

# ALGERIA

## INSURANCE MARKET OVERVIEW



**Region:** Africa  
**Land Area:** 2,381,741 sq km  
**Capital:** Algiers  
**Currency:** Algerian Dinar (DZD)

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The economy slowed markedly at the tail end of 2019, with annual growth falling to 0.2% in Q4 from 1.3% in Q3. As such, overall growth for 2019 slumped to a 25-year low of 0.8% (2018: +1.4% year-on-year). A steep contraction in the oil sector, with refining activity slumping markedly, drove the deceleration in Q4; in contrast, the non-oil sector ticked up slightly on surging agricultural output. Turning to 2020, the economic backdrop is likely to worsen significantly, as extensive lockdown measures curb domestic demand, while OPEC+ oil production cuts and plummeting oil prices weigh on the external sector. Furthermore, historically low oil prices will put significant pressure on state finances, with the government announcing a 50% cut in public spending in early May.

The economy is seen contracting this year due to subdued domestic demand, as private consumption falters amid lockdown conditions. Volatile oil prices and diminished global demand is a key risk to exports, while continued political tensions further cloud the outlook. FocusEconomics panelists forecast the economy to shrink 3.8% in 2020, which is down 3.2 percentage points from last month's estimate, before growing 3.2% in 2021.

The **Conseil National des Assurances (CNA)** has published the provisional results of the Algerian insurance market ending 31 December 2019.

The total turnover, direct business and acceptances, amounted to 152.066 billion DZD (1.271 billion USD) against 143.334 billion DZD (1.2 billion USD) in 2018 that is an increase of 6.1%.

Non-life insurance was the dominant business, with premiums rising by 4.5% to DZD131.8bn (1.102 billion USD), in 2019. This represented an overall market share of 86.7%.

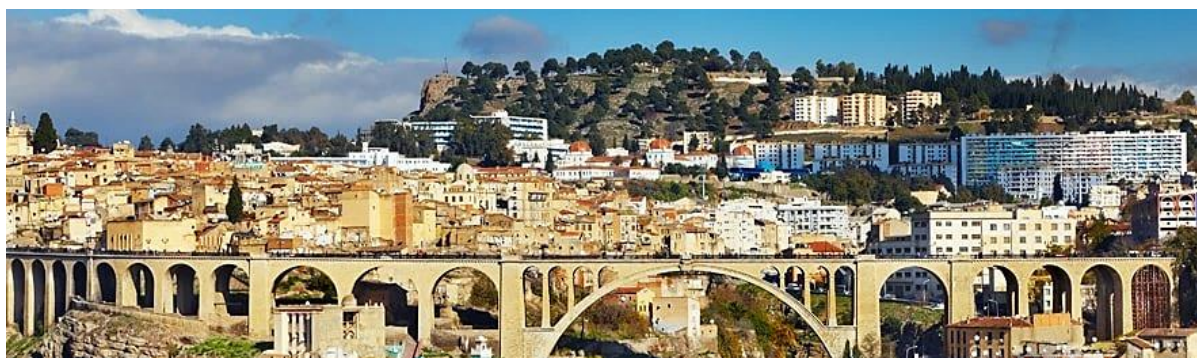
Motor business contributed DZD69.2bn (578.5 million USD) that is 52.5% of total non-life insurance premiums. Of this, compulsory motor third party liability insurance increased by 15.4% to DZD17bn, representing a share of 24.6% of the branch's portfolio. On the other hand, optional motor cover dominates this branch with a 75.4% share, with premium income falling by 3.8% to DZD52.2bn in 2019.

The fire and miscellaneous accident insurance recorded 51.5 billion DZD (430.540 million USD) in premiums, rising by 10.4% over one year.

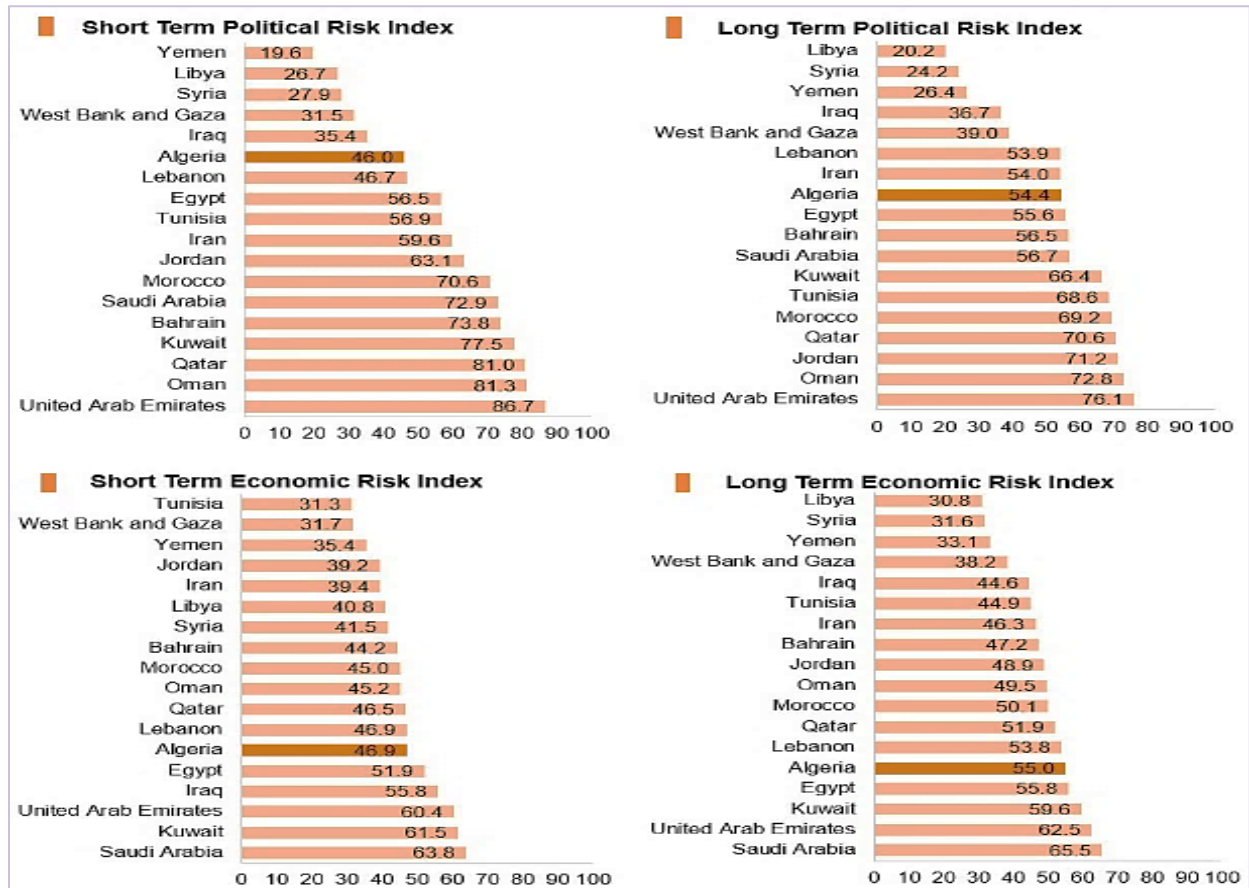
Life insurance grew by 12% to 14.329 billion DZD (119.790 million USD) compared to 12.788 billion DZD (107.035 million USD) in 2018.

## ( I ) ECONOMIC DATA

|   | 2014  | 2015  | 2016  | 2017  | 2018  |
|---|-------|-------|-------|-------|-------|
| Population (million)                          | 39.1  | 40.0  | 40.8  | 41.7  | 42.6  |
| GDP per capita (USD)                          | 5,465 | 4,166 | 3,920 | 4,015 | 4,080 |
| GDP (USD bn)                                  | 214   | 166   | 160   | 167   | 174   |
| Economic Growth (GDP, annual variation in %)  | 3.8   | 3.7   | 3.2   | 1.3   | 1.4   |
| Consumption (annual variation in %)           | 3.2   | 3.6   | 2.6   | 2.2   | 2.7   |
| Investment (annual variation in %)            | 6.4   | 5.7   | 3.5   | 3.4   | 3.1   |
| Industrial Production (annual variation in %) | 3.9   | 1.9   | 1.6   | 2.4   | -1.5  |
| Unemployment Rate                             | 10.6  | 11.2  | 10.5  | 11.7  | 11.7  |
| Fiscal Balance (% of GDP)                     | -7.3  | -15.3 | -13.1 | -6.6  | -4.8  |
| Public Debt (% of GDP)                        | 7.7   | 8.7   | 20.5  | 27.3  | 38.3  |
| Money (annual variation in %)                 | 12.9  | 11.7  | 3.5   | 14.4  | 0.5   |
| Inflation Rate (CPI, annual variation in %)   | 3.9   | 4.4   | 5.8   | 5.9   | 3.5   |
| Policy Interest Rate (%)                      | 4.00  | 4.00  | 3.50  | 3.75  | 3.75  |
| Exchange Rate (vs USD)                        | 87.92 | 107.1 | 110.4 | 114.8 | 118.3 |
| Exchange Rate (vs USD, aop)                   | 80.60 | 100.4 | 109.4 | 110.9 | 116.6 |
| Current Account (% of GDP)                    | -4.3  | -16.4 | -16.4 | -13.2 | -9.6  |
| Current Account Balance (USD bn)              | -9.3  | -27.3 | -26.2 | -22.1 | -16.7 |
| Trade Balance (USD billion)                   | 0.5   | -18.1 | -20.1 | -14.4 | -7.5  |
| Exports (USD billion)                         | 60.1  | 34.6  | 29.3  | 34.6  | 41.1  |
| Imports (USD billion)                         | 59.7  | 52.7  | 49.4  | 49.0  | 48.6  |
| Exports (annual variation in %)               | -6.6  | -42.5 | -15.2 | 18.0  | 18.9  |
| Imports (annual variation in %)               | 8.5   | -11.8 | -6.1  | -0.9  | -0.9  |
| International Reserves (USD)                  | 180   | 145   | 115   | 97.6  | 80.2  |
| External Debt (% of GDP)                      | 2.6   | 2.8   | 3.4   | 3.4   | 3.3   |



## Political and Economic Risk Indices



100 = Lowest risk, 0 = Highest risk

Source: Fitch Solutions Research Economic and Political Risk Indices - November 6, 2019

|   | Country                   | Operational Risk Index | Labour Market Risk Index | Trade and Investment Risk Index | Logistics Risk | Crime and Security Risk Index |
|---|---------------------------|------------------------|--------------------------|---------------------------------|----------------|-------------------------------|
| <b>Operational Risk Index</b><br><br>Source:<br><b>Fitch Solutions Operational Risk Index</b><br><br>Date last reviewed:<br><b>November 6, 2019</b><br><br>100 = Lowest risk,<br>0 = Highest risk | UAE                       | 72.2                   | 71.3                     | 79.1                            | 67.9           | 70.5                          |
|   | Qatar                     | 65.4                   | 65.0                     | 61.8                            | 73.7           | 61.2                          |
|   | Bahrain                   | 64.4                   | 63.1                     | 69.5                            | 71.5           | 53.6                          |
|   | Oman                      | 64.4                   | 62.2                     | 61.9                            | 64.1           | 69.2                          |
|   | Saudi Arabia              | 62.3                   | 67.2                     | 62.1                            | 62.4           | 57.7                          |
|   | Jordan                    | 56.1                   | 56.9                     | 60.7                            | 54.7           | 52.3                          |
|   | Morocco                   | 53.7                   | 43.2                     | 63.8                            | 54.8           | 53.2                          |
|   | Kuwait                    | 53.1                   | 54.2                     | 51.2                            | 50.8           | 56.2                          |
|   | Egypt                     | 48.4                   | 49.9                     | 45.7                            | 55.2           | 42.9                          |
|   | Tunisia                   | 46.8                   | 42.2                     | 56.2                            | 46.5           | 42.3                          |
|   | Lebanon                   | 43.8                   | 53.0                     | 51.9                            | 40.8           | 29.7                          |
|   | Iran                      | 43.3                   | 49.5                     | 36.7                            | 52.7           | 34.4                          |
|   | <b>Algeria</b>            | <b>38.6</b>            | <b>46.1</b>              | <b>31.1</b>                     | <b>40.9</b>    | <b>36.2</b>                   |
|   | West Bank and Gaza        | 34.8                   | 48.8                     | 37.4                            | 35.8           | 17.0                          |
|   | Libya                     | 28.2                   | 47.2                     | 22.1                            | 26.5           | 17.1                          |
|   | Syria                     | 27.9                   | 45.6                     | 23.7                            | 27.5           | 15.0                          |
|   | Iraq                      | 26.9                   | 43.6                     | 24.8                            | 26.8           | 12.4                          |
|   | Yemen                     | 21.9                   | 32.7                     | 24.9                            | 13.9           | 16.1                          |
|   | Regional Averages         | 47.3                   | 52.3                     | 48.0                            | 48.1           | 40.9                          |
|   | Emerging Markets Averages | 46.9                   | 48.5                     | 47.4                            | 45.8           | 45.9                          |
| Global Markets Averages   | 49.7                      | 50.3                   | 49.8                     | 49.3                            | 49.2           |                               |

## Natural Hazards



### **EARTHQUAKES:**

Algeria is a medium to high risk area for earthquakes. The northern coastal region is the most seismically active; the degree of risk reduces towards the south. The main fault, a collision zone where two continental plates converge, runs offshore under the Mediterranean Sea. Several tremors in the range Richter 3.5 to 4.5 are recorded every month by the national agency.

### **WINDSTORM:**

Windstorm is a hazard only in the Mediterranean coastal region, but it can cause serious damage.

### **FLOOD:**

Heavy rains can cause flooding in Algeria, but heavy insured damage is confined to the northern coastal region. Areas more than 50 miles (80 km) from the coast are not often affected. The city of Algiers has drawn up a list of 44 urban areas which are most at risk of flooding.

### **BUSHFIRE:**

Forest fires regularly occur and, for example, destroyed about 10,000 hectares of forest in 2013, as well as over 22,000 in 2012. There is a dedicated and specially equipped fire-fighting force.

### **SUBSIDENCE:**

Cover against subsidence on its own is not normally taken out, although it is covered under the obligatory CAT NAT scheme.

### **HAIL:**

Cover against hail and snow is part of the windstorm cover, and included in most packages.



## (II) ALGERIAN INSURANCE MARKET

### ➤ Historical Development:

**Before 1962** Algeria was served by French insurers.

**1963** Societe Nationale d'Assurance (SAA) was set up, originally as an Algerian-Egyptian company named Societe Algerienne d'Assurance. At first SAA wrote only motor and personal lines; it now writes all classes but is still the market specialist in those areas. The Egyptian shareholding was bought out upon nationalisation in 1966. Caisse Algerienne d'Assurance et de Reassurance (CAAR) was set up as a public enterprise specialising in industrial risks, in which it is still the market leader.

**1966** The public-sector insurers were fully nationalised.

**1975** Compagnie Centrale de Reassurance (CCR) was set up to benefit from the reinsurance monopoly which was applicable at that time.

**1985** Compagnie Algerienne d'Assurance Transport (CAAT) was set up to deal with MAT classes. It is still the market specialist.

**1989** Once it was clear that socialism was failing, the various state-owned companies started competing with one another.

**1995** A new law was passed liberalising the insurance market.

**1997** New arrivals began to enter the market, and nearly tripled the number of companies offering insurance.

**2004** The first company liquidation took place. The obligatory scheme for insurance against natural catastrophes started on 1 September.

**2005-06** The insurance law was modernised. Privatisation of state insurers was discussed but no transactions resulted.

**2007-08** After the settlement of an old dispute involving French insurers, several groups began planning involvement in the Algerian market.

**2009-10** The rules on foreign investments in Algerian companies became more difficult. Several partnership arrangements with foreign insurers were planned, but negotiations were slow.

**2011** The separation of previously composite companies became effective. Several new insurers were formed.

**2017** It was announced that the motor TP tariff was to be increased over a two-year period beginning in January 2017. Takaful laws were being drafted but had not yet been finalized or approved in 2018.

**2018** A bill to amend the insurance law is to be put before Parliament during the 2018-2019 session which began on 3 September 2018.

**2020**

- Article 84 of the 2020 Finance Act introduces a new tax called the pollution tax. Insurance companies are responsible for collecting this royalty on all motor insurance and rolling machines policies which is levied at the contract underwriting.
- The Finance Law 2020 art.103 authorizes the Algerian insurance companies to carry out a Takaful activity.
- From January 2010 accounting standards must be in a format generally similar to International Financial Reporting Standards (IFRS).

## ➤ Industry Organizations

### **Commission de Supervision des Assurances (CSA)**

Law No 06-04 of 20 February 2006 established the insurance supervisory authority known as the Commission of Insurance Supervision (Commission de Supervision des Assurances - CSA). CSA is part of the Ministry of Finance (Ministere des Finances) and is charged with applying the legal capital and solvency margin requirements for insurance companies, reviewing applications for new companies, including statutes, details of shareholders and principal members of management, and policy wordings and proposed premium rates. It also conducts inspections of insurance companies

### **Le Conseil National des Assurances (CNA)**

The National Insurance Council (CNA) is a state body created under Law No 95-07 of 25 January 1995 and set up in March 1997.

Its purpose is to advise the Minister of Finance on all matters relating to the organization and development of insurance and reinsurance in Algeria. The CNA also advises on the drafting of legislative and regulatory texts for the insurance industry, and its agreement is required for the authorization of new insurance companies and brokers.

### **(Union Algerienne des Societes d'Assurance et de Reassurance (UAR)**

The Union of Algerian Insurance and Reinsurance Companies was created in 1995. Article 33 of Law No 06-04, which amended Article 214 of Law 95-07, approved the insurance association and stipulated that membership of the association is obligatory for all insurers. Its objectives are:

- to represent the interests of the profession
- to promote the sector's activities
- to work to improve the quality of the services provided by the insurance and reinsurance companies
- to assist in the establishment and upholding of a code of ethics in the profession
- to initiate and participate in activities to improve professional practice
- to contribute to the improvement of the level of qualification and training of those working in the sector.
- The association also licenses loss adjusters.

## ➤ Composite insurance

Composite insurance is permitted in Algeria.

## ➤ Non-admitted insurance:

Non-admitted insurance is not permitted in Algeria.

### ➤ Capital Requirement

Decree No 09-375 of 16 November 2009 increased the minimum capital amounts for Algerian insurers as follows:



Companies transacting assurances de personnes and capitalisation (savings) - DZD 1bn (USD 8.77mn) for joint stock companies or DZD 600mn (USD 5.26mn) for mutuals

Companies transacting non-life insurances - DZD 2bn (USD 17.54mn) for joint stock companies or DZD 1bn (USD 8.77mn) for mutual.

Joint stock companies transacting only reinsurance - DZD 5bn (USD 43.86mn).

*These amounts must be entirely paid up by licensed insurers and reinsurers.*

### ➤ Foreign Ownership:

In 2008 the government announced that it would limit to 49% the share of foreign investors in Algerian companies (in all economic sectors). The rule only applies to companies established after 26 July 2009. Foreign companies wishing to seek establishment in the Algerian insurance market can do so by creating a local joint stock company (in which the share of the foreign partner cannot exceed 49%), a branch of the parent company or a mutual. Since 2007 foreign companies can also establish a local representative office.

The establishment of branches of foreign companies is subject to specific documentary requirements leading to approval by the minister of finance.

### ➤ Intermediaries:

- Intermediaries (brokers or agents) have to be authorized to do insurance business.
- Intermediaries are not allowed in principle to place business with non-admitted insurers but they could intermediate in a case of import cargo insurance arranged abroad by the seller.

### ➤ Taxation:

The 2017 budget approved by the president in late 2016 increased the rate of VAT which applies to insurance premiums from 17% to 19% and from 7% to 9% on some basic items.

### ➤ Statutory Tariffs:

Each company can set its own rating schedules, but these must be agreed by the insurance supervisor. There are set rates for some obligatory insurances.

### ➤ Compulsory Insurances

- Motor third-party liability insurance
- Property insurance against natural disasters,
- Fire and explosion cover for private, public or mixed capital enterprises.
- Fire and accident insurance for holiday centre organisers/excursion organisers.
- Professional liability for those involved in construction/architects/technical inspectors.
- Professional liability for insurance brokers.

- Professional liability for real estate agents.
- Professional liability for establishments conducting the taking and processing of blood.
- Liability towards users and other third parties, for any person, company or association having premises open to the public and/or available for commercial, cultural or sporting activities.
- Hull insurance on all Algerian-registered vessels and aircraft.
- Workers' compensation
- Mining companies must insure all of their activities.
- Mobile telephone operators' third party and professional liability covering both activities and products.
- Shipowners' liability for marine oil pollution (a financial guarantee or insurance).
- Third party liability for providers of mechanical lifting devices.
- Third party liability for the civil economic sector (industry).

*In all there are 32 various obligatory insurance categories.*

### ➤ Pools:

Since July 2010 a pool of Algerian insurers has been in operation for decennial liability insurance. The pool was established by the state reinsurer CCR and has the involvement of the French reinsurer SCOR. The current maximum capacity of the pool is DZD 3bn (USD 26.31mn). Compliance with the legal obligation to insure in respect of decennial coverage is reported to be close to total because building permits cannot be obtained without appropriate proof of insurance. The premium is paid 100% at inception of the coverage, therefore the unearned premium reserve is 100% in year one, declining in steps of 10% per annum thereafter.

There are no other pools currently operating in Algeria.

### ➤ Policyholder protection

A policyholders' protection fund was established with a levy not exceeding 1% of premiums. Decree No 09-111 of 7 April 2009 sets out further details of this fund. The Fonds de Garantie des Assurés (FGAS, insureds' protection fund) is called upon if the regulatory authority finds that the assets of an insurer are insufficient to cover its liabilities to insureds. An order dated 28 October 2009, which was published in the official gazette of 20 October 2010, set the FGAS levy at 0.25% of written premiums less cancellations

### ➤ Reinsurance

- Executive Decree 10-207 of 9 December 2010 amended and completed Executive Decree No 95-409 of 9 December 1995 in relation to obligatory reinsurance cessions, requiring at least 50% of all reinsurance cessions to be placed with the state reinsurer, Compagnie Centrale de Reassurance (CCR).
- CCR receives these obligatory cessions from all companies, along with a considerable volume of freely placed reinsurance. Algerian insurers do not consider it obligatory to cede 5% of their treaties to Africa Re, but some do make a cession of up to this percentage.
- International reinsurers should have a rating of at least BBB, though this does not apply to the local state reinsurer CCR (which enjoys an implicit state guarantee) or supranational reinsurers such as Africa Re.
- Foreign reinsurance brokers are required to obtain an authorization from the insurance supervisor in order to place reinsurances of local companies. The rule was introduced in Article 50 of the Complementary Finance Law of 2010.



## INSURANCE MARKET PERFORMANCE & STATISTICS



### ➤ Market Structure

In 2018 the market was comprised of 24 insurance and reinsurance companies

- 13 non-life insurance companies
- 8 companies licensed to transact "assurances de personnes" business (life, PA, health, travel and assistance insurance)
- 1 export credit company
- 1 real estate credit company
- 1 licensed state-owned reinsurer
- 36 licensed brokers (2016)

### ➤ Algerian Insurance Market 2014-2018:

#### Gross premium by class 2014-2016

*in US\$ million*

| Year | Exchange Rate | Total GPI | Non-Life |                           |                   |                |          | Life  |          |
|------|---------------|-----------|----------|---------------------------|-------------------|----------------|----------|-------|----------|
|      |               |           | Motor    | Property & Misc. Accident | Marine & Aviation | Total Non-Life | % of GPI | Total | % of GPI |
| 2014 | 80.5790       | 1,475.5   | 761.4    | 531.4                     | 78.9              | 1371.7         | 93.0%    | 103.8 | 7.0%     |
| 2015 | 100.6914      | 1,222.6   | 657.9    | 457.8                     | 57.2              | 1,172.9        | 95.9%    | 49.7  | 4.1%     |
| 2016 | 110.5200      | 1,182.7   | 590.4    | 427.5                     | 62.8              | 1,080.7        | 91.4%    | 102.0 | 8.6%     |

*Sources: ARIG Annual Reports, Atlas Mag*

#### Turnover per class of business in 2018

|                           | Turnover 2018    |                | 2018 shares   | 2017-2018 evolution <sup>(1)</sup> |
|---------------------------|------------------|----------------|---------------|------------------------------------|
|                           | In DZD (000)     | In USD (000)   |               |                                    |
| <b>Non life insurance</b> |                  |                |               |                                    |
| Motor                     | 68560000         | 573847         | 49,77%        | 5.40%                              |
| Property damage           | 48228000         | 403668         | 35,02%        | 1.35%                              |
| Marine                    | 5697000          | 47684          | 4,14%         | -2.45%                             |
| Agricultural risks        | 2439000          | 20414          | 1,77%         | 49.82%                             |
| Credit                    | 81000            | 678            | 0,06%         | -46.71%                            |
| <b>Total non life</b>     | <b>125005000</b> | <b>1046291</b> | <b>90,76%</b> | <b>3.95%</b>                       |
| <b>Life insurance</b>     |                  |                |               |                                    |
| Life-Death                | 5153000          | 43132          | 3,74%         | -4.80%                             |
| Group benefits            | 3243000          | 27144          | 2,35%         | -0.03%                             |
| Accident                  | 1552000          | 12990          | 1,13%         | -8.38%                             |
| Assistance                | 2689000          | 22507          | 1,95%         | -9.19%                             |
| Health                    | 77000            | 644            | 0,06%         | -36.89%                            |
| Capitalization            | 12000            | 100            | 0,01%         | -                                  |
| <b>Total life</b>         | <b>12726000</b>  | <b>106517</b>  | <b>9,24%</b>  | <b>-5.27%</b>                      |
| <b>Grand total</b>        | <b>137731000</b> | <b>1152808</b> | <b>100%</b>   | <b>3.03%</b>                       |

## Ranking of Algerian Insurance companies per GWP in 2018

| Rank                      | Company                        | Turnover 2018    |                | 2018 shares   | 2017-2018 evolution <sup>(1)</sup> |
|---------------------------|--------------------------------|------------------|----------------|---------------|------------------------------------|
|                           |                                | In DZD (000)     | In USD (000)   |               |                                    |
| <b>Non life insurance</b> |                                |                  |                |               |                                    |
| 1                         | SAA                            | 27679000         | 231672         | 20.10%        | 4.34%                              |
| 2                         | CAAT                           | 24126000         | 201935         | 17.52%        | 4.32%                              |
| 3                         | CAAR                           | 15195000         | 127182         | 11.03%        | 0.27%                              |
| 4                         | CNMA                           | 14025000         | 117389         | 10.18%        | 7.79%                              |
| 5                         | CIAR                           | 10099000         | 84529          | 7.33%         | 10.08%                             |
| 6                         | CASH Assurances                | 9499000          | 79507          | 6.90%         | -11.73%                            |
| 7                         | Salama Assurances              | 5158000          | 43172          | 3.74%         | 7.75%                              |
| 8                         | Alliance Assurances            | 5002000          | 41867          | 3.63%         | 4.16%                              |
| 9                         | GAM                            | 3859000          | 32300          | 2.80%         | 11.40%                             |
| 10                        | 2A                             | 3849000          | 32216          | 2.79%         | 6.06%                              |
| 11                        | Trust Algérie                  | 3547000          | 29688          | 2.58%         | 29.17%                             |
| 12                        | AXA Assurances Algérie Dommage | 2967000          | 24834          | 2.15%         | -3.23%                             |
| <b>Total non life</b>     |                                | <b>125005000</b> | <b>1046291</b> | <b>90.75%</b> | <b>3.95%</b>                       |
| <b>Life insurance</b>     |                                |                  |                |               |                                    |
| 1                         | Cardif El Djazair              | 2603000          | 21788          | 1.89%         | 6.64%                              |
| 2                         | SAPS                           | 2066000          | 17292          | 1.51%         | -0.43%                             |
| 3                         | AXA Assurances Algérie Vie     | 2046000          | 17125          | 1.48%         | -17.13%                            |
| 4                         | Caarama Assurances             | 1695000          | 14187          | 1.23%         | -20.39%                            |
| 5                         | Macir Vie                      | 1413000          | 11827          | 1.03%         | -1.46%                             |
| 6                         | AGLIC                          | 1302000          | 10898          | 0.95%         | 144.74%                            |
| 7                         | TALA                           | 1119000          | 9366           | 0.81%         | -39.51%                            |
| 8                         | Le Mutualiste                  | 482000           | 4034           | 0.35%         | -4.37%                             |
| <b>Total life</b>         |                                | <b>12726000</b>  | <b>106517</b>  | <b>9.25%</b>  | <b>-5.27%</b>                      |
| <b>Grand total</b>        |                                | <b>137731000</b> | <b>1152808</b> | <b>100%</b>   | <b>3.03%</b>                       |

(1) Growth rate in local currency

Exchange rate as at 31/12/2018: 1 DZD = 0.00837 USD ; 31/12/2017 : 1 DZD = 0.00862 USD

### ➤ Penetration & Density 2014-2018

|                | Insurance penetration rate |       |       |       |       | Insurance density (In US\$) |       |       |        |        |
|----------------|----------------------------|-------|-------|-------|-------|-----------------------------|-------|-------|--------|--------|
|                | 2014                       | 2015  | 2016  | 2017  | 2018  | 2014                        | 2015  | 2016  | 2017   | 2018   |
| <b>Morocco</b> | 2,85%                      | 3,05% | 3,37% | 3,81% | 3,68% | 91,78                       | 89,15 | 99,25 | 117,39 | 120,39 |
| <b>Tunisia</b> | 1,76%                      | 1,92% | 1,94% | 2,14% | 1,88% | 75,69                       | 74,28 | 71,69 | 74,56  | 64,71  |
| <b>Algeria</b> | 0,67%                      | 0,72% | 0,74% | 0,70% | 0,66% | 36,89                       | 30,20 | 29,04 | 28,20  | 27,30  |
| <b>Egypt</b>   | 0,66%                      | 0,63% | 0,59% | 0,53% | 0,66% | 22,15                       | 22,80 | 20,82 | 12,90  | 16,74  |

### ➤ Algerian Insurance Market in 2019:

|                     | Premiums DZD m |                |               | Market share  |               |
|---------------------|----------------|----------------|---------------|---------------|---------------|
|                     | 2019           | 2018           | Change        | 2019          | 2018          |
| <b>P&amp;C</b>      | 131,849        | 126,169        | 4,5%          | 86.7%         | 88.0%         |
| <b>Life</b>         | 14,330         | 12,789         | 12.0%         | 9.4%          | 8.9%          |
| <b>Total direct</b> | 146,179        | 138,958        | 5.2%          | 96.1%         | 96.9%         |
| <b>Reinsurance</b>  | 5,888          | 4,377          | 34.5%         | 3.9%          | 3.1%          |
| <b>Total</b>        | <b>152,067</b> | <b>143,335</b> | <b>6.1% 8</b> | <b>100.0%</b> | <b>100.0%</b> |

Source: National Insurance Council, Algeria

## ➤ Reinsurance Business 2018 & 2019

### Reinsurance Business 2018

Algerian state owned reinsurer Compagnie Centrale de Reassurances (CCR) has posted a turnover of DZD32,077m (\$270m) in 2018, an increase of 8.84% over 2017, according to the company in its annual report for 2018. This growth was driven by both national and international acceptances. Domestic and international sales increased respectively by 7.75% and 16.25%.

#### Domestic

Domestic acceptances by CCR amounted to DZD27,700m in 2018. This was 86.35% of total premium income, compared to 87.22% in 2017.

The Algerian economy showed a growth rate of 2.3% in 2018 against 1.4% in 2017.

The domestic insurance market in Algerian saw total turnover of DZD143bn in 2018 against DZD140bn in 2017, this represented growth of 2.2% in 2018 against 3.6% in 2017.

In the reinsurance sector as a whole, the 2018 estimated ceded premiums of the domestic market increased by 7.18% compared to 2017, to DZD39bn from DZD36bn. CCR's 2018 share in this market remained the same as in the previous year, i.e. 71%.

The share of compulsory cessions fell from 60.43% in 2017 to 56.09% in 2018.

#### International

International acceptances by CCR stood at DZD 4,377m in 2018. This represented a share of 13.65% in 2018 compared to 12.78% in 2017. The growth in international business reflects the marketing and commercialisation efforts of the company, as part of the implementation of its commercial development policy on the international market, said Hadj Mohamed Seba, CCR chairman and CEO.

#### Profit

CCR's profit in 2018 was DZD3,094m, 5.23% higher than the DZD2,941m reported for 2017. The growth was driven by investment income which climbed by 23.52% in 2018 to DZD1,993m from DZD1,613m in 2017.

### Reinsurance Business 2019

The Algerian reinsurance market, including international contracts, recorded an 11.2% growth in 2019 compared to 2018, according to the 2019 annual report of the National Insurance Council (CNA).

Reinsurance premiums reached DZD35.7bn (\$278m) last year, compared to DZD32.1bn in 2018 (\$270m). As state owned domestic reinsurer Compagnie Centrale de Reassurance's (CCR) is the only company authorized to carry out reinsurance business in Algeria, the figures also represent the reinsurer's financial performance.

The CNA data show that domestic business accounted for an 83.5% share of CCR's total premiums.

Business generated **domestically** reached DZD29.8bn in 2019, an increase of 7.5% compared to 2018.

This increase is due largely in expansion in several branches of insurance, including the signing of "Special Risks" treaties with two insurance companies.

**International** contracts recorded growth of 34.5% to DZD5.8bn due to increased business in the accidents and miscellaneous risks and Nat CAT classes of business. Despite growth in its international portfolio over recent years, CCR's business profile remains heavily concentrated in Algeria.

### Compagnie Centrale de Réassurance (CCR) 2018

| Turnover<br>US\$ mn | Share capital<br>US\$ mn | Net result<br>US\$ mn | Shareholder's equity<br>US\$ mn | A.M Best<br>Rating |
|---------------------|--------------------------|-----------------------|---------------------------------|--------------------|
| 271.2               | 186                      | 26.2                  | 258                             | B+ Stable          |

