

*The performance of a foreign insurer in the insurance market; under the economic importance of insurance
_The case of Malaysia, UAE and Algeria _*

*أداء المؤمن الأجنبي في سوق التأمينات في ظل الأهمية الاقتصادية للتأمين
_ حالة بعض الدول _*

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Abstract: This article aims to identify the position of the foreign insurer in an insurance market. By study of Malaysia, the UAE and Algeria, we concluded that the performance of foreign insurers was good, as the market shares of the foreign insurer in a life insurance branch exceeded 60%, while in the general insurance branch was approximately 59% for Malaysia and 25% for the UAE. In Algeria, we find a monopoly of the takaful insurance activity by one foreign company, while the foreign insurer represented 36% of the life insurance activity.

Keyword: Insurance and economy; foreign insurance companies; Malaysia; United Arab Emirates; Algeria.

JEL classification code : G22

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1. Introduction :

Insurance is one of the economic sectors that most countries have become very interested in, as being one of the most important channels for mobilizing savings that are directed to different investment aspects, in addition to its various positive social effects and its important role in the financial sector as a mediator and factor of financial stability, which makes it a significant contributor in driving economic growth.

Countries deal with foreign investment according to different views and policies. Some countries open a wide space, other countries have rather cautious behavior in order to preserve the local industry and for fear that a foreign investor would harm the local competitor. We note that these cautious attitudes are more present in underdeveloped and developing countries usually due to the weakness or inefficiency of local industries. Based on the importance of technology and globalization for the exchange of experiences, skills and techniques between countries worldwide, foreign investment has become an urgent necessity in various sectors of the economy. Thus, governments are directing foreign investment to and from certain sectors according to their own policies already made in response to the needs of the economy.

Insurance sector is a component of the services sector, its importance is increasing gradually and many developments have been witnessed. It has even become part of the development plans of the countries and an important element in the financial industry, both Islamic and traditional ones. This increasing importance and growth led to the need for developing this sector, by either promoting it, in countries having weak or emerging insurance sector, or by refining and expanding its role, for the countries where insurance sector is strong and has important role in the economy. Among the policies pursued by these countries is bringing the foreign insurer to invest in this sector.

Through this paper, we will evaluate the performance of a foreign insurer in the local insurance market by studying the case of three countries: Malaysia, United Arab Emirates and Algeria, in light of the economic importance of insurance. To this end, we raise the following research problem:

What is the performance of foreign insurers in the insurance market, at different levels of their progress, taking into account the economic importance of insurance?

As an initial answer to this question, we take the following hypothesis:

_ We consider that the foreign insurer in any insurance market, whatever its degree of progress has a limited position compared to the local insurer.

The selection of Malaysia, UAE and Algeria in the study is due to:

_The development that both Malaysia and UAE known in a foreign investment field. From that, knowing the reflection of this on the insurance sector;

_ As for Algeria, is for the purpose of knowing if the entry of the foreign insurer is succeeded in improving the insurance market, at time when the Algerian economy is still mainly dependent on hydrocarbons.

2. Economic importance of insurance

The importance of insurance in economic development has been recognized since the 1964 UNCTAD declaration: "... a sound national insurance and reinsurance market is an essential characteristic of economic growth." (François Xavier Albourg, 2001)

Insurance activity may contribute to economic growth by improving the financial system functions, both as a provider of risk transfer and indemnification and as an institutional investor, in the following ways: (1) promoting financial stability, (2) facilitating trade and commerce (the most ancient insurance activity), (3) mobilizing domestic savings, (4) allowing different risks to be managed more efficiently by encouraging the accumulation of new capital, (5) fostering a more efficient allocation of domestic capital,

and (6) helping to reduce or mitigate losses). In addition, there are likely to be different effects on economic growth from life and nonlife insurance (property-liability) given that these two types of insurance protect households and corporations from different kinds of risks that affect economic activity in diverse ways. Moreover, life insurance companies facilitate long-term investments rather than short-term investments as is the case for nonlife insurance companies. (Macro, 2008)

There are two indicators to measure the importance of the insurance sector at the level of the national economy: insurance penetration and insurance density.

The penetration rate measures the contribution of insurance in the national economy, specifically in GDP. Which is the ratio of the total production of the insurance sector in the period T to the gross domestic product achieved for the same period T. According to the following relationship:

Insurance penetration rate = (total insurance premiums / gross domestic product)*100 (KPMG, Guide des assurances en Algerie, 2015)

While the insurance density measures the prevalence of insurance among the population of the country and the percentage of their interest in purchasing insurance policies. This reflects the extent of awareness or insurance culture among the members of the society. Which is the ratio of the total premiums (production insurance sector) to the population, according to the following relationship:

Insurance density= (total insurance premium/total population)
(KPMG, Guide des assurances en Algerie, 2015)

3. The structure of the insurance sector in the countries of study:

Three countries were selected as study samples, different in terms of degree of economic progress, level of progress of the insurance sector, in addition to the regulatory and legislative framework governing the foreign insurer. Countries are: Malaysia, UAE and Algeria

3.1. Structure of insurance sector in Malaysia: (Bank Negara Malaysia (BNM), 2017)

_Supervisory Board: Malaysian Central Bank (BNM)

_Traditional and Takaful Insurance Brokers + Financial Advisors: 57

_Auditors: 45

_Total insurance operators : 44

_Foreign insurance companies: 28 of which are: 5 Takaful companies, 10 general insurance companies, 10 life insurance companies, 3 companies practicing both general insurance and life insurance.

_Local insurance companies: 16 of which are: 6 Takaful companies, 9 are practicing general insurance, one of them practices life insurance.

3.2. Structure of the insurance sector in the United Arab

Emirates: (Insurance authority (UAE), 2017)

ANNUAL REPORT of the activity of insurance sector in the United Arab Emirates, Insurance Authority, 2017, p: 19.; Annual Report, Tunisian Insurance Market in 2017

Supervisory Board: Insurance Authority + Emirates Insurance Association

_Insurance Brokers: 160

_Insurance Agents: 18

_Insurance consultants: 23

_Surveyors & Loss Adjustors: 45

_Actuaries: 57

_Health Insurance: 26

_Total insurance companies : 62

_Foreign insurance companies: 27

_National insurance companies: 35. It should be noted that all Takaful insurance companies are national companies and its number is (12) companies.

3.3. Structure of the insurance sector in Algeria: (direction des assurances, 2017)

_Supervisory and control board: Insurance Directorate, National Insurance Council, Insurance Supervisory Committee, Risk Centralization, Insurance Guarantee Fund, Car Guarantee Fund. The Ministry of Finance is the guardian and grantor for accreditation.

_Insurance intermediaries: General Agents (1330) and Brokers (37).

_ One reinsurer CCR (local) and reinsurance brokers

_Insurance and reinsurance institutions: 24.

_Foreign insurance companies: 6 of which are specialized in general insurance (AXA Algeria for Damages, TRUST, GAM Mediterranean, SALAMA (which is the only Takaful insurance company in the market), two companies specializing in life insurance (AXA Algeria Life Insurance, CARDIF EL DJAIZAIR).

_Local insurance companies: 17 of which are public insurance companies (CAAR, SAA, CAAT, CIAR, 2A, Alliance, CASH), life insurance companies (CAARAMA, TALA, MACIRVIE, AMANA, AGLIC), Cooperatives (CNMA, MAATEC, Mutualiste), Specialized companies (CAGEX, SGCI).

4. The regulatory framework for foreign insurance companies in the study countries

4.1. Malaysia:

Malaysia is one of the most successful developing countries in using incentives to direct foreign investment towards certain industries and sectors. The Malaysian government is pursuing a policy of constantly modifying the structures and nature of incentives provided in the light of national development needs. Initially, the encouragement was general in order to attract foreign investment and multinational companies, after which emphasis was placed on industries and sectors where incentives were greater for their development. All of this is well planned, and with effective control and sophisticated leadership (درج، 2015).

In the same context, and about the insurance sector, in 2009; the Malaysian government issued a law, allowing foreigners to own up to 70% of the capital of insurance companies, with the possibility of full ownership of the insurance company by an overseas company. However, according to the latest statement issued by Bank of Malaysia (BNM). In late 2017, foreign ownership of 70% of the capital of the insurance company, licensed in 2009, should be reviewed in order to promote domestic participation in the insurance industry. Three options were proposed for foreign companies to waive a percentage of their shares: either, 30% of their shares were offered to the public; or partnership with local banks through the purchase of shares of foreign insurance companies by local banks, in the form of bank insurance; and the third option is the abandonment of shares fully to the domestic investor. The Central Bank of Malaysia (BNM) said the process would take some time.

4.2. United Arab Emirates:

The strength of the UAE's insurance market, and the strength of its Regulatory Laws and, most importantly, the interest given to all its aspects (workers, customers, distribution network, distribution

methods, products, etc.) have made UAE's insurance market attractive to foreigners. Here are the most important points: (UAE's Insurance Authority, 2018, p. 11 12 14 16)

- Insurance Awareness and Awareness campaigns.

- International Relations: The United Arab Emirates is an active member of many Arab, regional and international organizations that regulate insurance operations in the region and the world.

- Training and qualifying human resources in the insurance sector: Training in the Insurance Authority is one of the most important means of developing human capital, on which it relies to raise the level of functional competence of staff.

- Smart Services: The Insurance Authority application, available via smart phone, has contributed to the delivery of services and the use of multiple channels of communication with customers including policyholders, the public, companies and related professions.

- Cabinet Resolution No. (16) of 2017 On the amendment of some provisions of the Cabinet Resolution No. (42) of 2009 Concerning Insurance Company Minimum Capital Regulations. Increases the proportion of foreign ownership in insurance companies to 49%. Previously, the percentage was 25% and it was increased in order to stimulate foreign capital investment in the insurance sector. (UAE's Insurance Authority, 2018, p. 7)

4.3. Algeria:

First, we will present the legal framework for the presence of a foreign investor in Algeria, than establishment and approval of branches of foreign insurance companies.

a-The legal framework for the presence of a foreign investor in Algeria:

The foreign investor can be located in Algeria according to one of the following forms:

- Partnership: The Finance Act of 2016 sets out rules for the regulation of foreign investment. To a large extent, these rules consider partnership as the only way of foreign investment. In accordance with Article 66 of this Law: "The activities of the production of goods, services and imports by foreigners shall be subject to the law of a company, its capital is not less than 51% of the resident shareholders." The partnership applies to all business sectors, including banking and insurance activities. (KPMG, Guide investir en Algerie, 2017, p. 44)

-The liaison office: The legal and tax system of the Liaison Offices is governed by the Law of 9 November 2015, which defines the terms and conditions for the opening and operation of non-commercial representation offices. According to Articles 4 and 9 of the Act of 9 November 2015, the Liaison Offices do not engage in any profitable activity and have no local income. The parent company shall bear its operational expenses, including workers' wages, social and related expenses, and any other expenses. (KPMG, Guide investir en Algerie, 2017, p. 76_77)

- Permanent establishment: An entity which has a presence in Algeria by foreign companies at the time of execution of a particular contract. It has no legal existence, yet it is recognized as an entity existing in Algeria by the authorities, and as such it acquires rights (the right to open a bank account, the right to employ manpower) and has obligations (pay taxes). (KPMG, Guide investir en Algerie, 2017, p. 79)

- Branch: The establishment of a branch is considered as foreign investment. This institution is subject to Article 66 of the Finance Act 2016 and Law 16-09 on the promotion of investment, but the absence of a separate legal entity does not allow the establishment of a partnership, it is difficult to think of opening branches by foreign companies. Under current legislation, any business under Algerian law has the possibility of opening a branch. Any such facility in Algeria is required to register in the Commercial Register, allowing it to conduct business in Algeria. (KPMG, Guide investir en Algerie, 2017, p. 79)

A foreign insurance company can operate in Algeria through the establishment of a subsidiary. The branch is a commercial institution belonging to the original institution called the mother, which can open several branches that belong to it. The branch enjoys relative independence, but is legally subordinate to the parent company. Can be preceded by the establishment of a branch, open the representative office of the insurance company. The establishment of a branch of a foreign insurance company in Algeria shall be subject to the authority of the Ministry of Finance, subject to the principle of reciprocity.

b- Establishment and approval of branches of foreign insurance companies in Algeria:

According to the decision of February 20, 2008, it defines the modalities of opening branches of foreign insurance companies. The opening of branches of foreign insurance companies in Algeria shall be

subject to the prior authorization granted by a decision of the Minister in charge of finance. The Chairman of the Board of Directors of the concerned foreign insurance company shall send to the Minister of Finance the request to open a branch of a foreign company in Algeria. (Arreté, 2008)

The license is granted to the company on the basis of a specific file. The license established under Article 204 shall be delivered by a decision of the Minister in charge of finance after the opinion of the National Insurance Council. The license shall include the insurance and / or reinsurance process that the company is authorized to exercise. The minimum social capital required for the establishment of the company shall be determined according to the type and number of insurance branches for which the license has been requested. Such funds shall be determined in accordance with the Executive Decree of 16 November 2009.

5. The regulatory framework for foreign insurance companies in the study countries

First, we will highlight the insurance markets of the countries under study in the world, and then highlight the performance of foreign insurance companies within the market in which it is active. For each country of study.

5.1. The position of selected insurance markets in the world

Table 1: Insurance penetration rate and insurance density in 2017

Countries	Insurance density (in USD)		Insurance pénétration (% of GDP)	
	Life insurance	General insurance	Life insurance	General insurance
Malaysia	Total : 486		Total : 4,77	
	339	147	3,32	1,44
EAE	Total : 1436		Total : 3,65	
	333	1103	0,85	2,81
Algeria	Total : 29		Total : 0,72	
	3	27	0,07	0,65

USD: United States Dollar

Source: Prepared by the researcher based on: World insurance report, Swiss Re Institute (Sigma) No 3/2018, World insurance in 2017: solid, but mature life markets weigh on growth, No3/2018,2018

,p:45_46_47(https://www.swissre.com/dam/jcr...d746.../sigma3_2018_en.pdf)

The table shows the variation in insurance penetration rate among the countries of study. Where Malaysia achieved a penetration rate of 4.77%, of which the largest percentage of life insurance (3.32% compared to 1.44% for general insurance), unlike other countries where the penetration rate of life insurance is lower than the general insurance (in the UAE: 0, 85%, Algeria: 0.07), compared to the general insurance penetration (2.81%, 0.65%), respectively.

This was followed by a difference in insurance density. Malaysia's insurance density was estimated at US \$ 486 per capita, the largest share of life insurance (339 US \$). The UAE had an insurance density of 1436 \$ per capita, while the insurance density in Algeria was 71\$ and 29\$ per capita.

5.2. The position of foreign insurance companies in selected insurance markets

A-Malaysia

Table 3: The position of foreign insurance companies in Malaysian's insurance market for 2017

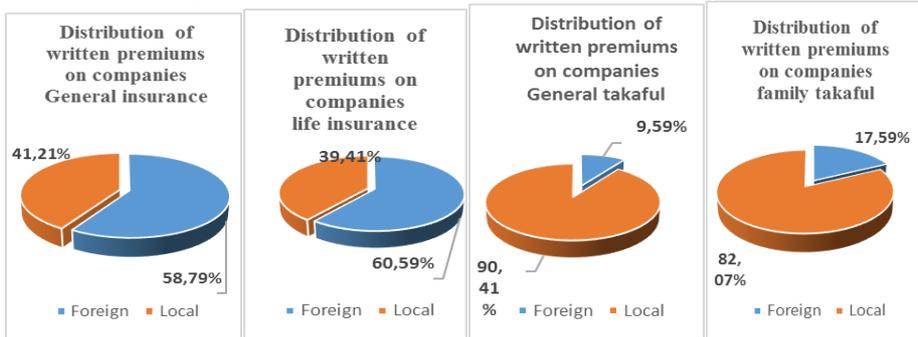
Insurance activities	Nationality of the Company	Written premiums	%	Technical provisions	%
General insurance	F	7.777.655.623	58,79	17.723.037.564	56,82
	L	5.450.801.064	41,21	13.465.673.243	43,17
Life insurance	F	19.758.203.329	60,59	142.944.413.053	63,93
	L	12.849.635.198	39,41	80.623.625.006	36,06
General takaful family takaful	F	182.823.410	9,59	363.638.492	7,29
	L	1.723.037.432	90,41	4.623.272.195	92,70
family takaful	F	1.129.374.719	17,59	2.542.147.219	8,34
	L	5.168.101.174	82,07	27.936.461.204	91,65

Source: Prepared by the researcher based on: Statistical Yearbook, Insurance and Takaful Financial year, ISM Insurance Services Malaysia Berhad, 2017, .p: 28, 29, 70, 71, 87, 128

F : Foreign

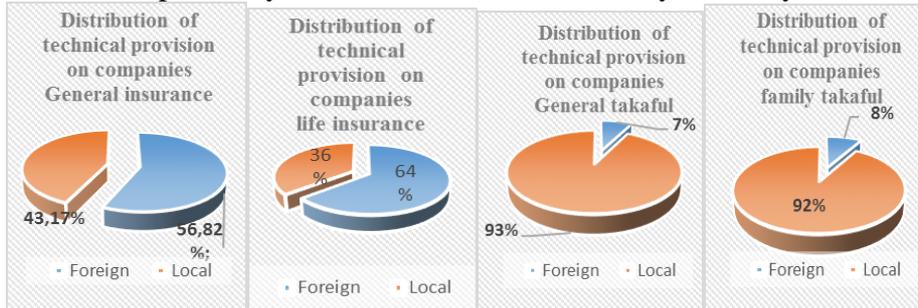
L : Local

Fig.1. Distribution of written premiums on insurance companies by branches of insurance activity in Malaysia



Source: Based on Table No: 3.

Fig.2. Distribution of technical provision on insurance companies by branches of insurance activity in Malaysia



Source: Based on Table No:3.

Through relative circuits, which show the distribution of written premiums between the foreign and local insurance companies according to different insurance branches in Malaysia, it appears that the foreign insurance companies represented in blue, have a significant share in the general insurance branch estimated at 58.79%, compared to 41.21% % for local companies. While the share of foreign insurers in life insurance activity, higher than this: (60.59%) compared to only 39.41% for local companies. On the other hand, the share of foreign companies decreased in the general and family takaful branches, respectively (9.59 and 17.59%)

As a result, technical provisions in which foreign insurers represented the following ratios were 56.82, 64. 7 and 8% for each of the insurance branches: General, Life, General Takaful and Family Takaful, respectively.

Table 4: 3 Top insurance companies in market share by type of insurance activity in Malaysia for 2017

General insurance companies	%	Life insurance companies	%
Alianz (F)	13,6%	AIA (F)	24,3%
Am General (L)	11,2%	Graet Estern (F)	22,9%
MSIG (F)	9,5%	Prudential (F)	19,8%

Source: DBS Group Research, Malaysia Industry Focus_ Malaysian Insurance Sector, 7 Sep 2017

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F: Foreign

L: Local

The above table confirms the importance of the market share held by foreign insurers in life insurance through AIA, Graet Estern and Prudential with a market share of 24.3%, 22.9% and 19.8%, respectively. While foreign insurance companies accounted for the first and third largest market share in general insurance, through Alianz by 13.6% and MSIG with a share of 9.5%. The second largest market share in general insurance was for a local company, Am General, with 11.2%.

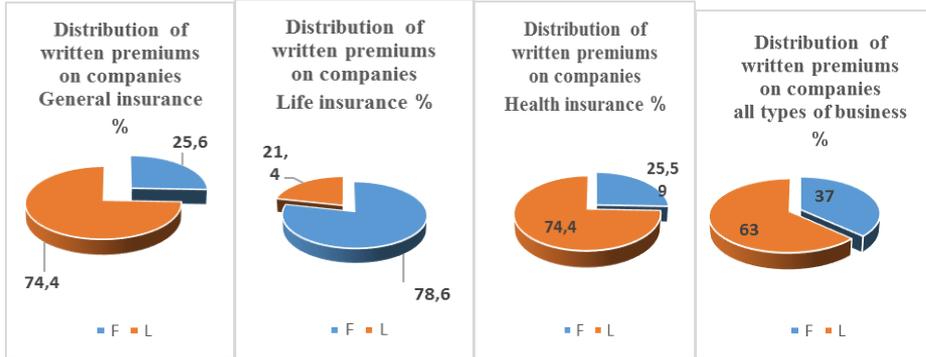
B- UAE

Table: The position of foreign insurance companies in UAE's insurance market for 2017

Insurance activities	Nationality of the Company	Net premium (AED's in 000)	%	Technical provisions	%
General insurance	F	4.034.879	25,6	5.522.619	23,61
	L	11.641.347	74,4	17.860.276	75,38
Life insurance	F	7.682.899	78,6	24.577.867	83,04
	L	2.072.615	21,4	5.019.322	16,95
Health insurance	F	4.963.884	25,59	2.544.228	26,52
	L	14.429.603	74,40	7.047.434	73,47
All types of business	F	16.681.663	37	32.654.715	52,17
	L	28.143.565	63	29.927.041	47,82

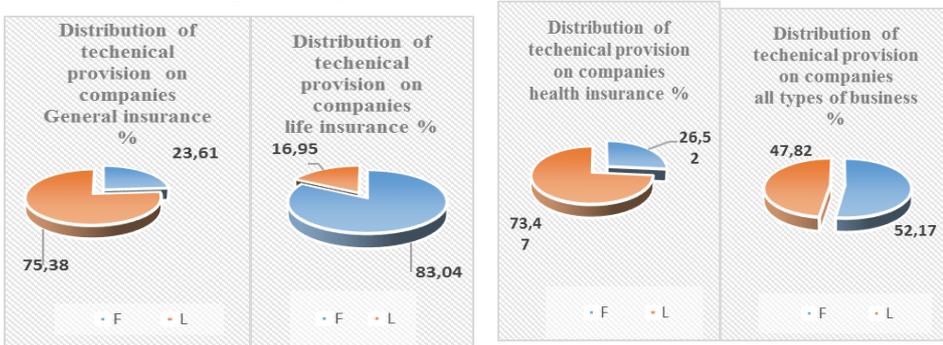
Source: Prepared by the researcher based on: ANNUAL REPORT of the activity of insurance sector in the United Arab Emirates, Insurance Authority, 2017, p: 43-51.

Fig.3: Distribution of written premiums on insurance companies by branches of insurance activity in UAE



Source: Based on Table No:5.

Fig.4: Distribution of technical provision on insurance companies by branches of insurance activity in UAE



Source: Based on Table No:5.

Through relative circuits. It appears that the largest branch in which foreign insurance companies hold a significant share is the life insurance branch, estimated at 78.6%. The share of foreign companies in general insurance and health insurance was 25.6% and 25.59%, respectively. Their share of the total market is 37% compared to 63% for local insurance companies.

On the other hand, the technical provisions of foreign insurance companies were very high in the life insurance branch (83%), while their share in both public and health insurance was 23.61% and 26.5%. Thus, the share of foreign and local companies in the total technical provisions of the sector was fairly equal (52.17% and 47.82%), respectively.

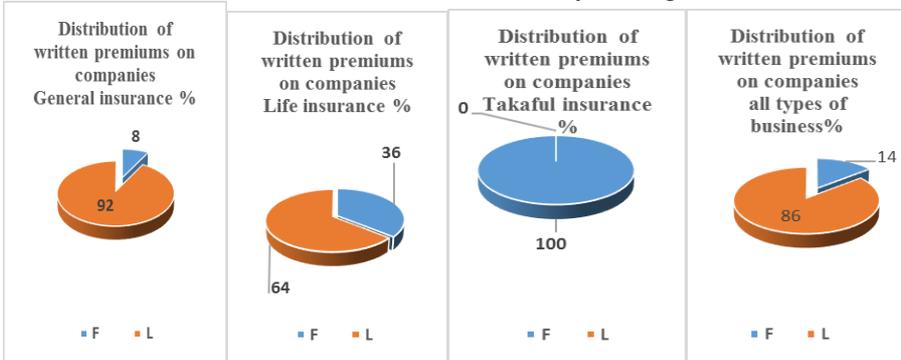
C. Algeria

Table 6: The position of foreign insurance companies in Algerian’s insurance market for 2017

Insurance activities	Nationality of the Company	Net premium (Million DA)	%	Technical provisions (Million DA)	%
General insurance	F	9.276	08	8.498	6,56
	L	106.188	92	120.964	93,43
Life insurance	F	4.910	36	2584	16,95
	L	8.524	64	12.658	83,04
Takaful insurance	F	4.787	100	5051	100
	L	–	00	0	0
All types of business	F	18.973	14.19	16.133	10,77
	L	114.712	85.80	133.622	89,22

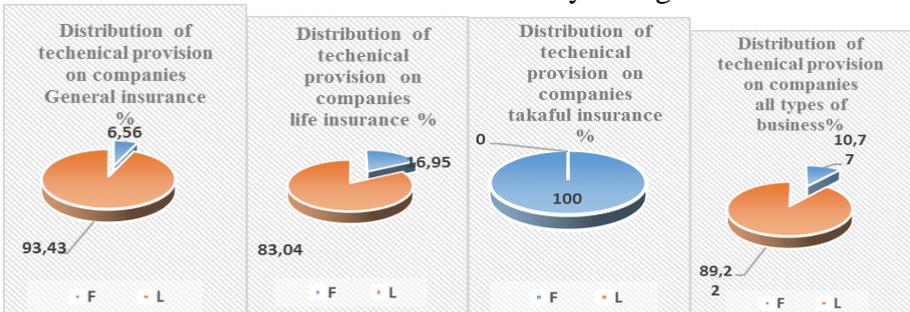
Source: Prepared by the researcher based on: Rapport d’Activité des Assurances en Algérie, Direction des Assurances, Direction Générale de trésor, Ministère des finances, 2017, p : 9.

Fig.5: Distribution of written premiums on insurance companies by branches of insurance activity in Algeria



Source: Based on Table No:

Fig.6. Distribution of technical provision on insurance companies by branches of insurance activity in Algeria



Source: Based on Table No:6.

Through relative circuits. Note that the share of foreign insurance companies in the Takaful insurance branch is 100%, due to the existence of a single Takaful company in the national market, which is foreign (Salama Company). In the life insurance branch, the share of foreign companies was 36%, and its share in the general insurance branch was only 8%. The share of foreign companies in the sector as a whole is 14%, compared with 86% for national companies.

Table 7: 3 Top insurance companies in market share by type of insurance activity in Algeria for 2017

General insurance companies	%	Life insurance companies	%	Takaful insurance	%
SAA (L)	22	AXA (F)	18		
CAAT (L)	19	CARDIF(F)	18	Salama	100
CAAR (L)	13	CAARAMA(L)	16		

Source: Prepared by the researcher based on: Rapport d'Activité des Assurances en Algérie, Direction des Assurances, Direction Générale de trésor, Ministère des finances, 2017, p : 9.

From the previous table, we note that:

_The three top insurers in the life insurance activity are: two foreigners (AXA VIE and CARDIF) and one local insurer (CAARAMA). So the percentage of foreign insurers in life insurance is (2/3).

_The three top insurers in the general insurance activity are all local. The percentage of foreign insurers in general insurance is (0).

_The best insurer in takaful insurance activity is one and only, and it is foreigner (Salama).

6. Study Results :

Through the content of this article. We concluded that the insurance sector is one of the most important sectors in the economy, because it achieves several advantages, including: reducing losses; facilitating trade; mobilizing domestic savings; and employing accumulated technical provisions as part of the premiums collected in various investment aspects. The importance and role of insurance in any economy is measured by two indicators: The insurance penetration rate and the insurance density. The penetration rate reflects the contribution of the insurance sector to GDP, while the insurance density reflects the

spread of insurance among the population of a particular country, and their degree of interest in purchasing insurance policies .

Through this paper. Three insurance markets were selected for three countries: Malaysia, UAE and Algeria. We have highlighted the performance of foreign companies in each country. Based on the contents of this research, the following results were achieved:

_ The insurance market of Malaysia, UAE and Algeria is composed of the supervisory board of the sector, Insurance brokers and / or insurance agents, experts, and actuaries, in addition to insurance companies that are active in various insurance fields, and vary between local and foreign.

_The number of insurance companies in Malaysia is 44, including 28 foreign insurance companies and 16 local insurance companies. In the UAE there are 62 companies active in the insurance market, of which 27 are foreign companies, 35 are national companies. While, the insurance market in Algeria consists of 24 companies, 6 of them foreign, 18 local. Active in various insurance activities (reinsurance, general insurance, life insurance)

_ Malaysia controls the incentives and restrictions on the entry and exit of foreign insurers to and from the market as needed. In 2017, it reviewed the foreign investor's ownership of an insurance company, which it authorized in 2009 by 70%. As for the UAE, the insurance sector has achieved progress at various levels and has become an attractive market for foreigners, although the percentage of foreign investors' ownership of insurance companies has not increased since 2009 (25%) until 2017 (49%). In contrast, Algerian law has opened the way for foreign insurers with various insurance activities, through insurance branches for insurance companies or foreigners, in accordance with the decision of 20 February 2008.

_ The insurance penetration and insurance density of the countries of study was respectively: Malaysia: 4.77% and 486\$ per person. UAE:

3,65%, 1436\$ per person. Algeria: 0.72%, 29\$ per person.

_ By analyzing the performance of foreign insurance companies of the study countries, we conclude that the performance of foreign insurance companies in life insurance branch of is good to very good. In Malaysia, the share of foreign insurance companies exceeds 60% in life insurance, while this share in the UAE exceeds 70%, while in Algeria it is 36%. This is reflected in the importance share of foreign insurance companies from technical provisions, where we find the following percentages in the branch of life insurance: Malaysia: 64%, UAE: 83.04%, Algeria: 16.95%. Which negates the validity of the hypothesis of the study, which considers that the foreign insurer in any insurance market, whatever degree of progress and economic performance, has a limited position compared to the local insurer.

This indicates the importance of premiums written by foreign insurers in this branch and, more importantly, the volume of savings mobilized through technical provisions. We know very well how important this is in the formation of long-term savings, because of the length of life insurance contracts. The economy should benefit from long-term investment projects. This is confirmed by the fact that there is a positive difference between the premiums collected and the technical allocations made in the same year and for each country, contrary to what we find in the general insurance, because they belong to life insurance that is long term. Except for Algeria, because its life insurance activity is still very weak.

_ The performance of foreign companies in the general insurance sector ranged from weak (Algeria: 8%), below the average (UAE: 25.6%) and Malaysia (58.79%). While the share of foreign insurance companies in the technical provisions was as follows: Algeria (6,56%), UAE (23.61%) and Malaysia (56.82%).

_ The share of foreign insurance companies in Takaful insurance was as follows: Malaysia: General Takaful: 9.59%; Family Takaful:

17.59%), while there are no foreign insurers in Takaful insurance branch in the UAE. In Algeria, we find one Takaful company, which is foreign, so we find it as a whole of 100%. This is a good indicator of a young business that needs to create competition through new foreign or local insurers.

7. Conclusion

From the study we conclude that the experience of both Malaysia and the UAE in attracting foreign insurers is considered the most successful compared to Algeria. Accordingly, we propose the following for Algerian insurance market:

_we propose more incentives be given to the foreign insurer in life insurance activity, especially that the share of foreign insurers in this activity is considered. This is due to the experience of the foreign insurer in this activity, in addition to the development of marketing and attracting customers in life insurance.

_ Focusing on takaful insurance, by establishing a regulatory and legislative framework for takaful insurance in Algeria, as a first step then, making concessions to the foreign insurance company in takaful insurance activity as a second step, in order to attract more insurers in this activity.

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