



المجلس الوطني للتطوير الاقتصادي و الاجتماعي
National Economic & Social Development Board
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Executive summary

The comprehensive strategy for developing the insurance sector in Libya



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1) Overview:

Project Location:

The Insurance Supervisory Authority, one of the entities affiliated with the Ministry of Economy and Trade.

Project description:

Improving and developing the efficiency of the insurance industry in Libya in line with the reform programs followed by most governments at the regional and international levels, aiming to increase the insurance sector's contribution to the national domestic product through its important role in achieving the goals of economic and social growth, preserving national wealth, in a way that enhances financial stability, mobilizes and develops national savings to finance economic development projects.

Project Goal:

- Addressing the distortions in the legal and regulatory frameworks of the insurance sector and reaching outcomes that are practically applicable and contribute to the growth and development of the insurance sector in Libya.
- Strengthening the role of supervision over the local insurance market and requiring all insurance instruments to comply with the laws, regulations and decisions regulating the practice of insurance activity.
- Applying disclosure and transparency rules to establish principles of governance and fair competition.

2) Strategic objectives of the project:

Through the draft comprehensive strategy for developing the insurance sector, we seek to rebuild all components of the insurance sector under one legislative umbrella in accordance with the following strategic objectives:

1. Identifying the regulatory and supervisory problems and bottlenecks facing the Authority's work and suggest ways to address them.
2. Working to control the compliance of all insurance instruments with the laws and legislation regulating the sector.
3. Working to develop the insurance market and increase insurance awareness among individuals and public and private institutions.
4. Studying and reconsidering all regulating laws, regulations and legislation.

3) Project partners:

- Technical committees of assistance from the Authority's employees and insurance experts on insurance market tools.
- Consultants and academics in the legal, financial and technical fields.

4) Project outputs:

A – Identifying issues of urgent nature that are important to the insurance sector and that require decisions issued by the executive authority, to be presented to the Board of Trustees of the National Economic and Social Development Board; As one of the team's work priorities, it is as follows:

- A proposed alternative resolution to Resolution No. (213) of 2003 regarding determining the foundations and controls for compensation for damages arising from motor vehicle accidents insured under Law No. (28) of 1971 regarding compulsory insurance, which is referred for presentation to the Council of Ministers.
- A proposal to join the United Nations Convention on the Transport of Goods by Sea (Hamburg Rules), which was referred to the Director of the International Organizations Department at the Ministry of Foreign Affairs.

The issues were referred to the Prime Minister in accordance with the letter of the Director General of the National for Economic and Social Development Board No. NESDB-1310 dated 10/12/2022.

B- A proposal to structure the government's supervisory and oversight apparatus.

C- A proposal to structure the insurance market.

D- A proposal to engineer procedures for insurance and reinsurance activities.

E- General provisions and regulatory procedures.

F- Procedure matrices that include clarifying responsibilities and distributing tasks.

Goal	Issue (challenges)	Suggested programs and procedures
	<p>economic activities, which resulted in confusion and lack of clarity of the mechanisms for practicing insurance activity, and the failure to specify the nature and details of those types.</p> <ul style="list-style-type: none"> • Preparing a special accounting guide for insurance and reinsurance activities. 	<ul style="list-style-type: none"> - Unifying accounting models, financial statements and their attachments for all insurance instruments. - Clarifying financial concepts and indicators in a way that is reflected in the financial positions of insurance instruments. - Preparing accounting standards for insurance activity. - Developing governance Articles. - Structuring the capital of insurance and reinsurance companies.
<p>Developing and unifying the legislations and regulations governing insurance activity in Libya</p>	<p>- The multiplicity of laws and regulations and the clear failure to keep pace with the development of insurance activity at the regional and international levels.</p>	<p>- Issuing a law under the name of the Unified Libyan Insurance Law.</p>



6) Conclusion:

The comprehensive strategy for developing the insurance sector in Libya is an ambitious strategy that aims to shed light on the reality and prospects of the insurance market and its components and the efforts undertaken by the Ministry of Economy and Trade, represented by the Insurance Supervisory Authority, which aim in their entirety to support it and work to develop and improve its components. Through continuous supervision and control of the sector, and containing the risks associated with its activities, we seek through this project to keep pace with all developments in the legislative and regulatory aspects at the regional and international levels, and to adapt them in line with the requirements of the local insurance market.

- Work methodology:

A work methodology has been determined in accordance with the strategic objectives of the project, which are as follows:

- Administrative development in structuring government supervision and oversight.
- Regulatory development of the insurance market.
- Technical and financial development and practicing insurance business.
- Developing and unifying legislations and regulations regulating insurance activity in Libya.

- Outputs:

- A proposal to structure the government's supervisory and oversight system.
- A proposal to structure the insurance market.
- A proposed for engineering procedures of insurance and reinsurance activities.
- General provisions and regulatory procedures.
- Including clarification of responsibilities and distribution of tasks in procedure matrices.

- Recommendations:

The working group recommends forming a legal, technical, and financial working group that will conclude with drafting a law to regulate the insurance sector under the name "Unified Libyan Insurance Law," based on the outcomes of the draft comprehensive strategy for developing the insurance sector in Libya.