

## MARKET PROFILE – QATAR

# Life insurance is in good health

**Qatar's life insurance industry has ample potential to achieve growth. Zurich International Life Middle East's Mr Gregario Loayon outlines a roadmap to achieve this potential.**

By Anoop Khanna



Speaking with *Middle East Insurance Review*, Zurich International Life Middle East country manager Qatar Gregario Loayon said, "Qatar is a rapidly growing economic powerhouse in the Gulf region. It has registered significant and consistent development across various sectors."

### Current state

"One industry in the country's financial sector that stands out for its substantial growth is the insurance sector. Qatar's insurance sector contributes substantially to the country's economic development," he said.

Mr Loayon said, "In 2020, Qatar's insurance sector accounted for QAR54bn (\$1.5bn) representing 5.7% of the total GCC insurance premium. The GCC insurance market values over QAR96bn."

According to an industry estimate, Qatar's life insurance segment is expected to grow at a CAGR of 4.7% between 2021 to 2026. This growth is likely to be largely driven by increasing awareness among the locals and a relatively stable population growth of 2% CAGR. Qatar's insurance penetration is expected to remain stable at 0.9% and insurance density is expected to grow at a CAGR of 2.7% to \$618.3 by 2026.

Mr Loayon said the growth will be fuelled by Qatar's commitment to establishing itself as a prominent player in the insurance market of the region. The country's supportive regulatory framework and government backing for fintech growth will be a great help in

achieving the growth targets.

### Growth facilitators

Mr Loayon said, "There is an untapped potential for life insurance to grow in Qatar despite challenges during the COVID-19 pandemic."

He said according to Alpen Capital's GCC Insurance Report 2022, Qatar with a growing population, and increasing awareness of the importance of financial protection, looks forward to a healthy growth for life insurance industry.

The emirate recorded the second-highest growth in the region, with a gross written premium (GWP) growing at 2.9% compound annual growth rate and second only to Saudi Arabia.

Qatar Financial Centre Authority estimates that by 2026, industry's GWP will reach QAR20bn. He said group and individual term life policies, including takaful products, are available through select companies licensed by the Qatar Central Bank.

"In fact, the diversity of available products in the region has, in turn, significantly contributed to the overall strength and competitiveness of Qatar's life insurance market," he said.

### Pandemic impact

Speaking about the impact of the pandemic on Qatar's life insurance industry, Mr Loayon said the impact of the pandemic was mixed on the industry and to some extent it is still being felt during the immediate post-pandemic period.

### Challenges for life insurance

He said, "Emerging buyer behaviour

and expectations regarding online experiences have influenced how the industry operates.

"Transformation has ushered in a more convenient and accessible customer experience, which continues post-pandemic too, making the process of insurance purchase smooth and convenient for customers."

Mr Loayon said the increasing cost of living and the resultant economic uncertainty is another hurdle for the industry.

He said, "To overcome this challenge, our industry must introduce various flexible products to accommodate changes in customers' financial ability and financial needs."

### Regulatory focus

Speaking about the regulatory ease of doing insurance business in Qatar, Mr Loayon said, "Enabling precise and efficient processes for licensing, compliance and other regulatory requirements would enhance the ease of doing business and ultimately encourage existing insurers to expand their operations as well as entice new companies to invest."

"Also, enhancing a regulatory framework that provides for consumer protection will enable distributors to represent multiple insurers. This will promote healthy competition and offer consumers more choice."

As the life insurance industry in Qatar sets its sights on the future, it must navigate these and other emerging challenges, while embracing growth opportunities. With the right strategies, increased awareness, regulatory support and the adoption of innovative technologies, the industry can unlock its full potential. ■