

Industry Highlights - Q1 of 2019 Vs Q1 of 2018

No.	Description	Quarter 01 - 2019 Value (Rs.'000) ^{Note 1}	Quarter 01 - 2018 Value (Rs.'000) ^{Note 2}	
1	Profit of Insurance Companies (Before Tax)	1. Life Insurance	4,112,688	15,515,435
		2. General Insurance	1,671,160	2,338,408
	Profit of Insurance Companies (After Tax)	1. Life Insurance	Not Available	Not Available
		2. General Insurance	Not Available	Not Available
2	Underwriting Profit of Insurance Companies	1. Life Insurance	Not Applicable	Not Applicable
		2. General Insurance	2,429,928	3,288,193
3	Capital levels of Insurance Companies	1. Life Insurance	100,094,834	87,425,503
		2. General Insurance	85,610,475	84,069,617
	Compliance with Solvency Margin (RBC)		One general insurance company did not comply with RBC capital adequacy requirement.	Two general insurance companies and one long term insurance company did not comply with RBC capital adequacy requirement.
4	Total Assets of the insurance sector	628,430,393	574,112,575	
5	Distribution of total assets of insurance companies	1. Life Insurance	442,852,960	400,717,145
		Government Debt Securities	178,624,056	180,469,123
		Equities	25,894,539	33,242,918
		Investments in Subsidiaries	3,694,914	3,748,483
		Investments in Associates	1,732,414	1,457,811
		Corporate Debt	90,530,866	77,006,397
		Land & Buildings	4,509,232	6,336,067
		Deposits	73,114,547	51,160,895
		Unit Trusts	6,294,024	6,523,186
		Investments in Gold	-	-
		Reinsurance receivable	1,655,451	1,120,788
		Policy Loans	6,049,673	5,829,870
		Mortgage Loans	-	-
		Premium receivable from policyholders and intermediaries	2,352,338	1,988,140
		Intangible Assets	3,026,100	1,296,270
		Property Plant and Equipments	13,989,338	9,609,755
Other Loans	4,330,150	3,656,938		
Other Assets	23,986,607	13,689,204		

	Cash and cash equivalents	3,068,708	3,581,300
	2. General Insurance	185,577,433	173,395,430
	Government Debt Securities	42,010,007	39,520,609
	Equities	11,240,976	14,773,735
	Investments in Subsidiaries	20,832,121	20,769,816
	Investments in Associates	148,509	143,646
	Corporate Debt	13,719,712	13,257,216
	Land & Buildings	1,915,466	846,700
	Deposits	20,954,771	17,672,223
	Unit Trusts	1,276,061	1,572,972
	Investments in Gold	-	-
	Reinsurance receivable	14,299,405	7,124,514
	Policy Loans	-	-
	Mortgage Loans	-	-
	Premium receivable from policyholders and intermediaries	24,936,720	22,761,325
	Intangible Assets	1,693,857	999,278
	Property Plant and Equipments	17,902,765	15,745,753
	Other Loans	1,220,949	1,263,691
	Other Assets	10,369,353	10,694,049
	Cash and cash equivalents	3,056,759	6,249,903
	Total	46,429,025	43,925,456
6	Gross Premiums for different classes of insurance		
	1. Life Insurance	20,413,579	18,618,388
	2. General Insurance	26,015,446	25,307,068
	a. Motor	16,427,454	15,583,942
	b. Fire	2,821,765	2,727,235
	c. Marine	626,939	639,381
	d. Health	2,788,152	2,868,139

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	e. Other categories	3,351,136	3,488,371
7	Reinsurance by Insurance Companies	1. Reinsurance premiums	6,948,978
	a. Life Insurance	732,042	748,581
	b.General Insurance	6,216,937	6,568,236
	a. Motor	1,205,409	1,547,994
	b. Fire	2,251,390	2,213,206
	c. Marine	332,489	382,772
	d. Health	482,594	484,317
	e. Other categories	1,945,054	1,939,947
	Retention by Insurance Companies	2. Retention of Premium	39,480,047
	a. Life Insurance	19,681,538	17,869,807
	b. General Insurance	19,798,509	18,738,832
	a. Motor	15,222,044	14,035,947
	b. Fire	570,376	514,029
	c. Marine	294,449	256,609
	d. Health	2,305,558	2,383,823
	e. Other categories	1,406,082	1,548,424
8	Earned Premiums for different classes of insurance	Total	38,159,207
	1. Life Insurance	19,680,953	17,868,072
	2. General Insurance	18,478,255	17,421,088
	a. Motor	14,275,422	13,303,263
	b. Fire	479,216	334,909
	c. Marine	309,406	268,645
	d. Health	1,988,500	2,198,503
	e. Other categories	1,425,711	1,315,768
9	Claims of Insurance companies	1. Life Insurance	9,521,899
		2. General Insurance	12,005,860

		a. Motor	8,621,753	7,969,070
		b. Fire	675,765	143,325
		c. Marine	263,562	156,130
		d. Health	1,843,158	1,936,461
		e. Other categories	601,621	619,188
10	Investments of the Insurance sector with breakup	1. Life Insurance	394,774,416	369,431,688
		Government Debt Securities	178,624,056	180,469,123
		Equities	25,894,539	33,242,918
		Investments in Subsidiaries	3,694,914	3,748,483
		Investments in Associates	1,732,414	1,457,811
		Corporate Debt	90,530,866	77,006,397
		Land & Buildings	4,509,232	6,336,067
		Deposits	73,114,547	51,160,895
		Unit Trusts	6,294,024	6,523,186
		Investments in Gold	-	-
		Policy Loans	6,049,673	5,829,870
		Mortgage Loans	-	-
		Other Loans	4,330,150	3,656,938
	Investments of the Insurance sector with breakup	2. General Insurance	113,318,573	109,820,608
		Government Debt Securities	42,010,007	39,520,609
		Equities	11,240,976	14,773,735
		Investments in Subsidiaries	20,832,121	20,769,816
		Investments in Associates	148,509	143,646
		Corporate Debt	13,719,712	13,257,216
		Land & Buildings	1,915,466	846,700
		Deposits	20,954,771	17,672,223
		Unit Trusts	1,276,061	1,572,972
		Investments in Gold	-	-
		Policy Loans		
		Mortgage Loans	-	
		Other Loans	1,220,949	1,263,691
11	Investment Income of Insurance Companies	1. Life Insurance	9,425,015	9,710,728
		2. General Insurance	2,868,289	2,482,673

Description		Quarter 01- 2019 ^{Note1}		Quarter 01 - 2018 ^{Note2}		
12	Aspects of Financial System	Indicator	General Insurance	Life Insurance	General Insurance	Life Insurance
	Capital Adequacy	Capital Adequacy Ratio	186%	311%	174%	332%
		Capital to Total Assets	0.46	0.23	0.48	0.22
		Capital to Technical Reserves	1.48	N/A	1.57	N/A
		Technical Reserve Ratio (%)	131.01	N/A	131.56	N/A
12	Earnings and Profitability	Profitability Ratio (%)	6.42	20.15	9.24	83.33
		Underwriting Ratio (%)	13.15	N/A	18.87	N/A
		Return on Assets (ROA) (%)	4.78	2.09	5.12	8.07
		Return on Equity (ROE) (%)	10.13	9.41	10.57	43.65
		Net Combined Operating Ratio (%)	106.55	97.64	100.89	97.65
		Investment Yield Ratio (%)	7.76	9.57	7.46	10.30
		Premium Stability Ratio (%)	2.80	9.64	12.49	12.91
	Liquidity	Liquidity Ratio	0.66	0.74	0.71	0.74
		Loss Ratio (%)	64.97	48.38	62.13	42.92
	Reinsurance and Actuarial Issues	Retention (Reinsurance) Ratio (%)	76.10	96.41	74.05	95.98%
	Costs	Management Expense Ratio (%)	41.58	49.26	38.76	54.74
13	Total Assets of the Insurance Brokering Companies ^{Note 3}		4,849,280,510		4,092,163,043	
14	Compliance with regulatory requirements	Any non- compliance with the Regulatory requirements will be informed to the relevant companies to take corrective actions and monitored those accordingly.				
	Developments in the insurance industry, with specific references to the buildup of risk	Profits (PBT) of Life insurance business shows a significant decrease (Rs. 11 bn) in the 1st quarter 2019. This is mainly due to profit recorded by an insurer from sale of its subsidiary in the 1st quarter 2018. Further, two life insures showed a considerable drop in profits due to decrease in other operating revenue				
15		Assets of insurance industry have grown by 9%. This is mainly due to increase in corporate debt, deposits and reinsurance receivable. However equity has dropped by 22% and 24% for life insurance business and general insurance business respectively.				

Premium growth for Life insurance business 10%, General insurance business 3% & overall growth was 6%. Claims of Life insurance business have increased by 24% and claims of General insurance business have increased by 11%.

Notes:

- 1.The above columns do not include information of National Insurance Trust Fund (NITF), MBSL Insurance Co. Ltd. and Life Insurance Corporation (Lanka) Ltd. for the quarter ended 31st March 2019.
- 2.The above columns represents insurance companies' information excluding National Insurance Trust Fund (NITF) for the quarter ended 31st March 2018.
- 3.Total Assets of the Insurance Brokering Companies represent all insurance brokering companies excluding Delmege Insurance Brokers (Pvt) Ltd., Redmo Swiss Insurance Brokers (Pvt) Ltd., and RMS Insurance Brokers (Pvt) Ltd.