

Industry Highlights - Q2 of 2020 Vs Q2 of 2019

| No. | Description | | Quarter 02 - 2020 | Quarter 02 - 2019 ^{Note 2} |
|-----|---|-----------------------------|--|---|
| | | | Value (Rs.'000) | Value (Rs.'000) |
| 1 | Profit of Insurance Companies (Before Tax) | 1. Life Insurance | 6,646,875 | 8,373,236 |
| | | 2. General Insurance | 11,511,953 | 5,314,014 |
| | 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 | 14,056,739 | 7,691,834 |
| 3 | Capital levels of Insurance Companies | 1. Life Insurance | 117,632,127 | 104,464,687 |
| | | 2. General Insurance | 103,308,686 | 95,532,424 |
| | Compliance with Solvency Margin (RBC) | | Three Life Insurance companies, One Composite Insurance Company did not comply with minimum requirement. | An insurer reported non-compliance with RBC capital adequacy requirements |
| 4 | Total Assets of the insurance sector | | 755,229,273 | 668,253,018 |
| 5 | Distribution of total assets of insurance companies | 1. Life Insurance | 540,126,267 | 464,995,551 |
| | | Government Debt Securities | 220,526,593 | 187,957,117 |
| | | Equities | 27,097,216 | 23,697,633 |
| | | Investments in Subsidiaries | 3,889,684 | 4,001,054 |
| | | Investments in Associates | 2,166,546 | 1,669,985 |
| | | Corporate Debt | 105,806,635 | 90,819,575 |
| | | Land & Buildings | 5,093,176 | 4,752,076 |
| | | Deposits | 86,597,663 | 84,141,591 |
| | | Unit Trusts | 6,691,155 | 4,554,716 |

| | | |
|--|------------|------------|
| Investments in Gold | 58,067 | - |
| Reinsurance receivable | 1,852,572 | 1,746,258 |
| Policy Loans | 6,885,205 | 6,410,324 |
| Mortgage Loans | - | - |
| Premium receivable from policyholders and intermediaries | 4,021,813 | 2,454,758 |
| Intangible Assets | 2,570,626 | 2,943,153 |
| Property Plant and Equipment | 15,945,423 | 14,213,369 |
| Other Loans | 5,024,554 | 4,369,706 |
| Other Assets | 31,773,139 | 26,116,414 |
| Cash and cash equivalents | 14,126,200 | 5,147,821 |

| | | | | |
|---|---|--|--------------------|--------------------|
| | | 2. General Insurance | 215,103,007 | 203,257,467 |
| | | Government Debt Securities | 57,285,738 | 54,773,799 |
| | | Equities | 9,544,388 | 10,077,181 |
| | | Investments in Subsidiaries | 20,731,479 | 20,832,121 |
| | | Investments in Associates | 148,509 | 148,509 |
| | | Corporate Debt | 15,424,592 | 13,409,613 |
| | | Land & Buildings | 1,964,945 | 1,960,966 |
| | | Deposits | 26,289,338 | 23,722,412 |
| | | Unit Trusts | 2,369,280 | 1,495,594 |
| | | Investments in Gold | - | - |
| | | Reinsurance receivable | 12,020,181 | 13,816,561 |
| | | Policy Loans | - | - |
| | | Mortgage Loans | - | - |
| | | Premium receivable from policyholders and intermediaries | 29,762,596 | 26,892,539 |
| | | Intangible Assets | 2,037,961 | 1,649,312 |
| | | Property Plant and Equipment | 17,789,847 | 18,012,581 |
| | | Other Loans | 912,617 | 797,878 |
| | | Other Assets | 12,368,218 | 12,535,867 |
| | | Cash and cash equivalents | 6,453,318 | 3,132,533 |
| 6 | Gross Premiums for different classes of insurance | Total | 95,158,470 | 97,885,604 |
| | | 1. Life Insurance | 43,269,853 | 41,667,320 |
| | | 2. General Insurance | 51,888,617 | 56,218,284 |
| | | | | |
| | | a. Motor | 30,779,592 | 32,004,839 |
| | | b. Fire | 5,936,865 | 5,996,983 |
| | | c. Marine | 1,077,704 | 1,205,942 |
| | | d. Health | 8,400,275 | 9,404,542 |
| | | e. Other categories | 5,694,182 | 7,605,978 |

| No. | Description | Quarter 02 - 2020 Value (Rs.'000) | Quarter 02 - 2019 ^{Note 2} Value (Rs.'000) | |
|---------------------|--|--|--|-------------------|
| 7 | Reinsurance by Insurance Companies ^{Note 3} | 1. Reinsurance premiums | 12,207,192 | 11,512,938 |
| | | a. Life Insurance | 2,142,992 | 1,613,937 |
| | | b. General Insurance | 10,064,200 | 9,899,002 |
| | | | | |
| | | A. Reinsurance total after excluding SRCC premium income ^{Note 5} | 10,064,200 | 9,899,002 |
| | | B. Premium Income of SRCC included in the reinsurance premium | 3,249,361 | 2,765,921 |
| | | C. Total Reinsurance including premium income of SRCC ^{Note 4} | 13,313,561 | 12,664,922 |
| | | a. Motor | 3,078,927 | 2,654,693 |
| | | b. Fire | 4,902,118 | 5,055,218 |
| | | c. Marine | 642,371 | 664,881 |
| | d. Health | 994,622 | 865,014 | |
| | e. Other categories | 3,695,522 | 3,425,115 | |
| | Retention by Insurance Companies ^{Note 3} | 2. Retention of Premium | 82,951,278 | 86,372,666 |
| | | a. Life Insurance | 41,126,861 | 40,053,384 |
| | | b. General Insurance | 41,824,417 | 46,319,282 |
| | | | | |
| | | a. Motor | 27,700,664 | 29,350,146 |
| b. Fire | | 1,034,747 | 941,765 | |
| c. Marine | | 435,332 | 541,061 | |
| d. Health | | 7,405,653 | 8,539,528 | |
| e. Other categories | 1,990,231 | 4,219,049 | | |
| f. SRCC | 3,257,789 | 2,727,735 | | |
| 8 | Earned Premiums for different classes of | Total | 83,294,842 | 83,023,532 |

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|----|--|-----------------------------|--------------------|--------------------|
| | insurance ^{Note 3} | 1. Life Insurance | 41,126,472 | 40,052,203 |
| | | 2. General Insurance | 42,168,370 | 42,971,330 |
| | | | | |
| | | a. Motor | 28,145,767 | 29,035,255 |
| | | b. Fire | 1,009,976 | 893,871 |
| | | c. Marine | 509,739 | 580,649 |
| | | d. Health | 6,884,504 | 7,382,167 |
| | | e. Other categories | 2,596,880 | 2,755,015 |
| | | f. SRCC | 3,021,504 | 2,324,373 |
| 9 | Claims of Insurance companies ^{Note 3} | 1. Life Insurance | 16,707,405 | 16,829,086 |
| | | 2. General Insurance | 19,918,028 | 27,742,443 |
| | | | | |
| | | a. Motor | 12,850,276 | 17,222,294 |
| | | b. Fire | 993,041 | 1,102,054 |
| | | c. Marine | 161,686 | 347,940 |
| | | d. Health | 5,364,159 | 6,767,272 |
| | | e. Other categories | 548,869 | 1,490,415 |
| | | f. SRCC | (4) | 812,467 |
| 10 | Investments of the Insurance sector with breakup | 1. Life Insurance | 469,836,495 | 412,373,779 |
| | | Government Debt Securities | 220,526,593 | 187,957,117 |
| | | Equities | 27,097,216 | 23,697,633 |
| | | Investments in Subsidiaries | 3,889,684 | 4,001,054 |
| | | Investments in Associates | 2,166,546 | 1,669,985 |
| | | Corporate Debt | 105,806,635 | 90,819,575 |
| | | Land & Buildings | 5,093,176 | 4,752,076 |
| | | Unit Trusts | 6,691,155 | 4,554,716 |
| | | Investments in Gold | 58,067 | - |
| | | Policy Loans | 6,885,205 | 6,410,324 |
| | | Mortgage Loans | - | - |

| | | | | | | |
|----|--|-------------------------------|--------------------------|-----------------------|--|-----------------------|
| | | Other Loans | | 5,024,554 | | 4,369,706 |
| | Investments of the Insurance sector with breakup | 2. General Insurance | | 134,670,886 | | 127,218,074 |
| | | Government Debt Securities | | 57,285,738 | | 54,773,799 |
| | | Equities | | 9,544,388 | | 10,077,181 |
| | | Investments in Subsidiaries | | 20,731,479 | | 20,832,121 |
| | | Investments in Associates | | 148,509 | | 148,509 |
| | | Corporate Debt | | 15,424,592 | | 13,409,613 |
| | | Land & Buildings | | 1,964,945 | | 1,960,966 |
| | | Deposits | | 26,289,338 | | 23,722,412 |
| | | Unit Trusts | | 2,369,280 | | 1,495,594 |
| | | Investments in Gold | | - | | - |
| | | Policy Loans | | | | - |
| | | Mortgage Loans | | - | | - |
| | | Other Loans | | 912,617 | | 797,878 |
| | | | | | | |
| 11 | Investment Income of Insurance Companies | 1. Life Insurance | | 20,931,552 | | 20,397,719 |
| | | 2. General Insurance | | 4,821,896 | | 5,474,758 |
| | Description | | Quarter 02 - 2020 | | Quarter 02 - 2019 ^{Note 2} | |
| 12 | Aspects of Financial System | Indicator | General Insurance | Life Insurance | General Insurance | Life Insurance |
| | Capital Adequacy | Capital Adequacy Ratio | 238% | 308% | 203% | 293% |
| | | Capital to Total Assets | 0.48 | 0.22 | 0.47 | 0.22 |
| | | Capital to Technical Reserves | 1.50 | N/A | 1.67 | N/A |
| | | Technical Reserve Ratio (%) | 123.93 | N/A | 156.29 | N/A |

| | | | | | | |
|----|---|---|-----------|-------|-----------|-------|
| | Earnings and Profitability | Profitability Ratio (%) | 20.88 | 15.36 | 9.01 | 20.10 |
| | | Underwriting Ratio (%) | 33.33 | N/A | 17.90 | N/A |
| | | Return on Assets (ROA) (%) | 7.68 | 3.22 | 5.79 | 2.58 |
| | | Return on Equity (ROE) (%) | 16.15 | 14.58 | 11.97 | 11.72 |
| | | Net Combined Operating Ratio (%) | 87.27 | 88.24 | 101.43 | 92.91 |
| | | Investment Yield Ratio (%) | 8.69 | 9.83 | 8.45 | 9.98 |
| | | Premium Stability Ratio (%) | (6.52) | 3.85 | 12.68 | 9.94 |
| | Liquidity | Liquidity Ratio | 0.81 | 0.76 | 0.76 | 0.77 |
| | | Loss Ratio (%) | 47.23 | 40.62 | 64.56 | 42.02 |
| | Reinsurance and Actuarial Issues | Retention (Reinsurance) Ratio (%) | 75.85 | 95.05 | 78.53 | 96.13 |
| | Costs | Management Expense Ratio (%) | 40.04 | 47.61 | 36.87 | 50.89 |
| 13 | Total Assets of the Insurance Brokering Companies ^{Note 6} | | 6,046,641 | | 5,106,858 | |
| 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 | Profit (PBT) of Life Insurance business shows a decrease of 21% (Rs. 1.7Bn). Overall profits (PBT) of General Insurance business increased by 117% (Rs. 6.2Bn) | | | | |
| | | Assets of insurance industry had grown by 13%. Assets of Life Insurance business had recorded an increase by 16% due to increase in government securities (17%) and corporate debts (17%). Also the assets of General Insurance business had increased by 6%. Corporate debts (15%), deposits (11%) and cash & cash equivalents (106%) had indicated an increase. Equity had increased by 13% for Life Insurance business and 8% for General Insurance business | | | | |

buildup of risk

Premium growth for Life Insurance business was 4%, while General Insurance business recorded reduction of 8% & overall industry premium growth shows a reduction of 3%

Claims of Life Insurance business had decreased by 1% and claims of General Insurance business had decreased by 28%.

Notes

- Note 1** As per previous submissions IRCSL has 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 2 submission to provide more accurate information of the insurance industry.
- Note 2** For Claims of Insurance Companies for Life category, only Gross benefits and claims paid & Claims ceded to reinsurers were considered. Accordingly figures submitted for Q2 2019 were revised for consistency purposes.
- Note 3** The format has modified by including few rows to present SRCC scheme (segment) of NITF (Items 7,8 and 9).
- Note 4** Reinsurance premium (outgo) recorded in the Statement of Income of insurance companies included premium income belongs to SRCC which remitted to NITF.
- Note 5** 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 6** Total assets of the Insurance Brokering Companies represents all Insurance Brokering Companies excluding 6 Brokering Companies due to non-submission of Quarterly Returns.