

Industry Highlights - Q1 of 2023 Vs Q1 of 2022

| No. | Description | Quarter 01 - 2023 ^{Note 1} | Quarter 01 - 2022 ^{Note 1} | |
|---------------------------|---|--|--|---|
| | | Value (Rs.'000) | Value (Rs.'000) | |
| 1 | Profit of Insurance Companies (Before Tax) | 1. Life Insurance | 6,376,747 | 3,151,250 |
| | | 2. General Insurance | 24,903 | 6,571,217 |
| | 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 of | 1. Life Insurance | Not Applicable | Not Applicable |
| | | 2. General Insurance | 2,142,346 | 2,810,947 |
| 3 | Capital levels of Insurance Companies | 1. Life Insurance | 149,635,242 | 131,092,774 |
| | | 2. General Insurance | 119,009,138 | 126,123,756 |
| | Compliance with Solvency Margin (RBC) | | One Life Insurance and one General Insurance (TAC) company does not comply with minimum requirement. | All Life Insurance and one General Insurance (TAC) company does not comply with minimum requirement |
| 4 | Total Assets of the insurance sector | 960,486,134 | 895,040,331 | |
| 5 | Distribution of total assets of insurance companies | 1. Life Insurance Note 7 | 695,853,814 | 636,482,643 |
| | | Government Debt Securities | 335,376,533 | 277,834,600 |
| | | Equities | 40,142,722 | 32,581,362 |
| | | Investments in Subsidiaries | 5,972,319 | 5,964,684 |
| | | Investments in Associates | 4,516,977 | 2,415,770 |
| | | Corporate Debt | 133,298,554 | 137,487,801 |
| | | Land & Buildings | 7,119,669 | 6,266,241 |
| | | Deposits | 75,178,488 | 83,713,507 |
| | | Unit Trusts | 8,282,416 | 11,412,266 |
| | | Investments in Gold | 210,700 | 244,650 |
| | | Reinsurance receivable | 2,807,211 | 3,659,063 |
| | | Policy Loans | 9,210,884 | 7,268,634 |
| | | Mortgage Loans | - | - |
| | | Premium receivable from policyholders and intermediaries | 4,419,672 | 3,543,537 |
| | | Intangible Assets | 2,846,238 | 3,267,199 |
| | | Property Plant and Equipment | 18,852,128 | 16,998,214 |
| | | Other Loans | 4,490,684 | 4,208,135 |
| Other Assets | 26,432,474 | 27,879,569 | | |
| Cash and Cash Equivalents | 16,696,144 | 11,737,410 | | |

| | | | | |
|---|---|--|--------------------|--------------------|
| | | 2. General Insurance | 264,632,320 | 258,557,688 |
| | | Government Debt Securities | 64,303,656 | 80,861,670 |
| | | Equities | 14,062,873 | 10,509,488 |
| | | Investments in Subsidiaries | 22,832,593 | 21,741,980 |
| | | Investments in Associates | 266,445 | 275,211 |
| | | Corporate Debt | 15,568,045 | 21,065,351 |
| | | Land & Buildings | 4,680,479 | 2,673,700 |
| | | Deposits | 26,763,152 | 23,335,828 |
| | | Unit Trusts | 3,095,792 | 6,380,825 |
| | | Investments in Gold | 11,250 | - |
| | | Reinsurance receivable | 20,720,039 | 14,122,797 |
| | | Policy Loans | - | - |
| | | Mortgage Loans | - | - |
| | | Premium receivable from policyholders and intermediaries | 34,460,799 | 32,330,722 |
| | | Intangible Assets | 2,523,845 | 2,246,702 |
| | | Property Plant and Equipment | 20,557,581 | 20,028,205 |
| | | Other Loans | 1,799,868 | 1,206,589 |
| | | Other Assets | 23,309,162 | 16,453,109 |
| | | Cash and cash equivalents | 9,676,742 | 5,325,512 |
| 6 | Gross Premiums for different classes of insurance | Total | 71,659,496 | 69,124,801 |
| | | 1. Life Insurance | 33,733,499 | 34,544,935 |
| | | 2. General Insurance | 37,925,997 | 34,579,867 |
| | | a. Motor | 18,602,102 | 18,305,441 |
| | | b. Fire | 8,408,237 | 4,348,850 |
| | | c. Marine | 1,414,226 | 961,272 |
| | | d. Health | 4,792,036 | 5,794,107 |
| | | e. Other categories | 4,709,396 | 5,170,195 |

| No. | Description | Quarter 01- 2023 Value (Rs.'000) | Quarter 01 - 2022 Value (Rs.'000) | |
|---------------------|--|--|--------------------------------------|-------------------|
| 7 | Reinsurance by Insurance Companies Note 4 | 1. Reinsurance premiums | 13,579,432 | 8,283,825 |
| | | a. Life Insurance | 1,690,846 | 1,458,615 |
| | | b. General Insurance | 11,888,586 | 6,825,210 |
| | | | | |
| | | A. Reinsurance total after excluding SRCC premium income Note 6 | 11,888,586 | 6,825,210 |
| | | B. Premium Income of SRCC included in the reinsurance premium | - | 1,923,169 |
| | | C. Total Reinsurance including premium income of SRCC Note 5 | 11,888,586 | 8,748,379 |
| | | a. Motor | 1,603,315 | 846,668 |
| | | b. Fire | 6,118,766 | 3,224,937 |
| | | c. Marine | 986,683 | 639,005 |
| | d. Health | 212,887 | 309,898 | |
| | e. Other categories | 2,966,934 | 3,727,871 | |
| | Retention by Insurance Companies Note 4 | 2. Retention of Premium | 58,080,064 | 60,840,976 |
| | | a. Life Insurance | 32,042,653 | 33,086,319 |
| | | b. General Insurance | 26,037,411 | 27,754,657 |
| | | | | |
| | | a. Motor | 16,998,787 | 17,458,773 |
| b. Fire | | 2,289,471 | 1,123,914 | |
| c. Marine | | 427,542 | 322,268 | |
| d. Health | | 4,579,149 | 5,484,210 | |
| e. Other categories | 1,742,462 | 1,552,313 | | |
| f. SRCC | - | 1,813,180 | | |
| 8 | Earned Premiums for different classes of insurance Note 4 | Total | 53,416,621 | 55,762,051 |
| | | 1. Life Insurance | 32,038,721 | 33,087,678 |
| | | 2. General Insurance | 21,377,900 | 22,674,373 |
| | | | | |
| | | a. Motor | 15,238,074 | 14,293,887 |
| | | b. Fire | 1,438,657 | 696,455 |
| | | c. Marine | 368,688 | 311,867 |
| | | d. Health | 3,096,211 | 4,609,560 |
| e. Other categories | 1,236,270 | 1,094,247 | | |
| f. SRCC | - | 1,668,357 | | |

| | | | | |
|---------------------|--|-----------------------------|--------------------|--------------------|
| 9 | Claims of Insurance companies ^{Note 4} | 1. Life Insurance | 19,213,438 | 13,365,133 |
| | | 2. General Insurance | 13,890,422 | 15,470,959 |
| | | | | |
| | | a. Motor | 9,098,851 | 9,225,531 |
| | | b. Fire | 923,385 | 359,772 |
| | | c. Marine | 187,969 | 92,815 |
| | | d. Health | 3,048,629 | 5,396,155 |
| | e. Other categories | 631,588 | 386,381 | |
| | f. SRCC | - | 10,306 | |
| 10 | Investments of the Insurance sector with breakup | 1. Life Insurance | 623,799,947 | 569,397,650 |
| | | Government Debt Securities | 335,376,533 | 277,834,600 |
| | | Equities | 40,142,722 | 32,581,362 |
| | | Investments in Subsidiaries | 5,972,319 | 5,964,684 |
| | | Investments in Associates | 4,516,977 | 2,415,770 |
| | | Corporate Debt | 133,298,554 | 137,487,801 |
| | | Land & Buildings | 7,119,669 | 6,266,241 |
| | | Deposits | 75,178,488 | 83,713,507 |
| | | Unit Trusts | 8,282,416 | 11,412,266 |
| | | Investments in Gold | 210,700 | 244,650 |
| | | Policy Loans | 9,210,884 | 7,268,634 |
| | | Mortgage Loans | - | - |
| | | Other Loans | 4,490,684 | 4,208,135 |
| | | | | |
| | | 2. General Insurance | 153,384,153 | 168,050,640 |
| | Investments of the Insurance sector with breakup | Government Debt Securities | 64,303,656 | 80,861,670 |
| | | Equities | 14,062,873 | 10,509,488 |
| | | Investments in Subsidiaries | 22,832,593 | 21,741,980 |
| | | Investments in Associates | 266,445 | 275,211 |
| | | Corporate Debt | 15,568,045 | 21,065,351 |
| | | Land & Buildings | 4,680,479 | 2,673,700 |
| Deposits | | 26,763,152 | 23,335,828 | |
| Unit Trusts | | 3,095,792 | 6,380,825 | |
| Investments in Gold | | 11,250 | - | |
| Policy Loans | | - | - | |
| Mortgage Loans | | - | - | |
| Other Loans | 1,799,868 | 1,206,589 | | |
| | | | | |
| 11 | Investment Income of Insurance Companies | 1. Life Insurance | 22,549,237 | 7,795,274 |
| | | 2. General Insurance | 5,033,881 | 1,502,035 |

| 12 | Description | | Quarter 01 - 2023 | | Quarter 01 - 2022 | |
|-------|---|---|--------------------------|----------------|-------------------|----------------|
| | Aspects of Financial System | Indicator | General Insurance Note 2 | Life Insurance | General Insurance | Life Insurance |
| 12 | Capital Adequacy | Capital Adequacy Ratio | 199% | 320% | 274% | 363% |
| | | Capital to Total Assets | 0.45 | 0.22 | 0.49 | 0.21 |
| | | Capital to Technical Reserves | 1.66 | N/A | 1.75 | N/A |
| | | Technical Reserve Ratio (%) | 134.67 | N/A | 128.77 | N/A |
| | Earnings and Profitability | Profitability Ratio (%) | 0.07 | 18.90 | 18.00 | 9.12 |
| | | Underwriting Ratio (%) | 10.02 | N/A | 12.40 | N/A |
| | | Return on Assets (ROA) (%) | 7.78 | 4.00 | 8.39 | 3.15 |
| | | Return on Equity (ROE) (%) | 16.60 | 19.00 | 17.21 | 14.99 |
| | | Net Combined Operating Ratio (%) | 117.22 | 106.40 | 107.80 | 78.11 |
| | | Investment Yield Ratio (%) | 12.38 | 12.90 | 6.25 | 9.21 |
| | | Premium Stability Ratio (%) | 3.90 | (2.35) | 16.85 | 18.45 |
| | Liquidity | Liquidity Ratio | 0.69 | 0.78 | 0.91 | 0.74 |
| | | Loss Ratio (%) | 65.76 | 59.97 | 68.23 | 40.39 |
| | Reinsurance and Actuarial Issues | Retention (Reinsurance) Ratio (%) | 68.65 | 94.99 | 76.03 | 95.78 |
| Costs | Management Expense Ratio (%) | 51.46 | 46.43 | 39.57 | 37.72 | |
| 13 | Total Assets of the Insurance Brokering Companies ^{Note 2} | | 10,037,532 | | 8,700,587 | |
| 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 a increase (Rs. 3.2 Bn) in the 1st quarter 2023. Overall profits (PBT) of General Insurance business shows a decrease of Rs. 6.5Bn (100% decrease) | | | | |
| | | Assets of Life Insurance business had recorded an increase by 9% due to increase in Government Securities (21%). Assets of General Insurance business had decreased by 9%. Government securities (20%), Corporate debt (26%), Unit Trust (51%) has depicted a decrease while Equity (34%), Land & building (75%), Reinsurance Receivables (47%) and Cash (82%) had indicated an increase. Capital Levels had increased by 14% for the Life Insurance business and depicts a decrease of 4% for General Insurance business respectively. | | | | |
| | | Premium growth for Life Insurance business was -2%, while General Insurance business also recorded a increase of 10% & overall industry premium growth was 4%. | | | | |
| | | Claims of Life Insurance business had increased by 32% and claims of General Insurance business had increased by 27%. | | | | |

Notes

Note 1 The above data for Q1 2023 does not include NITF due to the non-submission of quarterly returns for Q1 2023. Also, current submission includes Amana Takaful Life (Life), Amana Takaful PLC and Cooperative insurance Company data for Q1 2022, which was unavailable in the prior submission for Q1 2022.

Note 2 Total assets of the Insurance Brokering Companies represents all Insurance Brokering Companies excluding 4 Brokering Companies due to non-submission of Quarterly Returns.

As per previous submissions IRCSL had 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 1 submission to provide more accurate information of the insurance industry.

Note 3

Note 4 The format has modified by including few rows to present SRCC scheme (segment) of NITF (Items 7,8 and 9).

Note 5 Reinsurance premium (outgo) recorded in the Statement of Income of insurance companies included premium income belongs to SRCC which remitted to NITF.

Note 6 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 7 Information related to Investments recorded under Ceylinco Life of Q2 2022 & Q3 2022 were changed from the previously submitted. Hence the changes have been incorporated with the current submission.