysis of the six dominant forces reshaping risk, along with actionable intelligence to protect your book of business.

- **Emerging Risks**

Understand the impact of AI, cyberattacks, climate change, and shifting social dynamics on modern insurance.

- **Causes of Loss**

See how tech failures, natural disasters, and operational breakdowns are driving loss frequency and severity.

- **Types of Loss**

Learn to address and transfer risk across tangible, intangible, and human-related categories.

- Changing Laws & Regulations

Stay ahead of evolving privacy, environmental, and AI-related regulations that are redefining compliance risk.

- **Litigation Trends**

Navigate a litigation landscape shaped by rising class actions, nuclear verdicts, and third-party litigation financing.

- **Costs of Loss**

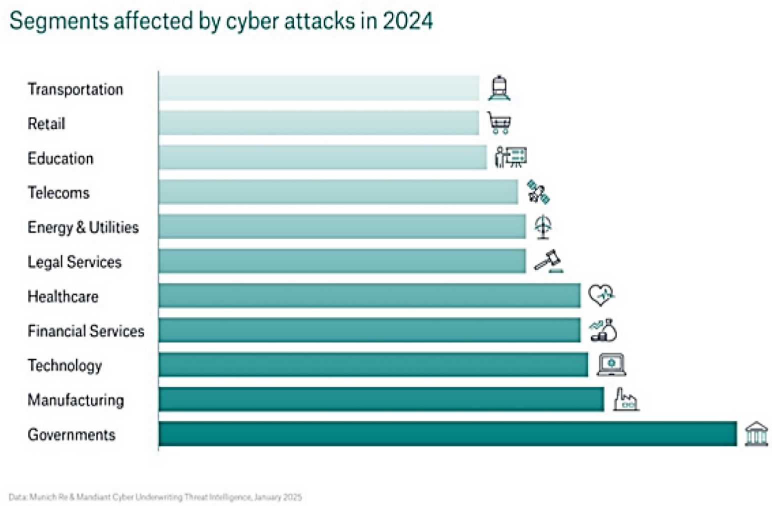
Discover how social inflation, reputational damage, and indirect costs are inflating premiums and reshaping coverage.

Risk isn't just evolving—it's accelerating. Get Zywave's Q2 Special Report, Navigating the Escalating Risk Trajectory, and equip yourself with the foresight and tools to prepare, survive, and thrive in this world of rising risks. ■

Clich Here to Read

• *Cyber Insurance Premiums Expected to Soar: Report*
The global cyber insurance market is projected to reach approximately $16.3 billion in premiums by 2025, according to a newly published report: "Cyber Insurance – Risks and Trends 2025" by Munich Re.

The market's continued growth is due to escalating cyber threats and increasing reliance on digital infrastructure.



Market growth could continue with Munich Re estimating it at $29 billion by 2027, more than doubling from 2023 levels.

Cyber threats have grown in scale and impact, according to the report, driving investment in cybersecurity options and insurance to control losses.

Four types of attacks make up the majority of losses:

1. Ransomware
2. Scams
3. Supply chain
4. Data breach

The government, manufacturing and technology sectors are particularly prone to cyber-attacks, according to the report.

Micro and small sized businesses are particularly vulnerable due to inadequate cybersecurity measures.

A separate survey conducted by Munich Re found that 87 percent of C-level respondents consider their organization's protection to be inadequate.

Ransomware was the leading cause of cyber attack and the manufacturing industry tended to be the top target. Healthcare ranked second.

The analysis found that business interruption (BI) accounted for the largest share of costs (51 percent) among all cost components.

BI risk due to cyber attacks is increasing across all sectors.

Data breaches remained high, with the average cost of a breach rising by 10 percent to an all-time high of $4.88 million.

Supply chain digital bottlenecks will continue to pose major risks from software compromise, managed service provider compromise or single service disruption, according to Munich Re.

The report found that artificial intelligence ranks as the biggest challenge for cyber security.

Nation-state cyber activities invite the potential for digital battlefields, misinformation and disinformation adding to cyber risk challenges.

Technological advances, such as quantum computing and robotics, will also play an increasingly important role in business operations in the future.

The global cyber insurance market totaled $15.3billion in 2024, corresponding to less than 1 percent of the global premium volume for P/C insurance in 2024.

Munich Re's experts expect the global premium volume to more than double by 2030, growing at an average annual growth rate of more than 10 percent.

"As digitalization advances, cyber protection against one of the biggest threats to economy and society is becoming more and more important," said Thomas Blunck, CEO Reinsurance. "And yet, a large number of organizations lack adequate safeguards and coverage. Munich Re strives to reach the still un- and underinsured, we aim to increase cyber resilience and progressively close a critical protection gap."

North America is the largest cyber insurance market with total premium of $10.6 billion and a 69 percent share of global premiums in 2024.

The report found that Europe's total premiums for 2024 were $3.3 billion, accounting for 21 percent of global premiums and showing a compound annual growth rate (CAGR) of 26 percent (2020-2024).

Europe and Asia/Oceania are expected to increase their share of the global market.

By 2027, Europe is expected to account for 24 insurance of global cyber insurance market premium and Asia/Oceania for 8 percent.

Cyber insurance is expected to remain one of the most rapidly growing sub-sectors of the global insurance market.

Large corporations account for the majority of premiums, while small and medium-sized enterprises (SMEs) continue to bear their cyber risks independently or lack sufficient awareness of the exposure to prompt them to buy adequate cyber insurance, the report added.

There continues to be a cyber insurance protection gap, offering an untapped potential for cyber insurance, largely due to pricing concerns, lack of product awareness and understanding, and insufficient scope of services. ■

Carrier Management

Source: Carrier Management – 11 April 2025

- ***Generative AI and evolving threats are reshaping the insurance industry***

Since the launch of Open AI's ChatGPT in 2022, the development and application of AI technology has accelerated exponentially. But while AI holds the obvious potential to revolutionize industries, including the insurance sector, it is also changing how cyber criminals attack and steal information, giving rise toa new generation of sophisticated threats that go far beyond traditional attack methods.

These include deep fake technology that can perfectly mimic voices and videos for deception, AI-powered malware that actively evades detection while targeting valuable data, and intelligent social engineering systems that create convincing fake profiles by analyzing online behavior patterns. Additionally, AI has revolutionized traditional attack vectors like password cracking and distributed denial-of-service (DDoS) attacks by making them more precise and effective, with systems that can intelligently identify vulnerabilities and optimize attack timing for maximum impact.

On the flip slide, the same AI technology is also being used to protect computers, devices and networks. More than two-thirds of businesses are now using AI for cybersecurity, which can help to spot and stop cyberattacks faster than ever before. One industry projection indicates that cybersecurity AI spending will reach $46.3 billion by 2027, while others indicate this total could rise to more than triple that amount in the coming years.

As the digital risk landscape continues to evolve, the strategic integration of AI will become fundamental to providing effective risk management solutions and maintaining a competitive advantage in the cyber insurance market. This transformation marks a crucial inflection point where the synergy between AI, cybersecurity, and insurance will define the future of risk protection in our increasingly interconnected digital ecosystem. Adapting insurance products and services

AI's ongoing evolution, and the subsequent changes in the risk landscape, are projected to play a major role in the expected doubling in size of the cyber insurance market in the next few years to close to $30 billion, but AI is also expected to transform the insurance industry in many ways, the report notes.

For example, AI-powered data analysis allows for more accurate risk profiling and real-time risk assessment. Predictive modeling for emerging AI-related risks will enhance underwriting processes. AI-powered automation can streamline claims processing, enabling faster and more accurate assessments, while AI will also enhance fraud detection by quickly identifying patterns and inconsistencies in claims - studies already show a 40%+ improvement in early fraudulent claim detection.

However, as AI technologies progress, insurance companies will also need to adapt their products and services in the future to meet new challenges and customer needs. The report also highlights several ways in which this could happen, including traditional cyber insurance being expanded to explicitly cover AI-specific threats like deepfake attacks or AI-powered social engineering. New types of insurance policies are being developed to cover liabilities arising from AI system errors or unexpected behaviors; and an increase in more granular, usage-based insurance products tailored to specific, short-term risks.

AI will also spur innovation in risk mitigation services and tools, helping to shift the focus of insurance from reactive compensation to proactive risk mitigation. AI systems can analyze vast amounts of data to identify patterns and predict potential issues before they occur, enabling insurers to help prevent losses rather than just paying claims after the event.Industry preparedness and response

Ultimately, preparedness for AI-driven transformation is a work in progress. Collaborative efforts and information sharing are crucial to addressing the complex nature of AI-related risks. Industry consortiums, public-private partnerships, and cross-industry collaboration are essential for developing effective responses.

The regulatory landscape surrounding AI in insurance is complex and rapidly evolving, presenting significant compliance challenges. Businesses and their insurers must navigate emerging AI regulations, data protection and privacy concerns, and algorithmic fairness to ensure compliance and ethical AI practices, the report concludes. ■

Source: Digital Insurance (digitalinsurance.com) - 25 April 2025

• *Best's Review Explores the AI Race in the Insurance Industry*

The May issue of Best's Review examines AI developments in the insurance industry:

'Insurance Industry Embraces AI Innovation as Technology Advances 'Exponentially'' looks at how insurers have welcomed artificial intelligence to help customers and better understand risk.

'Regulating the Bleeding Edge: Laws Progressing To Keep Pace With AI's Technological Advancements' explores how different states are implementing guidelines surrounding insurance carriers' use of AI.

'Atradius Exec: 'Black Box' Concerns Slow AI Adoption in Insurance Sector' explains why, despite a massive appetite to explore and implement AI, little action has been taken with it.

'CyberCube's Millaire: AI To Create Trillions of Dollars in New Economic Activity' features an interview about how AI will present transformational opportunities for cyber insurers to provide new products and services.
'Harvard Fellow: AI Impact Will Trigger an Overhaul of Insurers' Risk Frameworks' explains how AI will be used in insurance and how humans need to evolve with the development of generative AI.

Also included:

'Swiss Re's Sprackling: Medical Advances Reshape Mortality Trends, Risk Strategies' explores how breakthroughs in personalized medicine, metabolic health and early disease detection are transforming longevity expectations and underwriting in the insurance industry.

'Members of the International Group of PI Clubs - 2025 Edition' ranks companies by 2023 gross premiums written.
Best's Review is AM Best's monthly insurance magazine, covering emerging issues and trends and evaluating their impact on the marketplace. Access to the complete content of Best's Review is available here. ■

Source: M2 PressWIRE – 8 May 2025

The Landscape of Microinsurance 2024

The Landscape of Microinsurance 2024 sheds light on the microinsurance sector that is growing and evolving to meet the urgent protection needs of vulnerable populations. This unique benchmark report reveals that the number of people covered by the reported products has increased by 70% over the past three years, reaching 344 million across 37 countries in three regions. For the year 2023, these products generated USD 6.2 billion in written premiums.

However, despite this strong growth, 9 out of 10 people globally remain unprotected from rising risks, including climate change, health crises, and economic shocks. The report's findings provide critical insights for policymakers, insurers, donors, and development agencies focused on increasing financial protection for low-income populations and calls for urgent action to close the protection gap. ■

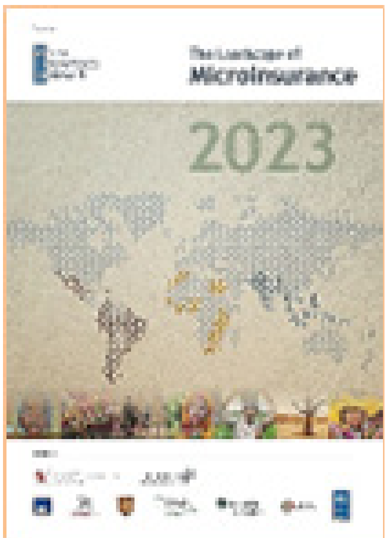
The report is available in four languages and can be downloaded from the links in the following order: English | French | Spanish & Arabic

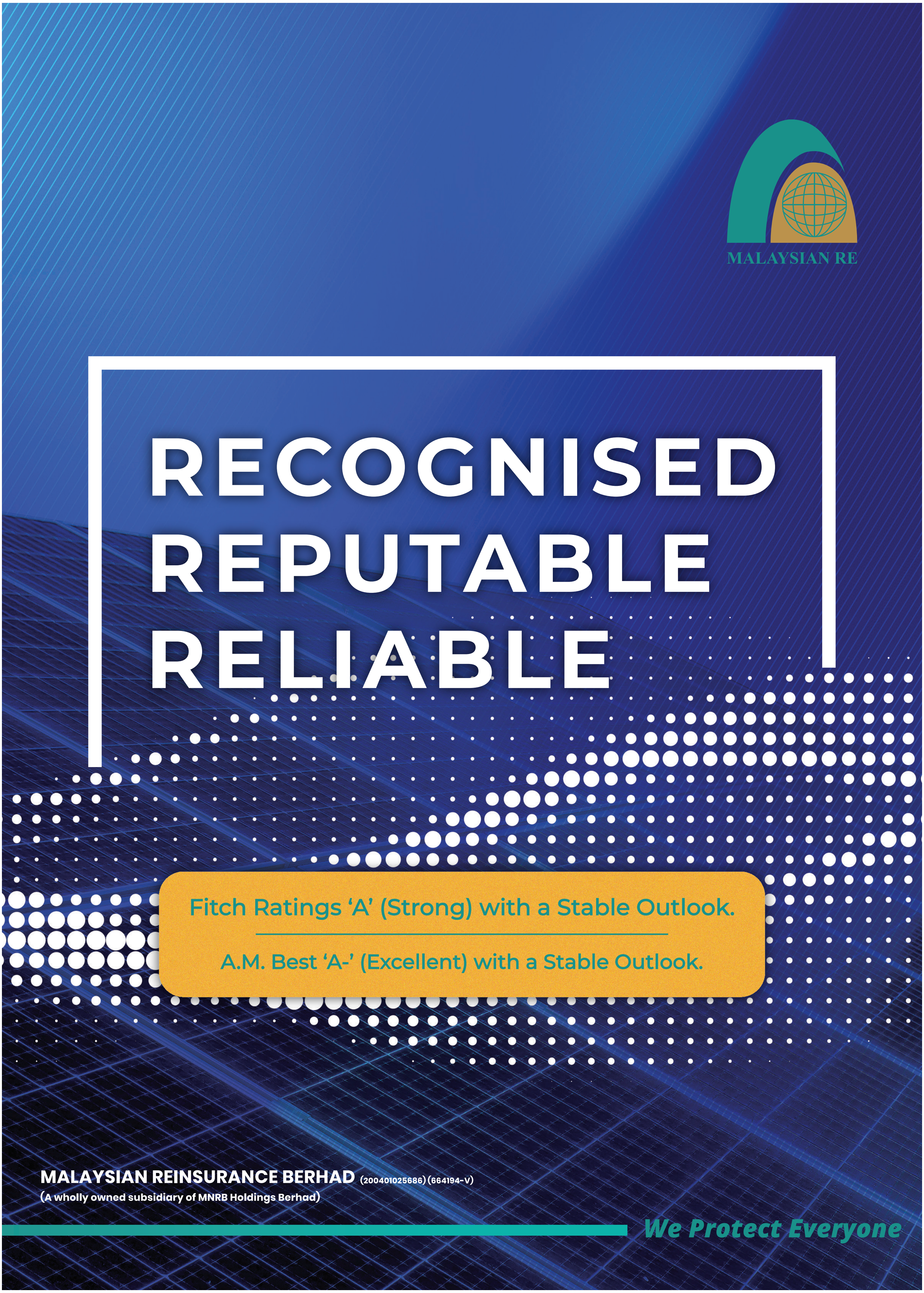
The Landscape of Microinsurance 2023

Mounting global risks, ranging from climate crisis to food insecurity and social instability, make the study an indispensable resource for understanding and addressing the evolving landscape of risk mitigation. By tracking the uptake of inclusive insurance products and services based on data from 2022, the report sheds light on emerging trends aimed at closing the protection gap for vulnerable populations worldwide.

The 2023 Study, drawing on extensive primary research, encompasses insights from 294 insurers covering 1,040 products across diverse sectors, including health, life, agriculture, and property. These products extended coverage to an estimated 330 million individuals in 36 countries across Africa, Asia, Latin America, and the Caribbean, reflecting the breadth and depth of microinsurance's reach. The total number of people reached by participating insurance providers represents up to 11.5% of the population that could benefit from microinsurance, highlighting a significant 88.5% protection gap. ■

The report is available languages English | French | Arabic

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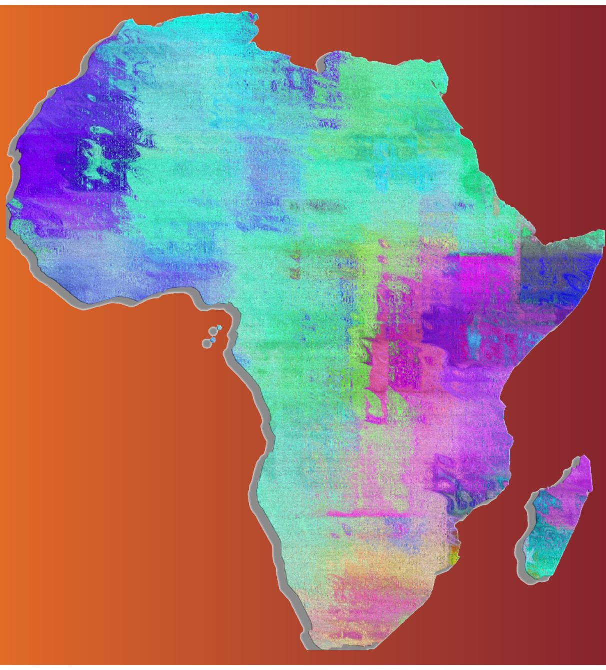


• *The African Insurance Market*

In 2023, the African insurance market reported a total premium volume of 63.5 billion USD.

Broken down by line of business, life insurance accounted for 42.9 billion USD, representing a market share of 67.5%.

Non-life premiums amounted to 20.6 billion USD, or 32.5% of the total market.

Insurance premiums: 2019 - 2023

In billions USD

Year	Life	Non-life	Total
2023	42.975	20.588	63.563
2022	45.56	21.757	67.317
2021	51.315	22.875	74.19
2020	41.829	20.052	61.881
2019	46.204	22.951	68.155

Source: Sigma

African insurance market key indicators in 2023

Indicator	In %
Africa's share of the global insurance market	**0,88%**
Life insurance share	1,48%
Non-life insurance share	0,47%
Global penetration rate	**3,50%**
Life penetration rate	2,40%
Non-life penetration rate	1,10%
Global density	**46 USD**
Life insurance density	31 USD
Non-life insurance density	15 USD

Source: Sigma

Characteristics of the African insurance market

The African insurance market remains largely dominated by South Africa, which has established itself as the continent's leading player. In 2023, the country generated a premium volume of 43.354 billion USD, accounting for 68.2% of the continent's premium income.

This dominant position is attributed to several factors, including a solid financial infrastructure and a mature insurance system, which enable South Africa to play a central role as a regional economic hub

Top 10 African insurance markets: premium evolution (2019-2023)

In millions USD

Country	2019	2020	2021	2022	2023
South Africa	46 420	40 636	51 215	45 832	43 354
Morocco	4 628	5 029	5 330	5 236	5 519
Egypt	2 099	2 474	3 021	3 321	2 550
Kenya	2 229	2 120	2 424	2 494	2 287
Algeria	1 208	1 037	1 038	1 210	1 190
Nigeria	1 393	1 213	1 582	1 619	1 114
Tunisia	862	949	983	1 014	1 078
Côte d'Ivoire	671	685	806	680	755
Namibia	1305	788	867	921	973
Ghana	610	759	789	596	673
Top 10	**61 425**	**55 690**	**68 055**	**62 923**	**59 493**
Rest of the market	**6 730**	**6 191**	**6 135**	**4 394**	**4 070**
Total Africa	**68 155**	**61 881**	**74 190**	**67 317**	**63 563**

Source: Atlas Magazine and Sigma

Evolution of the main African insurance markets: 2019-2023

The top ten African countries alone account for 93.6% of the continent's written premiums.

As already mentioned, the market is largely dominated by South Africa, which over the past five years has maintained a written premium percentage of around 68.2%.

Morocco, the continent's second-largest market, is growing strongly, with its market share rising from 6.8% in 2019 to 8.7% in 2023

Market shares: 2019-2023

Country	2019	2020	2021	2022	2023
South Africa	68.10%	65.70%	69.00%	68.10%	68.20%
Morocco	6.80%	8.10%	7.20%	7.80%	8.70%
Egypt	3.10%	4.00%	4.10%	4.90%	4.00%
Kenya	3.30%	3.40%	3.30%	3.70%	3.60%
Algeria	1.80%	1.70%	1.40%	1.80%	1.90%
Nigeria	2.00%	2.00%	2.10%	2.40%	1.70%
Tunisia	1.20%	1.50%	1.30%	1.50%	1.70%
Côte d'Ivoire	1.00%	1.10%	1.10%	1.00%	1.20%
Namibia	1.90%	1.30%	1.20%	1.40%	1.50%
Ghana	0.90%	1.20%	1.00%	0.90%	1.10%
Top 10	90.10%	90.00%	91.70%	93.50%	93.60%
Rest of the market	9.90%	10.00%	8.30%	6.50%	6.40%
Total Africa	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Atlas Magazine and Sigma

Evolution of insurance premiums in Africa in local currency and in USD: 2019-2023

The depreciation of African currencies against the US dollar is taking a heavy toll on African insurers. While many markets and insurance companies are experiencing strong growth, the lack of competitiveness of their economies is totally undermining their efforts, turning their gains into losses.

In local currency terms, all top 10 countries are reporting steadily rising premium income for the period 2019-2023. However, when these same premiums are expressed in dollars, the figures show significant losses over the same period.

For example, in a single year, from 2022 to 2023, Egypt posted a 32% increase in premiums in local currency, while recording a 23% loss when the same receipts were expressed in US dollars.

The case of Nigeria is even more telling. From 2022 to 2023, in a single year, the Naira, the national currency, lost 50.22% of its value against the dollar. This loss of value of the national currency inevitably translates into a loss of premium income expressed in dollars.

Consequently, from 2022 to 2023, Nigeria had recorded a 38% increase in premiums in local currency, which will turn into a 31% loss when premiums are recorded in US dollars

Insurance premiums in Africa: evolution in local currencies

Country	Local currency	Δ 2019-2020	Δ 2020-2021	Δ 2021-2022	Δ 2022-2023	Δ 2019-2023
South Africa	ZAR	-1%	11%	2%	7%	19%
Morocco	MAD	1%	11%	9%	5%	27%
Egypt	EGP	14%	18%	18%	32%	111%
Kenya	KES	2%	19%	12%	17%	59%
Algeria	DZD	-5%	5%	8%	6%	15%
Nigeria	NGN	9%	23%	15%	38%	112%
Tunisia	TND	6%	10%	12%	8%	43%
Côte d'Ivoire	FCFA	6%	12%	11%	16%	53%
Namibia	NAD	-15%	13%	3%	19%	17%
Ghana	GHS	28%	8%	27%	31%	131%

Insurance premiums in Africa: evolution in USD

Country	Δ 2019-2020	Δ 2020-2021	Δ 2021-2022	Δ 2022-2023	Δ 2019-2023
South Africa	-12%	26%	-11%	-5%	-7%
Morocco	9%	6%	-2%	5%	19%
Egypt	18%	22%	10%	-23%	21%
Kenya	-5%	14%	3%	-8%	3%
Algeria	-14%	0%	17%	-2%	-1%
Nigeria	-13%	30%	2%	-31%	-20%
Tunisia	10%	4%	3%	6%	25%
Côte d'Ivoire	2%	18%	-16%	11%	13%
Namibia	-40%	10%	6%	6%	-25%
Ghana	24%	4%	-24%	13%	10%
Top 10	**-9%**	**22%**	**-8%**	**-5%**	**-3%**
Rest of the market	**-8%**	**-1%**	**-28%**	**-7%**	**-40%**
Total Afrique	**-9%**	**20%**	**-9%**	**-6%**	**-7%**

Insurance premiums in Africa: evolution by life and non-life business (2022-2023)

In millions USD

Country	2022			2023		
	Life	Non-life	Total	Life	Non-life	Total
South Africa	36 863	8 969	45 832	34 834	8 520	43 354
Morocco	2 422	2 814	5 236	2 551	2 968	5 519
Egypt	1 670	1 651	3 321	1 245	1 305	2 550
Kenya	1 134	1 360	2 494	1 076	1 211	2 287
Algeria	114	1 096	1 210	130	1 060	1 190
Nigeria	689	930	1 619	431	683	1 114
Tunisia	288	726	1 014	299	779	1 078
Côte d'Ivoire	373	307	680	417	338	755
Namibia	673	248	921	733	240	973
Ghana	296	300	596	320	353	673
Top 10	**44 522**	**18 401**	**62 923**	**42 036**	**17 457**	**59 493**
Rest of the market	**1 038**	**3 356**	**4 394**	**939**	**3 131**	**4 070**
Total Africa	**45 560**	**21 757**	**67 317**	**42 975**	**20 588**	**63 563**

Source: Atlas Magazine – 25 May 22025

ALGERIA

• *Algerian Insurance Market in 2024*

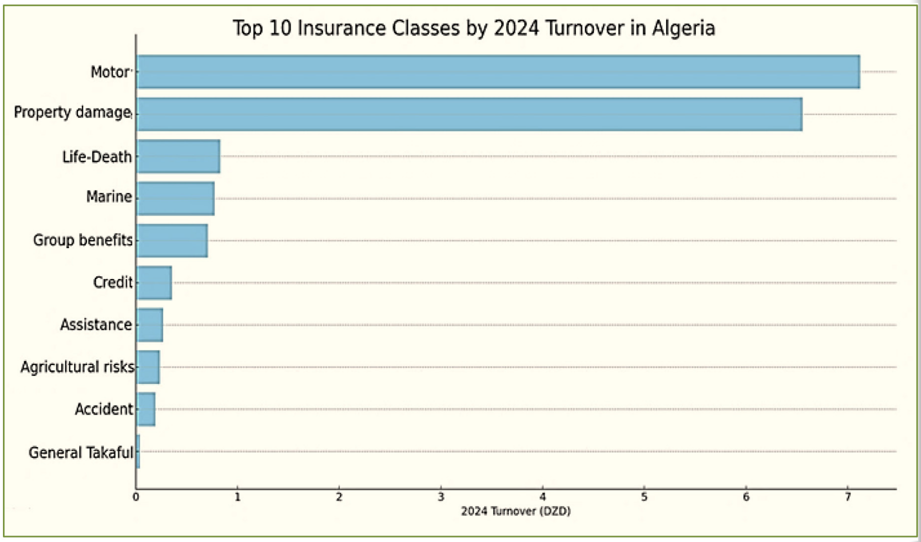
In millions

Class of business	2024 turnover		2023 turnover		2023-2024 evolution[1]	2024 shares
	DZD	USD	DZD	USD		
Non-life insurance						
Motor	71 202 131	521 200	66 403 627	492 715	7.23%	41.58%
Property damage	65 534 716	479 714	66 056 886	490 142	-0.79%	38.27%
Marine	7 756 915	56 781	8 483 940	62 951	-8.57%	4.53%
Credit	3 556 082	26 031	3 275 581	24 305	8.56%	2.08%
Agricultural risks	2 356 609	17 250	2 005 066	14 878	17.53%	1.38%
Total	**150 406 453**	**1 100 976**	**146 225 100**	**1 084 991**	**2.86%**	**87.83%**
Life insurance						
Life-Death	8 296 999	60 734	7 955 789	59 032	4.29%	4.85%
Group benefits	7 085 474	51 866	7 097 959	52 667	-0.18%	4.14%
Assistance	2 684 380	19 650	2 387 789	17 717	12.42%	1.57%
Accident	1 928 017	14 113	1 908 890	14 164	1.00%	1.13%
Health	87 563	641	106 103	787	-17.47%	0.05%
Capitalization	3 183	23	6 046	45	-47.35%	0.00%
Total	**20 085 616**	**147 027**	**19 462 576**	**144 412**	**3.20%**	**11.73%**
Takaful insurance						
General Takaful	402 543	2 947	129 642	962	210.50%	0.24%
Family Takaful	346 767	2 538	85 171	632	307.14%	0.20%
Total	**749 310**	**5 485**	**214 813**	**1 594**	**248.82%**	**0.44%**
Grand total	**171 241 379**	**1 253 488**	**165 902 489**	**1 230 997**	**3.22%**	**100.00%**

Source: Conseil National des Assurances (CNA)

[1] Growth rate in local currency | Exchange rate: 31/12/2024 : 1DZD = 0,00742 USD ; 31/12/2023 : 1DZD = 0.00742 USD

Key Insights:



1.Dominant Sectors:

- Motor insurance leads the market with a turnover of over 71 billion DZD, accounting for 41.58% of total turnover.
- Property damage follows closely with 65.5 billion DZD and 38.27% share.

2.High Growth Areas:

- Family Takaful saw the highest growth at 307.14%, albeit from a smaller base.
- General Takaful also grew significantly by 210.50%.
- Agricultural risks insurance posted a healthy growth of 17.53%.

3.Declining Segments:

- Health insurance experienced the steepest drop at -17.47%.
- Marine insurance also declined by -8.57%, reflecting potential shifts in trade or shipping activity.

4.Life Insurance Share: Total life insurance contributes 11.73%, with Life-Death and Group benefits being the major segments.

5.Takaful Insurance: Although still a small segment (0.44% share), it's rapidly expanding, indicating growing interest in Sharia-compliant products

EGYPT

• *Egyptian Insurance Market Grows by 31.1% in 2023/2024*

Strong Premium Growth and Higher Claims Mark a Dynamic Year for the Sector

The Egyptian insurance market witnessed robust growth in 2023/2024, with total gross written premiums reaching approximately EGP 88.8 billion (EGP 88,797.1 million), up from EGP 67.5 billion (EGP 67,518.6 million) in 2022/2023. This marks an impressive increase of roughly EGP 21.3 billion, representing a growth rate of more than 31.1%.

According to official data, Egypt's insurance sector comprises 40 active companies — 23 focusing on Property & Liability and 17 specializing in Life & Capital Formation lines.

Market Share Changes and State-Owned Insurers

State-owned insurers under the Sovereign Fund of Egypt (specifically Misr Insurance and Misr Life Insurance) accounted for a combined market share of 30.4% in 2023/2024, down from 31.3% the prior year — a loss of roughly 0.9 percentage points. Their total direct premiums increased to EGP 27 billion in 2023/2024, compared with EGP 21.1 billion in 2022/2023 — an increase of roughly EGP 5.9 billion.

This shift was largely due to a significant drop in Misr Life Insurance's market share (around 5.5%), which Misr Insurance could not offset despite its gain of approximately 2.7%.

Property & Liability Claims Up 54.2%

In the Property & Liability sector, total claims surged to over EGP 18.9 billion in 2023/2024, compared to EGP 12.3 billion the previous year, representing an increase of roughly EGP 6.6 billion (or 54.2%).

•**Fire Claims**: Fire-related claim payments rose sharply by 90.3% year-on-year, reaching approximately EGP 1.53 billion in 2023/2024, up from roughly EGP 804 million in 2022/2023. This increase of over EGP 726 million highlights the rising risk environment for fire insurance in Egypt.

•**Medical Claims**: Medical claim payments also surged, rising by roughly 51.2%. In 2023/2024, insurers paid approximately EGP 8.58 billion in medical claims, compared with roughly EGP 5.68 billion in 2022/2023 — an increase of roughly EGP 2.9 billion.

Medical insurance, along with Motor and Fire, continues to be a cornerstone for insurers due to its role in generating cash flow, supporting investment activities, and boosting overall profitability.

Future Outlook

The significant growth in premiums, combined with the sharp rise in claim payments across key lines such as Property and Medical, underscores both the resilience and challenges of the Egyptian insurance market. As the sector expands, insurers and stakeholders will focus on prudent risk management, sustainable pricing, and operational efficiency to drive long-term growth.■

Source: Local Press – June 2025

• *Insurance federation cites areas of focus to promote agricultural insurance*

The Federation of Egyptian Insurance Companies (FEIC), has named several pillars for expanding agricultural insurance coverage in Egypt, particularly among small farmers.
Product design

These pillars include developing insurance products specifically designed to suit the nature of agricultural risks and local production cycles, in addition to using digital technology in designing and distributing insurance policies, assessing damages, and disbursing compensation quickly and efficiently. The FEIC said this in a recent newsletter.

Financial support

The Federation explained that it is necessary to provide financial support or joint financing mechanisms to reduce the cost burden on farmers and ensure their inclusion in the insurance system. It also calls for strengthening insurance awareness programmes to educate farmers on the importance of insurance in achieving financial stability and ensuring continued production.

Databases

The Federation recommended the creation of databases and risk assessment models to improve underwriting processes and product design.

Cooperation

The FEIC pointed out that enhancing agricultural insurance is a national priority that requires integrated efforts between government agencies, insurance companies, and those involved in the agricultural sector.

Risk management

It emphasised that the sustainability of insurance systems does not depend solely on financial support, but also requires instilling a culture of risk management among farmers. To promote agricultural insurance, the Federation has organised several seminars on agricultural insurance, including a workshop titled "Agricultural Insurance and Climate Change" under the auspices of the African Reinsurance Company, as well as a training seminar in cooperation with the Moroccan Central Reinsurance Company Academy. ■

Global Data Point (Source: Agriculture Monitor Worldwide) - 28 April 2025

KENYA

- ***Non-Life Insurance Companies Competitive Landscape 2024***

Figures in thousands

Non life companies	2024 turnover		2023 turnover		2023-2024 evolution (1)	2024 shares
	KES	USD	KES	USD		
Old Mutual General	18 389 021	141 044	16 680 145	105 585	10.24%	4.65%
APA	18 030 999	138 298	17 308 839	109 565	4.17%	4.56%
Britam General	17 633 353	135 248	15 694 733	99 348	12.35%	4.46%
GA	17 008 587	130 456	15 557 597	98 480	9.33%	4.30%
CIC General	16 930 548	129 857	16 009 182	101 338	5.76%	4.28%
Jubilee Health	13 937 945	106 904	11 811 950	74 770	18.00%	3.53%
AAR	10 957 139	84 041	9 558 333	60 504	14.63%	2.77%
ICEA LION General	9 143 199	70 128	8 721 389	55 206	4.84%	2.31%
Madison	8 531 077	65 433	8 292 489	52 491	2.88%	2.16%
Mayfair	8 502 316	65 213	7 200 723	45 581	18.08%	2.15%
The Heritage	8 328 964	63 883	7 488 860	47 404	11.22%	2.11%
First	6 145 270	47 134	5 672 533	35 907	8.33%	1.55%
Geminia	6 131 428	47 028	6 238 585	39 490	-1.72%	1.55%
Fidelity Shield	4 085 109	31 333	3 578 909	22 654	14.14%	1.03%
NCBA (Ex.AIG)	3 551 010	27 236	3 360 770	21 274	5.66%	0.90%
Directline	3 421 152	26 240	4 865 225	30 797	-29.68%	0.87%
African Merchant	3 374 896	25 885	1 723 316	10 909	95.84%	0.85%
Sanlam	3 050 908	23 400	2 756 111	17 446	10.70%	0.77%
Pacis	3 025 045	23 202	2 703 626	17 114	11.89%	0.77%
Intra-Africa	2 752 299	21 110	2 413 898	15 280	14.02%	0.70%
Kenindia	2 392 316	18 349	1 821 765	11 532	31.32%	0.61%
Star Discover	2 279 709	17 485	249 869	1 582	812.36%	0.58%
Tausi	2 223 317	17 053	2 091 812	13 241	6.29%	0.56%
The Kenyan Alliance	2 174 249	16 676	2 070 131	13 104	5.03%	0.55%
MUA	2 122 521	16 280	2 784 717	17 627	-23.78%	0.54%
Cannon General	2 100 157	16 108	1 586 410	10 042	32.38%	0.53%
Occidental	2 063 967	15 831	2 745 147	17 377	-24.81%	0.52%
Pioneer	1 917 255	14 705	1 595 570	10 100	20.16%	0.48%
Kenya Orient	1 468 533	11 264	1 637 579	10 366	-10.32%	0.37%
The Monarch	1 100 041	8 437	384 254	2 432	186.28%	0.28%
Takaful Ins. of Africa	958 924	7 355	878 159	5 559	9.20%	0.24%
Corporate Ins. Co.	139 977	1 074	288 692	1 827	-51.51%	0.04%
Turaco Micro	130 674	1 002	-	-	-	0.03%
Star Discover Micro	102 770	788	120 171	761	-14.48%	0.03%
Jubilee Allianz General	-	-	4 711 346	29 823	-	-
Invesco	-	-	735 893	4 658	-	-
Non-life total	**204 104 675**	**1 565 483**	**191 338 728**	**1 211 174**	**6.67%**	**51.63%**

(1) Growth rate in local currency

Exchange rate: as of 12/31/2024: 1 KES = 0.00767 USD | as of 12/31/2023: 1 KES = 0.00633 USD

Source: Atlas Magazine – 16 June 2025

Market Analysis

1. Market Overview

- 2024 Total Turnover: KES 204.10 billion
- 2023 Total Turnover: KES 191.34 billion
- Overall Market Growth: +6.67% in KES terms
- USD Equivalent Turnover:
  - o 2024: USD 1.565 billion
  - o 2023: USD 1.211 billion

The market experienced moderate growth, reflecting either a genuine increase in policy volumes or inflation-linked premium adjustments. The increase in USD is also influenced by KES appreciation during the period

2. Top Companies by Turnover (2024)

Rank	Company	2024 Turnover (KES)	Market Share
1	Old Mutual General	18.39B	4.65%
2	APA	18.03B	4.56%
3	Britam General	17.63B	4.46%
4	GA	17.01B	4.30%
5	CIC General	16.93B	4.28%

The top 5 firms control just 22.25% of the market, reflecting a highly fragmented industry.

3. Top Growth Companies (KES Turnover Growth 2023–2024)

Rank	Company	Growth Rate (%)	Market Share
1	Star Discover	**812.36%**	0.58%
2	The Monarch	**186.28%**	0.28%
3	African Merchant	**95.84%**	0.85%
4	Cannon General	**32.38%**	0.53%
5	Kenindia	**31.32%**	0.61%

These companies are likely new entrants, tech-driven, or recently recapitalized.

4. Major Declines

Company	Growth Rate (%)	Comment
Corporate Ins. Co.	**-51.51%**	**Significant drop in premiums**
Directline	**-29.68%**	**Operational or regulatory concerns**
Occidental	**-24.81%**	**Potential market retreat**
MUA	**-23.78%**	**Strategic shift or regional pullout**
Star Discover Micro	**-14.48%**	**Reduced uptake in micro segment**

These are potential watchlist or exit-risk firms.

5. Market Quadrant Analysis

Quadrant	Characteristics	Examples
Leaders	High market share & high growth	Jubilee Health, AAR
Established Giants	High share, moderate growth	Old Mutual, APA, Britam
Rising Challengers	Low share, high growth	Star Discover, Monarch, Cannon
Struggling/Declining	Low share, negative or flat growth	Directline, MUA, Occidental

6. Currency Dynamics

- The KES appreciated from 0.00633 to 0.00767 USD.
- This inflates USD turnover without necessarily reflecting operational growth.
- Real growth in local currency is more accurate for insurer performance benchmarking.

7. Strategic Insights

1. **No Dominant Player**: The market lacks a player with >5% share.
2. **Consolidation Potential**: Over 30 insurers fight for <65% of the market.
3. **Tech-Driven Growth**: Firms like Star Discover are scaling rapidly — likely leveraging digital models.
4. **Niche Growth Areas**:
   - o Microinsurance (e.g., Turaco Micro)
   - o Faith-based insurance (e.g., Takaful Ins. of Africa)
   - o SME-focused startups
5. **Exit or Acquisition Targets**: Poorly performing firms may face regulatory pressure or become acquisition targets.

8. Data Gaps / Anomalies

- Missing 2024 Turnover: Jubilee Allianz General, Invesco — likely M&A or reporting lags.
- Some growth figures may reflect base effects (e.g., very low 2023 revenue).

Summary

Metric	Value
Total 2024 Turnover	KES 204.10 billion
2023–2024 Market Growth	+6.67% (KES)
Market Share of Top 5 Firms	22.25%
Fastest Growing Company	Star Discover (+812.36%)
Company with Largest Decline	Corporate Ins. Co. (-51.51%)

MOROCCO

• Insurance market grows to $6bn in GWP in 2024

Gross written premiums (GWP) of Moroccan insurance and reinsurance companies reached MAD59.7bn ($6bn) in 2024, growing by 5.3% from the preceding year, according to preliminary data released by the Supervisory Authority of Insurance and Social Welfare (ACAPS).

GWP in the life insurance branch grew by 5.1% to MAD27.2bn (accounting for almost 46% of the market premium income), while non-life business grew by 5.5% to MAD32.5m (54% of the overall GWP).

Saving and pension premiums reached MAD22bn in 2024, registering a 6.7% increase over the preceding year and commanding nearly 81% of the overall life insurance business. Life protection premiums increased by 3.7% to MAD3.5bn, whereas unit-linked products saw a jump of over 31% to MAD1.65bn.

As for non-life business, motor insurance reached MAD15.3bn in 2024, up by 6.2% from the past year and accounting for around 47% of the overall non-life insurance market.

The second largest non-life line of business was personal accidents, including health insurance, as it generated GWP of MAD5.6bn, up by 4.9% from the previous year.

Source: Middle East Insurance Review | Apr 2025

• Moroccan insurance market: Q1 2025 results

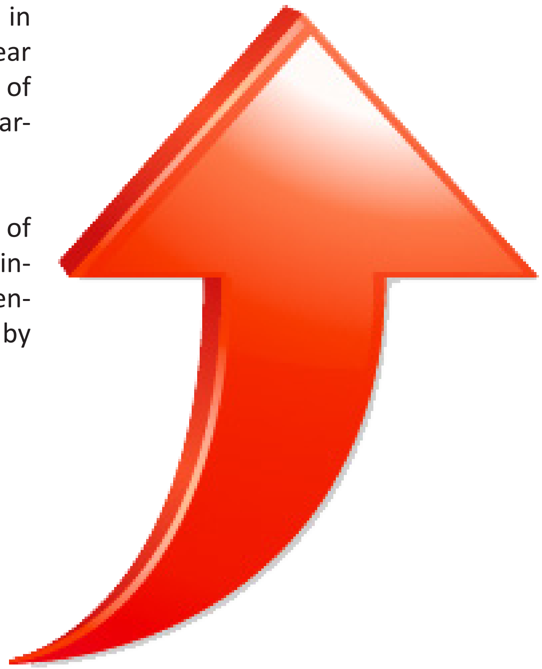
The Supervisory Authority of Insurance and Social Welfare (ACAPS) has published the key quarterly indicators for the Moroccan insurance market for the quarter ended 31 March 2025.

Turnover reached 18.2 billion MAD (1.9 billion USD), increasing by 5.5% year-on-year.

Non-life premiums improved by 3.9% to 12.2 billion MAD (1.3 billion USD), while life premiums rose by 8.7% to 6 billion MAD (600 million USD).

During the reporting period, investments allocated to insurance operations amounted to 222.8 billion MAD (23.1 billion USD), representing a 1.3% growth compared with the end of March 2024. ■

Source: Atlas Magazine | 29 May 2025



MOZAMBIQUE

- ***Government creates Insurance and Pension Funds Supervisory Authority, in line with FATF recommendations***

Mozambiques government plans to establish an Insurance and Pension Funds Supervisory Authority (ASFPM), in line with recommendations from the Financial Action Task Force (FATF) to remove the country from the grey list.

The decision was taken at a cabinet meeting on Tuesday in Maputo, where the draft law creating the ASFPM was considered and approved, to be submitted to parliament, according to a statement released by that body after the meeting.

The draft law involves abolishing the Mozambique Insurance Supervisory Institute. It will respond to one of the measures in the Economic Acceleration Package, as well as adopt measures to prevent and combat money laundering and terrorist financing by insurance operators and pension fund managers.

Contributing to transparency in its management, complying with the 40 recommendations issued by the FATF, to help remove the country from the grey list, the cabinet statement also said.

The decision will also make it possible to monitor the indicator on the alignment of the regulatory framework for insurance and pension funds with the principles of the International Association of Insurance Supervisors (IAIS) and the International Organisation of Pension Supervisors (IOPS), according to the government.

At the same session, the cabinet also approved the draft Legislative Authorisation Law for the government to approve the Legal Regime for Insurance, a revision that will introduce legislative reforms in the insurance sector appropriate to the current dynamics, as well as the principles and good practices of approach, governance and management of insurance issued by international organisations.

Among other measures, this revision includes the establishment of the figure of the customer ombudsman to streamline the resolution of disputes in insurance contracts, as well as redefining rules for risk distribution in reinsurance operations, broadening the range of offences committed in the exercise of the activity, including the strengthening of the respective sanctions, and defining general rules of conduct for the market, introducing general principles for the settlement of insurance and reinsurance companies.

The Mozambican authorities announced on 15 May that they had complied with all the indicators that led to their inclusion on the FATFs grey list of financial jurisdictions on 22 October 2022, namely for failing to eliminate deficiencies in the fight against money laundering and terrorist financing.

We are waiting for the procedures to be completed so that we can be removed from the grey list and return to the normal situation in which we have always lived, in which our financial institutions, our reputation, the perception of foreign investors towards the country, everything returns () in which we are not seen as money launderers, said Lus Abel Cezerilo, national coordinator for Mozambiques removal from the grey list, at a press conference. Lus Abel Cezerilo, at a press conference.

The Mozambican authorities had previously stated that Mozambiques removal from the grey list was pending the last of the 26 actions required, the submission to the FATF of the list of Non-Profit Organisations that move large sums of money, including data on the use of the funds, with a particular focus on Cabo Delgado and the terrorist groups operating in the province since 2017.

He said that the negative image the country had in international financial institutions had been reversed, adding that all indicators had been met and that only protocol procedures remained before the announcement of its removal from the list, which could be made by the FATF in September at a meeting in Mozambique to assess the country and others in the same situation.

The government has complied, the FATF is a serious institution and therefore will not give us any other reason not to leave the grey list, Cezerilo said. ■

Source: Global Data Point – 13 June 2025

TANZANIA

• Tanzania Insurance Key View

Highlight:

The life and non-life insurance markets in Tanzania are set to continue growing at a strong rate over our medium-term forecast period to 2029. The non-life insurance market is significantly more developed and larger in terms of premiums, but the gap between the two markets is set to narrow, as growth in the life market continues to outpace the non-life market

Headline Insurance Forecasts (Tanzania 2022-2029)

Indicator	2022	2023	2024e	2025f	2026f	2027f	2028f	2029f
Gross life premiums written, TZSbn	242.20	262.70	312.76	349.38	392.49	438.68	487.76	539.43
Gross life premiums written, TZS, % y-o-y	46.7	8.5	19.1	11.7	12.3	11.8	11.2	10.6
Gross life premiums written, USDmn	105.2	110.2	119.5	127.7	137.1	148.7	162.6	176.9
Gross life premiums written, USD, % y-o-y	46.4	4.8	8.4	6.9	7.3	8.5	9.3	8.8
Gross non-life premiums written, TZSbn	895.10	888.85	994.82	1,073.79	1,155.11	1,243.97	1,340.89	1,446.44
Gross non-life premiums written, TZS, % y-o-y	19.9	-0.7	11.9	7.9	7.6	7.7	7.8	7.9
Gross non-life premiums written, USDmn	388.7	373.0	380.1	392.6	403.5	421.7	447.0	474.2
Gross non-life premiums written, USD, % y-o-y	19.6	-4.0	1.9	3.3	2.8	4.5	6.0	6.1

e/f = BMI estimate/forecast. Source: Tanzania Insurance Regulatory Authority, BMI

Key Updates and Forecasts

- In February 2024, the Universal Health Insurance Act of 2023 was signed into law, mandating the provision of health insurance coverage for all residents.
- Life premiums will rise by 11.7% in local currency terms to reach TZS349.4bn (USD127.7mn) in 2025. Over the medium term, life premiums will experience 11.5% annually compounded growth, with gross premiums reaching TZS539.4bn (USD176.9mn) by the end of 2029.
- The gross non-life premiums sector is expected to continue its growth trajectory, with an estimated increase of 7.9% in 2025 to reach TZS1.1trn (USD392.6mn). Over the medium term, we expect strong growth with non-life premiums rising at a compounded annual growth rate of 7.7%, reaching TZS1.4trn (USD474.2mn) by 2029.

Tanzania Insurance SWOT

Strengths	Weaknesses
• Premiums are rising rapidly in both US dollar and Tanzanian shilling terms. • The array of non-life insurers drives product innovation and price competitiveness across the sector. • Despite its small scale, the non-life sector displays moderate diversification in product lines, beyond basic motor and property cover. • Sector growth, while from a very low base, should continue at high levels in percentage terms.	• Even by regional standards, the life sector is small. • Life insurance is dominated by Sanlam Life and Alliance Life. • There is a lack of options for low-income rural workers and communities. • The lack of understanding and product knowledge pertaining to life insurance persists. • A small but growing middle class means that disposable income for discretionary insurance spending is remains low.

Opportunities	Threats
• The health insurance segment is set to benefit from mandated health insurance coverage after the Universal Health Insurance Act of 2023 was signed into law in February 2024. • Property insurance is set for particularly rapid growth. • New competitors in the life segment, such as Metropolitan Life, could invigorate the sector and drive product innovation. • Microinsurance products in health and life cover offer opportunities for insurers to reach a far larger customer base. • Consolidation at the top of the non-life sector could reap great benefits for insurers. • Government is seeking to make health insurance mandatory. • Economic growth should rise over the coming years. • Significant government investment in transport infrastructure should support property and transport insurance premiums.	• The levels of competition in non-life business may hinder the scope for profitability in some lines. • Poor access to healthcare and low life expectancy continue to constrain demand for most life products. • The government is showing signs of protectionism, which could hinder regional market integration.

Source: Business Monitor Online – 25 March 2025

• *Tanzania mandates all energy risks insure through consortium*

The Tanzania Insurance Regulatory Authority (TIRA) has issued a notification, directing that all energy-related insurance risks must be directly underwritten through the Tanzania Energy Coinsurance Consortium (TECC).

The energy-related insurance risks include but are not limited to risks associated with power generation, transmission, distribution, oil and gas operations, and renewable energy projects, says TIRA.

The directive took effect from 5 May 2025, the date of the issuance of the directive, and applies to all insurance companies operating within Tanzania.

TIRA said, "The objective of this measure is to ensure risk pooling, improve underwriting capacity, enhance technical expertise, and strengthen the financial stability of the national energy insurance sector."

All insurers, brokers, and stakeholders are required to adhere strictly to the directive. TIRA said, "Failure to comply may result in regulatory action in accordance with applicable laws and guidelines."

The TECC, launched in November 2022, was formed by 22 insurance companies in Tanzania. They participate in a fund that will cover the risks of large energy projects in the country. Singly, the insurers could not cover large risks in sectors such as oil and gas. ■

Source: Middle East Insurance Review – 21 May 2025


قناة السويس للتأمين
Suez Canal Insurance
SCI
أمان من زمان
16569
المركز الرئيسى : ٣١ شارع محمد كامل مرسى - المهندسين - الجيزة
تليفون : ٣٧٦٠١٠٥١ - ٣٧٦٠٦٨٦٨ فاكس : ٣٣٣٥٤٠٧٠ - ٣٣٣٥٠٩٨١
@SCI.1979 @sci.1979
الرقم الضريبي : 200-022-296

• *ADB to Mobilize Up to $2.75 Billion of Private Capital Through Global Insurer Partnership*

Key Highlights:

* The Asian Development Bank (ADB) has partnered with 10 major global insurance companies to mobilize up to $2.75 billion in private capital for sustainable growth in the Asia-Pacific region.
* The partnership will enable ADB to enhance its lending capacity for projects through credit insurance and promote the growth of the private sector in the region.
* The insurance companies involved will mitigate some of ADB's lending risks for sustainable infrastructure projects, allowing for greater capital freedom and exposure management.

The Asian Development Bank (ADB) signed an agreement with ten leading global insurers to mobilize up to $2.75 billion of private capital to support ADB's lending for sustainable growth in Asia and the Pacific.

The Master Framework Agreement for Sustainable Infra structure facilitates the growth of the private sector in the region and will allow ADB to increase its lending capacity to projects through the use of credit insurance.

The partnership was signed with the following highly rated insurers: Tokio Marine Group, Chubb, AXA XL, Liberty Specialty Markets, Coface, Swiss Re, Everest, AXIS Capital, The Hartford, and Allianz Trade. These insurers will help derisk a portion of ADB's loans to sustainable infrastructure projects. Allowing ADB to transfer credit risk from its portfolio to insurers' balance sheets, freeing up ADB's capital, managing its exposures, and increasing its lending capacity.

"This partnership demonstrates how innovative risk-sharing can attract billions in private capital for sustainable development. By transferring credit risk to global insurers, ADB boosts its lending capacity and creates a replicable model for reducing infrastructure investment risks in emerging markets," said ADB Vice-President Bhargav Dasgupta. "This partnership highlights how insurance can mobilize private capital for climate-resilient and inclusive growth."

"While climate change priorities are shifting, Tokio Marine Group remains committed to supporting energy transition endeavors, in line with the Japanese government's Green Transformation (GX) strategy. We are delighted to be able to contribute to ADB's private capital mobilization efforts in the sustainable finance space, by offering a significant participation in ADB's new Master Framework," said Tokio Marine HCC-Credit Group President Jerome Swinscoe.

The program streamlines the underwriting and approval process for credit risk transfers, enabling ADB to mobilize cofinancing capacity more efficiently. ADB's loans for infrastructure have supported private sector financing of solar and wind energy, sustainable transport, and green data centers. The program will allow ADB to further expand its support and provide the flexibility to offer innovative solutions to develop private sector investment capacity in the region.

ADB is a leading multilateral development bank supporting inclusive, resilient, and sustainable growth across Asia and the Pacific. Working with its members and partners to solve complex challenges together, ADB harnesses innovative financial tools and strategic partnerships to transform lives, build quality infrastructure, and safeguard our planet. Founded in 1966, ADB is owned by 69 members-50 from the region. ■

Source: Contify Banking News – 6 May 2025 (Source: Asian Development Bank)

• *Asia-Pacific Insurers Brace for Trade War Risks Amid Strong Financial Buffers*

S&P Global Ratings warns that escalating trade tensions could trigger uneven macro-financial shocks across Asia-Pacific insurers, though the sector enters this period with robust capital adequacy and stable credit fundamentals, according to its statement on May 6.

In its mid-2025 outlook report, the agency projects overall ratings stability but highlights risks including investment volatility, forex fluctuations, and supply-chain disruptions impacting property/casualty lines.

Slower economic growth may also weaken demand for insurance coverage, adding pressure to profitability. Despite these challenges, insurers' strong capital positions are expected to cushion against near-term turbulence, according to the report. ■

MT Newswires - 7 May 2025

• *Pacific commercial rates down 8% in Q1 2025*

Marsh recorded declines across all major lines of business.

The commercial insurance rates in the Pacific region dipped 8% in the first quarter of the year, according to Marsh's latest Global Insurance Market Index.

Property insurance rates declined 9% as competition intensified. Insurers pursued new business and offered increased capacity on existing policies.

Pricing was the primary focus amongst incumbent underwriters, with minimal changes to retentions, limits, and coverage terms.

Clients with higher coverage limits were encouraged to restructure programs to drive competition. Some opted for long-term agreements (LTAs) to secure more predictable future pricing.

Casualty insurance rates fell 2%, marking the second consecutive quarter of decline. Insurers competed on pricing, terms, and conditions, with larger accounts seeing significant improvements.

Underwriting practices for exposures to polyfluoroalkyl substances (PFAS) continued to vary by region and industry.

Australian placements involving US-based risks reflected ongoing challenges in the US casualty market.

Financial and professional lines saw a 10% decline in pricing. Although rate reductions persisted across most classes, the pace slowed compared to the previous quarter.

Directors and officers (D&O) liability program rates have eased from prior peaks, enabling adjustments to retentions.

Shareholder class action claims remained a key factor in the space. Strong alternatives were generally available for large D&O placements, and LTAs were commonly offered.

Cyber insurance rates dropped 8%. Whilst the rate of decline slowed, claims notifications increased due to a rise in ransomware, extortion, and fraudulent funds transfer incidents.
Long-tail liability claims in the US continued to affect insurer loss ratios. In response, insurers enhanced pre-loss services and risk management support, particularly in Australia and London. Broad coverage and LTAs remained available. ■

Source: Insurance Asia – May 2025

- ***Insurance analytics market to reach $44b by 2032 on data demand***

Asia-Pacific is emerging as the fastest-growing region.

The global insurance analytics market is expected to reach $43.95b by 2032, growing at a compound annual growth rate (CAGR) of 14.8% from $16.70b in 2025, according to Fortune Business Insights.

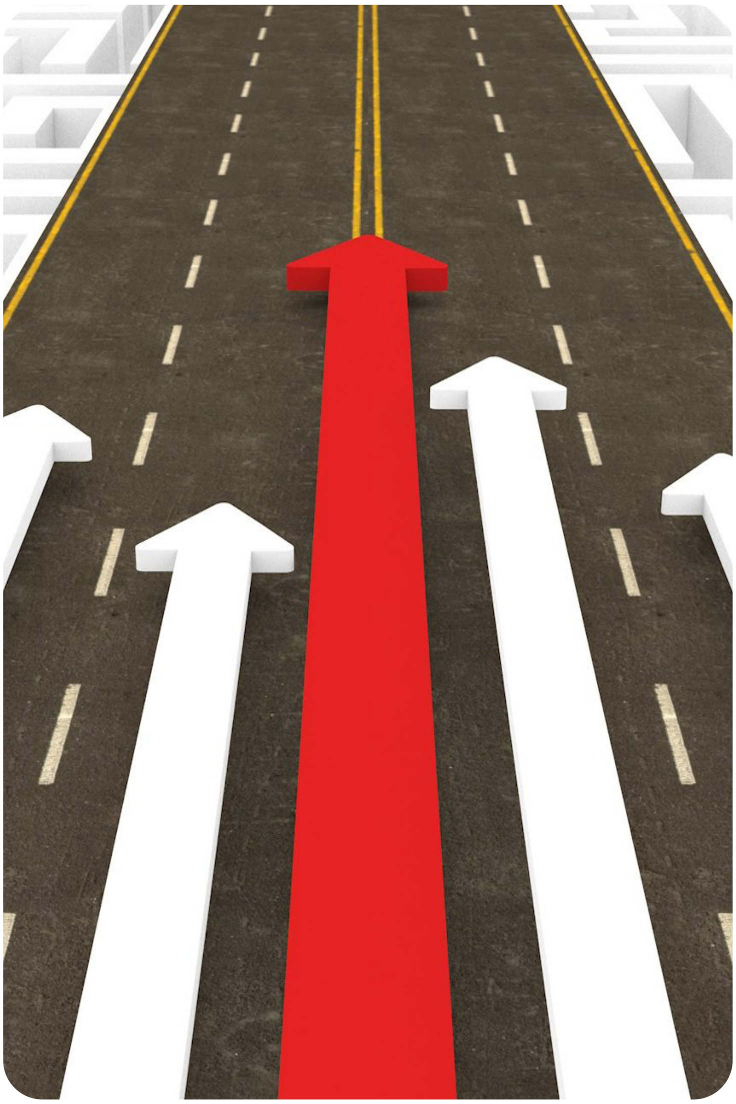
The market was valued at $14.50b in 2024.

The growth is driven by rising demand for data-driven decision-making in insurance operations, particularly in areas such as claims, policyholder behavior, risk management, and regulatory compliance.

Asia-Pacific is emerging as the fastest-growing region, supported by digitalisation, economic expansion, and government initiatives promoting insurance innovation.

The region's adoption of advanced analytics and cloud infrastructure is expected to play a significant role in the market's projected growth trajectory.
remained available. ■

Source: Insurance Asia – 20 June 2025



BRUNEI

• *Insurance laws Brunei*

Brunei's insurance sector is governed by a structured legal framework that encompasses both conventional insurance and Shariah-compliant takaful operations. The primary legislation includes the Insurance Order, 2006, the Takaful Order, 2008, and the International Insurance and Takaful Order, 2002, all regulated by the Brunei Darussalam Central Bank (BDCB)

* Key Legislation

Insurance Order, 2006: This Order regulates conventional insurance businesses in Brunei Darussalam. It mandates that no entity shall carry on any class of insurance business unless registered under the Companies Act and licensed under this Order. The Order outlines requirements for capital, surplus, membership in an approved association, and prohibits unlicensed entities from using the term "insurance" in their business name.

Takaful Order, 2008: This Order governs Shariah-compliant insurance operations, known as takaful. It requires takaful operators to establish a Syariah Advisory Body to ensure compliance with Islamic principles. The Order also mandates licensing, capital requirements, and membership in an approved association for takaful operators.

International Insurance and Takaful Order, 2002: This Order regulates international insurance and takaful businesses, focusing on entities that provide services beyond Brunei's borders. It includes provisions on licensing, fees, and operational requirements for international insurers and takaful operators.

* Regulatory Authority

The Brunei Darussalam Central Bank (BDCB) is the primary regulatory authority overseeing the insurance and takaful sector. BDCB is responsible for licensing, supervision, and ensuring compliance with the relevant Order. It also promotes market development and protects policyholders from undue loss.

* Licensing Requirement

Entities wishing to operate as insurance companies or takaful operators in Brunei mut:

•Be registered under the Companies Act (Chapter 3).

•Meet minimum capital requirements:

o BND 8 million for locally incorporated companies.

o BND 8 million surplus of assets over liabilities for foreign branches.

•Maintain a minimum statutory deposit of BND 1 million with BDB.

•Ensure directors and management are fit and proper to hold such position.

•Be a member of the Brunei Insurance and Takaful Association (BITA).

* Agents and Intermediaries

Insurance agents and intermediaries must:

•Be registered under the relevant Orders.

•Represent only licensed insurers or takaful operators.

•Meet age, residency, and qualification requirements.

•Undergo a qualifying examination conducted by the Brunei Institute of Leadership & Islamic Finance (BILIF).

* Market Dynamics

Brunei's insurance market is characterize by:

•A small population and land area, resulting in a limited domestic market.

•A reliance on foreign reinsurance, with less than 10% of non-life business reinsured within Brunei.

•A dual system accommodating both conventional insurance and Shariah-compliant takaful operations. ■

Source: Law Gratis Blog - 9 Apr 2025

CHINA

• *Criminal Regulation and Practice of Insurance Fraud in China*

By Ding Min (AnJie Broad Law Firm)

On January 3, 2025, the Ministry of Public Security held a press conference in Beijing to report the results of the special crackdown on insurance fraud crimes jointly conducted by the Ministry of Public Security and the National Financial Regulatory Administration and announced ten typical cases. This special crackdown has launched more than 40 nationwide campaigns, filing and investigating over 1,400 insurance fraud cases, dismantling more than 300 professional criminal gangs, with the total amount involved exceeding RMB 1.5 billion, fully reflecting the determination and effectiveness of the police in combating insurance fraud crimes.

This article will focus on the legal provisions of insurance fraud and the ten typical cases announced by the Ministry of Public Security, summarizing the constitutive elements and common case scenarios of insurance fraud, and analyzing the focus of the special crackdown for reference by relevant practitioners.

I. Legal Provisions on Insurance Fraud

Insurance fraud is stipulated in Article 198 Criminal Law under Chapter 3 “Crimes of Disrupting the Order of the Socialist Market Economy”, Section 5 “Financial Crimes”. Therefore, the legal interests protected by this crime are the market economic order in the insurance field and the property rights of the insurer. Specifically, insurance fraud includes the following main constituents:

1. Objective Behavior

Article 198 of the Criminal Law stipulates the following five types of insurance fraud:

(1) Fabricating insurance objects,
(2) Fabricating false causes for the occurrence of insurance accidents or exaggerating the extent of losses,
(3) Fabricating insurance accidents that have not occurred,
(4) Intentionally causing property loss insurance accidents,
(5) Intentionally causing the death, disability, or illness of the insured.

In addition, appraisers, certifiers, and property assessors who intentionally provide false certificates to support others to defraud shall be treated as accomplices for insurance fraud.

2. Subject

The subjects of insurance fraud include individuals and companies. The insured, the policyholder, and the beneficiary can all constitute crimes.

3. Amount

This case is an amount-based crime. Cases involving amounts over RMB 50,000 should be filed and prosecuted. The standards for “large amounts”, “huge amounts”, and “particularly huge amounts” need to be judged in conjunction with the provisions of provincial high courts and procuratorates.

Some provincial high courts have established special amount standard for insurance fraud. For example, Jiangsu provincial rules provide that the amount standard for “large amounts”, “huge amounts” and “particularly huge amounts” for insurance fraud shall be below RMB 100,000, between RMB 100,000-1,000,000, and over RMB 1,000,000[3]. Guangdong, Zhejiang, Tianjin provincial rules provide that the amount standard shall be below RMB 100,000, between RMB 100,000 to 500,000, and over RMB 500,000 respectively. Companies committing insurance fraud would be subject to an amount standard 5 times greater than individual cases.

II. Typical Case Analysis

The ten typical cases of insurance fraud announced by the Ministry of Public Security share the characteristics of professionalism, gang involvement, and full industry coverage. Not only are traditional insurance types such as personal injury insurance and car insurance involved, but also new insurance types such as employer liability insurance, group accident insurance, freight insurance, goods return insurance, and agricultural insurance suffer fraudulent claims. Some crimes have established internal organization, connecting the entire chain of insurance claims, with internal and external collusion. This indicates that with the development of the social economy, the methods of insurance fraud crimes are also "advancing with the times".

Through the analysis of the above typical cases, we summarize the following new forms of insurance fraud for your reference:

1- Using Luxury Cars and High-Grade Car Coats to Fabricate Accidents and Defraud Insurance Money

Many car owners invest heavily in changing the color of their vehicles or purchasing high insurance for luxury cars. Criminals manipulate such luxurious behaviors, buying second-hand luxury cars as prop cars at low prices, creating traffic accidents in places without surveillance at night (Zhejiang Province Hou et al. Suspected of Car Insurance Fraud), or conspiring with car repair shops to fabricate repair receipts and payment records for high-grade car coats to defraud insurance money (Guangdong Province Luo et al. Suspected of Car Coats Insurance Fraud).

Unlike traditional car insurance repeated claims, this type of luxury car insurance may stipulate a higher compensation amount in the insurance contract. Also, there do exist luxurious consumption behaviors in luxury car market, making the fraudulent behaviors highly concealed. Criminals can fabricate a few accidents and defraud huge insurance amounts. The abovementioned car coat insurance fraud case involved an amount of over RMB 9 million, manifesting the seriousness of such fraud.

2. Using E-commerce Platform Return and Exchange Rules to Defraud Insurance Money

Many large e-commerce platforms provide insurance services such as freight insurance and goods return insurance to compensate for the cost of goods returns and repairs after online shopping. However, criminals exploit the loopholes in such insurance claims, using new insurance types or "extended warranty replacement" rules, playing various roles in different places to fabricate returns and exchanges to defraud insurance money (Fujian Province Cai X Wen Suspected of New Types of Insurance Fraud).

This case shows that insurance fraud has closely followed the development of the insurance industry, exploiting claim loopholes in new types of insurance to defraud insurance payouts. Such new types of insurance are typically provided by insurance companies affiliated with e-commerce platforms who may lack sufficient experience in dealing with insurance fraud. Following the pursuit of efficient claim reviews driven by the service-oriented mindset of e-commerce platforms, these insurance companies could easily fall into the traps set by criminals.

3. Using Employee Injury to Defraud Insurance Money

Employer liability insurance is a kind of commercial insurance that covers the legal liabilities of employers to employees. The insured are usually employees in high-risk industry, and the employers desire to limit their liability in the case of work-related injuries.

However, the compensation for employer liability insurance usually relies on the compensation agreement reached between the employer and the employee, which leaves room for criminal behaviors. Some criminals exploit existing work injury incidents and induce employees to sign deceptive compensation agreements to defraud insurance payouts (Jiangsu Certain Plastics Company Suspected of Employer Liability Insurance Fraud). Others use low premiums as bait to induce high-risk industry companies to authorize the criminals to purchase employer liability insurance on their behalf. In the case of an incident, the criminals fabricate compensation agreements, receipts, or exaggerate losses and make repeated claims to defraud payouts (Anhui Lu et al. Suspected of Employer Liability Insurance Fraud). Some criminals even maliciously exploit injured employees after handling claims, embezzling and withholding the compensation funds, which seriously infringed the rights and interests of the insured and beneficiaries (Sichuan Du et al. Suspected of Employer Liability Insurance and Group Accident Insurance Fraud).

4. Defrauding Insurance Premiums Under the Pretext of Free Insurance

To promote insurance products, insurance companies usually agree to certain commission rewards for insurance brokerage companies. Some insurance brokerage companies exploit loopholes in contract terms, making false promises and recruiting members under the disguise of first year premium free. Later, the criminals provide the initial premium by themselves and induce the members to fabricate policyholder information and insurance intentions by recommending 30-year term life insurance to their family, friends, and acquaintances. In doing so, criminals exploit the "first-year commission higher than the first-year premium" clause in the brokerage cooperation agreement with the life insurance company to defraud high commissions. The amount involved is as high as RMB 1.2 billion (Beijing Certain Insurance Brokerage Company Suspected of Insurance Commissions Fraud).

5. Repeated Insurance and Claims Exploiting Data Policy of Insurance Companies

Two typical cases involving personal accident insurance fraud exploited the lack of data sharing between different insurance companies. Criminals repeatedly purchase personal accident insurance from multiple insurance companies, fabricating hospitalization records, medical records, or accidents to defraud claim payments (Shanghai Li X Hong et al. Suspected of Personal Injury Insurance Fraud, Shandong Hou X et al. Suspected of Personal Injury Insurance Fraud). These cases took advantage of the loopholes in insurance companies' review processes for small claims, using repeated insurance and repeated claims to defraud substantial compensation payments.

6. Agricultural Insurance Fraud

With the development of modern agriculture, some large farms may insure their livestock. After insuring with multiple insurance companies, criminals intentionally cause the death of the livestock and conspire with the insurance company's claims adjusters to fabricate inspection sites, defrauding agricultural insurance compensation (Xinjiang Zhang et al. Suspected of Agricultural Insurance Fraud).

III. Focus of Insurance Fraud Crackdown

Through the analysis of the above cases, we can find that the focus of the police authority in combating insurance fraud crimes mainly includes the following aspects:

1. Focus on Cracking Down Gang-related and Professional Insurance Fraud

The ten cases announced are all committed by organized groups, covering the entire process of insurance underwriting, brokerage, and claims handling. Criminals designed meticulous schemes to target every stage of the insurance claims process. Some cases involve collusion with employees of the insurance industry to jointly defraud claim payments.

As criminal activities cover the entire insurance claims process, the materials submitted to insurance companies for claims are usually complete and comprehensive, significantly concealing the criminal activities and increasing the difficulty of the insurance companies to review these fraudulent claims.
In response, the public security authorities, in coordination with financial regulatory departments, have organized industry-wide inspections and efficient collaboration. They have established over 500 cooperation mechanisms and built more than 220 integrated anti-fraud collaboration platforms, providing strong support in information sharing, lead coordination, and case investigation. These efforts have effectively enhanced the efficiency and capability in investigating organized and professional insurance fraud cases.

2. Expanding the Scope to Cover All Insurance Types

Apart from traditional personal accident insurance and auto insurance, the special crackdown also focuses on innovative insurance such as employer liability insurance, freight insurance, goods return insurance, and agricultural insurance, as well as fraudulent activities by insurance brokerage companies to obtain commissions.

Driven by the need to promote their products, insurance companies may prioritize claims efficiency or sales performance over strict review standards, consequently falling into the scam of the criminals. Therefore, public security authorities and financial regulatory departments work closely together, keeping track of the latest developments in the insurance industry, and precisely targeting frauds related to innovative insurance products and high commissions. This effectively purifies the insurance market environment and maintains the order of the financial market.

3. Using High-Tech Means to Crack Down on Repeated Claims

The announced cases of personal accident insurance fraud involved multiple policies and repeated claims. Criminals exploited the lack of information sharing between small and medium-sized insurance companies or internet insurance companies to defraud claim payments, a situation that can be accurately identified through big data screening.

Li Youxiang, Director of the Inspection Bureau of the National Financial Supervision and Administration, stated at the Ministry of Public Security's press conference that the Financial Supervision Administration will establish an anti-fraud action plan of "data aggregation—big data modeling—clue identification." This will guide financial regulatory departments at all levels to strengthen the construction of collaboration mechanisms with public security authorities, refine collaboration content, and solidify the foundation for the coordination of administrative and criminal enforcement, continuously improving the insurance fraud risk management system. This indicates that financial regulatory departments will further employ technology to enhance the ability to identify criminal clues, providing significant support and assistance to public security authorities in combating insurance fraud crimes.

IV. Summary

Our team has also handled multiple insurance fraud-related cases. For example, a foreign enterprise and a Chinese company conducted "trade in name, financing in reality" transactions while taking out trade credit insurance. When the counterparty failed to repay, the foreign enterprise applied for trade credit insurance claims, obtaining huge insurance compensation. The court ruled that the foreign enterprise knowingly fabricated insurance objects, committing insurance fraud.

We advise all companies to pay special attention to whether the insurance types match, whether the insurance content is genuine, and whether the claims are legal and compliant when insuring and claiming, to avoid falling into the scope of criminal regulation of insurance fraud.

Through the above analysis, we can find that insurance fraud has severely disrupted the order of the financial market. The organized and professional nature of such crimes not only causes significant losses to insurance companies but also affects the legitimate claims of ordinary policyholders. ■

Source: Lexology – 28 April 2025

• *China's Insurance Market 2024*

China's Insurance Premium Income Rose 5.7% in 2024

By Martin Kadiev

The Chinese insurance sector's revenue from insurance premiums jumped 5.7 percent last year, mainly thanks to strong savings demand.

The primary insurance premium income in China's insurance industry reached CNY5.7 trillion (USD782.5 billion) in 2024, according to data released by the National Financial Regulatory Administration on Feb. 2.

China's revenue from life insurance premiums rose 15.4 percent to CNY3.2 trillion last year from 2023, according to data from brokerage giant Guotai Junan.

The growth in income from insurance premiums in China was mainly thanks to the strong demand for savings, which drove the life insurance business, industry insiders told Yicai. In the low-interest-rate environment, demand for insurance savings and the switch of life insurance interest rates are the main factors driving the growth of life insurance premiums over the past two years, they added.

In 2023, the premiums of some traditional life insurance products increased significantly in the two months before the interest rate switch, when life insurance companies stopped selling products with a predetermined interest rate of 3.5 percent and lowered that for ordinary life insurance to less than 3 percent. Last year, the interest rate cap was lowered again to 2.5 percent.

Health insurance premiums climbed 8.2 percent last year from the year before, according to data from Soochow Securities. Such premiums jumped between 5.7 percent and 12.2 percent each quarter last year, with the highest increase in the third one.

Chinese property insurance companies' primary insurance premium income rose 5.6 percent to CNY1.69 trillion. Such revenue from motor insurance jumped 5.4 percent to CNY913.7 billion (USD125.4 billion) and from non-motor insurance 8 percent to CNY777 billion.

According to data regarding compensation claims over the past four years, the increase in claim expenses in 2021, 2023, and 2024 significantly exceeded the rise in premium income. Last year, the jump in property insurance claims was 7 percent and in life insurance business claims was 36 percent.

The growth rate of compensation expenses is higher than the growth rate of premium income mainly because the losses caused by natural disasters have increased over the past two years from the previous two, the product structure of life insurance companies has changed, with some health insurance products having higher loss ratios, and the increase in medical detection rate and expenses has led to more claims for critical illness insurance and other similar products, an insurer noted.

The insurance industry will usher in a broader space for development this year, several industry analysts pointed out, with some expressing their expectations for insurance dividends while expecting the value of the new life insurance business to keep a double-digit growth on a high base this year.

In addition, Huachuang Securities and Soochow Securities have said that new energy vehicle insurance is expected to contribute more in the future. ■

Source: Yicai Global, Yicai Media Group. 6 Feb 2025

• *Mainland China Insurance Key View*

Highlight:
We expect the insurance sector to experience consistent growth over the medium term, with the non-life segment showing particularly strong performance. The rising awareness of health insurance benefits and limitations in publicly funded healthcare are key factors driving significant growth in the health insurance market.

Headline Insurance Forecasts (China (Mainland) 2022-2029)

Indicator	2022	2023e	2024e	2025f	2026f	2027f	2028f	2029f
Gross life premiums written, CNYbn	2,451.90	2,691.02	2,900.21	3,018.05	3,190.85	3,358.18	3,538.20	3,718.74
Gross life premiums written, CNY, % y-o-y	4.0	9.8	7.8	4.1	5.7	5.2	5.4	5.1
Gross life premiums written, USDbn	363.94	379.87	402.95	410.64	428.30	449.26	473.97	497.16
Gross life premiums written, USD, % y-o-y	-0.4	4.4	6.1	1.9	4.3	4.9	5.5	4.9
Gross non-life premiums written, CNYbn	2,171.90	2,282.77	2,317.71	2,336.41	2,411.09	2,487.45	2,550.44	2,619.88
Gross non-life premiums written, CNY, % y-o-y	4.9	5.1	1.5	0.8	3.2	3.2	2.5	2.7
Gross non-life premiums written, USDbn	322.38	322.24	322.02	317.90	323.64	332.77	341.65	350.25
Gross non-life premiums written, USD, % y-o-y	0.4	0.0	-0.1	-1.3	1.8	2.8	2.7	2.5

e/f = BMI estimate/forecast. Source: CBIRC, BMI

Key Updates and Forecasts

- Gross written life premiums are projected to grow by 4.1% in 2025 to CNY3.0trn (USD410.6bn). Over the medium-term forecast period to 2029, growth will decelerate slightly, reaching 5.1% in 2029, with life premiums amounting to CNY3.7trn (USD497.2bn).
- Non-life premiums are anticipated to increase modestly by 0.8% in 2025 to CNY2.3trn (USD317.9bn). For the rest of the medium-term forecast period, growth is expected to be slightly lower but still robust at around 2.7% per year, bringing premiums to CNY2.6trn (USD350.3bn) by 2029.
- With the life market growing faster than the non-life market, the life segment is expected to gain market share, increasing from 56.4% of total premiums in 2025 to 58.7% by 2029.
- Life insurance penetration is forecasted to remain stable at 2.1% of GDP in 2025, rising slightly to 2.2% by 2029, with density projected to rise from CNY2,119 (USD288.3) per capita in 2025 to CNY2,623 (USD350.6) in 2029. Meanwhile, non-life penetration is expected to decrease from 1.7% of GDP in 2025 to 1.5% by 2029, with growth in density anticipated, as per capita premiums increase from CNY1,640 (USD223.2) in 2025 to CNY1,848 (USD247.0) by 2029.
- The non-life market is predominantly driven by health insurance, which is expected to account for 28.5% of total non-life premiums in 2025. Although health insurance will continue to grow, its share is projected to slightly decrease to 19.6% by 2029.
- Additionally, rapid growth is forecasted in the smaller personal accident line, which offers similar benefits to life insurance and can compensate for a limited social safety net. In 2025, personal accident insurance is set to represent 5.8% of non-life premiums, increasing to 6.7% by 2029.
- In Q1 2025, Mainland China's insurance sector recorded a 5.1% y-o-y increase in premium income to CNY2.2trn, a significant 47.8% rise in claim payments to CNY735.2bn, and a 30.1% increase in new policies to CNY20.6bn, with total assets growing by 10.4% to CNY32.9trn.
- On January 12 2024, Generali acquired the remaining 51% of Generali China Insurance for EUR99mn, becoming the first foreign insurer to fully own a Chinese property and casualty company. This acquisition aims to enhance the company market presence and focus on green insurance aligned with China's environmental goals.
- In October 2023, it was announced that the Ministry of Finance would adopt a three-year cycle in addition to the current one-year time frame to assess insurers' return on net assets, which is expected to promote long-term investment by insurers.
- In September 2023, China's new financial regulator, the National Financial Regulatory Commission (NFRA), approved the acquisition of Evergrande Life Insurance, a division of China Evergrande Group, by newly established state-owned Haigang Life Insurance.
- By August 8 2023, claims in China related to Typhoon Doksuri, which struck China in late July 2023, had reached CNY7.13bn, according to the NFRA. ■

Source: Business Monitor Online - March 25, 2025

HONG KONG

• Insurance Authority releases provisional statistics for 2024

The Insurance Authority (IA) released the provisional statistics for 2024, with total gross premiums reaching $637.8 billion.

(Percentage figures shown in brackets represent year-on-year changes)

Long term business

New office premiums (excluding Retirement Scheme business) of long term business were $219.8 billion (increased by 21.4%), mainly composed of $208.1 billion derived from Non-Linked individual business (increased by 22.8%) which can be broken down into participating business of $182.4 billion and other businesses of $25.7 billion, as well as $11.2 billion derived from Linked individual business (remained stable). Some 70,000 Qualifying Deferred Annuity Policies were issued that brought in $4.5 billion or 2.1% of the total premiums for individual business.

New business premiums derived from Mainland visitors totaled $62.8 billion (increased by 6.5%), making up 28.6% of total new office premiums for individual business. A majority of these policies were settled at regular intervals. Whole life, critical illness and medical policies accounted for about 59%, 28% and 5% of them respectively. The next set of data on Mainland visitors will be released together with provisional statistics for the first half of 2025.

Total revenue premiums of in-force business were $537.4 billion in 2024 (increased by 11.4%), mainly composed of $471.8 billion derived from Non-Linked individual business (increased by 11.2%), $24 billion derived from Linked business (increased by 1.8%) and $35.7 billion derived from Retirement Scheme business (increased by 22%). The total claims and benefits paid to policy holders amounted to $352.5 billion (increased by 6%) [Including lapsation/surrender benefits of $169.8 billion, as well as other claims and benefits of $182.6 billion.].

General business

The total gross and net premiums of general business in 2024 were $100.5 billion and $69.7 billion respectively, against which total gross claims of $53 billion were paid. The overall operating profit was $8.1 billion, out of which $3.3 billion was underwriting profit.

On direct general business, gross and net premiums were $51.4 billion and $35.8 billion respectively, against which total gross claims of $28.1 billion were paid. The gross premiums generated by Accident & Health business, General Liability (comprising Employees' Compensation) business, Property Damage business and Motor Vehicle business were $22.8 billion, $12.1 billion, $6.2 billion and $5.4 billion respectively. General Liability (comprising Employees' Compensation) business and Property Damage business contributed most significantly to the overall underwriting profit of $1.2 billion, partly offset by losses incurred by Pecuniary Loss business and Accident & Health business.

On reinsurance inward business, gross and net premiums were $49 billion and $33.9 billion respectively, against which total gross claims of $25 billion were paid. The gross premium mainly came from Property Damage business, Accident & Health business and General Liability business. The overall underwriting profit was $2.1 billion, mainly attributable to Property Damage business.

Due to implementation of the Risk-based Capital regime on 1 July 2024, it is inappropriate to compare outturn of the general sector with corresponding figures published before. A summary of the provisional statistics is at Annex. Related information on assets and liabilities of the Hong Kong insurance market for 2024 is also available at the IA website. ■

Source: HK IA - 25 April 2025

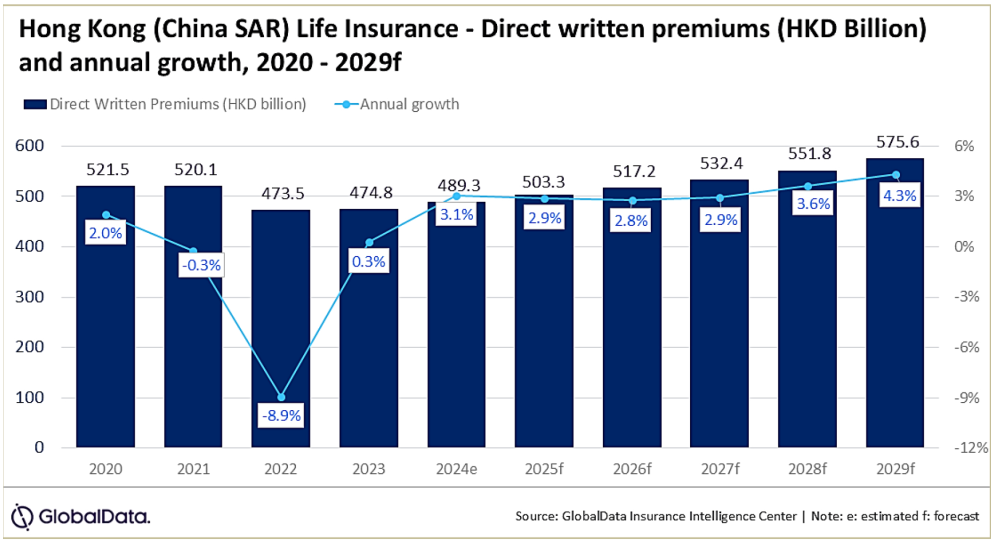
- ***Hong Kong (China SAR) life insurance market to reach $73.7 billion by 2029, forecasts GlobalData***

The life insurance market in Hong Kong (China SAR) is projected to grow from HKD489.3 billion ($62.6 billion) in 2024 to HKD575.6 billion ($73.7 billion) in 2029, registering a compound annual growth rate (CAGR) of 3.3% in terms of direct written premiums (DWP), according to GlobalData, a leading data and analytics company.

GlobalData's Hong Kong Life Insurance Report indicates that the Hong Kong life insurance market is estimated to reach HKD503.3 billion ($64.4 billion) in DWP in 2025, reflecting a 2.9% annual growth. Factors supporting this growth include economic recovery, an aging population, and increased demand for whole-life and pension policies from domestic and overseas customers. Life insurers have begun adapting their product offerings to meet the evolving needs of this aging demography.

Swarup Kumar Sahoo, Senior Insurance Analyst at GlobalData, comments: "Demand for life insurance in Hong Kong has grown from customers in the Middle East, Southeast Asia, and Mainland China. Factors such as better coverage, competitive premiums, and better returns on Hong Kong dollar-denominated policies have increased the demand among customers from the Greater Bay Area (GBA) and the Middle East. Such policies also protect Mainland Chinese customers against the depreciation of the Chinese yuan, which has depreciated 16% against the US dollar in the last three years."

In response to the increasing demand from the Middle East, the Insurance Authority of Hong Kong is expected to publish policy documents in Arabic in Q2 2025. Additionally, life insurers have increasingly benefited from Mainland



Chinese customers, particularly the affluent population in cities such as Shenzhen and Guangzhou.

Life insurance is also playing a major role in cross-border wealth management, with Hong Kong serving as a key hub for high-net-worth individuals focused on estate planning. In light of this demand, insurers are creating products that offer multiple currency options. Furthermore, regulatory harmonization under the GBA framework, including initiatives like Insurance Connect, has simplified service expansion and policy processes for Mainland clients.

Whole life insurance, which remains the dominant line of business, is estimated to account for a 65.8% share of the life insurance DWP in 2025 and is projected to grow at a CAGR of 3.3% during 2025–29. Whole life policies are favored as insurers enhance product features to improve protection and inclusivity. The demographic shift is expected to fuel demand for whole life and pension insurance, as Hong Kong is rapidly transitioning to a super-aged society. According to GlobalData, the population aged 65 years and above is expected to reach 20.3% of the total population in 2025.

Endowment insurance, the second-largest line of business, is expected to account for 14.8% of the total life insurance DWP in 2025. This line of business is estimated to grow at a CAGR of 5.8% during 2025–29. The dual benefits of life coverage and higher interest rates compared to traditional savings instruments have made this product popular.

Sahoo adds: “The influence of Mainland Chinese clients, who view endowment policies as valuable financial tools, will continue to drive demand. Insurers are responding to this trend by offering savings plans that combine guaranteed returns with life insurance coverage.”

Other life insurance lines, such as general annuities, pensions, term life, and other life products, are estimated to account for the remaining 19.4% share of the life insurance DWP in 2025.

Sahoo concludes: “The outlook for the life insurance market in Hong Kong remains stable, with growth driven by demographic changes, economic recovery, and evolving product offerings. As the population ages and consumer awareness of financial planning increases, insurers are expected to adapt their strategies to meet the evolving needs of their clientele. The next two to three years will be crucial for the industry as it navigates these changes and capitalizes on emerging opportunities.” ■

Source: GlobalData - 20 June, 2025

INDIA

• *Foreign reinsurers expand their presence in India*

A study by GlobalData has shown that licensed foreign reinsurers in India have almost doubled their market share from 25.8% in 2019 to 49% in the 2023-2024 financial year ended March 31, 2024. This share is set to exceed 50% in 2025.

The Indian reinsurance market is dominated by five players, four of them foreign (Munich Re, Swiss Re, SCOR and Hannover Re) and one local, GIC Re. These companies accounted for 95.4% of total premiums written in the country in 2023-2024.

GIC Re has maintained its leading position in the industry, with 51% of the total portfolio. However, this market share has fallen sharply compared with 2019 (74.2%).

Foreign reinsurers continue to expand their presence in the country and have consequently become a threat to GIC Re.

This expansion is largely being driven by a favorable regulatory environment, competitive rates, flexible terms and conditions compared with those of GIC Re, and growth in the economy and insurance penetration.

According to GlobalData, the Indian reinsurance market is expected to grow at a CAGR of 7.3%, reaching 832.8 billion INR (9.7 billion USD) in 2029. ■

Source: Atlas Magazine – 5 June 2025

• *Air India plane crash will harden aviation reinsurance market, says GlobalData*

The fatal crash of Air India flight AI171 on June 12, 2025, has become a pivotal moment for the already tightening global aviation reinsurance market. This tragic incident resulted in the death of 241 passengers and crew members and marks the first-ever fatal hull loss of a Boeing 787-8 Dreamliner, considered one of the most advanced and safest airliners of the company. The unprecedented nature of this event is expected to send ripple effects across the global aviation insurance market, significantly impacting insurers and reinsurers in India and globally, says GlobalData, a leading data and analytics company.

Swarup Kumar Sahoo, Senior Insurance Analyst at GlobalData, comments: “The domestic aviation insurance direct written premium (DWP) stood at $127.8 million in 2023 and claims from this single event could potentially exceed the entire domestic annual premium for the aviation market in India. As domestic insurers have been ceding more than 95% of their aviation insurance DWP to global reinsurers, the financial burden will predominantly fall on international reinsurers, leading to the hardening of the aviation reinsurance and insurance market.”

According to GlobalData’s Insurance Database, although New India Assurance and Tata AIG are the major insurers covering the risk, the impact of this incident on the domestic market is limited as both the insurers generated only 1.1% and 1% of their total insurance premium from aviation and ceded most of it to global reinsurers. The Indian reinsurer GIC Re is exposed to around 5% of the risks associated with the incident due to the mandatory ceding requirement.

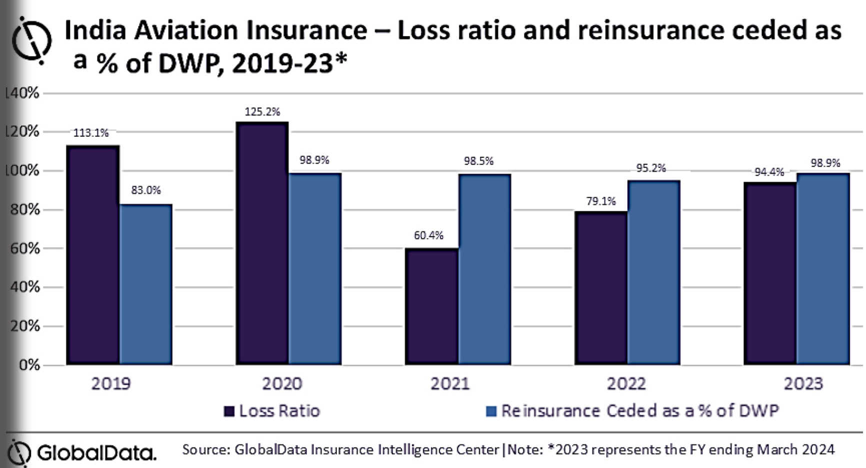
Historically, Indian aviation insurance has been loss-making due to a rise in the number of air accidents.

Prior air accidents, such as accidents damaging the aircraft parts of Jet Airways, and SpiceJet, and the crash of Su-30 fighter jet have made aviation insurance in India loss-making during 2016-20. This incident will further deteriorate the loss-making Indian aviation insurance market.

Sahoo adds: "The crash is anticipated to cost the insurance industry more than $200 million, including the aircraft, which is valued between $75 million and $80 million, and the liability exposure under the Montreal Convention and domestic legislation. This will harden the 2026 reinsurance renewal as reinsurers are expected to reassess agreement structures."

Furthermore, the government is considering grounding the Boeing Dreamliner 787-8 fleet, which is expected to increase the associated business interruption claims. This will directly impact the profitability of insurers underwriting such risks.

Sahoo concludes: "Reinsurers are expected to reassess risks associated with wide-body aircraft, recalibrate pricing models, and impose stricter terms. This will reinforce market discipline, accelerate the withdrawal of marginal capacity, and reshape aviation reinsurance arrangement negotiations for the 2026 renewal cycle." ■



NEPAL

- ***High-level committee suggests 7-point programme to increase the scope of insurance***

A high-level economic reforms committee formed by the Nepalese government has suggested that the insurance premium should be determined by the market in a competitive manner.

The committee in its final report has suggested a 7-point programme to increase the insurance spread in the country. The committee presented the final report to deputy prime minister and finance minister Bishnu Poudel in Kathmandu recently.

One of the suggestions that the committee has made is to increase the scope of insurance by deciding the premium of insurance to be determined competitively in the market. "All stakeholders should be involved in increasing insurance-related literacy and knowledge to increase mass access to insurance," the report said.

The report has also suggested that in the event that insurance companies have mobilised long-term financial instruments but do not have the appropriate financial tools for investment, arrangements should be made to issue infrastructure bonds for high-return infrastructure projects targeting insurance companies.

"While approving the house construction map in urban areas, arrangements should be made to insure the house compulsorily," the report said.

The report also said that a certain part of the reinsurance should be placed with foreign reinsurance companies to achieve a better spread and reduce the risk.

The report has suggested the setting up of an insurance academy in collaboration with insurance companies. It said the government should support the insurance authority to increase its autonomy, efficiency, capacity and good governance.

According to the report, it would be appropriate to provide for agriculture and animal insurance subsidy from the local level and not from the federal level. ■

Source: Asia Insurance Review – 14 April 2025

OMAN

- ## *Insurers cannot deny EV coverage, says FSA*

The Financial Services Authority (FSA) has directed insurance and takaful companies not to refuse coverage for electric vehicles (EVs), following reports that some firms were denying policies for such vehicles in violation of existing laws.

In a circular, the FSA stressed that insurers are obligated to comply with the Motor Vehicle Insurance Law, which prohibits refusal of insurance or policy renewal for vehicles that meet the requirements of the Traffic Law.

The directive follows observations that some insurers were excluding EVs from coverage, a breach of Article (2)(b) of the Motor Vehicles Insurance Law, promulgated by Royal Decree No 34/94. The article states that insurers may not deny cover for vehicles that satisfy the legal requirements for operation on public roads.

The FSA clarified that compulsory insurance applies to all vehicle types without exclusion. It called on insurers to address technical concerns – such as the availability of spare parts – through appropriate underwriting and pricing policies. The FSA also noted that companies may offer cash compensation in cases where spare parts or specialised garages for EVs are unavailable, but without affecting the beneficiary's right to coverage. ■

Muscat Daily - 6 May 2025

PAKISTAN

• *Pakistan Reinsurance Company Reports Annual Financial Results for 2024*

Pakistan Reinsurance Company Limited (PAKRI) has disclosed its annual financial results for the year ended December 31, 2024, detailing significant financial performance metrics. The company's financial statements, presented in an unconsolidated format, reveal a profit before tax of PKR 6,793.41 million and a profit after tax of PKR 3,778.31 million. The earnings per share (EPS) are noted at PKR 4.20.

The company's board has announced a final dividend entitlement of 20 percent, reflecting its robust financial performance over the past year. Shareholders will have an opportunity to discuss these results further during the Annual General Meeting (AGM) scheduled for April 30, 2025, at 11:00 AM. The book closure period for this entitlement will be from April 23, 2025, to April 30, 2025.

According to information available from the Pakistan Stock Exchange (PSX), PAKRI's performance is a noteworthy development in the PSX's designated insurance sector. The volume of shares traded for PAKRI remains a key indicator of investor interest and market activity, though specific figures on volume traded were not provided in the report.

As the company prepares for its upcoming AGM, stakeholders will be closely watching the discussions and future strategies outlined by the management to maintain or enhance PAKRI's financial trajectory. ■

Source: Pakistan Press International – 7 April 2025

South Korea

• *Seoul eases capital adequacy requirement for insurers*

by Park Sang-soo

Capital adequacy requirements for insurance companies in South Korea have been eased to help lessen their burdens and raise the quality of their capital base, the financial regulator said Wednesday.

The Financial Services Commission said the so-called capital adequacy ratio under the Korean Insurance Capital Standard (K-ICS) has been lowered to 130 percent from 150 percent, marking the first reduction in 24 years since the ratio was first introduced in 2001.

The ratio refers to the amount of available capital compared with required funds, and indicates a financial firm's financial soundness.

Insurance companies are required to keep the ratio above 100 percent under relevant regulations. They, however, had been advised to maintain the ratio at over 150 percent.

In 2023, the regulator introduced the K-ICS, under which insurers have been in a rush to raise capital to meet required funds, which in turn increased their financial costs.

The average capital adequacy ratio of insurance firms here stood at 218.3 percent as of end-September.

The regulator said other regulations, such as reserves against cancellations of insurance policies, have been eased as well. ■

Source: Yonhap News Agency, 11 June 2025

- ***South Korea's Reinsurance Premiums Surge to Overseas Markets, Approaching 14 Tril. Won***

Domestic Reinsurance Market Struggles with Weak Underwriting Capacity, Leading to Increased Reliance on International Firms

By Yoon Young-sil

In recent years, South Korea's non-life insurance sector has seen a significant outflow of reinsurance premiums to overseas markets, with figures approaching 14 trillion won (approximately $9.65 billion) over the past three years. This trend highlights the growing reliance of South Korean insurers on international reinsurance companies to manage their risk exposure. In 2022, the reinsurance premiums flowing overseas amounted to 3.1041 trillion won, increasing to 3.1352 trillion won in 2023, and further to 3.3705 trillion won in 2024, marking a substantial rise.

The cumulative total of overseas reinsurance premiums paid by South Korean non-life insurance companies from 2022 to 2024 reached 9.6099 trillion won. This substantial outflow is part of a broader trend where the total amount of reinsurance premiums, including retrocession premiums paid by Korean Re, the country's sole domestic reinsurance company, swelled to 13.5216 trillion won over the same period. The overseas cession balance recorded a deficit of about 6 trillion won, while the overseas acceptance balance showed a surplus of about 3.2 trillion won.

Reinsurance, a practice where insurance companies purchase insurance to cover their own risk exposure, is crucial for managing risk effectively. However, the imbalance in overseas reinsurance transaction balances is predominantly interpreted as stemming from the weak underwriting capacity of the domestic reinsurance market.

Korean Re, the only dedicated domestic reinsurance company that is not foreign-affiliated, has faced challenges in maintaining its market share. In 2022, Korean Re's market share in the domestic reinsurance market based on acceptance premiums was 68.9%, but this figure decreased to 59.9% in 2023 and further to 56.5% in 2024.

The solvency margin ratio, a financial soundness evaluation index, is another area where Korean Re lags behind its international competitors. In the fourth quarter of 2022, Korean Re's solvency margin ratio was recorded at 191.7%, significantly lower than its competitors with branches in Korea, such as Munich Re (319.14%) and Swiss Re (263.71%).

The increasing reliance on overseas reinsurance has economic implications, contributing to a trade deficit in the reinsurance sector. Since 2021, the cumulative deficit from overseas reinsurance transactions by insurance companies has been recorded at 2.6893 trillion won. This trade deficit indicates that South Korea is paying more in reinsurance premiums to foreign companies than it is receiving from them, affecting the national trade balance and the profitability of the insurance industry.

As the South Korean insurance market continues to navigate these challenges, the need for a robust domestic reinsurance infrastructure becomes increasingly apparent. The establishment of additional domestic reinsurance companies could potentially mitigate the reliance on international reinsurers and address the structural limitations of the current market. However, past efforts to establish a second domestic reinsurance company have faced significant hurdles, leaving Korean Re as the sole player in the domestic reinsurance landscape. ■

Source: Business Korea - 16 April 2025

TURKIYE

- ***The insurance market is expected to expand by 35-40% in 2025***

By Marina MAGNAVAL

The insurance market in Turkiye is expected to expand by 35-40% in 2025, as inflation slows, according to data from the Insurance Association of Turkiye (TSB), Middle East Insurance Review reports. The average inflation rate in Turkiye was around 58.5% in 2024 and projected at 24% for this year.

Technical profits of the insurance industry rose by 69% in 2024, reaching TRY 103.6 billion (~EUR 2.83 billion). According to a Finans Gundem report, quoting TSB board member Neslihan Neciboglu, of this amount, TRY 84 billion relate to non-life insurance, and TRY 19.6 billion – to life and pension. Net profits of the insurance sector last year increased by 57% y-o-y reaching TRY 103.9 billion.

As TSB president Ugur Gulen noted, 2024 stands out as a year of strong growth and financial solidity for the insurance sector. "The insurance sector reinforced its financial resilience by continuing to strengthen its equity structure.

In 2024, equity size increased by 74% to TRY 265.3 billion. In 2024, the total asset size of the insurance sector increased by 61% to TRY 2.29 trillion", he said. "This growth strengthened the financial stability of insurance companies and created an important foundation for sustainable growth", TSB president explained. "One of the most pleasing developments is that the number of our policies is increasing in main business lines such as motor, health and fire", he emphasized.

Ugur Gulen also noted that the sector is taking steps to increase its capital adequacy. "We are developing new financial instruments and investment strategies in order to manage our capital structure more efficiently", TSB president added.■

***EUR 1 = TRY 36.59 (31.12.2024)**

Source: XPRIMM - 15 April 2025

UAE

- ***The UAE's New Insurance Brokers Regulation: What Insurers and Insurance Brokers Need to Know***

The UAE's New Insurance Brokers Regulation: What Insurers and Insurance Brokers Need to Know

The UAE has taken a significant step in modernizing its insurance sector with the release of the Insurance Brokers' Regulation 2024, which officially came into force on 15 February 2025. Issued by the Central Bank, this Regulation introduces a wave of changes for insurance brokers operating in the onshore market. The new rules focus on transparency, financial soundness, data protection, and consumer trust.

Here's a closer look at the key changes and what they mean for insurance brokers and insurers alike.

1. Claim Payments Go Directly to Policyholders

One of the most significant shifts is that insurers must now handle claim settlements and premium re-funds directly with policyholders. Previously, brokers often acted as intermediaries for these transactions, but the new rules aim to streamline the process and reduce potential delays or disputes.

Brokers will need to review and adjust how they communicate with clients and insurers to reflect this new process. It's also a good opportunity to reinforce trust with clients by clearly explaining how their money is handled.

2. Minimum Net Equity Requirements Introduced

To improve financial stability in the sector, the Regulation now requires brokers to maintain minimum net equity levels. These thresholds vary depending on the broker's licensing category and business model.

If these requirements are not currently being met, firms may need to consider capital restructuring or internal financing plans to comply. Acting early could prevent last-minute pressure as enforcement picks up.

3. A Proportionate Approach to Regulation

The Central Bank has introduced a more nuanced, risk-based approach to compliance. Brokers will be assessed according to the size and complexity of their operations, rather than a one-size-fits-all standard.

Smaller brokers may face fewer demands, but that does not mean they are exempt from compliance. Tailored internal controls and documentation will still be essential.

4. New Rules Around Commissions and Discounts

From now on, brokers cannot offer discounts to clients by cutting into their commission. Any discount must come from the insurer directly. The Regulation also requires insurers to pay commissions within 10 business days of receiving premium payments, unless otherwise agreed.

These rules promote pricing transparency, but they will likely require brokers to revisit how they structure their client agreements, and how they engage in pricing discussions with insurers.

5. Governance and Conflict Management Are Now Mandatory

Brokers must now put in place proper corporate governance frameworks, including policies to manage conflicts of interest. These do not have to be overly complex, but they do need to be meaningful and proportionate to the broker's size and risk profile.

Take stock of current governance policies, reporting structures, and board oversight. A review, even for small firms, can reveal gaps worth addressing.

6. Cybersecurity and Data Must Stay Local

Data protection is getting serious attention. The Regulation requires brokers to store personal data within the UAE and maintain secure backups for at least 10 years. Cybersecurity frameworks must also be in place and regularly tested.

Firms using third-party data processors or cloud storage abroad may need to reassess those arrangements, and ensure systems are robust enough to handle sensitive data securely.

7. Staff Training and Competency Requirements

The new Regulation places more emphasis on making sure staff are properly trained and qualified. It's about raising the bar on professionalism and giving clients greater confidence in the advice they receive.

8. Better Recordkeeping and Internal Oversight

There is also a renewed push for strong internal controls and recordkeeping. Brokers are expected to maintain documentation that clearly shows compliance, including communications, client records, and internal policies.

Looking Ahead: The Insurance Brokers' Regulation 2024 sets a higher standard for the UAE's insurance market. While adapting to the new framework will require time and effort, it ultimately offers brokers a chance to build more transparent, resilient, and future-proof businesses.■

Source: Lexology – 28 April 2025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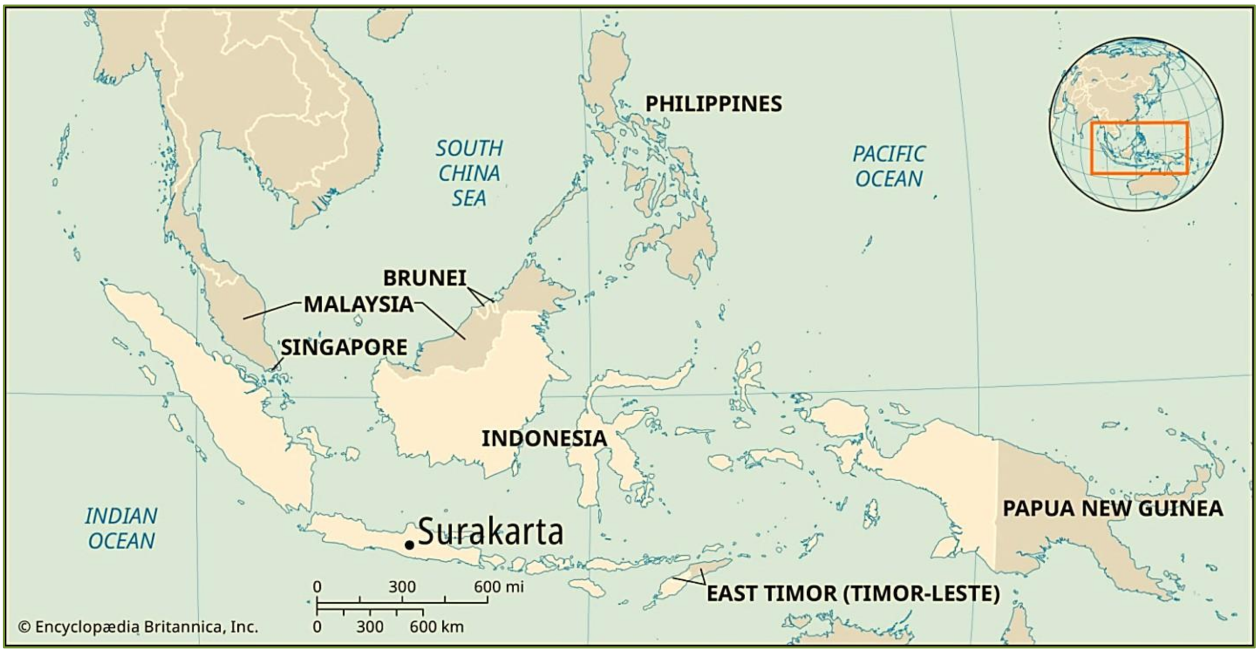
regional potential
We bring our regional expertise to the table, catering to a wide range of industries across various geographies with solutions that adapt to local market dynamics. Drawing on over 15 years of professional experience, our in-depth knowledge and strong relationships enable us to deliver customized solutions that address the unique challenges and opportunities within each region including Asia, Middle East, Africa, CEE & CIS countries.

INDONESIA

Insurance Market Overview

by Hussein Elsayed



(I) INDONESIA: General Information

Region	South-eastern Asia	UN membership date	28 September 1950
Population (000, 2024)	283 488 [a]	Surface area (km2)	1 910 931 [b]
Pop. density (per km2, 2024)	148.4 [a]	Sex ratio (m per 100 f)	100.9 [a]
Capital city	Jakarta	National currency	Rupiah (IDR)
Capital city pop. (000, 2024)	10 638.7 [c,d]	Exchange rate (per US$)	15 416.0 [e]

Economic indicators	2015	2020	2024
GDP: Gross domestic product (million current US$)	860 854	1 059 055	1 319 100 [b]
GDP growth rate (annual %, const. 2015 prices)	4.9	- 2.1	5.3 [b]
GDP per capita (current US$)	3 322.6	3 895.6	4 788.0 [b]
Economy: Agriculture (% of Gross Value Added) [f,g]	13.9	14.2	13.0 [b]
Economy: Industry (% of Gross Value Added) [f,h]	41.4	39.7	43.3 [b]
Economy: Services and other activity (% of GVA) [f,i]	44.7	46.1	43.7 [b]
Employment in agriculture (% of employed) [j]	33.0	29.6	29.3 [b]
Employment in industry (% of employed) [j]	22.0	21.5	21.9 [b]
Employment in services & other sectors (% employed) [j]	44.9	48.9	48.8 [b]
Unemployment rate (% of labour force)	4.5	4.2	3.2 [j]
Labour force participation rate (female/male pop. %)	50.7 / 82.4	53.2 / 81.6	53.3 / 81.9 [j]
CPI: Consumer Price Index (2010=100)	132	154	169 [e]
Agricultural production index (2014-2016=100)	101	115	121 [b]
International trade: exports (million current US$)	150 366	163 192	238 400 [j,e]
International trade: imports (million current US$)	142 695	141 569	217 654 [j,e]
International trade: balance (million current US$)	7 671	21 623	20 746 [j,e]
Balance of payments, current account (million US$)	- 17 519	- 4 433	- 1 880 [e]

Major trading partners						2023
Export partners (% of exports) [j]	China	22.6	United States	9.7	Japan	8.5
Import partners (% of imports) [j]	China	28.5	Singapore	8.2	Japan	7.2

Social indicators	2015	2020	2024
Population growth rate (average annual %)	1.1	0.8	0.8 [a]
Urban population (% of total population)	53.3	56.0 [d]	...
Urban population growth rate (average annual %)	2.6 [k]	...	...
Fertility rate, total (live births per woman)	2.3	2.2	2.1 [a]
Life expectancy at birth (females/males, years)	71.5 / 67.6	71.1 / 66.6	73.4 / 69.2 [a]
Population age distribution (0-14/60+ years old, %) [l]	27.0 / 9.2	25.8 / 10.4	24.6 / 11.5 [a]
International migrant stock (000/% of total pop.)	338.1 / 0.1 [m]	355.5 / 0.1 [m]	... / ...
Refugees and others of concern to the UNHCR (000)	13.2	13.5	12.3 [e]
Under five mortality rate (per 1000 live births)	27.5	22.8	19.9 [a]
Health: Current expenditure (% of GDP)	2.9 [n]	3.4	3.7 [o]
Health: Physicians (per 1 000 pop.)	0.3	0.6	0.7 [b]
Education: Government expenditure (% of GDP)	3.6	2.8 [d]	...
Education: Primary gross enrol. ratio (f/m per 100 pop.)	107.5 / 111.2	100.6 / 104.2	98.8 / 102.4 [b]
Education: Lowr. sec. gross enrol. ratio (f/m per 100 pop.)	103.5 / 99.4	100.6 / 102.6	99.7 / 101.8 [b]
Education: Upr. sec. gross enrol. ratio (f/m per 100 pop.)	76.2 / 79.3	96.2 / 92.7	99.1 / 95.2 [b]
Seats held by women in the National Parliament (%)	17.1	20.4 [p]	21.9 [p]

Environment and infrastructure indicators	2015	2020	2024
Individuals using the Internet (per 100 inhabitants) [q]	22.1	53.7	66.5 [b]
Research & Development expenditure (% of GDP)	0.1 [j,r]	0.3	...
Threatened species (number)	1 246	1 654	2 601 [e]
Forested area (% of land area)	50.6	49.1	48.4 [o]
CO2 emission estimates (million tons/tons per capita)	460.3 / 1.8	623.2 / 2.3	624.1 / 2.3 [o]
Energy production, primary (Petajoules)	17 364	20 293	21 363 [o]
Energy supply per capita (Gigajoules)	34	37	37 [o]
Tourist/visitor arrivals at national borders (000)	9 963	3 915	1 546 [o]
Important sites for terrestrial biodiversity protected (%)	23.1	25.9	25.9 [e]
Pop. using safely managed drinking water (urban/rural, %)	33.6 / 22.2	34.3 / 23.7	34.6 / 24.3 [b]
Net Official Development Assist. received (% of GNI)	0.00	0.12	0.05 [o]

a Projected estimate (medium fertility variant). **b** 2022. **c** Refers to the functional urban area. **d** 2019. **e** 2023. **f** Data classified according to ISIC Rev. 4. **g** Excludes irrigation canals and landscaping care. **h** Excludes publishing activities. Includes irrigation canals. **i** Includes publishing activities and landscape care. Excludes repair of personal and household goods. **j** Estimate. **k** Data refers to a 5-year period preceding the reference year. **l** Calculated by the UN Statistics Division. **m** Including refugees. **n** Data revision. **o** 2021. **p** Data at 1 January of the reporting year. **q** Population aged 5 years and over. **r** 2013.

World Statistics Pocketbook 2024

Indonesia Country Risks 2025

Political Risk

Governance Stability: Indonesia maintains a stable political environment; however, challenges persist regarding bureaucratic inefficiencies and corruption, which can affect policy implementation and investor confidence.

Economic Risk

- Growth Projections: The economy is expected to grow by approximately 5.0% in 2025, supported by domestic consumption and government spending.
- External Vulnerabilities: Indonesia faces risks from global trade tensions, particularly due to U.S. tariffs that could reduce growth by up to 0.5 percentage points.

Regulatory Risk

Trade Policies: The business environment is affected by complex regulations, including stringent local content requirements and export earnings repatriation rules, which may deter foreign investment.

Financial Risk

- Currency Fluctuations: The Indonesian rupiah has experienced volatility, influenced by external economic shocks and trade policies.
- Fiscal Discipline: The fiscal deficit is projected to remain below the legal limit of 3% of GDP, indicating prudent fiscal management.

Trade & Investment Risk

Export Dependence: Indonesia's reliance on exports, especially to the U.S., exposes it to external demand fluctuations and trade policy changes.

Operational Risk

Infrastructure Challenges: While infrastructure development is ongoing, issues such as inadequate transportation networks and energy supply constraints can impact business operations.

Social Risk

Demographic Pressures: Rapid urbanization and population growth place stress on public services and infrastructure, potentially leading to social tensions if not managed effectively.

Man-made risks

While maintaining a democratic system and a relatively diversified economy, faces man-made risks stemming from decentralization inefficiencies, terrorism threats, and regional inequalities. However, its regulatory and institutional frameworks are comparatively more mature, providing greater capacity to manage and mitigate these risks.

Indonesia Natural Hazard Risks

Indonesia is highly susceptible to various natural hazards due to its geographic location along the Pacific Ring of Fire and its tropical climate.

Floods: **High:** Frequent flooding affects many regions, particularly during the monsoon season, impacting agriculture, infrastructure, and livelihoods.

Drought: **Moderate** to High: Droughts occur periodically, especially in eastern Indonesia, affecting water supply and agricultural productivity.

Landslide: **High**: Heavy rainfall and deforestation contribute to frequent landslides, particularly in hilly and mountainous areas.

Extreme Heat: **Moderate**: Rising temperatures due to climate change lead to heatwaves, affecting health and increasing energy demand.

Cyclone: **Low** - Indonesia's equatorial location means it is generally not in the path of tropical cyclones, though some eastern regions may experience related weather disturbances.

Earthquake: **Very High**: Situated on major tectonic plates, Indonesia experiences frequent and sometimes severe earthquakes, posing significant risks to life and infrastructure.

Wildfire: **High**: Forest and peatland fires, often human-induced, are common during dry seasons, leading to air pollution and health issues.

Indonesia recorded 3,544 NatCat events in 2022, including 28 earthquakes, 1,531 floods, and 1,068 other extreme weather events. This caused damages to 95,403 properties, including severe damages to 20,205 properties, resulting in an estimated incurred loss of IDR2.2 trillion ($151.1 million) for property insurance companies in 2022.

(III) INDONESIA: Insurance Market

Key Highlights

- *The OJK is the government regulatory body supervising and regulating the insurance industry of Indonesia.*
- *The Insurance Law No 40 of 2014, which have been amended by Law No 4 of 2023*
- *The government permits 80% FDI in the Indonesian insurance industry.*
- *The placement of non-admitted insurance is not permitted in the Indonesian insurance industry.*
- *Composite insurance is not permitted in Indonesia*

(A) Insurance Market - Historical Landmarks and Regulatory Environment

➢ *Historical Landmarks*

19th c Insurance was introduced into the East Indies by agents of Dutch and British insurers.

1946 The Association of Miscellaneous Insurance Companies was formed.

1953 The Reinsurance Company of Indonesia (Maskapai Reasuransi Indonesia) was formed.

1956 The first all-Indonesian congress of national insurance companies convened.

1964 A system of presidential decrees regulating the insurance industry was introduced.

1967 The Insurance Council of Indonesia was re-established and opened its membership to all companies in the insurance sector.

1978 The insurance brokers' association was incorporated.

1992 Insurance Law No 2 regulating the insurance industry was enacted.

2002 The non-life insurance association, Asosiasi Asuransi Umum Indonesia (AAUI) was established as a member of Dewan Asuransi Indonesia (DAI).

2004 Several decrees were introduced relating to fit and proper tests, licensing and qualifications of agents and compulsory domestic reinsurance treaties.

2005 Insurance market supervision was transferred from the Ministry of Finance to the Capital Markets and Financial Institutions Supervisory Agency (BAPEPAM). A decree imposing minimum and maximum retentions and minimum local treaty reinsurance cessions came into force.

2007 Benchmark minimum premium rates for motor material damage were introduced. Companies were given the option of creating their own motor rating tariffs from the last five years' experience, to be approved by the supervisory authority.

2008 Government Regulation No 39/2008 increased the minimum paid-up capital (or equity) of insurers and reinsurers to be met in three stages, subsequently extended to 31 December 2010, 31 December 2012 and 31 December 2014.

2013 A new Financial Services Authority, the Otoritas Jasa Keuangan (OJK / the regulator) took over the regulation and supervision of banks (from Bank Indonesia) from 31 December 2013 and took over the responsibilities of BAPEPAM on 1 January 2013.
- OJK Circular No SE-06/D.05/2013 mandated new premium rate tariffs and conditions in respect of property (including business interruption) insurance and new minimum and maximum tariffs in respect of motor vehicle insurance.

2014 Law No 40/2014 on Insurance known as the New Insurance Law became effective from 23 October. Law No 40/2014 revoked the Law of the Republic of Indonesia No 2/1992 in its entirety.

2015 Regulation No 14/POJK.05/2015 and Circular Letter No 31/SEOJK.05/2015 came into effect on 1 January 2016, setting out new requirements regarding own retention limits, priority cessions to domestic reinsurers and reporting of reinsurance/retrocession.

2016 and **2017** The regulator completed the process of establishing implementing regulations to Law No 40/2014 through a series of regulations and circulars.

2018 Government Regulation Number 14 of 2018 on Foreign Ownership of Insurance Companies confirmed the maximum percentage of foreign ownership of insurance companies at the existing threshold of 80%.

2019 Ministry of Trade Regulation No 82/2017 (as amended) requires exports of crude palm oil and coal as well as imports of rice and other imports for government procurement (if transported by sea) to be insured with a locally licensed insurer or a consortium of locally licensed insurers authorised by the Ministry of Trade. The new insurance requirements took effect on 1 February 2019, with a one-month transition period for compliance. Following reports of significant export delays caused by compliance checks, it was announced that the transition period will be extended until 31 May 2019.

2020 Government Regulation No. 14 of 2018 on Foreign Ownership of Insurance Companies which has been amended through Government Regulation No. 3 of 2020 provides a grandfathering clause for an insurance company exceeding the current 80 per cent limit of foreign ownership at the time of the enactment of this regulation.

2023 - OJK's Committed To Addressing Problems In The Insurance Industry and Enhancing Consumer Protection: OJK continues to work on addressing problems in several insurance companies while strengthening regulations and supervision to improve consumer protection and support the advancement of a healthier, more efficient, and sustainable insurance industry.

- OJK Strengthens The Insurance Industry Through The Implementation Of Statements Financial Accounting Standard 74 (PSAK 74): The Indonesian Financial Services Authority determined that improving the credibility of the national insurance industry would be a priority work program to be undertaken, among others by ensuring the readiness of industry players to implement PSAK 74.
- OJK Issues Regulation To Improve Soundness of Insurance And Reassurance Companies: OJK continuously improves the soundness of insurance and reassurance companies, including the ones based on sharia principles, through issuing POJK Number 5 of 2023 on Second Amendment on Financial Services Authority Regulation Number 71//POJK.05/2016
- The Launch Of Indonesia Insurance Industry Development And Strengthening Roadmap 2023-2027: Indonesia Financial Services Authority (OJK) officially launches Indonesia's Insurance Industry Development and Strengthening Roadmap 2023-2027, with the theme "Restoring Confidence through Industrial Reform".

2024 - In February 2024, it was announced that the OJK plans to introduce the requirement of a substantially higher minimum equity level by the end of 2026.

In May 2024, the OJK urged general insurance companies to develop risk mapping for electric vehicle (EV) insurance, as part of its encouragement for the development of the EV insurance market.

- OJK issued 4 OJK Regulation (POJK) to strengthen regulation in achieving transformation of insurance and pension fund industry.
- OJK Issues Regulation (POJK) Number 8 of 2024 on Insurance Product and Insurance Product Marketing Channel (POJK 8 of 2024) to create a strong, sustainable, and innovative insurance industry.
- On 20 December 2024, OJK introduced changes to the operations of insurance and reinsurance companies, including Sharia-compliant entities, with the release of OJK Regulation No. 36 of 2024 on Business Operations of Insurance Companies, Sharia Insurance Companies, Reinsurance Companies, and Sharia Reinsurance Companies ("Reg. 36/2024"). This new regulation updates OJK Regulation No. 69/POJK.05/2016 ("Reg. 69/2016") and introduces enhancements in several key areas, including procedures for expanding business scope, improving insurance agent conduct, and regulating digital insurance services. These updates align with amendments to the Insurance Law (Law No. 40 of 2014, revised by Law No. 4 of 2023 on the Development and Strengthening of the Financial Sector).

2025 - Regulator mandates quarterly reports for Indonesian Insurers.
- The Indonesian General Insurance Association (AAUI), in collaboration with the United Nations Development Programme (UNDP), has officially launched the 2025–2030 Roadmap for Agricultural Insurance Development.
- Indonesia's proposed 10% co-payment requirement for private health insurance claims could reduce hospital revenues by 2% to 6% in fiscal year 2026, according to estimates from CGS International.

➢ *Insurance Market Supervision*

The Financial Services Authority (Otoritas Jasa Keuangan (OJK)) supervises all financial institutions. Law No. 40 of 2014 on Insurance which was enacted on October 17, 2014 is the principal legislation relating to insurance business (Insurance Law) some provisions of which have been amended by Law No 4 of 2023 on The Financial Sector Strengthening Program effective on 12 January 2023 (Financial Sector Omnibus Law).

Functions:

1. *organize the regulatory and supervisory system that is integrated to all activities within the financial services sector;*
2. *actively maintain the Financial System Stability in accordance with its authority; and*
3. *provide protection to Consumers and the public.*

DUTIES

The Financial Services Authority shall implement the regulatory and supervisory duty against:

- *financial service activities within the Banking sector;*
- *financial services activities within the Capital Market, Derivative finance and carbon exchange sectors;*
- *financial service activities within the Insurance, Guarantee and Pension Fund sectors;*
- *financial service activities within the Financing Institutions, venture capital companies, microfinance institutions, and Other LJK sectors;*
- *activities within the ITSK sector as well as digital financial assets and crypto assets;*
- *behavior of financial services business actors as well as the implementation of education and Consumer Protection; and*
- *the financial sector in an integrated manner as well as assessing the systemic impact of Financial Conglomerates.*

➢ *Key Insurance Legislations:*

- ***The key insurance legislation:***

Law No. 40 of 2014 on Insurance which was enacted on October 17, 2014 is the principal legislation relating to insurance business (Insurance Law) which have been amended by **Law No 4 of 2023**

1. INDONESIA INSURANCE LAW NO 40 YEAR 2014.pdf

- The primary insurance legislation was Law No. 40 of 2014, the Insurance Law, which governs life, non-life, reinsurance and shari'acompliant insurers.
- The law has been amended in recent years to open the market to greater foreign participation. In January 2023, this was comprehensively updated by Law No. 4 of 2023 concerning Financial Sector Development and Reinforcement, also known as the 'P2SK Law'. These changes focus on streamlining definitions and introducing new provisions, potentially paving the way for greater foreign investment and growth in shari'a-compliant insurance products. Key changes include expanded definitions for 'Insurance Brokerage Business', 'Controller' and 'Each Person', alongside the introduction of explicit shari'a insurance regulations.
- The P2SK Law further compelled all industries bound to compulsory insurance schemes to acquire the appropriate liability coverage. The P2SK Law also introduces firm-specific criminal penalties for insurance crimes. These penalties target registered insurance companies or individuals acting as insurance underwriters and non-insurance agents.
- *In January 2024, the regulator published four new regulations that had come into effect in 2023. These were:*
    - 1. POJK Number 20 of 2023 on Insurance Products related to Sharia Credit and Financing, and Suretyship Products or Sharia Suretyship;
    - 2. POJK Number 23 of 2023 on Licensing of Insurance Business and Company, Sharia Insurance Company, Reassurance Company and Sharia Reassurance Company;
    - 3. POJK Number 24 of 2023 on Licensing of Insurance Broker Business and Company, Reassurance Broker Company and Insurance Loss Assessor Company; and
    - 4. POJK Number 27 of 2023 on Implementation of Pension Fund Business.

    Collectively, these aim to bolster the sustainability of the sector, particularly through managing capital requirements for operators.

➢ *Industry Associations*

- *The umbrella trade organisation for the insurance sector is Dewan Asuransi Indonesia, which coordinates various other trade associations that have links to the sector. These trade associations include the following:*
    - Asosiasi Asuransi Jiwa
    - Indonesia Asosiasi Asuransi Syariah
    - Indonesia Asosiasi Asuransi Umum (General Insurance Association of Indonesia)
    - Badan Mediasi Dan Arbitrase Asuransi Indonesia (insurance sector ombudsman)
    - Asosiasi Asuransi Jaminan Sosial Indonesia (social security trade association)
    - Asosiasi Ahli Manajemen Asuransi Indonesia (coordinates professional education)

➢ *Pools:*

Indonesia has a number of pools, which are described below:

- Priority property quota share of 2.5% managed by Reasuransi Internasional Indonesia (ReINDO) now part of Indonesia Re.
- Property Pool (Konsorsium Asuransi Risiko Khusus - KARK) for pasars (markets) administered by Tugu Re. The pool handles property risks in respect of markets, which were and still are considered by insurers and reinsurers to be undesirable risks, and which were at the time of establishment of KARK prone to very heavy loss experience. It is reported that, subsequent to establishment, the pool has produced consistently satisfactory results for its participants and its reinsurers.
- Pool for Custom Bonds (Pool Kerjasama Custom Bond Indonesia - Pool KCBI) administered by ReINDO now part of Indonesia Re.

- Oil and Gas Pool (Konsorsium Pengembangan Industri Asuransi Indonesia - Migas - KPIAI). This pool had seven members in 2018, led by Tugu Pratama and Jasindo. Reinsurance is placed mainly in Asia and at Lloyd's.
- Terrorism Pool managed by Maskapai Reasuransi Indonesia (MAREIN) has nearly 50 pool members. Risks are underwritten by a technical committee using the London scale as a guide.
- Crop Pool for standing timber - little or no activity.

Membership of most of the pools is voluntary, and varies depending on the type of business written. It is understood that membership of all but the obligatory reinsurance pools is made up of domestic insurance companies

Company Registration and Operation

Insurers are required to obtain a license to operate in the country. Article 8 of the Insurance Law requires all companies intending to carry out (re)insurance business in Indonesia to obtain a business license from the OJK. In addition, Article 18 of the Insurance Law and Article 9 of Regulation No. 67/POJK.05/2016 stipulates any entity engaging in reinsurance business activities must obtain a license from the OJK. Insurance intermediaries also have to get licenses for promoting and selling insurance contracts in the country.

Minimum capital

- OJK has set higher minimum paid-up capital requirements for the establishment of an insurance company, as shown:

Insurer	IDR 1 trillion
Sharia Insurer	IDR 500 billion
Reinsurer	IDR 2 trillion
Sharia reinsurer	IDR 1 trillion

IDR 16,228.5 = US$1.00 as at January 1, 2025

- OJK has further categorized established insurance companies into two groups and set new minimum equity requirements based on this classification. Group 1 includes insurance companies that carry out only simple insurance businesses and/or products (conventional and/or sharia), while Group 2 includes insurance companies that carry out all insurance businesses and/or products (conventional and/or sharia).
- The new minimum requirements must be fulfilled in two phases, i.e. by 31 December 2026 and 31 December 2028.

In IDR bn	Current*	By end-2026	% change	By end-2028#	% change (from end-2026)
Conventional insurance companies	150	250	67%	KPPE 1: 500	100%
				KPPE 2: 1,000	300%
Conventional reinsurance companies	300	500	67%	KPPE 1: 1,000	100%
				KPPE 2: 2,000	300%
Shariah insurance companies	100	100	0%	KPPE 1: 200	100%
				KPPE 2: 500	400%
Shariah reinsurance companies	175	200	14%	KPPE 1: 400	100%
				KPPE 2: 1,000	400%

* Current MCR follows *OJK Regulation No 67/POJK 05/2016, on the Licensing and Institution of Insurance Companies, Shariah Insurance Companies, Reinsurance Companies and Shariah Reinsurance Companies*. A shariah re/insurer operating within a conventional re/insurer faces lower MCR. Re/insurers are also required to maintain a guarantee fund of the greater of not less than 20% of the minimum paid-up capital or equity or 1% of net premium plus 0.25% of reinsurance premium ceded.

By end-2028, all re/insurers in Indonesia will be grouped into two categories: KPPE 1 comprises companies with lower equity levels, which are restricted to offering simple conventional and shariah insurance products, while KPPE 2 comprises companies with higher equity levels and are permitted to conduct all conventional and shariah insurance activities.

Source: Axco and market news.

➢ *FDI restrictions*

- A foreign insurance company (or, as the case may be, any of its shareholders) engaged in similar insurance activities to those of the proposed company in Indonesia may hold up to 80 per cent of its shares at establishment.
- Government Regulation No. 14 of 2018 on Foreign Ownership of Insurance Companies which has been amended through Government Regulation No. 3 of 2020 provides a grandfathering clause for an insurance company exceeding the current 80% limit of foreign ownership at the time of the enactment of this regulation.
- ***Subsidiary/branch***
  Branches of foreign insurers are not permitted. Only an Indonesian incorporated legal entity can apply for a license to engage in business as an insurer.

➢ *Risk-based capital*

Insurance companies must fulfil the minimum solvency level, which is determined by their risk-based capital. This risk-based capital is based on specific risk factors which must be taken into account include credit risk, liquidity risk, market risk, insurance risk and operational risk. Further requirements regarding the solvency level and the risk factors are governed under OJK Regulation No. 71 of 2016 on the Financial Soundness of Insurance Companies and Reinsurance Companies as amended by OJK Regulation No 5 of 2023.

➢ *Non-Admitted*

The placement of non-admitted insurance is not permitted in the Indonesian insurance industry

➢ *Compulsory Insurances*

The key compulsory insurances are:

- Fund for road, rail, sea and air transport passengers - State Social Insurance Scheme.
- Professional indemnity insurance for insurance and reinsurance brokers.
- Work injury (state scheme).
- Liability insurance for licensed drones.
- Shipowners' liability for marine oil pollution (a financial guarantee or insurance).
- Exporters of coal and/or crude palm oil and importers of rice and other imports for government procurement (if transported by sea)

➢ *Digital Insurance Services*

- Reg. 36/2024 introduces regulations for Digital Insurance Services, allowing companies to sell insurance products, underwrite policies, and process claims entirely digitally, without face-to-face interaction. Eligible products will be determined by OJK.
- In light of these new provisions, Reg. 36/2024 highlights the key changes that insurance companies should be aware of. Before launching digital insurance, insurance companies must first obtain approval from OJK by incorporating digital services into their business plans and submitting relevant documents, such as proof of IT expertise, policies, risk management strategies, and a three-year business development plan. They must also register as electronic system providers, ensuring their systems are dependable, include comprehensive product information, and offer customer service contact points. Additionally, companies are required to employ IT staff with at least three years of experience and adhere to risk management standards.
- While companies may collaborate with third parties (e.g., payment providers or IT vendors), they may not outsource the entire digital service or transfer the management of customer data.

➢ *Reinsurance Business:*

- **OJK Regulation No. 73/POJK.05/2016;** effective since: October 2016; governs the Implementation of Reinsurance by Insurance and Reinsurance Companies.

- **Mandatory Use of Domestic Reinsurers:**
    - Insurance companies in Indonesia must first place reinsurance with local (domestic) reinsurance companies before ceding to foreign reinsurers.
    - This applies to both proportional and non-proportional treaties, and facultative reinsurance.

- Local reinsurance must be prioritized for the following classes: Property insurance, Motor vehicle, Engineering, Marine and aviation, Oil and gas, Credit and surety & PA&H.
  Specific high-risk sectors such as energy, oil & gas, aviation, and catastrophe risks have also been targeted by subsequent circulars for mandatory cession to Indonesia Re (Reasuransi Indonesia Utama).

- **Foreign Reinsurance Rules:** Reinsurance can be placed with foreign reinsurers only if**:**
    - The capacity of local reinsurers is insufficient;
    - The required expertise or product specialization is unavailable in Indonesia;
    - The placement is documented and approved internally by the insurer's risk committee.

- **Retention Policy Requirements**
    - Insurers must establish internal retention policies in line with their capital, risk appetite, and solvency.
    - Must avoid over-reliance on reinsurance to meet capital requirements.

- **Governance and Oversight:** Reinsurance arrangements must be:
    - Reviewed by actuaries and risk committees;
    - Aligned with risk-based capital (RBC) assessments;
    - Integrated with enterprise risk management (ERM) frameworks.

- Indonesia's Financial Services Authority (OJK) is reviewing its foreign ownership restrictions in the reinsurance sector due to a widening reinsurance deficit, which reached IDR 12.1 trillion ($732.9 million) last year. The persistent shortfall underscores the industry's dependence on foreign reinsurers. OJK is considering regulatory changes, including allowing multinational reinsurers to open local branches, and is also gradually raising capital requirements to enhance industry stability.




(B) INDONESIA: Insurance Market Performance & Statistics

➢ *INDONESIA - Insurance Market Structure*

The following shows the number of Insurance, Reinsurance, and Insurance Supporting Companies:

Company Type	2020	2021	2022	2023	2024
General Insurance	72	71	72	72	72
Life Insurance	52	53	53	49	49
Reinsurance	6	6	6	7	8
Insurance Brokers	160	156	155	152	151
Reinsurance Brokers	42	41	41	41	41
Loss Adjusters	26	26	27	28	28

Source: OJK (Financial Services Authority of Indonesia)

➢ *INDONESIA - Insurance Market Main Indicators*

	2021	2022	2023
Total Premiums			
Total Premiums (US$ m)	19610	18574	18353
Total Insurance Growth (%) inflation-adjusted	6.9%	-4.0%	-2.2%
Total Insurance Density (US$)	70	68	66
Total Insurance Penetration %	1.6%	1.4%	1.3%
Share of World Insurance Market %	0.3%	0.3%	0.3%
Life Premiums			
Life Premiums (US$ m)	13437	11718	10576
Life Insurance Growth (%), inflation-adjusted	6.6%	-12.8%	–10.7
Life Insurance Density (US$)	48	43	38
Life Insurance Penetration (%)	1.1%	0.9%	0.8%
Share of Total Insurance Business %	68.0%	62.3%	57.6%
Share of World Life Insurance Market %	0.4%	0.4%	0.4%
Non-Life Premiums			
Non-Life Premiums (US$ m)	6173	6856	7778
Non-Life Insurance Growth (%), inflation-adjusted	7.4%	15%	12.2%
Non-Life Insurance Density (US$)	22	26	28
Non-Life Insurance Penetration (%)	0.5%	0.5%	0.6%
Share of Total Insurance Business %	32.0%	37.7%	42.4%
Share of World Non-Life Insurance Market %	0.2%	0.2%	0.2%

- Indonesia ranked 6th in insurance penetration within ASEAN, with a rate of 1.4% in 2023, compared to Singapore (10.5%), Thailand (5%), and Vietnam (2.5%).
- Life insurance is the biggest segment, earning 40% of total gross insurance premiums in 2023. Next comes social insurance with a 39% share and non-life insurance and reinsurance with 19% of the total. Mandatory insurance accounted for 2.6% of overall premiums. Gross contributions from Sharia insurance were equivalent to 3.2% of total insurance income.

Source: SwissRe Sigma https://www.sigma-explorer.com/

❖ Life Insurance Industry Performance

The Indonesian Life Insurance Association (AAJI) released its full-year performance report for 2024, covering 56 life insurers. The report highlights a positive trend in key performance indicators, including premium growth and policyholder numbers. (AAJI, 3 Mar 2025)

- **Premium Income**:
  Life insurers collected IDR 185.39 trillion in total premium income during 2024, marking a 4.3% increase compared to the previous year. This was supported by new business premiums totaling IDR 108.32 trillion and renewal premiums of IDR 77.07 trillion, each up 4.3% year-on-year
- **Product Breakdown**:
  - Traditional life insurance showed a strong 18.7% growth, reaching IDR 110.36 trillion, accounting for 59.5% of total premiums.
  - Unit-linked products made up 40.5% of premium income.
  - Sharia (Islamic) life products grew by 10.4%, reaching IDR 22.61 trillion, boosted by rising consumer awareness of Sharia-compliant financial products
- **Policyholder Coverage**:
  The total number of policyholders soared by 80.1% to 154.64 million. Growth was especially strong in group policies, which increased by 107.7% to 133.05 million
- **Claims Paid**:
  Insurers disbursed IDR 160.07 trillion in total benefits and claims to 9.08 million beneficiaries, demonstrating the industry's commitment to financial protection. (AAJI, 3 May 2025)
  - Death claims totaled IDR 11.29 trillion.
  - Maturity (end-of-contract) claims rose 13.9% to IDR 18.30 trillion.
  - Surrender claims decreased 13.3% to IDR 77.15 trillion, reflecting improved long-term risk awareness.
  - Partial withdrawal claims increased 17% to IDR 19.87 trillion.
  - Healthcare claims rose 16.4% to IDR 24.18 trillion, showing more moderated growth than the previous year (24.6%)

Top 15 Life Insurance Companies in Indonesia (2023)
Based on Premium Income

No.	Company Name	2023 Premium Income (Million Rp)	2022 Premium Income (Million Rp)	2023 Total Industry (Million Rp)	2022 Total Industry (Million Rp)	2023 Market Share (%)	2022 Market Share (%)
1	PT Prudential Life Assurance	19.881.864	19.781.785	156.690.942	167.619.920	12,69	11,8
2	PT Asuransi Allianz Life Indonesia	15.105.094	14.186.239	156.690.943	167.619.921	9,64	8,46
3	PT Indolife Pensiontama	11.992.951	12.186.221	156.690.944	167.619.922	7,65	7,27
4	PT AXA Mandiri Financial Services	11.681.836	12.208.983	156.690.945	167.619.923	7,46	7,28
5	PT Asuransi Jiwa Manulife Indonesia	9.878.584	10.425.116	156.690.946	167.619.924	6,3	6,22
6	PT AIA Financial	9.877.693	11.323.375	156.690.947	167.619.925	6,3	6,76
7	PT Asuransi BRI Life	7.783.415	8.789.180	156.690.948	167.619.926	4,97	5,24
8	PT Asuransi Simas Jiwa	7.303.634	13.890.494	156.690.949	167.619.927	4,66	8,29
9	PT Asuransi Jiwa Astra	6.076.619	5.965.301	156.690.950	167.619.928	3,88	3,56
10	PT Capital Life Indonesia	5.452.533	8.703.723	156.690.951	167.619.929	3,48	5,19
11	PT BNI Life Insurance	5.379.534	4.997.142	156.690.952	167.619.930	3,43	2,98
12	PT Great Eastern Life Indonesia	3.788.096	3.244.305	156.690.953	167.619.931	2,42	1,94
13	PT Sun Life Financial Indonesia	3.592.392	4.326.661	156.690.954	167.619.932	2,29	2,58
14	PT Asuransi Jiwa Inhealth Indonesia	2.435.552	2.965.760	156.690.955	167.619.933	1,89	1,77
15	PT Asuransi Jiwa Sequis Life	2.965.237	2.939.316	156.690.956	167.619.934	1,89	1,75

Note: Processed by the Insurance Media Research Institute (LRMA) based on published balance sheets of 46 life insurance companies. The total value represents all 46 life insurers.

The Indonesian life insurance industry saw dynamic growth in 2023. According to Media Asuransi's July 2024 edition and data from the Insurance Media Research Institute (LRMA), the companies are categorized into market leaders, significant growers, revenue decliners, and stable performers.

- **Market Leader:**
  Prudential Life Assurance led with IDR 19.88 trillion in premiums, increasing its market share from 11.80% to 12.69%.
- **Significant Growth:**
  Allianz Life rose to IDR 15.10 trillion, increasing market share to 9.64%.
  Indolife Pensiontama saw a slight decline in revenue but an increase in market share to 7.65%.
- **Revenue Decline:**
  Simas Jiwa dropped from IDR 13.89 trillion to IDR 7.30 trillion.
  Capital Life fell from IDR 8.70 trillion to IDR 5.45 trillion.
- **Stable Companies:**
  AXA Mandiri and Manulife maintained relatively steady market shares despite minor revenue changes.

The industry remains highly competitive and is dominated by key players like Prudential, Allianz, and Manulife. Companies are urged to innovate and improve services to sustain or grow their market position.

❖ General Insurance Industry Performance

Premiums Recorded by the General Insurance Sector (Full Year 2024)

The total premiums recorded by the general insurance industry in the fourth quarter of 2024 amounted to IDR 112.9 trillion, representing a growth of 8.7% compared to the same period in the previous year.

By line of business, premium growth was observed across most sectors; however, five lines experienced contractions: Satellite Insurance (–57.9%), Onshore Energy Insurance (–10.6%), Engineering Insurance (–18.2%), Credit Insurance (–3.4%), Personal Accident Insurance (–5.7%), and Surety Insurance (–5.8%).

In terms of distribution channels, the largest portion of premium income came through Insurance Brokers/Intermediaries (35.2%), followed by Direct Marketing (28.6%), Leasing (14.6%), Insurance Agents (10.4%), Others (5.3%), with the remaining share being less than 5%.

Regarding market share by line of business, the top three contributors to paid premiums were: Property Insurance (26.9%), Credit Insurance (19.2%), and Motor Vehicle Insurance (17.8%).

Claims Paid by The General Insurance Sector (Year 2024)

Claims paid by the General Insurance Industry in Q4 2024 amounted to IDR 49.9 trillion, an increase of 8.5% compared to the same period of the previous year.

Looking at individual lines of business within the General Insurance segment, there was a rise in the percentage of claim payments, which occurred in most business lines during Q4 2024. The largest increase in claims was seen in the Property Insurance line (+24.7%), followed by Marine Hull Insurance (+19.5%).

In terms of distribution channels, the highest share of general insurance claim payments was made through Insurance Brokers/Intermediaries at 33.8%, followed by Direct Marketing (32.7%), Insurance Agents (12.9%), Leasing Companies (12.4%), with the remaining channels contributing less than 5%.

By type of insurance, the largest share of claims paid in Q4 2024 was contributed by Credit Insurance (37%), followed by Property Insurance (16.9%), Motor Vehicle Insurance (15.6%), and Health Insurance (13.8%).

Premiums and Claims Paid – General Insurance 2023-2024 (All Business Lines)

(In billion Rupiah)

Business Line	2023 Premium	2024 Premium	Growth (%)	2023 Claims	2024 Claims	Growth (%)
Property	26,489	30,363	+14.7%	6,766	8,445	+24.7%
Motor Vehicle	19,497	20,143	+3.3%	7,039	7,809	+11.0%
Marine Cargo	5,083	5,306	+4.4%	1,503	1,673	+11.3%
Marine Hull	2,591	3,162	+22.0%	1,211	1,441	+19.5%
Aviation	1,371	1,377	+0.4%	251	226	–9.3%
Satellite	340	143	–57.9%	36	0	–100.0%
Energy Onshore	287	257	–10.6%	45	101	+125.4%
Energy Offshore	1,289	1,550	+20.3%	1,282	1,181	–7.9%
Engineering	5,232	4,270	–18.4%	1,488	1,600	+7.9%
Liability	3,957	4,264	+7.8%	696	485	–30.5%
Accident	2,793	2,589	–7.3%	769	395	–47.0%
Health	6,675	11,824	+77.2%	6,136	6,881	+12.1%
Credit Insurance	22,338	21,665	–3.0%	1,884	1,595	–15.4%
Surety Bond	1,809	1,695	–6.3%	388	203	–47.8%
Miscellaneous	4,115	4,252	+3.3%	939	798	–14.6%

- **Total Premiums (All Lines):** **2023**: IDR 103.87 trillion **2024**: IDR 112.86 trillion (**+8.7%**)
- **Total Claims:** **2023 (All Lines):** IDR 46.01 trillion **2024**: IDR 49.90 trillion (**+8.5%**)

15 General Insurance Based on Premiums 2023 (Based on Premium Income)

No.	Company Name	2023 Premium Income (Million Rp)	2022 Premium Income (Million Rp)	2023 Total Industry (Million Rp)	2022 Total Industry (Million Rp)	2023 Market Share (%)	2022 Market Share (%)
1	PT Asuransi Sinar Mas	8.281.651	7.287.378	82.456.656	71.031.383	10,04	10,26
2	PT Asuransi Astra Buana	5.949.329	4.963.556	82.456.656	71.031.383	7,22	6,99
3	PT Asuransi Tugu Pratama Indonesia, Tbk.	4.697.988	3.769.566	82.456.656	71.031.383	5,7	5,31
4	PT Asuransi Bangun Askrida	4.489.128	4.143.864	82.456.656	71.031.383	5,44	5,83
5	PT Asuransi Central Asia	3.999.622	3.054.061	82.456.656	71.031.383	4,85	4,3
6	PT Lippo General Insurance, Tbk.	3.256.990	2.443.745	82.456.656	71.031.383	3,95	3,44
7	PT Asuransi Jasa Indonesia (Persero)	3.174.696	3.099.346	82.456.656	71.031.383	3,85	4,36
8	PT BRI Asuransi Indonesia	2.953.630	2.316.355	82.456.656	71.031.383	3,58	3,26
9	PT Asuransi Wahana Tata	2.675.806	2.360.819	82.456.656	71.031.383	3,25	3,32
10	PT Zurich Asuransi Indonesia, Tbk.	2.336.615	2.136.148	82.456.656	71.031.383	2,83	3,01
11	PT Asuransi MSIG Indonesia	2.236.136	2.274.519	82.456.656	71.031.383	2,71	3,2
12	PT Asuransi Multi Arta Guna, Tbk.	2.228.719	2.008.997	82.456.656	71.031.383	2,7	2,83
13	PT Sompo Insurance Indonesia	2.226.068	2.121.074	82.456.656	71.031.383	2,7	2,99
14	PT Asuransi Simas Insurtech	1.978.188	663.232	82.456.656	71.031.383	2,4	0,93
15	PT Asuransi Tokio Marine Indonesia	1.829.507	1.862.298	82.456.656	71.031.383	2,22	2,62

Note: Processed by the Insurance Media Research Institute (LRMA) from published balance sheets of 66 out of 71 general insurance companies. Five companies had not published their financial reports by the time this material went to print. The total value represents the 66 general insurance companies.

The general insurance industry in Indonesia continues to demonstrate significant year-on-year growth. The year 2023 was particularly noteworthy, especially in terms of gross written premiums received by leading general insurance companies in Indonesia. This article provides a concise overview of gross premium data from the country's largest general insurers and summarizes their performance.

Based on data processed by the Insurance Media Research Institute (LRMA), below is a table showcasing the 15 general insurance companies with the highest gross written premiums as of December 2023.

The data show that PT Asuransi Sinar Mas remains the market leader in Indonesia's general insurance industry based on gross written premiums in 2023. Other companies, such as PT Asuransi Astra Buana and PT Asuransi Tugu Pratama Indonesia Tbk, also demonstrated significant increases in their gross premium income.

The overall rise in gross written premiums reflects positive growth in Indonesia's general insurance industry, even though some companies experienced a decline in market share. PT Asuransi Simas Insurtech stood out with exceptionally strong growth, signaling substantial future potential.

Overall, Indonesia's general insurance industry shows healthy market dynamics, with various companies competing to gain market share. These firms need to continue innovating and delivering top-quality services in order to maintain and enhance their market positions in this competitive environment.

❖ Reinsurance Performance

Premiums Recorded and Claims Paid – Reinsurance Industry (2023–2024)

(In billion Rupiah)

Line of Business	Premiums 2023	Premiums 2024	Growth (%)	Claims 2023	Claims 2024	Growth (%)
Property	9,101	9,556	+5.0%	4,347	3,973	–8.6%
Motor Vehicle	244	315	+28.9%	132	131	–0.7%
Marine Cargo	1,600	1,490	–6.9%	316	366	+15.8%
Marine Hull	822	788	–4.2%	522	506	–3.1%
Aviation	80	59	–26.4%	86	62	–27.9%
Satellite	36	68	+89.1%	17	1	–91.7%
Energy Off Shore	220	322	+46.3%	12	19	+58.3%
Energy On Shore	108	92	–15.0%	75	118	+56.4%
Engineering	1,748	1,423	–18.5%	702	703	+0.1%
Liability	664	635	–4.3%	530	180	–66.0%
Personal Accident	226	632	+179.7%	89	403	+350.6%
Health Insurance	10	14	+35.7%	3	4	+33.3%
Credit Insurance	6,423	4,744	–26.1%	4,320	2,718	–37.1%
Suretyship	143	286	+100.0%	107	160	+49.5%
Miscellaneous	1,962	1,150	–41.4%	1,617	438	–72.9%

- **Total Premiums (All Lines):** **2023**: IDR 23.83 trillion , **2024**: IDR 21.55 trillion (**-7.8%**)
- **Total Claims (All Lines):** **2023**: IDR 12.56 trillion, **2024**: IDR 9.55 trillion (**-24.0%**)

Source: AAUI (from 8 member companies; one company has not yet submitted 2024 data)

INDONESIA: Insurance Market SWOT

Strengths	- Large and growing population (~260 million), rising disposable incomes. - Strong bancassurance channel (~44.6%), facilitating penetration. - Strong mobile and digital adoption.
Weaknesses	- Low insurance penetration (~0.45%), especially in rural areas. - Dependence on traditional sales methods. - Risk management practices still developing.
Opportunities	- Growing middle class and younger demographics. - Expanding digital and mobile insurance platforms. - Introduction of microinsurance and Takaful products. - Liberalization policies (100% foreign ownership allowed).
Threats	- Vulnerability to natural hazards (floods, volcanic activity). - Regulatory changes and rising capital requirements. - High claim ratios in certain lines (e.g., Motor). - Strong market competition leading to pricing pressure.

Source: Business Monitor Online

OJK POLICY PRIORITIES 2025:

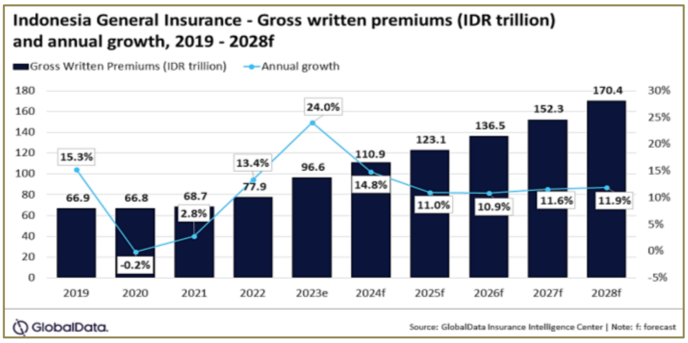
- Support for the Free Nutritious Meals Program (MBG) and food security is bolstered through enhanced access to financing with special credit schemes, guarantees for farmers and MSMEs, as well as the development of parametric insurance products.
- OJK contributive efforts to a healthier society are exemplified by our collaboration with the Ministry of Health to improve the national health insurance ecosystem.
- Insurance and guarantees will be strengthened to support MSME developers in mitigating housing development risks, including guarantees for Working Capital Loans, as well as property insurance, and credit life insurance for MBR KPR customers
- Financing receivables from Financing Companies are projected to grow by 8%-10%. Insurance Assets are expected to grow by 6%-8%. Pension Fund assets are estimated to increase by 9%-11%, and Credit Guarantee assets are projected to grow by 6%-8%.

Source: Indonesia FSA 2025 Annual Financial Services Industry Meeting (PTIJK) Book

➢ INDONESIA - Insurance Market Forecast

❖ General Insurance:

Indonesia general insurance industry to reach $11.5 billion in 2028 *(Forecasts GlobalData 18 Mar, 2024)*

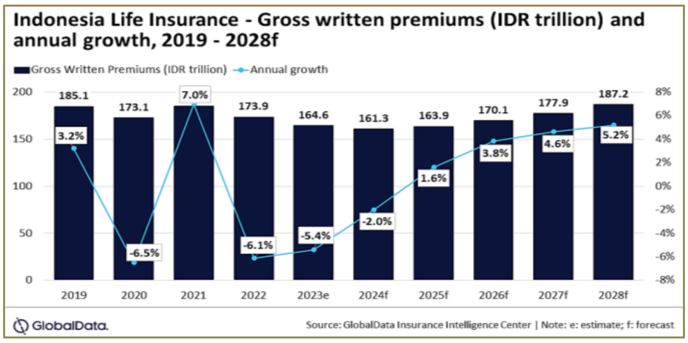


The Indonesian general insurance industry is set to grow at a compound annual growth rate (CAGR) of 11.3% from IDR110.94 trillion ($7.3 billion) in 2024 to IDR170.39 trillion ($11.5 billion) in 2028, in terms of gross written premiums (GWP), forecasts GlobalData, a leading data and analytics company.

GlobalData's Insurance Database reveals that the general insurance industry in Indonesia is expected to grow by 14.8% in 2024. The growth is expected to be driven by favorable regulatory reforms, rising demand for natural catastrophic (Nat-Cat) insurance policies, and government support for credit distribution to micro, small, and medium enterprises (MSMEs).

❖ Life Insurance:

Indonesia life insurance industry to surpass $12 billion by 2028 *(Forecasts GlobalData 2 April 2024)*

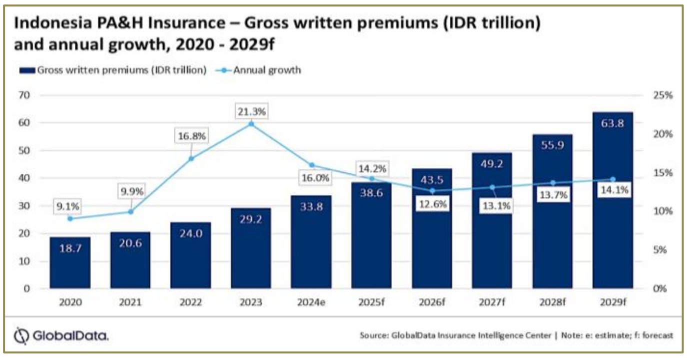


The Indonesian life insurance industry is forecast to grow at a compound annual growth rate (CAGR) of 3.8% over 2024–28, from IDR161.3 trillion ($10.5 billion) in 2024 to IDR187.2 trillion ($12.1 billion) in 2028, in terms of gross written premiums (GWP), according to GlobalData, a leading data and analytics company.

GlobalData's Insurance Database reveals that the decline in the Indonesian life insurance industry's growth that began in 2022 is expected to continue in 2023 and 2024. The decline will be driven by a drop in the sales of endowment insurance policies, which are anticipated to account for nearly 70% of life insurance premiums in 2024.

❖ PA& Health:

Indonesia's PA&H slated for 13.4% CAGR through 2029 *(Forecasts GlobalData 2 April 2025)*



Indonesia's personal accident and health (PA&H) insurance sector is projected to pencil a compound annual growth rate (CAGR) of 13.4%, increasing from $2.4b in 2025 to $4.0b in 2029, according to GlobalData. The sector's share of the total insurance market is expected to rise from 13.6% in 2025 to 16.7% in 2029.

Growth in 2025 alone is estimated at 14.2%, driven by rising demand for private health insurance and higher premium rates. Manogna Vangari, Insurance analyst at GlobalData, attributes the continued double-digit growth since 2022 to increasing awareness of health and financial risks. Premium rate adjustments in response to inflation and the recovery of the tourism sector are also contributing factors.

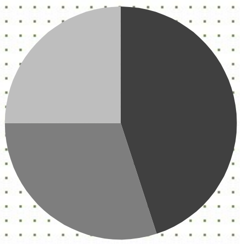
FAIR AVIATION POOL

FAIR AVIATION POOL's UNDERWRITING CAPACITY

TREATY

- Treaty (Non Proportional)
  $ 4 000 000

- Treaty (Proportional)
  $ 4 000 000



FACULTATIVE

Facultative (Airline)
HULL **$ 4 000 000**
LIABILITY **$ 26 000 000**

Facultative (Non Airline)
HULL **$ 3 000 000**
LIABILITY **$ 15 000 000**

Managed by

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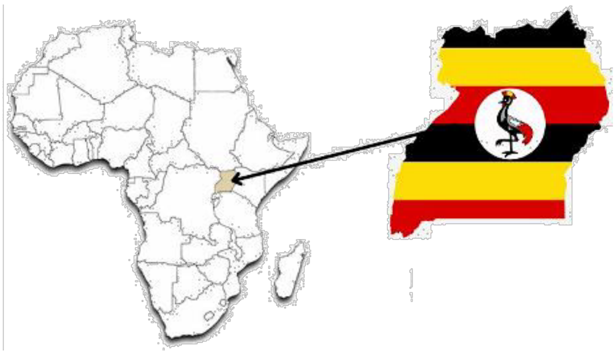
RESILIENCE BUILDER SINCE 1960
GROUPE CDG

UGANDA

Insurance Market Overview

by Hussein Elsayed



(I) UGANDA: General Information

Region	Eastern Africa	UN membership date	25 October 1962
Population (000, 2024)	50 015 [a]	Surface area (km2)	241 550 [b]
Pop. density (per km2, 2024)	250.3 [a]	Sex ratio (m per 100 f)	98.4 [a]
Capital city	Kampala	National currency	Uganda Shilling (UGX)
Capital city pop. (000, 2024)	3 137.7 [c,d]	Exchange rate (per US$)	3 782.2 [e]

Economic indicators	2015	2020	2024
GDP: Gross domestic product (million current US$)	29 297	38 061	48 243 [b]
GDP growth rate (annual %, const. 2015 prices)	6.1	- 1.4	6.5 [b]
GDP per capita (current US$)	781.7	857.1	1 021.0 [b]
Economy: Agriculture (% of Gross Value Added) [f,g]	23.3	26.6	27.1 [b]
Economy: Industry (% of Gross Value Added) [g,h]	29.4	28.5	28.2 [b]
Economy: Services and other activity (% of GVA) [g,i]	47.3	44.9	44.7 [b]
Employment in agriculture (% of employed) [j]	70.8	67.9	66.3 [b]
Employment in industry (% of employed) [j]	7.0	7.1	7.3 [b]
Employment in services & other sectors (% employed) [j]	22.2	25.0	26.4 [b]
Unemployment rate (% of labour force) [j]	2.8	3.8	2.8
Labour force participation rate (female/male pop. %) [j]	66.7 / 73.9	66.9 / 71.9	67.6 / 72.3
CPI: Consumer Price Index (2010=100)	151 [k]	111 [l]	128 [l,e]
Agricultural production index (2014-2016=100)	103	139	136 [b]
International trade: exports (million current US$)	2 267	4 149	5 610 [j,e]
International trade: imports (million current US$)	5 528	8 251	12 568 [j,e]
International trade: balance (million current US$)	- 3 261	- 4 102	- 6 958 [j,e]
Balance of payments, current account (million US$)	- 1 649	- 3 598	- 4 172 [b]

Major trading partners						2023
Export partners (% of exports) [j]	United Arab Emirates	26.8	Kenya	13.3	South Sudan	12.2
Import partners (% of imports) [j]	China	18.2	India	11.6	United Rep. Tanzania	9.0

Social indicators	2015	2020	2024
Population growth rate (average annual %)	3.1	3.2	2.7 [a]
Urban population (% of total population)	22.1	24.4 [d]	...
Urban population growth rate (average annual %)	6.0 [m]	...	...
Fertility rate, total (live births per woman)	5.3	4.6	4.2 [a]
Life expectancy at birth (females/males, years)	66.3 / 61.2	69.4 / 63.4	71.4 / 65.5 [a]
Population age distribution (0-14/60+ years old, %) [n]	48.1 / 3.1	45.2 / 3.3	43.5 / 3.5 [a]
International migrant stock (000/% of total pop.)	851.2 / 2.2 [o]	1 720.3 / 3.8 [o]	... / ...
Refugees and others of concern to the UNHCR (000)	646.5	3 776.4	1 628.6 [e]
Under five mortality rate (per 1000 live births)	55.8	43.5	37.7 [a]
Health: Current expenditure (% of GDP) [p]	5.1	4.3	4.7 [q]
Health: Physicians (per 1 000 pop.)	0.1	0.2	0.2 [b]
Education: Government expenditure (% of GDP)	2.3 [j]	2.6	2.6 [b]
Education: Primary gross enrol. ratio (f/m per 100 pop.)	103.8 / 103.4	106.2 / 104.8 [r]	... / ...
Education: Lowr. sec. gross enrol. ratio (f/m per 100 pop.)	... / ...	29.6 / 31.3 [r]	... / ...
Education: Upr. sec. gross enrol. ratio (f/m per 100 pop.)	... / ...	7.6 / 11.9 [r]	... / ...
Intentional homicide rate (per 100 000 pop.)	12.3 [s]	10.0	8.8 [b]
Seats held by women in the National Parliament (%)	35.0	34.9 [t]	33.9 [t]

Environment and infrastructure indicators	2015	2020	2024
Individuals using the Internet (per 100 inhabitants)	5.8 [j]	7.4	10.0 [q]
Research & Development expenditure (% of GDP)	0.1 [u,s]	...	...
Threatened species (number)	188	266	322 [e]
Forested area (% of land area)	12.7	11.7	11.5 [q]
CO2 emission estimates (million tons/tons per capita)	4.3 / 0.1	5.1 / 0.1	5.7 / 0.1 [q]
Energy production, primary (Petajoules)	755	874	899 [q]
Energy supply per capita (Gigajoules)	22	24	24 [q]
Tourist/visitor arrivals at national borders (000)	1 303	473	513 [q]
Important sites for terrestrial biodiversity protected (%)	72.2	72.2	72.2 [e]
Pop. using safely managed drinking water (urban/rural, %)	35.6 / 5.7	42.3 / 8.2	45.1 / 9.3 [b]
Pop. using safely managed sanitation (urban/rural %)	21.8 / 15.2	22.2 / 15.9	22.4 / 16.2 [b]
Net Official Development Assist. received (% of GNI)	5.16	8.35	6.45 [q]

a Projected estimate (medium fertility variant). **b** 2022. **c** Data includes Kira, Makindye Ssabagabo and Nansana. **d** 2019. **e** 2023. **f** Excludes irrigation canals and landscaping care. **g** Data classified according to ISIC Rev. 4. **h** Excludes publishing activities. Includes irrigation canals. **i** Includes publishing activities and landscape care. Excludes repair of personal and household goods. **j** Estimate. **k** Base: 1 July 2009 - 30 June 2010=100. **l** Base: 1 July 2016 - 30 June 2017=100. **m** Data refers to a 5-year period preceding the reference year. **n** Calculated by the UN Statistics Division. **o** Including refugees. **p** Data refer to fiscal years beginning 1 July. **q** 2021. **r** 2017. **s** 2014. **t** Data at 1 January of the reporting year. **u** Break in the time series.

World Statistics Pocketbook 2024

Country Risks Information

1- UGANDA: COUNTRY RISKS

Political Stability Risk
- Uganda experiences moderate to high political risk.

Economic Risk
- Uganda is a low-income country with strong agricultural dependency.
- Vulnerable to external shocks like commodity price fluctuations and global inflation.
- Public debt is increasing and fiscal deficits persist.
- High reliance on donor funding and infrastructure investments.

Regulatory and Legal Risk
- Uganda has made strides in improving its regulatory framework, particularly in the financial and energy sectors.
- However, regulatory unpredictability, bureaucratic inefficiencies, and corruption can hinder business operations.
- Property rights and contract enforcement still face limitations.

Trade & Investment Climate Risk
- Uganda is landlocked, which increases logistical costs and dependency on regional infrastructure.
- Non-tariff barriers and delays at borders affect cross-border trade.
- The investment climate is improving but still challenged by corruption, and inconsistent enforcement of investment laws.

Financial System Risk
- The banking sector is relatively stable and supervised by the Bank of Uganda.
- Inflation is generally under control but vulnerable to currency depreciation and external shocks.
- Access to finance remains limited for SMEs and rural populations.

Infrastructure and Operational Risk
- Infrastructural bottlenecks, especially in electricity and transportation.
- Inconsistent power supply, poor road networks in rural areas.
- Skilled labor shortages and challenges in the education system affect labor productivity.
- Cybersecurity and ICT infrastructure are still developing.

Demographic and Urbanization Pressures
- Uganda has one of the world's fastest-growing populations, with over 75% under the age of 30.
- Rapid urbanization strains housing, health, education, and sanitation systems.
- Youth unemployment and underemployment can lead to social unrest if economic opportunities remain limited.

Man-made risks:
- Are primarily concentrated around political rigidity, weak legal and institutional frameworks, and infrastructure deficits. Additionally, demographic pressures from rapid population growth and urbanization exacerbate socio-economic vulnerabilities, increasing the likelihood of unrest if not managed effectively.

2- UGANDA: Natural Hazard Risks

Flood Risk

- **High risk** in regions around Lake Victoria and major rivers, particularly during seasonal rains.
- Urban flooding in Kampala due to poor drainage infrastructure.

Drought Risk

- **Significant risk** in northeastern and central Uganda.
- Impacts agriculture, water availability, and food security.

Seismic (Earthquake) Risk

- **Moderate risk**, especially in western Uganda along the East African Rift Valley.
- Past seismic activity has been mild but could pose risk to poorly constructed buildings.

Extreme Heatwave Risk

- **Increasing risk** due to climate change, especially in northern regions.
- Affects agricultural productivity and water resources.

Landslide and Soil Erosion Risk

- **High risk** in the eastern mountainous regions, especially Mt. Elgon.
- Frequently causes fatalities and displacement.

Tsunami Hazard

- **Negligible risk** – Uganda is landlocked and not exposed to ocean-based tsunami threats.

Volcanic Eruption Risk

- **Moderate risk** from Mt. Muhavura and Mt. Gahinga on the southwestern border.
- No recent major eruptions, but volcanic hazards are monitored.

Tropical Cyclone Risk

- **No direct risk** – Uganda is not in a cyclone-prone region.

Wildfire Risk

- **Seasonal risk** particularly in dry savannah regions and national parks.
- Often human-induced and can spread rapidly in the dry season.

Hailstorm Risk

- **Occasional** in highland and southwestern regions.
- Can damage crops and property.

Frost and Freezing Conditions Risk

- **Negligible to no risk** – Uganda's tropical climate precludes freezing conditions except minor frost in high-altitude areas.




(II) UGANDA: Insurance Market

KEY HIGHLIGHTS

- *The Ugandan insurance industry is regulated by the Insurance Regulatory Authority of Uganda.*
- *MTPL and workmen's compensation insurance are the compulsory classes of insurance in the Ugandan insurance industry.*
- *Composite insurance is not permitted in Uganda.*
- *Non-admitted insurance is prohibited by the law. However, reinsurers are permitted to operate without a license.*
- *Microinsurance, reinsurance and certain other insurance policies are exempt from VAT in the Ugandan insurance industry.*

(A) Insurance Market - Historical Landmarks and Regulatory Environment

Historical Landmarks

1. Colonial Era and Early Beginnings (Pre-1962)

- Imported Insurance Services: During the British colonial period, the insurance services available in Uganda were exclusively provided by foreign companies, primarily British insurers through agency arrangements with banks and trading firms like Barclays and Grindlays.
- No local underwriting: There were no locally incorporated insurance companies, and premiums were remitted abroad, mostly to London-based insurers.
- Focus Areas: Early insurance coverage mainly included marine, fire, and accident insurance, especially for importers, exporters, colonial infrastructure, and foreign nationals.

2. Post-Independence Phase (1962–1980s)

Birth of Indigenous Control (1960s):

- Following independence in 1962, there was a push for Africanization and local participation.
- However, foreign insurers continued dominating the market (e.g., Guardian Royal Exchange, Norwich Union, Jubilee, UAP).

1964: The Insurance Act Enacted:

- The first Insurance Act was passed, aimed at licensing insurers and agents and providing basic regulation. Still, enforcement was weak and lacked specialized supervision.

Uganda Insurance Corporation (UIC) – 1971:

- UIC was established as a state-owned insurance company, marking the first major local insurer.
- It held a monopoly over government business, offering general and life products.

Political Instability (1971–1986):

- Under Idi Amin's regime and the chaotic years after, the industry suffered de-capitalization, loss of skilled personnel, and reputational damage.
- Many foreign insurers withdrew, while UIC remained operational but struggled with performance.

3. Liberalization & Structural Reform (1990s–Early 2000s)

1996: Liberalization Begins:

- Uganda liberalized the sector, allowing private insurers (both foreign and local) to enter the market.

1997: Enactment of the Insurance Statute (later Act):

- Provided for regulation and supervision of the industry.
- Created the Uganda Insurance Commission (UIC) in 1997 (not to be confused with the company).

Formation of the Insurance Regulatory Authority (IRA-U) – 2001:

- The UIC transitioned into the Insurance Regulatory Authority of Uganda under the Insurance Act 2000.
- Gained autonomous powers for licensing, regulation, solvency supervision, and enforcement.

Growth in Private Players:

- Between 1997 and 2005, over 20 private insurers and several brokers emerged.
- Jubilee, UAP, Lion Assurance, Phoenix, and Goldstar became key players.

4. Deepening & Modernization (2005–2015)

2006: Separation of Composite Insurers:

- IRA enforced separation between life and non-life (general) insurance businesses to enhance transparency, financial soundness, and specialization.

Development of Local Reinsurance Capacity:

- Uganda Reinsurance Company (Uganda Re) was established in 2000, becoming operational in 2001.
- Helped retain risk domestically and reduced outward reinsurance costs.

Introduction of Bancassurance (2017):

- Following the Financial Institutions Amendment Act 2016, the Bancassurance Guidelines 2017 enabled banks to act as insurance agents.
- Boosted penetration through cross-selling and improved rural access.

5. Recent Developments (2016–Present)

2020: Insurance (Amendment) Act:

- Provided for compulsory insurance classes, enhanced regulation, and strengthened IRA's enforcement powers.

Introduction of Compulsory Insurance:

- Third-party motor liability and workers' compensation became mandatory.
- Efforts ongoing to make professional indemnity and public liability compulsory.

Digital Transformation and Insurtech:

- Rise of mobile microinsurance via telcos and fintechs (e.g., Airtel, MTN in partnership with insurers).
- Use of USSD, mobile wallets, and aggregator platforms to distribute simple insurance products.

Takaful Insurance Licensing (2023):

- IRA issued licenses to Shariah-compliant insurers (Takaful).
- This catered to Muslim communities and introduced ethical finance models.

2024: Industry Consolidation and Mergers:

- Several insurer mergers and acquisitions were observed to increase capital base and reduce fragmentation.
- For instance, the merger of UAP and Old Mutual, as well as subsidiary integration by foreign insurance groups.

Key Structural Milestones & Institutional Timeline

Year	Event
Pre-1962	British firms dominate through agency systems
1964	First Insurance Act passed
1971	Uganda Insurance Corporation established
1996	Insurance market liberalized
1997	Uganda Insurance Commission (regulator) formed
2001	Transition to IRA-U (autonomous regulatory body)
2006	Mandatory separation of life and general business
2017	Bancassurance licensed and regulated
2020	Amendment Act enabling compulsory insurance
2023	First Takaful insurer licensed in Uganda

Summary of Key Structural Shifts

Period	Key Features
Colonial	Foreign dominance, no local capacity
Post-Independence	State-owned insurance introduced (UIC), limited private sector
1990s	Market liberalization, new regulatory framework
2000s	Strengthened supervision, increased players, reinsurance established
2010s	Digitization, bancassurance, enforcement of separation rules
2020s	Compulsory insurance, Shariah-compliant offerings, consolidation

➢ *Insurance Market Supervision*

➢ *Key Insurance Legislations:*

✓ *LAWS:*

- The Insurance Act Cap 191 Download
- Marine Insurance Act 2002 Download
- Amendment Of Brokers Capital Download
- Motor Vehicle Insurance Act Cap_214 Download
- Investment of Paid-up Capital and Insurance Funds Download
- Amendment of Insurers and Re-insurer Minimum Paid-up Capital Download
- Workers Compensation Act Cap 225 Download

For Details CLICK HERE

✓ *REGULATIONS:*

- Insurance (Minimum And Maximum) (Amendment) Regulations, 2023
- Insurance (Oil And Gas Business) Regulations, 2022
- Insurance (Minimum And Maximum) (Amendment) Regulations, 2023
- Insurance (Minimum And Maximum) (Amendment) Regulations, 2023
- Bancassurance Regulations 2017
- Amendment Of The Dispute Resolution Clauses In All Insurance And Hmo Contracts Wef 1st July 2021
- The Insurance Appeals Tribunal Regulations, 2019
- The Motor Vehicle Insurance (Third Party Risks) Regulations
- Insurance Regulations 2002
- Investments Regulations Of Paid-Up Capital & Insurance Funds
- Banccassurance Regulations
- Capital Adequacy & Prudential Requirements, Reg 2020
- The Insurance Training College Reg, 2020
- Licensing And Governance, Reg 2020
- The Insurance (Index Contracts) Regulations 2020
- The Insurance (Fees) Regulations, 2020
- The Insurance (Intermediaries) Regulations, 2021
- The Insurance (Mobile Insurance) Regulations, 2020
- The Insurance (Reinsurance) Regulations, 2020

For Details CLICK HERE

➢ *Supervisory authority*

The Insurance Regulatory Authority of Uganda (IRA) was established under section 14 of the Insurance Statute 1996 now The Insurance Act,(Chap213) Laws of Uganda, 2000(Insurance Act)which came into effect on 4th April 1996 and commenced operations in April 1997. The establishment of the Insurance Regulatory Authority of Uganda was a consequence of Government's adoption of the liberalization and privatization policies which ended its role of directly engaging in the provision of goods and services and taking on the role of supervisor or regulator.
The main object of the Authority is to ensure effective administration, supervision, regulation and control of the business of insurance in Uganda.

➢ *Professional body*

Uganda Insurers Association

Work to advance the interests of insurance and reinsurance companies by adopting a common strategy that encourages and promotes close cooperation, the exchange of business among members, builds on knowledge through research, influences the enactment of favorable legislation and represents the views of membership to Government, quasi – government and Private bodies.

The Association currently enjoys a thirty-seven (37) company-strong membership. Of these, twenty (20) are General (Non-Life) insurance companies, nine (09) are Life Insurance companies, four (04) micro insurance companies and four (04) are reinsurance companies.

Insurance Brokers Association of Uganda

The professional umbrella body for all licensed insurance brokerage companies. The primary objectives are to protect and advance the interests of insurance brokers while ensuring they serve the public effectively. The association promotes sound insurance practices, represents brokers in dealings with the government and insurers, monitors relevant legislation, and provides legal and practical support to members. It also supports charitable causes for brokers and their families, fosters collaboration with similar organizations globally, encourages the development of insurance business, and facilitates dispute resolution among members or with third parties.

➢ *Minimum paid-up capital requirements:*

- Reinsurance company-UGX15 billion (Reinsurance Non-life 9 billion, Life 6 billion).
- Non-life insurance company- UGX 6 billion
- Life insurance company – UGX 4.5 billion
- Health Membership Organization (HMO) – UGX 1 billion
- Insurance/reinsurance broker - UGX 75 million

➢ *Compulsory Insurance*

1. Motor Third Party Liability Insurance

Mandatory for all motor vehicles operating on public roads. Covers injury or death of third parties caused by the insured vehicle.

2. Workers' Compensation Insurance

All employers are required to insure their employees against work-related injuries, disability, or death. Applies to both full-time and part-time workers.

Scope: Covers medical expenses, compensation for permanent/temporary disablement, and dependents' benefits in case of death.

3. Professional Indemnity Insurance *(for specific sectors)*

Applies to: Professionals in law, medicine, engineering, insurance brokers, etc.

Provides liability coverage for negligence or malpractice in the course of professional services.

Mandatory especially for insurance brokers and agents, as per IRA licensing requirements.

4. Public Liability Insurance *(select industries)*

Applies to: Businesses or premises where the public is exposed to potential harm, such as shopping malls, hotels, schools, fuel stations, and factories.

Covers third-party injury, property damage, or death arising from business operations.

5. Marine Insurance *(for imports)*

All imports into Uganda must be insured through locally licensed insurers. Aimed at retaining premiums within the country and improving marine risk management. Increasingly enforced since 2020.

◆ ***Emerging or Proposed Compulsory Covers (Not Fully Enforced Yet):***

- **Buildings Insurance (public buildings or high-risk properties):** Considered under urban planning and municipal bylaws in Kampala and other cities.
- **Construction All Risks (CAR) Insurance:** May be required in government-funded projects or PPPs.
- **Health Insurance (NHIS):** Uganda is piloting a National Health Insurance Scheme, but it is not yet compulsory nationwide.

➢ *Mandatory minimum Reinsurance Cessions.*

- Africa Re - 5%
- Zep-Re (PTA Re) - 10%
- Uganda Re – 15%

(B) UGANDA:
Insurance Market Performance & Statistics

UGANDA - Insurance Market Structure

Insurance and Reinsurance Companies		Intermediaries	
Non-life	20	Insurance brokers	51
Life	8	Reinsurance brokers	6
Reinsurance	2	**Total**	57
Microinsurance companies	5		
Health insurance management organizations (HMOs)	2		
Experts and claim managers	32		

Source: Insurance Regularity Authority of Uganda (IRA)

UGANDA - Summary Performance Statistics for the Insurance Industry in 2023

	2020	2021	2022	2023
Aggregated Industry Gross Written Premiums (UGX. Billions)	1064.90	1183.86	1440.69	1603.32
Industry Premium Growth rates (%)	9.29	11.12	21.69	11.29
Non-life Gross Premium (UGX. Billions)	664.29	705.01	898.10	932.12
Non-life Growth rates (%)	6.85	10.79	22.01	3.79
Life Gross Premium (UGX. Billions)	324.36	397.13	501.62	611.49
Life growth rates (%)	17.38	22.44	26.31	21.9
HMOs Gross Premium (UGX Billions)	75.56	48.26	38.29	56.38
HMO growth rates (%)	-0.72	-36.13	20.66	47.24
Microinsurers Gross Premium (UGX Millions	540.52	657.26	611.35	707.62
Microinsurers growth rate (%)	80.52	21.60	-6.99	15.75
GDP at market prices (UGX Billions)	138,283	147,962	162,721	184,895
GDP growth rates (%)	2.9 (est)	3.4(est)	6.3(est)	5.3 (est)
INSURANCE PENETRATION (%)	0.77	0.80	0.885	0.867
The UGX/US$ Exchange Rate (annual)	3,697	3,586.6	3,630	3724
INSURANCE DENSITY ($)	6.92	8.25	8.72	9.38
INSURANCE DENSITY (UGX)	25,599	29,597	31,663	34,931

Uganda: Insurance Market Turnover per class of business in 2024

Figures in thousands USD

	2020	2021	2022	2023	2024	2024 shares	CAGR (2020–2024)
Health	35 916	35 872	52 958	53 243	60 430	13.02%	14.1%
Motor	41 285	45 075	47 907	52 114	55 875	12.04%	7.9%
Fire	31 955	34 904	34 752	39 286	46 995	10.12%	10.2%
Personal accident	20 439	15 661	16 686	17 798	20 925	4.51%	0.6%
Marine and aviation	12 224	15 240	15 264	16 872	19 315	4.16%	12.0%
Engineering	11 265	10 625	24 753	15 564	14 085	3.03%	5.7%
Third-party liability	4 892	7 907	9 229	9 735	11 093	2.39%	22.3%
Theft	4 483	5 255	7 113	5 938	6 055	1.30%	7.9%
Workmen's compensation	3 768	3 642	3 829	4 277	4 782	1.03%	6.1%
Bond	3 885	4 225	4 457	5 061	3 480	0.75%	-2.7%
Miscellaneous risks	9 248	18 994	25 538	14 877	20 623	4.44%	22.4%
Total non-life	**179 360**	**197 400**	**242 486**	**234 765**	**263 658**	**56.79%**	
Life	**87 576**	**111 196**	**135 438**	**157 954**	**200 593**	**43.21%**	23.1%
Grand total	**266 936**	**308 596**	**377 924**	**392 719**	**464 251**	**100%**	

Exchange rate : as at 31/12/2024: 1 UGX = 0.00027 USD at 31/12/2023: 1 UGX = 0.00026 USD;
at 31/12/2022: 1 UGX = 0.00027 USD; at 31/12/2021: 1 UGX = 0.00028 USD; at 31/12/2020: 1 UGX = 0.00027 USD

Insurance Market Trends & Observations *(Based on turnover)*

- **Total Market Size 2024**: USD **464.25 million**, up from USD 266.94 million in 2020 (74% growth over 5 years).
- **Non-Life Insurance**: USD **263.66 million** (56.79% market share).
- **Life Insurance**: USD **200.59 million** (43.21% market share).
- The market continues to show healthy growth driven by both life and non-life segments, with life insurance gaining stronger momentum post-2021.
- **Strongest Growth**:
  - *Life Insurance* saw the **highest growth**, more than doubling from 2020 to 2024 (CAGR ~23.1%).
  - *Health Insurance* remained the **largest non-life class**, registering consistent growth.
  - *Miscellaneous risks* and *Third-party liability* also showed strong upward trends.
- **Moderate Growth**:
  - *Motor and Fire insurance lines maintained stable expansion, reflecting rising vehicle ownership and increased asset protection.*
- **Volatility & Decline**:
  - *Engineering insurance* peaked in 2022, then declined, indicating irregular investment patterns in infrastructure.
  - *Bond insurance* declined overall, suggesting weaker performance in surety segments or reduced public works requiring guarantees.

➢ *Uganda: Insurance Market 2024 Net loss ratio by non-life class of business*

Figures in thousands

	Net incurred losses		Net earned premiums		Net loss ratio
	UGX	USD	UGX	USD	
Health	120 594 061	32 560	99 400 183	26 838	121.32%
Motor	75 300 026	20 331	186 830 839	50 444	40.30%
Fire	6 500 120	1 755	22 545 357	6 087	28.83%
Personal accident	14 240 057	3 845	42 057 801	11 356	33.86%
Marine and aviation	4 432 522	1 197	22 716 789	6 134	19.51%
Engineering	4 138 875	1 118	8 576 311	2 316	48.26%
Third-party liability	6 216 872	1 679	10 021 779	2 706	62.03%
Theft	8 097 245	2 186	10 662 889	2 879	75.94%
Workmen's compensation	5 749 419	1 552	12 379 565	3 342	46.44%
Bond	715 962	193	3 389 261	915	21.12%
Miscellaneous risks	17 797 711	4 805	33 964 387	9 170	52.40%
Total non-life	**263 782 870**	**71 221**	**452 545 161**	**122 187**	**58.29%**

Net loss ratio = Net incurred losses / Net earned premiums

➢ *Uganda: Insurance Market 2024 Net management expenses ratio by non-life class of business*

Figures in thousands

	Management expenses		Net written premiums		Management expenses ratio
	UGX	USD	UGX	USD	
Health	47 430 068	12 806	106 959 554	28 879	44.34%
Motor	110 240 233	29 765	188 146 371	50 800	58.59%
Fire	59 338 578	16 021	26 374 485	7 121	224.98%
Personal accident	38 000 780	10 260	45 149 200	12 190	84.17%
Marine and aviation	27 491 533	7 423	17 212 582	4 647	159.72%
Engineering	12 167 092	3 285	7 228 265	1 952	168.33%
Third-party liability	12 519 997	3 380	12 667 622	3 420	98.83%
Theft	9 417 896	2 543	10 753 949	2 904	87.58%
Workmen's compensation	9 331 796	2 520	13 320 094	3 596	70.06%
Bond	6 129 136	1 655	4 311 361	1 164	142.16%
Miscellaneous risks	33 890 603	9 151	36 207 767	9 776	93.60%
Total non-life	**365 957 712**	**98 809**	**468 331 250**	**126 449**	**78.14%**

Net management expenses ratio = (Overheads + Net commissions) / Net written premiums
Exchange rate as at 31/12/2024: 1 UGX = 0.00027 USD

Uganda: Insurance Market 2024 Net Combined Ratio by Non-Life class of business

	Net loss ratio	Net management expenses ratio	Net combined ratio
Health	121.32%	44.34%	165.66%
Motor	40.30%	58.59%	98.89%
Fire	28.83%	224.98%	253.81%
Personal accident	33.86%	84.17%	118.03%
Marine and aviation	19.51%	159.72%	179.23%
Engineering	48.26%	168.33%	216.59%
Third-party liability	62.03%	98.83%	160.86%
Theft	75.94%	87.58%	163.52%
Workmen's compensation	46.44%	70.06%	116.50%
Bond	21.12%	142.16%	163.28%
Miscellaneous risks	52.40%	93.60%	146.00%
Total non-life	**58.29%**	**78.14%**	**136.43%**

Combined ratio = Net loss ratio + Net management expenses ratio Source: IRA (Uganda)

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Insurance companies in Uganda: Ranking 2024

Non-life insurance company in Uganda: ranking per 2024 turnover

Figures in thousands

	2024 turnover		2024 turnover		2023-2024 evolution (1)	2024 shares
	UGX	USD	UGX	USD		
UAP General	184 969 823	49 942	191 349 669	49 751	-3.33%	18.94%
Sanlam General	112 650 332	30 416	108 449 664	28 197	3.87%	11.54%
Jubilee Health	107 106 314	28 919	89 800 492	23 348	19.27%	10.97%
Jubilee Allianz	88 499 356	23 895	88 064 974	22 897	0.49%	9.06%
Britam	82 176 594	22 188	80 218 489	20 857	2.44%	8.41%
ICEA General	48 474 358	13 088	27 500 685	7 150	76.27%	4.96%
Goldstar	44 429 800	11 996	39 630 534	10 304	12.11%	4.55%
Liberty General	39 055 146	10 545	37 367 695	9 715	4.52%	4.00%
MUA Insurance	36 129 354	9 755	32 583 319	8 472	10.88%	3.70%
NIC General	34 198 157	9 233	30 004 900	7 801	13.98%	3.50%
Alliance	33 598 957	9 072	33 100 369	8 606	1.51%	3.44%
GA Insurance	31 930 911	8 621	23 600 264	6 136	35.30%	3.27%
APA	30 809 347	8 318	27 541 333	7 161	11.87%	3.16%
Mayfair	28 193 890	7 612	24 011 931	6 243	17.42%	2.89%
Swico	19 953 808	5 387	-	-	-	2.04%
CIC General	15 584 472	4 208	35 510 101	9 233	-56.11%	1.60%
Excel	12 276 607	3 315	12 891 602	3 352	-4.77%	1.26%
TransAfrica	11 145 651	3 009	9 244 292	2 403	20.57%	1.14%
PAX	10 687 055	2 886	8 387 534	2 181	27.42%	1.09%
FICO	4 641 082	1 253	3 685 372	958	25.93%	0.48%
Total non-life	**976 511 014**	**263 658**	**902 943 219**	**234 765**	**8.15%**	**100%**

(1) Growth rate in local currency

Life insurance company in Uganda: ranking per 2024 turnover

Figures in thousands

	2024 turnover		2024 turnover		2023-2024 evolution (1)	2024 shares
	UGX	USD	UGX	USD		
Prudential	196 295 618	53 000	154 682 520	40 218	26.90%	26.42%
UAP Life	133 321 180	35 997	106 994 685	27 819	24.61%	17.95%
ICEA	132 755 162	35 844	111 517 356	28 995	19.04%	17.87%
Jubilee Life	114 828 639	31 004	103 185 584	26 828	11.28%	15.46%
Sanlam	80 486 192	21 731	60 678 447	15 776	32.64%	10.83%
Liberty	68 102 346	18 388	57 276 729	14 892	18.90%	9.17%
CIC	15 254 239	4 118	11 654 954	3 030	30.88%	2.05%
NIC Life	1 894 669	511	1 523 754	396	24.34%	0.25%
Total life	**742 938 045**	**200 593**	**607 514 029**	**157 954**	**22.29%**	**100%**

(1) Growth rate in local currency | Exchange rate as at 31/12/2024 : 1 UGX = 0.00027 USD ; as at 31/12/2023 : 1 UGX = 0.00026 USD

➢ *UGANDA - Insurance Market: Regional Comparison*

Sub-Saharan 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
South Africa	28.8	32.5	25.0	43.1	34.5	35.0	50.9	44.5	37.5	1
Mauritius	70.0	70.0	70.0	38.8	57.5	40.0	44.9	42.9	53.1	2
Namibia	66.3	75.0	57.5	57.5	62.8	60.0	37.8	46.7	57.9	3
Botswana	75.0	80.0	70.0	48.4	64.4	40.0	47.9	44.8	58.5	4
Ghana	76.3	75.0	77.5	57.8	68.9	50.0	44.0	46.4	62.1	5
Kenya	72.5	70.0	75.0	63.9	69.1	55.0	57.5	56.5	65.3	6
Zimbabwe	68.8	65.0	72.5	70.5	69.5	80.0	56.7	66.0	68.4	7
Senegal	81.3	80.0	82.5	69.2	76.4	70.0	38.7	51.2	68.9	8
Uganda	81.3	77.5	85.0	66.4	75.3	60.0	52.4	55.4	69.4	9
Cote d Ivoire	80.0	77.5	82.5	68.0	75.2	60.0	59.2	59.5	70.5	10
Malawi	90.0	90.0	90.0	66.4	80.5	60.0	40.1	48.1	70.8	11
Tanzania	86.3	85.0	87.5	70.4	79.9	60.0	44.4	50.6	71.1	12
Zambia	86.3	85.0	87.5	59.3	75.5	85.0	52.4	65.4	72.5	13
Burkina Faso	87.5	87.5	87.5	73.3	81.8	70.0	40.2	52.1	72.9	14
Nigeria	83.8	80.0	87.5	62.2	75.1	75.0	63.0	67.8	72.9	15
Angola	85.0	77.5	92.5	68.0	78.2	60.0	65.8	63.5	73.8	16
Gabon	91.3	87.5	95.0	60.7	79.0	70.0	59.7	63.8	74.5	17
Mali	92.5	90.0	95.0	72.0	84.3	80.0	35.9	53.5	75.1	18
Benin	92.5	92.5	92.5	72.6	84.5	70.0	43.6	54.1	75.4	19
Cameroon	86.3	82.5	90.0	74.9	81.7	70.0	54.8	60.9	75.5	20
Rwanda	92.5	87.5	97.5	65.1	81.5	90.0	49.2	65.5	76.7	21
Togo	90.0	90.0	90.0	73.3	83.3	80.0	50.7	62.4	77.1	22
Burundi	92.5	92.5	92.5	75.1	85.5	80.0	50.2	62.1	78.5	23
Niger	96.3	95.0	97.5	74.0	87.4	85.0	41.3	58.8	78.8	24
Ethiopia	95.0	92.5	97.5	70.2	85.1	90.0	48.6	65.2	79.1	25
Congo-Brazzaville	90.0	85.0	95.0	76.7	84.7	80.0	58.2	66.9	79.3	26
Madagascar	96.3	95.0	97.5	72.6	86.8	90.0	44.1	62.5	79.5	27
Central African Republic	96.3	95.0	97.5	75.6	88.0	80.0	51.9	63.1	80.5	28
Chad	96.3	95.0	97.5	75.9	88.1	80.0	58.1	66.9	81.7	29
Guinea	97.5	97.5	97.5	74.6	88.4	80.0	65.3	71.2	83.2	30
DRC	96.3	95.0	97.5	82.6	90.8	90.0	55.2	69.1	84.3	31
Regional Average	84.5	83.2	85.8	67.1	77.5	70.2	50.4	58.3	71.8	

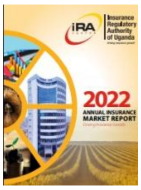
Note: Scores out of 100; lower score = more attractive market. Source: BMI Insurance Risk/Reward Index

Source: South Africa Insurance Report Q3 2025 - by Fitch Solutions, April 2025

2024 Insurance Market Comparison (Uganda, Kenya & Tanzania)

	Premiums & Growth (2024)	Insurance Penetration (Premiums to GDP %)	Insurance Density (USD per capita)
Uganda	Market shows agile growth from a lower base (~US$485 m), with strong non-life and microinsurance segments	(~0.9%) and **Tanzania** (~0.6%) lag significantly, indicating substantial room for development	Density remains minimal at ~USD 35, showing limited market depth.
Kenya	Market leads with the largest market (~US$2.7 b), driven by rapid digital adoption and bancassurance	(~2.4%) leads in regional penetration, though still below OECD/Global average (~7%)	Is high: USD 7,009 per person, reflecting mature insurance uptake
Tanzania	Market's combined GWP (~US$373 m non-life, plus life) reflects moderate expansion (~6%) in 2023	Is 0.65% of GDP, showing modest development	Density is low: ~USD 4.73 per capita

REFERENCES & RESOURCES



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2023 Annual Insurance Market Report

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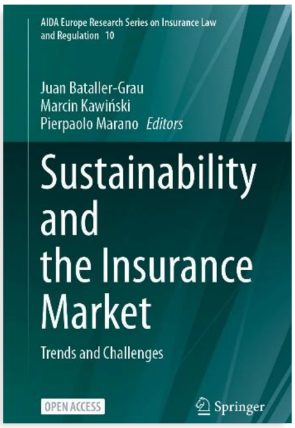
Book Review

Sustainability and the Insurance Market: Trends and Challenges



Editors: Juan Bataller-Grau, Marcin Kawiński & Pierpaolo Marano
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About this book

This open access book focuses on the regulatory framework for the sustainability of the insurance market. It analyzes its potential impact on insurance undertakings governance and product design. The book is structured into three parts. It firstly explores the general framework on the sustainability for the insurance market, focusing on the regulation at the European Union level. Secondly, it examines sustainability and insurers' governance, including topics like sustainable investments and ESG factors. Finally, the book turns to sustainability and insurance products, addressing agricultural insurance systems and pensions.
The book is aimed at academics, policymakers, and professionals in the insurance sector.

Table of Contents (10 chapters)

1. **Front Matter** | Pages i-vi

Part I: The General Framework on the Sustainability for the Insurance Market

1. **Front Matter:** Pages 1-1
2. **Principles for Sustainable Insurance: The European Perspective** – by Javier Vercher-Moll: Pages 3-20

   Abstract: Sustainability principles in the financial market represent a new way of doing business. Insurance companies that implement PSI in their business strategy must adjust their policies and relationships with stakeholders and shareholders from an environmental, social and governance point of view. In this paper, we analyse how PSI can be implemented in insurance companies and their impact.

3. **Sustainability Reporting Regulation: A Perspective on Insurance Market** – by Juan Bataller-Grau: Pages 21-47

   Abstract: Regardless of the conception of sustainability that we accept, it is accepted that transparency is at the core of the matter and, therefore, of its regulation. It is therefore appropriate to analyse its regulatory sources from the perspective of the insurance market, as well as to offer an analysis of the novelties it raises. This chapter therefore begins by examining in depth the hard and soft law instruments applicable to transparency in the insurance market. Afterwards, it examines those features that differentiate it from other reporting.

4. **Sustainability of the EU Insurance Markets and Adequacy of Insurance Regulations: Solvency II and ESG** – by Marcin Kawiński: Pages 49-67

   Abstract:In most cases, defining the sustainability of insurance leads to different aspects of fulfilling insurance needs and contracts. Sophisticated risk-based regulations, like Solvency II [Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (SII)], or the U.S. equivalent, known as the "Insurance Financial Solvency Frame" (Lindberg & Seifert 2015; Zweifel & Eisen 2012, p. 335), provide numerous perspectives on insurance entities' challenges with sustainability. As regulators and supervisors rightly put solvency into a sustainability framework (Van Hulle 2019, p. 10), the sustainability analysis of particular markets can be narrowed to ratios based on micro-prudential-like ratios: solvency capital requirements, compositions of own funds or investment assets quality.

5. **The Multiple Functions of Insurers in the Blue Economy** – by Lucrezia Anzanello: Pages 69-92
   Abstract: The chapter explores the close connection between sustainable development and the insurance market with reference to the so-called "Blue Insurance."
   In the first paragraph, it is deemed essential to focus on the origin of the notion of "sustainable development" and its current implications. These will be the main points (1) Brundtland Report published in 1987 by the World Commission on Environment and Development according to which sustainable development is defined as development that ensures that the needs of the present generation are met without compromising the ability of future generations to meet their own needs; (2) sustainable development as an international principle (i.e. 2015, The Paris Agreement) and (3) the Global Agenda for Sustainable Development.

Second, the term blue economy will be recalled and what it indicates. More precisely, it will represent the model of the economy that enhances, respecting water as a resource (also) from a financial and economic perspective.
The third paragraph explores the legal and practical context. The chapter examines the different roles of the insurance world in improving sustainable development.

Part II: Sustainability and Insurers' Governance

Abstract: The insurance sector plays a crucial role in transitioning towards a more sustainable financial system. In this context, Regulation 2020/852, known as the European Taxonomy Regulation for Sustainable Activities, establishes a regulatory framework whose primary objective is to facilitate investments in economic activities that meet ecological sustainability criteria. This regulation introduces a detailed classification system for such activities, thereby directing investment flows towards options that are not only profitable but also environmentally friendly.
It is imperative to recognise that investor confidence in sustainable products, which may still be perceived as novel, is a fundamental element for the acceptance and expansion of these financial instruments. For this reason, it is essential to have a robust product governance system that provides effective investor protection guarantees and fosters solid trust in these investment modalities.
The recent European regulation not only facilitates investments in sustainable activities but also promotes consideration of investors' sustainability preferences, which represents a significant change in the dynamics of the insurance industry. This regulatory approach has a relevant impact and, although it is in an early stage of development, it is anticipated to have an undeniable significance in the coming years.
This legislative transformation reflects a commitment to sustainability that is expected to contribute decisively to the reorientation of the financial sector towards more sustainable practices, thereby ensuring an effective integration of environmental considerations in financial investment decisions.

Abstract: The article aims to present the concept of sustainable investments and ESG in Europe and Poland to indicate the opportunities and obstacles to their development. Recent studies have pointed in different directions for ESG investment development. The profitability of sustainable investments is one of the market's concerns. Insurers need to consider ESG products adaptation or readjustment of risk measurement. By integrating ESG factors into risk assessment and underwriting processes, insurers may be able to mitigate their losses from the growing number of climate-related risks. ESG instruments have gained popularity in developed countries. Polish enterprises are increasing the scope of investments for sustainable development, but the main reason is pressure from regulators, shareholders and parent companies in capital groups.
The author conducted the study in the form of individual exploratory in-depth interviews and filled the research gap for Poland in terms of the perception of sustainable investments by the market. The research problem is the perception of sustainable investment development by experts in the Polish insurance sector. The results show that the investment activities in the insurance sector are particularly vulnerable to climate change and transition risks are particularly relevant in the short term, thus physical risk may be more challenging in the long term. Market experts consider new European regulations to be complicated and challenging for both Europe and Poland. Market participants must organise themselves and learn to operate with the present ones. For the supervision and the market, the most important thing, currently, is cooperation.

Abstract: The following paper presents an empirical analysis of the information provided by ESG rating agencies concerning the term "social". The study compares the results against various EU regulations, including the Proposal for a Regulation on the transparency of ESG rating activities, EU Regulation (EU) 2020/852, Directive (EU) 2022/2464, and the Social Taxonomy as outlined in the final report of the Platform on Sustainable Finance. The research highlights that different actors are working with other concepts of the term "social", which poses a challenge for the EU legislation. To achieve sustainable development, lawmakers need to address this issue. The study also emphasizes the crucial role played by insurance companies and suggests that lawmakers should consider this fact when adopting further legislation (Alicia Mateos-Roco).

Part III: Sustainability and Insurance Products

Abstract: In the past years, the EU legislature has recognized the significance of transparent disclosure in protecting investors and has acknowledged that social and environmental factors influence investment decisions. Consequently, investments are now also assessed for sustainability, including environmental, social, and governance (ESG) aspects.
Insurers, along with other financial market participants, are required to disclose "sustainability risks" regulated by a complex framework, primarily Regulation (EU) 2019/2088, ensuring standardized disclosure.
This paper analyzes how insurance companies must implement prior disclosure and transparency on nonfinancial risks, focusing on the precontractual duties of information when marketing investment products (insurance-based investment products (IBIPs), such as unit-linked products. It examines the intricate relationship between the disclosure of nonfinancial information, sustainability considerations,

and investment decisions, emphasizing the integration of ESG criteria into governance and, finally, its impact on product quality and the dissemination of sustainability information to investors.

3. **Sustainability of Agricultural Insurance Systems: Challenges from a European Approach** – by Alicia Mateos-Ronco: pages 217-246

Abstract: Agriculture is one of the economic activities most exposed to risk. Uncertainty and risk in agricultural systems stem from a multitude of factors, such as climate event variability and the evolution and liberalisation of international markets. The growing risk exposure of European farming is impacting the well-being of producers and the economic and social sustainability of farms, driving the demand for innovation in risk management instruments and spurring public intervention through the development of support policies. The emergence of new risks (price volatility, market risks) calls for progress in devising new products (insurance lines, coverages) to safeguard the viability and continuity of farms. This paper describes EU agricultural policies and their goal of protecting farm income against risks. It also explores the variability in farm incomes across the EU and the disparate geographical distribution of risk in EU farms. Finally, it reviews the development of agricultural insurance in the EU with particular reference to new insurance models and their relationship with producers' risk preferences and perceptions.

4. **Pension and Sustainability: The Case of Employee Capital Plans in Poland** – by Janina Petelczvc: pages 247-261

Abstract: The future of pensioners depends not only on the level of benefits they receive but also on climate conditions. Financial institutions, including insurance and pension funds, have the potential to significantly impact the mitigation or acceleration of anthropogenic climate change through their investment policies (Monasterolo, Ann Rev Resour Econ 12:299–320, 2020; Shrivastava et al., Organ Environ 32:26–40, 2019). It is, therefore, important to ensure that savings in capital pension funds do not finance a future that will be more difficult to live in. While ethical funds in Poland are relatively well developed in the region, they still lag behind those in Western Europe (Adamska et al., La Revue d'études comparatives Est-Ouest (RECEO) 3:7–43, 2016). As such, this chapter focuses on the Polish supplementary pension market, specifically Employee Capital Plans, viewed through the lens of stakeholder theory. The aim is to answer questions about participant engagement in the sustainable investments of their pension funds, as well as the regulations governing the investment policy of Employee Capital Plans. In this chapter, we perform a statistical analysis of the responses regarding the perception of climate change and sustainable investments from a representative sample of Polish individual investors, including members of Employee Capital Plans. We compare the results of this analysis with the legal study of the institutional framework. The analyses have shown that Employee Capital Plans participants in Poland are aware of climate change and are ready for pro-climate investments, but only if they bring the same profits as traditional investments. At the same time, they do not have much influence on the investment policy of the funds, which not only do not treat participants as stakeholders but also have quite specific investment policy guidelines that currently reduce the possibilities of investing in a sustainable manner.

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