

# KSA Insurance Sector Review 2024

KSA insurance sector has experienced remarkable topline growth recently.

The critical question remains: can this growth **trajectory be sustained?**

Nadeem Shahzad

## Foreword

**As Saudi Arabia moves toward its Vision 2030 objectives, insurers must navigate an increasingly dynamic market, balancing innovation with regulatory compliance while addressing consumer expectations.**



The Saudi Arabian Health Insurance market stands at a pivotal juncture, driven by Vision 2030 initiatives, regulatory transformations, technological advancements, and consumer behavior. This whitepaper explores the forces shaping the sector offering data-driven insights into the evolving landscape of health insurance.

The insurance industry in Saudi Arabia is expected to sustain its growth trajectory with Gross Written Premiums (GWP) projected to rise from **ﷲ 75.9 billion** in 2024 to over **ﷲ 129 billion** by 2030. A significant share of this growth will be driven by the health insurance segment, which alone is expected to nearly double its GWP from **ﷲ 42 billion** in 2024 to **ﷲ 83 billion** by 2030. This surge is underpinned by Vision 2030 initiatives, regulatory reforms, rapid technological adoption, and substantial investments in healthcare infrastructure.

### **Sustainable Growth Ahead:**

**KSA's insurance industry advances towards maturity with Vision 2030, regulation & innovation!**

I hope this whitepaper serves as a valuable resource for insurers, policymakers, and stakeholders looking to capitalize on the next phase of growth in Saudi Arabia's insurance sector.

**Nadeem Shahzad** | Director Customer & Market Insights



The Saudi insurance sector has undergone a transformational shift post-COVID, driven by regulatory enforcement, Vision 2030 initiatives, and rapid digital adoption (InsurTech Sandbox by SAMA, NPHIES, Telehealth expansion, Telemedicine expansion, Tameeni, Najm etc). With Gross Written Premiums (GWP) surging from  $\text{SAR}$  42 billion in 2021 to  $\text{SAR}$  75.9 billion in 2024, the industry is on a solid growth trajectory. However, the real opportunity lies ahead—**with enforcement**, Medical insurance expansion, and Vision 2030 acting as the defining pillar of long-term sustainability.

#### Vision 2030:

The Powerhouse of Expansion Vision 2030 is not just a policy framework—it is the powerhouse fueling industry-wide transformation. With over  $\text{SAR}$  1 trillion\* invested in mega projects, including hospital expansions, digital infrastructure, and new economic zones, demand for health and other lines of insurance will continue its strong upward trend. Digital advancements such as telemedicine, and telematics regulations, and mandatory insurance expansions will further accelerate penetration, making Saudi Arabia's insurance sector one of the most advanced in the region.

#### Health Insurance:

##### The Engine of KSA Insurance Growth:

The health insurance segment dominates the insurance market, accounting for 55% of total GWP ( $\text{SAR}$  42 billion in 2024). Health insurance will remain the primary engine fueling insurance growth. Factors such as Regulatory Enforcements, Vision 2030, Telemedicine, Digital Health Ecosystems, and Value-based Care models are reshaping healthcare accessibility, increasing demand for more comprehensive insurance solutions. **Health segment has potential to double its GWP by 2030.**

#### Regulatory Enforcement- The Cornerstone of a Mature Market:

While KSA's insurance market has demonstrated remarkable growth, transitioning it into a mature, high-penetration global insurance market will require a sustained commitment to strong regulatory enforcement. Growth alone is not enough - ensuring that every insurable asset, individual, and vehicle is covered through mandatory compliance is the key to long-term stability. A well-enforced insurance framework will further augment investor confidence, protect policyholders, and create a level playing field, *positioning Saudi Arabia as a benchmark for insurance excellence in the region.*

Saudi Arabia's insurance sector is at a pivotal juncture. While the market has achieved remarkable post-COVID GWP growth, its full potential is yet to be unlocked. Vision 2030 as a powerhouse, and regulatory enforcement as the stabilizing force, the sector is poised for long-term, sustainable growth.

The next phase of development will be shaped by enhanced regulatory frameworks, deeper digital integration, and continued investment in infrastructure - solidifying Saudi Arabia's position as a mature, high-penetration insurance market on the global stage.



\* <https://www.spa.gov.sa/en/N2261435>

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A photograph of two women smiling and looking down at something out of frame. The woman on the left has long brown hair and is wearing a white top. The woman on the right is wearing a white hijab and a beige top. They are outdoors in front of a modern building with large windows and some greenery.

# 02. Executive Summary

The Saudi Arabian insurance market has experienced significant growth, particularly in the Health segment. This growth has been driven by a various factors including reforms under Vision 2030, technological advancements (InsurTech Sandbox by SAMA, NPHIES, Telehealth expansion, Telemedicine expansion, Tameeni, Najm etc), regulatory reforms, infrastructure projects, Riyadh's rapid urbanization, product/service innovations, and evolving consumer preferences.

This whitepaper delves deep into these trends, offering valuable strategic guidance for industry players. Additionally, it presents a forward-looking perspective on the sector's future trajectory.

The Saudi insurance market stands at a pivotal juncture, propelled by Vision 2030 initiatives, regulatory enhancements, technological advancements, and substantial infrastructure progress.

Future KSA Insurance market growth appears sustainable, with continued thrust by Vision 2030, Infrastructure & Healthcare projects, Technological advancement, Regulations, Riyadh urbanization, and ongoing healthcare regulatory Enforcements.



Saudi Vision 2030 has been a catalyst for transformative changes in Saudi Arabia's insurance sector, driving increased accessibility, innovation, and competition. It has accelerated technological advancements, infrastructure development, product innovation, and transparency while enhancing customer experiences, reducing operational inefficiencies, and stimulating economic growth. The positive developments in Saudi Arabia's insurance market offer comprehensive benefits across the ecosystem, especially within the health insurance segment. These advancements are driven by digital health innovations, enhanced data analytics, and strategic partnerships.

The rapid urbanization of Riyadh and changing consumer trends have contributed to this expansion. For insurers, seizing these opportunities requires a dual strategy focused on digital transformation and strategic partnerships. By integrating digital capabilities and collaborating with key industry stakeholders, insurers can remain competitive in a dynamically evolving market.

Saudi Arabia is poised to evolve from a high-growth market into a mature, well-regulated insurance powerhouse - aligning with global best practices and reinforcing its position as a **regional leader** in the insurance sector.



Medical Ecosystem Enhancements (4Ps):



Patients:

The integration of digital health initiatives in the medical sector in KSA is revolutionizing healthcare accessibility. Patients have started experiencing easier access to medical services and resources. In the future, this trend is likely to lead to a more patient-centric healthcare system, featuring hyper-personalized care, remote monitoring options, and an integration of MIoT (Medical Internet of Things).



Payers (Insurers):

Insurers leverage data analytics to refine risk assessments, claim management, and pricing models, leading to more accurate underwriting and optimized premiums, thus improving pricing & product / service offerings. “Data” will be used as a currency by insurers, which is expected to spark a surge in innovative products and services, reshaping the healthcare landscape.



Providers:

The integration of digital solutions such as National Platform for Health and Insurance Exchange Services is paving the way for a transformation of the core operational structures of the healthcare ecosystem.



Patrons (Employers):

Employers benefit from healthier, more productive workforces, resulting in reduced absenteeism and healthcare costs.

The upcoming healthcare environment will be influenced by streamlined procedures, advance data analysis, and improved operational efficiency, ultimately resulting in cost savings and raising the bar for healthcare service quality.



Patrons (Employers)

Healthier employees boosting productivity and reducing costs



Payers' Innovation

Insurance using analytics for better underwriting & customer experience (CX)



Patients

Digital initiatives improving personalized care and healthcare accessibility



Providers

Digital tools enhancing efficiency and service quality



# 03. Introduction

The Saudi Arabian insurance sector has transformed significantly over the last decade, spurred by regulatory reforms, economic reforms, and technological advances. Vision 2030—Saudi Arabia's ambitious blueprint to diversify its economy and reduce reliance on oil—has been a cornerstone of this transformation, reshaping the insurance landscape in the Kingdom.

This whitepaper provides a comprehensive analysis of the current state of Saudi Arabia's insurance market, with a primary focus on the Health segment. It identifies critical drivers, challenges, and opportunities shaping the sector and offers strategic insights for industry stakeholders. The analysis leverages extensive data from regulatory bodies, industry reports, and proprietary market research, covering both pre- and post-COVID developments, with particular emphasis on Vision 2030's influence and technological advancements.

**KSA Insurance future market growth appears sustainable, with continued thrust by Vision 2030, Infrastructural Developments & Healthcare Projects, Technological Advancements, Regulations / Enforcement, and Riyadh Urbanization.**







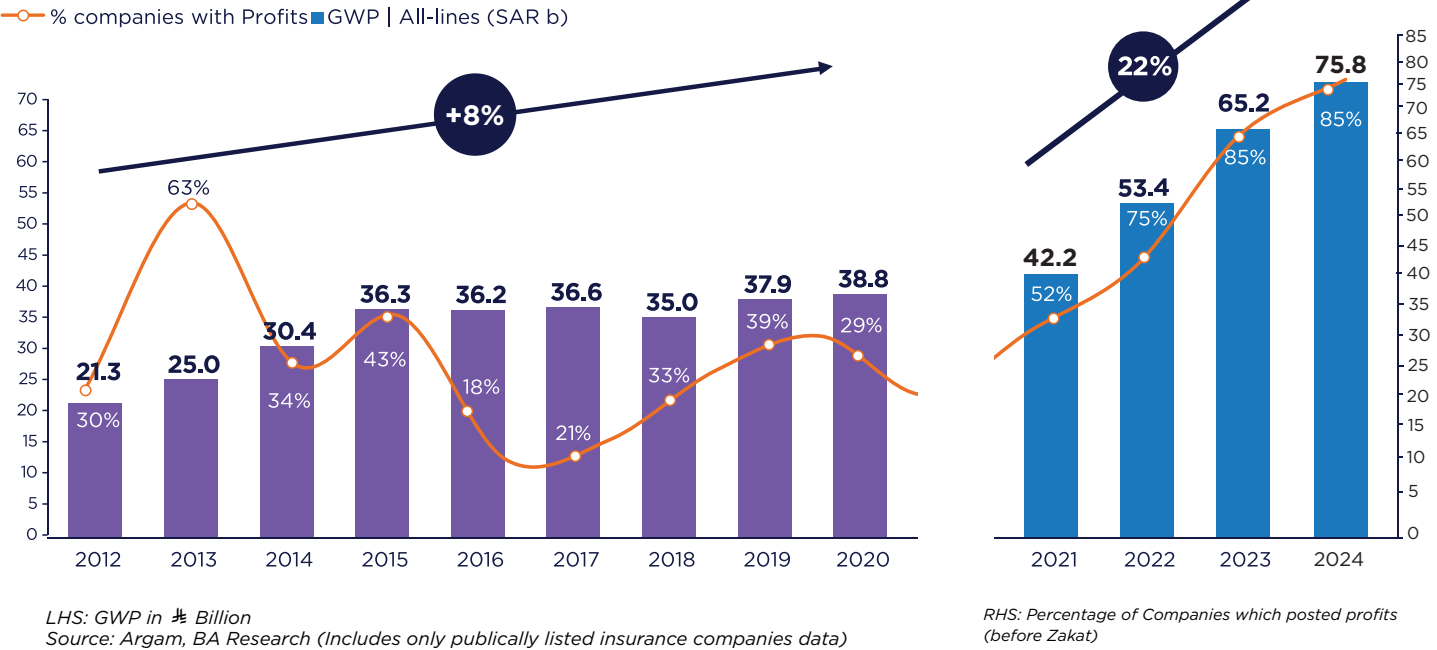
# 04. KSA Insurance Market Performance

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# KSA Insurance Market Trends

The Saudi Arabian insurance market has shown exceptional growth over the past decade, with Gross Written Premiums (GWP) more than tripling from  $\text{SAR } 21.3$  billion in 2012 to  $\text{SAR } 75.9$  billion in 2024. Particularly noteworthy is the post-COVID acceleration, with GWP experiencing a compound annual growth rate of 22%. This prompts the crucial question: **will this momentum persist in the future?** This whitepaper provides an answer to this crucial question based on data driven insurance market drives.

## Insurance Industry Saudi Arabia | GWP Trends



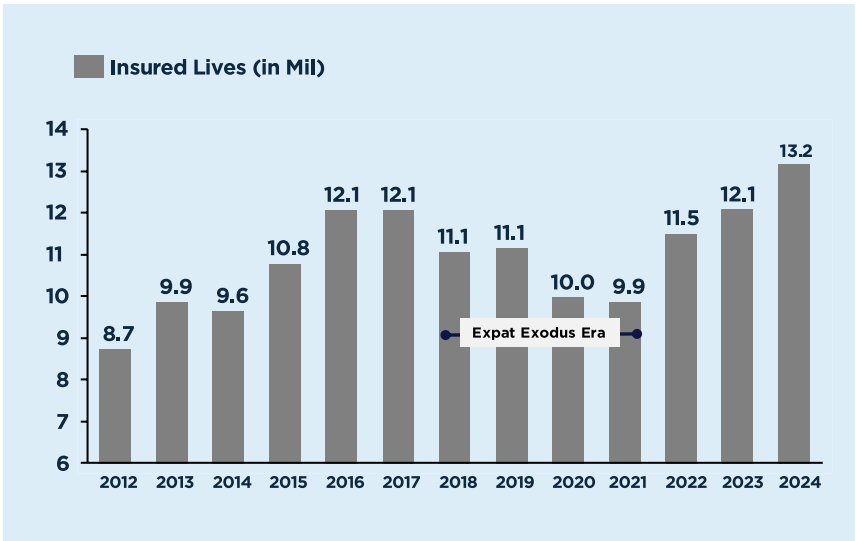
### From 2012 to 2020:

The Saudi insurance sector witnessed a steady growth in Gross Written Premium (GWP) with compound annual growth rate of 8%. During this period, lots of Regulatory & Labor reforms were implemented. However, “Expat Exodus” in 2017/2018 impacted the GWP growth momentum of the industry.

Post COVID, The Saudi insurance sector witnessed a dramatic rise in GWP, increasing from  $\text{SAR } 42$  billion in 2021 to  $\text{SAR } 75.9$  billion in 2024. The insurance sector has clearly benefited from better price and risk management strategic reforms under Vision 2030, which aims to diversify the economy and enhance non-oil sectors, including insurance.

### Expat Exodus:

The implementation of VAT and enforcement of Dependent’s fees had a dual impact. It raised the value of insurance per individual, yet compelled expats to repatriate their families, leading to a decrease in the number of insured lives. This directly impacted the medical line and had a negative effect on other lines of insurance as well.



### Regulatory Changes / Enforcement:

The regulatory body introduced a series of regulations aimed at enhancing insurance penetration and delivering high-quality insurance services to the private sector.





**Post-COVID Era (2021-2024):**

Post COVID-19, the insurance sector witnessed a rapid rebound, leading to a substantial rise in GWP as reflected by Compound Annual Growth Rate (CAGR) growth of 22%.

**Vision 2030:**

Has propelled Saudi Insurance sector into a new era of growth. **Saudi Vision 2030 was the main orchestrator of significant transformations to the insurance sector.** It has revolutionized the insurance sector in Saudi Arabia, paving the way for increased accessibility, innovation, and healthy competition. Vision 2030 has springboarded technological advancements, infrastructure development, product innovation, transparency, enhanced customer experience, reduced operational inefficiencies and stimulated economic growth.

**Pricing and Risk Management:**

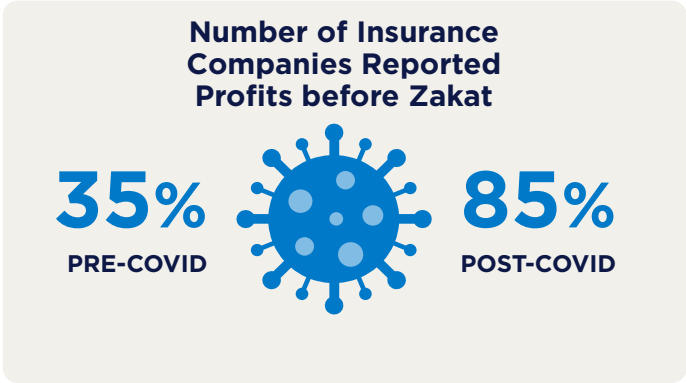
Insurers addressed financial losses by adopting risk-adjusted pricing strategies, allowing them to manage losses effectively and boost profitability. This shift is evident in the increased number of insurance companies reporting profits (Avg 85%) in the post-COVID era compared to the pre-COVID (Avg 35%) period.

**Technological Advancements:**

The swift integration of digital tools like telemedicine, telematics, automated claims processing, and online service portals empowered insurers to improve customer experience and lower operational expenses.

**Increased Consumer Awareness:**

Heightened awareness of healthcare needs during the pandemic led to stronger demand for medical insurance and comprehensive motor insurance policies.



Source: Argam | BA research

**Post-Covid**

- Vision 2030
- Article 11
- Technological Advancements
- Implementation of NPHIES
- Price and Risk Management
- Consumer Awareness / Preferences



**Pre-Covid**

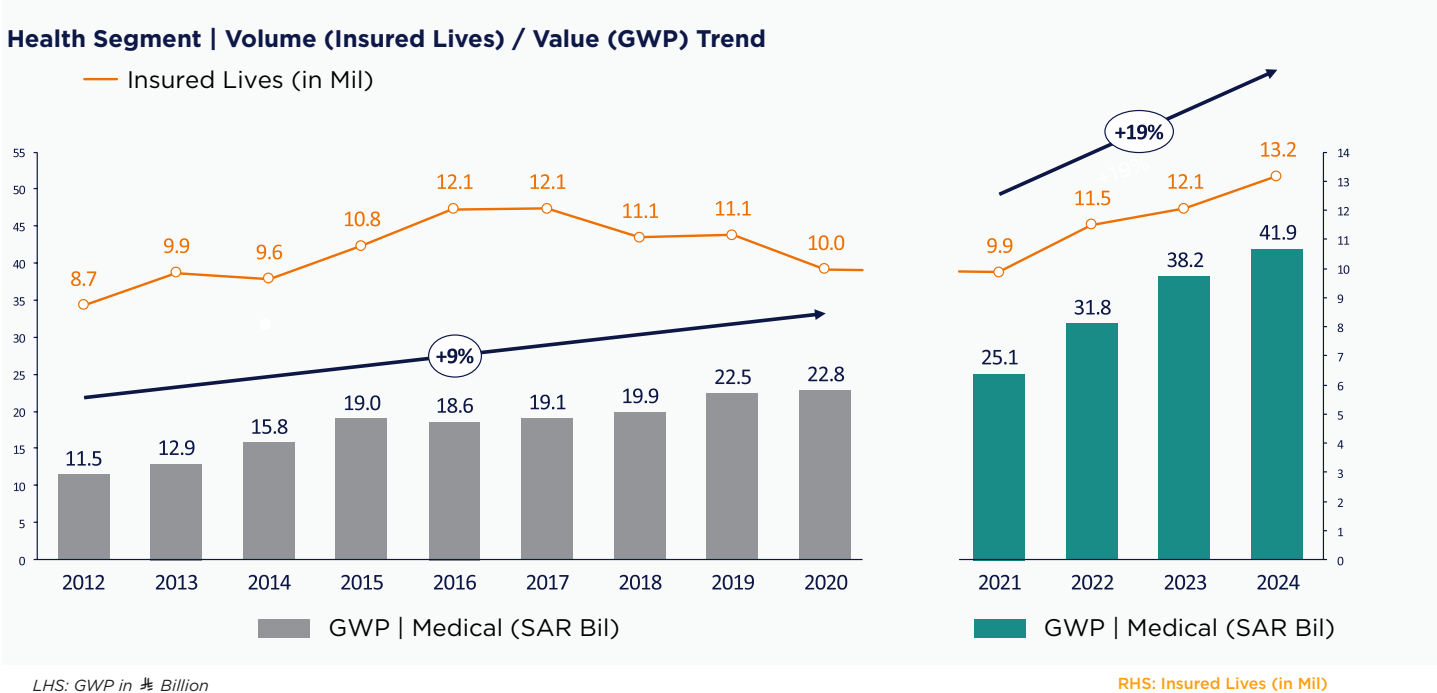
- Expat Exodus
- Benefits Upgrades
- Regulatory Reforms
- Labor-force Reforms

A woman wearing a black hijab is shown in profile, smiling and talking on a mobile phone. She is positioned on the right side of the frame. A large blue rectangular overlay covers the left and center portions of the image. The background is a bright, out-of-focus indoor setting with vertical light streaks.

# 05. Health Insurance

Health Insurance Trends

The health insurance sector remains the leading segment in Saudi Arabia's insurance market, achieving a Gross Written Premium (GWP) of  $\text{ﷲ}$  42 billion in 2024, accounting for 55% of the total market. Post-COVID, the segment demonstrated robust growth with an annual compound growth rate of 19%, significantly outperforming the pre-COVID period's rate of 9%.



Insured Live Market

Following a moderate post-COVID recovery, the number of insured lives rebounded to 12.1 million by 2023. In 2024, the Insured Live market experienced remarkable growth, welcoming nearly 1.2 million new Insured Lives. This substantial increase will provide the essential momentum needed to drive further expansion in the health insurance sector. This was, however, driven largely by workforce expansion. While concrete data is limited, industry observations suggest that a significant portion of these new policyholders are from labor-intensive sectors, likely influenced by the ramp-up of infrastructure projects across Saudi Arabia.





## Health Insurance Topline Growth Factors | Pre-COVID



### Labor Force Drive & Actuarial Enforcement (2012-2014):

Policy enforcement and labor initiatives initially boosted insured lives, leading to GWP rising to **₪ 15.8 billion by 2014.**



### New Benefits Added (2014-2015):

Enhanced insurance benefits drove further growth in insured lives to 12.1 million by 2016, with GWP reaching **₪ 18.6 billion.**



### Expat Exodus & Dependent Fee Impact (2016-2018):

The expat exodus and VAT implementation caused a decline in insured lives to **11.1 million** by 2018, while GWP increased to **₪ 19.9 billion.**



### COVID Lockdown & Loss Ratio Recovery (2020):

Insured lives decreased to **10 million** during the pandemic, yet GWP remained strong at **₪ 22.8 billion** due to loss ratio recovery and “benefit upgrades” impacted.

## Health Insurance Topline Growth Factors | Post-COVID



### Digital Health & Telemedicine Innovation:

The rise of digital health solutions, such as telemedicine and online consultations, has increased the perceived value of medical insurance policies.



**New Benefits Impact on Pricing:** Insurers raised premiums post-COVID, contributing to GWP growth even though the insured lives figure remained stagnant.



**Recovery after Expat Exodus:** After the economy rebounded, the number of insured lives slightly increased to **13.2 million** in 2024.







## 06. Health Insurance Market Drivers

## 1. Vision 2030

Has served as a pivotal catalyst for growth in KSA insurance sector. Marked by extensive infrastructure projects, expansions in healthcare facilities, the implementation of NPHIES (National Public Health Information Exchange System), and a robust drive towards technology integration and transparency, these initiatives are reinforcing consumer and investors confidence and establishing the foundation for continuous sectoral expansion. The upcoming sections will provide detailed insights into the progress made under Vision 2030.



For many insurers, the growing gap between it's vision and delivery, compounded by perceived commercialization priorities, has raised a pressing question: 'Is NPHIES proving to be a long-term bliss or operational blister?'

While the strategic intent of NPHIES is widely recognized, the implementation journey has surfaced a number of operational challenges. These include integration complexities, evolving system requirements, heightened implementation costs, and the need for continuous capacity building. At this stage, several key performance indicators—such as unified coding, fraud mitigation frameworks, and measurable gains in value - based care—remain in developmental phases or are facing execution delays.

From the perspective of insurance companies, the cost implications of NPHIES have been significant, especially in the absence of tangible short-term returns or demonstrable efficiency gains.

Moreover, given the multi-stakeholder governance structure, responsiveness to critical enhancement requests has been slower than anticipated—particularly in areas requiring agile system modifications or insurer-led customizations. Despite these challenges, the insurance sector remains committed to the shared vision behind NPHIES and welcomes continued collaboration with regulatory stakeholders to ensure the platform reaches its full potential—delivering value in both operational and strategic terms.

### Sustaining the Momentum:

**The implementation of visionary policies has significantly propelled the growth of the health insurance sector. To ensure the continued success and resilience of KSA's health insurance market, tighter enforcement & further enhancements are vital.**

## 2. The National Platform for Health Information Exchange Services (NPHIES)

Launched with high ambitions to transform Saudi Arabia's health insurance landscape - through standardized coding, streamlined claims processing, and value-based care - NPHIES now stands at a critical crossroads. While its objectives around clean billing, fraud prevention, and regulatory alignment remain commendable, the initiative has struggled to meet the expectations of its core stakeholders.

**Is NPHIES proving to be a long-term “Bliss” or an operational “Blister”?**





### 3. Riyadh's Growth Catapult

## Riyadh Epicenter of Infrastructure Development Catapults Growth in Insurance and other sectors.



Riyadh's growth Catapult emerge as a global hub for development, propelled by major infrastructure projects, a burgeoning population, and increasing international recognition. This rapid expansion offers significant opportunities for the insurance sector, especially in health insurance. Riyadh has garnered global acclaim through various key recognitions:

**Ranked  
10<sup>th</sup>**

Riyadh to rank among top 10 cities globally

**Smart City Index:  
25<sup>th</sup>**

Riyadh Ascends in Smart City Rankings

**Ranked  
23<sup>rd</sup>**

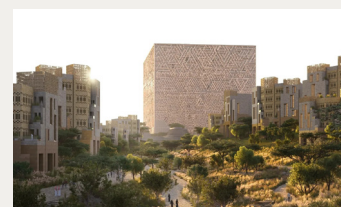
Riyadh ranks 23, up 60 places, among top 100 emerging startup ecosystems globally

Riyadh ranks among 15 fastest-growing cities in the world by 2033

Riyadh is undergoing rapid transformation, with billions of dollars invested in various infrastructure projects. These projects include:



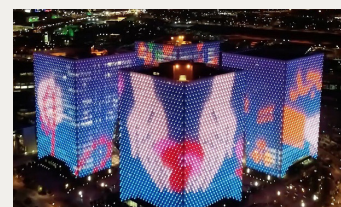
**King Salman Energy Park**  
**150,000** jobs



**The Cube Project**  
**70,000** jobs



**Mall of Saudi**  
**300,000** jobs



**Riyadh Digital City**  
among others

These initiatives not only drive employment opportunities but also elevate the city's appeal as a commercial and residential center. The influx of professionals, expatriates, and businesses will fuel the demand for corporate and individual insurance plans, particularly in health and motor insurance.

### Sources:

<https://economysaudiarabia.com/>  
<https://www.zawya.com/>  
<https://luxegulf.com/>  
<https://www.argaam.com/>

### 4. Revoking Article 14 of CHI

Article 14 of the Cooperative Health Insurance Law in Saudi Arabia empowers insurers to establish and manage healthcare facilities such as hospitals and clinics, fostering closer collaboration between payers and providers to enhance healthcare quality and Efficiency.

In alignment with Vision 2030 objectives, this initiative, overseen by the Council of Health Insurance and the Insurance Authority, aims to modernize the healthcare system, drive innovation, and deliver personalized care. By prioritizing patient outcomes, promoting transparency, and utilizing digital tools like telemedicine, insurers can generate new revenue streams, cultivate strategic partnerships, and enhance healthcare accessibility and continuity of care. Article 14 signifies a significant shift towards a more integrated and efficient healthcare ecosystem in Saudi Arabia. Emphasizing digital technology, improved care coordination, and value-based care models, the initiative offers substantial benefits for all stakeholders—payers, providers, patients, and patrons (employers). The strategic implications are extensive, presenting opportunities to expand markets, diversify revenue streams, and enhance healthcare access and quality.

### 5. Telemedicine: The Key to a Brighter Healthcare

Initiated in 2005 by the Ministry of Health, telemedicine has proven to be a transformative healthcare innovation in Saudi Arabia. Telemedicine initially brought wider access to healthcare for Saudi Arabia’s rural communities when it first began in 2005, providing patients in remote regions with access to specialist consultations and other previously inaccessible healthcare services.

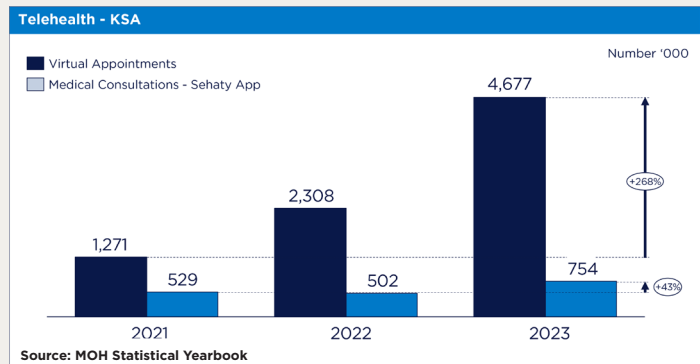
Further government-led innovations followed, such as the launch of the National Health Information Center in 2010 and the establishment of the Seha Virtual Hospital, both of which extended the reach of telehealth services throughout the Kingdom. Despite notable technological landmarks in the early 2000s, telemedicine only accelerated in the wake of the COVID-19 pandemic in 2020. Since then, private health insurance companies have propelled advances in telemedicine to bring benefits to patients, providers, and insurers alike. Yet the real transformative capabilities of telemedicine emerged as private health insurers adopted the technology in response to the COVID-19 pandemic.

By integrating virtual consultations into their healthcare packages, insurers have made the customer experience highly personalized and efficient. Alongside improved access to a broad portfolio of healthcare services, telemedicine has ensured greater patient engagement, leading to better compliance with treatment plans and ultimately better health outcomes.

Telemedicine has emerged as a critical enabler of operational efficiency across the healthcare ecosystem—delivering measurable cost savings for patients, providers, and insurers by reducing the need for travel and in-person consultations. This has translated into shorter waiting times and a meaningful decrease in patient footfall, thereby alleviating pressure on hospital infrastructure and lowering system-wide expenditures. Moreover, the model supports the delivery of timely, personalized care—an aspect that continues to resonate strongly with patient. As Saudi Arabia’s digital transformation continues to gather pace, telemedicine will play a critical role in delivering faster, better, and more efficient healthcare outcomes. The approach is fully integrated with Vision 2030’s emphasis on customer experience and service efficiency. As the Kingdom pushes for greater innovation in this area, telemedicine will likely become a mainstay in healthcare delivery, catering to a growing tech-savvy population and an increasing focus on preventive care.

### 6. Government-Led Digital Health Efforts Propel Telehealth Surge in KSA

Significant growth in Telehealth usage in KSA reported by Ministry of Health, reflecting the Saudi government’s proactive efforts in promoting digital health initiatives and improving healthcare accessibility.





## 7. Health Infrastructure Projects

Saudi Arabia is undergoing a remarkable transformation, thanks to the concerted efforts of both the government and the private sector. With the addition of thousands of cutting-edge hospital beds and advanced facilities, the Kingdom is gearing up to cater to the healthcare needs of its expanding population while elevating patient outcomes through technological innovations.

Noteworthy investments by the Saudi government in public healthcare are fueling major projects to enhance hospital capacities in key cities like Riyadh, Jeddah, and Madinah. These initiatives are in perfect alignment with the Vision 2030 objective of enhancing healthcare accessibility and quality nationwide.

Furthermore, the expansion projects led by institutions like the Saudi German Hospital and Sulaiman Al Habib highlight the significant contributions of the private sector towards healthcare infrastructure development. This collaborative synergy between the public and private domains serves as a cornerstone for Health Insurance Sector establishing a robust and inclusive healthcare ecosystem in KSA.

## 8. Domestic-Help Workers

In 2022, the Insurance Authority (IA) and Council of Cooperative Health Insurance (CHI) mandated insurance coverage for all domestic help workers. The enforcement was implemented gradually in a phased approach, with full compliance expected to fuel substantial growth in GWP. This phased rollout presents insurance companies with a distinctive opportunity to customize their offerings to meet the specific requirements of domestic helpers.

The key to success for insurers lies in developing affordable and compliant solutions tailored to the unique needs of this demographic segment.

As per GOSI, 3.8 million domestic workers were registered by the end of 2024. The enforcement of health insurance for domestic workers presents a significant opportunity for Saudi insurance market, with a potential **ﷲ 1.0 billion** boost in GWP



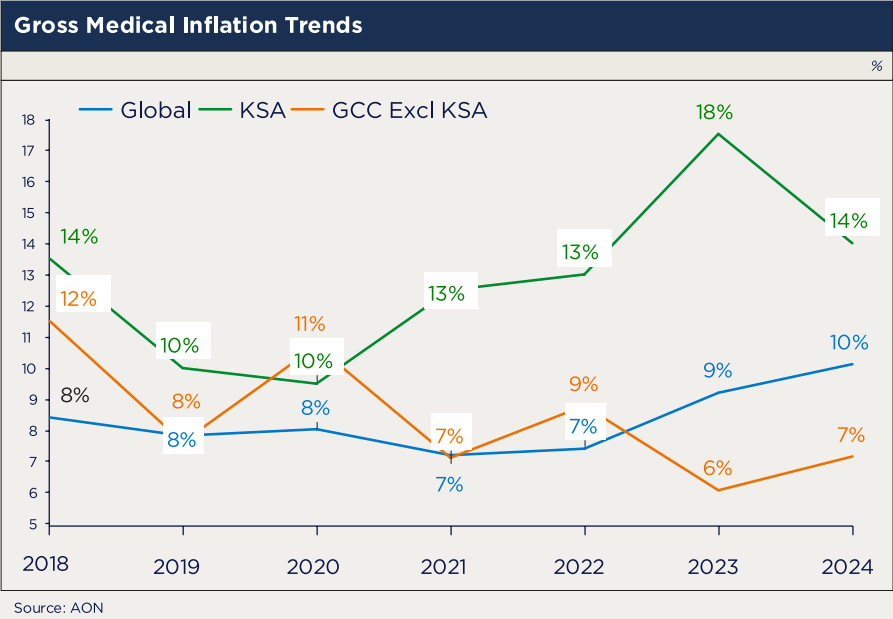
**The enforcement of health insurance for domestic workers presents a significant opportunity for Saudi insurance market, with a potential of **ﷲ 1 billion** boost in GWP.**



9. Medical Inflation

The formidable challenge of high medical inflation rates in Saudi Arabia demands strategic interventions for sustainable healthcare cost management!

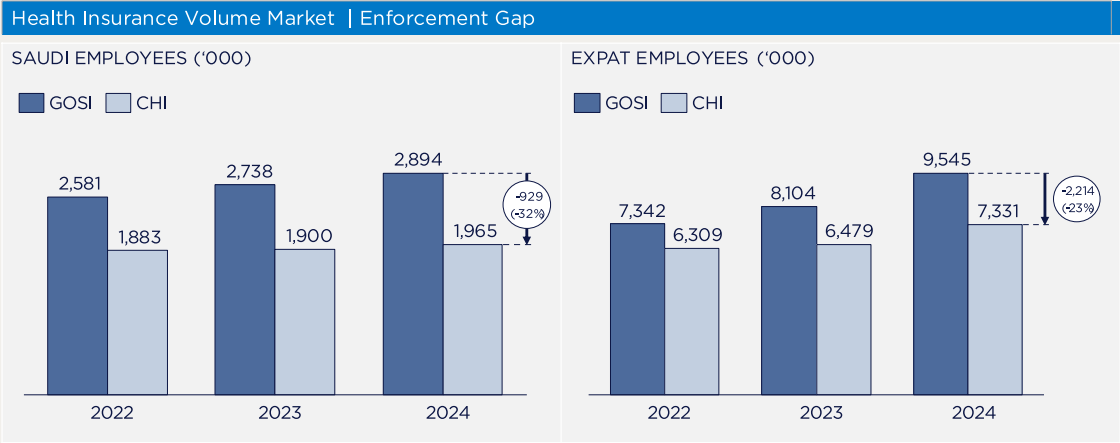
Medical inflation in Saudi Arabia has consistently been above global norms and is expected to remain high, mainly due to increased benefits, technology adoption costs, and healthcare demand-supply imbalances. Insurers must strategically manage these cost pressures through promoting wellness and preventive care, embracing value-based healthcare. Leveraging digital health solutions will alleviate the strain on physical healthcare facilities, ensuring affordability and access to high-quality healthcare services.



10. Insured Lives Enforcement Gap

The Insured Lives enforcement gap (difference between insurable lives and insured lives) represents a significant low-hanging opportunity for the health insurance market in Saudi Arabia. By closing this gap and ensuring that all eligible lives are insured, the market can recover a potential of **ﷲ 9.4 billion** in Gross Written Premium (GWP). The path forward requires stricter penalties for non-compliance and greater utilization of technology, such as real-time reporting systems or blockchain, to monitor compliance.

Health Infrastructure Volume Market | Enforcement Gap





## Saudi Arabia Tourism:

Tourism is one of the vital pillars of Vision 2030. Saudi Arabia's has experienced robust growth in 2024, with religious tourism leading, followed by family visits, leisure, and business travel. The Kingdom's initiatives to broaden its tourism appeal are contributing to these positive trends. Saudi Arabia had set a target of 100 million tourists annually for 2030. Remarkably, this milestone was reached seven years early, with over 109 million tourists recorded in 2023. As a result, the Kingdom has now raised its target to 150 million annual visitors by 2030. In 2023, Saudi Arabia welcomed approximately 27 million international tourists, marking growth of 65% compared to 2022. Domestic tourism also saw significant growth, contributing to the overall visitor numbers. Pilgrimage remains a substantial segment of inbound travel volumes.

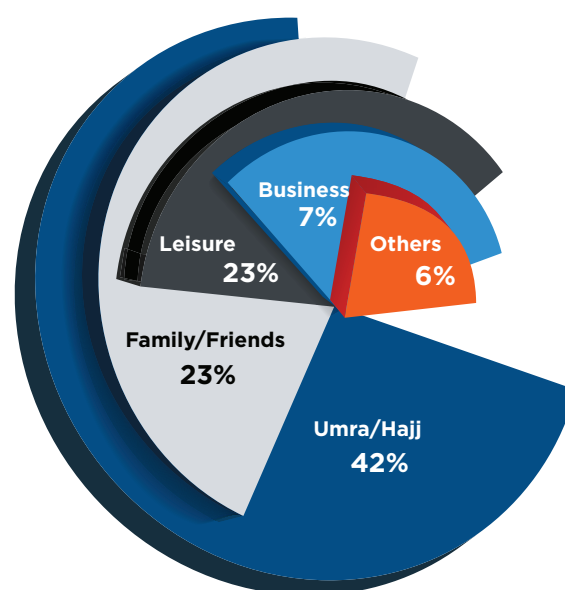
Under Vision 2030, KSA has been developing several mega projects, which resulted in remarkable growth in both Domestic and International tourism. Some of the key projects are Qiddiya, NEOM, The Red Sea Project, King Salman Park, Saudi Seasons, Diriyah Gate, Amaala, Al-Ula Development, Jeddah Central Project, and Riyadh Metros.

### KSA 2023 Tourism Statistics:

Saudi Arabia achieved its ambitious target of 100 million tourists in 2023, well ahead of its 2030 projection. Inbound tourism has a strong impact on insurance revenues. In 2023, inbound tourism crossed 27 million.

### Saudi Tourism 2030 Outlook

Saudi Arabia has revised up tourism targets for 2023 from 100 million tourists per annum to 150 million tourists, with a stronger emphasis on international and religious tourism. The country aims to increase tourism's contribution to GDP from 6% in 2024 to 10% by 2030. We project that Saudi Arabia will welcome over 50 million international tourists by 2030, generating an estimated ﷲ 2.4 billion in insurance revenues (GWP).



Source: Ministry of Tourism

**KSA has revised up its Tourism Target to 150 million for 2030. This can bring potential Insurance Revenues (GWP) of ﷲ 4.5b.**



## Crisis Being Averted, Solutions Being Asserted



**Article 11:** Article 11, passed in 2021, empowers the Government Healthcare Providers to invoice health insurance companies for the treatment of any Insured Person (mostly Saudis) who receives care in a public hospitals. This article mandates Government Healthcare Providers to be compensated by the health insurance companies for the provided services.

However, this has created significant commercial challenges for health insurance companies due to:

- The Government Healthcare Providers imposed unilateral pricing, unlike private health providers where costs are determined through a rigorous and transparent process. This unilateral approach has failed to create a win-win situation for both sides.
- Insured person registered in lower-tier private hospital networks can / have received care in higher-tier public hospital networks, causing costs to escalate manifold.
- The adjudication process, which allows health insurance companies to manage medical expenses according to agreed medical protocols, has not been implemented by the Government Healthcare Providers, resulting in financial strain on the insurance sector.

Health insurance companies have engaged regulators on the above challenges, and now both parties are working closely to mitigate these issues and are making significant strides towards sustainable solutions.





# Summary

## Health Insurance Market Drivers & Future Growth Momentum

Saudi Arabia's health insurance sector is undergoing a transformative shift, driven by Vision 2030's bold reforms. As the industry grows, effective regulatory intervention will be key to ensuring sustainability, efficiency, and equitable access. The evolving market landscape presents both challenges and opportunities for policymakers. By implementing strategic regulatory frameworks, Saudi Arabia can reinforce its healthcare ecosystem, guaranteeing long-term affordability and accessibility while unlocking new market potential.



### KSA Tourism

Achieved 100m tourists targets  
Ambitious 150m target



### Medical Inflation

Higher Inflation  
Opportunity for Preventive / Wellness



### Vision 2030

A robust regulatory framework encompassing digital governance, infrastructure development, and enforcement mechanisms is emerging as a vital enabler of sustainable progress



### NPHIES

Integrated Healthcare IT System  
Transparency & Efficiency



### Article 14

Integrated Healthcare Ecosystem



### Riyadh's Growth Catapult

Major infrastructure Projects  
Population / Insured Lives Growth



### Telehealth

Telehealth is more than just a digital innovation—it is transforming healthcare by improving accessibility, enhancing the patient experience, and simultaneously driving cost efficiencies.



### Health Insurance Projects

Government Investments  
Private Sector Investments



### Enforcement of Insured Lives Gap

Low-hanging fruit worth 9.4B (estimated)  
Stricter Enforcement





# 07. Market Projections



### KSA Insurance Market Projections 2030

The market drivers for the Health and Non-Health insurance segments played a pivotal role in shaping the forecasting process, ensuring a data-driven and accurate projection of future market trends. Key drivers such as Vision 2030, regulatory enforcement, demographic shifts, economic indicators, technological advancements, and evolving consumer behavior were thoroughly analyzed to understand their impact on Gross Written Premiums (GWP) and overall market growth. To achieve a robust and reliable forecast, multiple statistical modeling techniques were explored, including linear regression, exponential smoothing, and triple exponential smoothing (Holt-Winters method). Each model was evaluated for accuracy, data fit, and the ability to capture seasonality and trends in the insurance sector.

Among these, Triple Exponential Smoothing emerged as the most suitable method for projecting GWP in both Health and Motor segments due to its ability to factor in short-term fluctuations, long-term trends, and seasonality with higher accuracy. This model provided a more precise fit for historical insurance data, allowing for better forecasting reliability in a dynamic market environment. Additionally, certain key assumptions were incorporated into the market forecast process to reflect real-world policy and regulatory changes that directly impact insurance penetration and revenue growth.

**The Saudi insurance GWP is poised to reach ﷲ 129 billion by 2030, led by strong growth in the health insurance segment, which is expected to nearly double from ﷲ 42 billion in 2024 to ﷲ 83 billion by 2030.**

### Saudi Insurance Market Poised to Cross ﷲ 129 Billion\* by 2030

Key Market Drivers Set to Accelerate Growth in Saudi Insurance Market

	Long Horizon		Short Horizon	
	Time Horizon Public			
Impact	High	I. Vision 2030 Health Projects (Infrastructure) II. Digital Advancements (Payers/Providers) III. Regulatory Compliances (Benefits upgrades / Fines) IV. Privatization of Public Healthcare	I. Enforcement Gap (Lives, vehicles, etc) II. Medical Inflation III. Riyadh Demographic Shift (Insured Lives) IV. Premium Residency	
		I. Payers Entitled for Provision II. Claims Management Efficiency III. Population Growth	I. Domestic Help II. Telemedicine / Telematics III. Product Innovations IV. Consumer Awareness / Disposable Income	

\*: Assumptions applied.

KSA Insurance Market Projections 2030:

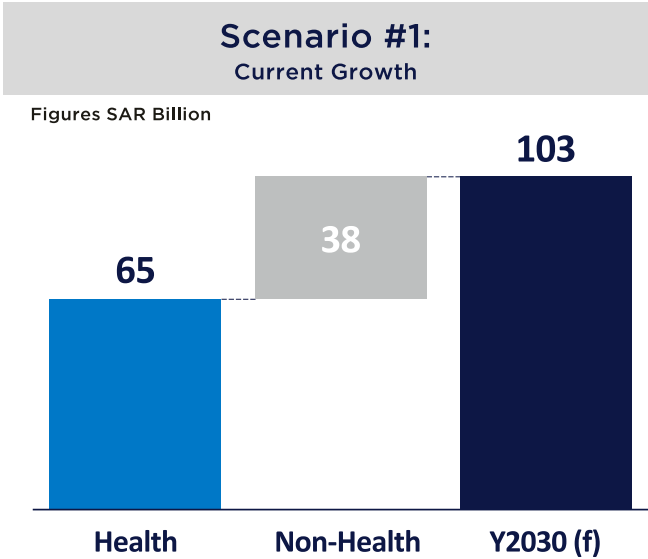
During the forecasting process for the Saudi Arabian insurance market, two distinct scenarios were analyzed to predict potential market growth by 2030. These scenarios were developed using Triple Exponential Smoothing (TSE) as the primary statistical model, ensuring high accuracy by factoring in historical trends, seasonal variations, and projected enforcement measures.

KSA Insurance market is on a strong footing, strengthening enforcement will accelerate this momentum, driving transformational growth and solidifying its position as a mature, highly penetrated market in the region.

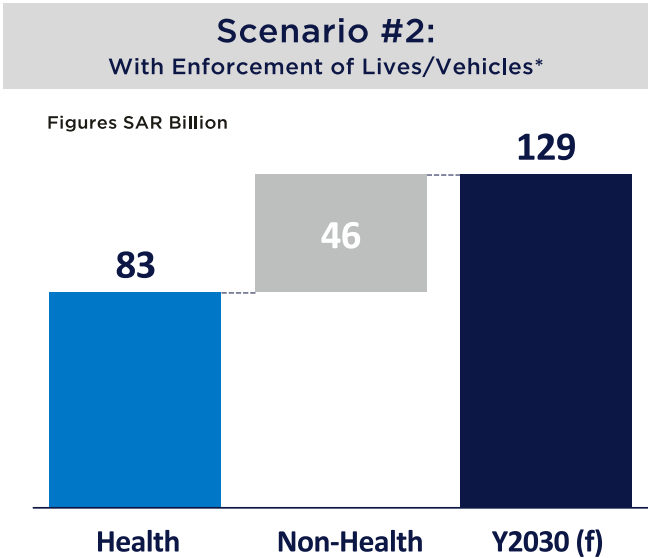


Saudi Insurance GWP is poised to reach SAR 127 Billion 2030  
Enforcement of un-insured lives / vehicles will be vital to the growth of Saudi Insurance Market


**Scenario 1:**  
Continuation of Current Market Growth Trends The first scenario assumed that the insurance market would continue growing at its current trajectory, driven by organic economic expansion, demographic shifts, and ongoing market dynamics without any additional regulatory interventions to enforce insurance coverage.



**Scenario 2:**  
The second scenario incorporated strong regulatory enforcement measures aimed at closing the coverage gap by mandating insurance for uninsured individuals, vehicles, and domestic workers.





A man and a woman, both wearing traditional Middle Eastern headwear (a red and white checkered ghutra and a black hijab), are looking down at a laptop screen. The man is pointing at the screen with his right hand. The woman is also pointing at the screen with her right hand. The background is blurred, showing an indoor setting with a white wall and a window. A blue semi-transparent rectangle is overlaid on the image, containing the text.

# 08. Appendices | Statistical Modeling

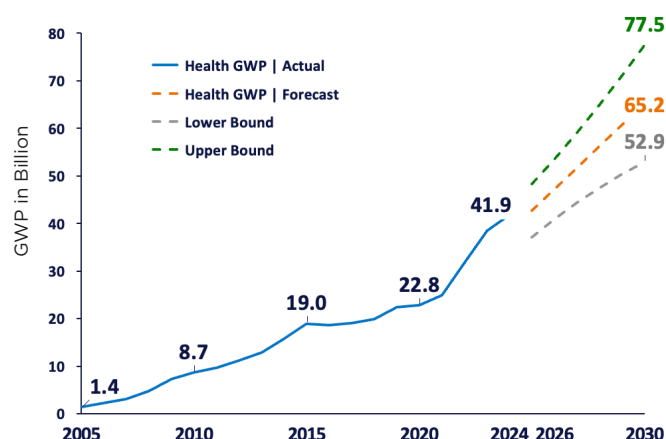
## Statistical Models | Health Segment

### Scenario 1 :

GWP Growth Projected based on TSE Model. We first modeled “Insured Lives” and Average Premium Per Life for 2030, where the premium was influenced by medical inflation and the net efficiency of Telemedicine/Digital Hospitals. This projection yielded an **insured population of 15 million** and a **GWP of ₪ 65.2 billion for the health segment**.

Then we used Linear Regression, Exponential Regression and Triple Smoothing Exponential Regression Models to forecast GWP of health segment. After analyzing results from each of these forecast-models, we decided to deploy TSE model due to higher accuracy and stability of the results. We adopted a balanced and realistic scenario based on the TSE model.

Scenario #1: Health GWP Forecast

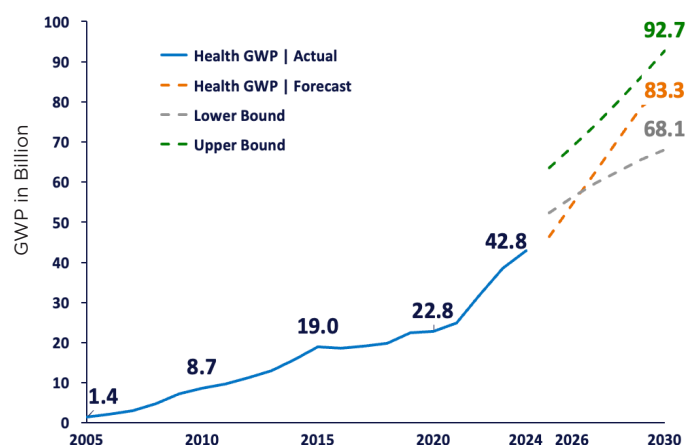


Note: Linear Regression and Exponential Models were evaluated to finalize better fitting model.  
 \*: Exponential Triple Smoothing Forecast Method was used. Two ETS models with different starting years were evaluated.  
 Model: 1 Alpha 0.50, Beta 0.00; MAE 3966; RMSE 4595 | SMAPE 18%  
 Model 2: Alpha 0.1, Beta 0.00; MAE 3966; RMSE 4710 | SMAPE 19%

### Scenario 2:

We first utilized the forecasted GWP from the TSE model, then incorporated insured lives potential and the domestic help opportunity as follows: 70% of the ₪ 9.8 billion enforcement potential is expected to be realized over five years starting from 2026. The domestic help segment, with a potential of ₪ 2 billion, is also projected to materialize within the same period. For enforcement potential, we assumed a 7% YoY price inflation, while for domestic help, we projected 4% YoY inflation. Health GWP is projected to cross **₪83 Billion by 2030**.

Scenario #2: Health GWP Forecast



**Saudi Arabia's health insurance  
GWP is projected to grow 1.94  
times by 2030, signaling robust and  
sustained sector expansion**



# Contributors

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### Author

Transforming Customer Experience | Driving Market Intelligence | Leading Product Innovation With 25+ years of leadership in customer experience, market intelligence, and innovation, Nadeem has built a career around driving insights driven business transformation in healthcare, FMCG, and financial sectors across Saudi Arabia and Pakistan.



The core concept of this white paper emerged from insightful discussions with Alshereef Hamideddin, whose expertise and perspectives played a pivotal role in shaping the direction of this white paper. I am sincerely grateful for his invaluable guidance, which has significantly contributed to the depth and clarity of this work.

### Disclaimer:

- The views, interpretations, and conclusions expressed in this whitepaper are solely those of the author and do not necessarily reflect the views or official position of Bupa Arabia. Bupa Arabia has not reviewed, approved, or endorsed the content and assumes no responsibility for any outcomes resulting from its use.\*
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- Certain statements in this whitepaper may constitute forward-looking projections based on current market trends and assumptions. These projections are not guarantees of future performance and are subject to risks and uncertainties, including changes in policy, regulation, or market dynamics within the Kingdom of Saudi Arabia.\*\*\*

### References:

\* <https://www.sama.gov.sa/en-US/Regulatory%20Sandbox/Pages/default.aspx>

\*\* [https://www.sama.gov.sa/en-US/Documents/AFR22\\_en.pdf](https://www.sama.gov.sa/en-US/Documents/AFR22_en.pdf)

\*\*\* <https://www.spa.gov.sa/en/N2261435>