

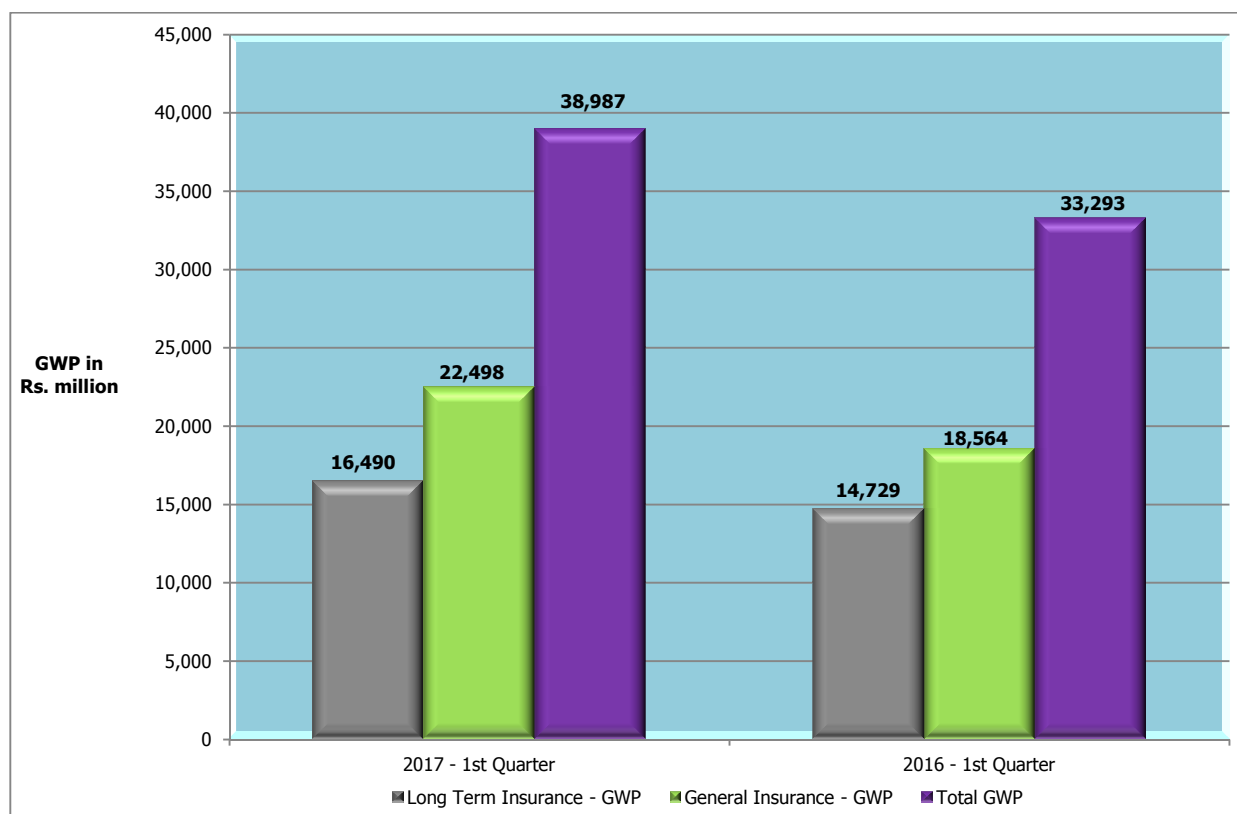
PRESS RELEASE

Insurance Industry Performance – Quarter 01, 2017

Premium Income and Growth Rate

The insurance industry recorded a growth of 17.10%, in terms of Gross Written Premium (GWP), during the first quarter of year 2017 when compared to the same period in the year 2016.

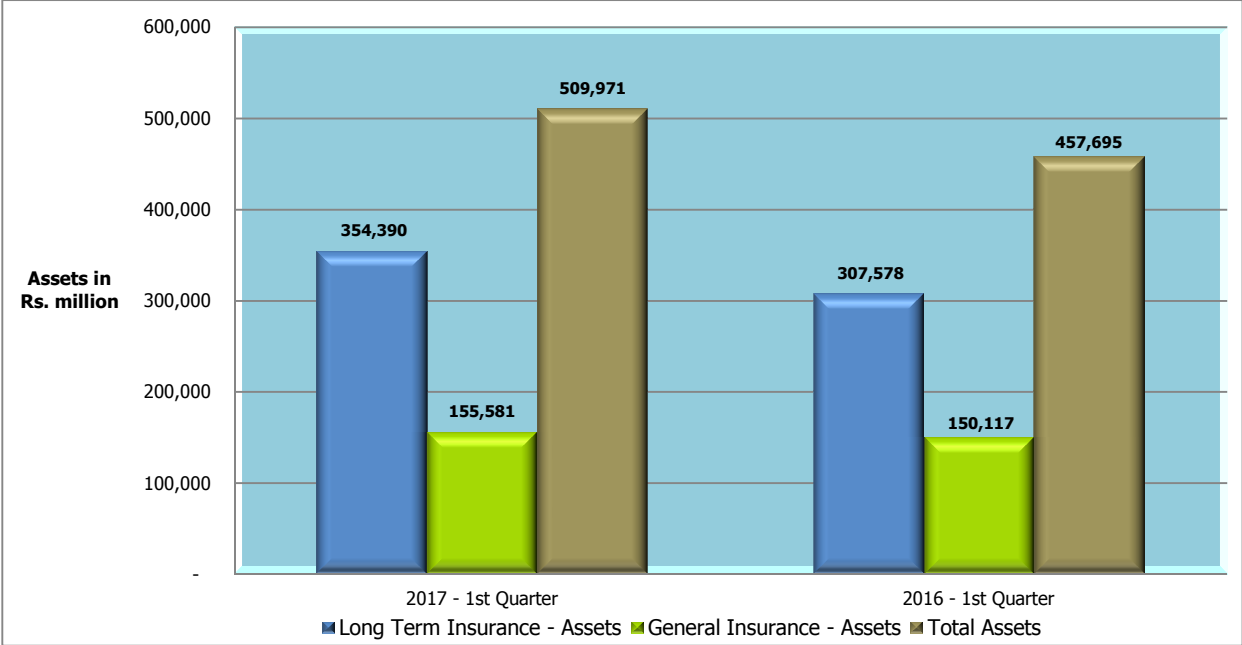
The GWP for Long Term Insurance and General Insurance Businesses for the first quarter ending 31st March 2017 was Rs. 38,987 million compared to the first quarter of 2016 amounting to Rs. 33,293 million. The GWP of Long Term Insurance Business amounted to Rs. 16,490 million (Q1, 2016: Rs. 14,729 million) while the GWP of General Insurance Business amounted to Rs. 22,498 million (Q1, 2016: Rs. 18,564 million) during the first quarter of 2017. Thus, Long Term Insurance Business and General Insurance Business witnessed a GWP growth of 11.95% and 21.19% respectively when compared to the corresponding period of year 2016.



Total Assets

Total Assets of insurance companies have increased to Rs. 509,971 million as at 31st March 2017, when compared to Rs. 457,695 million recorded as at 31st March 2016, reflecting a growth of 11.42%. The assets of Long Term Insurance Business amounted to Rs. 354,390 million (Q1, 2016: Rs. 307,578 million)

indicating a growth rate of 15.22% year-on-year. The assets of General Insurance Business amounted to Rs. 155,581 million (Q1, 2016: Rs. 150,117 million) depicting a growth rate of 3.64%, at the end of first three months of 2017.



Investment in Government Securities

At the end of first quarter of 2017, investment in Government Debt Securities amounted to Rs. 166,740 million representing 47.05% (Q1, 2016: Rs. 128,971; 41.93%) of the total assets of Long Term Insurance Business, while such investment of the total assets of General Insurance Business amounted to Rs. 30,146 million representing 19.38% (Q1, 2016: Rs. 29,034; 19.34%). Accordingly, the total investment of both Long Term Insurance Business and General Insurance Business in Government Debt Securities amounted to Rs. 196,885 million (Q1, 2016: Rs. 158,005 million) as at 31st March 2017. The investment in Government Debt Securities for both Long Term Insurance Business and General Insurance Business has increased by 29.28% and 3.83% respectively.

Claims incurred by Insurance Companies

The claims incurred by insurance companies in both Long Term Insurance Business and General Insurance Business was Rs. 16,095 million (Q1, 2016: Rs. 14,438 million) showing an increase in total claims amount by 11.47% during the first quarter of 2017. The Long Term Insurance claims, including maturity and death benefits, amounted to Rs. 6,135 million (Q1, 2016: Rs. 5,617 million). The claims incurred in General Insurance Business, including Motor, Fire, Marine and other categories, amounted to Rs. 9,959 million (Q1, 2016: Rs. 8,821 million). Hence, during first three months of 2017, there is an increase in claims incurred by 9.22% and 12.90% for Long Term Insurance and General Insurance Businesses respectively, when compared to same period in 2016.

Profit (Before Tax) of Insurance Companies

The profit (before tax) of insurance companies in both Long Term Insurance Business and General Insurance Business has increased to Rs. 3,496 million (Q1, 2016: Rs. 2,713 million) showing a growth in profits by 28.83%. The profit (before tax) of Long Term Insurance Business amounted to Rs. 1,738 million (Q1, 2016: Rs. 2,067 million) while the profit (before tax) of General Insurance Business amounted to Rs. 1,758 million (Q1, 2016: Rs. 646 million) during the first quarter of 2017. Thus, profit (before tax) of Long Term Insurance Business has decreased by 15.93% and profit (before tax) of General Insurance Business has grown by 172.05%, when compared to the corresponding period of year 2016.

Insurers

Out of twenty eight (28) Insurance Companies (Insurers) in operation as at 31st March 2017, twelve (12) are engaged in Long Term (Life) Insurance Business, thirteen (13) companies are carrying out only General Insurance Business and three (03) are composite companies (dealing in both Long Term and General Insurance Businesses).

Insurance Brokers

Sixty (60) insurance brokering companies, registered with the Board, mainly concentrate in General Insurance Business. Total Assets of insurance brokering companies have increased to Rs. 4,211 million as at the end of first quarter of 2017 when compared to Rs. 3,670 million recorded as at 31st March 2016, reflecting a growth of 14.73% year-on-year.

Notes:

1) *Unaudited figures.*

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.*

Insurance Board of Sri Lanka

Level 11, East Tower

World Trade Centre

Colombo 01

Website: www.ibsl.gov.lk	Email: info@ibsl.gov.lk
Telephone: 011 2396184 - 9	Fax: 011 2396190

01/08/2017