

KUWAIT

Insurance Market Overview

by Hussein Elsayed



(I) KUWAIT: General Information

Item	Value	Item	Value
Region	Western Asia	UN membership date	14 May 1963
Population ('000, 2025)	5,026 ^a	Surface area (km ²)	17,818 ^b
Population density (per km ² , 2025)	282.1 ^a	Sex ratio (m per 100 f)	156.9 ^a
Capital city	Kuwait City	National currency	Kuwaiti Dinar (KWD)
Capital city population ('000, 2025)	3,052.5 ^{cd}	Exchange rate (per US\$)	0.3 ^e
Economic Indicators			
Indicator	2015	2020	2025
GDP: Gross domestic product (million current US\$)	114,585	111,045	163,705 ^b
GDP growth rate (annual %, constant 2015 prices)	0.6	-4.8	-3.6 ^b
GDP per capita (current US\$)	29,883.0	25,237.0	33,832.0 ^b
Economy: Agriculture (% of Gross Value Added)	0.5	0.4	0.4 ^b
Economy: Industry (% of Gross Value Added)	48.7	41.8	54.0 ^b
Economy: Services and other activity (% of GVA)	50.9	57.8	45.6 ^b
Employment in agriculture (% of employed) ^f	2.2	2.0	1.9 ^b
Employment in industry (% of employed) ^f	25.0	24.9	24.9 ^b
Employment in services & other sectors (% employed) ^f	72.8	73.0	73.1 ^b
Unemployment rate (% of labour force)	2.2	3.6 ^f	2.1 ^c
Labour force participation rate (female/male pop. %) ^f	49.6 / 87.2	46.1 / 82.1	48.5 / 88.2
CPI: Consumer Price Index (2010=100)	118 ^f	129 ^f	148 ^{ge}
Agricultural production index (2014–2016=100)	95	106	118 ^b
International trade: exports (million current US\$)	54,121	40,166 ^f	76,292 ^{fe}
International trade: imports (million current US\$)	30,957	28,344	38,329 ^{fe}
International trade: balance (million current US\$)	23,164	11,822 ^f	37,962 ^{fe}
Balance of payments, current account (million US\$)	8,584	22,030	46,703 ^e
Major Trading Partners (2024)			
Export partners (% of exports)	%	Import partners (% of imports)	%
Areas n.e.s.	92.9	China	19.8
United Arab Emirates	1.5	United States	9.1
India	1.3	United Arab Emirates	9.0
Social Indicators			
Indicator	2015	2020	2025
Population growth rate (average annual %)	4.7	-2.9	1.6 ^a
Urban population (% of total population)	100.0	100.0	...
Urban population growth rate (average annual %)	5.4 ^f	...	...
Fertility rate, total (live births per woman)	2.0	2.1	1.5 ^a
Life expectancy at birth (females/males, years)	80.7 / 78.1	79.9 / 77.3	82.1 / 79.6 ^a
Population age distribution (0–14/64+ years old, %)	21.8 / 4.6	20.6 / 7.5	18.0 / 6.0 ^a
International migrant stock ('000)/% of total population	2,610.8 / 68.1	3,030.7 / 68.9	3,323.2 / 67.3 ^e
Refugees and others of concern to the UNHCR ('000)	94.6	93.8	93.5 ^e
Under five mortality rate (per 1000 live births)	9.4	8.7	7.4 ^a
Health: Current expenditure (% of GDP) ^f	4.2	6.2	4.3 ⁿ
Health: Physicians (per 1 000 pop.)	2.6	2.3	...
Education: Primary gross enrol. ratio (f/m per 100 pop.)	105.6 / 99.6	... / ...	... / ...
Education: Lower sec. gross enrol. ratio (f/m per 100 pop.)	103.9 / 101.1 ^d	... / ...	... / ...
Education: Upper sec. gross enrol. ratio (f/m per 100 pop.)	103.8 / 84.4 ^d	... / ...	... / ...
Intentional homicide rate (per 100 000 pop.)	1.8 ^e	0.2	...
Seats held by women in the National Parliament (%)	1.5	6.4 ^p	3.1 ^{pe}
Environment and Infrastructure Indicators			
Indicator	2015	2020	2025
Individuals using the Internet (per 100 inhabitants)	82.0 ^f	99.1 ^g	99.7 ^{gb}
Research & Development expenditure (% of GDP)	0.1 ^{cd}	0.2 ^v	0.1 ^{vn}
Threatened species (number)	42	57	97 ^e
Forested area (% of land area)	0.4 ^f	0.4 ^f	0.4 ⁿ
CO ₂ emission estimates (million tons/tons per capita)	81.0 / 21.1	79.4 / 18.0	93.2 / 20.3 ⁿ
Energy production, primary (Petajoules)	7,014	6,353	6,910 ⁿ
Energy supply per capita (Gigajoules)	368	342	386 ⁿ
Tourist/visitor arrivals at national borders ('000)	182	86	85 ^c
Important sites for terrestrial biodiversity protected (%)	43.0	51.2	57.6 ^e
Pop. using safely managed drinking water (urban/rural, %)	100.0 / ...	100.0 / ...	100.0 / ... ⁿ
Pop. using safely managed sanitation (urban/rural, %)	100.0 / ...	100.0 / ...	100.0 / ... ⁿ
Net Official Development Assistance disbursed (% of GNI)	...	...	0.01 ^b

a Projected est. (medium fertility variant). **b** 2023. **c** Data refers to the Governorates of Capital, Hawalli, AlFarwaniya and Mubarak Al-Kabeer. **d** 2019. **e** 2024. **f** Estimate. **g** Calculated by the UN Statistics Division from national indices. **h** Areas not elsewhere specified. **i** Data refers to a 5-year period preceding the reference year. **j** Calculated by the UN Statistics Division. **k** Refers to foreign citizens. **l** Data refer to fiscal years beginning 1 April. **m** Est. should be viewed with caution as these are derived from scarce data. **n** 2022. **o** 2012. **p** Data at 1 January of the reporting year. **q** Population aged 5 to 74 years. **r** Partial data. **s** Excluding private non-profit. **t** Excluding business enterprise. **u** Break in the time series. **v** Government only. **w** Non-resident tourists staying in hotels and similar establishments. **x** 2021

Source: UN - World Statistics Pocketbook – Nov 2025

KUWAIT: COUNTRY RISK REPORT

Assessment framework: AM Best's Country Risk Information and ThinkHazard

AM Best reference date: 12 August 2026

ThinkHazard reference: Kuwait national hazard profile

According to the AM Best country-risk report supplied, **Kuwait is classified as Country Risk Tier 3 (CRT-3)**, corresponding to a **moderate level of overall country risk**. AM Best assesses Kuwait as having moderate **economic, political and financial-system risks**.



1 – KUWAIT: Country Risks

§ Political & Security Risks — MODERATE

AM Best continues to assign Kuwait a **Moderate Political Risk** classification.

The country enjoys considerably greater institutional stability than many countries in the broader MENA region. However, AM Best highlights:

- *political gridlock;*
- *concerns regarding political interference;*
- *limited transparency;*
- *inconsistent enforcement of anti-corruption measures; and*
- *constraints on the pace of economic reform.*

Kuwait ranked **65th out of 180 countries** in the Transparency

International Corruption Perceptions Index cited by AM Best.

The key political-risk issue is therefore less about regime instability and more about:

the ability of the political system to implement economically necessary reforms consistently and rapidly.

This distinction is critical when assessing Kuwait.

§ Economic & Fiscal Risks — MODERATE

The principal economic vulnerability identified by AM Best remains Kuwait's dependence on hydrocarbons.

According to the report, hydrocarbons account for approximately **90% of government revenues and around 40% of GDP**, making the economy particularly sensitive to fluctuations in global energy prices and production levels.

This concentration is the single most important structural weakness in Kuwait's country-risk profile.

The impact is transmitted through several channels:

- *oil prices;*
- *OPEC+ production quotas;*
- *government revenues;*
- *fiscal expenditure;*
- *domestic investment;*
- *private-sector activity; and*
- *external trade and current-account balances.*

Consequently, Kuwait's exceptionally strong financial buffers mitigate the effects of oil shocks but do not eliminate the underlying economic vulnerability.

§ Financial Sector & Liquidity Risks — MODERATE

Kuwait's banking sector is one of the country's principal strengths.

AM Best reports that the banking sector is:

- *well capitalized;*
- *supported by strong liquidity buffers;*
- *compliant with Basel III requirements; and*
- *characterized by low and adequately provisioned non-performing loans.*



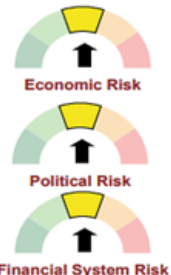
Kuwait CRT-3

August 12, 2026

- The Country Risk Tier (CRT) reflects AM Best's assessment of three categories of risk: Economic, Political, and Financial System Risk.
- Kuwait, a CRT-3 country, has moderate levels of economic, political, and financial system risk.
- According to the IMF, real GDP growth is expected to decline from 3.5% in 2025 to -0.6% in 2026, reflecting weaker oil-sector activity, softer domestic demand, delayed investment decisions and the impact of ongoing regional tensions on consumer and business sentiment.
- Inflation is expected to rise from 2.4% in 2025 to 2.8% in 2026 due to higher commodity prices and elevated shipping costs.

Regional Comparison

	Country Risk Tier
Kuwait	CRT-3
Bahrain	CRT-4
Oman	CRT-4
Qatar	CRT-3
Saudi Arabia	CRT-3
United Arab Emirates	CRT-3



The IMF's subsequent assessment similarly concludes that financial stability has been maintained, with banks retaining strong capital and liquidity buffers and NPLs remaining low and well provisioned. Thus, the **Moderate Financial System Risk** classification should not be interpreted as evidence of current banking-sector weakness. Rather, it reflects the broader structural exposure of Kuwait's financial system to the domestic economy, sovereign finances and hydrocarbon cycle.

§ Geo-Regional Risks — MODERATE / HIGH

Kuwait's geographic location is strategically important but creates considerable exposure to regional geopolitical developments.

The country lies between **Iraq, Saudi Arabia and Iran**, adjacent to the Persian Gulf and close to major energy-export infrastructure and shipping routes. Consequently, regional military escalation could affect:

- Oil production and exports.
- Aviation.
- Reinsurance capacity and pricing.
- Marine transportation.
- Trade and logistics.
- Energy infrastructure.
- Foreign investment.

The wider MENA region remains exposed to persistent geopolitical tensions, while AM Best notes that regional tensions represent a continuing threat to geopolitical stability. Kuwait's strong international alliances, GCC membership, substantial financial resources and strategic importance to global energy markets provide important mitigating factors. **Insurance implication:** The principal concern is **accumulation risk** arising from concentrations of insured assets in energy, petrochemical, infrastructure, marine and commercial facilities.

2 – KUWAIT: Natural Catastrophe (NatCat) Risks



ThinkHazard identifies a markedly different risk profile from that of many other countries in the region. Kuwait's most significant natural hazards are **river flooding, coastal flooding, water scarcity and extreme heat**, while urban flooding and earthquakes are classified as medium hazards. ([Think Hazard](#))

NatCat Hazard	ThinkHazard Level	NatCat Hazard	ThinkHazard Level
River Flood	High	Landslide	Very Low
Coastal Flood	High	Tsunami	Very Low
Water Scarcity	High	Cyclone	Very Low
Extreme Heat	High	Wildfire	Very Low
Urban Flood	Medium	Volcano	No Data
Earthquake	Medium		

§ Flooding — HIGH / MEDIUM

ThinkHazard classifies **river flooding as High** and **urban flooding as Medium**. Although Kuwait is an extremely arid country with no major permanent river systems, intense rainfall events can generate substantial surface-water accumulation and flash flooding. Urban development and extensive paved surfaces can increase runoff and place pressure on drainage systems. For insurers, the principal exposures are likely to involve:

- Commercial and residential property.
- Motor vehicles.
- Business interruption.
- Roads and infrastructure.
- Industrial facilities.

§ Drought & Water Scarcity — HIGH

Water scarcity is classified as High by ThinkHazard. This represents one of Kuwait's most structurally significant environmental risks because of its extremely arid climate, limited natural freshwater resources and heavy dependence on desalination. Water scarcity can also create **secondary economic and infrastructure risks**, particularly if prolonged heat or disruptions affect desalination and electricity systems.

Insurance implication: The risk is particularly relevant to infrastructure, utilities, energy, industrial facilities and business-interruption exposures.

§ Extreme Heat — HIGH

ThinkHazard rates **extreme heat as High**. ([Think Hazard](#))

Kuwait is among the world's hottest countries, and extreme temperatures can affect:

- Human health and labor productivity.
- Electricity demand.
- Cooling systems.
- Industrial equipment.
- Transport infrastructure.
- Construction activity.
- Agricultural activity.
-

For insurers, extreme heat can increasingly become an **indirect loss driver**, rather than simply a weather event, through increased equipment failure, power demand and business interruption.

§ Coastal Flooding & Storm Surge — HIGH

ThinkHazard classifies **coastal flooding as High**. ([Think Hazard](#))

Kuwait's extensive Gulf coastline and concentration of economic infrastructure near the coast make coastal flooding an important accumulation risk.

Potentially exposed assets include:

- Ports and marine facilities.
- Oil-export infrastructure.
- Petrochemical installations.
- Industrial zones.
- Commercial property.
- Roads and utilities.

The significance of coastal flooding could increase over time because of **sea-level rise and climate-related changes in extreme coastal events**.

§ Geophysical (Earthquake) — MEDIUM

ThinkHazard classifies **earthquake hazard as Medium** in Kuwait. ([Think Hazard](#))

The principal concern is not necessarily frequent major earthquakes within Kuwait itself, but exposure to regional seismic activity, particularly given Kuwait's proximity to the active tectonic environment of **Iran and the northern Gulf**.

The insurance implications are greatest for high-value concentrations of:

- Industrial facilities.
- Petrochemical plants.
- Energy infrastructure.
- Commercial buildings.
- Large engineering projects.

3 – Conclusion

Kuwait presents a **moderate overall country-risk profile**, consistent with AM Best's **CRT-3 classification**. The country combines **strong sovereign financial resources, a well-capitalized banking system, currency stability and substantial external assets** with structural vulnerabilities arising from its dependence on hydrocarbons and exposure to regional geopolitical tensions.

From an insurance and reinsurance perspective, Kuwait's most important risks are therefore not associated with generalized financial instability, but with the **concentration and accumulation of exposures**—particularly in energy, petrochemicals, infrastructure, marine and commercial property.

The NatCat profile reinforces this point. **Extreme heat, water scarcity, river flooding and coastal flooding are the principal natural hazards**, while earthquake risk is moderate.

(II) KUWAIT: Insurance Market

KEY HIGHLIGHTS

- **Supervisory Body:** The Insurance Regulatory Unit (IRU), which was established in September 2019.
- **Separation of Classes:** Distinct licensing thresholds exist for general, life, and Takaful (Islamic) insurance, with strict ring-fencing for composite firms.
- **Mandatory Personnel:** Companies must appoint a registered local compliance officer and an independent actuarial expert.
- **Credit Rating Mandate:** Insurers must maintain a credit rating no lower than 'BBB+' from an approved agency.
- **Risk Units:** Independent risk management departments must report directly to the Board of Directors' Risk Committee.
- **Investment Controls:** Investment-linked insurance products require dual alignment and regulatory coordination with the Capital Markets Authority.
- **Transparency Rules:** Insurers must publish comprehensive governance frameworks, structures, and complaint procedures in Arabic and English on corporate websites.
- **Professional Ethics:** Strict integrity guidelines enforce credential verification, good-faith dealing, and client confidentiality for all industry practitioners.
- **Compulsory Insurance:** Third-Party Motor Liability, Health Insurance for all expatriate workers, foreign residents, and short-term visitors & Marine and Border Transit Liability.

(A) Insurance Market - Historical Landmarks and Regulatory Environment

1949 to 1960 The non-life market was made up solely of agencies and branches of foreign insurers.

1960 Kuwait Insurance Co, the first national insurance company, was formed.

1961 Kuwait's Insurance Law No. 24, issued in 1961, was the first formal insurance regulation in the Gulf Cooperation Council area.

1962 Gulf Insurance and Al Ahleia Insurance, national insurers, were formed.

1972 Kuwait Reinsurance Company was established. Warba Insurance Company became the fourth national insurer to be established.

1981 Bahrain Kuwait Insurance was formed and came to be regarded as a national insurer, despite its 50% Bahraini ownership.

The **1990-91** Gulf War highlighted the importance of insuring assets against political risk, however, and as the country began to enjoy its economic recovery in the mid-1990s the industry once again became a focus of private sector interest. The KIA divested itself of many of its insurance interests, and elsewhere private conglomerates acquired controlling stakes in some of the leading domestic operations – such as the 1996 purchase by Kuwait Projects Company of an 82% stake in GIG.

2000 Transatlantic Reinsurance (AIG) acquired a 40% equity interest in Kuwait Re.

2001 The first takaful companies in the market, First Takaful and Wethaq Takaful were established.

2003 National Takaful Insurance was established. Qatar Insurance, Jordan Insurance and the Saudi Arabian Insurance Company Ltd (SAICO) entered the market with branch operations.

2004 Gulf Takaful Insurance was established. Warba established Warba Medical Insurance Co.

2006 - Establishment of the Kuwait Insurance Federation (KIF).

- Compulsory health insurance for expatriates was taken out of the private sector into the state sector. Ain Takaful and Al Safat Takaful were established. Gulf Insurance acquired a majority shareholding in Bahrain Kuwait.

2007 Boubyan Takaful Insurance Company, Enaya and Kuwait Qatar were established. Warba Medical converted to a takaful company called Warba Takaful Insurance Co.

2008 Al Muthanna Takaful, Moallem Takaful, T'azur Takaful and Takaful International started operations. Warba Takaful was renamed Ritaj Takaful, writing all classes of takaful business.

2009 Gazhal Insurance Company, a national conventional insurer, was established.

2010 Fairfax acquired a shareholding in Gulf Insurance Company (KIPCO remains the largest shareholder).

2014, The Kuwait Direct Investment Promotion Authority released regulations to promote direct foreign investment by simplifying the process of obtaining a licence. That was followed by new rules in 2015, namely Cabinet Decision 158. Non-Kuwaiti insurance firms were exempted from the previous mandatory requirement of establishing a public company with capital of KWD5mn (USD17.2mn) for non-life and life operations.

2011 Branches of Legal and General Gulf Takaful (Bahrain) and Chartis Memsaa (now AIG MEA Ltd), licensed in the Dubai International Financial Centre), commenced operations in Kuwait.

2015 Transatlantic Re and most other shareholders in Kuwait Re sold their holdings to Al Ahleia, resulting in Al Ahleia owning more than 90% of the company.

2016 Zurich Middle East and Legal & General Gulf withdrew from the market.

2017, The ministry's new healthcare fees for expatriates started on October 1 2017.

2019, Insurance Law No. 125 of 2019, which revoked the older 1961 law that previously shaped the industry. A notable move under the new regulation was the establishment of the *Insurance Regulatory Unit (IRU)* in September 2019. This is a dedicated sector authority operating with financial and administrative autonomy under the supervision of the Ministry of Commerce and Industry (MoCI).

2022 In June 2022 the executive regulations of Law No. 125 of 2019 came into effect, followed in December of that year by the IRU Strategy 2022-27.

Executive regulations for the 2019 law were introduced in 2021, enabling full operation of its provisions. These apply to all conventional and takaful companies operating in the country, while also applying to brokers, risk assessors, loss adjustors, actuaries, and other insurance and reinsurance professionals working in Kuwait.

As part of its strategy of human capital development in the Insurance industry, the Bahrain Institute of Banking and Finance announced the launch of its latest textbook, *Takaful: Technical and Operational Aspects*, in a strategic partnership with Gulf Insurance Group (GIG).

2023 The IRU has issued a number of circulars on the adoption of this, with insurers beginning to submit their financial statements according to IFRS 17 requirements from July 2023.

2024, In January 2024 foreign companies were permitted to establish branches in Kuwait without requiring such a local representative.

2025, Establishment of Kuwait Insurance Brokers Network (KIBN).

In May 2025 the IRU issued a regulation that all insurers providing investment-related products – both life insurers and family takaful companies – must procure a licence to undertake these tasks from the CMA.

In August 2025 the IRU then issued regulations regarding company compliance with rules on professional ethics, competence and integrity. Governance frameworks for conventional and takaful companies must also be publicly declared.

Also **In August 2025**, the Ministry of Justice (MoJ), also have a role in the sector. MoJ announced that it was forming a committee to further develop the legal framework for the insurance sector, as part of a wider drive to modernise Kuwait's legislative and regulatory provisions. This special committee contains advisors from the Court of Appeals, members of the IRU and representatives from the Ministry of the Interior and MoJ. The Capital Market Authority (CMA) has a role in sector regulation as insurers and takaful providers, as joint stock companies, list on Boursa Kuwait, the main operator of the Kuwait Stock Exchange.

In October 2025 the Health Insurance Law for Retired Citizens (Afia) was cancelled, a year after being suspended after concerns emerged over a lack of competition among the private providers involved,

along with other service quality challenges. Health care for retirees is now provided through government institutions.

The IRU also represents Kuwait at a range of international forums and established the Kuwait Insurance Brokers Network to bring together sector professionals and foster collaboration and sectoral development.

2026

- **Insurance regulator forms Shariah supervisory advisory panel:** Kuwait's Insurance Regulatory Unit (IRU) has issued a resolution to establish a Shariah supervisory advisory committee to review regulatory decisions related to takaful insurance and Shariah-compliant insurance activities.
- The IRU has also issued a resolution requiring insurers to maintain a credit rating of no lower than 'BBB+' from an approved rating agency.

KUWAIT: INSURANCE MARKET SUPERVISION

1. INSURANCE REGULATOR:

The primary supervisory authority for the insurance market in Kuwait is the **Insurance Regulatory Unit (IRU)**, established under Law No. 125 of 2019 on Insurance Regulation. It operates under the supervision of the Minister of Commerce and Industry

Core Mandate & Powers:

- Issuing licenses to insurance companies, reinsurers, and intermediaries.
- Approving insurance products and policies.
- Monitoring solvency margins, minimum capital thresholds, and technical reserves.
- Enforcing Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) obligations.
- Conducting periodic on-site inspections and thematic reviews.
- Issuing executive regulations and binding market decisions.
- International Alignment: The IRU actively aligns its supervisory framework with the International Association of Insurance Supervisors (IAIS) Insurance Core Principles (ICPs).
- Civil Law Foundation: Contractual relationships between insurers and policyholders are additionally grounded in Articles 773 through 815 of the Kuwaiti Civil Code (Decree-Law No. 67 of 1980), which govern the formation, elements, and effects of insurance contracts.



2. INSURANCE ASSOCIATIONS:

Kuwait Insurance Federation:

The Kuwait Insurance Federation (KIF) is a professional organization and business association in the State of Kuwait, established in 2006 in accordance with the provisions of the Private Sector Labor Law. The Federation serves as an umbrella body for local insurance and reinsurance companies, aiming to regulate their interests and develop the Kuwaiti insurance sector in coordination with regulatory authorities, such as the Insurance Regulatory Unit.

Key Objectives and Functions

- **Solidarity and Advocacy:** Safeguarding the interests of member companies, representing them before government bodies, and defending their collective rights.
- **Legislative Development:** Advocating for the specific needs of insurance companies within government legislation and proposing standardized insurance policy documents for adoption by official entities.

الاتحاد الكويتي للتأمين
Kuwait Insurance Federation

KIF

- Training and Academic Education: Organizing accredited training programs and academic courses for company personnel—in collaboration with local, regional, and international institutes—to enable them to obtain recognized qualifications.
- Promoting Insurance Awareness: Fostering an insurance-conscious culture within the community and highlighting the positive role of insurance through social media channels.
- Database Development: Establishing a comprehensive database across various insurance fields to support decision-making and facilitate communication with supervisory and regulatory officials.

▪ **Kuwait Insurance Brokers Network:**

- Kuwait Insurance Brokers Network (KIBN) was formally established in 2025, KIBN was created following a collaboration meeting with the Insurance Regulatory Unit (IRU) to provide a structured forum for licensed brokerage firms. Its mission is to reinforce professionalism, strengthen representation, and support the long-term sustainability of Kuwait’s insurance brokerage industry.
- KIBN consolidates broker feedback, prepares collective proposals on regulatory and market issues, and works to ensure fair representation within the Kuwait Insurance Federation. By facilitating knowledge-sharing, professional coordination, and adherence to best practices, KIBN contributes directly to the stability and modernization of Kuwait’s insurance market.



INSURANCE POOLS:

While Kuwait does not have a domestic, state-mandated national risk pool for general commercial insurance, major local players like the Kuwait Insurance Company (KIC) participate in larger, specialized regional risk pools.

- FAIR Pools: Kuwaiti entities are members of the Federation of Afro-Asian Insurers & Reinsurers (FAIR). Through organizations like FAIR, regional companies pool capital to offer specialized coverage, such as the FAIR Non-Life Reinsurance Pool, the FAIR Aviation Pool, and the FAIR Oil & Energy Insurance Syndicate.

7. COMPULSORY INSURANCES

Major compulsory insurance classes include:

- Motor third-party liability.
- Work-injury insurance.
- Expatriate health insurance and health guarantees.
- Construction and other covers required under particular tenders or contracts.
- Public liability and employers' liability.
- Professional indemnity.
- Marine cargo and aviation liability.
- Decennial liability or other project-specific construction covers.





(B) KUWAIT: Insurance Market Performance & Statistics



1- KUWAIT: INSURANCE MARKET STRUCTURE:

According to the recent official register of the Insurance Regulatory Unit (IRU) of Kuwait, the market comprises the following entities and insurance professionals holding active licences:

Category	Active licences
Insurance & reinsurance companies	32
- Insurance companies	31
- Specialized reinsurer	1
Insurance brokers	80
Insurance professions	45
- Insurance agents	4
- Actuaries	9
- Insurance consultancies	2
- Risk surveyors/loss adjusters	27
- Claims management companies	3

2- EXECUTIVE MARKET OVERVIEW

- Kuwait's insurance market contracted significantly in FY2026 after a strong performance in FY2024 followed by a decline in FY2025. Total direct premiums increased from KWD678.7 million in FY2024 to KWD616.2 million in FY2025, before falling further to approximately KWD543 million in FY2026.
- The FY2026 contraction was principally driven by the sharp reduction in health insurance premiums following the termination of the government's Afia health insurance scheme. Health premiums fell by more than 40% to approximately KWD165 million, compared with KWD277 million in FY2025.
- At the same time, several general insurance classes recorded growth. Motor TPL premiums rose to approximately KWD53 million, comprehensive motor to KWD102 million, and fire insurance to KWD60 million.

Core market indicators

Indicator	FY2024	FY2025	FY2026
Total direct premiums	678.74	616.18	543.00
Annual change	+7.6%	-9.2%	-11.8%
Non-life premiums	614.70	548.75	~476.5
Life premiums	64.04	67.43	~66.5
Health	348.35	276.99	165.00
Motor – total	129.05	138.14	155.00
Motor TPL	34.35	42.29	53.00
Comprehensive motor	94.70	95.85	102.00
Fire	52.66	49.86	60.00
Paid claims	470.08	417.07	308.00

Note: FY2024 and FY2025 figures in the table are calculated directly from the detailed IRU tables for national and foreign insurers. FY2026 figures marked approximately are based on the FY2026 IRU annual-report figures as reported by MEIR.

3- TOTAL PREMIUM DEVELOPMENT

	FY2024	FY2025	FY2026
Direct premiums, KWD m	678.74	616.18	543.00
YoY change	+7.6%	-9.2%	-11.8%
Change over FY2024	—	-9.2%	-20.0%

- The market therefore lost almost KWD136 million of annual premium volume between FY2024 and FY2026.
- The two consecutive years of contraction mark a clear reversal from the FY2024 growth phase.

4- PREMIUMS BY MAJOR CLASS OF BUSINESS

The IRU's detailed classifications provide the following directly comparable series:

Class of business	FY2024	FY2025	FY2026
Health	348.35	276.99	165.00
Motor – total	129.05	138.14	155.00
– ^L Motor TPL	34.35	42.29	53.00
– ^L Comprehensive motor	94.70	95.85	102.00
Other accidents	62.96	59.48	n.a.
Fire	52.66	49.86	60.00
Marine & aviation	20.21	22.84	n.a.
Travel	1.48	1.44	n.a.
Life	64.04	67.43	66.50
– ^L Individual life	10.68	10.31	8.50
– ^L Group life	53.35	57.12	58.00
Total market	678.74	616.18	543.00

- The FY2026 IRU figures show a substantial change in the market mix: health's share fell to approximately 30%, while motor and fire gained relative importance.

5- HEALTH INSURANCE

Health insurance was the dominant business line in FY2024 and FY2025, but its importance declined sharply in FY2026.

	FY2024	FY2025	FY2026
Premiums, KWD m	348.35	276.99	165.00
Market share	51.3%	45.0%	~30.4%
YoY change	+14.2%	-20.5%	more than -40%

- The FY2026 decline was directly associated with the termination of the **Afia** government health insurance programme.
- An important counterpoint is that the total sum insured in health increased by 31%, despite the sharp reduction in premium volume. This indicates that the FY2026 decline reflected a major change in the structure and economics of health insurance rather than a simple collapse in insured exposure.

6- MOTOR INSURANCE

Motor insurance became the largest major general insurance contributor after the health contraction. Total Motor

	FY2024	FY2025	FY2026
Motor premiums, KWD m	129.05	138.14	155.00
Market share	19.0%	22.4%	~28.5%
YoY growth	—	+7.0%	+12.2%

Motor TPL	FY2024	FY2025	FY2026
Premiums, KWD m	34.35	42.29	53.00
YoY growth	—	+23.1%	+26%

Comprehensive Motor	FY2024	FY2025	FY2026
Premiums, KWD m	94.70	95.85	102.00
YoY growth	—	+1.2%	+6%

- Motor consequently increased its relative importance substantially as health insurance contracted.

7- FIRE INSURANCE

Fire insurance also strengthened significantly in FY2026.

	FY2024	FY2025	FY2026
Premiums, KWD m	52.66	49.86	60.00
Market share	7.8%	8.1%	~11.0%
YoY change	—	-5.3%	+22%

- The increase in fire insurance is particularly relevant from a commercial and reinsurance perspective because property and industrial risks tend to generate greater demand for facultative and treaty capacity than many retail lines.

8- LIFE INSURANCE

Life insurance remained relatively resilient during the period.

	FY2024	FY2025	FY2026
Total life premiums	64.04	67.43	~66.50
Market share	9.4%	10.9%	~12.2%
Individual life	10.68	10.31	8.50
Group life	53.35	57.12	58.00

- The FY2026 increase in group life premiums broadly offset the decline in individual life.
- The resulting increase in life's share of the total market is largely a denominator effect caused by the sharp contraction in health rather than rapid structural expansion of life insurance.

9- CLAIMS DEVELOPMENT

Claims indicator	FY2024	FY2025	FY2026
Total paid claims, KWD m	470.08	417.07	308.00
YoY change	—	-11.3%	-26%
Paid health claims	~338.48	266.71	135.00
Health claims YoY	—	-21.2%	-49%

- The FY2026 decline in total paid claims was approximately KWD109 million.
- Health claims alone fell by approximately KWD132 million from FY2025 to FY2026, meaning that the health segment accounted for more than the entire decline in aggregate claims.
- This is consistent with the major contraction in the health insurance portfolio following the end of Afia.

10- OUTSTANDING CLAIMS

The IRU's detailed FY2024–FY2025 tables show:

Outstanding claims	FY2024	FY2025
Domestic insurers	291.18	268.15
Foreign insurers	23.22	25.89
Total	314.39	294.04
Change	—	-6.5%

11- DOMESTIC VS FOREIGN INSURERS

The IRU's FY2024 and FY2025 tables provide a clear distinction:

	FY2024	FY2025
Domestic insurers' direct premiums	620.45	552.15
Foreign insurers' direct premiums	58.30	64.03
Total	678.74	616.18
Domestic share	91.4%	89.6%
Foreign share	8.6%	10.4%

- The domestic market therefore remains overwhelmingly dominant, although the foreign-insurer share increased in FY2025.

12- NUMBER OF POLICIES

The IRU's FY2024 and FY2025 statistical tables report:

	FY2024	FY2025
Domestic insurers	1,866,559	1,866,559
Foreign insurers	193,937	193,937
Total	2,060,496	2,060,496

13- MARKET MIX – STRUCTURAL TRANSFORMATION

The three-year period produced a major change in the composition of Kuwait's insurance market.

Segment	FY2024 share	FY2025 share	FY2026 share
Health	51.3%	45.0%	~30.4%
Motor – total	19.0%	22.4%	~28.5%
Fire	7.8%	8.1%	~11.0%
Life	9.4%	10.9%	~12.2%
Other lines	12.5%	13.6%	~17.9%

- The market therefore moved from a **health-dominated structure** toward a considerably more diversified general insurance mix.

14- MARKET CONCENTRATION AND MAJOR INSURERS

According to the 2025 year-end financial data and reports for insurance companies listed on the Kuwait Stock Exchange, the ranking of major companies by premium volume and the degree of market concentration were as follows:

Ranking of Kuwaiti Insurance Companies by Premium Volume in 2025

1. **Gulf Insurance Group (GIG):** Ranked first by a substantial margin, with premiums amounting to KWD 663.53 million.
2. **Kuwait Reinsurance Company (Kuwait Re):** Ranked second, with total premiums of KWD 89.81 million, representing growth of 16.25%.
3. **Kuwait Insurance Company (KIC):** Ranked third, reporting premiums of KWD 56.14 million, reflecting strong growth of 25.45%.
4. **Warba Insurance and Reinsurance Company:** Ranked fourth, with premiums of KWD 27.81 million.
5. **Al Ahleia Insurance Company and other listed and takaful insurers,** including Wethaq Takaful Insurance and First Takaful Insurance, occupied the subsequent positions, with lower premium volumes and market shares.

Market Concentration in 2025

An analysis of the financial structure of Kuwait's insurance sector in 2025 indicates a very high degree of market concentration, with one major player holding a dominant position. This concentration is reflected in the following key observations:

- **Dominance of a single major player:** Gulf Insurance Group commands the largest share by a substantial margin. Its premiums of KWD 663.53 million account for the overwhelming majority—more than 75%—of the total premiums of insurance companies listed on the stock exchange.
- **A substantial gap between the leading companies:** The pronounced concentration is evident in the comparison between the first-ranked company, with KWD 663.5 million in premiums, and the second-ranked company, with KWD 89.8 million. This highlights the considerable gap between the established market leader and its competitors.
- **Concentration in the conventional insurance segment:** Despite the exceptional growth in the profitability of takaful (Islamic insurance) companies in 2025, they reportedly account for only around 1% of total insurance revenue in Kuwait. This would imply that conventional insurers account for approximately 99% of the market's insurance revenue.

15- KUWAIT RE – REINSURANCE DIMENSION

Published results showed strong growth in 2025, followed by a modest decline in net profit in the first half of 2026, despite an improvement in second-quarter earnings. The following figures are based on the company's disclosures and reporting by *Reinsurance News*.

- **FY 2025:** Insurance revenue increased by approximately 13% to USD 294 million, while gross written premiums rose by 10% to USD 360 million, compared with USD 326 million in 2024.
- **2025 profitability:** Net profit surged by approximately **41% to USD 65 million**, while total comprehensive income rose by **44% to USD 65 million**. The combined ratio improved to **88.42%**, compared with 90.92% in 2024.
- **First half of 2026:** Net profit amounted to KWD 9.05 million, down 4.9% from KWD 9.52 million in the corresponding period of 2025, despite a 9% increase in second-quarter profit to KWD 4.62 million.
- **Credit ratings:** AM Best affirmed the company's Financial Strength Rating of A (Excellent) with a stable outlook, while S&P Global Ratings revised its outlook to positive and affirmed its A- rating.
- **Executive takeaway:** Kuwait Re delivered strong earnings growth and improved underwriting performance in 2025. The decline in first-half 2026 net profit points to emerging pressure on overall earnings, attributed in the published disclosure to investment income.

16- KEY FINDINGS, FY2024–FY2026

Market contraction: The Kuwaiti insurance market declined from KWD678.7m in FY2024 to KWD616.2m in FY2025 and approximately KWD543m in FY2026.

Health shock: Health premiums fell from KWD348.3m to KWD277.0m and then to KWD165m, transforming the structure of the market.

Motor resilience: Total motor premiums increased from approximately KWD129m in FY2024 to KWD138m in FY2025 and KWD155m in FY2026.

Fire growth: Fire premiums increased strongly to KWD60m in FY2026, up 22%.

Life stability: Life premiums remained broadly stable at approximately KWD64m–67m, with group life providing the principal source of business.

Claims improvement: Total paid claims fell from KWD470.1m in FY2024 to KWD417.1m in FY2025 and KWD308m in FY2026.

Market concentration: The market remains highly concentrated, with GIG Kuwait accounting for more than 44% of 2023 IFRS 17 insurance revenue and the top five companies accounting for more than 80%.

17- FINAL CONSOLIDATED STATISTICAL TABLE

Kuwait Insurance Market – FY2024–FY2026

KPI	FY2024	FY2025	FY2026
Total direct premiums (KWD m)	678.74	616.18	543.00
YoY growth	+7.6%	-9.2%	-11.8%
Health (KWD m)	348.35	276.99	165.00
Health share	51.3%	45.0%	30.4%
Motor – total (KWD m)	129.05	138.14	155.00
Motor TPL	34.35	42.29	53.00
Comprehensive motor	94.70	95.85	102.00
Fire (KWD m)	52.66	49.86	60.00
Other accidents	62.96	59.48	n.a.
Marine & aviation	20.21	22.84	n.a.
Travel	1.48	1.44	n.a.
Life (KWD m)	64.04	67.43	~66.50
Individual life	10.68	10.31	8.50
Group life	53.35	57.12	58.00
Paid claims (KWD m)	470.08	417.07	308.00
Health claims (KWD m)	~338.48	~266.71	135.00
Outstanding claims (KWD m)	314.39	294.04	n.a.
Domestic insurers' premiums	620.45	552.15	n.a.
Foreign insurers' premiums	58.30	64.03	n.a.
Domestic market share	91.4%	89.6%	n.a.
Foreign market share	8.6%	10.4%	n.a.

18- OVERALL ASSESSMENT

- Kuwait's insurance market entered FY2026 in a structurally different position from FY2024. The market is no longer characterised by the same degree of dependence on health insurance: the termination of Afia reduced health premiums by more than half over two years, while motor and fire insurance gained substantial relative weight.
- Consequently, the KWD543 million FY2026 market should not simply be interpreted as a deterioration in underlying insurance demand. It reflects a significant restructuring of the portfolio, particularly in government-linked health insurance.
- For insurers, the principal strategic issue is therefore portfolio diversification and technical profitability. For reinsurers, the growing contribution of motor, property/fire and other commercial lines may provide opportunities to offset the contraction in health-related reinsurance demand.
- The FY2026 results also reinforce the importance of treating Kuwait as a technically concentrated but increasingly diversified insurance market, supported by a strengthening regulatory framework and a relatively sophisticated domestic reinsurance capacity represented by Kuwait Re.

KUWAIT: Insurance Market SWOT

KUWAIT INSURANCE MARKET SWOT ANALYSIS (2026–2030)

This is an independent strategic SWOT informed by the available GlobalData, BMI/Fitch Solutions and market-regulatory evidence. GlobalData's latest report covers 2026–2030 forecasts, including premiums ceded and profitability, while BMI's Kuwait banking and financial services report includes an insurance-sector SWOT and regulatory analysis.



S - Strengths

Compulsory insurance demand:

Motor third-party liability and other legally required covers provide a recurring source of business.

Established insurance infrastructure:

A regulated market with established local insurers, takaful operators and a domestic reinsurer.

Commercial risk base:

Kuwait's energy, industrial, infrastructure and trading activities create demand for property, engineering, marine and liability insurance.

Regulatory modernization:

Formal rules governing compulsory policies and greater digital oversight support more standardized processes.

W — Weaknesses

Uneven premium development:

Changes in large health schemes can materially affect total market premiums. The market contracted by 12% in FY2026, with health insurance identified as the main contributor.

Competitive pricing:

Particularly in standardized personal and motor lines, competition can pressure underwriting margins.

Market concentration:

A relatively small group of established carriers has substantial influence on market capacity and distribution.

Dependence on external capacity:

Large industrial and specialty risks may require overseas reinsurance, specialist underwriting and international broker relationships.

Data limitations:

Public market-level information does not always provide a complete picture of profitability, risk accumulation and reinsurance terms by individual class.

- Opportunities

Energy and engineering:

Property damage, business interruption, construction, machinery breakdown and specialty liability.

Facultative and treaty reinsurance:

Opportunities to support local insurers with additional capacity, subject to risk appetite and treaty arrangements.

Expatriate health and employer benefits:

Potential demand from eligible expatriate groups and private-sector employers, subject to applicable regulations.

Digital distribution and administration:

Online policy issuance, renewals, broker portals, fraud controls and improved claims management.

Takaful and product diversification:

Opportunities to develop specialized products and broaden distribution.

Compulsory insurance compliance:

Regulatory changes may create opportunities for efficient, compliant distribution and policy servicing.

- Threats

Claims inflation:

Medical treatment, vehicle repairs, construction costs and litigation can rise faster than premiums.

Geopolitical and accumulation risk:

Regional conflict can affect energy assets, shipping, political violence exposures and reinsurance pricing or availability.

Regulatory compliance costs:

Licensing, capital, governance, reporting and policy-issuance requirements can raise operating costs.

Investment-market volatility:

Insurers exposed to investment assets may face earnings volatility independent of underwriting results.

Large-loss and reinsurance risk:

A major industrial loss or unfavorable renewal terms can materially affect smaller insurers and specialty portfolios.

Disruption in major insurance schemes:

Changes in eligibility, government arrangements or enrollment can cause sharp changes in premium volumes

REFERENCE & RESOURCES

- **Reporting basis:** Financial years ended 31 March
- **Currency:** KWD million unless otherwise stated
- **Primary:** IRU Annual Reports and statistical tables. The IRU officially lists the FY2022/23, FY2023/24 and FY2024/25 annual reports on its website. [IRU – Official Annual Reports](#)
- **Supporting sources:** Atlas Magazine, Middle East Insurance Review & Reinsurance News.

Key Indicators of the Kuwaiti Insurance Market (2025–2026)

Key Financial Performance & Services



Total insurance and reinsurance claims

+2%

increased to KD 58.9 million compared to KD 47.7 million in the same period last year.

Net profit for the insurance sector

KD 134.85 million

compared to KD 70.8 million last year.



Insurance coverage in the sector

KD 70.8 million

compared to KD 70.8 million last year.



Comparison of key performance indicators for insurance and reinsurance

Insurance penetration
KD 4,057 billion
-83%



Insurance coverage
295.99 million
+8.5%



Claims ratio
2.03 million
+43%



Notebook: MKM

Market Size in Insurance & Reinsurance

+31.7% increase in insurance premiums

from KD 2,569 million in 2024 to KD 1,950 million in the first half of 2026.



+43%

Insurance premiums in the motor insurance sector

KD 2.03 million

an increase of 43% compared to the same period in the previous year.



Total medical insurance claims

reached **KD 4,057**

an increase of 83% compared to the same period last year, due to higher claims and medical expenses.

