

# INSURANCE IN LEBANON

## Facts And Figures Updated 2016



**Report by Joseph E. ZAKHOUR**

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# FACTS & FIGURES

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<b>Capital</b>	Beirut
<b>Population</b>	About 5.5 million
<b>Life Expectancy</b>	79 years for men 82 years for women
<b>Area</b>	10,452 sq km (4,015 sq mi)
<b>Largest Cities</b>	Beirut 1,300,000 Tripoli 500,000 Sidon 300,000 Zahle 150,000 Tyr 200,000 Baalbeck 100,000

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<b>Languages</b>	Arabic ~ French ~ English
<b>Currency</b>	Lebanese Pound (LBP 1,500 to US\$. 1)

- Services are the backbone of the economy of Lebanon, but Lebanese are known historically to be talented artisans, designers, jewelers, with a long history in agriculture, and producers of light industry and assembly products.
- Insurance Premium written in 2015 reached US\$ 500 million in Life and Savings and UD\$ 1 billion in Non Life lines of business (See Annual Tables of Premiums written beach each of the insurers operating in Lebanon)
- Imports : generally consist of consumer goods.

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- Exports: Designed Fashions, jewelry, Agricultural and light industrial products, including pharmaceuticals
- Motor Insurance is compulsory against Bodily Injury since 2003.
- Motor compulsory insurance against both bodily injury and material damage became compulsory in 2012
- Workmen's Compensation insurance is compulsory.
- Also is compulsory Liability insurances for Elevators, heavy construction equipments and Hunting

## **Multinational Insurers Operating In Lebanon**

- Metlife (USA)
- AXA through subsidiary AXA Middle East SAL
- Allianz through subsidiary ALLIANZ SNA SAL
- Société Générale (France) through subsidiary Sogecap Liban SAL
- Crédit Agricole through Bancassurance SAL
- Natixis (France) through ADIR SAL
- AIG through AIG LEBANON SAL Lebanon
- Zurich through subsidiary Zurich Middle East Insurance SAL

## **Reinsurers conducting business in the MENA region out of regional offices in Beirut:**

- General-Cologne Re ( Berkshire Hathaway)
- C.C.R. France
- Arab Re SAL (Pan Arab owned company)

- With 55 National Companies, all privately owned, one Foreign Insurer and 5 Reinsurers, and hundreds of local brokers, Lebanon continues to be an open insurance market, truly and fully free.
- Bank Owned Insurance companies selling Bancassurance products achieving records growth in recent years
- Foreign Insurers and Brokers are allowed to operate by virtue of licenses granted by the Ministry of Economy and Trade which acts as the Insurance regulator in the country.
- Premium and Commission remitted to non resident Insurers and Brokers are subject to 2.25% income tax .
- Fronting with up to 100% cession is available at a negotiable fee.
- Reinsurance Tax to be retained by the ceding insurer for account of the Lebanese Treasury 2.25%

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- Income Tax to be retained by Insurers on commissions remitted to non-resident brokers is 7.5%
- Local insurance policy municipal tax 6% fiscal Stamps 5% for General Insurance and 3% for Marine plus fixed stamps duty of US\$ 1.33 each insurance contract.
- Local Life Policy is exempt from tax and stamps.
- International Brokers represented in Lebanon:
  - GRAS SAVOYE/WILLIS
  - MARSH & MC LENNAN
  - NASCO

## Commerce and Trade

Commerce is of major importance to the economy. The climate, scenery, and historical remains attract tourists, with consequent benefits to the economy. Imports are valued at about US\$. 22 Billion and exports at some US \$. 7 Billion.

REMITTANCES FROM LEBANSE WORKING ABROAD REACHED  
US\$ 9 Billion in 2015



## Return of Foreign Investments

Arab and Foreign Investors are showing particular attention in Beirut as a Business Center. Among those who settled in: Citicorp, J.P. Morgan Chase, Merrill Lynch, Booz Co., C.C.C., GENERAL ELECTRIC, ALSTOM, EDFBOOZ ALLEN HAMILTON and others

## Reconstruction

Lebanon has an Economy dominated by Banking and other commercial services.

Lebanon's reconstruction in the wake of the civil war 1975- 1999 attracted substantial Foreign Aids and Investments.

## GNP

The GNP of Lebanon reached 55 Billion in 2015.

Annual Growth in 2015 : 2%

## Beirut as a Business Center

Beirut is perfectly equipped to accommodate Foreign Enterprises.

Among other factors which make Beirut worth being taken as a base for Middle Eastern operations:

- Open society
- Moderate climate
- Multi lingual young men and women
- Abundance of Schools and Universities
- Entirely free banking
- Proximity to Europe and to Arab Capitals (3 hours flight to Bahrain and 4:30 hour flight to London).