



# **LIFE ANNUITIES IN THE ARAB WORLD: CONTEXT, CHALLENGES, AND OPPORTUNITIES**

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# **ACCUMULATION OR DECUMULATION?**

## **WE PLAN ASSETS, WE DON'T PLAN INCOME**

**Most financial planning focuses on how to build wealth...**

**Much less attention is given to how that wealth is meant to last...**

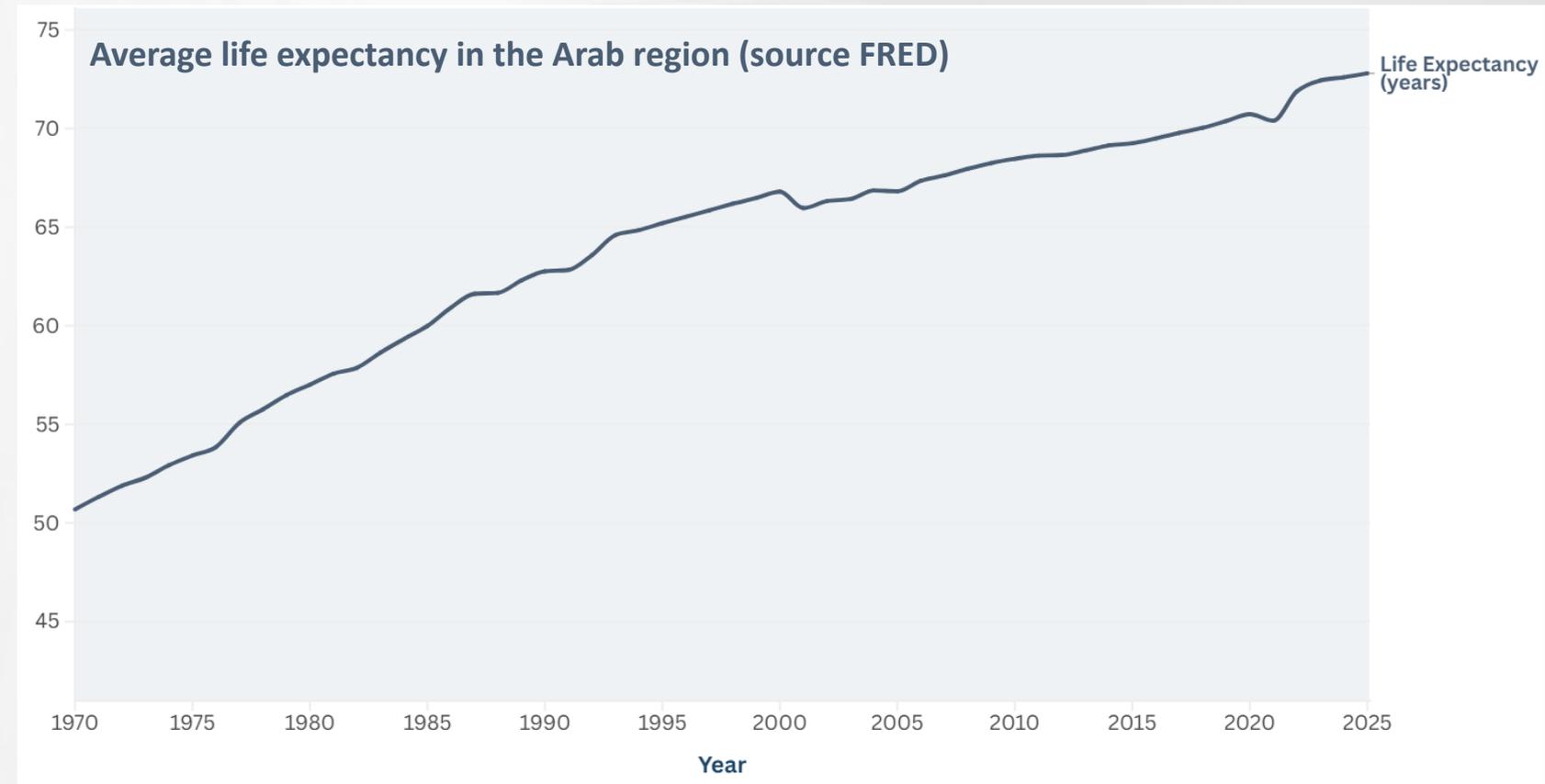
**This is not a future issue; it is already present in the demographics of our Arab region.**



# I. Context & Motivation

The Arab region is undergoing profound change:

- Economic volatility and transition
- Significant demographic change
- Rapid urbanization
- Evolving family structures



Alongside a sharp increase in life expectancy

*(Expected lifespan has increased by nearly 20 years since 1970)*

However, **retirement income systems have not evolved at the same pace**, with responsibility increasingly borne by individuals rather than formal systems.

As a result, **a growing retirement income gap at the planning level is emerging**, one that must be examined through country-specific lenses particularly in Lebanon, Jordan, and Egypt.

## II. KEY FACTS

### Longevity Is No Longer a Hypothesis

Life expectancy today:

Lebanon: ~78 years

Jordan: ~78 years

Egypt: ~72 years

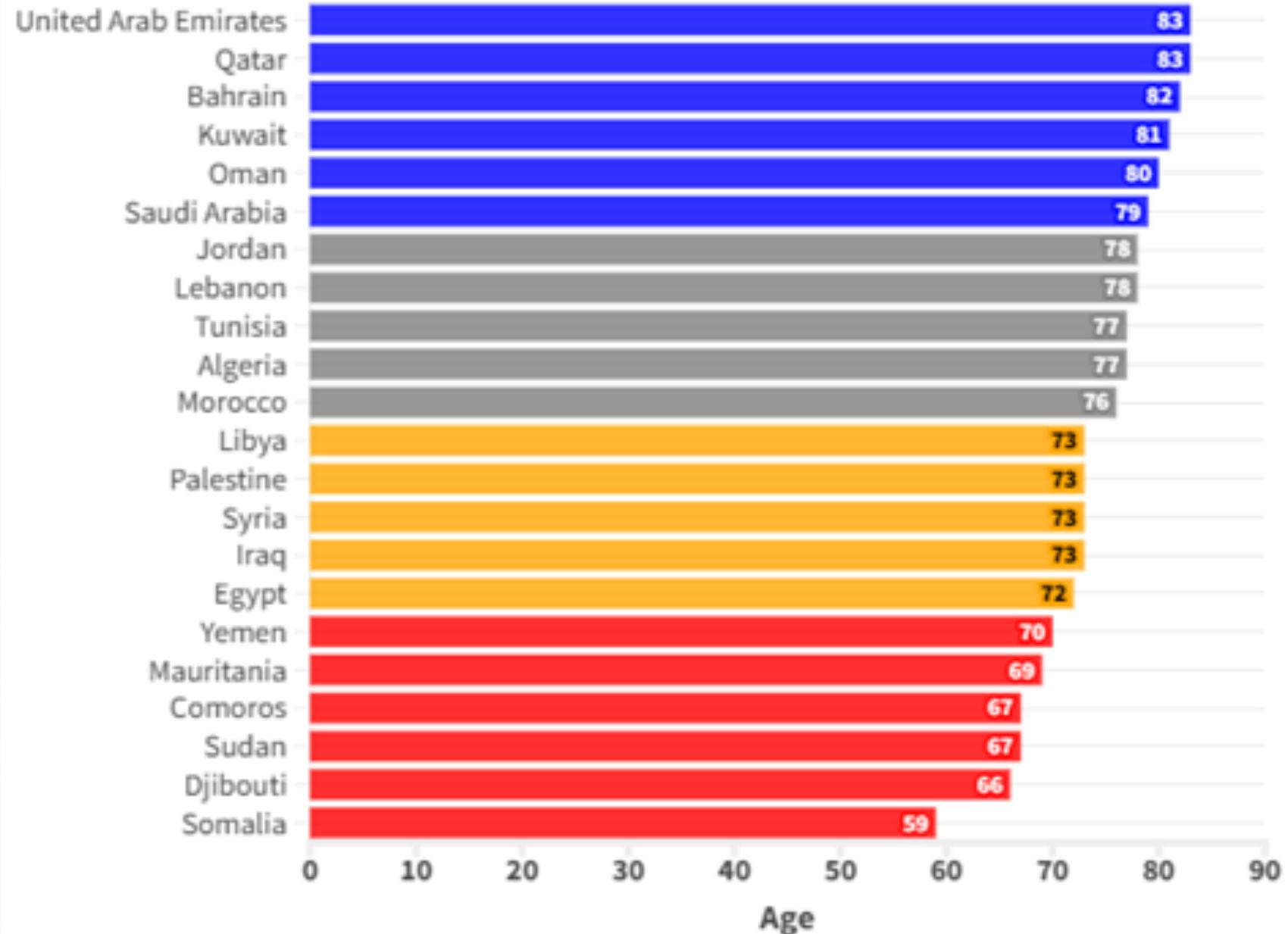
A life expectancy close to 80 years implies  
15 to 25 years of retirement to be financed.

Key insight:

Longer lives do not create a problem by  
themselves they reveal whether financial  
planning can last.

## Longevity in the Arab World: Longer Lives, New Financial Risks

United Arab Emirates Qatar Bahrain Kuwait Oman Saudi Arabia Jordan  
Lebanon Tunisia Algeria Morocco Libya Palestine Syria Iraq Egypt  
Yemen Mauritania Comoros Sudan Djibouti Somalia



### III. CURRENT RETIREMENT PRACTICES IN **LEBANON, JORDAN, AND EGYPT**

**Different histories and different planning strategy, but across all three countries, retirement resources arrive primarily as capital, not as income.**

**Life annuities therefore remain limited, reflecting:**

- A preference for control and liquidity.
- Limited trust in long-term financial commitments.
- Sensitivity to economic and inflation volatility.
- Differences in market maturity and capital requirements.

**As a result, retirement planning remains largely based on:**

- Lump-sum end-of-service benefits.
- Bank deposits and personal savings.
- Real estate income.
- Family and informal support.

### III. CURRENT RETIREMENT PRACTICES IN **LEBANON, JORDAN, AND EGYPT**

Structure	Lebanon	Jordan	Egypt
Primary retirement source	Lump-sum end-of-service benefits (CNSS)	Public pension scheme (Social Security Corporation)	End-of-service benefits and public pensions (limited coverage)
Common complementary support	Bank deposits, personal savings, real estate	Personal savings, family support	Family support, informal savings
Main vulnerability	High inflation, currency depreciation, and erosion of lump-sum value	Pension adequacy risk and limited income replacement	Limited access to formal long-term retirement income solutions

## IV. WHAT CAN BE DONE IN OUR MARKETS!

**Current retirement approaches** emphasize liquidity and asset ownership, but leave many individuals exposed to **inflation and longevity risks.**

Life insurance savings can support retirement outcomes, but they were never designed to function as primary lifetime income solutions that distinction is precisely why annuities exist.

**Life annuities therefore remain a relevant and necessary solution,** addressing a growing structural gap in retirement security across our markets.

### **Key Strategic Points:**

- **Retirement income is a structural need, not a niche product.**
- **Decumulation requires actuarial discipline and investment alignment.**
- **Collaboration among insurers, actuaries, and reinsurers is essential.**



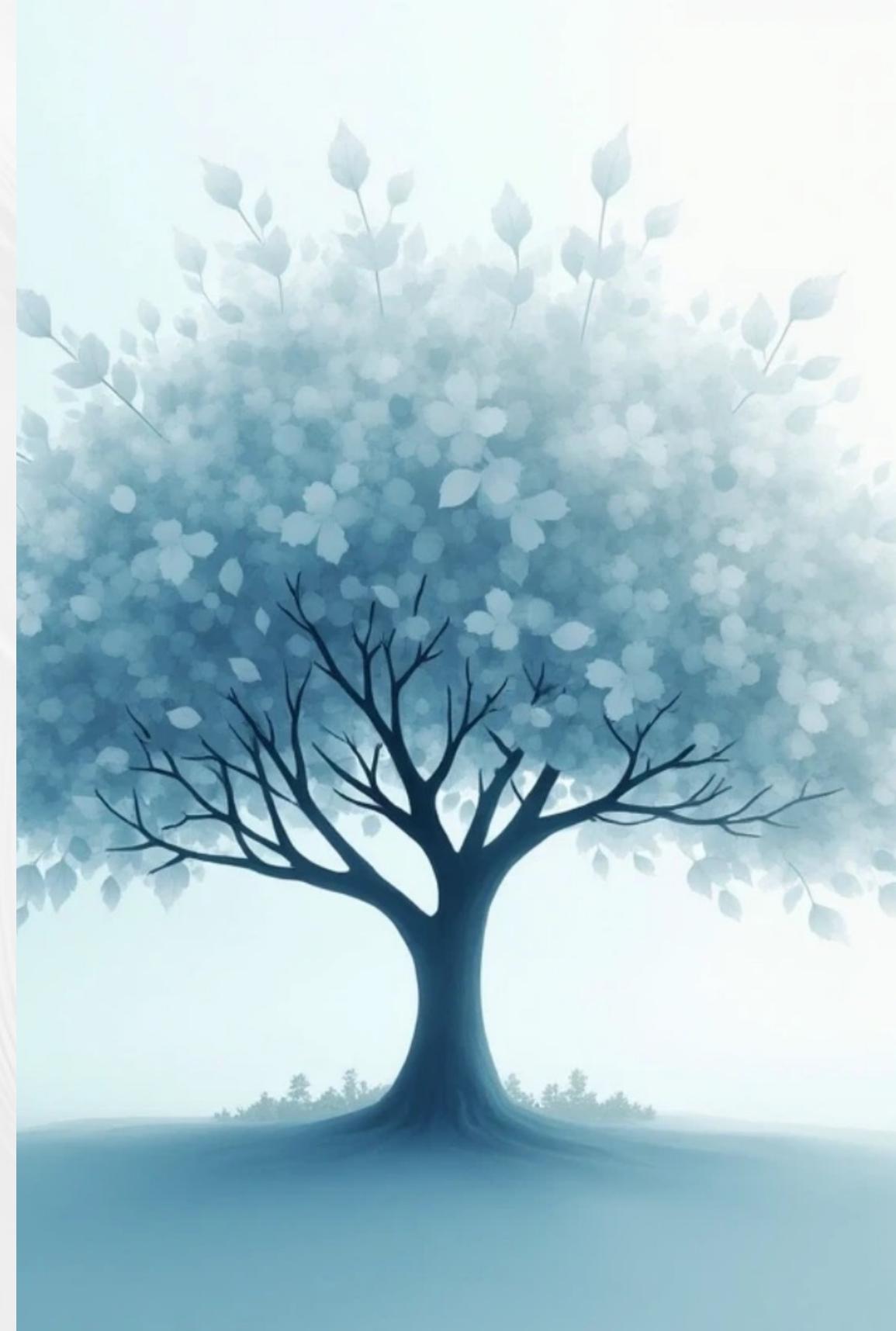
## IV. WHAT CAN BE DONE IN OUR MARKETS!

### The Real Challenge:

The question is not whether annuities are needed, but **how they are designed, regulated, and communicated.**

### Pragmatic Design Principles:

- **Partial annuitization.**
- **Deferred lifetime income.**
- **Risk-sharing over rigid guarantees.**
- **Simple, transparent communication.**



## V. STRATEGIC TAKEAWAY

**Longer lives** are a success story in our region, our responsibility is to make them **financially secure**, through leadership, collaboration, and solutions designed for our economic and social realities in a **volatile environment**.



**Thank You**