

**Industry Highlights - Q3 of 2019 Vs Q3 of 2018**

No.	Description	Quarter 03 - 2019		Quarter 03 - 2018 <sup>Note 5</sup>	
		Value (Rs.'000)		Value (Rs.'000)	
1	Profit of Insurance Companies (Before Tax)	1. Life Insurance	12,220,183	18,571,454	
		2. General Insurance	7,711,373	7,581,510	
	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	11,192,949	9,784,887	
3	Capital levels of Insurance Companies	1. Life Insurance	108,590,700	91,006,624	
		2. General Insurance	97,904,652	91,264,499	
	Compliance with Solvency Margin (RBC)		All Insurers complied with minimum requirement.	Two Composite Insurance Companies did not comply with RBC capital adequacy requirement.	
4	Total Assets of the insurance sector		<b>690,860,775</b>	<b>602,453,001</b>	
5	Distribution of total assets of insurance companies	<b>1. Life Insurance</b>	<b>480,331,651</b>	<b>418,019,801</b>	
		Government Debt Securities	205,202,005	163,218,923	
		Equities	26,089,464	33,958,031	
		Investments in Subsidiaries	3,839,684	3,644,914	
		Investments in Associates	2,047,292	1,626,135	
		Corporate Debt	103,422,045	89,289,343	
		Land & Buildings	4,550,137	4,464,093	
		Deposits	64,918,349	63,627,422	
		Unit Trusts	6,282,539	6,990,462	
		Investments in Gold	-	-	
		Reinsurance receivable	1,907,528	1,279,237	
		Policy Loans	6,615,860	5,947,530	
		Mortgage Loans	-	-	
		Premium receivable from policyholders and intermediaries	2,511,454	2,141,136	
		Intangible Assets	2,974,797	1,288,581	
		Property Plant and Equipment	14,462,061	11,769,618	
		Other Loans	4,231,317	3,555,456	
Other Assets	26,937,991	20,805,645			
	Cash and cash equivalents	4,339,128	4,413,275		

		<b>2. General Insurance</b>	<b>210,529,124</b>	<b>184,433,200</b>
		Government Debt Securities	55,072,261	51,704,606
		Equities	10,867,163	12,356,462
		Investments in Subsidiaries	20,832,121	20,786,861
		Investments in Associates	148,509	143,646
		Corporate Debt	16,068,873	14,540,317
		Land & Buildings	1,960,966	848,125
		Deposits	22,815,241	19,619,082
		Unit Trusts	1,353,618	1,180,902
		Investments in Gold	-	-
		Reinsurance receivable	17,340,614	10,451,520
		Policy Loans	-	-
		Mortgage Loans	-	-
		Premium receivable from policyholders and intermediaries	25,209,345	21,538,724
		Intangible Assets	1,717,399	840,470
		Property Plant and Equipment	18,104,233	16,222,318
		Other Loans	1,182,476	1,057,373
		Other Assets	12,712,348	10,459,125
		Cash and cash equivalents	5,143,957	2,683,669
6	Gross Premiums for different classes of insurance	<b>Total</b>	<b>145,787,911</b>	<b>133,520,037</b>
		1. Life Insurance	63,912,533	58,167,685
		2. General Insurance	81,875,378	75,352,352
		a. Motor	49,321,439	47,852,823
		b. Fire	8,167,005	6,537,005
		c. Marine	1,754,786	1,703,736
		d. Health	12,515,187	10,231,443
		e. Other categories	10,116,960	9,027,346

No.	Description	Quarter 03- 2019 Value (Rs.'000)	Quarter 03 - 2018 <sup>Note 5</sup> Value (Rs.'000)	
7	Reinsurance by Insurance Companies <sup>Note 2</sup>	<b>1. Reinsurance premiums</b>	<b>15,944,581</b>	<b>16,070,520</b>
		a. Life Insurance	2,563,883	2,338,337
		b. General Insurance	13,380,698	13,732,183
		A. Reinsurance total after excluding SRCC premium income <sup>Note 4</sup>	13,380,698	13,732,183
		B. Premium Income of SRCC included in the reinsurance premium	4,525,212	3,339,595
		C. Total Reinsurance including premium income of SRCC <sup>Note 3</sup>	17,905,910	17,071,779
		a. Motor	4,265,595	4,581,130
		b. Fire	6,881,748	5,204,280
		c. Marine	946,141	900,220
	d. Health	1,072,210	1,291,457	
	e. Other categories	4,740,217	5,094,692	
	Retention by Insurance Companies <sup>Note 2</sup>	<b>2. Retention of Premium</b>	<b>129,843,330</b>	<b>117,449,517</b>
		a. Life Insurance	61,348,650	55,829,348
		b. General Insurance	68,494,680	61,620,169
		a. Motor	45,055,844	43,271,693
b. Fire		1,285,257	1,332,725	
c. Marine		808,646	803,516	
d. Health		11,442,977	8,939,986	
e. Other categories	5,409,190	4,014,310		
f. SRCC	4,492,765	3,257,939		
8	Earned Premiums for different classes of insurance <sup>Note 2</sup>	<b>Total</b>	<b>126,520,575</b>	<b>115,126,821</b>
		1. Life Insurance	61,349,797	55,828,672
		2. General Insurance	65,170,778	59,298,149
		a. Motor	43,784,708	41,808,340
		b. Fire	1,336,458	875,103
		c. Marine	841,905	788,904
		d. Health	11,246,337	9,242,020
e. Other categories	4,299,418	3,844,829		
f. SRCC	3,661,951	2,738,954		

9	Claims of Insurance companies Note 2	1. Life Insurance	29,870,029	25,229,121
		2. General Insurance	43,016,262	39,179,949
		a. Motor	25,811,465	25,533,191
		b. Fire	1,751,734	924,244
		c. Marine	427,795	341,755
		d. Health	11,246,128	8,971,779
		e. Other categories	2,974,243	3,287,549
		f. SRCC	804,898	121,430
10	Investments of the Insurance sector with breakup	<b>1. Life Insurance</b>	<b>427,198,692</b>	<b>376,322,310</b>
		Government Debt Securities	205,202,005	163,218,923
		Equities	26,089,464	33,958,031
		Investments in Subsidiaries	3,839,684	3,644,914
		Investments in Associates	2,047,292	1,626,135
		Corporate Debt	103,422,045	89,289,343
		Land & Buildings	4,550,137	4,464,093
		Deposits	64,918,349	63,627,422
		Unit Trusts	6,282,539	6,990,462
		Investments in Gold	-	-
		Policy Loans	6,615,860	5,947,530
		Mortgage Loans	-	-
		Other Loans	4,231,317	3,555,456
	Investments of the Insurance sector with breakup	<b>2. General Insurance</b>	<b>130,301,228</b>	<b>122,237,374</b>
		Government Debt Securities	55,072,261	51,704,606
		Equities	10,867,163	12,356,462
		Investments in Subsidiaries	20,832,121	20,786,861
		Investments in Associates	148,509	143,646
		Corporate Debt	16,068,873	14,540,317
		Land & Buildings	1,960,966	848,125
		Deposits	22,815,241	19,619,082
Unit Trusts		1,353,618	1,180,902	
Investments in Gold		-	-	
Policy Loans	-	-		
Mortgage Loans	-	-		
Other Loans	1,182,476	1,057,373		
11	Investment Income of Insurance Companies	1. Life Insurance	31,423,624	26,539,864
		2. General Insurance	7,998,063	6,996,986

Description		Quarter 03 - 2019		Quarter 03 - 2018 <sup>Note 5</sup>		
12	<b>Aspects of Financial System</b>	<b>Indicator</b>	<b>General Insurance</b>	<b>Life Insurance</b>	<b>General Insurance</b>	<b>Life Insurance</b>
	Capital Adequacy	Capital Adequacy Ratio	203%	284%	180%	318%
		Capital to Total Assets	0.47	0.23	0.49	0.22
		Capital to Technical Reserves	1.45	N/A	1.42	N/A
		Technical Reserve Ratio (%)	131.45	N/A	128.48	N/A
	Earnings and Profitability	Profitability Ratio (%)	9.42	19.12	10.06	31.93
		Underwriting Ratio (%)	17.17		16.50	N/A
		Return on Assets (ROA) (%)	5.77	3.09	6.39	7.49
		Return on Equity (ROE) (%)	12.04	13.90	12.97	41.73
		Net Combined Operating Ratio (%)	102.41	99.16	102.00	99.16
		Investment Yield Ratio (%)	8.45	10.36	7.91	9.67
		Premium Stability Ratio (%)	8.66	9.88	9.13	12.09
	Liquidity	Liquidity Ratio	0.74	0.74	0.79	0.71
		Loss Ratio (%)	66.01	48.69	66.07	45.19
Reinsurance and Actuarial Issues	Retention (Reinsurance) Ratio (%)	83.66	95.99	78.31	95.98	
Costs	Management Expense Ratio (%)	36.41	50.47	35.92	53.97	
13	Total Assets of the Insurance Brokering Companies <sup>Note 6</sup>		5,795,782		4,586,146	
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 accordingly.				
15	Developments in the insurance industry, with specific references to the buildup of risk	Profits (PBT) of Life Insurance business shows a decrease (Rs. 6.3 Bn) in the 3rd quarter 2019. This is mainly due to profit recorded by an insurer from the sale of its subsidiary in the 1st quarter 2018. Overall profits (PBT) of General Insurance business has increased by 2%.				
		Assets of insurance industry had grown by 15%. Assets of Life Insurance business had recorded an increase by 15% due to increase of government securities (26%), corporate debts (16%) and other assets (29%). Similarly, assets of General Insurance business had increased by 14%. However, equity had dropped by 23% and 12% 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 10%.				

## Notes

- Note 1** As per previous submissions IRCSL have been informed that particulars related to National Insurance Trust Fund (NITF) have not been included. The reason for excluding NITF information when submitting previous insurance industry statistics was the inability of categorizing some of the data of NITF according to the provided format. However IRCSL has incorporated NITF statistics (except for reinsurance and crop) for quarter 3 submission to provide more accurate information of the insurance industry.
- Note 2** The format has modified by including few rows to present SRCC scheme (segment) of NITF (Items 7,8 and 9).
- Note 3** Reinsurance premium (outgo) recorded in the Statement of Income of insurance companies included premium income belongs to SRCC which remitted to NITF.
- Note 4** The submitted data of General Insurance companies are excluded SRCC premium together with reinsurance premium. Accordingly, segment-wise SRCC premium cannot be identified separately based on submitted returns. Therefore SRCC reported by NITF excluded from the total reinsurance balance to avoid the duplication.
- Note 5** Figures published for 3rd quarter 2018 were revised due to consistency purposes which also elaborated in Note 1. Further MBSL information were not included in the figures published for 3rd Quarter 2018 due to non submission, but are included in this version. Therefore there are significant differences in previously submitted information.
- Note 6** Total assets of the Insurance Brokering Companies represents all Insurance Brokering Companies excluding SYM Insurance Brokers (Pvt) Ltd and Icon Insurance Brokers (Pvt) Ltd due to suspension of the license and submission of erroneously recorded balance sheet respectively.