



for **GROWTH**

a monthly series

'Insuring' the Future

*How Insurance is Powering
the New Middle East*

NOVEMBER | 2025



The Middle East insurance sector is evolving fast **shifting from regulation-driven basics to tech-powered, customer-first, and Shariah-compliant models.**

Powered by economic diversification, population growth, mandatory health and motor schemes, this sector is fast accelerating.

The market holds massive growth potential, but hurdles around awareness and profitability remain.



How does this region differ from the more mature markets...

Insurance penetration in the Middle East stands at ~1–3% of GDP in comparison to more mature markets which stand at 7–10% of GDP.

In more mature markets like Europe & USA, **consumer awareness drives demand** while **in the Middle East, growth is mostly regulation driven.**

In this region, majority of the insurance premiums are dominated by Health & Motor unlike **Western markets where life and property insurance dominate.**

Unique to Islamic markets, Takaful segment i.e. **Sharia-compliant insurance solutions are popular** in the region, which is less common globally.

With over 50% of the population under 30, **digital-first insurance models and lifestyle-based products** are far more relevant here.



Evolution of the Insurance Sector in our region...



Early Stage (Pre-2000s):

Insurance was largely underdeveloped, with limited penetration, driven mainly by mandatory lines (like motor and health). It was often perceived as a “necessary formality” rather than a financial planning tool.

Growth Phase (2000s–2015):

Economic diversification and expat population growth in the Gulf boosted demand for health, motor, and travel insurance.

Introduction of mandatory health insurance in countries like the UAE and Saudi Arabia significantly expanded the sector.

Local players dominated, but international insurers began entering the market.



Maturity & Transformation (2015–Present):

Digital transformation, InsurTech startups, and AI-driven platforms have disrupted traditional models.

Regulatory bodies like the Saudi Central Bank (SAMA) and the UAE Insurance Authority strengthened governance, solvency, and consumer protection standards.

Shift from basic mandatory products to life, savings, takaful (Islamic insurance), and specialty insurance.

Growth Drivers of Middle East Insurance

Digital transformation through AI, data analytics, and automation is driving **efficiency and hyper-personalized products**, even as it heightens cyber risk concerns.

At the same time, mega-projects, rising consumer awareness, and supportive regulation are creating fertile ground for unprecedented sector expansion.



Economic Diversification

Investment in real estate, infrastructure, tourism, and tech creates new insurable risks across property, engineering, and specialty lines.

Compulsory health and motor insurance in markets like Saudi Arabia and UAE boost penetration.

Mandatory Insurance Programs



Digital Transformation

AI, automation, and digital platforms enhance customer experience, personalization, and claims efficiency.

Young, growing populations increase demand for life, health, and general insurance.

Population Growth



Rising Risk Awareness

Individuals and businesses seek financial security, driving insurance adoption for families, property, and business continuity.

New offerings like Takaful, cyber, and parametric insurance meet evolving customer needs.

Innovative Products



Emerging Insurance Products

The Middle East and GCC insurance sector is evolving fast as rising customer expectations and new risks reshape demand. Innovative products are unlocking new growth avenues across digital, ethical, and embedded solutions.

Cyber Insurance – Protecting the Digital Economy



As digitization accelerates, cyber threats are rising forcing Cyber insurance to expand beyond traditional sectors and offer **end-to-end coverage from breach response to business interruption.**

Takaful continues to thrive, fueled by strong demand for Shariah-compliant, community-oriented financial protection. It's becoming **a key growth engine** in the region's **inclusive insurance landscape.**



Takaful Insurance – Ethical Growth, Faith-Driven Demand

Event-Triggered Insurance – Instant, Event-Based Protection



Driven by data, parametric insurance enables quick payouts triggered by measurable events such as storms or earthquakes. It delivers fast liquidity and **covers indirect losses often missed by traditional policies.**

Insurance is going seamless—embedded directly into travel bookings, e-commerce, and ride-hailing apps. By offering **real-time protection at the point of purchase**, it's driving greater access and higher penetration.



Embedded Insurance – Coverage Built Into Everyday Life

Here are the top consumer trends shaping Insurance Sector in the region:

Trend 1: AI Powered Insurance

Usage of big data, AI, and telematics for pricing, risk assessment, and fraud detection.



Trend 2: Health & Wellness Integration

Insurers bundling fitness, telemedicine, and wellness rewards into plans.



Trend 3: Cybersecurity Coverage

Rising demand from corporates due to regional digitalization and cyber risks.



Trend 4: Microinsurance & SME Coverage

Affordable products designed for gig economy workers and small businesses.



Trend 5: Sustainability & ESG

Climate risk insurance and green investments becoming part of insurance strategies.



Trend 6: Cross-Border Collaboration

Reinsurance hubs growing in UAE, Bahrain, and Qatar.



TREND 1

AI-POWERED INSURANCE

SMARTER, FASTER, MORE PREDICTIVE

InsurTech and AI are transforming how insurers assess risk, price policies, and manage claims.

From **using big data to personalize** health or motor insurance to deploying chatbots for customer service, the region is seeing a **rapid shift toward automation and intelligence.**



In the UAE, Takaful Emarat and Oman Insurance have integrated AI for faster health claims and policy underwriting.

Dubai's Smart Insurance initiative promotes digital-first policies and real-time fraud detection through AI analytics.

Saudi Arabia's Vision 2030 digital agenda is pushing insurers to invest in data-driven decision-making tools and telematics for motor insurance.

TREND 2

HEALTH & WELLNESS INTEGRATION

FROM COVERAGE TO CARE

Health insurance is evolving from **reactive coverage to proactive wellbeing management**. Insurers are embedding fitness apps, telemedicine, and wellness rewards into plans to encourage healthy lifestyles and reduce long-term medical costs.



Daman Health in Abu Dhabi integrates fitness tracking through its “Active” program, offering premium discounts for healthy behaviors.

AXA Gulf and **MetLife** have introduced wellness platforms and virtual consultations to promote preventive care.

Governments in **Qatar** and **Saudi Arabia** are mandating broader health coverage, driving insurers to add lifestyle-based incentives.

TREND 3

CYBERSECURITY COVERAGE

DEFENDING THE DIGITAL ECONOMY

As the Middle East accelerates its digital transformation, cyber threats have surged. Cyber insurance is moving beyond banks to cover critical sectors such as energy, logistics, aviation, and SMEs. **These policies now include breach response, regulatory fines, and business interruption losses.**



UAE-based insurers are offering customized cyber policies to protect businesses from ransomware and data breaches.

Saudi Arabia's National Cybersecurity Authority is promoting public-private collaboration to standardize cyber coverage frameworks.

Qatar is witnessing increased uptake of cyber insurance by oil & gas and fintech companies post-World Cup digitalization.

TREND 4

MICROINSURANCE & SME COVERAGE

INSURANCE FOR THE SMES & GIG ECONOMY

Microinsurance and SME coverage are gaining ground as **governments focus on entrepreneurship and inclusion.**

These affordable products help protect small businesses, gig workers, and low-income groups who were previously uninsured.



Bahrain's FinTech Bay incubates startups offering microinsurance via mobile platforms.

Egypt and Jordan are expanding microinsurance for farmers and informal workers, supported by World Bank-backed digital initiatives.

In the UAE, partnerships between digital banks and insurers are bringing pay-as-you-go protection for freelancers and delivery workers.

TREND 5

SUSTAINABILITY & ESG

INSURING THE CLIMATE TRANSITION

With climate risk rising, **sustainability is now integral to insurance strategy**. Insurers are **developing climate risk policies, promoting renewable energy coverage, and integrating ESG** (Environmental, Social, and Governance) **criteria into investment portfolios**.



Qatar Insurance Group (QIC) and AXA have launched green motor policies for electric vehicles.

Saudi Arabia is piloting parametric (event-triggered) insurance for flood and climate risk under Vision 2030 sustainability programs.

Dubai's COP28 initiatives have accelerated ESG-linked reinsurance and sustainable investment products.

TREND 6**CROSS BORDER COLLABORATION*****THE RISE OF REGIONAL POWERHOUSES***

The Middle East is emerging as a **global reinsurance hub**, with Dubai, Bahrain, and Qatar positioning themselves as strategic centers for cross-border risk management. Favorable regulation, growing capital reserves, and proximity to emerging markets make the region a **reinsurance gateway between Asia, Africa, and Europe**.



Dubai International Financial Centre (DIFC) hosts over 100 insurers and reinsurers, including Munich Re, Swiss Re, and Africa Re.

Bahrain's regulatory reforms have attracted regional reinsurers like Trust Re.

Qatar Financial Centre (QFC) is expanding its role in reinsurance for large infrastructure and energy projects.

Mind-the-Gap

Here is a snapshot of the generational mindsets to help better connect with them...



GEN ALPHA
(2012 onwards)



GEN Z
(1997 - 2012)



GEN Y
(1981 - 1996)



GEN X
(1965 - 1980)



BABY BOOMERS
(1946 - 1964)

Insurance Awareness & Penetration:

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| <ul style="list-style-type: none"> • Still early, but growing exposure via parents and digital ecosystems. | <ul style="list-style-type: none"> • Growing awareness driven by social media, influencer content, and peer reviews. | <ul style="list-style-type: none"> • High awareness, particularly in urban centers; preference for flexibility and value-added services. | <ul style="list-style-type: none"> • More educated and financially aware; demand for personal and family protection grew. | <ul style="list-style-type: none"> • Limited awareness outside major markets; life insurance and basic health insurance were dominant. |
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Products:

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| <ul style="list-style-type: none"> • Child-specific health and education insurance, digital wallets, gamified learning of insurance concepts. | <ul style="list-style-type: none"> • Micro-insurance, digital-only policies, parametric insurance (event-based triggers), and on-demand coverage. | <ul style="list-style-type: none"> • Health, travel, car, and digital lifestyle insurance; interest in investment-linked products. | <ul style="list-style-type: none"> • Introduction of retirement planning, medical insurance, and more diversified life insurance products. | <ul style="list-style-type: none"> • Focused on traditional life, health, and motor insurance. Group insurance was mainly employer-driven. |
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Distribution:

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| <ul style="list-style-type: none"> • Integrated in smart ecosystems—IoT, wearables, and AI-enabled personalized coverage. | <ul style="list-style-type: none"> • Mobile-first approach, AI chatbots, telematics for car insurance, gamified insurance apps. | <ul style="list-style-type: none"> • Emergence of online portals and mobile apps; comparison websites became influential. | <ul style="list-style-type: none"> • Agents still dominant, but telephone-based sales and some digital record-keeping began. | <ul style="list-style-type: none"> • Reliance on in-person agents and brokers; face-to-face consultations were standard. |
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Customer Behavior:

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| <ul style="list-style-type: none"> • Hyper-personalized expectations; high trust in tech-driven insurance; environmentally and socially conscious decisions. | <ul style="list-style-type: none"> • Expect instant, seamless digital experiences; social responsibility and sustainability in insurers influence choices. | <ul style="list-style-type: none"> • Digitally savvy; expect quick claims, transparency, and personalized experiences. | <ul style="list-style-type: none"> • Pragmatic buyers seeking security and long-term savings; started valuing policy transparency. | <ul style="list-style-type: none"> • Risk-averse, conservative with finances; preference for tangible policies and guaranteed returns. |
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Market Context:

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| <ul style="list-style-type: none"> • AI-driven underwriting, predictive analytics, & embedded insurance in non-traditional platforms like gaming or social media. | <ul style="list-style-type: none"> • Rapid adoption of digital platforms; regulators facilitating fintech and insurtech innovation; usage-based insurance (UBI) grows. | <ul style="list-style-type: none"> • Insurtech startups began entering markets like UAE, KSA, and Egypt, disrupting traditional models. | <ul style="list-style-type: none"> • Regulatory improvements, stronger consumer protection laws, and insurance companies expanding regionally. | <ul style="list-style-type: none"> • Emerging insurance markets in GCC countries; insurance mostly mandatory for expatriates in certain sectors. |
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Curate the right experience with 4SiGHT UXplore™

Explore Behavior. Discover Opportunity. Design What Matters.

4SiGHT's **signature UX research framework** for next-gen digital products.

4SiGHT UXplore™ is a deep-dive, end-to-end UX insight engine—built to decode user behavior, optimize journeys, and shape digital experiences that deliver.

It blends qualitative research depth with design precision across every phase of product development.



Our UXplore™ Journey



Understand Users

- Mental Models & Motivations
- Generative Feedback (NCPI Framework)
- Uncover Unmet Needs, Beliefs & Pain Points



Architect with Purpose

- Open/Closed Card Sorting
- Information Design & Journey Structuring
- Content Grouping Based on Real User Logic



Design That Resonates

- GUI & Aesthetic Evaluation
- Preference Testing (A/B, Multivariate)
- Wireframe Testing (Low to High Fidelity)



Benchmark & Refine

- Competitor Experience Benchmarking
- UX Gaps, Fixes & Final Recommendations



Test Before You Build Big

- Interactive Prototype Testing (Figma, Adobe XD, etc.)
- Moderated Usability Testing
- Real-Time Beta App Feedback (Live API Scenarios)

Why UXplore™?



Strategic UX from Start to Scale

Deep Behavioral Insight + Actionable Design Cues

Culturally-Tuned, Market-Specific Testing

Speaks Business, Design & Human



Don't Just Launch. UXplore.Ω

Your best ideas deserve insight-led execution.

OUR

4SiGHT Live Suite



PANEL UAE | KSA

Our pre-recruited ahead-of-the-curve panel for quick, cost-efficient research needs, offering a window into live data.



COMMUNITIES

Designed to build an agile system to conduct research while keeping the customer at the heart of the business.
Enables clients to make consumer relevant decisions by testing on the go.



CONSUMER CONNECTS

4SiGHT's solution to curate and build a customized calendar of immersive interviews for client teams to get the pulse of the consumer.

Available as ad-hoc & annual programs.

For more information, contact info@4sight-global.com

OUR

Research Tools

INSIGHT EXPRESS

Enables swift and efficient innovation testing, minimizing the risks linked to a comprehensive launch - allowing you explore, experiment, and fail cheap.

AASMA | CHATBOT

Facilitates interactive conversations with consumers, streamlining the process of filling consumption/usage diaries. Leading to improved efficiency and quality of data collection.

SPRINT+

Provides an innovative boost to your iterative process by making it more AGILE through co-creation workshops, giving wings to potential ideas/improvements

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OUR

Calendar 2025

JANUARY

[FUTURE OF
EDUCATION](#)

FEBRUARY

[THE FUTURE OF
FINANCIAL
LITERACY](#)

MARCH

[PULSE OF THE
HEALTH CARE
SECTOR](#)

APRIL

[THE MAGIC OF
MUSIC](#)

MAY

[THE MAGIC OF
MOVIES](#)

JUNE

[THE MAGIC OF
TELEVISION](#)

JULY

[MOBILE APPS
RE-WRITE THE
DIGITAL PLAYBOOK](#)

AUGUST

[THE RISE OF
WOMEN POWER IN
THE MIDDLE EAST](#)

SEPTEMBER

[YOUTH: OUR
REGION'S CHANGE
AGENTS](#)

OCTOBER

THE MIDDLE EAST
'LOYALTY'
REVOLUTION

NOVEMBER

'INSURING' THE
FUTURE

DECEMBER

COMING SOON....

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