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**Analytical study, for life insurance policies  
in Egyptian market, according to the modern  
economical variables**

**summary**

**A thesis submitted for  
The award of master degree  
In insurance**

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### **Research Problem :**

( There are a lot of modern economic variables that have an effect on the life insurance market generally, and the Egyptian life insurance market, especially this makes the Egyptian market unable to adapt these variables so there should be new polices deal with the market advantages and treat its negatives ) .

#### **- The Research importance :**

1- There are a lot of modern economic variables that affect on the insurance in general and the life insurance in especial.

2- The effect of economic variables on the Egyptian life insurance market leads to entering the foreign firms into the Egyptian market with an enormous financial a abilities, well – advanced technology and superior human and technical units.

3- Needing to limit the local companies position in front of the foreign companies ( From the existing policies, loading rates, relapse rates, reserves and investments ) under the au spices of the modern economic changes.

4- Needing to new insurance products and developing and modern marketing ways in the local companies to compete the foreign firms .

#### **- The Research aim :**

This research aims at :

1- Studying and analyzing the modern economic variables and its effects on the Egyptian life insurance market through in the light of :

A – Studying and analyzing the non – group life insurance market according to :

- The polices types, its conditions, its advantages and prices .
- Premium, sum insure and policies numbers for each sector individually ( public – private – Foreign ) .
- The loading rates of life insurance premium for each sector.
- Lapse, relapse and death rates for each sector .
- investments and reserves of life insurance for each sector.

B – Studying and analyzing the existing polices in the Arabic and foreign markets and limiting its adaptation for customers needs in the Egyptian market,

C – Life insurance policies in the Egyptian market and its adaptation for customer needs under the shadow of the modern economic variables, the need of developing and modernizing those policies and also developing and modernizing the selling and marketing ways for the local companies.

**- The Research Hypotheses :**

According to the aim and importance of the research, we can put the following hypotheses :

- **The First One** : There are significant differences of a statistic mark among the foreign, private and public sectors from where the means of numbers of policies, premiums and sum insured (new and existing policies).

- **The Second One** : There are significant differences of a statistic mark among the foreign, private and public sectors from where means of productive, management, and total cost rates.

- **The Third One** : There are significant differences of a statistic mark among the foreign, private and public sectors from where means of death, relapse and lapse rates.

**- The Research Limits :**

- The research includes the non-group life insurance market only.

- The period of study is ten years from 1996/1997 to 2005 / 2006 .

**- The Research Plan :**

**The 1<sup>st</sup> Chapter** : The modern economic variables and its effect on the Egyptian life insurance market which includes :

**The 1<sup>st</sup> Theme** : GATTS

**The 2<sup>nd</sup> Theme** : Globalization

**The 3<sup>rd</sup> Theme** : the global economic masses

**The 4<sup>th</sup> Theme** : The enormous development in the communication and information technology.

**The 5<sup>th</sup> Theme** : bank assurance

**The 2<sup>nd</sup> Chapter** : An analyzing study for the life insurance policies in the Egyptian market which includes :

**The 1<sup>st</sup> Theme** : Life insurance policies in the Egyptian market.

**The 2<sup>nd</sup> Theme** : Loading rates of life insurance premium.

**The 3<sup>rd</sup> Theme** : Relapse rates, reserves, and investments of the Egyptian life insurance market.

**The 4<sup>th</sup> Theme** : Statistic analysis of the Egyptian life insurance market.

**The 5<sup>th</sup> Theme** : bank assurance

**The 3<sup>rd</sup> Chapter** : analyzing the non-group life insurance policies in the foreign and Arabic markets which includes :

**The 1<sup>st</sup> Theme** : The existing policies in the foreign markets.

**The 2<sup>nd</sup> Theme** : The existing policies in the Arabic markets.

**The 3<sup>rd</sup> Theme** : How the existing policies in the foreign and Arabic markets adapt the Egyptian market

**The 4<sup>th</sup> Theme** : The Egyptian life insurance market and dealing with the modern economic variables which includes :

**The 1<sup>st</sup> Theme** : How the existing policies adopt the Egyptian market according to the modern economic variables.

**The 2<sup>nd</sup> Theme** : means of marketing life insurance in the Egyptian market.

**The 3<sup>rd</sup> Theme** : Strategies of insurance marketing according to the modern economic variables.

## **Results and Recommendations**

### **1- The Results :**

The most important results of this research are :

1- The percentage of life insurance participation in the total local product in 2006 reached 34%. This percentage is very low in comparison to some other countries. It reached 4% in U.S.A., 13.1% in England, 13% in south Africa and 0.8% in Magrib.

2- Sum insurance of the new policies increased from 11.9 billion pound in 1996 to 30.14 billion pounds in 2005 at growth rate reached 253.6% and annual growth average reached 10.04% during study period.

3- The direct existing premiums developed from 384 million pound in 1996 to 1.7g billion pound in 2005 at a growth rate reached 465% and annual growth average reached 19%. Also the claims increased from 274 million pound in 1996 to 1183 million pound in 2005 at a growth rate reached 432%.

4- The market share of public sector decreased from 94.2% in 1999 to 52% in 2005, but in the private sector. From 16.7% in 1999 to 6.5% in 2005. However it increased in the foreign private sector from, 890 in 1997 to 47.5% in 2005.

5- The general average of market reached 42.58% for the product cost rate and 12.5% for the management cost rate and 28.4% for the total cost rate during the study period.

### **- The Recommendations :**

By Studying the non-group life insurance a market in the Egyptian market from (1996-2005) according to the modern economic variables and according to the results of the study, the research worker can present the following recommendations :

1- Revising the conditions and models of the existing policies and presenting the necessary recommendations to develop it in the light of the practical problems and market needs.

2- Developing the suitable insurance policies and modernizing new policies to full fill the market needs.

3- Limiting the expenses rates and commissions in the light of right technical foundations of underwriting .

4- Improving the insurance market in front of customers through exerting necessary efforts in the field of insurance awareness using all possible means and ways in this field according to an integrated and well-study plan.

5- Developing all types of insurance, not only one type. The development should be essential and not just a form under different names.