

Industry Highlights - Q2 of 2019 Vs Q2 of 2018

No.	Description	Quarter 02 - 2019		Quarter 02 - 2018	
			Value (Rs.'000) ^{Note 1}		Value (Rs.'000)
1	Profit of Insurance Companies (Before Tax)	1. Life Insurance	8,373,236		17,319,444
		2. General Insurance	4,103,324		4,336,709
	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	6,741,335		6,306,960
3	Capital levels of Insurance Companies	1. Life Insurance	104,464,687		87,789,211
		2. General Insurance	87,790,163		84,570,987
	Compliance with Solvency Margin (RBC)		An insurer reported non-compliance with RBC capital adequacy requirements.		A composite insurer (both long term and general insurance businesses) and general insurance business of another composite insurer not complied the RBC capital adequacy requirements.
4	Total Assets of the insurance sector		654,004,823		581,770,238
5	Distribution of total assets of insurance companies	1. Life Insurance	465,021,925		407,708,265
		Government Debt Securities	187,957,117		176,471,015
		Equities	23,697,633		31,260,973
		Investments in Subsidiaries	4,001,054		3,644,914
		Investments in Associates	1,669,985		1,597,718
		Corporate Debt	90,819,575		82,666,507
		Land & Buildings	4,752,076		4,463,945
		Deposits	84,141,591		55,206,770
		Unit Trusts	4,554,716		6,544,636
		Investments in Gold	-		-
		Reinsurance receivable	1,746,258		1,241,669
		Policy Loans	6,410,324		5,953,062
		Mortgage Loans	-		-
		Premium receivable from policyholders and intermediaries	2,454,758		2,144,077
		Intangible Assets	2,943,153		1,271,483
		Property Plant and Equipments	14,213,369		11,703,345
		Other Loans	4,369,706		3,852,963
Other Assets	26,142,788		16,225,069		
Cash and cash equivalents	5,147,821		3,460,117		

		2. General Insurance	188,982,898	174,061,973
		Government Debt Securities	43,606,771	42,486,096
		Equities	10,077,181	13,563,507
		Investments in Subsidiaries	20,832,121	20,786,861
		Investments in Associates	148,509	143,646
		Corporate Debt	13,409,613	13,111,108
		Land & Buildings	1,960,966	848,125
		Deposits	23,722,412	18,417,007
		Unit Trusts	1,495,594	1,338,470
		Investments in Gold	-	-
		Reinsurance receivable	13,796,567	10,153,514
		Policy Loans	-	-
		Mortgage Loans	-	-
		Premium receivable from policyholders and intermediaries	24,718,147	20,666,827
		Intangible Assets	1,646,783	826,887
		Property Plant and Equipments	17,989,557	15,990,116
		Other Loans	1,347,099	1,162,156
		Other Assets	11,215,996	10,105,710
		Cash and cash equivalents	3,015,582	4,461,943
		Total	93,642,875	85,754,734
6	Gross Premiums for different classes of insurance	1. Life Insurance	41,667,320	37,901,702
		2. General Insurance	51,975,555	47,853,033
		a. Motor	31,775,698	30,811,883
		b. Fire	5,990,835	4,668,940
		c. Marine	1,197,118	1,146,052
		d. Health	7,045,068	5,370,764
		e. Other categories	5,966,835	5,855,393

No.	Description	Quarter 02- 2019 Value (Rs.'000) ^{Note 1}	Quarter 02 - 2018 Value (Rs.'000)	
7	Reinsurance by Insurance Companies	1. Reinsurance premiums	14,231,811	12,949,004
		a. Life Insurance	1,613,937	1,497,512
		b. General Insurance	12,617,874	11,451,491
		a. Motor	2,649,465	2,889,922
		b. Fire	5,051,585	3,762,076
		c. Marine	664,881	617,330
		d. Health	865,014	1,009,002
	e. Other categories	3,386,929	3,173,161	
	Retention by Insurance Companies	2. Retention of Premium	79,411,064	72,805,731
		a. Life Insurance	40,053,384	36,404,189
		b. General Insurance	39,357,680	36,401,541
		a. Motor	29,126,234	27,921,961
b. Fire		939,250	906,864	
c. Marine		532,236	528,722	
d. Health		6,180,054	4,361,762	
e. Other categories	2,579,906	2,682,233		
8	Earned Premiums for different classes of insurance	Total	77,908,717	71,456,702
		1. Life Insurance	40,052,203	36,401,609
		2. General Insurance	37,856,514	35,055,093
		a. Motor	28,788,354	27,122,379
		b. Fire	891,356	588,825
		c. Marine	571,825	538,424
		d. Health	5,012,775	4,339,191
e. Other categories	2,592,204	2,466,273		

9	Claims of Insurance companies	1. Life Insurance	19,037,557	16,104,041
		2. General Insurance	23,936,323	22,318,361
		a. Motor	17,107,757	16,533,200
		b. Fire	1,098,030	591,725
		c. Marine	340,340	204,831
		d. Health	4,325,162	3,847,829
		e. Other categories	1,065,034	1,140,776
10	Investments of the Insurance sector with breakup	1. Life Insurance	412,373,779	371,662,504
		Government Debt Securities	187,957,117	176,471,015
		Equities	23,697,633	31,260,973
		Investments in Subsidiaries	4,001,054	3,644,914
		Investments in Associates	1,669,985	1,597,718
		Corporate Debt	90,819,575	82,666,507
		Land & Buildings	4,752,076	4,463,945
		Deposits	84,141,591	55,206,770
		Unit Trusts	4,554,716	6,544,636
		Investments in Gold	-	-
		Policy Loans	6,410,324	5,953,062
		Mortgage Loans	-	-
		Other Loans	4,369,706	3,852,963
	Investments of the Insurance sector with breakup	2. General Insurance	116,600,266	111,856,976
		Government Debt Securities	43,606,771	42,486,096
		Equities	10,077,181	13,563,507
		Investments in Subsidiaries	20,832,121	20,786,861
Investments in Associates		148,509	143,646	
Corporate Debt		13,409,613	13,111,108	
Land & Buildings		1,960,966	848,125	
Deposits		23,722,412	18,417,007	
Unit Trusts	1,495,594	1,338,470		
Investments in Gold	-	-		

		Policy Loans		-
		Mortgage Loans	-	-
		Other Loans	1,347,099	1,162,156
11	Investment Income of Insurance Companies	1. Life Insurance	20,397,719	17,979,515
		2. General Insurance	4,985,988	4,319,677

Description		Quarter 02 - 2019 ^{Note 1}		Quarter 02 - 2018		
12	Aspects of Financial System	Indicator	General Insurance	Life Insurance	General Insurance	Life Insurance
	Capital Adequacy	Capital Adequacy Ratio	193%	293%	179%	311%
		Capital to Total Assets	0.46	0.22	0.49	0.22
		Capital to Technical Reserves	1.54	N/A	1.55	N/A
		Technical Reserve Ratio (%)	136.23	N/A	132.36	N/A
12	Earnings and Profitability	Profitability Ratio (%)	7.89	20.10	9.06	45.70
		Underwriting Ratio (%)	17.81	N/A	17.99	N/A
		Return on Assets (ROA) (%)	4.55	10.81	5.12	8.50
		Return on Equity (ROE) (%)	9.64	49.07	10.42	47.24
		Net Combined Operating Ratio (%)	103.51	98.42	101.44	97.97
		Investment Yield Ratio (%)	5.38	12.39	7.34	9.82
		Premium Stability Ratio (%)	8.61	9.94	12.58	12.61
	Liquidity	Liquidity Ratio	0.70	0.77	0.73	0.73
		Loss Ratio (%)	63.23	47.53	63.67	44.24
	Reinsurance and Actuarial Issues	Retention (Reinsurance) Ratio (%)	75.72	96.13	76.07	96.05
Costs	Management Expense Ratio (%)	40.28	50.89	37.78	53.73	
13	Total Assets of the Insurance Brokering Companies (Rs.'000) ^{Note 3}	5,559,388		4,469,471		
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.				
		Profits (PBT) of Life Insurance business shows an decrease (Rs. 8.9 Bn) in the 2nd quarter 2019. This is mainly due to profit recorded by an insurer from sale of its subsidiary in the 1st quarter 2018. Overall profits (PBT) of General Insurance business decreased by 5%.				

15	Developments in the insurance industry, with specific references to the buildup of risk	Assets of insurance industry had grown by 12%. Assets of Life Insurance business had recorded an increase by 14% due to increase of government securities (7%), deposits (52%) and other assets (61%). Similarly, assets of General Insurance business had increased by 9%. However, equity had dropped by 24% and 26% for Life Insurance business and General Insurance business respectively.
		Premium growth for Life Insurance business was 10%, while General Insurance business recorded a growth of 9% & overall industry premium growth was 9%.
		Claims of Life Insurance business had increased by 18% and claims of General Insurance business had increased by 7%.

Notes

- Note 1** Due to segregation of Sanasa Insurance Company Ltd. to General and Life insurance companies, Balance Sheet data used from monthly return and Statement of Income data recorded using quarterly return information.
- Note 2** The above information represent insurance companies' information excluding National Insurance Trust Fund (NITF)
- Note 3** Total Assets of the Insurance Brokering Companies represent all insurance brokering companies excluding Ceynergy Insurance Brokers (Pvt) Ltd, My Insurance Brokers (Pvt) Ltd, and Redmo Swiss Insurance Brokers (Pvt) Ltd. due to non- submission of quarterly returns.