

PRESS RELEASE

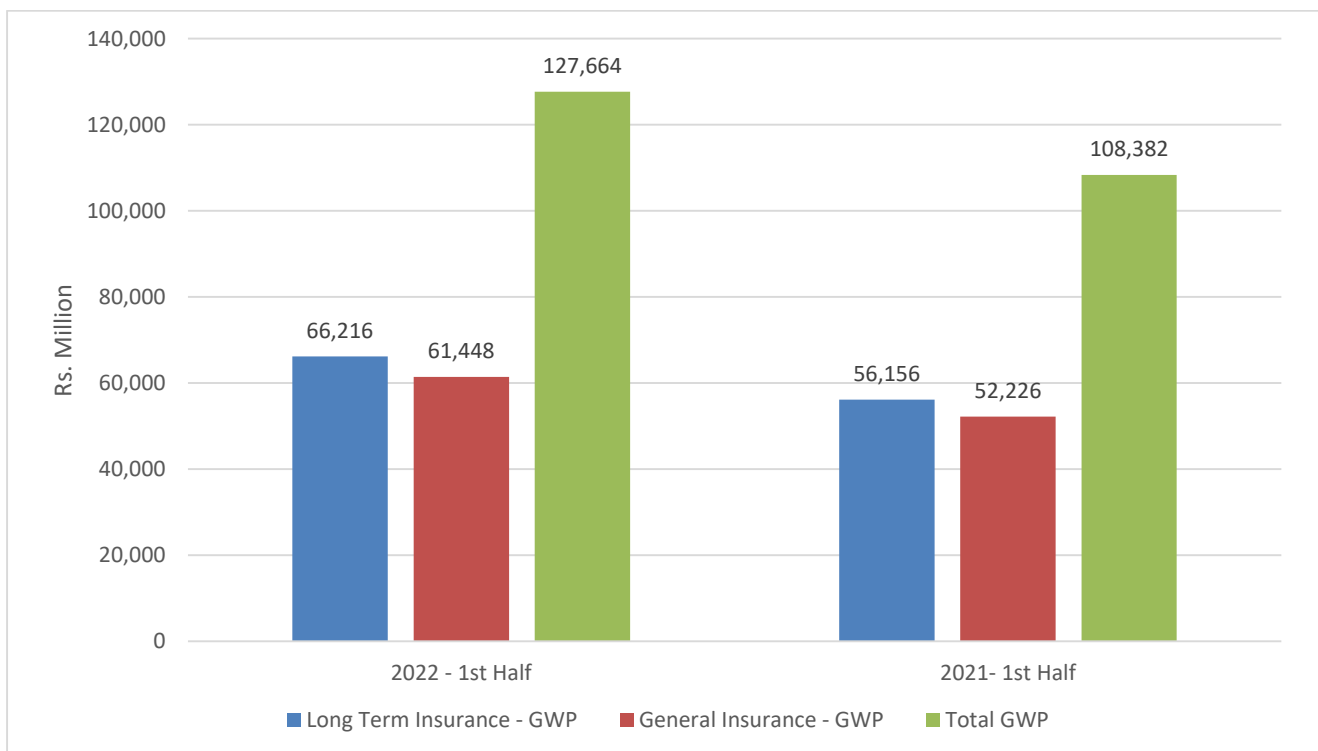
Performance of the Insurance Industry – 1st half of 2022

Gross Written Premium

The insurance industry was able to achieve a growth of 17.79% in terms of overall Gross Written Premium (GWP), during the 1st half of 2022, recording an increase of Rs. 19,282 million when compared to the same period in the year 2021. The GWP for Long Term Insurance and General Insurance Businesses was Rs. 127,664 million compared to the 1st half of 2021 amounting to Rs. 108,382 million.

The GWP of Long-Term Insurance Business amounted to Rs. 66,216 million (1st half 2021: Rs. 56,156 million) recording a growth of 17.91%. The GWP of General Insurance Business amounted to Rs. 61,448 million (1st half 2021: Rs. 52,226 million) recording a growth of 17.66%

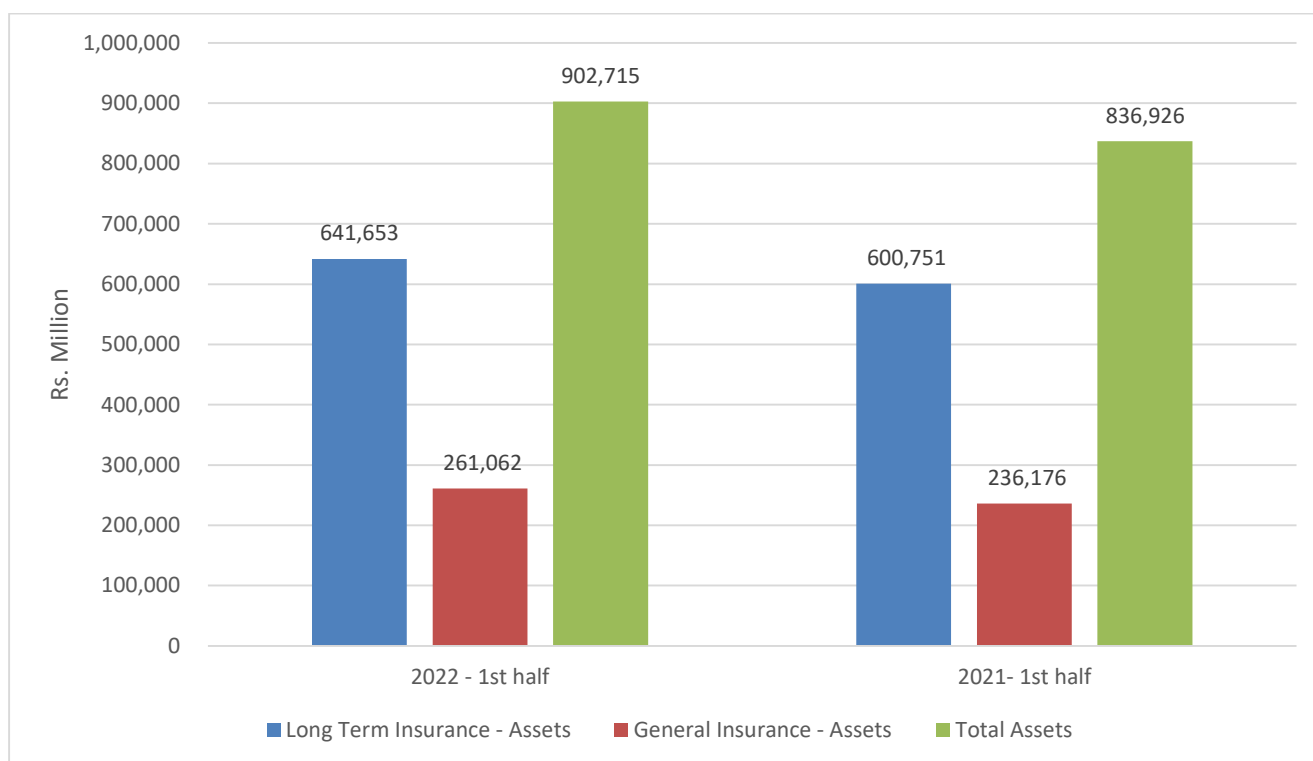
Chart 1- Gross Written Premium Income



Total Assets

The value of total assets of insurance companies has increased to Rs. 902,715 million as at end of 1st half of 2022, when compared to Rs. 836,926 million recorded as at end of 1st half of 2021, reflecting a growth of 7.86%. The assets of Long-Term Insurance Business amounted to Rs. 641,653 million (1st half 2021: Rs. 600,751 million) depicting a growth rate of 6.81%, mainly due to increase in business volume, which is represented by investments in government debt securities and corporate debts. The assets of General Insurance Business amounted to Rs. 261,062 million (1st half 2021: Rs. 236,176 million) indicating a growth of 10.54%.

Chart 2- Total Assets



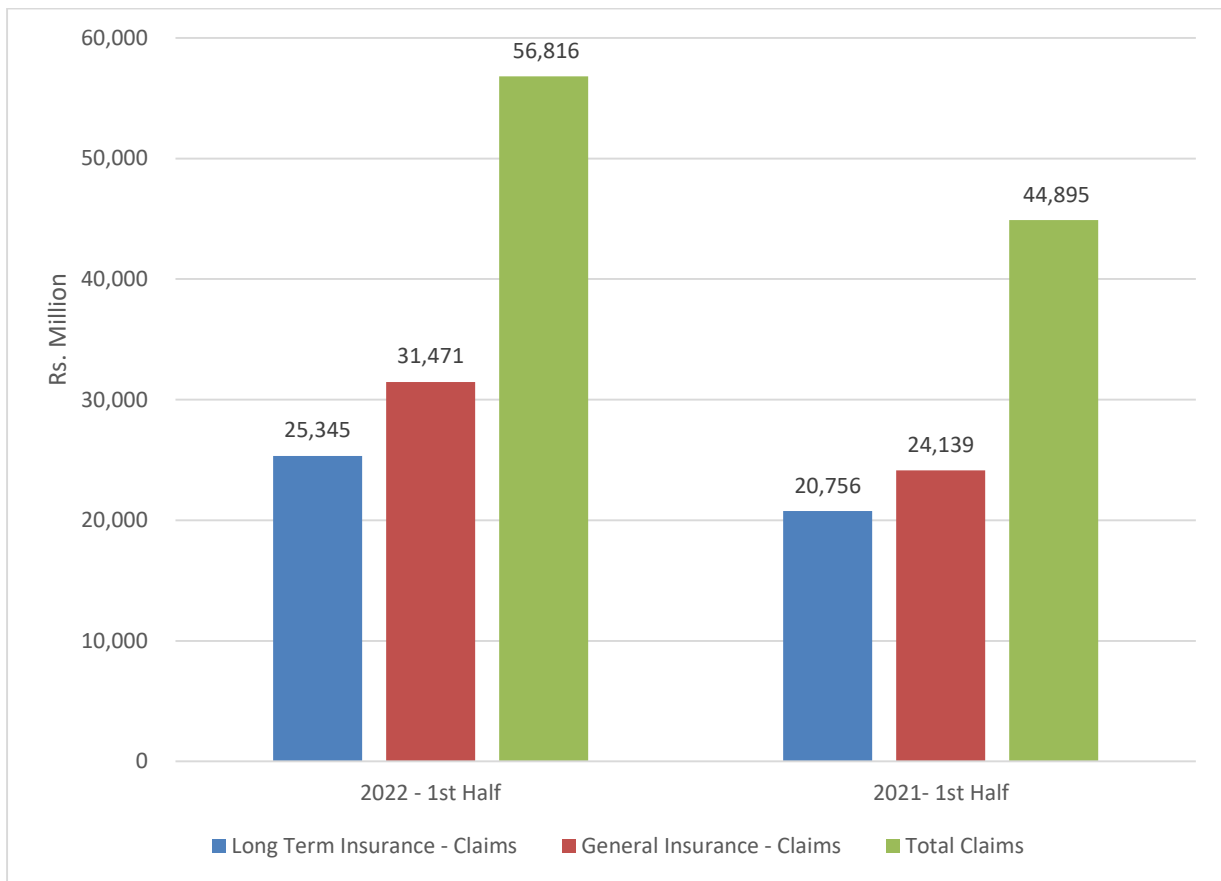
Investment in Government Securities

Investments in Government Debt Securities amounted to Rs. 303,698 million (1st half, 2021: Rs. 241,254 million) representing 52.38% of the total investments of Long-Term Insurance Business and increased by 25.88%, while such investment of the total investment of General Insurance Business amounted to Rs. 89,331 million (1st half, 2021: Rs. 69,511 million) representing 52.89% and increased by 28.51%. Accordingly, the total investment in Government Debt Securities in the two businesses amounted to Rs. 393,029 million (1st half, 2021: Rs. 310,765 million), showing an overall increase of 26.47%.

Claims incurred by Insurance Companies

The claims incurred by insurance companies in both Long Term Insurance Business and General Insurance Business were Rs. 56,816 million (1st half 2021: Rs. 44,895 million) showing an increase in total claims amount by 26.55% year-on-year. The Long-Term Insurance claims, including maturity and death benefits, amounted to Rs. 25,345 million (1st half 2021: Rs. 20,756 million). The claims incurred in General Insurance Business, including Motor, Fire, Marine and other categories, amounted to Rs. 31,471 million (1st half 2021: Rs. 24,139 million). Hence, during the 1st half of 2022, there is an increase in claims incurred by 22.11% and 30.37% for Long Term Insurance and General Insurance Businesses respectively, when compared to the same period in 2021.

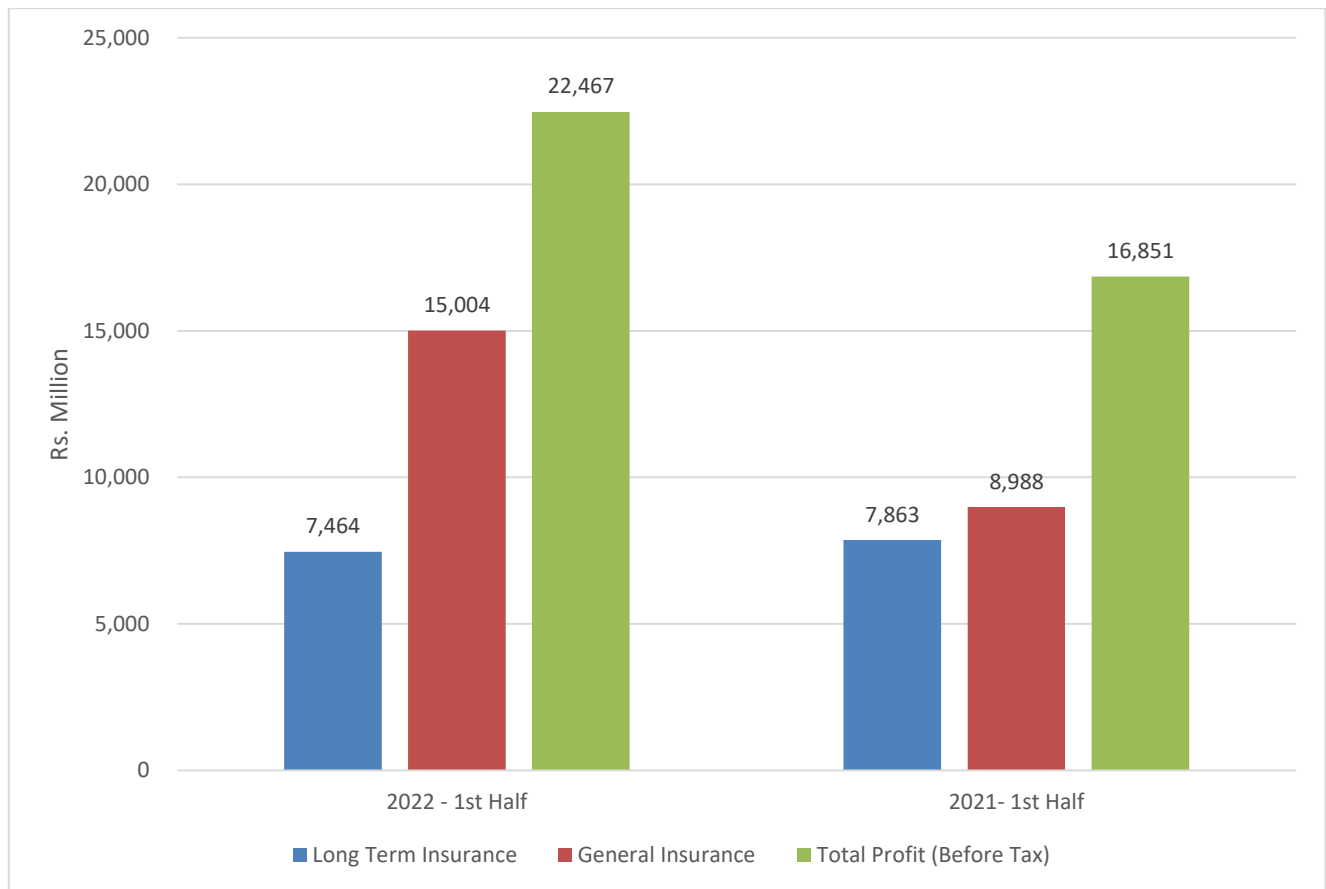
Chart 3- Claims incurred by Insurance Companies



Profit (Before Tax) of Insurance Companies

The profit (before tax) of insurance companies as at end of 1st half of 2022 in both Long Term Insurance Business and General Insurance Business amounted to Rs. 22,467 million (1st half, 2022: Rs. 16,851 million) showing a significant increase in total profit amount by 33.33%. The profit (before tax) of Long-Term Insurance Business amounted to Rs. 7,464 million (1st half 2021: Rs. 7,863 million), while the profit (before tax) of General Insurance Business amounted to Rs. 15,004 million (1st half, 2021: Rs. 8,988 million). Thus, profit (before tax) of Long-Term Insurance Business has decreased by 5.08% and General Insurance Business has increased by 66.93%.

Chart 4- Profitability of Insurance Companies



Insurers

Out of twenty-seven (27) Insurance Companies (Insurers) in operation as at 30th June 2022, thirteen (13) companies are engaged in Long-Term (Life) Insurance Business, twelve (12) companies are engaged in General Insurance Business and two (02) companies function as composite companies (dealing in both Long Term and General Insurance Businesses). However, MBSL Insurance company Limited has ceased to underwrite new Long-Term (Life) insurance business with effect from 01st June 2020.

Insurance Brokers

Seventy-Six (76) insurance brokering companies, are registered with the Commission as at 30th June 2022. Total Assets of insurance brokering companies have increased to Rs. 8,915 million as at the end of 1st half of 2022 when compared to Rs. 7,433 million recorded as at 1st half of 2021, indicating a growth of 19.94%.

Notes

- Information for the quarter ended 2022 is excluding data of Amana Takaful PLC due to non-submission of the quarterly return for the quarter end as at 30/06/2022.
- Total assets of the Insurance Brokering Companies represent all Insurance Brokering Companies excluding 8 Brokering Companies due to non-submission of Quarterly Returns for the quarter end as of 30/06/2022.

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