

# Challenges of Insurance Pricing in the MENA Region

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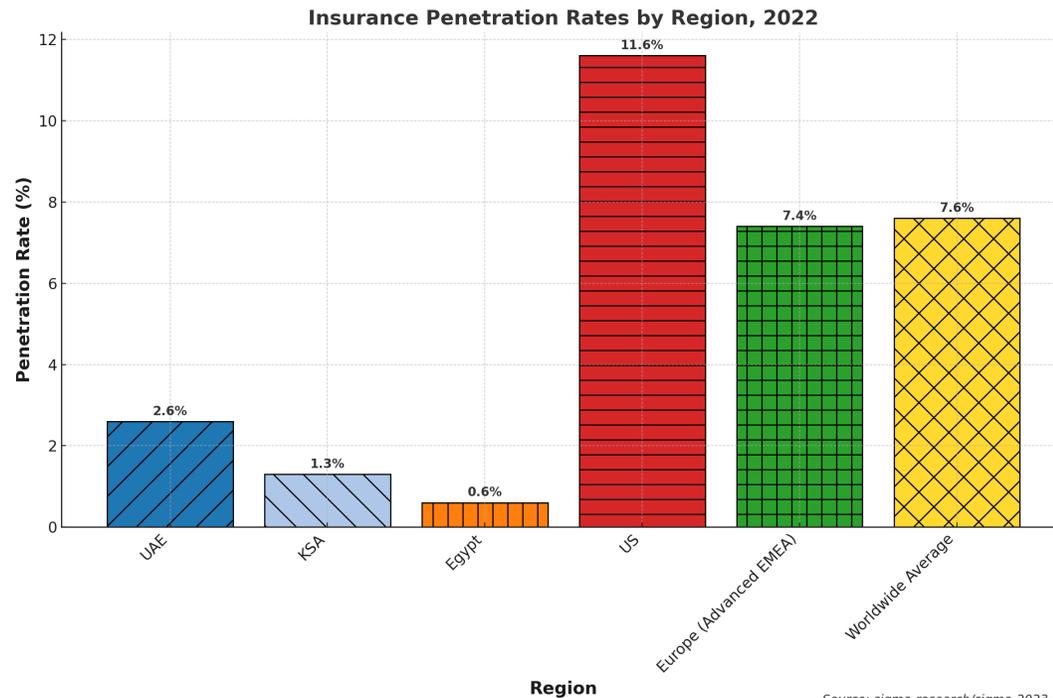
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# Introduction to Insurance Pricing Challenges in the MENA Region

- ✓ *The MENA insurance sector, while rich in potential, faces distinct challenges that impact its growth and the effectiveness of insurance pricing strategies.*

*How does the MENA insurance market's growth compare on a global scale?  
What factors contribute to this scenario?  
Specifically, to what extent do pricing challenges play a role?*

*Key Pricing Challenges:*



# Data Quality and Standardization

✓ *Data quality is the cornerstone of accurate insurance pricing, yet the MENA region confronts unique hurdles in achieving data quality, including:*

## Inadequate data collection:

- Inadequate data collection controls result in incomplete datasets, directly impacting risk assessment and premium calculation.

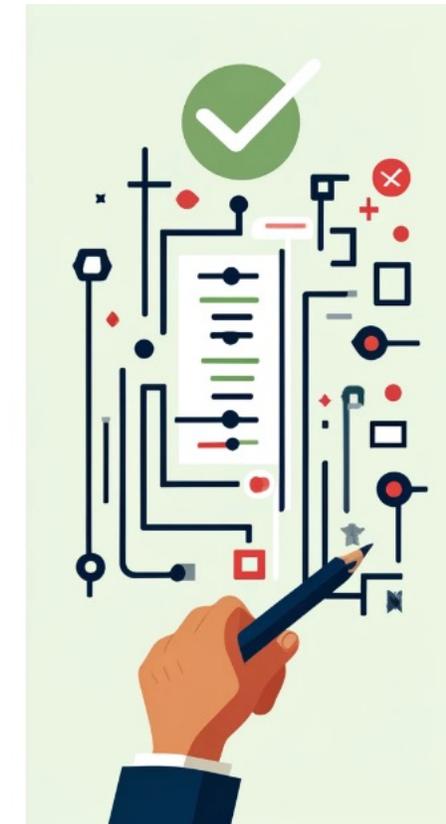
## Adequacy of Systems:

- Legacy systems often repurposed inappropriately for long-term products pose significant challenges in capturing and processing relevant data.

## Data Governance:

- A cycle of dependency without clear accountability has led to a loop of compromised data integrity.

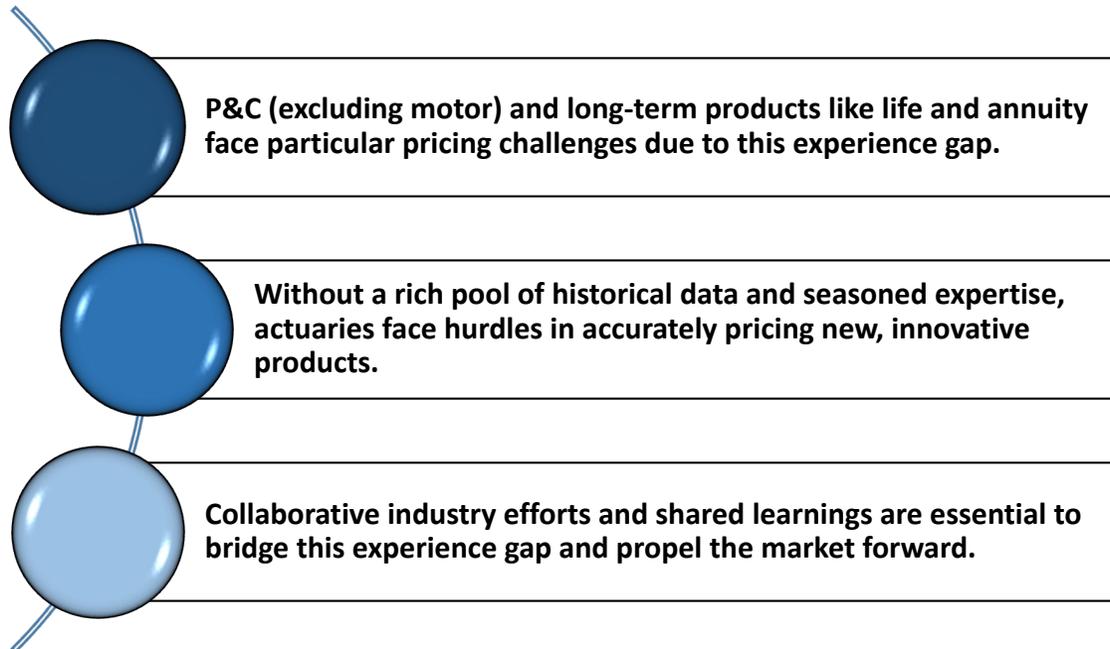
✓ *How can we break this cycle and establish robust data governance that aligns with best global practices?*



# Industry Experience and Innovation

✓ *While the MENA region is ripe for insurance product innovation, the scarcity of deep industry experience stands as a significant barrier*

✓ *In what ways can we cultivate industry experience to better inform product innovation and pricing?*



## Other Examples of Pricing Challenges

### ❖ Reinsurer Appetite and Capital Support:

The cautious stance of reinsurers towards the MENA market hinders capital support for novel products, requiring strategies to align with global risk appetites.

✓ *How can we better align with reinsurer expectations to foster innovation?*

### ❖ Management Understanding and Investment:

A gap in management's recognition of the value of actuarial functions leads to underinvestment in tools and expertise, underscoring the need for demonstrated value.

✓ *In what ways can actuaries demonstrate their value to management?*

### ❖ Market Conditions: Solvency and Competition:

The presence of insolvent companies and intense competition pressures market pricing strategies, calling for robust regulatory oversight and solvency standards.

✓ *What steps should be taken to ensure market stability and fair competition?*



## Closing - Moving Forward Together

*We've explored the critical challenges faced by the MENA insurance sector, ranging from data quality and industry experience to management understanding, reinsurer appetite, and market conditions*



*Let us collectively engage in shaping robust data governance, nurturing industry experience, aligning with global practices, and advocating for strong regulatory frameworks*

- ✓ *What will be our first step towards turning these challenges into opportunities for growth and innovation?*

