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The role of regulated liabilities in enhancing the insurance companies 'solvency in Algeria: Case study of insurance Company (saa) during the period 2014-2023

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Abstract ;

Insurance companies deal with future events by creating regulated liabilities and representing them in equivalent assets, This study aims to highlight the role of regulated liabilities in enhancing the solvency of insurance companies in Algeria, case study of Insurance Company (saa) during the period (2014-2023).

This study concluded that the ratios achieved by the Insurance Company (saa), related to the representation of its regulated liabilities in equivalent assets, in addition to the solvency margin ratios compared to technical provisions and premiums issued during the period (2014-2023), reflect the good solvency enjoyed by the company, and thus its ability to fulfill its obligations towards the insured or beneficiaries of insurance contracts.

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1. *Introduction*

Insurance companies face several risks arising from the nature of their business, which is based on future events. Hence, the importance of dealing cautiously with these future events emerges, by obligating insurance companies to include in their balance sheets a special type of liabilities called regulated liabilities, Regulatory authorities impose on insurance companies the necessity of representing their regulated liabilities in equivalent assets (state securities, transferable securities, real estate assets, and other investments) at specific ratios, with the aim of enhancing their ability to fulfill their obligations towards the insured or beneficiaries of insurance contracts.

The Insurance Company (saa) is considered one of the leading public companies in the Algerian insurance market, based on the results it achieves, due to its strategic vision in practicing insurance activity, Therefore, assessing the role of regulated liabilities in enhancing its solvency is of great importance to the various parties involved in its activity, such as the insured or beneficiaries of insurance contracts, investors, and supervisory and oversight authorities.

1.1.The Problem of the study: This study attempts to answer the following problem :

- How do regulated liabilities contributes to enhancing the solvency of insurance company (saa) during the period 2014-2023?

1.2. Hypotheses of the Study: Based on the study's problem, the following hypotheses can be formulated:

H1: Increasing the value of technical and regulated provisions contributes to enhancing the solvency of insurance company (saa) during the period 2014-2023;

H2: Representation regulated liabilities in equivalent assets contributes to enhancing the solvency of insurance company (saa) during the period 2014-2023.

1.3.The importance of the study: The importance of the study lies in the specific nature of insurance companies' activities, which require them to adhere to the formation of regulated liabilities within their balance sheet liabilities, and to optimally utilize these liabilities in guaranteed and equivalent assets, thus ensuring good solvency that allows them to fulfill their obligations towards the insured or beneficiaries of insurance contracts.

1.4.The objectives of the study: We seek through this study to achieve the following objectives:

- Presentation the theoretical framework of regulated liabilities;

- Highlighting the importance of optimal employment of regulated liabilities and its role in enhancing the solvency of insurance companies;

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-Study and analyze the relationship between regulated liabilities and enhancing the Insurance Company (saa)' solvency during the period 2014-2023;

- Propose a set of recommendations based on the reached findings.

1.5. Study axes*:* To answer the problem of the study and achieve its goals, this research paper has been divided into the following axes:

- the regulated liabilities of insurance companies.

- the solvency and solvency margin of insurance companies.

-The optimal employment of regulated liabilities as a mechanism to enhance the solvency of insurance companies.

-contribution of regulated liabilities in enhancing the solvency of insurance Company (saa) during the period 2014-2023.

2.the regulated liabilities of insurance companies: Before studying the regulated liabilities, we define insurance companies and explain their most important characteristics compared to other economic companies.

2.1.definition of insurance companies: Insurance and/or reinsurance companies are companies engaged in the underwriting and execution of insurance and/or reinsurance contracts as defined by current legislation.

A distinction is made between: (loi n°06/04, 2006, p. 5)

a-companies that enter into commitments whose execution depends on human lifespan, the state of health and physical integrity of individuals, capitalization, and personal assistance;

b-insurance companies of all types, other than those referred to in point a.

2.2.Characteristics of insurance companies: Insurance companies differ from other economic companies in that their production cycle is reversed, meaning they receive their revenues in advance while incurring their costs later, This requires them to include a special type of liability called "regulated liabilities", and are the sum of the regulated and technical provisions that insurance companies establish within their balance sheet liabilities.

2.3.regulated provisions:

2.3.1.Definition of regulated provision: It is a provision formed based on legislative and legal texts on insurance and reinsurance activities, with the aim of facing the possibility of the inadequacy of the insurance company's technical liabilities. (conseil national de la comptabilité , 2011, p. 106)

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2.3.2.Objectives of regulated provision: The regulated provision aims to enhance the solvency of the insurance company, by enhancing its ability to fulfill its obligations towards the insured or beneficiaries of insurance contracts.

2.3.3.types of regulated provisions: the regulated provisions include the following types: (décret exécutif n° 13/114, 2013, pp. 5-6)

a-Guarantee Provision: The guarantee provision is created to enhance the insurance company's ability to cover its obligations to policyholders or beneficiaries of insurance contracts.

The amount of the guarantee provision is formed by deducting 1% of the amount of premiums or subscriptions issued or accepted during the fiscal year, net of cancellations and fees.

The formation of this provision ceases when the total amount of this provision and the company's capital or founding funds equals the higher amount resulting from one of the following ratios:

- 5% of the amount of technical provisions;

- 7.5% of the amount of premiums or subscriptions issued or accepted during the last fiscal year, net of cancellations and fees;

- 10% of the average annual amount of losses paid during the last three fiscal years.

b-Mandatory supplementary provision for payable accident provisions: The mandatory supplementary provision for payable accident provisions is created to compensate for any potential shortfall in the payable accident provisions, resulting in particular from undervaluation, accident declarations after the close of the fiscal year, and related expenses.

The amount of this provision is formed by deducting 5% of the amount of payable accident provisions. This provision is adjusted annually in proportion to the amount of payable accident provisions.

c-Natural catastrophe risk provision: The natural catastrophe risk provision is allocated to cover the costs of exceptional damages resulting from insurance operations against the effects of natural catastrophes.

The amount of the natural catastrophe risk provision is formed by an annual allocation equal to 95% of the technical profit resulting from operations that insure the effects of natural catastrophes stipulated in Order No. 03-12 of August 26, 2003, where:

Technical profit = Premiums and subscriptions net of cancellations and waivers - (Damage costs net of waivers + related operating expenses).

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d-Provision for the settlement of regulated obligations: The provision for the settlement of regulated obligations is established to meet the obligations, in the event of a decrease in the value of the total assets representing the regulated obligations, where this provision, for investments representing the regulated obligations, corresponds to the difference calculated between the total market value and the total net accounting value of the relevant investments, in the event that this difference is negative.

2.4.Technical provisions:

2.4.1.definition of technical provision: It is a provision created to meet liabilities towards insured or beneficiaries of insurance contracts, and its formation is based on technical principles. (conseil national de la comptabilité , 2011, p. 107)

***2.4.2.Objectives of technical provision*:** Technical provision aims to meet obligations towards both the insured and the beneficiaries of insurance contracts.

***2.4.3.Types of technical provisions in the branch of damage insurance*:** the technical provisions include the following types: (décret exécutif n° 13/114, 2013, pp. 7-8)

***a-Balance provision*:** The balance provision is allocated to insurance companies practicing the "loan" insurance branch or the "guarantee" insurance branch. This provision is created to cover potential technical losses at the end of the fiscal year in these two branches.

The amount of this provision is formed for each successive fiscal year by deducting no more than 72% of the technical profit generated by the relevant insurance branch, until this provision equals or exceeds 150% of the highest annual amount of premiums or contributions, net of cancellations and fees, during the five (05) preceding fiscal years for the relevant branch.

***b-Adjustment Provision*:** The adjustment provision is allocated to an insurance company practicing hail insurance to adjust for fluctuations in loss ratios in future years.

The amount of this provision is established for each successive fiscal year by deducting no more than 72% of the technical profit generated by the relevant insurance branch, until this provision equals or exceeds 200% of the fiscal year's premiums or contributions, net of cancellations and fees, for the relevant branch.

***c-Unearned Premium Provision*:** The unearned premium provision for all active contracts represents the portion of premiums issued and outstanding for the period specified between the inventory date and the next premium due date, or, failing that, the contract expiration date.

This provision is calculated according to a term-by-contract allocation based on the premium issued net of cancellations and fees. This provision can be calculated as follows:

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$$\frac{(\text{premiumes issued-charges})}{2} \times (\text{premiumes or subscriptions for the year that are not cancelled at the inventory date}).$$

d-Accident Provision Payable for Non-Automobile Casualty Insurance: Accident Provision Payable for Non-Automobile Casualty Insurance represents the estimated value of the principal expenses and associated costs required to settle all reported accidents that have not yet been settled at the inventory date.

This provision is calculated on a case-by-case and year-by-year basis based on its gross amount, excluding claims filed and accidents recorded under reinsurance or reassignment.

***e-Accident Provision Payable in Motor Insurance*:** Accident Provision Payable in Motor Insurance represents the estimated value of the main expenses and associated costs required to settle all reported accidents that have not yet been settled at the inventory date.

This provision is calculated file by file and year by year, by conducting differentiated assessments for both material and bodily injury losses. If this is not possible, the insurance company, with the approval of the Control Department, may apply the following three (03) methods and retain the highest assessment.

- *Method 1*: Assessment based on the average amount of accidents settled by the insurance company over the past three (03) years.

- *Method 2*: Assessment based on the settlement rate observed at the insurance company level over the past five (05) years.

- *Method 3*: Assessment based on calculating the proportion between losses and premiums earned. This method is called the "flat method."

f-Profit and return sharing provision: The profit and return sharing provision represents the amounts allocated to the insured or beneficiaries of insurance contracts, in the form of technical profit and return sharing in the event that these amounts are not settled. This provision is determined according to the contractual terms of the insurance company.

we conclude that the regulated liabilities (regulated provisions and technical provisions) are consistent with the various insurance operations carried out by insurance companies, as the process of forming them and the method of calculating them differ according to the insurance branch concerned. Moreover, forming these obligations in large amounts requires insurance companies to invest them in equivalent assets and in legally specified proportions.

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3.the solvency and solvency margin of insurance companies: Insurance or reinsurance companies are required to provide financial resources on a permanent basis to cover obligations towards insured or beneficiaries of insurance contracts.

3.1.definition of solvency: The solvency is ability of insurance company to pay its claims , An insurer is insolvent if its assets are not adequate (over indebtedness) or cannot be disposed of in time to pay the claims arising. (Gour & Gupta, 2012, p. 43)

-The solvency of insurance companies is understood as the guarantee that they can meet their commitments at all times. (naouri, 2024, p. 61)

***3.2. solvency margin*:** The solvency of insurance and/or reinsurance companies is evidenced by the existence of a supplement to technical provisions, called a "solvency margin.", and is made up of: (décret exécutif n° 13/115, 2013, p. 9)

- paid-up share capital or establishment funds;

- regulated or unregulated reserves;

- regulated provisions;

- retained earnings, whether debit or credit.

***3.3. Minimum Required Solvency Margin*:** The solvency margin for damages insurance and/or reinsurance companies must be: (décret exécutif n° 13/115, 2013, p. 10)

- Equal to at least 15% of the technical provisions;

- Not less than 20% of the issued and/or accepted premiums, net of taxes and cancellations, at any period of the year;

When the solvency margin is lower than the required minimum, the insurance and/or reinsurance company is required, at the latest, within six (6) months, to restore its situation, either by increasing its share capital, or by depositing a guarantee with the Public Treasury. (décret exécutif n° 13/115, 2013, p. 10)

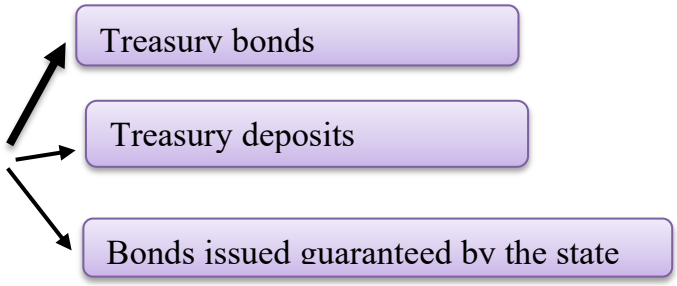
In addition, the insurance company must send a statement of the solvency margin to the Insurance Supervisory Committee every three (03) months. (KPMG, 2015, p. 60)

***4.The optimal employment of regulated liabilities as a mechanism to enhance the solvency of insurance companies*:**The formation of the values of the regulated liabilities in large amounts requires the insurance company to employ them in the legally specified assets, in order to ensure a good solvency that enables it to fulfill its liabilities towards the insured or the beneficiaries of insurance contracts.

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4.1.employment of regulated liabilities in the assets of the insurance companies's balance sheet: The Algerian legislator has imposed on insurance companies to represent their regulated obligations in equivalent assets, as follows: (décret exécutif n° 13/114, 2013, p. 9)

4.1.1.State values



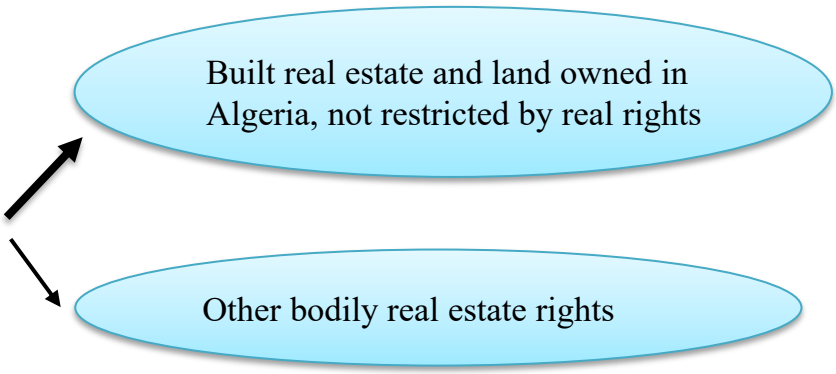
4.1.2. Other securities and similar securities issued by entities meeting the financial conditions of solvency:

- Bonds and obligations issued by insurance or reinsurance companies and other financial institutions authorized in Algeria.

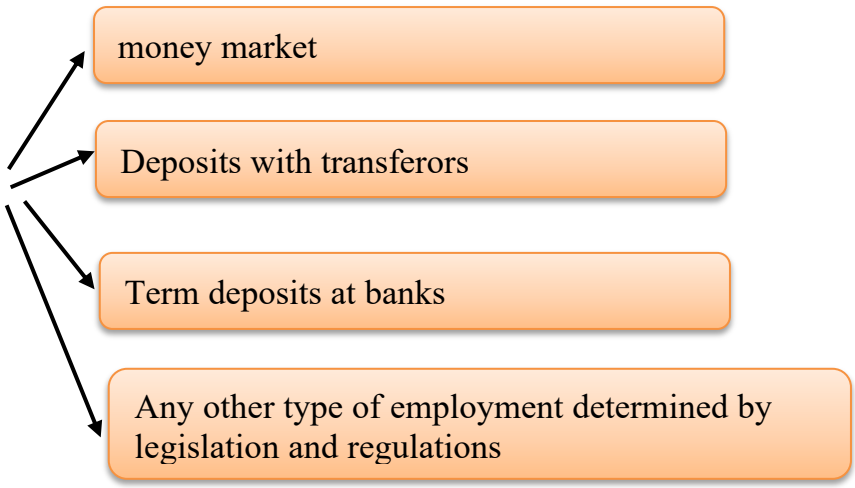
-Bonds and obligations issued under governmental agreements by insurance or reinsurance companies not resident in Algeria.

- Bonds and obligations issued by Algerian economic institutions.

4.1.3.Real estate assets



4.1.4.Other employments



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4.2.The proportions specified for representing the regulated liabilities in the equivalent assets: The regulated liabilities (regulated provisions and technical provisions) must be represented: (Arreté , 2016, p. 23)

-With at least 50% of the values of the state, provided that half of them are represented by medium and long -term values, while the rest is represented by other acceptable assets;

- The amount of employment in the form of deposits for a period of the same bank cannot exceed 25% of the amount of the legal obligations of the insurance company and/ or reinsurance;

-The amount of employment in the form of transferred values issued by Algerian companies that are not registered on the stock market cannot exceed 25% of the amount of the legal obligations of the insurance company and/or reinsurance;

-Employments in a building property or land owned in Algeria cannot exceed 10% of the amount of the legal obligations of the insurance company and/or reinsurance without the total real estate assets exceeding 40% of the amount of the legal obligations of this company;

-With the exception of the bonds issued by the state or that are guaranteed, the employment in the bonds issued by the same source cannot exceed 5% of the legal obligations of the insurance company and/or reinsurance;

-The contribution of the insurance company and/ or the reinsurance accepted to represent the codified obligations in the social capital of a company, 50% of the amount of this social capital, 5% of the codified obligations of the insurance company and/ or reinsurance.

5.contribution of regulated liabilities in enhancing the solvency of insurance Company (saa) during the period 2014-2023: The Insurance Company (saa) is considered one of the leading public companies in the Algerian insurance market, based on the results it achieves, due to its strategic vision in practicing insurance activity. Therefore, assessing the role of regulated liabilities in strengthening its solvency is of great importance to the various parties involved in its activity, such as insured or beneficiaries of insurance contracts, investors, and supervisory and oversight authorities.

5.1.presentation of insurance company (saa): The Insurance Company (saa) was established in 1963 as a mixed Algerian-Egyptian company (61%-39%), with a current capital of 35 billion DZD, where it practices: car insurance, multi-risk housing insurance, natural disaster insurance, and civil liability insurance. It has a network of more than 530 points of sale throughout the country, and it ranked first (01) in 2023 in the Algerian insurance market in terms of turnover (production), as the company seeks to pay attention to customers' concerns and fulfill obligations towards them, strive for excellence to improve performance, innovate new products, in addition to devoting transparency with all stakeholders. (société national d'assurance SAA, 2025)

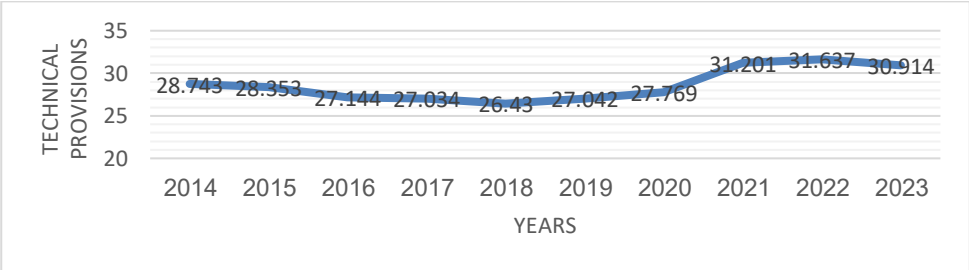
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The stability of the Insurance Company's performance and increased growth require it to properly invest its regulated liabilities (regulated and technical provisions) in equivalent assets, in order to maintain a good level of solvency, which guarantees its ability to meet its obligations towards the insured or beneficiaries of insurance contracts.

5.2.Evolution of technical provisions of insurance company (saa) during the period 2014-2023:

The value of technical provisions has witnessed two phases, a phase of decline from 2014-2018, where its value reached 26.430 billion DA in 2018, compared to 28.743 DA in 2014, i.e. a decrease rate of (-8.04%), then a phase of increase from 2019-2022, where its value reached 31.637 billion DA in 2022, compared to 27.042 billion DA in 2019, i.e. an increase rate of (+16.99%), then it returns to decline in 2023, and Figure No. (01) reflects the development of the value of technical provisions for saa during the period from 2014-2023.

Figure1: Evolution of technical provisions of insurance company (saa) during the period 2014-2023(Unit: billion DZD)



source: Prepared by researcher based on the insurance activity in Algeria 2014-2023.

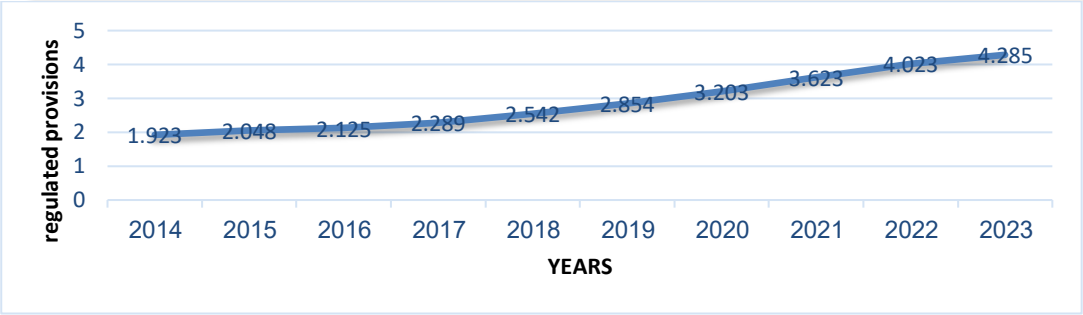
The decrease or increase in the value of the Insurance Company's technical provisions during the period from 2014 to 2023 can be attributed to the decrease or increase in the value of some of the sub-provisions that comprise the technical provisions, namely the balancing provision, the adjustment provision, the unearned premium provision, the accident provision payable in car insurance, or the profit and return sharing provision.

5.3. Evolution of regulated provisions of insurance company (saa) during the period 2014-2023:

The value of regulated provisions reached 4.285 billion DZD in 2023, compared to 1.923 billion DZD in 2014, an increase of (+122.82%), and Figure 2 reflects the development of the value of regulated provisions for the insurance company SAA during the period 2014-2023.

figure2: Evolution of regulated provisions of insurance company (saa) during the period 2014-2023(Unit: billion DZD).

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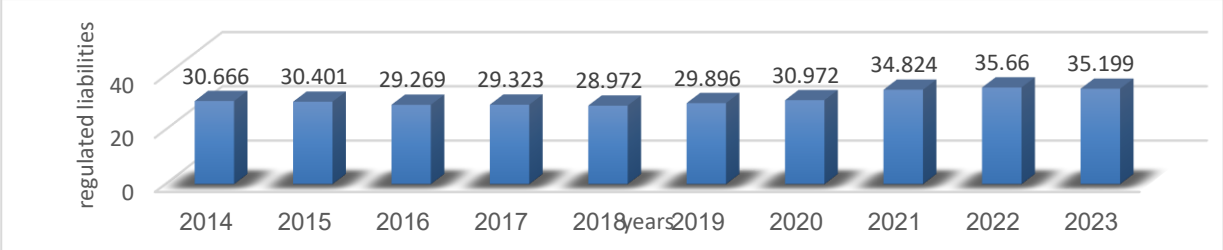
source: Prepared by researcher based on the insurance activity in Algeria 2014-2023.

The increase in the value of the Insurance Company's regulated provisions during the period 2014-2023, at a growth rate of (+122.82%), can be attributed to the increase in the value of the sub-provisions that make up the regulated provisions, which are the guarantee provision, the mandatory supplementary provision for the payable accident provision, the provision for natural disaster risks, or the provision for meeting the maturity of regulated liabilities.

5.4. Evolution of regulated liabilities of insurance company (saa) during the period 2014-2023:

The value of regulated liabilities has known two phases, a phase of decline from 2014-2018, where its value reached 28.972 billion DA in 2018, compared to 30.666 billion DA in 2014, i.e. a decrease rate of (-5.42%), then a phase of increase from 2019-2022, where its value reached 35.660 billion DA in 2022, compared to 29.896 billion DA in 2019, i.e. an increase rate of (19.28+%), then it returns to a slight decrease in 2023, and Figure No. (03) reflects the development of the value of regulated liabilities of (saa) during the period 2014-2023.

Figure3: Evolution of regulated liabilities of insurance company (saa) during the period 2014-2023(Unit: billion DZD).



source: Prepared by researcher based on the insurance activity in Algeria 2014-2023.

The decrease in the value of the Insurance Company's regulated liabilities during the period 2014-2018 by (-5.42%) is mainly due to the decrease in the value of technical provisions, which represent a large proportion of these liabilities, and the opposite is true for the period 2019-2022.

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5.5.Representation of regulated liabilities of insurance company (saa) in equivalent assets during the period 2014-2023:

The representation ratios of the regulated liabilities of the Insurance Company (saa) in the state's values during the years 2014-2023 reached, respectively, 63%, 71%, 98%, 89%, 100%, 118%, 121%, 87%, 74%, and 80%, and thus exceeded the required minimum of 50%. The representation ratios of the regulated liabilities in other acceptable assets also reached 199%, 205%, 260%, 246%, 245%, 243%, 238%, 221%, 225%, and 235%, which puts the Insurance Company in a good financial position, which enhances its ability to fulfill its obligations towards the insured or beneficiaries of insurance contracts.

Table No. (01) shows the representation of the company's regulated liabilities in equivalent assets during the period 2014-2023.

Table1: Representation of regulated liabilities of insurance company (saa) in equivalent assets during the period 2014-2023 (Unit: billion DZD).

	Regulated liabilities(1)	admitted assets (2)*	Rate (2)/(1)	state values (3)	Rate (3)/(1)
2014	30.666	61.031	199%	19.432	63%
2015	30.401	62.272	205%	21.537	71%
2016	29.269	76.143	260%	28.649	98%
2017	29.323	72.110	246%	26.208	89%
2018	28.972	70.839	245%	29.095	100%
2019	29.896	72.725	243%	35.172	118%
2020	30.972	73.778	238%	37.330	121%
2021	34.824	77.018	221%	30.362	87%
2022	35.660	80.410	225%	26.395	74%
2023	35.199	82.835	235%	28.326	80%

(*):Assets accepted to representation of regulated liabilities, including real estate investments.

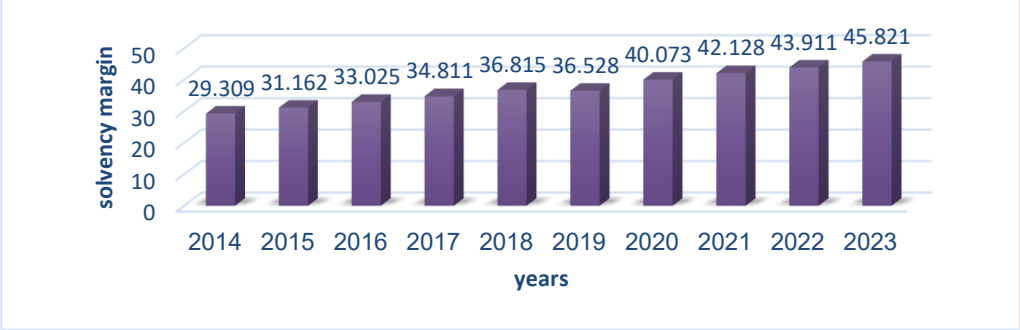
source:Ministère des Finances, direction des assurances, activité des assurance en Algérie, 2014- 2023.

5.6. Evolution of solvency margin of insurance company (saa) during the period 2014-2023:

The solvency margin is considered an indicator that reflects the ability of the Insurance Company (saa) to fulfill its obligations towards the insured or beneficiaries of insurance contracts, as the regulated provisions represent one of the most important elements that form this margin, as the company achieved a solvency margin of 45.821 billion dinars during the year 2023, compared to a margin of 29.309 billion dinars in 2014, with a growth rate of (+56.33%), which means that the company has good financial solvency that enables it to fulfill its various obligations, and Figure No. (04) shows the development of the company's solvency margin during the period 2014-2023.

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figure 4: Evolution of solvency margin of insurance company (saa) during the period 2014-2023 (Unit: billion DZD).



source: Prepared by researcher based on the insurance activity in Algeria 2014-2023.

5.7. Level of the solvency margin compared to technical provisions and premiums issued of insurance company (saa) during the period 2014-2023:

The Insurance Company (saa)'s solvency margin ratio compared to technical provisions during the years 2014-2023 ranged from 102% to 148%, exceeding the minimum required level of 15%. The solvency margin ratio compared to the company's issued premiums during those years ranged from 110% to 151%, exceeding the minimum required level of 20%.

The solvency margin level reflects the Insurance Company's ability to fulfill its obligations to policyholders or beneficiaries of insurance contracts, in addition to ensuring the success and continuity of its business, given its economic and social importance. This can be illustrated in Table (2).

Table 2:Level of the solvency margin compared to technical provisions and premiums issued of insurance company (saa) during the period 2014-2023 (Unit: billion DZD).

	Solvency margin (billion DZD)	Compared to Technical Provisions (*)	Compared to the premiums issued (**)
2014	**29.309**	**102%**	**110%**
2015	**31.162**	**110%**	**114%**
2016	**33.025**	**122%**	**123%**
2017	**34.811**	**129%**	**131%**
2018	**36.815**	**139%**	**133%**
2019	**36.528**	**135%**	**125%**
2020	**40.073**	**144%**	**148%**
2021	**42.128**	**135%**	**146%**
2022	**43.911**	**139%**	**147%**
2023	**45.821**	**148%**	**151%**

(*):Minimum compared to Technical Provisions: 15%.

(**):Minimum compared to premiums issued: 20%.

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source: Ministère des Finances, direction des assurances, activité des assurance en Algérie, 2014- 2023.

Based on the above, we conclude that the percentage of the legal obligations representation of the National Insurance Company during the 2014-2023 in the values of the state exceeded the minimum required 50%, as well as its representation rates in other acceptable assets exceeded 100%, and the percentage of the financial solvency margins compared to the technical affairs of the National Insurance Company (saa) during the period 2014-2023, from 102%to 148%, and thus the minimum required exceeded 15%, as The proportions of this margin compared to the installments issued to the company during those years from 110% to 151%, which are greater than the minimum required 20%, and this is what makes the company in a good financial sheet, enhancing its ability to fulfill its obligations towards the insured or the beneficiaries of insurance contracts.

6. CONCLUSION

This study dealt one of the most important topics in the field of insurance, which is "The role of regulated liabilities in enhancing the insurance companies' solvency in Algeria - a case study of Insurance Company (saa) - during the period (2014-2023)", Where this study aimed to highlight the role of regulated liabilities and the importance of their optimal employment in enhancing the insurance companies' solvency, which allows them to fulfill their obligations towards insured or beneficiaries of insurance contracts.

6.1. results of the study : The study reached the following results:

-Insurance companies are characterized by a reversal of their production cycle, where they obtain their revenues in advance and bear their costs later, This requires them to adhere to the formation of regulated liabilities, which represent the sum of regulated and technical provisions that insurance companies establish within their balance sheet liabilities.

-regulated liabilities correspond to the various insurance operations undertaken by insurance companies, as the process of forming them and the method of calculating them differ depending on the insurance sector concerned, Furthermore, forming these liabilities in large amounts requires insurance companies to invest them in equivalent assets at legally specified ratios.

-Insurance companies' solvency is achieved by having an additional amount of technical provisions called the "solvency margin," which consists of social capital, regulated or unregulated reserves, regulated provisions, and carry forwards.

-The representation ratios of regulated liabilities of insurance companies (saa) in state values during the years 2014 to 2023 exceeded the minimum required 50%, and their representation ratios in other acceptable assets also exceeded 100%.

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-The solvency margin ratios compared to the technical provisions of the insurance company (saa) during the years 2014 to 2023 ranged from 102% to 148%, thus exceeding the minimum required limit of 15%.

-The solvency margin ratios compared to the company's issued premiums during those years ranged from 110% to 151%, which is greater than the minimum required limit of 20%.

-The ratios achieved by the insurance company (saa), related to the representation of its regulated liabilities in equivalent assets, in addition to the solvency margin ratios compared to the technical provisions and premiums issued during the period (2014-2023), reflect the good solvency owened by the company, and thus its ability to fulfill its obligations towards the insured or beneficiaries of insurance contracts.

6.2. test the Study's Hypotheses:

H1: Increasing the value of technical and regulated provisions contributes to enhancing the solvency of insurance company (saa) during the period 2014-2023.

Based on the results obtained, the study's hypothesis is correct, where the increase in the value of regulated and technical provisions leads to an increase in the value of regulated liabilities, which contributes to increasing solvency of insurance company (saa) during the period 2014-2023.

H2: Representation the regulated liabilities in equivalent assets contributes to enhancing the solvency of insurance company (saa) during the period 2014-2023.

Based on the results obtained, the study's hypothesis is correct, where the Representation of regulated liabilities in equivalent assets exceeded the minimum required 50%, And every increase over this percentage contributes to increasing solvency of insurance company (saa) during the period 2014-2023.

6.3.Recommendations: Based on the reached results, we recommend the following:

-Commitment to formation of regulated liabilities;

-The need to increase the value of the solvency margin' components, in order to ensure the ability to meet obligations towards insured or beneficiaries of insurance contracts;

-Continuing to represent regulated liabilities in acceptable assets, at the rates specified in accordance with the decision dated May 14, 2016;

-Improving the underwriting policy, by avoiding the risk of underwriting in insurance categories with high risks;

-The need to evaluate periodically regulated liabilities.

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