



مصرف البحرين المركزي

Central Bank of Bahrain

Insurance Market Review

2017





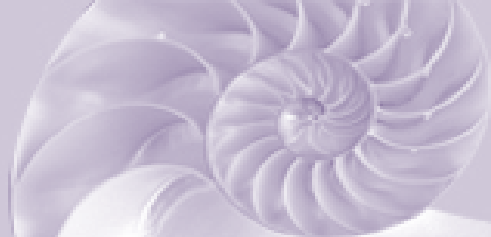
**His Royal Highness Prince
Khalifa Bin Salman Al Khalifa
The Prime Minister**



**His Majesty
King Hamad Bin Isa Al Khalifa
King of The Kingdom of Bahrain**



**His Royal Highness Prince
Salman Bin Hamad Al Khalifa
The Crown Prince, Deputy
Supreme Commander and
First Deputy Premier**

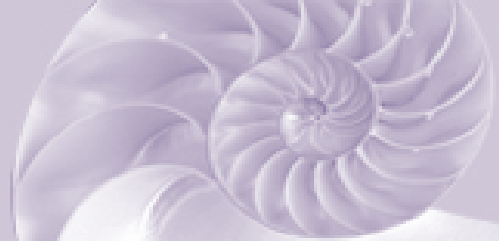


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Bahrain Insurance Market



Main Highlights

BD' 000	Gross Premiums			Gross Claims		
	2017	2016	% Δ	2017	2016	% Δ
Long-term	52,422	51,620	2%	30,734	33,000	-7%
Fire, Property & Liability	33,930	40,314	-16%	73,581	8,249	792%
Miscellaneous Financial Loss	3,349	3,614	-7%	2,842	494	476%
Marine & Aviation	6,425	5,966	8%	1,370	1,864	-26%
Motor	80,909	78,879	3%	75,317	67,509	12%
Engineering	16,305	18,092	-10%	41,109	1,548	2556%
Medical	66,264	62,108	7%	42,817	41,992	2%
Others	9,084	11,449	-21%	4,746	3,584	32%
Total	268,689	272,043	-1.2%	272,515	158,239	72%

Note: Certain items have been restated or reclassified and have been retrospectively adjusted in 2016.

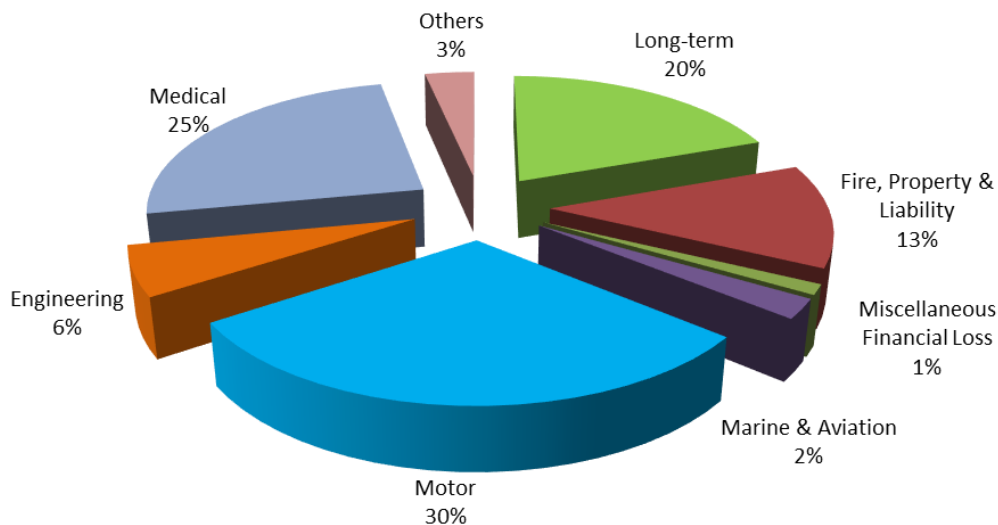


Chart 1-1: Gross Premiums of Insurance Firms Operating in Bahrain for the year 2017

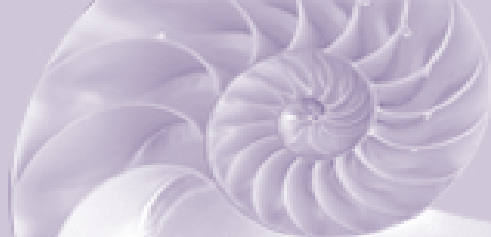


Table 1-1: Insurance Firms and Organisations Authorised in Bahrain (2008 - 2017)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Bahraini Insurance Firms	24	25	25	25	25	26	27	27	27	25
Overseas Insurance Firms (Foreign Branches)	12	11	11	11	11	11	11	11	11	11
Insurance Licensees Limited to Operation Outside Bahrain	25	25	25	28	32	33	37	41	46	46
Representative Offices	4	4	4	5	5	5	5	5	5	6
Insurance Brokers	31	31	31	31	31	31	33	33	32	32
Insurance Consultants	4	4	4	4	5	5	5	5	4	4
Loss Adjusters	13	13	11	11	11	11	11	11	11	12
Actuaries	29	27	27	23	31	30	27	25	24	21
Insurance Pools & Syndicates	2	2	2	2	2	2	2	2	2	2
Insurance Ancillary Services	7	6	6	6	6	3	3	2	2	2
Insurance Managers	4	4	5	3	3	3	3	3	3	2
Insurance Society	1	1	1	1	1	1	1	1	1	0
TOTAL	156	153	152	150	163	161	165	166	168	163

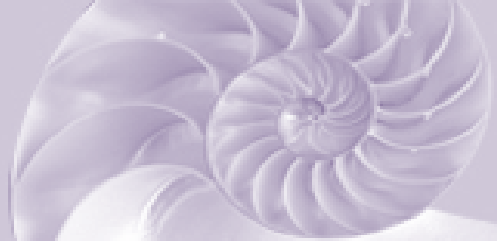


Table 1-2: Bahrain Insurance Market Manpower (2013-2017)

	Bahraini Ins. Firms		Overseas Ins. Firms		Reinsurance / Retakaful Firms		TOTAL			
	Bahraini	Non Bah.	Bahraini	Non Bah.	Bahraini	Non Bah.	Bahraini	Non Bah.	Total	% of Bah.
2017	842	284	44	55	188	200	1,074	539	1,613	67%
2016	851	291	52	62	194	206	1,097	559	1,656	66%
2015	799	295	57	69	192	212	1,048	576	1,624	65%
2014	832	286	63	83	186	194	1,081	563	1,644	66%
2013	824	304	70	78	196	191	1,090	573	1,663	66%

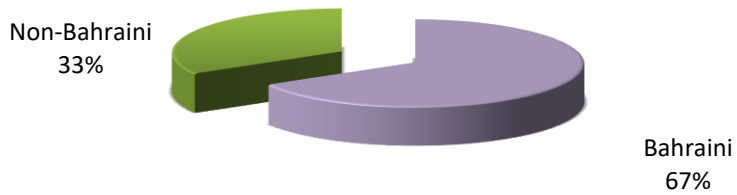


Chart 1-2: Bahrain Insurance Market Manpower in 2017

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Performance of Insurance Firms

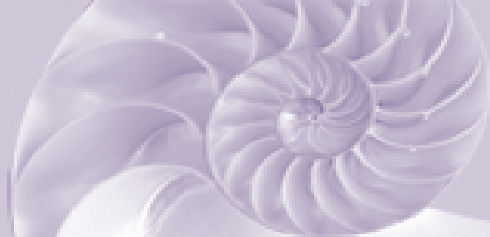


Table 2-1: Gross Premiums and Claims of Insurance Firms Operating in Bahrain (By Class)

BD' 000	Gross Premiums			Net Premiums Written			Gross Claims			Net Claims		
	2017	2016	% Δ	2017	2016	% Δ	2017	2016	% Δ	2017	2016	% Δ
Long-term	52,422	51,620	2%	47,354	47,047	1%	30,734	33,000	-7%	27,601	29,539	-7%
Fire, Property & Liability	33,930	40,314	-16%	8,474	8,562	-1%	73,581	8,249	792%	3,245	1,113	192%
Miscellaneous Financial Loss	3,349	3,614	-7%	537	450	19%	2,842	494	476%	194	(19)	-1122%
Marine & Aviation	6,425	5,966	8%	1,394	1,442	-3%	1,370	1,864	-26%	783	546	43%
Motor	80,909	78,879	3%	77,352	74,284	4%	75,317	67,509	12%	58,938	53,128	11%
Engineering	16,305	18,092	-10%	4,609	3,050	51%	41,109	1,548	2556%	4,124	2,718	52%
Medical	66,264	62,108	7%	36,616	36,888	-1%	42,817	41,992	2%	26,622	25,166	6%
Others	9,084	11,449	-21%	2,719	4,575	-41%	4,746	3,584	32%	1,301	1,422	-9%
Total	268,689	272,043	-1.2%	179,054	176,298	1.6%	272,515	158,239	72%	122,808	113,613	8%

Table 2-2: Retention Ratio and Loss Ratio (By Class)

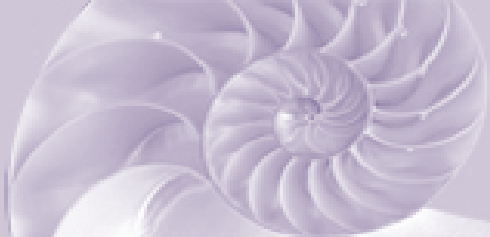
	Retention Ratio ¹		Loss Ratio ²	
	2017	2016	2017	2016
Long-term	90%	91%	56%	62%
Fire, Property & Liability	25%	21%	39%	13%
Miscellaneous Financial Loss	16%	12%	32%	-3%
Marine & Aviation	22%	24%	57%	37%
Motor	96%	94%	77%	73%
Engineering	28%	17%	121%	90%
Medical	55%	59%	76%	69%
Others	30%	40%	33%	31%

¹ Net Premiums Written / Gross Premiums

² Net Claims Incurred / Net Premiums Earned

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**Highlights
of
Insurance Business
By Class**



LONG-TERM INSURANCE:

Long-term Insurance coverage includes the following policies:

- Group life assurance;
- Group credit life assurance;
- Level and decreasing term assurance;
- Unit-linked assurance;
- Participating with profit policies; and
- Children’s education policies.

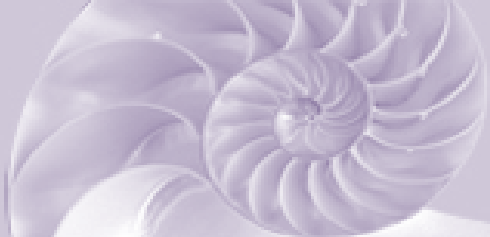
This is in addition to the ancillary benefits that are normally attached to such types of life assurance.

Table 3-1: Gross Premiums & Claims of Long-term Insurance for the last five years

BD '000	Gross Premiums	Gross Claims
2013	62,767	33,883
2014	60,837	37,415
2015	55,028	39,923
2016	51,620	33,000
2017	52,422	30,734



Chart 3-1: Gross Premiums of Long-term Insurance Firms for the year 2017



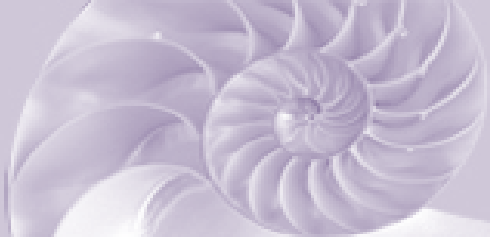
FIRE, PROPERTY & LIABILITY INSURANCE:

Table 3-2: Gross Premiums & Claims of Fire, Property & Liability Insurance for the last five years

BD '000	Gross Premiums	Gross Claims
2013	47,200	24,013
2014	49,010	27,202
2015	47,319	2,189
2016	40,314	8,249
2017	33,930	73,581



Chart 3-2: Gross Premiums of Fire, Property & Liability Insurance for the year 2017



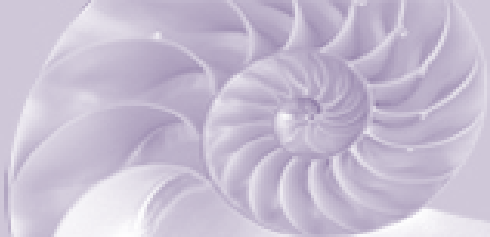
MARINE & AVIATION INSURANCE:

Table 3-3: Gross Premiums & Claims of Marine & Aviation Insurance for the last Five years

BD '000	Gross Premiums	Gross Claims
2013	6,079	1,135
2014	7,939	590
2015	7,367	1,381
2016	5,966	1,864
2017	6,425	1,370



Chart 3-3: Gross Premiums of Marine & Aviation Insurance for the year 2017



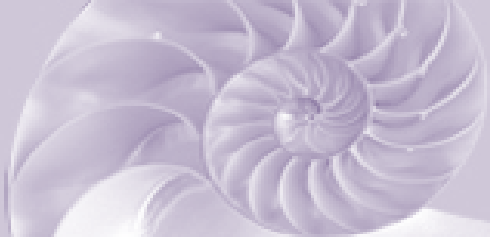
MOTOR INSURANCE:

Table 3-4: Gross Premiums & Claims of Motor Insurance for the last five years

BD '000	Gross Premiums	Gross Claims
2013	68,047	57,731
2014	73,114	60,612
2015	76,157	65,715
2016	78,879	67,509
2017	80,909	75,317



Chart 3-4: Gross Premiums of Motor Insurance for the year 2017



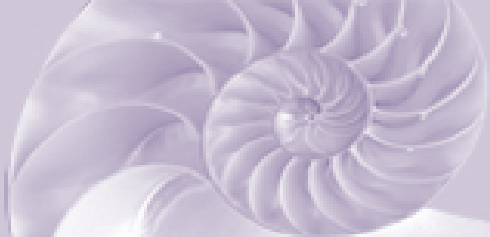
MEDICAL INSURANCE:

Table 3-5: Gross Premiums & Claims of Medical Insurance for the last five years

BD '000	Gross Premiums	Gross Claims
2013	40,833	30,817
2014	47,894	32,585
2015	52,198	38,481
2016	62,108	41,992
2017	66,264	42,817



Chart 3-5: Gross Premiums of Medical Insurance for the year 2017



OTHER CLASSES OF INSURANCE:

Other Classes of insurance have been grouped to include the following:

- Miscellaneous Financial Loss
- Engineering
- Others

Table 3-6: Gross Premiums & Claims for Other Classes of Insurance for the last five years

BD '000	Gross Premiums	Gross Claims
2013	33,478	27,825
2014	35,151	13,498
2015	34,737	7,237
2016	33,155	5,625
2017	28,739	48,697

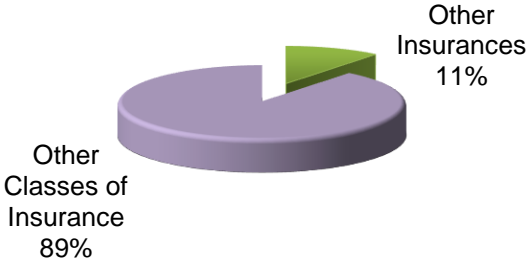


Chart 3-6: Gross Premiums for Other Classes of Insurance for the year 2017

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Statistical

Data

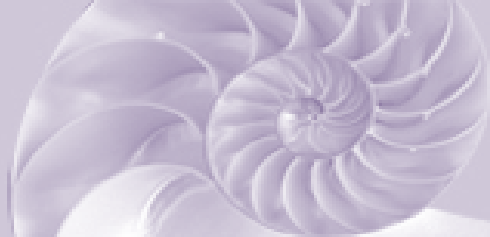


Table 4-1: Gross Premiums of Insurance Firms Operating in Bahrain

		Bahraini Insurance Firms		Bahraini Insurance Firms	Overseas Insurance Firms	GRAND TOTAL
		Conventional Firms	Takaful Firms			
BD '000						
Long-term	2017	24,522	6,349	30,871	21,552	52,422
	2016	22,752	7,912	30,664	20,956	51,620
Fire	2017	14,316	3,754	18,070	4,074	22,144
	2016	19,854	4,091	23,945	4,447	28,392
Damage to property	2017	4,271	1,349	5,620	0	5,620
	2016	4,163	1,542	5,705	0	5,705
Miscellaneous financial loss	2017	1,648	908	2,555	793	3,349
	2016	1,405	894	2,299	1,315	3,614
Marine cargo, marine hull	2017	3,795	713	4,509	439	4,947
	2016	3,912	833	4,745	692	5,436
Aviation	2017	1,465	13	1,478	0	1,478
	2016	526	4	530	0	530
Motor	2017	57,188	19,205	76,393	4,516	80,909
	2016	54,752	19,352	74,104	4,775	78,879
Engineering	2017	4,567	1,261	5,828	10,478	16,305
	2016	7,187	1,554	8,741	9,351	18,092
Liability	2017	3,137	1,683	4,820	1,346	6,166
	2016	3,441	1,316	4,757	1,460	6,217
Medical (≤1 year)	2017	36,248	23,678	59,927	6,337	66,264
	2016	37,148	18,625	55,773	6,335	62,108
Others	2017	3,406	3,490	6,897	2,188	9,084
	2016	4,700	4,308	9,007	2,442	11,449
TOTAL	2017	154,564	62,403	216,967	51,722	268,689
	2016	159,841	60,430	220,270	51,772	272,043

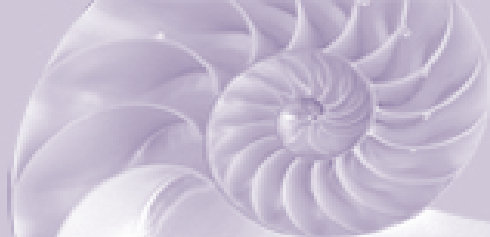


Table 4-2: Net Premiums Written for Insurance Firms Operating in Bahrain

BD '000		Bahraini Insurance Firms		Bahraini Insurance Firms	Overseas Insurance Firms	GRAND TOTAL	
		Conventional Firms	Takaful Firms				
	Long-term	2017	22,428	4,258	26,686	20,668	47,354
		2016	21,053	5,856	26,909	20,138	47,047
	Fire	2017	2,723	415	3,138	2,821	5,959
		2016	2,359	583	2,942	3,247	6,189
	Damage to property	2017	459	196	655	0	655
		2016	286	184	470	0	470
	Miscellaneous financial loss	2017	228	32	260	277	537
		2016	195	80	275	175	450
	Marine cargo, marine hull	2017	904	149	1,053	341	1,394
		2016	883	148	1,031	413	1,444
	Aviation	2017	0	0	0	0	0
		2016	0	(2)	(2)	0	(2)
	Motor	2017	55,190	18,009	73,199	4,152	77,352
		2016	51,527	18,423	69,949	4,335	74,284
	Engineering	2017	640	140	780	3,828	4,609
		2016	735	238	973	2,077	3,050
	Liability	2017	639	219	859	1,003	1,861
		2016	559	154	713	1,190	1,903
	Medical (≤1 year)	2017	16,164	17,684	33,848	2,768	36,616
		2016	17,828	14,644	32,472	4,415	36,888
	Others	2017	1,182	297	1,479	1,240	2,719
		2016	2,361	900	3,261	1,314	4,575
	TOTAL	2017	100,556	41,400	141,957	37,098	179,054
		2016	97,787	41,207	138,994	37,304	176,298

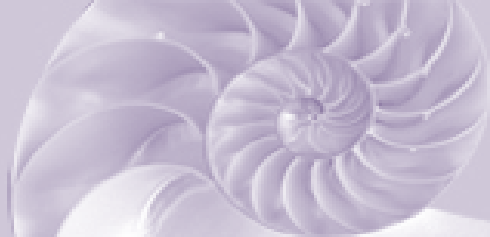


Table 4-3: Net Premiums Earned for Insurance Firms Operating in Bahrain

		Bahraini Insurance Firms		Bahraini Insurance Firms	Overseas Insurance Firms	GRAND TOTAL
		Conventional Firms	Takaful Firms			
BD '000						
Long-term	2017	22,684	6,237	28,921	20,679	49,600
	2016	21,096	6,550	27,646	20,116	47,762
Fire	2017	2,309	483	2,791	2,814	5,605
	2016	2,429	567	2,996	3,438	6,434
Damage to property	2017	437	197	634	0	634
	2016	191	158	349	0	349
Miscellaneous financial loss	2017	258	72	330	277	607
	2016	205	70	275	472	747
Marine cargo, marine hull	2017	877	142	1,019	354	1,373
	2016	897	152	1,049	448	1,497
Aviation	2017	0	0	0	0	0
	2016	0	(1)	(1)	0	(1)
Motor	2017	53,798	18,067	71,865	4,233	76,098
	2016	50,118	18,379	68,497	4,375	72,872
Engineering	2017	682	248	930	2,472	3,402
	2016	660	279	939	2,095	3,034
Liability	2017	610	450	1,060	1,059	2,119
	2016	503	93	595	1,385	1,981
Medical (≤1 year)	2017	15,572	16,764	32,336	2,603	34,939
	2016	17,826	14,165	31,991	4,489	36,480
Others	2017	1,179	291	1,471	2,477	3,948
	2016	2,451	990	3,442	1,142	4,583
TOTAL	2017	98,406	42,951	141,357	36,967	178,325
	2016	96,377	41,402	137,778	37,959	175,737

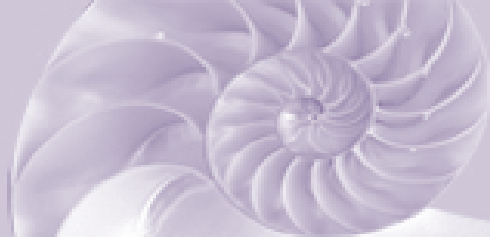


Table 4-4: Gross Claims for Insurance Firms Operating in Bahrain

		Bahraini Insurance Firms		Bahraini Insurance Firms	Overseas Insurance Firms	GRAND TOTAL
		Conventional Firms	Takaful Firms			
BD '000						
Long-term	2017	18,223	1,828	20,051	10,683	30,734
	2016	20,426	1,760	22,186	10,814	33,000
Fire	2017	57,625	346	57,971	13,163	71,134
	2016	1,915	1,044	2,959	1,767	4,726
Damage to property	2017	1,382	187	1,569	0	1,569
	2016	750	107	857	0	857
Miscellaneous financial loss	2017	530	1,713	2,243	599	2,842
	2016	(666)	2,480	1,814	(1,320)	494
Marine cargo, marine hull	2017	1,034	315	1,349	21	1,370
	2016	965	386	1,351	513	1,864
Aviation	2017	0	0	0	0	0
	2016	0	0	0	0	0
Motor	2017	54,335	17,289	71,624	3,692	75,317
	2016	44,393	18,392	62,785	4,724	67,509
Engineering	2017	2,128	201	2,329	38,780	41,109
	2016	1,925	1,748	3,673	(2,125)	1,548
Liability	2017	230	575	805	72	877
	2016	489	70	559	2,107	2,666
Medical (≤1 year)	2017	24,248	14,076	38,324	4,493	42,817
	2016	25,335	12,446	37,781	4,211	41,992
Others	2017	1,852	2,219	4,071	675	4,746
	2016	1,923	1,256	3,180	404	3,584
TOTAL	2017	161,588	38,749	200,336	72,178	272,515
	2016	97,456	39,689	137,144	21,095	158,239

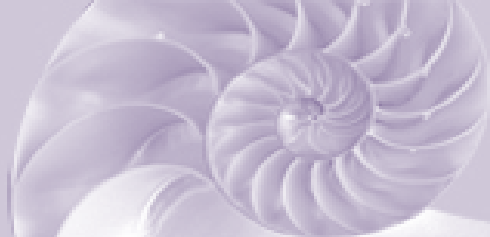


Table 4-5: Net Claims for Insurance Firms Operating in Bahrain

BD '000		Bahraini Insurance Firms		Bahraini Insurance Firms	Overseas Insurance Firms	GRAND TOTAL	
		Conventional Firms	Takaful Firms				
	Long-term	2017	16,255	925	17,180	10,421	27,601
		2016	18,766	395	19,161	10,378	29,539
	Fire	2017	1,445	117	1,562	1,353	2,915
		2016	606	114	720	403	1,123
	Damage to property	2017	153	15	168	0	168
		2016	59	77	136	0	136
	Miscellaneous financial loss	2017	108	55	163	30	194
		2016	50	9	59	(78)	(19)
	Marine cargo, marine hull	2017	720	39	759	24	783
		2016	318	(39)	280	266	546
	Aviation	2017	0	0	0	0	0
		2016	0	0	0	0	0
	Motor	2017	42,517	13,220	55,737	3,202	58,938
		2016	35,477	13,243	48,720	4,408	53,128
	Engineering	2017	776	61	837	3,287	4,124
		2016	933	101	1,034	1,684	2,718
	Liability	2017	147	33	180	(18)	162
		2016	41	(12)	29	(175)	(146)
	Medical (≤1 year)	2017	12,051	12,861	24,912	1,710	26,622
		2016	12,396	11,146	23,541	1,625	25,166
	Others	2017	317	536	852	448	1,301
		2016	998	215	1,213	208	1,422
	TOTAL	2017	74,488	27,862	102,350	20,458	122,808
		2016	69,644	25,249	94,893	18,720	113,613

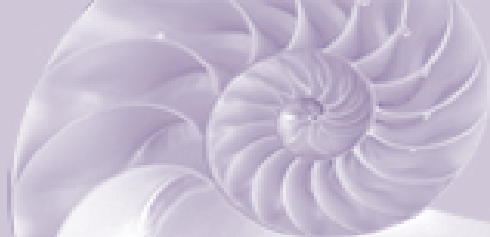


Table 4-6: Number of Insurance Policies Issued for Insurance Firms Operating in Bahrain

		Bahraini Insurance Firms		Bahraini Insurance Firms	Overseas Insurance Firms	GRAND TOTAL
		Conventional Firms	Takaful Firms			
BD '000						
Long-term	2017	73,421	10,758	84,179	10,780	94,959
	2016	72,537	18,425	90,962	5,880	96,842
Fire	2017	8,066	8,891	16,957	2,135	19,092
	2016	7,901	10,084	17,985	2,531	20,516
Damage to property	2017	2,833	2,921	5,754	0	5,754
	2016	2,650	2,197	4,847	0	4,847
Miscellaneous financial loss	2017	4,963	3,543	8,506	1,292	9,798
	2016	5,712	2,935	8,647	3,143	11,790
Marine cargo, marine hull	2017	15,071	4,477	19,548	3,048	22,596
	2016	15,343	4,462	19,805	3,196	23,001
Aviation	2017	20	1	21	0	21
	2016	17	1	18	0	18
Motor	2017	4,181,397	152,609	4,334,006	35,530	4,369,536
	2016	3,959,904	141,100	4,101,004	37,924	4,138,928
Engineering	2017	1,356	1,575	2,931	1,018	3,949
	2016	1,547	1,235	2,782	1,209	3,991
Liability	2017	3,588	1,507	5,095	1,234	6,329
	2016	3,219	1,241	4,460	1,217	5,677
Medical (≤1 year)	2017	2,577	1,789	4,366	449	4,815
	2016	2,601	850	3,451	151	3,602
Others	2017	16,477	5,975	22,452	4,147	26,599
	2016	16,543	5,366	21,909	1,325	23,234
TOTAL	2017	4,309,769	194,046	4,503,815	59,633	4,563,448
	2016	4,087,974	187,896	4,275,870	56,576	4,332,446

5

Financial

Data

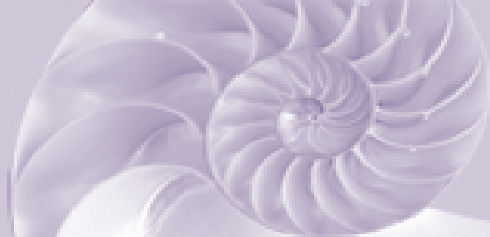


Table 5-1: Key Performance Figures of Insurance Firms – Financial Position

BD '000	Bahraini Insurance Firms				Overseas Insurance Firms		Total	
	Conventional		Takaful		2017	2016	2017	2016
Assets								
General Insurance Business								
Total investments in group undertakings and participating interests	219,040	219,602	7,702	7,624	0	0	226,742	227,226
Total Investments	355,851	307,791	42,785	24,444	69,978	30,593	468,614	362,828
Deposits with ceding undertakings	0	192	0	0	0	0	0	192
Total reinsurance assets	173,794	141,551	0	0	51,307	15,547	225,100	157,098
Total Insurance receivables	104,485	131,055	0	0	10,077	12,135	114,562	143,191
Total other receivables	27,336	25,961	6,080	2,905	5,251	4,592	38,667	33,458
Tangible assets	11,925	10,286	1,337	720	100	102	13,362	11,108
Total cash at bank and in hand	154,864	164,136	4,607	2,961	6,937	8,326	166,409	175,424
Total prepayments and accrued income	35,243	29,532	4,779	5,437	2,347	2,295	42,369	37,264
Total other assets	1,341	1,039	13,074	857	95	706	14,511	2,602
T. Shareholders assets (Takaful)			80,365	44,948			80,365	44,948
Total General insurance business assets	1,083,878	1,031,146	65,425	64,069	146,092	74,297	1,295,395	1,169,511
Long-Term Business Assets	854,640	706,713	18,965	28,143	342	66,188	873,947	801,043
Linked long term assets	6,548	6,069	16,621	17,258	139,356	104,884	162,525	128,211
Total Assets	1,945,066	1,743,927	181,375	154,419	285,791	245,368	2,412,231	2,143,714
Liabilities								
Shareholders liabilities (Takaful)			29,101	12,085			29,101	12,085
Total General insurance business liabilities	626,129	578,514	71,248	71,231	85,883	54,560	783,260	704,304
Long term business liabilities	775,108	636,706	21,036	24,515	174,242	160,343	970,386	821,563
Total Liabilities	1,401,237	1,215,219	121,385	107,831	260,125	214,902	1,782,747	1,537,953
Capital Resources ¹								
Eligible Paid-up ordinary shares	137,060	143,245	65,089	60,125	-	-	202,149	203,370
Total Tier 1 Capital	510,557	498,552	59,127	46,078	-	-	569,683	544,630
Total Capital Resources	340,849	299,747	50,329	44,883	21,684	25,466	412,862	370,096

Notes: Capital Resources in accordance with CBB rules.

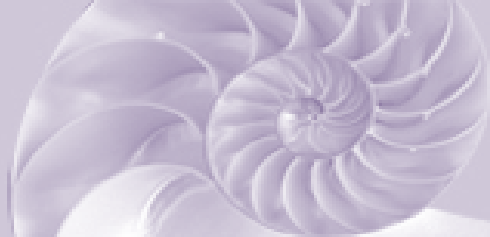


Table 5-2: Consolidated data of Insurance Firms – Income Statements

BD '000	Bahraini Insurance Firms (include Bahrain & Non-Bahrain business)				Overseas Insurance Firms		Total	
	Conventional		Takaful		2017	2016	2017	2016
	2017	2016	2017	2016				
Gross Premiums/Contributions	706,166	699,336	65,173	63,906	51,724	51,770	823,063	815,013
Reinsurance/Retakaful Ceded	193,530	213,187	21,762	20,751	14,626	14,467	229,917	248,405
Net Premiums/Contributions Written	512,637	486,149	43,411	43,156	37,098	37,303	593,146	566,608
Net Premiums/Contributions Earned	498,185	475,668	44,949	43,802	36,858	38,074	579,992	557,543
Total Underwriting Revenue	498,185	475,668	48,606	47,490	31,281	40,794	578,072	563,952
Total Claims and Expenses	518,127	495,854	49,369	46,521	29,206	39,922	596,701	582,297
Underwriting Profit (Loss)	(20,079)	(20,329)	(762)	969	2,075	641	(18,766)	(18,719)
Net Investment Income	51,066	46,919	470	290	2,543	2,710	54,079	49,919
Net Profit (Loss) of Conventional	39,218	30,625	-	-	4,742	3,390	43,960	34,015
Takaful Net Income								
Surplus (deficit) of Takaful Funds			(292)	1,260				
Profit (loss) of Shareholders Fund			1,282	520				

Notes: Results include both Bahrain and non-Bahrain business.

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