

## Performance of the Insurance Industry – Q1, 2018

### Gross Written Premium

The insurance industry was able to achieve a growth of 12.67% in terms of overall Gross Written Premium (GWP), during the first quarter of 2018, recording an increase of Rs. 4,938 million when compared to the same period in the year 2017.

The GWP for Long Term Insurance and General Insurance Businesses for the period ending 31<sup>st</sup> March 2018 was Rs. 43,925 million compared with the same period in 2017 amounting to Rs. 38,987 million. The GWP of Long Term Insurance Business amounted to Rs. 18,618 million (Q1, 2017: Rs. 16,489 million) while the GWP of General Insurance Business amounted to Rs. 25,307 million (Q1, 2017: Rs. 22,498 million). Thus, Long Term Insurance Business and General Insurance Business witnessed a GWP growth of 12.91% and 12.49% respectively, when compared to the corresponding period of year 2017.

(Refer chart 1)

### Total Assets

The value of total assets of insurance companies has increased to Rs. 574,113 million as at 31<sup>st</sup> March 2018, when compared to Rs. 509,971 million recorded as at 31<sup>st</sup> March 2017, reflecting a growth of 12.58%. The assets of Long Term Insurance Business amounted to Rs. 400,717 million (Q1, 2017: Rs. 354,390 million) indicating a growth rate of 13.07% year-on-year. The assets of General Insurance Business amounted to Rs. 173,395 million (Q1, 2017: Rs. 155,581 million) depicting a growth rate of 11.45%.

(Refer chart 2)

### Investment in Government Securities

At the end of first quarter of 2018, investment in Government Securities amounted to Rs. 180,469 million representing 48.85% (Q1, 2017: Rs. 166,740; 51.33%) of the total assets of Long Term Insurance Business, while such investment of the total assets of General Insurance Business amounted to Rs. 39,521 million representing 35.99% (Q1, 2017: Rs. 30,146; 31.01%). Accordingly, the total investment of both Long Term Insurance Business and General Insurance Business in Government Securities amounted to Rs. 219,990 million (Q1, 2017: Rs. 196,885 million) as at 30<sup>th</sup> June 2018. Thus, the investment in Government Securities of Long Term Insurance Business and General Insurance Business has increased by 0.48% and 18.11% respectively.

### Claims incurred by Insurance Companies

The claims incurred by insurance companies in both Long Term Insurance Business and General Insurance Business was Rs. 18,492 million (Q1, 2017: Rs. 16,095 million) showing an increase in total claims amount by 14.90% year-on-year. The Long Term Insurance claims, including maturity and death benefits, amounted to Rs. 7,668 million (Q1 2017: Rs. 6,135 million). The claims incurred in General Insurance Business,

including Motor, Fire, Marine and other categories, amounted to Rs. 10,824 million (Q1 2017: Rs. 9,959 million). Hence, during the first quarter of 2018, there is an increase in claims incurred by 24.98% and 8.68% for Long Term Insurance and General Insurance Businesses respectively, when compared to the same period in 2017.

(Refer chart 3)

### **Profit (Before Tax) of Insurance Companies**

The profit (before tax) of Long Term Insurance Business amounted to Rs. 15,515 million (Q1, 2017: Rs. 1,738 million) while the profit (before tax) of General Insurance Business amounted to Rs. 2,338 million (Q1, 2017: Rs. 1,758 million) at the end of first quarter of 2018. Thus, profit (before tax) of Long Term Insurance Business and General Insurance Business has increased by 792.72% and 33.04% respectively. Profits (PBT) of life insurance business has increased by 793% mainly due to other operating revenue of Rs. 9,207 million from sale of an insurance company and profit increases of another two companies.

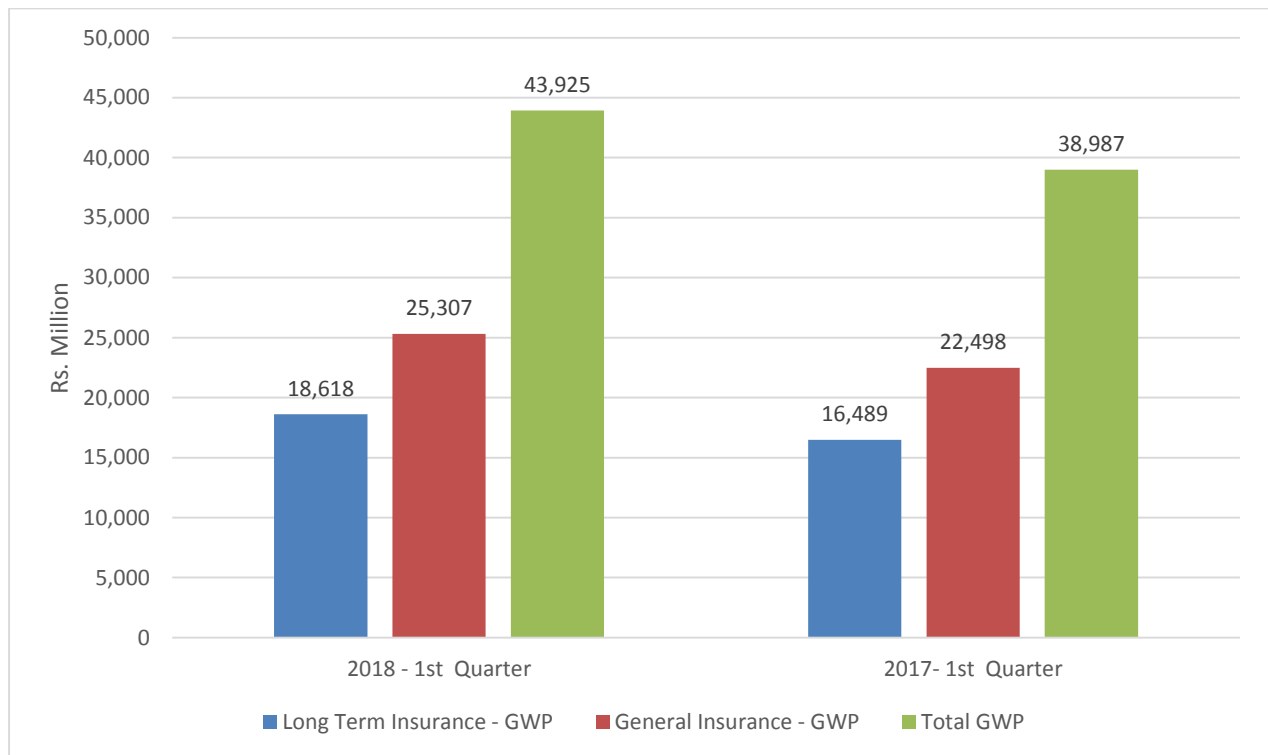
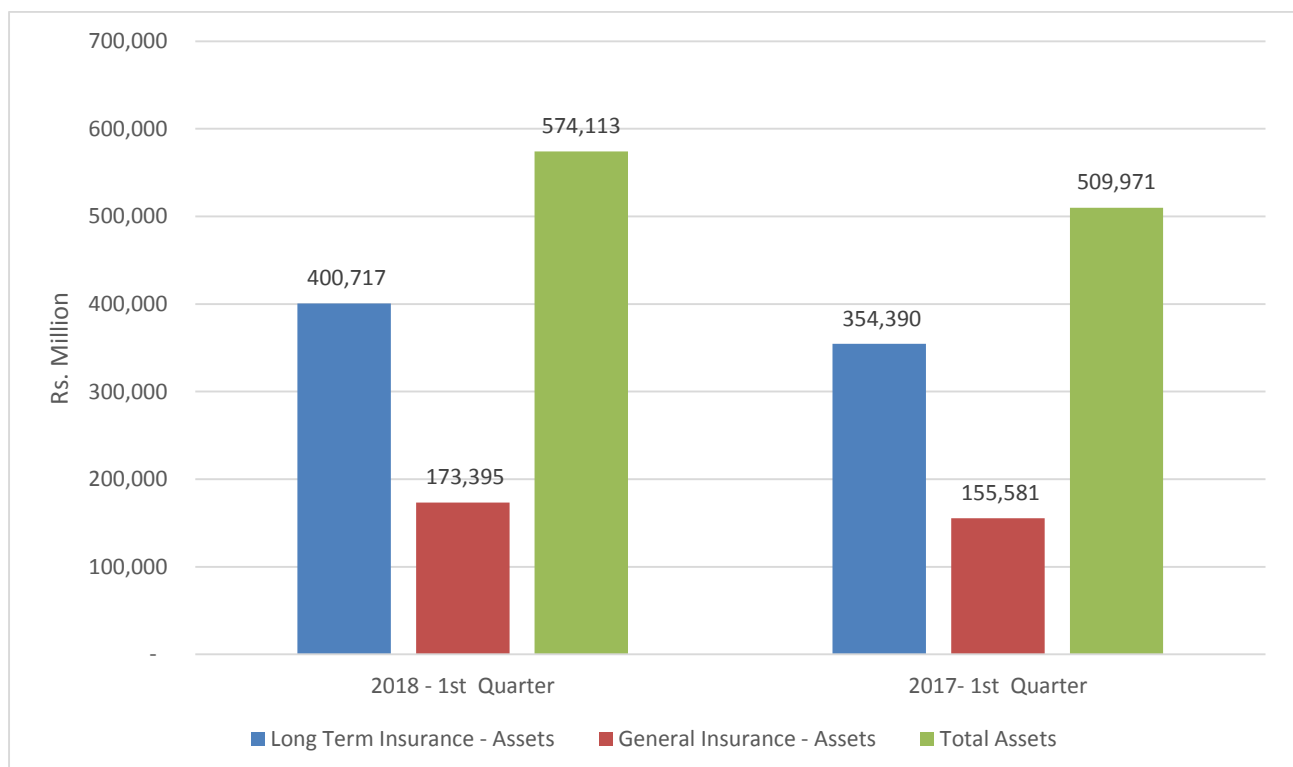
(Refer chart 4)

### **Insurers**

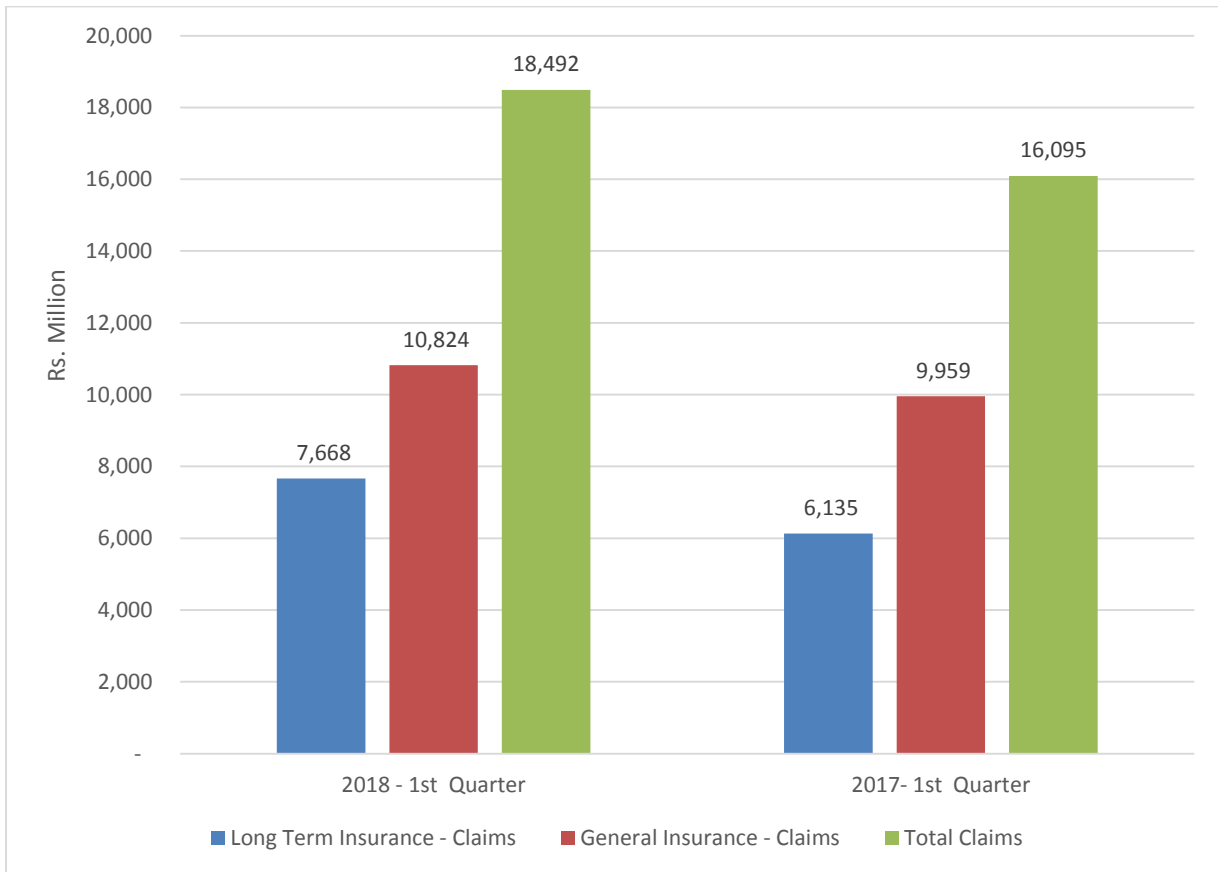
Out of twenty-six (26) Insurance Companies (Insurers) in operation as at 31<sup>st</sup> March 2018, twelve (12) are engaged in Long Term (Life) Insurance Business, twelve (12) companies are carrying out only General Insurance Business and two (02) are composite companies (dealing in both Long Term and General Insurance Businesses).

### **Insurance Brokers**

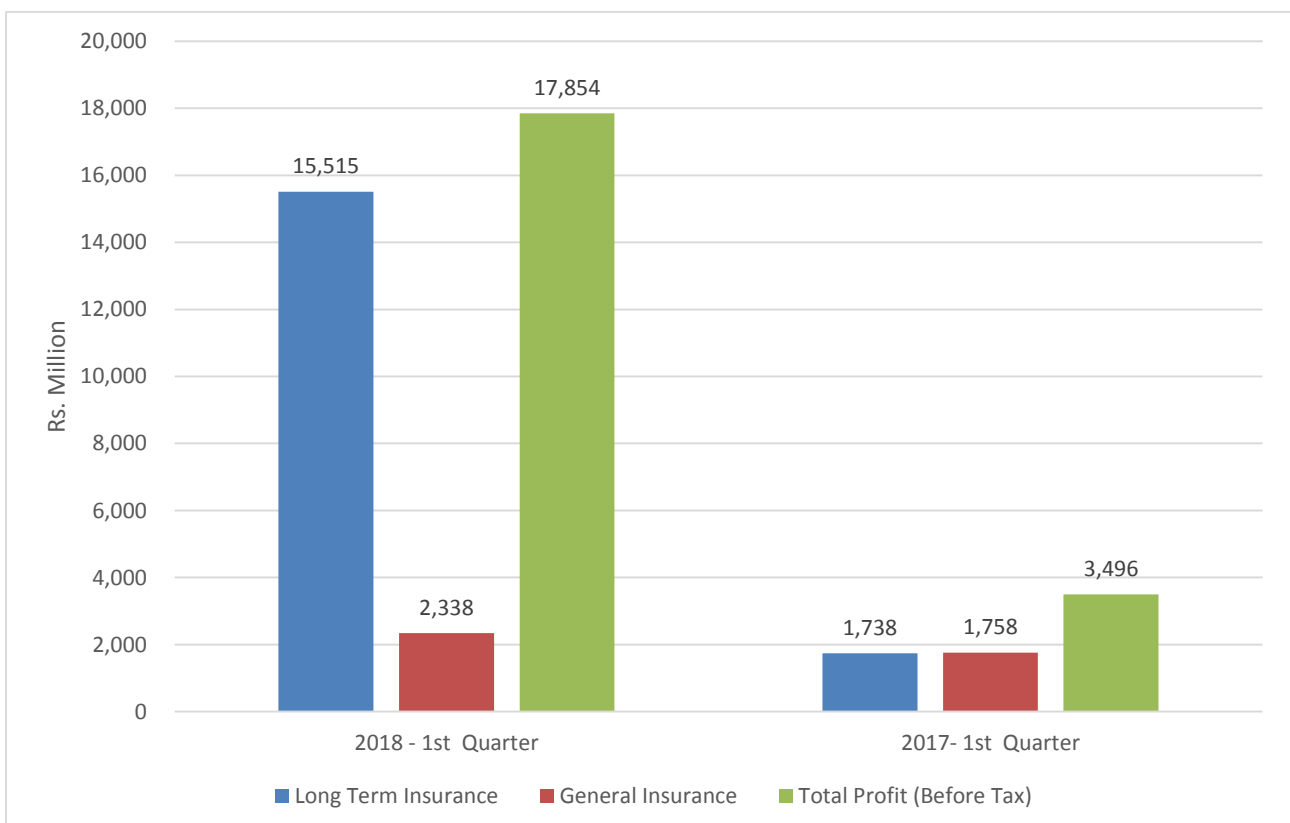
Fifty-nine (59) insurance brokering companies, registered with the Commission as at 31<sup>st</sup> March 2018, mainly concentrate in General Insurance Business. Total Assets of insurance brokering companies have decreased to Rs. 4,075 million as at the end of first quarter of 2018 when compared to Rs. 4,211 million recorded as at 31<sup>st</sup> March 2017, reflecting a decline of 3.25%.

**Chart 1- Gross Written Premium Income****Chart 2- Total Assets**

**Chart 3- Claims incurred by Insurance Companies**



**Chart 4- Profitability of Insurance Companies**



*Notes:*

- 1) *Figures published for 1<sup>st</sup> quarter of 2017 were revised due to the changes in bases adopted in incorporating statistics of composite companies.*
- 2) *Above analysis does not include information in respect of NITF.*
- 3) *Inter segment transactions (i.e. transactions between Long Term and General Insurance segments) have not been considered.*
- 4) *Total Assets of the Insurance Brokering Companies represents all insurance brokering companies excluding four insurance brokering companies.*

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