

Building Resilience

Reforming Lebanon's Insurance Sector

for Every Lebanese

Amer Bisat

Minister of Economy and Trade

INSURABILITY IS KEY TO REBUILDING CONFIDENCE

Last Functioning Financial Channel

The last functioning financial intermediation channel in Lebanon's economy

Institutional Shock Absorber

One of few remaining institutional shock absorbers in a fragile environment

Recovery Partner

A critical partner in economic recovery and national stabilization

Proven Resilience & Scale

Showed resilience where banks and public institutions failed

"Sector modernization will be key to economic normalization and global reintegration."

THE THREE-REFORM AGENDA

01

SOLID MARKET STRUCTURE

A Regulated, Accountable,
Well-Capitalised Sector

02

**STRENGTHENING THE
REGULATOR**

Providing the ICC with
all the tools it needs

03

AFFORDABLE HEALTHCARE

Containing Health Cost Inflation

01

**SOLID MARKET
STRUCTURE:**

**A Regulated, Accountable,
Well-Capitalised Sector**

INSURANCE COMPANIES

- 1 Restore capital adequacy
- 2 Introduce risk-based capital requirements
- 3 Facilitate (voluntary) consolidation toward stronger institutions
- 4 Introduce prudent rules for premium floats
- 5 Facilitate introduction of new insurance products

An advisory firm has been engaged. Expect to finish the effort by mid-2027.

INSURANCE BROKERS

- 1 Address excessive intermediation and enhance market transparency
- 2 Strengthen balance sheets by raising capital
- 3 Introduce clear professional standards including a new Code of Conduct
- 4 Regulate commission practices
- 5 Protect client money
- 6 Create a level playing field and combat unauthorized intermediation

A draft decree is being discussed with LIBS. Process should be completed by end of Summer.

DEALING WITH LEGACIES AND EXTENDING REGULATORY PERIMETERS

URGENT

Legacy Issues

Life Insurance & Port Claims

Lebanon's pre-crisis life insurance market generated ~USD 550–600M in annual premiums. Today it stands at less than 5% of pre-crisis volumes. Policyholders unable to recover what they were owed in the currency they contracted in.

The Port of Beirut explosion created the largest single insured loss event in Lebanon's history. Many claims remain unresolved.

Legislative intervention underway.

NEW

Regulating TPAs

Third Party Administrators

Establish a dedicated regulatory framework.

Define roles, responsibilities and accountability.

Enhance claims and cash flow management oversight.

IN PREP

Extending the Regulatory Perimeter

New actors covered

Mutual insurance associations (تعاضديات) pool risk but hold no verifiable reserves.

No licensing framework for actuarial practice — a critical gap before risk-based capital can function credibly.

Reinsurers operating locally and vehicle assistance operators also fall outside the current perimeter.

Laws and decrees in preparation.

02

**STRENGTHENING THE
REGULATORY
FRAMEWORK:**

**Providing the ICC with all
the tools it needs**

REFORM 2 · FOUR CONCRETE STEPS ALREADY TAKEN OR UNDERWAY

1

✓ DONE

National Insurance Board Reactivated

Dormant since 2017 — reactivated. The institutional prerequisite for every structured reform that follows. 9 years without a strategic governance body — now restored.

2

✓ DONE

ICC Leadership Restored

ICC Head vacant 10+ years. June 2025: Nadim Haddad appointed as permanent Head. 2 observers appointed (first since 2008). Strengthen market conduct supervision; enhance policyholder protection.

3

UNDERWAY

Insurance Arbitration Council Activated

Exists in law — never made operational. Activation underway. A direct service to every Lebanese policyholder who disputes a claim without a costly court process.

4

UNDERWAY

Consumer Protection Dept. Strengthened

Faster claims processing, robust market conduct supervision. The individual policyholder gains a regulator they can actually approach when something goes wrong.

REFORM 2 · A NEW INSURANCE CODE FOR THE 21ST CENTURY

1968

Code des Assurances

- ✗ No risk-based capital requirements
- ✗ No resolution framework for failing insurers
- ✗ No group supervision
- ✗ No fit-and-proper regime
- ✗ No consumer rights embedded



21st Century

New Insurance Code

- ✓ Risk-based capital aligned to IAIS ICPs
- ✓ Resolution framework for failing insurers
- ✓ Group supervision requirements
- ✓ Fit-and-proper governance regime
- ✓ Consumer rights embedded in statute

Process: Transparent and consultative — including everyone in this room. Parliamentary process. Not a law by next quarter — a law that holds for a generation.

03

**CONTAINING HEALTH
COST INFLATION:
Affordable Healthcare for
Every Lebanese**

CONTROLLING HEALTH INFLATION

Health inflation is both a consumer protection issue and one that directly affects the stability of the insurance sector.

Health inflation is structural. No single factor caused it. And no part of the value chain is beyond reproach.

Three parallel interventions are simultaneously required:



Pricing transparency



Clinical governance



**A regulated
infrastructure**

This is a long-term plan. Quick wins exist. But sustainable correction is required.

We have started the work with MoPH on all three vectors.

CONCLUSION

Three Reforms. One Direction.

An insurance sector worthy of every Lebanese.

01 Solid Market Structure

02 Strengthened Regulator

03 Affordable Healthcare

The decrees will go out for consultation. The legislation will pass through committee. The assessments will be transparent. The ministry will be accountable — publicly, measurably, on a schedule — for every commitment made today.