# Saudi Insurance: Redefining the Traditional Insurance Model

Saudi Arabia's health insurance market is moving beyond the traditional model of collecting premiums, managing claims and reimbursing providers. Bupa Arabia and Tawuniya (together 75%+ market share) are increasingly positioning themselves as **integrated healthcare platforms**, taking a greater role in customer engagement, care delivery, healthcare navigation and cost management. The shift is driven by rising healthcare costs, growing chronic disease and a strategy that favours primary, preventive and digital care.

## WHY IS THE MODEL CHANGING?

- Rising healthcare costs
- Growing chronic disease prevalence
- Rising long-term care demand
- Focus on primary and preventive care
- A push towards digital healthcare
- Need for better care coordination

## FROM PAYER TO HEALTHCARE PARTNER

The traditional model engaged customers mainly at policy purchase or claim. The emerging model engages across the entire healthcare journey.

Prevention ▸ Primary consultation ▸ Treatment ▸ Follow-up ▸ Chronic care management

### What the shift means?

*From transactional payer to active care partner*

- Continuous engagement gives insurers far greater visibility over how, where and when care is used
- Customers can be guided towards appropriate, lower-cost pathways before conditions escalate
- The insurer becomes an active participant in the healthcare journey rather than only a payer of claims
- Early intervention can improve health outcomes while reducing the severity and cost of future claims
- Greater control over the care pathway can improve member retention and strengthen the insurer–customer relationship

*Source: Aranca Research; Company Disclosures (Bupa Arabia, Tawuniya)*

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## TWO COMPANIES, TWO STRATEGIES

### Bupa Arabia

*Digital-first ecosystem*

**CareConnect** integrates insurance services with digital healthcare access, care navigation, and health and wellness solutions.

- Digital-first and customer-centric by design
- Aims to lift customer experience and retention
- Uses digital engagement and health data for proactive care management
- More scalable and capital-light in nature
- Integrates external providers while keeping flexibility

**Key focus:** *scalable, capital-light digital engagement*

### Tawuniya

*Vertically integrated model*

Expanding across healthcare delivery through medical centres, clinics, home healthcare services and the **MEENA** digital platform.

- A more direct role in the patient journey
- Can influence utilisation and coordinate care
- Greater control over quality, pathways and claims costs
- Builds a more integrated, in-house care network
- Captures a larger share of the healthcare value chain

**Key focus:** *control over delivery, pathways and costs*

## THE CORE OPPORTUNITY: PATIENT STEERING

### Steering patients to the right care, earlier

*Engaging before a claim occurs*

- Customers can be directed to primary care, virtual consultations, preventive services, home healthcare or suitable networks before conditions require complex, expensive treatment
- This lets insurers influence where, when and how care is delivered
- It is the foundation for end-to-end care management and better cost control across the journey

## HOW THE INTEGRATED MODEL CREATES VALUE? (1/2)

### For Customers

- A single point of access for cover, appointments, consultations, approvals, records and follow-up
- Shorter waiting times and better continuity of care
- Earlier diagnosis and more proactive management of chronic conditions

### For Insurers

- Better visibility into healthcare needs and utilisation patterns
- Improved risk assessment and earlier intervention
- More personalised services and stronger customer retention

*Source: Aranca Research; Company Disclosures (Bupa Arabia, Tawuniya)*

## HOW THE INTEGRATED MODEL CREATES VALUE? (2/2)

### For Cost Management

- Fewer avoidable emergency-room visits and hospital admissions
- Less duplication of diagnostic tests and treatment
- Greater use of primary and preventive care, addressing issues earlier

### For the Wider System

- Coordination across insurers, hospitals, physicians, pharmacies and technology
- A shift from fragmented, siloed interactions to connected care
- Information and care that follow the patient across stages of treatment

## VALUE ACROSS THREE DIMENSIONS

**Better customer experience**

**Improved healthcare outcomes**

**More efficient claims management**

**Bottom line:** executed well, the model could lift retention and healthcare quality while moderating claims inflation and supporting more sustainable profitability.

## KEY RISKS TO WATCH

1. **Operational complexity**
   Running clinics, centres and platforms needs capabilities beyond underwriting and claims, and benefits take time while near-term costs rise.

2. **Engagement may not cut costs**
   Easier digital access can raise utilisation unless care pathways are actively managed towards appropriate care.

3. **Execution and integration**
   Fragmented data, weak referral systems and limited interoperability can blunt patient steering and care management.

4. **Capital and model differences**
   Tawuniya’s delivery model is capital-heavy; Bupa Arabia’s digital model depends on adoption and provider integration.

5. **Governance and regulation**
   Operating across financing and delivery raises oversight, regulatory and healthcare-workforce challenges.

*Source: Aranca Research*

## WHAT ASSET MANAGERS SHOULD MONITOR?

- Claims-cost outcomes
- Engagement and retention
- Healthcare utilisation
- Return on investment
- Scalability
- Execution and governance

## ARANCA'S VIEW

Integrated healthcare ecosystems are best judged as a potential **long-term differentiator**, not simply an expansion into adjacent services. The key question is whether higher engagement and greater control over the healthcare journey translate into better retention, lower claims-cost inflation and more sustainable underwriting margins.

Bupa Arabia's digital-first model is scalable and capital-light; Tawuniya's integrated model offers more control at higher capital and complexity. **The investment case will depend on evidence of measurable underwriting and financial benefits, not only higher operating costs and greater complexity.**

*Source: Aranca Research*

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