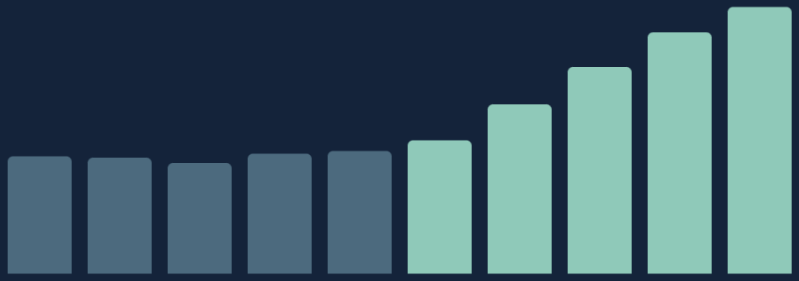
A DATA READ · SAUDI INSURANCE

Saudi insurance doubled in five years. Did it get healthier, or just bigger?

How an economy’s reinvention reshaped a sector.



Gross written premiums, SAR billions, 2016 to 2025

PART 1 · CONTEXT

What does a country get from insurance?

What it gives	What it costs
Supports lending and business (lenders often require insurance)	Mandatory cover is a required payment for employers and drivers
Insurers can invest premiums long-term in stocks, bonds and property	Insured people may use more services, raising claims (moral hazard)
Can take part of the social-protection burden off government	If mainly high-risk people buy, prices rise and the pool weakens (adverse selection), one reason some cover is mandatory

World Bank research across 56 countries found evidence that insurance activity contributes to economic growth.

> **A country wants the left column. The question is which one Saudi got.**

Sources: World Bank Policy Research WP 4098 (Arena, 2006); Geneva Association (2012)

PART 1 · CONTEXT

How was Saudi insurance built?

By law, not by demand.

2002

Third-party motor cover becomes mandatory

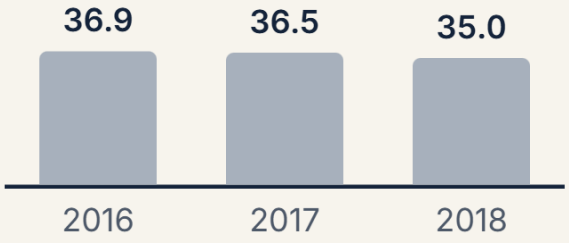
2006–2008

Employers must insure expatriate workers, to take pressure off government hospitals and bring private money into healthcare

2018

The new plan launches: 82% of premiums now come from these two mandates, and the market is shrinking

Premiums, SAR bn





~55% of vehicles still uninsured

> **A market built by mandates grows when the mandates grow. In 2018 it wasn't.**

Sources: Oxford Business Group; Health Systems & Reform (2017); FSDP 2018; Insurance Authority

PART 2 · THE PLAN

What did Vision 2030 ask of insurance?

The Financial Sector Development Program (FSDP), the Vision 2030 program for banks, markets and insurance, set a first checkpoint for 2020.

MEASURE	2018 BASELINE	2020 TARGET
Premiums as % of the non-oil economy	2.1%	2.9%
Vehicles with insurance	45%	75%
Population with health insurance	38%	45%

> **The logic: enforce mandatory cover, insure more people, build bigger insurers, bring costs down.**

Baselines and targets as defined by the FSDP.

Source: FSDP 2018

PART 2 · THE TEST

What would ‘healthier’ look like?

Size is what a sector has. Health is whether it can keep creating value on its own, and survive a bad year.

TEST	QUESTION	HEALTHY LOOKS LIKE
TEST 1 **Breadth**	Are more people covered?	**More insured people, not just higher prices**
TEST 2 **Choice**	Do people buy it voluntarily?	**Voluntary insurance growing its share**
TEST 3 **Competition**	Is the market spread out?	**Many viable insurers, not a few**
TEST 4 **Sustainability**	Does it make money?	**Profitable over time, not just in good years**

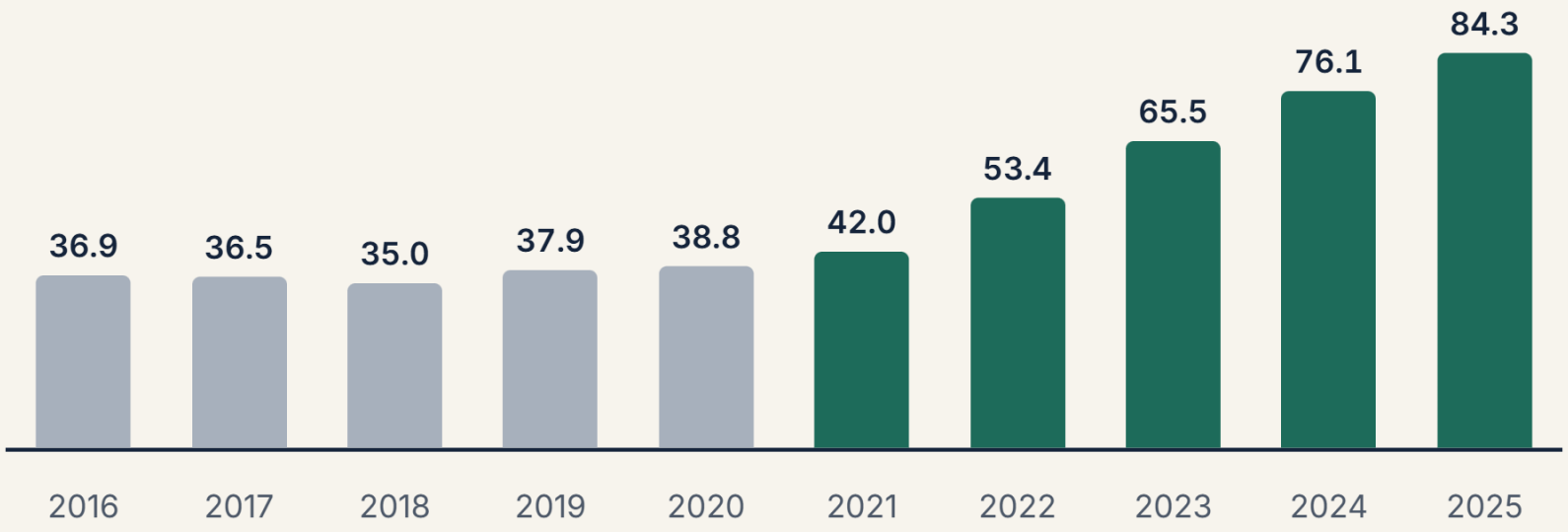
> **Bigger is one number. Healthier is four.**

Breadth and Choice come from what insurance should give a country (page 2: World Bank, Geneva Association). Competition and Sustainability come from how supervisors judge insurers (soundness indicators prepared for an IMF–World Bank project).

PART 3 · BIGGER

Did premiums grow?

Gross written premiums, SAR billions



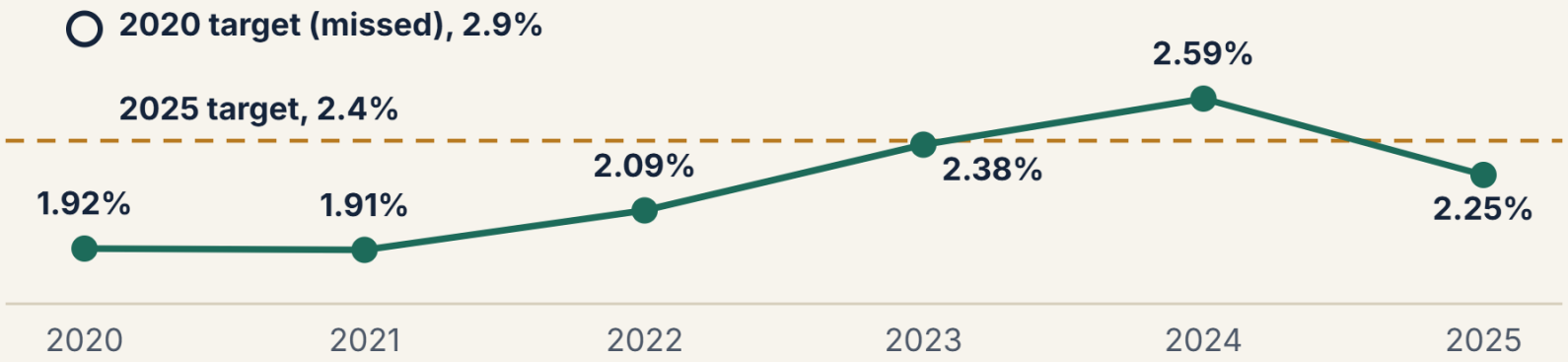
Bigger: yes. Healthier? Four tests.

Sources: Insurance Authority reports

PART 3 · BIGGER

Did the plan’s main target hit?

Premiums as % of the non-oil economy



In 2025 Saudi Arabia changed how it measures its economy, and the economy came out ~28% bigger. A bigger denominator pushes this ratio down, so 2025 isn’t directly comparable.

As a share of the non-oil economy, insurance rose from 1.92% to 2.59% by 2024. 2025 can’t yet be compared fairly.

Sources: Insurance Authority; FSDP; GASTAT via Argaam

PART 3 · BIGGER

What is the target now?

3.6%

of the non-oil economy by 2030

National Insurance Strategy, approved by Cabinet, January 2026

The old target was 4.3% of the non-oil economy. But the economy is now measured ~28% bigger, so 3.6% today is roughly the same ambition, or slightly more.

The strategy also expects a SAR 140bn+ market by 2030, about 11% growth a year.

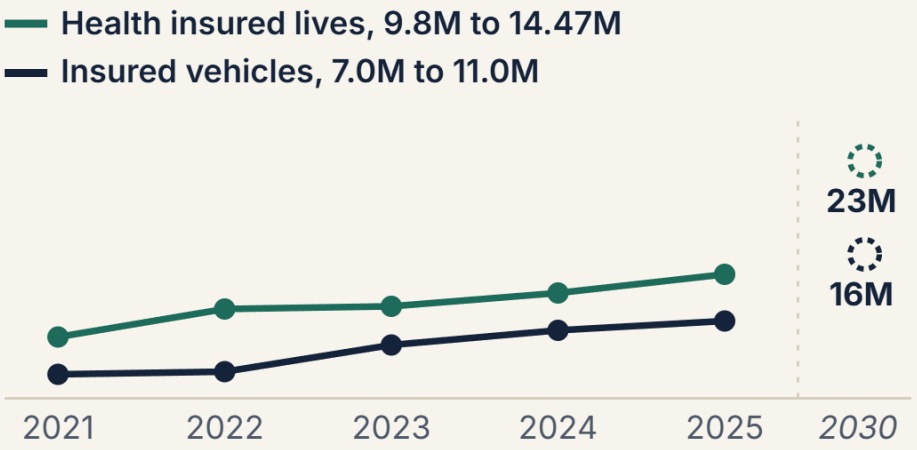
> **The target looks lower. On the old measure, it may not be.**

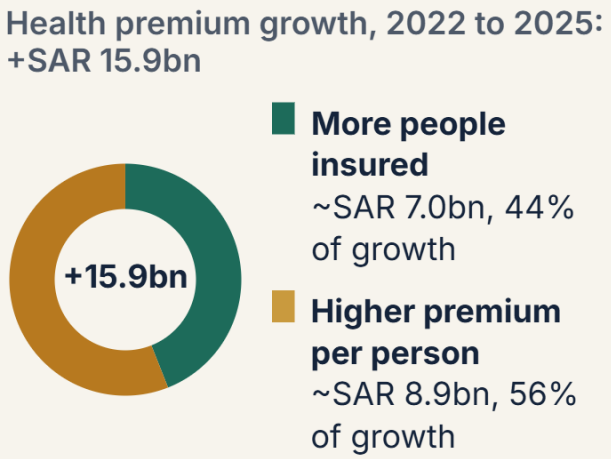
Sources: Argaam; Insurance Authority

TEST 1 · BREADTH

Better, partly

Are more people covered?





Coverage widened: +4M vehicles and +4.7M people since 2021. But most of the new health money came from a higher price per person.

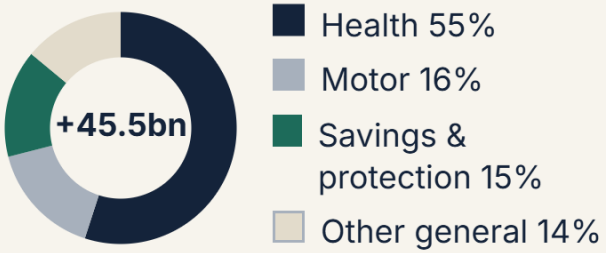
Insured counts: Insurance Authority. Split is the author's estimate: if the price per person had stayed at 2022 levels, more people alone would have added ~SAR 7bn.

TEST 2 · CHOICE

Unclear

Are people choosing insurance?

Total premium growth, 2020 to 2025: +SAR 45.5bn, share of growth by line



SHARE OF PREMIUMS, %	2020	2025
Health required by law	58.9	56.7
Motor required by law	21.6	18.5
Other general mostly bought by businesses	16.2	15.1
Savings & protection not required by law	3.3	9.7

Savings & protection: SAR 2.6bn (2023), 7.7bn (2024), 8.2bn (2025). In 2024, one bank-owned insurer's premiums rose SAR 4.9bn, almost the entire jump.

> **Insurance nobody is required to buy tripled its share, but almost all in one year, and largely from one insurer. Not yet proof that people are choosing it.**

Sources: Insurance Authority; Argaam

TEST 3 · COMPETITION

Fewer, better-capitalised

Why are there fewer insurers?

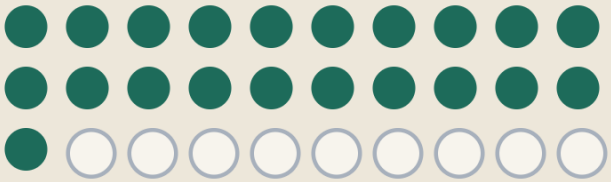
Number of insurers

30

2020

21

active, mid-2025



30 dots for 2020; 21 filled for mid-2025

In 2021 the minimum capital rose from SAR 100M to SAR 300M, with 3 years to comply. Risk-based capital follows in 2026–27.

- **Walaa and SABB Takaful (2020)**
- **Gulf Union and Al Ahlia (2023)**
- **Salama and Enaya (2025)**
- **MedGulf and Buruj (2025)**

> **Higher capital rules came with a wave of mergers. Fewer insurers, each holding more capital.**

Mergers listed are completed.

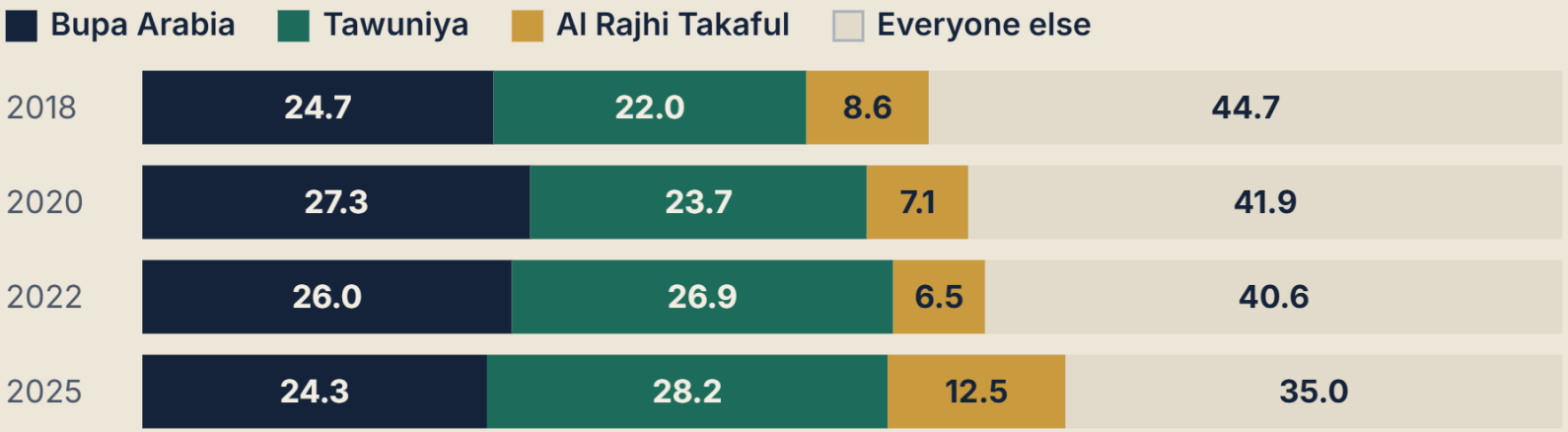
Sources: Insurance Authority; Al-Madina; Argaam; AGBI

TEST 3 · COMPETITION

Mixed

Did the growth spread out, or pile up?

Share of gross written premiums, %



Gross written premiums. From 2023 insurers also report ‘insurance revenue’ under IFRS 17 accounting rules, which is not comparable. 2018 shares based on listed insurers’ total; approximate. Years are not a perfectly consistent series.

> **Fewer, better-capitalised insurers, but three of them now write two-thirds of the market.**

Sources: company filings; Atlas Magazine; Milliman; Argaam

TEST 4 · SUSTAINABILITY

Under pressure

Did growth bring profit?

Every SAR 100 of insurance revenue, 2025



2024: about 6 kept. 2025: about 3.

running costs **3 · kept as profit**

1 · MORE MONEY IN

+10%

insurance revenue, 2025 vs 2024

2 · MOST PAID OUT

89 of 100

riyals paid out in claims (loss ratio 89.3%)

3 · LESS LEFT OVER

–40%

profit, SAR 3.7bn to 2.2bn

> **More money came in. Less of it stayed.**

Profit margin = sector net profit ÷ insurance revenue (IFRS 17), author's calculation; profit includes investment income. Insurance revenue SAR 71.2bn (2025). Profit: Milliman. BADRI's count, after zakat and tax: −36%.

THE SCORECARD

So, did it get healthier?

TEST	VERDICT	WHY
Breadth	Better, partly	+4M insured vehicles and +4.7M insured people since 2021; most health money growth was price
Choice	Unclear	Share of insurance not required by law tripled, but in one year and largely from one insurer
Competition	Mixed	Fewer, better-capitalised insurers; three write two-thirds of the market
Sustainability	Under pressure	Revenue up 10%; profit kept per SAR 100 fell from about 6 to about 3

Bigger: clearly. Healthier: not yet.

Of every SAR 100 that came in during 2025, the sector kept about 3.

The real test: can it grow beyond mandatory insurance?

Before you trust a ratio over time, check whether what it measures has changed.

@Abdulaziz Binkhamis · Sources in the comments