

**Industry Highlights - Q3 of 2020 Vs Q3 of 2019**

No.	Description	Quarter 03 - 2020	Quarter 03 - 2019 <sup>Note 1 &amp; 3</sup>	
		Value (Rs.'000)	Value (Rs.'000)	
1	Profit of Insurance Companies (Before Tax)	1. Life Insurance	9,978,428	12,220,183
		2. General Insurance	10,180,858	5,898,751
	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 underwriting profit	1. Life Insurance	Not Applicable	Not Applicable
		2. General Insurance	14,634,984	9,906,092
3	Capital levels of Insurance Companies	1. Life Insurance	120,630,384	108,590,700
		2. General Insurance	91,683,018	89,557,960
	Compliance with Solvency Margin (RBC)	Two Life Insurance companies did not comply with minimum requirement. One composite company did not comply with the minimum requirement.	All General Insurance companies complied with the minimum requirement.	
4	Total Assets of the insurance sector	<b>747,489,400</b>	<b>675,092,503</b>	
5	Distribution of total assets of insurance companies	<b>1. Life Insurance</b>	<b>556,157,042</b>	<b>480,331,651</b>
		Government Debt Securities	224,173,319	205,202,005
		Equities	29,933,332	27,270,472
		Investments in Subsidiaries	3,889,684	3,839,684
		Investments in Associates	2,192,348	2,047,292
		Corporate Debt	117,039,017	103,422,045
		Land & Buildings	5,101,814	4,550,137
		Deposits	88,757,951	64,918,349
		Unit Trusts	8,415,454	5,101,531
		Investments in Gold	68,352	-
		Reinsurance receivable	2,064,457	1,907,528
		Policy Loans	6,883,057	6,615,860
		Mortgage Loans	-	-
		Premium receivable from policyholders and intermediaries	3,354,985	2,511,454
		Intangible Assets	2,532,982	2,974,797
		Property Plant and Equipment	16,360,651	14,462,061
		Other Loans	4,801,531	4,231,317
Other Assets	26,740,239	26,937,991		
	Cash and cash equivalents	13,847,869	4,339,128	

		<b>2. General Insurance</b>	<b>191,332,357</b>	<b>194,760,852</b>
		Government Debt Securities	44,264,065	43,207,102
		Equities	10,864,438	10,867,163
		Investments in Subsidiaries	20,687,720	20,832,121
		Investments in Associates	148,509	148,509
		Corporate Debt	13,949,903	16,068,873
		Land & Buildings	1,964,945	1,960,966
		Deposits	24,627,557	22,815,241
		Unit Trusts	5,753,247	1,353,618
		Investments in Gold	-	-
		Reinsurance receivable	10,975,786	17,320,620
		Policy Loans	-	-
		Mortgage Loans	-	-
		Premium receivable from policyholders and intermediaries	22,340,402	22,507,785
		Intangible Assets	2,156,882	1,708,710
		Property Plant and Equipment	16,496,959	18,063,336
		Other Loans	956,347	1,132,182
		Other Assets	10,981,649	11,776,046
		Cash and cash equivalents	5,163,948	4,998,580
6	Gross Premiums for different classes of insurance	<b>Total</b>	<b>145,391,082</b>	<b>140,159,218</b>
		1. Life Insurance	72,297,229	63,912,533
		2. General Insurance	73,093,854	76,246,685
		a. Motor	47,300,505	49,015,320
		b. Fire	8,170,451	8,155,720
		c. Marine	1,599,061	1,736,356
		d. Health	7,854,737	8,890,389
		e. Other categories	8,169,099	8,448,900

No.	Description	Quarter 03 - 2020 Value (Rs. '000)	Quarter 03 - 2019 Value (Rs. '000)		
7	Reinsurance by Insurance Companies	<b>1. Reinsurance premiums</b>	<b>22,142,911</b>	<b>20,422,745</b>	
		a. Life Insurance	3,442,767	2,563,883	
		b. General Insurance	18,700,144	17,858,862	
		a. Motor	4,494,548	4,257,993	
		b. Fire	6,717,624	6,874,748	
		c. Marine	939,682	946,141	
		d. Health	1,251,645	1,072,210	
		e. Other categories	5,296,645	4,707,770	
		Retention by Insurance Companies	<b>2. Retention of Premium</b>	<b>123,248,172</b>	<b>119,736,473</b>
			a. Life Insurance	68,854,462	61,348,650
	b. General Insurance		54,393,710	58,387,823	
	a. Motor		42,805,958	44,757,327	
	b. Fire		1,452,827	1,280,972	
	c. Marine		659,379	790,215	
	d. Health	6,603,092	7,818,179		
e. Other categories	2,872,455	3,741,130			
8	Earned Premiums for different classes of insurance	<b>Total</b>	<b>122,815,747</b>	<b>118,403,285</b>	
		1. Life Insurance	68,854,790	61,349,797	
		2. General Insurance	53,960,957	57,053,487	
		a. Motor	41,893,168	43,478,745	
		b. Fire	1,552,220	1,332,172	
		c. Marine	723,656	823,475	
		d. Health	6,781,696	7,626,580	
		e. Other categories	3,010,217	3,792,514	

9	Claims of Insurance companies	1. Life Insurance	27,520,635	26,569,666
		2. General Insurance	28,444,190	36,790,961
		a. Motor	19,842,565	25,620,526
		b. Fire	1,391,423	1,747,529
		c. Marine	235,477	418,917
		d. Health	5,330,896	7,286,623
	e. Other categories	1,643,829	1,717,366	
10	Investments of the Insurance sector with breakup	<b>1. Life Insurance</b>	<b>491,255,860</b>	<b>427,198,692</b>
		Government Debt Securities	224,173,319	205,202,005
		Equities	29,933,332	27,270,472
		Investments in Subsidiaries	3,889,684	3,839,684
		Investments in Associates	2,192,348	2,047,292
		Corporate Debt	117,039,017	103,422,045
		Land & Buildings	5,101,814	4,550,137
		Deposits	88,757,951	64,918,349
		Unit Trusts	8,415,454	5,101,531
		Investments in Gold	68,352	-
		Policy Loans	6,883,057	6,615,860
		Mortgage Loans	-	-
		Other Loans	4,801,531	4,231,317
	Investments of the Insurance sector with breakup	<b>2. General Insurance</b>	<b>123,216,731</b>	<b>118,385,775</b>
		Government Debt Securities	44,264,065	43,207,102
		Equities	10,864,438	10,867,163
		Investments in Subsidiaries	20,687,720	20,832,121
		Investments in Associates	148,509	148,509
		Corporate Debt	13,949,903	16,068,873
		Land & Buildings	1,964,945	1,960,966
Deposits		24,627,557	22,815,241	
Unit Trusts		5,753,247	1,353,618	
Investments in Gold		-	-	
Policy Loans		-	-	
Mortgage Loans		-	-	
Other Loans		956,347	1,132,182	
11	Investment Income of Insurance Companies	1. Life Insurance	33,089,804	31,423,624
		2. General Insurance	6,371,127	7,161,008

12	Description		Quarter 03 - 2020		Quarter 03 - 2019 <sup>Note 1</sup>	
	Aspects of Financial System	Indicator	General Insurance	Life Insurance	General Insurance	Life Insurance
12	Capital Adequacy	Capital Adequacy Ratio	233%	332%	194%	284%
		Capital to Total Assets	0.48	0.22	0.46	0.23
		Capital to Technical Reserves	1.73	N/A	1.55	N/A
		Technical Reserve Ratio (%)	137.85	N/A	134.40	N/A
	Earnings and Profitability	Profitability Ratio (%)	13.93	13.80	7.74	19.12
		Underwriting Ratio (%)	27.12	N/A	17.36	N/A
		Return on Assets (ROA) (%)	5.97	3.02	4.87	3.09
		Return on Equity (ROE) (%)	12.73	13.67	10.31	13.90
		Net Combined Operating Ratio (%)	96.55	85.04	104.44	93.78
		Investment Yield Ratio (%)	8.31	9.69	8.07	10.35
		Premium Stability Ratio (%)	(4.14)	13.12	6.46	9.88
	Liquidity	Liquidity Ratio	0.74	0.75	0.68	0.75
		Loss Ratio (%)	52.71	39.97	64.49	43.31
	Reinsurance and Actuarial Issues	Retention (Reinsurance) Ratio (%)	74.42	95.24	76.58	95.99
Costs	Management Expense Ratio (%)	43.84	45.07	39.96	50.47	
13	Total Assets of the Insurance Brokering Companies <sup>Note 2</sup>		5,560,796		5,795,540	
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. 2Bn) in the 3rd quarter 2020. Overall profits (PBT) of General Insurance business increased by 73%.				
		Assets of insurance industry had grown by 12%. Assets of Life Insurance business had recorded an increase by 16% due to increase in Deposits (37%), Government Securities (9%), and Corporate Debts (13%). However assets of General Insurance business had decreased by 2%. Government Securities (2%), Deposits (8%) Cash & Cah equivalents (3%) had indicated an increase. Corporate debt (13%) Reinsurance receivable (37%) and Other Assets (7%) had recorded a decrease resulting a decrease in the overall assets level of the General Insurance Business. Equity had increased by 11% and 2% for Life Insurance business and General Insurance business respectively.				

Premium growth for Life Insurance business was 13%, while General Insurance business recorded a decrease of 4% & overall industry premium growth was 4%.
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Claims of Life Insurance business had increased by 4% and claims of General Insurance business had decreased by 23%.
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**Notes**

The above columns represents insurance companies' information excluding National Insurance Trust Fund (NITF) and Cooperative

**Note 1** Insurance Ltd. due to non submission of Quarterly Returns. However Q3 - 2019 column information is including Cooperative Insurance Ltd.

**Note 2** Total assets of the Insurance Brokering Companies represents all Insurance Brokering Companies excluding 14 Brokering Companies due to non-submission of Quarterly Returns.

**Note 3** For Claims of Insurance Companies for Life category, only Gross benefits and claims paid & Claims ceded to reinsurers were considered. Accordingly figures submitted for Q3 2019 were revised for consistency purposes.