

طوكيو مارين السعودية
Tokio Marine Saudi Arabia

Launching a Takaful Operation in Saudi Arabia

Atsuhiko Ayabe

Day 2: 12th July 2012
International Takaful Summit
London, United Kingdom

About Tokio Marine Group

- ▶ Establishment: in 1879
- ▶ Credit Rating: AA– (S&P), Aa2 (Moody's)
- ▶ Global Network: 427 cities in 39 countries
- ▶ Experience in Saudi Arabia: since 1967
- ▶ Entered into Takaful business: in 2001
- ▶ Philosophy: Customer Trust as the foundation for all its activities
- ▶ Strategy: Chosen by its high quality services

Disclaimer: The opinions expressed in this presentation are personal and in no way reflect those of Alina Tokio Marine, Tokio Marine Holdings or any of its associates or subsidiaries.

Look back what was written

Wednesday, 4 July 2012 | Sha'ban 14, 1433

» Login | Register

arab news

A DECADE AND THOUSANDS OF INNOVATIVE MEDIA IDEAS LATER, WE STILL THINK WE'RE ONLY AS GOOD AS OUR NEXT BRIGHT IDEA.

www.mecglobal.com/mena @mecideas

HOME SAUDI ARABIA MIDDLE-EAST WORLD ECONOMY SPORTS LIFE & STYLE OPINION VARIETY CARTOONS CAREER

mobily With 7ala Package Everything is possible!

Saudi insurance market set for boost

Tweet 0 0 0 1

Author: By Mushtak Parker
Monday 17 June 2002

Saudi Arabia's underdeveloped insurance sector is set for a major boost over the next few years, thanks mainly to two important recent policy decisions by the government. However, the pace of development of the sector will depend on the type and acceptability of insurance schemes adopted in a country, where large sections of the population are still skeptical about the efficacy and ethical basis of the very concept of insurance.

If these policy decisions are followed by other Gulf Cooperation Council (GCC) states, the region will become a magnet for insurance companies. Some of the other Gulf states are already implementing their own schemes. But it is the 22 million people Saudi market that will attract the most attention.

To put the potential volume of insurance business in Saudi Arabia in context, the Kingdom currently has a paltry 0.01 percent Life Insurance Premium Income/Gross Domestic Product (GDP) ratio. This compared with 10 percent for the UK, 2 percent for Malaysia, and 5 percent for the world average. A mere 1 percent increase of this ratio in the Kingdom would unleash a life insurance market only in excess of SR300 billion.

According to the National Company for Cooperative Insurance (NCCI), the insurance market in the Kingdom in 1999 totaled a mere estimated SR10 billion, with gross insurance premiums totaling SR2,861 million. Experts such as Dawood Taylor, manager of Bank Al-Jazira's Takaful Ta'awuni Program and Atsuhiko Ayabe, executive director, Operations & Product Development, at Hussein Aouein & Company in Jeddah, concur that these are exciting times for the insurance market in the Kingdom, although market penetration and profitability will take some time to materialize.

Search

Related Stories

More like this

- Kingdom's Insurance Market Set to Expand
- New Mortgage Law Set to Boost Kingdom's Housing Market
- Tremendous Potential for Insurance Market in Kuwait
- Liberalized Saudi Market Augurs Well for Insurance
- Insurance Industry Meeting Set for June

Latest Stories

1. Foreign Ministry denies news about...
2. SR 579 million projects planned for...
3. Saudi Arabia among most attractive...
4. Prince Ahmad receives well-wishers on his...
5. 11 killed in new Iraq attacks ahead of...
6. Fresh tensions cloud India, Pakistan...
7. Air India plots end long strike after...
8. New particle found, consistent with Higgs...
9. Crown prince stresses unity

Look back what was written (conti.)

Quote:

– Experts such as Dawood Taylor and Atsuhiko Ayabe in Jeddah concur that these are exciting times for the insurance market in the Kingdom, although market penetration and profitability will take some time to materialize.

(Source: Arab News dated Monday 17 June 2002)



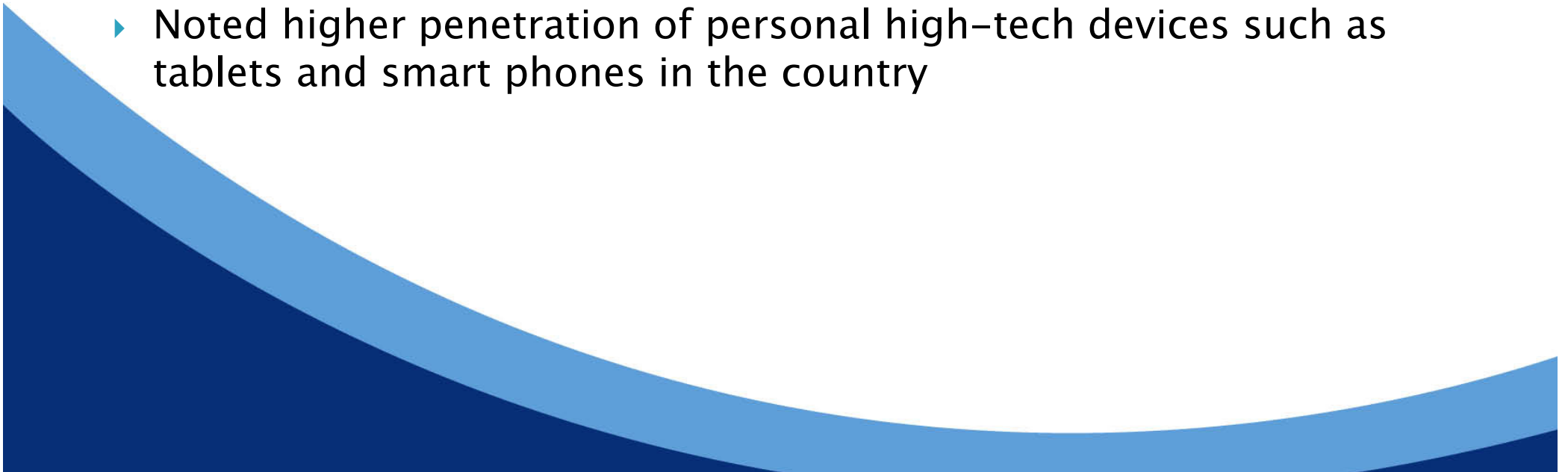
Still Low Penetration

- ▶ Over 30 companies exist under the Cooperative Insurance Law
- ▶ Most of these focus on compulsory Health and Motor Insurance
- ▶ Few bank-related insurance companies promote P&S Insurance
- ▶ Insurance Penetration (% of GDP) in 2010: Health Insurance 0.53%, General Insurance 0.41% and P&S Insurance 0.06% (Source: SAMA)
- ▶ Established Corporate segment vs. Emerging SME and Retail segment particularly P&S Insurance business



HR and IT for High Quality Services

- ▶ Provision of “Japan as usual” for sustainable growth
- ▶ Trained local human resources are available much more on General Insurance side
- ▶ P&S Insurance is still new to the country and take some time to train local resources to understand and operate the business
- ▶ State-of-the-art information technology could fulfil the time gap, avoid possible mis-selling and achieve efficient operations
- ▶ Noted higher penetration of personal high-tech devices such as tablets and smart phones in the country



Thank You



e-mail: alayabe@gmail.com