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## Spotlight on insurance in Lebanon

### Survey explores coverage and market perceptions of life insurance

#### Overview of the insurance market

In the year 2000, total insurance premiums in Lebanon amounted to \$393 million, with 15 companies absorbing 76% of revenues. In a sector made up of 62 operating firms, it is generally agreed that the insurance market is over-saturated and ineffective in its marketing approach.

The non-life business comprised 80% of premiums that year, totalling \$311 million, while the life sector generated \$81.7 million, or 20%. Insurance premiums in 2000 registered a growth rate of just 1% (compared to an average of 10%–15% between the years 1990 to 1998), while in 2001 growth was recorded at 2–3%.

Due to the lack of transparency, market penetration is hard to measure, but per capita spending on insurance products in Lebanon is estimated to be much lower than in industrialized countries.

#### Focus and methodology of the survey

The insurance market survey, conducted in April 2003, was based on a population proportionate sample (PPS) of 400 respondents, derived from the number of voters across different areas of Greater Beirut. In each area, respondents were randomly selected according to age and gender specifications.

The survey was designed to provide information on four geographic areas of Greater Beirut (Beirut, Baabda, Aley and Metn) and these areas were developed to capture patterns of insurance coverage.

The different categories explored in the survey were:

- n Life insurance
- n Health insurance
- n Motor insurance
- n Travel insurance
- n Property (fire, theft, natural disaster)

The results of the survey include estimates of the uninsured population, as well as the ability to assess under-insurance and identify common obstacles to obtaining adequate coverage.

Collection of this information is intended to benefit insurance companies, legislators and local authorities, as individuals without insurance coverage represent a legitimate civic concern. This is in view of the fact that a lack of coverage has implications for individuals, families and communities as a whole. Those without health insurance, for example, face catastrophic costs that can have a significant effect on the economic viability of a family.

On a scale of 1 to 3, respondents were asked to rate the level of importance of the different categories of insurance, as shown in **Graph 1** on the following page. Roughly 97% of respondents ranked health insurance as 'very important', followed by motor insurance (85.8%), life insurance (74.8%), property insurance (35.8%) and finally travel insurance (29.5%).

In this issue, li will focus on the results of the life insurance segment of the survey.

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Life insurance coverage  
An estimated 82% of Greater Beirut res-