

# Howden Launches Reinsurance Operations in Saudi Arabia

## Summary

Howden, a global insurance intermediary group and member of SBJBC UK, has just launched a reinsurance business in the Kingdom of Saudi Arabia, in what will become a multi-million pound investment. Saudi Arabia represents a brand-new market for Howden, as the company continues to expand its global footprint to 56 countries with 22,000 employees worldwide.

The London-based firm received regulatory approval on 25 June 2025 to establish Howden Re, in the Kingdom of Saudi Arabia (KSA), marking a significant expansion of renowned British insurance expertise into the Gulf region through Howden's establishment. The new operation will be led by Motaz Bukhari, who has been appointed Chief Executive Officer of Howden Re KSA.

## Strategic Market Entry

The timing of Howden's entry aligns with Saudi Arabia's remarkable insurance sector growth, with the market reaching SAR 76.14 billion in gross written premiums in 2024, growing 18.6% between 2020 and 2024. This expansion significantly outpaces mature markets and reflects the Kingdom's economic diversification under Vision 2030.

David Howden CBE, CEO of Howden, commented: "We couldn't be more excited to open the doors to Howden KSA. This is a country buzzing with opportunity. It is one of the fastest growing economies in the G20 with a hugely ambitious vision that puts insurance front and centre. We have already built up a strong partnership with the Kingdom thanks to our role as part of the UK government's Great Futures delegation, our work with Saudi EXIM bank and our sponsorship of the Jockey Club of Saudi Arabia. We now look forward to turbocharging our efforts, building a long-term commitment with our Saudi partners, providing innovative solutions to the local market, and a fresh alternative for home-grown talent."

The company's existing relationships in the Kingdom include a framework agreement with Saudi EXIM Bank and sponsorship of high-profile events like the Howden NEOM Cup. These partnerships demonstrate a commitment to the Saudi market, even before formal regulatory approval, and the depth of relationship that Howden tries to foster, contributing positively to wherever they operate.

## Operational Focus and Leadership

Howden Re KSA will provide reinsurance brokerage services across treaty and facultative placements, a treaty placement being an automatic, ongoing reinsurance agreement covering a portfolio of risks, while a facultative placement is a one-off, case-by-case reinsurance arrangement for a specific risk. The operation will also offer strategic advice on leveraging data, analytics and capital markets expertise for the Saudi market.

Motaz Bukhari brings twelve years of insurance industry expertise to his new role. He has spent the past five years in leadership positions at Marsh Guy Carpenter in Saudi Arabia, most recently serving as Deputy CEO. His career also includes seven years on the underwriting side, specialising in property and energy at Arch Reinsurance, and before that he began his professional journey as an engineer with

Saudi Aramco, so he brings an immense wealth of diverse experience and knowledge to this role at Howden.

Richard Mockett, CEO of Howden Middle East and Africa, noted the strategic importance of the Saudi market: "Saudi Arabia's extraordinary pace of development presents a unique opportunity for the reinsurance sector to play a critical role in supporting and de-risking the Kingdom's ambitious initiatives. We are proud to announce our entry into this strategically vital market, marking a significant moment in our ongoing expansion across the Middle East. Under Motaz's leadership and guidance, we are confident that Howden will make a huge contribution to Saudi Arabia's dynamic and rapidly evolving reinsurance sector."

## **Navigating Regulatory Requirements**

The path to establishing operations involved extensive engagement with Saudi regulators. Richard Mockett reflected on this process: "Our experience in applying for a license in Saudi Arabia has been a valuable learning journey for everyone involved. The process gave us deeper insight into the regulatory environment, strengthened our understanding of local practices, and allowed us to build stronger relationships with key stakeholders. While it required patience and adaptability, it has ultimately enriched our knowledge and prepared us for operating successfully in the Kingdom."

The regulatory landscape has undergone significant maturation with the establishment of the Insurance Authority in November 2023. This unified regulator replaced the previous fragmented oversight system, creating clearer pathways for international firms entering the market. A key regulatory requirement affecting reinsurance operations is the mandatory local cession rule. This means that from January 2025, insurers must offer at least 30 per cent of their reinsurance placements to licensed domestic reinsurers first, granting domestic reinsurers the right of first refusal before approaching international markets. This requirement creates opportunities for firms like Howden to facilitate partnerships between local and international reinsurance markets, creating an opportunity for the continued maturation of the market through this international exposure.

## **Market Opportunities**

Saudi Arabia's insurance market remains a compelling opportunity for international expertise as insurance penetration remains at 1.6 to 1.7 per cent of GDP, well below global averages, indicating substantial growth potential. The Kingdom's Vision 2030 programme includes dramatic infrastructure projects requiring sophisticated insurance solutions that will benefit from a global institution such as Howden whose experience will assist in facilitating these insurance solutions.

GIGA projects such as NEOM, Red Sea Development, and Qiddiya Entertainment City represent billions in potential insurance premiums. These developments require specialised coverage for construction risks, professional liability, and operational insurance that international firms are well positioned to provide. Mario Baotic, Head of International Growth Markets at Howden Re, emphasised the long-term commitment and dedication to Vision 2030: "Our entry into Saudi Arabia marks an important milestone in Howden Re's international growth and reinforces our commitment to the Middle East. With its ambitious economic transformation and increasing demand for sophisticated risk solutions, the Kingdom offers significant opportunities to deliver real value through our specialist expertise and data-driven capabilities. We are here to build for the long term, partnering locally, investing in local talent, and shaping a new chapter of reinsurance innovation and resilience across the region."

## Building Local Partnerships

Howden's strategy emphasises collaboration with local businesses and investment in local Saudi talent, with the company planning to partner with culturally aligned businesses and scale operations through local recruitment and development programmes. This approach addresses Saudisation requirements while building genuine market expertise.

The insurance sector has achieved remarkable progress in workforce localisation, with 75 per cent Saudi employment by 2023. New regulations require 100 per cent localisation of insurance sales positions from April 2024, so international firms must balance technical expertise requirements with these localisation mandates. However, through enhanced localisation and the investment in Saudi talent, international firms like Howden have the opportunity to play a major role in guiding and preparing the future direction of the Kingdom, truly aligning themselves with the core tenants of Vision 2030.

## UK-Saudi Financial Services Cooperation

Howden's entry strengthens growing UK-Saudi financial services ties as the relationship builds on formal cooperation agreements between the two countries and London's position as Saudi Arabia's preferred international capital market hub. British insurance expertise supports Saudi market development through knowledge transfer, regulatory cooperation, and technical innovation, with insurance in many cases being the facilitator for true growth. The Saudi insurance market's evolution toward international standards, including early adoption of IFRS 17 accounting standards, facilitates integration with global markets. This alignment enables firms like Howden to deploy proven systems and processes while adapting to local requirements.

## Looking Ahead

The Saudi insurance market projects growth to SAR 105.3 billion by 2029, representing an 8.9 per cent compound annual growth rate. This expansion, supported by government initiatives and economic diversification, creates sustained opportunities for international participation.

Howden Re KSA will initially focus on establishing operations and building cedant client relationships. Future possibilities include expanding service offerings to include additional advisory services as the market develops. The company's regional presence through its Middle East and Africa division provides a platform for serving clients across the Gulf Cooperation Council.

As Saudi Arabia advances toward Vision 2030 objectives, insurance evolves from a supporting service to an enabling force for economic transformation. International firms bringing technical expertise, capital markets access, and innovation capabilities will play essential roles in this evolution. Howden's entry demonstrates confidence in the Kingdom's trajectory and commitment to supporting its ambitious development agenda, perhaps signalling to others in the London market that Saudi Arabia is truly open for business.

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For more insights into the Saudi insurance market and Howden's remarkable journey, please see the **SBJBC website** for our upcoming **Insurance Sector Whitepaper**.

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