

**Industry Highlights - Q4 of 2019 Vs Q4 of 2018**

No.	Description	Quarter 04 - 2019	Quarter 04 - 2018 <sup>Note 5</sup>	
		Value (Rs.'000)	Value (Rs.'000)	
1	Profit of Insurance Companies (Before Tax)	1. Life Insurance	17,905,922	24,126,794
		2. General Insurance	9,857,843	11,318,204
	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	12,927,732	14,538,560
3	Capital levels of Insurance Companies	1. Life Insurance	113,441,244	99,002,742
		2. General Insurance	94,555,195	92,478,523
	Compliance with Solvency Margin (RBC)	All Insurers complied with minimum requirement.	A Composite Insurance Company did not comply with minimum requirement.	
4	Total Assets of the insurance sector	<b>691,404,544</b>	<b>619,793,522</b>	
5	Distribution of total assets of insurance companies	<b>1. Life Insurance</b>	<b>487,231,251</b>	<b>429,705,566</b>
		Government Debt Securities	188,521,650	176,436,676
		Equities	29,971,038	29,723,237
		Investments in Subsidiaries	3,839,684	3,694,914
		Investments in Associates	2,054,024	1,691,718
		Corporate Debt	106,694,666	80,776,780
		Land & Buildings	4,559,752	13,625,448
		Deposits	76,186,095	66,962,746
		Unit Trusts	5,584,808	6,884,886
		Investments in Gold	-	-
		Reinsurance receivable	1,748,271	1,388,319
		Policy Loans	6,810,982	5,833,641
		Mortgage Loans	-	-
		Premium receivable from policyholders and intermediaries	2,663,967	2,297,543
		Intangible Assets	2,699,536	2,528,023
		Property Plant and Equipment	15,142,284	2,846,771
		Other Loans	4,225,171	3,795,087
Other Assets	31,374,442	27,762,130		
	Cash and cash equivalents	5,154,880	3,457,646	

		<b>2. General Insurance</b>	<b>204,173,292</b>	<b>190,087,956</b>
		Government Debt Securities	53,896,935	53,188,206
		Equities	11,388,967	12,719,778
		Investments in Subsidiaries	20,832,121	21,233,621
		Investments in Associates	148,509	296,340
		Corporate Debt	16,524,254	13,506,161
		Land & Buildings	1,963,445	11,206,996
		Deposits	22,876,298	20,491,247
		Unit Trusts	1,962,072	1,228,957
		Investments in Gold	-	-
		Reinsurance receivable	12,992,142	12,982,985
		Policy Loans	-	-
		Mortgage Loans	-	-
		Premium receivable from policyholders and intermediaries	23,029,495	23,256,352
		Intangible Assets	1,846,936	170,619
		Property Plant and Equipment	18,113,920	5,693,812
		Other Loans	1,114,161	289,010
		Other Assets	13,538,273	11,212,561
		Cash and cash equivalents	3,945,764	2,611,312
6	Gross Premiums for different classes of insurance	<b>Total</b>	<b>196,768,541</b>	<b>181,506,110</b>
		1. Life Insurance	88,788,380	80,302,546
		2. General Insurance	107,980,161	101,203,564
		a. Motor	64,977,305	62,478,575
		b. Fire	10,709,253	9,274,723
		c. Marine	2,433,339	2,403,187
		d. Health	16,578,341	14,185,167
		e. Other categories	13,281,923	12,861,913

No.	Description	Quarter 04- 2019 Value (Rs.'000)	Quarter 04 - 2018 <sup>Note 5</sup> Value (Rs.'000)	
7	Reinsurance by Insurance Companies <sup>Note 2</sup>	<b>1. Reinsurance premiums</b>	<b>21,989,224</b>	<b>21,946,064</b>
		a. Life Insurance	3,694,099	3,367,781
		b. General Insurance	18,295,125	18,578,282
		A. Reinsurance total after excluding SRCC premium income <sup>Note 4</sup>	18,295,125	18,578,282
		B. Premium Income of SRCC included in the reinsurance premium	5,984,302	4,581,641
		C. Total Reinsurance including premium income of SRCC <sup>Note 3</sup>	24,279,427	23,159,923
		a. Motor	5,652,664	4,250,943
		b. Fire	8,889,722	6,581,382
		c. Marine	1,265,135	1,258,650
	d. Health	1,468,550	1,676,719	
	e. Other categories	7,003,356	9,392,229	
	Retention by Insurance Companies <sup>Note 2</sup>	<b>2. Retention of Premium</b>	<b>174,779,317</b>	<b>159,560,046</b>
		a. Life Insurance	85,094,281	76,934,765
		b. General Insurance	89,685,036	82,625,282
a. Motor		59,324,640	58,227,632	
b. Fire		1,819,531	2,693,341	
c. Marine		1,168,203	1,144,536	
d. Health		15,109,791	12,508,448	
e. Other categories	6,278,566	3,551,340		
f. SRCC	5,962,859	4,499,984		
8	Earned Premiums for different classes of insurance <sup>Note 2</sup>	<b>Total</b>	<b>172,785,392</b>	<b>157,483,470</b>
		1. Life Insurance	85,095,921	76,934,074
		2. General Insurance	87,689,471	80,549,396
		a. Motor	58,661,290	56,540,998
		b. Fire	1,775,935	1,926,656
		c. Marine	1,181,986	1,127,969
		d. Health	15,285,825	12,683,442
e. Other categories	5,662,468	4,238,484		
f. SRCC	5,121,967	4,031,846		

9	Claims of Insurance companies Note 2	1. Life Insurance	38,770,285	36,203,038
		2. General Insurance	59,068,587	52,465,959
		a. Motor	34,665,165	34,651,820
		b. Fire	2,403,086	1,561,223
		c. Marine	467,141	418,810
		d. Health	16,527,667	12,098,234
		e. Other categories	4,005,864	3,659,804
	f. SRCC	999,665	76,068	
10	Investments of the Insurance sector with breakup	<b>1. Life Insurance</b>	<b>428,447,871</b>	<b>389,425,133</b>
		Government Debt Securities	188,521,650	176,436,676
		Equities	29,971,038	29,723,237
		Investments in Subsidiaries	3,839,684	3,694,914
		Investments in Associates	2,054,024	1,691,718
		Corporate Debt	106,694,666	80,776,780
		Land & Buildings	4,559,752	13,625,448
		Deposits	76,186,095	66,962,746
		Unit Trusts	5,584,808	6,884,886
		Investments in Gold	-	-
		Policy Loans	6,810,982	5,833,641
		Mortgage Loans	-	-
		Other Loans	4,225,171	3,795,087
		Investments of the Insurance sector with breakup	<b>2. General Insurance</b>	<b>130,706,762</b>
	Government Debt Securities		53,896,935	53,188,206
	Equities		11,388,967	12,719,778
	Investments in Subsidiaries		20,832,121	21,233,621
	Investments in Associates		148,509	296,340
	Corporate Debt		16,524,254	13,506,161
	Land & Buildings		1,963,445	11,206,996
	Deposits		22,876,298	20,491,247
	Unit Trusts		1,962,072	1,228,957
	Investments in Gold		-	-
	Policy Loans		-	-
	Mortgage Loans		-	-
	Other Loans		1,114,161	289,010
	11	Investment Income of Insurance Companies	1. Life Insurance	42,805,638
2. General Insurance			12,353,484	10,078,210

12	Description	Indicator	Quarter 04 - 2019		Quarter 04 - 2018 <sup>Note 5</sup>	
			General Insurance	Life Insurance	General Insurance	Life Insurance
Aspects of Financial System	Capital Adequacy	Capital Adequacy Ratio	231%	298%	178%	312%
		Capital to Total Assets	0.46	0.23	0.49	0.23
		Capital to Technical Reserves	1.35	N/A	1.46	N/A
		Technical Reserve Ratio (%)	128.48	N/A	130.49	N/A
	Earnings and Profitability	Profitability Ratio (%)	9.13	20.17	11.18	30.04
		Underwriting Ratio (%)	14.74	N/A	18.05	N/A
		Return on Assets (ROA) (%)	6.09	3.91	6.03	5.87
		Return on Equity (ROE) (%)	12.32	16.86	13.07	25.75
		Net Combined Operating Ratio (%)	105.30	95.97	101.35	100.55
		Investment Yield Ratio (%)	9.81	10.50	6.49	9.86
		Premium Stability Ratio (%)	6.73	10.57	8.37	12.20
	Liquidity	Liquidity Ratio	0.74	0.72	0.78	0.75
		Loss Ratio (%)	67.36	45.56	65.14	47.06
	Reinsurance and Actuarial Issues	Retention (Reinsurance) Ratio (%)	83.01	95.84	81.64	95.81
Costs	Management Expense Ratio (%)	37.94	50.41	36.21	53.49	
13	Total Assets of the Insurance Brokering Companies <sup>Note 6</sup>		5,950,544		4,921,595	
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.				
15	Developments in the insurance industry, with specific references to the buildup of risk	Profits (PBT) of Life Insurance business shows an decrease (Rs. 6.2 Bn) in the 4th 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 13%.				
		Assets of insurance industry had grown by 12%. Assets of Life Insurance business had recorded an increase by 13% due to increase in corporate debts (32%), government securities (7%), and Property, Plant and Equipment (432%). Similarly, assets of General Insurance business had increased by 7% due to increase in Plant and Equipment (215%), Corporate Debt (22%) and Deposits (12%). Equity had increased by 15% and 2% for Life Insurance business and General Insurance business respectively.				
		Premium growth for Life Insurance business was 11%, while General Insurance business recorded a growth of 7% & overall industry premium growth was 8%.				
		Claims of Life Insurance business had increased by 7% and claims of General Insurance business had increased by 13%.				

**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 4 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** The Above information for the Quarter ended 2018 are extracted from the Industry Handbook -2018 figures which are already published. Figures published for 4th 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 and 4th quarters 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 Fairway Insurance Brokers (Pvt) Ltd, Redmo Swiss Insurance Brokers (Pvt) Ltd due to non-submission of Quarterly Returns and S Y M Insurance Brokers (Pvt) Ltd due to suspension of the license.