

***Study of the evolution of reference data for Algerian insurance companies
(2012 to 2021)***

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Abstract:

The assessment of the economic viability, risk management capability, and operational efficiency of an insurance company relies on a set of key indicators carefully examined by executives, regulatory authorities, and shareholders. These indicators include underwritten premiums, claims costs, investment returns, technical provisions, and solvency margins. Our analysis revealed that the examination of long-term trends provides valuable insights into financial management, with increases suggesting financial prudence, whereas consistent decreases could indicate potential issues. Sectorial comparisons showed that more favorable developments compared to peers signal a stronger financial position. Furthermore, the impact of macroeconomic factors, regulatory changes, and specific sector characteristics also plays a crucial role in influencing claims and solvency margins. The careful analysis of these elements provides an in-depth insight into the overall financial health of the insurance company, thereby enabling informed decisions to ensure its long-term sustainability.

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1. Introduction

Insurance plays a crucial role in the efficient and sustainable development of contemporary economies, relying on a unique expertise. Often seen as a prerequisite for any economic activity, it facilitates new initiatives and addresses fundamental human aspirations.

The positive effects and externalities of insurance extend well beyond its purely financial dimensions. However, it is at the convergence of insurance and the overall financial system that major challenges have emerged in recent years, particularly during the financial crisis of 2008. This crisis called into question the role of many financial institutions, including that of insurance.

At first glance, an insurance company can be analyzed through its premiums, claims, and investments. Premiums represent the periodic payments made by policyholders to receive coverage in the event of a claim. Claims encompass insured incidents such as accidents, illnesses, or property damage. Investments include financial placements made by the insurance company to generate income and cover the costs of claims. Asset management is of crucial importance in the overall management of an insurance company, as it aims to maximize investment returns while minimizing risks.

However, to understand the extent of the financial strength of an insurance company, one cannot rely solely on data related to premiums, claims, and investments. It is also necessary to analyze other indicators such as the amount of technical provisions and the level of solvency margin.

Technical provisions represent the essential financial amount intended to cover claims and expenses associated with ongoing insurance contracts. Their assessment is based on the analysis of risks, probabilities of claims occurrence, and contract specifics. Insurance companies are obligated to establish adequate technical provisions to ensure the settlement of claims in the event of an occurrence.

Solvency margin is the difference between the assets and liabilities of an insurance company. It represents the financial capacity of the company to cover claims and invest in new contracts. A significant solvency margin indicates that the insurance company is solvent and can continue to operate without fearing financial weakening.

In this paper, we will examine the assessment of the aforementioned benchmark data regarding insurance companies in Algeria. The objective is to analyze the rate of evolution of each data point for each insurance company operating in Algeria from 2012 to 2021. It is in this context that the following issue has been formulated:

What is the trend in the evolution of reference data for insurance companies in Algeria during the period from 2012 to 2021?

To address this issue, we have chosen to organize this article into three distinct sections. The first section is a literature review, presenting recent studies related to insurance in Algeria. The second section introduces insurance companies, along with the data under study. The analysis of the evolution of reference data will be discussed

in the third section.

2. Literature Review:

The literature review below synthesizes the main works and academic articles focusing on the insurance sector in Algeria, with a particular emphasis on development and the challenges faced by insurance companies.

Primarily, research that delves into the development of the insurance sector in Algeria, especially since independence, is examined through various stages and reforms (Sadi & Achouche, 2015). Unfortunately, despite efforts to invigorate the sector, notably through Law 95/07, the analysis reveals an unfavorable ranking for Algeria across all insurance indicators, highlighting that the sector's contribution to the national economy remains marginally significant.

The evolution of insurance in Algeria, oscillating between expansion and the necessity for development, reveals a relatively modest and unsatisfactory growth of the insurance sector in the country, in contrast to global trends (Yousfi, 2007). The study identifies obstacles such as the resistance of insurance companies to change and a lack of innovation, underscoring the imperative to make significant improvements. It calls for substantial actions to stimulate the sector's development.

The life insurance sector in Algeria lags significantly behind global standards, attributed to shortcomings such as the absence of implementing regulations for fiscal measures and an insufficient level of insurance culture. To address this situation, development perspectives are considered, including the implementation of a proactive policy to popularize insurance products and an adaptation of regulations to incorporate Takaful Family insurance (Bougarne & Allam, 2017).

Other studies have focused on the governance of insurance companies in Algeria, which underwent significant regulatory strengthening in 2006, notably in response to Solvency I and II standards. This initiative encourages close monitoring of the implementation of Solvency II pillars, with the aim of drawing relevant insights for the continuous improvement of insurance regulations in Algeria (Belaid & Belhouchat, 2014).

The analysis of corporate governance systems in insurance companies, conducted by (Belmedjahed & Douah, 2018), highlights the specificities of the insurance sector, including the presence of distinct stakeholders. The study concludes that the governance system is better suited to the intermediate context in the case of insurance companies. Emphasizing this adaptation, it also recommends the establishment of a specific corporate governance code for insurance in Algeria.

In the same governance context of Algerian insurance companies, the study by (Mehar, 2017) reveals a tendency to manipulate financial results to avoid deficit or declining performance. This practice sheds light on a persistent inclination to manage

results, supported by analyses indicating upward adjustments aimed at achieving targets set by executives. It underscores that the primary motivation behind these results management practices lies in loss prevention.

Another aspect addressed in this literature review concerns the marketing of products and services in the field of insurance, with a particular focus on the social importance of liability insurance. This is evident through its crucial role in protecting individuals, private property, and national heritage. The study also highlights the fundamental link between liability insurance and the reinforcement of individual responsibility (Derder, 2021).

The potential of insurance as a financing mechanism for startups and SMEs in Algeria is explored in the study by (Sadek, 2021). It suggests that the insurance market could play a significant role in financing SMEs and startups. The study recommends adjustments in financial investment management to optimize returns and advocates for the active involvement of insurance companies to contribute to the revitalization of the financial market. Insurance can play a significant role in SME financing by injecting liquidity into the financial market (Omrani, 2018). This study reveals that most banking professionals recognize the crucial importance of credit insurance in the loan approval process.

The case study by (Benamar, 2022) on the Algerian Insurance Company (Société Algérienne des Assurances - SAA) highlights the necessity for companies in the sector to reassess their organizational structure, especially through in-depth market studies and ensuring regular customer service. It also emphasizes the critical importance of marketing strategies in a complex and uncertain context, while underscoring the central mission of achieving profitable growth and strengthening customer relationships. According to (Dendane & Chitti, 2022), the insurance market in Algeria is potentially under-exploited, emphasizing that marketing strategies, especially those related to the extended marketing mix, are not fully implemented. Additionally, the communication efforts of insurance companies often focus on specialized messages rather than promoting an insurance culture.

The evolution of bancassurance in Algeria is marked by the gradual disappearance of traditional boundaries between banking and insurance, characterized by the emergence of hybrid models. This transformation is perceived as a necessity to broaden business and service opportunities, particularly through the innovative concept of "Assur banque," where insurers establish their own banking subsidiaries. The suggestion for the future of bancassurance in Algeria is open to a constantly changing landscape (Hamoul & Kassoul, 2017).

Bancassurance in Algeria is considered a lever for the development of insurance marketing (Kadem, 2022). This analysis emphasizes the growing synergy between banks and insurance companies in Algeria, highlighting recent partnership agreements. It underscores the strategic importance of communication and distribution channels for

the promotion of insurance products. The study also addresses the challenges and success factors in bancassurance, particularly emphasizing management commitment and the need for continuous training.

Recent literature on the insurance sector in Algeria sheds light on various crucial aspects of its operation. (Abboura, 2011) emphasizes the importance of prudential control of the solvency of insurance companies, stressing the need for such control to ensure the proper functioning of the sector and protect the interests of policyholders. In the context of economic transformations in Algeria, (Rezazi & Temam, 2003) highlight the importance of risk management, proposing international approaches to strengthen risk management in the face of multiple challenges related to the diversity of risks. Risk management is crucial for businesses and national economies, especially during periods of economic transformation. Risks can stem from various sources such as economic fluctuations, political changes, technological advancements, natural disasters, etc.

Recent studies, such as the one by (Metchat & Boudaoud, 2023), explore the new trends in the insurance industry in Algeria, highlighting the impact of constantly evolving prudential regulations. The emphasis is on the crucial need to maintain adequate solvency in the face of emerging risks. (Mohsen & Hani, 2017) examine the technical provisions of insurance companies in Algeria, emphasizing the importance of maintaining sufficient provisions to honor commitments to policyholders.

The implications of regulatory reforms are also examined, such as the analysis by (Sadek & Boulenouar, 2018) on the effects of the 2006 prudential regulation reform on the insurance activity in Algeria, highlighting specific consequences for public and private enterprises. (Alouache, Fekarcha, & Athamnia, 2021) address the government's willingness to establish a new prudential framework in line with international standards, emphasizing the importance of insurer involvement in this process to reflect the economic realities of the country.

In exploring the legal challenges of transitioning from Solvency I to Solvency II, (Lalaoui & Haffar, 2022) trace the implementation challenges, such as the reorganization of structures and the costs associated with adopting Solvency II. (Bouabdallah & Oubelaid, 2022) assess the consequences of applying the standard formula of Solvency II on the capital requirements of an Algerian insurance company, emphasizing the new quantitative requirements introduced by Solvency II, notably the Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR). (Riad, Akhenak, & Djelouli, 2020) highlight the crucial importance of solvency, especially within the "Solvency II" regulation framework, emphasizing significant changes in liability assessment, specifically integrating provisioning risk into the calculation of solvency capital.

Finally, the study by (Boucherak, 2023) concludes that the insurance company has adequate equity to cover the required solvency capital, highlighting the predominant impact of risks related to premiums and reserves, especially in the automotive sector.

The study also proposes recommendations to modernize the solvency regime in Algeria in alignment with Solvency II, ensuring the financial stability of insurers.

3. Presentation of insurance companies and their reference data:

3.1. The insurance companies:

The insurance landscape in Algeria is mainly divided into four categories of companies: public, private, mixed, and mutual. In the category of public companies, important players include the Central Reinsurance Company (CCR) in the reinsurance sector. For specialty insurance, the National Insurance Company (SAA) and the Algerian Insurance Company (CAAT) play a major role in property and casualty insurance, while TAAMINE LIFE Algeria (TALA) and CAARMA, a subsidiary of CAAR, focus on life insurance.

On the private side, companies include players such as General Mediterranean Insurance (GAM) and SALAMA Assurance, specializing in property and casualty insurance, as well as MACIR VIE (a subsidiary of CIAR) and CARDIF El-Djazair in the life insurance sector.

Mixed companies, combining public and private capital, include names such as AXA Assurance Algérie Dommage (AXA-DOMMAGE) in property and casualty insurance, and Société d'Assurance de Prévoyance et de Santé (SAPS or AMANA) in life insurance.

Mutual companies also play an important role with entities such as the National Mutual Agricultural Fund (Caisse Nationale de Mutualité Agricole - CNMA) in property and casualty insurance, and Le Mutualiste in life insurance. This diversity of players reflects the dynamics of the insurance sector in Algeria, providing consumers with a range of options to meet their specific insurance needs.

3.2. Presentation of study data and their developments:

Our scope of study encompasses all-risk insurance companies (Property and Casualty, as well as Life) operating in Algeria from 2012 to 2021. In the context of our research, the empirical data in question consist of annual statistics for each company. These data are presented as follows:

- Premiums issued.
- Claims (indemnities).
- Investments (placements).
- Financial products (returns on investments).
- Technical provisions.
- Solvency margins.

4. Presentation of insurance companies and their reference data:

The insurance sector is subject to economic and sectoral fluctuations that impact the performance of companies. Analyzing growth and decline rates over various periods can provide a significant perspective on trends and evolving patterns within the sector. To

observe and analyze the rate of evolution of reference data for each insurance company during the period from 2012 to 2021, we conducted triennial groupings (every three years).

4.1. Evolution of insurance premiums:

The table below examines the variations in the growth/decline rates of insurance premiums during the periods 2012-2015, 2015-2018, and 2018-2021:

Table 1: Evolution rates of premiums between 2012 and 2021:

<i>Insurance Companys</i>	<i>Rate of evolution of insurance premiums in percentage</i>		
	<i>2012-2015</i>	<i>2015-2018</i>	<i>2018-2021</i>
SAA	18%	1%	4%
CAAR	18%	-9%	7%
CAAT	36%	14%	5%
CASH	19%	-4%	69%
GAM	-5%	20%	-18%
SALAMA	44%	10%	-16%
TRUST	-7%	65%	71%
ALLIANCE	19%	13%	-4%
CIAR	36%	11%	-14%
2A (GIG)	0%	7%	0%
AXA DOMMAGE	553%	19%	-45%
CNMA	54%	13%	-10%
MACIR VIE	39%	4%	-27%
TALA	82%	-47%	24%
SAPS (AMANA)	38%	40%	-19%
CAARAMA	-1%	-5%	3%
CARDIF EL- DJAZAIR	46%	66%	24%
AXA VIE	414%	59%	-17%
LE MUTUALISTE	-19%	3%	-20%
TOTAL	28%	7%	4,67%

Source: Compiled by us from data in the annual reports on insurance activity.

The period from 2012 to 2015 was marked by widespread expansion within the insurance industry. Many companies recorded significant growth rates. For example, AXA DOMMAGE experienced remarkable growth of 553%, suggesting expansion strategies or factors specific to the company. However, exceptions were noted, including the negative performances of some companies such as GAM (-5%) and Le Mutualiste (-19%).

The period from 2015 to 2018 displayed a more complex dynamic. Some companies maintained robust growth, demonstrating resilience in the face of potential economic turbulence. Trust Algeria (+65%) and CARDIF EL-DJAZAIR (+66%) recorded notable growth rates, perhaps indicating the implementation of strong market strategies or

successful adaptation to changing conditions. Conversely, several companies faced challenges, with significant decline rates. AXA Vie (-25%) and TALA (-47%) experienced substantial decreases.

The period from 2018 to 2021 revealed fluctuations in premium growth rates. Some companies maintained significant growth, notably CASH Assurances (+69%) and Trust Algeria (+71%). These high rates suggest a possible increase in demand or successful expansion into new market segments. Conversely, some companies recorded substantial declines, such as AXA DOMMAGE (-45%) and SAPS (-19%).

The analysis of premium growth rates for Algerian insurance companies during the periods 2012-2015, 2015-2018, and 2018-2021 highlights diverse performance patterns within the sector. The alternations between growth and decline periods reflect the complex influences of economic conditions, regulatory changes, and company-specific strategies. This analysis underscores the importance of strong strategic management and agile adaptation to maintain competitiveness in a dynamic environment.

4.2. Evolution of claims:

The analysis of claims evolution rates within the insurance industry allows for discerning trends in indemnification over a given period. These data provide crucial insights into financial stability, operational performance, and risk management within insurance companies. This study examines variations in claims evolution rates for different companies over the three periods.

Table 2: Evolution rates of claims between 2012 and 2021:

<i>Insurance Companys</i>	<i>Rate of evolution of claims in percentage</i>		
	<i>2012-2015</i>	<i>2015-2018</i>	<i>2018-2021</i>
SAA	17%	-4%	-15%
CAAR	74%	-31%	-16%
CAAT	64%	-5%	15%
CASH	-30%	-3%	104%
GAM	6%	30%	-20%
SALAMA	25%	8%	-9%
TRUST	65%	10%	41%
ALLIANCE	5%	30%	-2%
CIAR	31%	-5%	-6%
2A (GIG)	58%	-2%	9%
AXA DOMMAGE	5767%	40%	-37%
CNMA	71%	26%	-16%
MACIR VIE	163%	20%	95%
TALA	60%	3%	34%
SAPS (AMANA)	539%	49%	36%
CAARAMA	209%	-12%	127%
CARDIF EL- DJAZAIR	118%	7%	342%

AXA VIE	2314%	117%	59%
LE MUTUALISTE	225%	29%	6%
TOTAL	40%	-2%	3,60%

Source: Compiled by us from data in the annual reports on insurance activity.

The period from 2012 to 2015 was characterized by significant fluctuations in the claims evolution rates within insurance companies. Several companies recorded remarkable increases, notably AXA DOMMAGE (+5767%) and AXA Vie (+2314%). However, some companies managed to reduce their claims evolution rates, such as CASH Assurances (-30%).

Between 2015 and 2018, claims evolution rates exhibited varying trends among insurance companies. Some players, like MACIR VIE (+20%) and SAPS (+49%), experienced significant increases. On the other hand, some companies succeeded in reversing the trend, such as CAAR (-31%) and CIAR (-5%).

Between 2018 and 2021, the dynamics of claims evolution rates varied. Some companies maintained notable increases, such as CASH Assurances (+104%) and Trust Algeria (+41%). In contrast, other companies recorded significant decreases, like GAM (-20%) and AXA DOMMAGE (-37%).

This analysis highlights the importance of constantly monitoring claims trends, adjusting risk portfolio diversification strategies, and implementing rigorous underwriting practices. These measures are crucial to ensuring the long-term stability and profitability of insurance companies.

4.3. Evolution of investments:

The assessment of the performance of insurance companies' financial asset management is of crucial importance, and this involves analyzing the evolution rates of their investments. These rates reflect the fluctuations in returns from various investments, such as stocks, bonds, and other financial instruments. By scrutinizing these variations over the periods 2012-2015, 2015-2018, and 2018-2021, this study aims to understand the effectiveness of resource allocation and investment strategies adopted by different insurance companies.

Table 3: Evolution rates of investments between 2012 and 2021:

<i>Insurance Companys</i>	<i>Rate of evolution of investments in percentage</i>		
	<i>2012-2015</i>	<i>2015-2018</i>	<i>2018-2021</i>
SAA	26%	5%	7%
CAAR	7%	-2%	-2%
CAAT	35%	19%	22%
CASH	40%	11%	5%
GAM	43%	24%	-29%
SALAMA	85%	48%	27%
TRUST	-4%	-1%	-27%

ALLIANCE	10%	1%	18%
CIAR	41%	34%	19%
2A (GIG)	33%	109%	59%
AXA DOMMAGE	237%	76%	-20%
CNMA	108%	50%	19%
MACIR VIE	40%	32%	0%
TALA	100%	57%	21%
SAPS (AMANA)	323%	7%	21%
CAARAMA	280%	57%	25%
CARDIF EL- DJAZAIR	69%	180%	25%
AXA VIE	136%	152%	-5%
LE MUTUALISTE	25%	27%	63%
TOTAL	40%	-2%	3,60%

Source: Compiled by us from data in the annual reports on insurance activity.

Between 2012 and 2015, the investment evolution rates within insurance companies exhibited diversity. Some players, such as AXA DOMMAGE (+237%), SAPS (+323%), and CAARAMA (+280%), recorded substantial growth. In contrast, other companies like SALAMA (+85%) and AXA VIE (+136%) showed more moderate growth rates. Meanwhile, some companies recorded low or even negative evolution rates, as seen with TRUST (-4%). Between 2015 and 2018, the performances in terms of investment evolution rates were varied. Some companies maintained positive growth rates, like GIG (+109%) and CARDIF (+80%). However, other companies recorded negative rates, such as CAAR (-2%) and TRUST (-1%).

Between 2018 and 2021, the dynamics in terms of investment evolution rates were diverse. Some companies maintained positive growth rates, such as GIG (+59%) and LE MUTUALISTE (+63%). However, the majority of other companies recorded significant declines, such as GAM (-29%) and AXA DOMMAGES (-20%). These variations can be attributed to a range of factors, including changing financial market conditions and the investment strategies implemented by each company.

This analysis underscores the crucial importance of strategic financial asset management. The observed variations in investment evolution rates reflect investment performance, asset allocation choices, and economic conditions. Prudent management, based on continuous evaluation of opportunities and risks, is essential to maximize financial returns and ensure the long-term stability of insurance companies.

4.4. Evolution of financial products:

Analyzing the evolution rates of financial products is vital for evaluating the performance of investments made by insurance companies. These rates signify the changes in returns from assets like stocks and bonds. The study focuses on assessing the profitability and effectiveness of investment strategies by examining fluctuations in the evolution rates of financial products among various insurance companies during the

periods of 2012-2015, 2015-2018, and 2018-2021:

Table 4: Evolution rates of financial products between 2012 and 2021:

<i>Insurance Companys</i>	<i>Rate of evolution of financial products in percentage</i>		
	<i>2012-2015</i>	<i>2015-2018</i>	<i>2018-2021</i>
SAA	4%	11%	18%
CAAR	52%	-7%	32%
CAAT	38%	80%	63%
CASH	94%	104%	59%
GAM	450%	636%	-8%
SALAMA	197%	278%	4%
TRUST	-20%	32%	37%
ALLIANCE	18%	230%	-29%
CIAR	-8%	917%	647%
2A (GIG)	-10%	203%	80%
AXA DOMMAGE	0%	127%	560%
CNMA	230%	103%	88%
MACIR VIE	100%	400%	150%
TALA	140%	105%	73%
SAPS (AMANA)	925%	190%	121%
CAARAMA	742%	158%	45%
CARDIF EL- DJAZAIR	400%	177%	84%
AXA VIE	0%	143%	394%
LE MUTUALISTE	110%	57%	79%
TOTAL	35%	57%	-69,11%

Source: Compiled by us from data in the annual reports on insurance activity.

Between 2012 and 2015, the evolution rates of financial products varied among insurance companies. Some players displayed moderate growth rates, such as SAA (+4%) and Alliance (+18%). In contrast, other companies recorded exceptionally high growth rates, such as GAM (+450%) and SALAMA (+197%).

The period from 2015 to 2018 showed diverse performances in terms of financial product evolution rates. Some companies continued to exhibit positive growth rates, like CNMA (+103%) and TALA (+105%). However, certain companies recorded negative rates, such as Trust Algeria (-20%).

The period from 2018 to 2021 exhibited diverse dynamics in terms of financial product evolution rates. Some companies continued to record positive growth rates, such as CAAT (+63%) and CARDIF EL-DJAZAIR (+84%). Other companies experienced declines, such as GAM (-8%).

4.5. Evolution of technical provisions:

The evaluation of financial strength and risk management within insurance companies can be conducted through the analysis of variations in the rates of change of technical provisions. These provisions represent the amounts reserved by companies to cover their future obligations to policyholders. It is crucial that these amounts are sufficient to meet contractual commitments. This study focuses on the fluctuations in the rates of change of technical provisions observed among various insurance companies during the periods 2012-2015, 2015-2018, and 2018-2021:

Table 5: Evolution rates of technical provisions between 2012 and 2021:

<i>Insurance Companys</i>	<i>Rate of evolution of technical provisions in percentage</i>		
	<i>2012-2015</i>	<i>2015-2018</i>	<i>2018-2021</i>
SAA	1%	-7%	18%
CAAR	37%	-19%	-14%
CAAT	13%	5%	21%
CASH	25%	25%	24%
GAM	8%	-16%	10%
SALAMA	103%	38%	13%
TRUST	13%	19%	-18%
ALLIANCE	-17%	11%	39%
CIAR	28%	31%	24%
2A (GIG)	1%	82%	4%
AXA DOMMAGE	663%	59%	-28%
CNMA	153%	25%	8%
MACIR VIE	202%	29%	9%
TALA	157%	105%	16%
SAPS (AMANA)	442%	25%	-4%
CAARAMA	97%	90%	-14%
CARDIF EL-DJAZAIR	336%	163%	41%
AXA VIE	255%	72%	52%
LE MUTUALISTE	83%	-23%	-5%
TOTAL	28%	11%	11,39%

Source: Compiled by us from data in the annual reports on insurance activity.

During the period 2012-2015, notable variations were observed in the rates of change of technical provisions among insurance companies. Some companies exhibited modest growth rates, such as SAA (+1%) and 2A (+1%). Conversely, other companies recorded remarkably high growth rates, notably AXA DOMMAGE (+663%) and CARDIF EL-DJAZAIR (+336%).

Between 2015 and 2018, the performance of the rates of change in technical provisions varied among companies. Some companies showed negative growth rates, such as

CAAR (-19%) and GAM (-16%). In contrast, other companies maintained positive growth rates, like CNMA (+25%) and TALA (+105%).

From 2018 to 2021, the rates of change in technical provisions continued to show significant variations. Some companies maintained positive growth rates, such as CAAT (+21%) and AXA Vie (+52%). However, other companies experienced negative rates, as seen with AXA DOMMAGE (-28%) and CAARAMA Assurance (-14%). These fluctuations could result from changes in contractual obligations or the performance of their insurance portfolios.

The observed variations reflect adjustments in provisions in response to past performance, new information, and anticipated developments. Proactive management of technical provisions, considering market fluctuations and ongoing commitments, is essential to ensure financial stability and the ability to meet obligations to policyholders.

4.6. Evolution of solvency margins:

Solvency margin is a key indicator of an insurance company's ability to cover its obligations to policyholders and absorb unforeseen financial shocks. Analyzing the rates of change in these margins allows tracking the financial performance of the company over time. This study examines variations in the rates of change of solvency margins for different insurance companies during the periods of 2012-2015, 2015-2018, and 2018-2021:

Table 6: Evolution rates of solvency margins between 2012 and 2021:

<i>Insurance Companys</i>	<i>Rate of evolution of solvency margins in percentage</i>		
	<i>2012-2015</i>	<i>2015-2018</i>	<i>2018-2021</i>
SAA	18%	18%	14%
CAAR	11%	6%	9%
CAAT	17%	23%	23%
CASH	13%	14%	15%
GAM	-47%	205%	-39%
SALAMA	18%	19%	21%
TRUST	22%	27%	7%
ALLIANCE	11%	22%	44%
CIAR	5%	12%	13%
2A (GIG)	5%	-31%	42%
AXA DOMMAGE	-44%	-21%	3%
CNMA	11%	23%	46%
MACIR VIE	11%	27%	11%
TALA	50%	11%	14%

SAPS (AMANA)	62%	4%	13%
CAARAMA	31%	14%	11%
CARDIF EL- DJAZAIR	-12%	63%	20%
AXA VIE	-12%	71%	-4%
LE MUTUALISTE	22%	24%	51%
TOTAL	12%	18%	15,92%

Source: Compiled by us from data in the annual reports on insurance activity.

Between 2012 and 2015, there were significant fluctuations in solvency margins among insurance companies. Substantial variations were observed, with some companies displaying positive growth rates, such as SAPS (+62%) and TALA (+50%). Conversely, others recorded negative growth rates, like LE MUTUALISE (-47%) and AXA DOMMAGE (-44%).

From 2015 to 2018, the performances in terms of rates of change in solvency margins experienced notable variations. Negative growth rates were recorded by some companies, like GIG (-31%). In contrast, other companies maintained positive growth rates, including GAM (+205%), AXA (+71%), and LE MUTUALISTE (+63%).

Between 2018 and 2021, the rates of change in solvency margins continued to show significant variations. Some companies maintained positive growth rates, such as CNMA (+46%) and ALLIANCE (+44%). Conversely, other companies recorded negative rates, like GAM (-39%).

The analysis of the rates of change in solvency margins should be integrated into a broader evaluation of the financial health of an insurance company, including other financial indicators, the quality of the insurance portfolio, corporate governance, and other relevant factors. This will provide a more comprehensive picture of the financial situation of the company.

5. Conclusion:

The analysis of the evolution rates of reference data for insurance companies requires a holistic approach, taking into account several key factors. Firstly, the examination of long-term trends provides valuable insights into financial management, with increases suggesting financial prudence while consistent decreases could signal potential issues. Sectorial comparisons shed light on the relative performance of the company, with more favorable developments compared to peers indicating a stronger financial position.

Rate fluctuations should also be interpreted in the context of macroeconomic factors, where overall economic conditions can influence claims and solvency margins. Changes in regulations and accounting standards represent crucial variables to consider for an accurate assessment of evolution rates. Moreover, the specific nature of the company's activities, including varying responses to economic fluctuations in life insurance and property insurance sectors, must be taken into account.

Finally, risk management plays a central role. Analyzing how the company handles its risks through strategies such as portfolio diversification, reinsurance, and underwriting

policies provides crucial insights into its ability to maintain healthy solvency margins. By integrating these various elements, a comprehensive analysis of evolution rates allows for a thorough evaluation of the financial and operational health of an insurance company.

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