

CORPORATE PROFILE

Underwriting the Kingdom's Growth

Othman AlKassabi, CEO of Tawuniya, on the surge in Saudi insurance and the company's innovation-and-sustainability drive under its 2025 strategy.

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As Saudi Arabia undergoes an economic overhaul under its Vision 2030 initiative, the government's strong focus on redeveloping its insurance sector is rapidly bearing fruit. According to UK-based consultancy Global Data, the local industry grew by 27.7% in 2022 and 22.8% in 2023. Moving forward, the segment is expected to expand with a compound annual growth rate of 5.2% until 2028, reaching a value of \$22 billion from \$18 billion in 2024, largely driven by policy reforms in motor and health insurance, a growth in local construction activities and a shift towards privatization. In response to the growing market, the government approved a landmark ruling in August 2023 to combine the responsibilities previously shared by the Saudi Central Bank and the Council of Health Insurance under one new regulator, the Insurance Authority. "We are fortunate to have young leadership in the country and transparency in reporting, the latter of which ensures effective planning and execution," said Othman AlKassabi, CEO of local insurance giant Tawuniya Company "Within Saudi Arabia's Financial Sector Development Program there are several initiatives aimed at growing the contribution of insurance revenue in the nation's non-oil gross domestic product from 1.5% to 4.5% by 2030. Currently, we are at 2%, which indicates both economic growth and the need for increased contributions." The growth of the sector has also attracted international insurance players such as American multinational The Cigna Group to join the market in 2023.



Tawuniya
Riyadh, Saudi Arabia

COMPANY AT A GLANCE

Founded	1986
2023 net earnings	\$164m (+104% YoY)
Standing	Largest insurer in MENA

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OTHMAN ALKASSABI · CEO, TAWUNIYA

Established in 1986, Tawuniya has become the leading player in Saudi Arabia's current insurance boom. In 2023, the company saw a 104% increase in net earnings from \$80.5 million to \$164 million, prompting an increased rating from market watchdog S&P Global. The company has already surpassed several of its targets set down in its 2021-2025 growth strategy, including becoming the largest insurance company in the Middle East and North Africa region and increasing retained equity beyond 20%. The company now aims to double its 2023 annual income by 2025. "Since launching our five-year strategy, our stock's strength has grown due to our stable financial performance," said AlKassabi. According to the CEO, the strategy has also pushed the company to up its participation with associated players in the market: "We are planning to collaborate with peer-to-peer car rental platform and invested in a digital bank, a digital aggregator, healthcare companies and industrial technology businesses. These partnerships create synergies, improve profitability, and increase client retention by offering a seamless customer experience." The company is now actively looking to partner with international entities to take advantage of regional opportunities.

Tawuniya's newfound growth has also been driven by its focus on the use of new technologies and environmental, social and governance values, including in its new products. For example, the group recently unveiled new services in mobility such as assistance with buying, maintaining and selling cars and new incentives. The company also partnered with African insurance player Discovery in using telematics and tracking to offer safe drivers rewards such as free gasoline, coffee or movie tickets. "This initiative has significantly increased customer retention, with 90% of comprehensive insurance clients renewing due to these added services," said AlKassabi. The insurance entity is also taking the same approach with its healthcare packages by rewarding its customers for healthy behavior. "We now actively encourage employees to engage in wellness activities, which has allowed us to mitigate irrational insurance use and promise annual premium discount for improved health metrics. We have also invested in primary care clinics by offering a range of wellness services and digital consultations that aim to improve overall health rather than simply treat illnesses.." In 2023, Tawuniya signed the Principles for Sustainable Insurance, cementing its commitment to the United Nation's sustainable development goals. "We have embedded environmental, social and governance principles into all our decision-making processes," said AlKassabi.