

# INSURANCE IN LEBANON

## Facts And Figures



Report by J. ZAKHOUR

# FACTS & FIGURES

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<b>Capital</b>	Beirut
<b>Population</b>	About 4 million
<b>Life Expectancy</b>	72 years for men 80 years for women
<b>Area</b>	10,452 sq km (4,015 sq mi)
<b>Largest Cities</b>	Beirut 1,000,000 Tripoli 300,000 Sidon 100,000
<b>Languages</b>	Arabic ~ French ~ English
<b>Currency</b>	Lebanese Pound (LBP 1,500 to US\$. 1)

- Lebanon is not an industrial country and is not likely to become one at any time in the future.
- Services have and will always be the backbone of the economy of this country.
- Premium originating from service-related risks is relatively small. Such risks may be expensive to handle, yet they are generally profitable.
- Imports would generally consist of consumer goods.
- Motor Compulsory Insurance Law of 1977 was put in force only in mid 2003.
- Workmen's Compensation insurance is compulsory.

## **Multinational Insurers Operating In Lebanon**

- Metlife Alico (USA)
- AXA through AXA Middle East SAL
- Allianz/AGF through SNA SAL
- Société Générale (France) through Sogecap Liban SAL
- Crédit Agricole through Bancassurance SAL
- Banque Populaire (France) through ADIR SAL
- AIG through Chartis Lebanon SAL

## **Reinsurers conducting Mideast business out of regional offices in Beirut:**

- General-Cologne Re
- C.C.R. France
- Arab Re
- Best Re

- 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.
- Foreign Insurers and Brokers are allowed to operate by virtue of licenses granted by the Ministry of Economy and Trade.
- Premium and Commission remitted to non resident Insurers and Brokers are subject to income tax totaling less than 2 percent.
- 100% Fronting available at a negotiable fee, and 12.5% Policy Tax and Stamps.
- International Brokers represented in Lebanon thru partnership companies:
  - Gras Savoy
  - Marsh
  - U.I.B. – UK
  - Nasco Karaoglan – France

## 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\$. 18 billion and exports at some US\$. 8 billion. Lebanon's chief trading partners are other Arab and Middle Eastern nations, the E.U. and the United States.

## 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., etc,...

## Reconstruction

Lebanon has an Economy dominated by Banking and other commercial services. Steady recovery has taken place since the restoration of peace in 1990. Peace has enabled the government to collect taxes and regain control of the whole Country. Economic recovery has been helped by a financially sound Banking System. Lebanon's reconstruction has involved substantial Foreign Aid and Investment. Among other projects which were brought about: Beirut International Airport, enlargement of Beirut Port, rehabilitation of Beirut Central District, new highways, tunnels and overpasses.

## GNP

The GNP of Lebanon is US\$. 40 billion.

## 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 hours flight to London).