

Insurance sector continues growth

Medical insurance increased by 19 percent



Bahrain fast growing as 'insurance hub'



Representative picture

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Bahrain is fast becoming a hub for major regional and international reinsurance and retakaful firms, said a top CBB official yesterday.

Citing the industry's strong performance during the past five years, Abdul Rahman Al Baker, Executive Director, Financial Institutions Supervision at the CBB, said, "Bahrain's insurance sectors hold tremendous promise for growth."

"We expect the insurance sector to continue its growth in the coming years, mainly due to the increase in the public awareness on the importance of the insurance products in general, as well as due to the soundness of regulatory and supervisory framework of the insurance sector in Bahrain," added Al Baker.

By end of 2016, Bahrain's domestic insurance market comprised of 25 Locally

Incorporated Firms and 11 Overseas Insurance Firms (branches of foreign companies) carrying out Insurance, Reinsurance, Takaful, Retakaful and Captives business in the Kingdom of Bahrain.

The locally incorporated firms consisted of 14 Conventional Insurance Firms, 6 Takaful Firms, 2 Reinsurance Firms, 2 Retakaful Firms and 1 Captive, while Overseas Insurance Firms consists of 8 Conventional Insurance Firms and 3 Reinsurance Firms. In addition, there are a substantial number of firms restricted to carry out business outside Bahrain and insurance ancillary services.

There were five conventional Reinsurance Firms and two Retakaful Firms in Bahrain, by end of 2016. The gross premiums/contributions of Reinsurance and Retakaful Firms reached BD 378.97 million in 2016.

The increase, according to the Central Bank of Bahrain, was mainly due to a surge in the Medical insurance sector

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The insurance market in the Kingdom continued to enjoy positive growth in the year 2016, driven mainly by the general insurance (including Medical insurance) segment, which contributed 81 per cent to the gross premiums.

The increase, according to the Central Bank of Bahrain, was mainly due to a surge in the Medical insurance sector, which witnessed a growth of almost 19pc in gross premiums/contributions to register BD62.11 million (US\$164.75m) in 2016 compared to BD52.20m (US\$138.50m) in 2015. This represents almost 23pc of the

total premiums/contributions written in the market in 2016.

"Due to the well established regulatory regime, a number of leading international insurance companies established their insurance and reinsurance operations in Bahrain both in Conventional and Takaful, which has further consolidated Bahrain's profile as a financial centre. The increase of insurance ancillary services in Bahrain provides an important source of synergy to these international companies," said Fouad A. Wahid Abdulla - Director, Insurance Supervision Directorate, at the CBB.

"The CBB continues to further enhance its regulatory framework to be in line with the best international financial standards and boost the confidence of the insurance licensees and general public," added Wahid Abdulla.

In other segments, Engineering insurance grew 7pc, while Long-term (life and savings products) insurance contributed 19pc to the total gross premiums by generating BD51.62m (US\$136.92m) in 2016.

Total gross premiums in Motor insurance increased 4pc to BD78.88m (US\$209.23m) in 2016 from BD76.16m in 2015. This accounts for around

29pc of the total premiums/contributions written in 2016.

Fire, Property & Liability represented 15pc of the total premiums/contributions, which totalled BD40.31m (US\$106.92m) in 2016 compared to BD47.32m (US\$125.52m) in 2015.

Takaful Firms recorded total gross contributions of BD60.43m in 2016, representing around 22pc of the total gross premiums/contributions in 2016.

Gross premiums/contributions generated in the domestic market amounted to BD272.04m (US\$721.60m) in 2016 compared to BD272.81m (US\$723.63m) in 2015.

Takaful International, GFH sign insurance deal

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Takaful International Company the first Islamic insurance company in the Kingdom, has signed an agreement with GFH Properties.

The deal provides the employees and families of GFH Properties with insurance products that has comprehensive and exceptional coverage at special prices and services.

The agreement forms part of the joint cooperation between Takaful and GFH



Officials during the deal signing ceremony

Properties to provide the finest services in the Kingdom for the staffs and meet all their insurance needs.

The range of products and services include General

Accident coverage, Property All Risk, Domestic Servant,

Haji and Omra, Travel Takaful and Motor Takaful at special preferential rates.

Younis J. Al Sayed commented that Takaful International will continue to invest in its business to serve individuals and companies by identifying their requirements and by providing excellent service with a wide range of products that meets customer satisfaction in order to strengthen its network towards future growth.