

# PRESS RELEASE

## **Reviewing Sri Lanka's Insurance Sector Performance: 2020 to 2024 and Q1 2025**

Sri Lanka's insurance industry has demonstrated resilience from 2020 through early 2025, successfully navigating the economic challenges caused by the COVID-19 pandemic and the severe economic crisis of 2022. Despite these hurdles, the sector remained stable, reaffirming its commitment to protecting policyholders and ensuring business continuity.

In 2024, both life and general insurance sectors recorded improvements supported by proactive regulatory measures from the Insurance Regulatory Commission of Sri Lanka (IRCSL). Over the past five years, the industry has made significant progress toward sustainability, with the positive momentum continuing into the first quarter of 2025, marked by a steady increase in Gross Written Premiums (GWP).

These developments highlight the insurance sector's vital contribution to Sri Lanka's economic recovery and emphasize the ongoing need for innovation and regulatory support to expand insurance coverage across all communities.

As of 31 March 2025, fifteen (15) companies were operating in the Long-Term (Life) Insurance sector, while fourteen (14) companies were engaged in the General Insurance Sector.

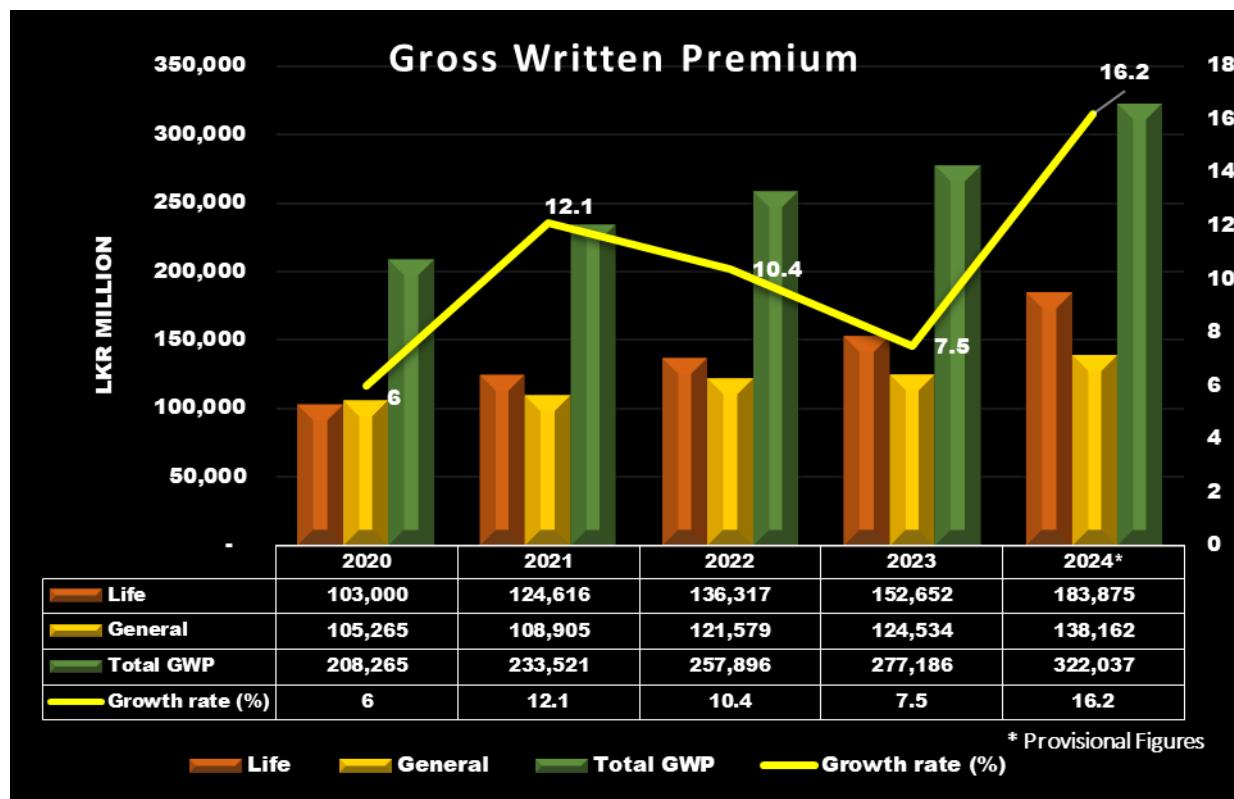
### **Gross Written Premium (GWP)**

Chart 1 highlights the performance of the insurance industry from 2020 to 2024. Total GWP increased significantly, reaching LKR 322,037 million in 2024 compared to LKR 208,265 million in 2020, representing an impressive growth of 54.6%.

The Long-Term (Life) Insurance sector saw a notable rise in GWP, growing from LKR 103,000 million in 2020 to LKR 183,875 million in 2024. This steady increase reflects the sector's growing appeal and the rising demand for long-term financial security among policyholders.

Similarly, the General Insurance sector experienced growth during this period, with GWP increasing from LKR 105,265 million in 2020 to LKR 138,162 million in 2024. This upward trend signifies enhanced public awareness and a wider acceptance of insurance products throughout Sri Lanka.

Chart 1 - Gross Written Premium from 2020 to 2024

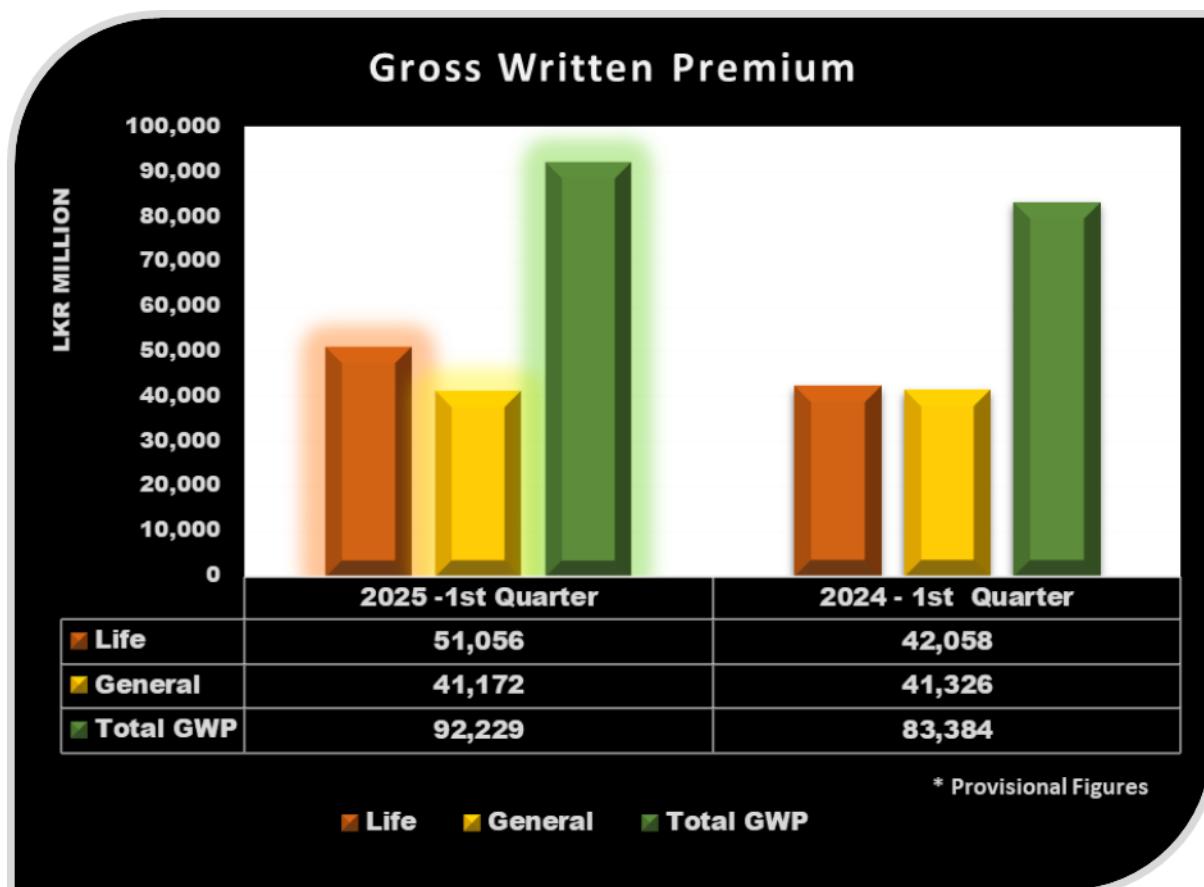


As shown in Chart 2, the Gross Written Premium for the first quarter of 2025 stood at LKR 92,229 million, marking a 10.61% increase compared to LKR 83,384 million recorded in the first quarter of 2024. This reflects a year-on-year growth of LKR 8,845 million.

The Long-Term Insurance Business contributed significantly to this increase, registering a GWP of LKR 51,056 million in Q1 2025, a substantial growth of 21.40% from LKR 42,058 million in the corresponding quarter of 2024.

Conversely, the General Insurance Business recorded a marginal decline, with GWP at LKR 41,172 million in the first quarter of 2025, representing a slight decrease of 0.37% compared to LKR 41,326 million during the same period in 2024.

Chart 2 - Gross Written Premium - Q1 2025 vs Q1 2024



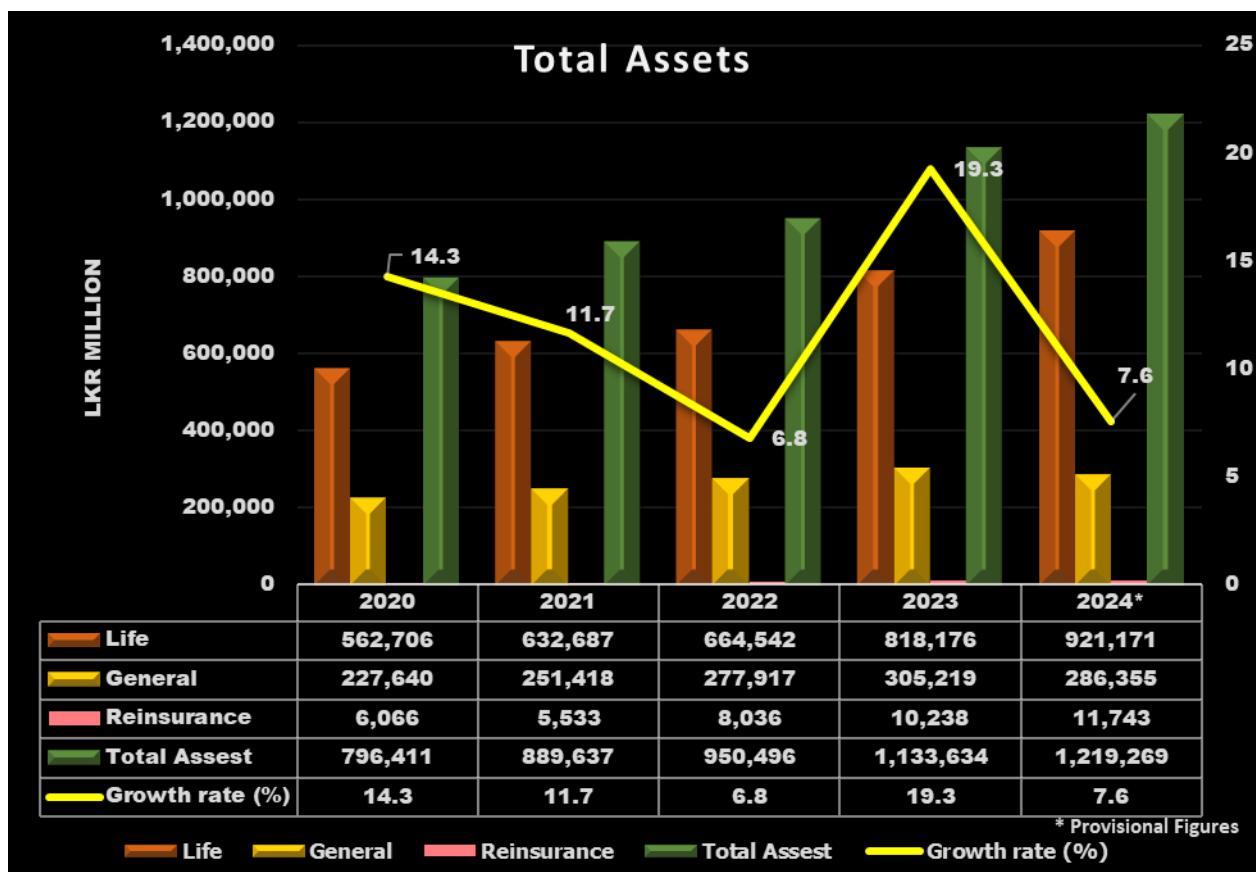
### Total Assets

Chart 3 illustrates the total assets of insurance companies in Sri Lanka from 2020 to 2024. The industry's total assets grew significantly, rising from LKR 796,411 million in 2020 to LKR 1,219,269 million by the end of 2024.

The Long-Term (Life) Insurance sector experienced substantial asset growth, increasing from LKR 562,706 million in 2020 to LKR 921,171 million in 2024. Meanwhile, the General Insurance sector saw a moderate increase, with assets growing from LKR 227,640 million in 2020 to LKR 286,355 million in 2024.

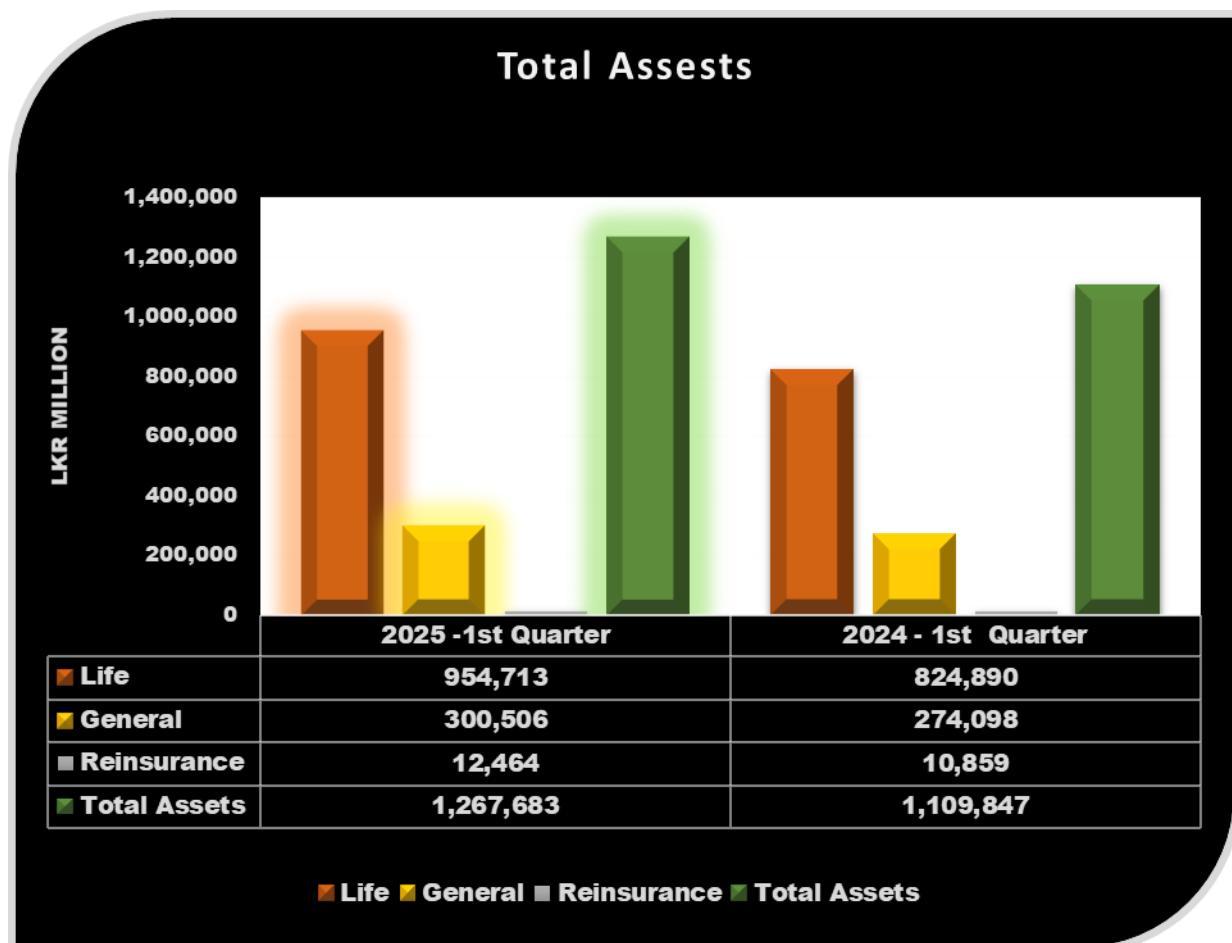
Year-on-year asset growth rates reflect a consistently positive upward trend, highlighted by a notable increase of 19.3% in 2023. Although growth was more moderate in 2022 and 2024, steady asset accumulation was maintained across the sector with annual growth rates of 14.3% in 2020, 11.7% in 2021, 6.8% in 2022, and 7.6% in 2024, supporting sustained overall growth.

Chart 3 – Total Assets of Insurance companies from 2020 to 2024



As presented in Chart 4, total assets further increased to LKR 1,267,683 million in the first quarter of 2025, representing a robust 14.22% growth compared to LKR 1,109,847 million in Q1 2024. Assets in the Long-Term Insurance Business grew by 15.74%, reaching LKR 954,713 million, up from LKR 824,890 million in the same period last year. The General Insurance Business also recorded asset growth of 9.63%, with assets totaling LKR 300,506 million compared to LKR 274,098 million in Q1 2024.

Chart 4 – Total Assets of Insurance Companies – Q1 2025 vs Q1 2024

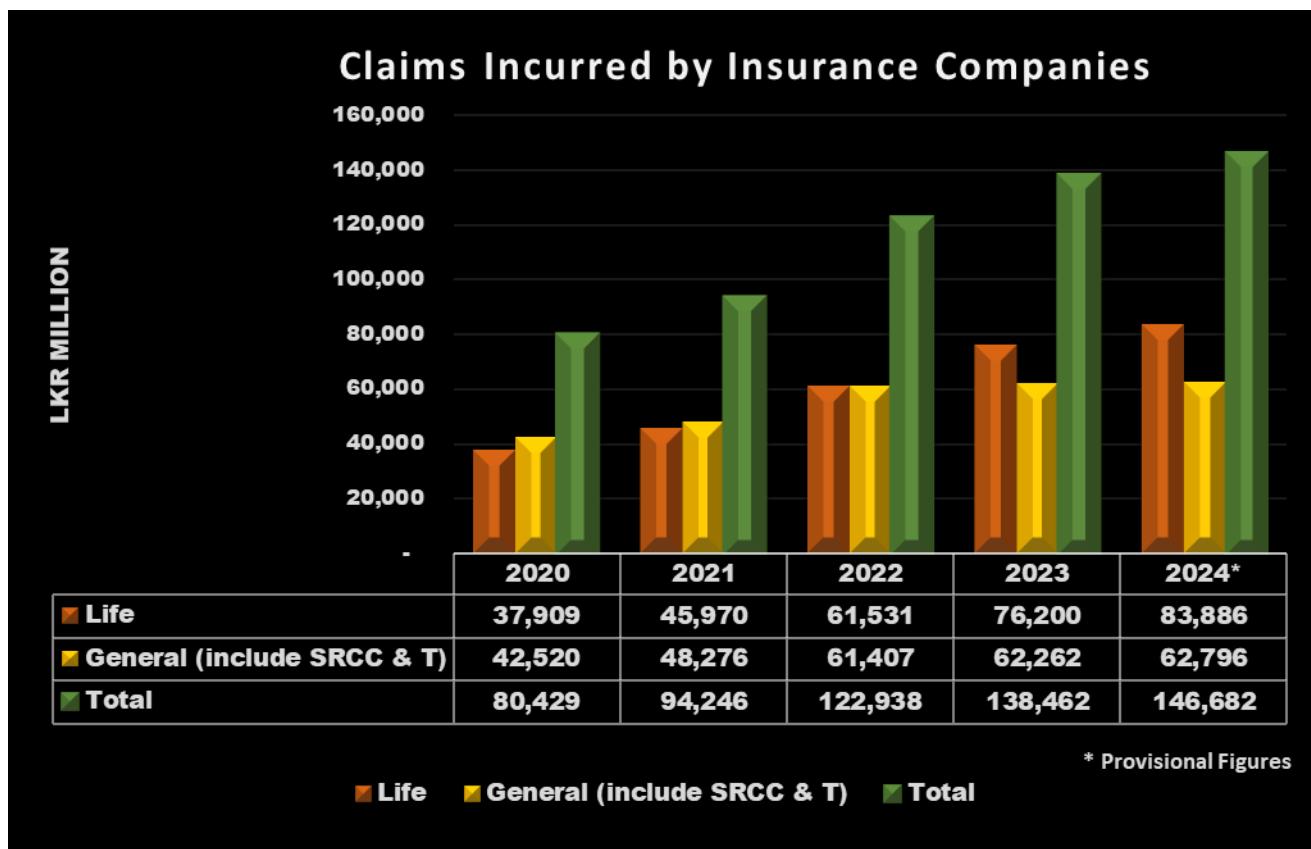


### Claims Incurred by Insurance Companies

Chart 5 presents an analysis of claims incurred by insurance companies in Sri Lanka from 2020 to 2024. The Life Insurance segment experienced steady and significant growth in claims, rising from LKR 37,909 million in 2020 to LKR 83,886 million in 2024. This represents a substantial increase of 121.3% over five years, reflecting heightened reliance on life insurance products and a corresponding rise in policyholder benefit payments.

Claims incurred in the General Insurance sector showed notable fluctuations during this period. Starting at LKR 42,520 million in 2020, claims increased to LKR 48,276 million in 2021, followed by a sharp rise to LKR 61,407 million in 2022. The upward trend continued more moderately in 2023 and 2024, with claims reaching LKR 62,262 million and LKR 62,796 million, respectively. Overall, total claims grew by approximately 82.4%, from LKR 80,429 million in 2020 to LKR 146,682 million in 2024.

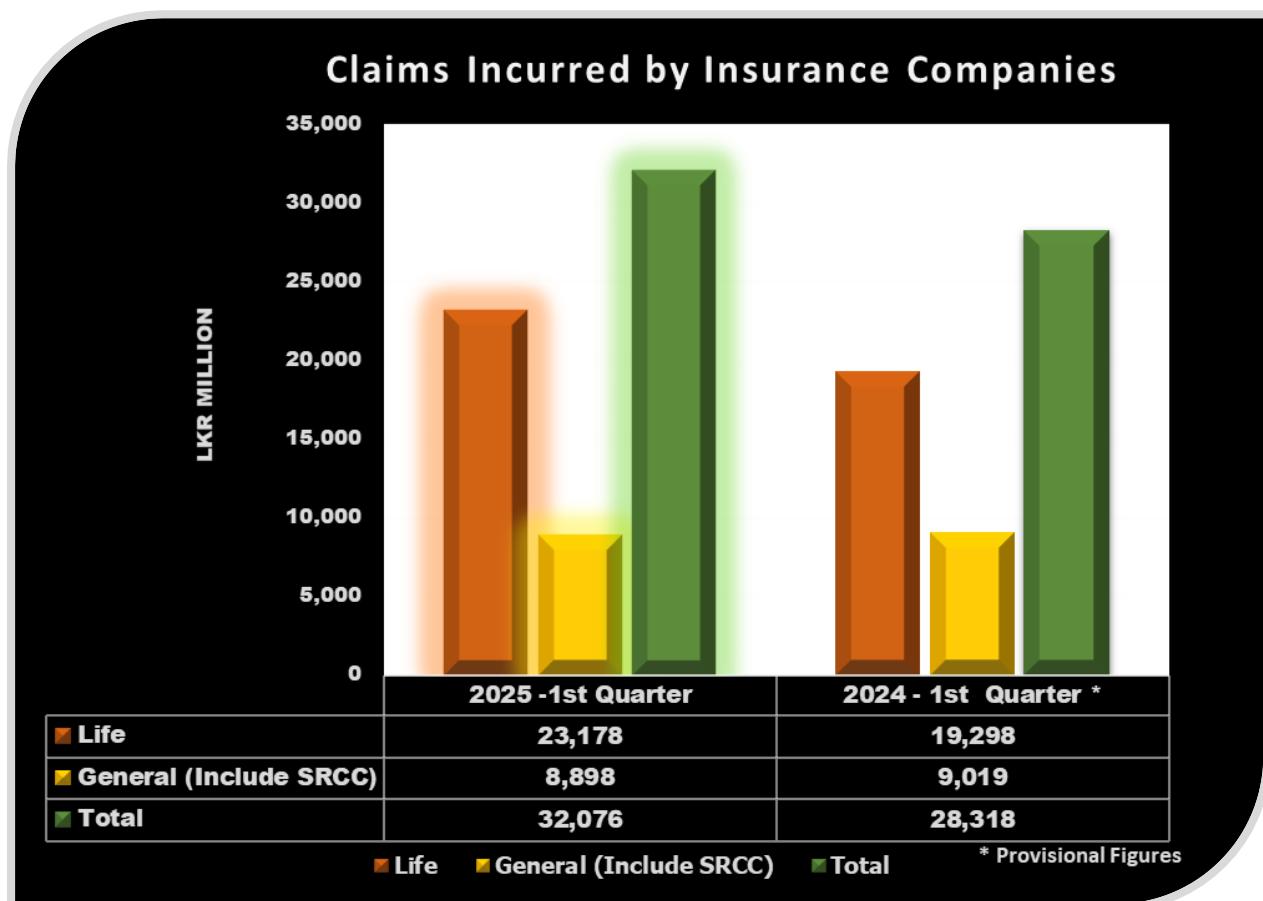
Chart 5 - Claims Incurred by Insurance companies from 2020 to 2024



As detailed in Chart 6, total claims incurred by both Long-Term and General Insurance businesses in the first quarter of 2025 amounted to LKR 32,076 million, marking a 13.27% increase compared to LKR 28,318 million in Q1 2024. Claims from the Long-Term Insurance Business, including maturity and death benefits, rose by 20.11% to LKR 23,178 million, up from LKR 19,298 million in the same period last year. Conversely, claims from the General Insurance Business, covering Motor, Fire, Marine, and other lines, recorded a slight decrease of 1.34%, totaling LKR 8,898 million compared to LKR 9,019 million in Q1 2024.

These figures highlight the growing financial responsibilities borne by the insurance sector in meeting policyholder needs and underscore the importance of sustained operational resilience within the industry.

Chart 6 - Claims Incurred by Insurance companies Q1 2025 vs Q1 2024

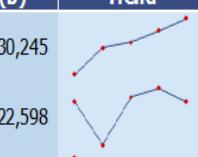
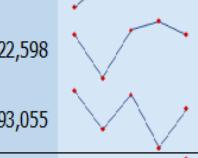
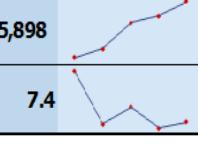


### Profit (Before Tax) of Insurance Companies

The industry posted a robust profit before tax growth of 37.06% in 2020, reflecting strong performance despite challenging conditions. In 2021, profit growth slowed to 6.1% and the year 2022 marked a solid rebound, with profit before tax increasing by 16.0%. Growth moderated in 2023 to 3.7%, largely supported by the Long-Term Insurance segment, while 2024 saw a gradual improvement with profits rising by 7.4%.

It is noteworthy that the reinsurance segment, recovering from previous losses, reported a profit of LKR 393 million in 2024, improving significantly from a loss of LKR 1,375 million in 2023.

**Table 1 - Total Profitability of Insurance Industry**

Insurance Business	2020	2021	2022	2023 (a)	2024 (b)	Trend
Long Term Insurance Business (LKR '000)	19,143,355	27,360,477	28,946,552	32,518,879	36,230,245	
General Insurance Business (LKR '000)*	23,360,482	19,548,732	23,815,307	24,669,743	23,322,598	
Reinsurance Business (LKR '000)**	1,230,524	(525,548)	1,052,236	(1,374,735)	393,055	
<b>Total (LKR '000)</b>	<b>43,734,361</b>	<b>46,383,660</b>	<b>53,814,095</b>	<b>55,813,887</b>	<b>59,945,898</b>	
<b>Growth (%)</b>	<b>37.6</b>	<b>6.1</b>	<b>16.0</b>	<b>3.7</b>	<b>7.4</b>	

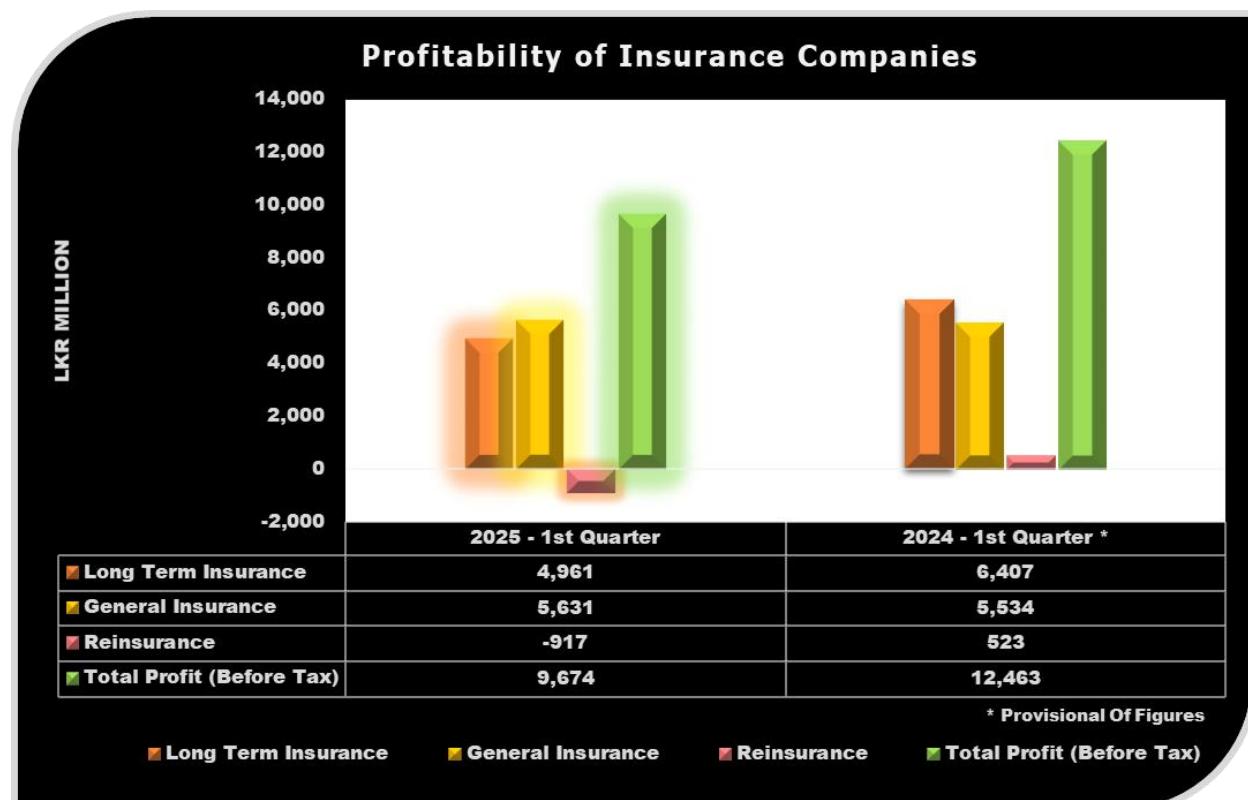
\*Includes SRCC business and General Insurance

\*\*Represent NITF Reinsurance business

\*As shown in Chart 7, the insurance industry recorded a noticeable decline in total Profit Before Tax (PBT) in the first quarter of 2025 compared to the same period in 2024.

The Long-Term Insurance Business experienced a decrease in PBT, falling from LKR 6,407 million in Q1 2024 to LKR 4,961 million in Q1 2025, representing a decline of 22.57%. Meanwhile, the General Insurance Business saw a modest increase, with PBT rising from LKR 5,534 million in Q1 2024 to LKR 5,631 million in Q1 2025, an increase of 1.75%.

Chart 7 – Profitability of Insurance Companies Q1 2025 vs Q1 2024



## Insurance Brokering Companies and Gross Written Premiums

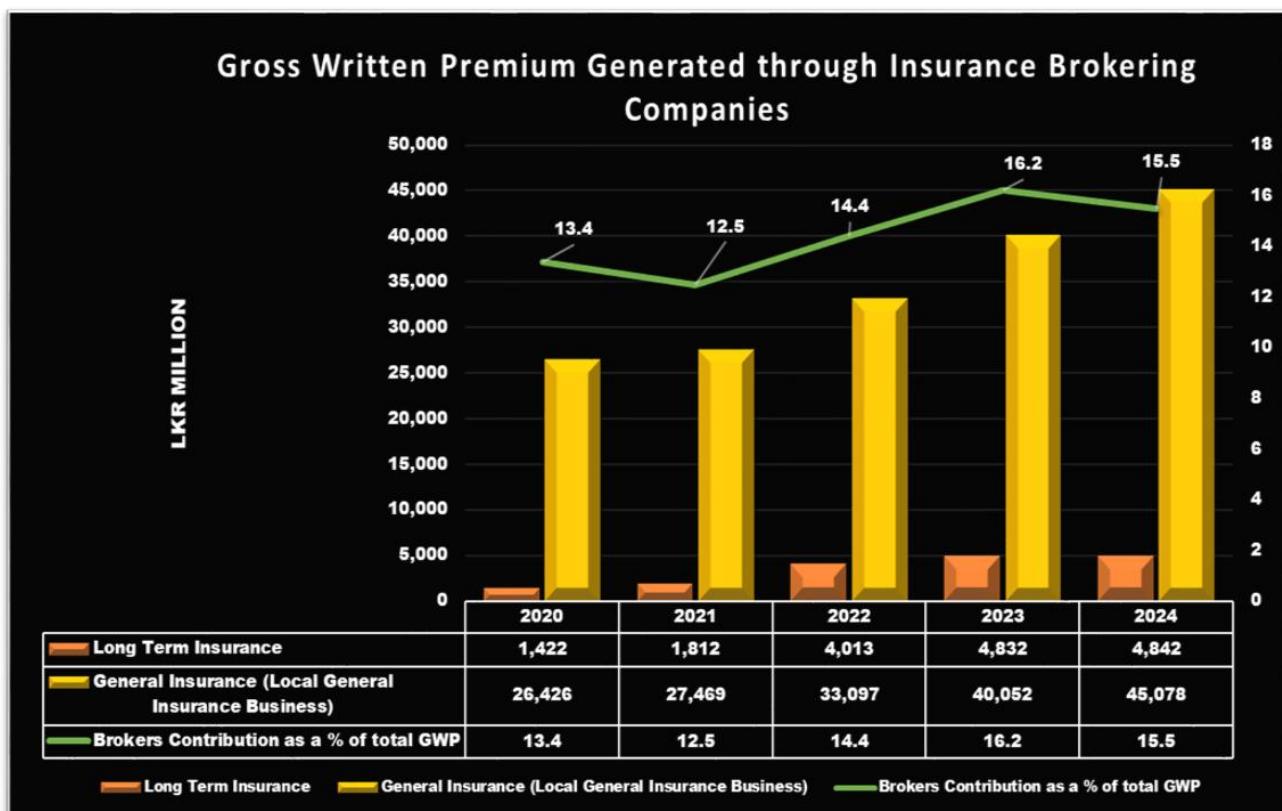
As of 31 March 2025, a total of eighty-two (82) insurance brokering companies were registered with the Insurance Regulatory Commission of Sri Lanka (IRCSL).

Chart 8 outlines the Gross Written Premium generated through insurance brokering companies over the last five years from 2020 to 2024.

The GWP generated through insurance brokers has shown a steady and robust increase, underscoring their growing significance within Sri Lanka's insurance market. In 2024, brokers facilitated a total GWP of LKR 49,920 million across both General and Long-Term Insurance businesses, representing a substantial increase of LKR 22,072 million compared to LKR 27,848 million in 2020. This marks an impressive growth of 79.3% over the five-year period.

This strong upward trend highlights brokers' expanding market share, particularly in the General Insurance sector, reflecting their vital role in enhancing insurance accessibility and penetration across the country.

Chart 8 - Gross Written Premium generated through insurance brokering companies



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