

Industry Highlights - Q2 of 2023 Vs Q2 of 2022

No.	Description		Quarter 02 - 2023	Quarter 02 - 2022
			Value (Rs.'000)	Value (Rs.'000)
1	Profit of Insurance Companies (Before Tax)	1. Life Insurance	13,557,791	7,463,555
		2. General Insurance	6,174,267	15,014,977
	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	6,608,911	6,347,087
3	Capital levels of Insurance Companies	1. Life Insurance	157,483,464	129,013,332
		2. General Insurance	138,781,790	126,127,057
	Compliance with Solvency Margin (RBC)		A life insurer and a General Insurer (TAC & CAR) had not complied with the minimum requirement.	All Life Insurance and one General Insurance (TAC) company does not comply with minimum requirement
4	Total Assets of the insurance sector		1,023,529,637	906,297,804
5	Distribution of total assets of insurance companies	1. Life Insurance Note 7	734,165,169	641,652,769
		Government Debt Securities	355,067,732	303,698,120
		Equities	38,300,916	28,724,527
		Investments in Subsidiaries	5,974,319	5,964,684
		Investments in Associates	4,617,165	2,439,346
		Corporate Debt	130,326,965	139,950,093
		Land & Buildings	7,187,170	6,439,113
		Deposits	93,919,653	72,469,812
		Unit Trusts	7,321,639	7,703,234
		Investments in Gold	-	218,550
		Reinsurance receivable	2,783,064	3,086,296
		Policy Loans	9,501,899	7,826,162
		Mortgage Loans	-	-
		Premium receivable from policyholders and intermediaries	4,616,712	3,969,839
		Intangible Assets	2,695,326	3,175,302
		Property Plant and Equipments	19,002,350	17,053,512
Other loans	4,545,014	4,309,051		
Other Assets	28,561,557	27,709,318		
Cash and Cash Equivalents	19,743,688	6,915,812		

		2. General Insurance	289,364,468	264,645,035
		Government Debt Securities	95,418,186	89,662,595
		Equities	13,113,598	9,672,774
		Investments in Subsidiaries	22,895,180	21,741,979
		Investments in Associates	228,196	255,895
		Corporate Debt	16,484,824	17,805,173
		Land & Buildings	4,815,479	4,462,699
		Deposits	29,081,634	23,348,151
		Unit Trusts	2,902,259	3,533,202
		Investments in Gold	18,800	-
		Reinsurance receivable	19,372,696	18,778,634
		Policy Loans	-	-
		Mortgage Loans	-	-
		Premium receivable from policyholders and intermediaries	28,462,158	29,047,138
		Intangible Assets	2,941,536	2,247,532
		Property Plant and Equipment	20,304,157	19,786,303
		Other Loans	1,993,693	767,383
		Other Assets	23,084,460	17,624,482
		Cash and cash equivalents	8,247,613	5,911,095
6	Gross Premiums for different classes of insurance	Total	139,747,034	128,382,455
		1. Life Insurance	73,094,606	66,216,081
		2. General Insurance	66,652,429	62,166,374
		a. Motor	31,863,109	31,732,112
		b. Fire	13,363,242	8,153,037
		c. Marine	2,354,183	1,947,855
		d. Health	11,499,169	11,333,907
		e. Other categories	7,572,725	8,999,463

No.	Description	Quarter 02- 2023 Value (Rs.'000)	Quarter 02 - 2022 Value (Rs.'000)	
7	Reinsurance by Insurance Companies Note 4	1. Reinsurance premiums	19,530,720	16,148,953
		a. Life Insurance	3,481,485	3,108,972
		b.General Insurance	16,049,235	13,039,982
		A. Reinsurance total after excluding SRCC premium income Note 6	16,049,235	13,039,982
		B. Premium Income of SRCC included in the reinsurance premium	4,100,158	3,397,129
		C. Total Reinsurance including premium income of SRCC Note 5	20,149,393	16,437,111
		a. Motor	3,016,427	1,712,100
		b. Fire	10,155,732	6,386,482
		c. Marine	1,667,294	1,359,222
	d. Health	472,081	442,743	
	e. Other categories	4,837,860	6,536,565	
	Retention by Insurance Companies Note 4	2. Retention of Premium	120,216,315	112,233,502
		a. Life Insurance	69,613,121	63,107,109
		b. General Insurance	50,603,193	49,126,393
		a. Motor	28,846,682	30,020,013
b. Fire		3,207,510	1,766,556	
c. Marine		686,890	588,633	
d. Health		11,027,089	10,891,164	
e. Other categories	2,728,399	2,572,887		
f. SRCC	4,106,624	3,287,140		
8	Earned Premiums for different classes of insurance Note 4	Total	118,934,051	109,887,097
		1. Life Insurance	69,608,568	63,107,954
		2. General Insurance	49,325,484	46,779,142
		a. Motor	30,250,888	29,347,061
		b. Fire	2,748,220	1,421,710
		c. Marine	657,318	561,810
		d. Health	9,353,566	10,023,462
e. Other categories	2,341,540	2,120,743		
f. SRCC	3,973,951	3,304,356		

9	Claims of Insurance companies Note 4	1. Life Insurance	37,302,131	25,345,365
		2. General Insurance	31,339,870	31,754,363
		a. Motor	19,028,670	18,390,270
		b. Fire	1,574,208	937,054
		c. Marine	294,522	266,838
		d. Health	9,154,219	10,145,544
		e. Other categories	1,266,711	914,281
	f. SRCC	21,540	1,100,376	
10	Investments of the Insurance sector with breakup	1. Life Insurance	656,762,473	579,742,692
		Government Debt Securities	355,067,732	303,698,120
		Equities	38,300,916	28,724,527
		Investments in Subsidiaries	5,974,319	5,964,684
		Investments in Associates	4,617,165	2,439,346
		Corporate Debt	130,326,965	139,950,093
		Land & Buildings	7,187,170	6,439,113
		Deposits	93,919,653	72,469,812
		Unit Trusts	7,321,639	7,703,234
		Investments in Gold	-	218,550
		Policy Loans	9,501,899	7,826,162
		Mortgage Loans	-	-
	Other Loans	4,545,014	4,309,051	
	Investments of the Insurance sector with breakup	2. General Insurance	186,951,848	171,249,851
		Government Debt Securities	95,418,186	89,662,595
		Equities	13,113,598	9,672,774
		Investments in Subsidiaries	22,895,180	21,741,979
		Investments in Associates	228,196	255,895
		Corporate Debt	16,484,824	17,805,173
Land & Buildings		4,815,479	4,462,699	
Deposits		29,081,634	23,348,151	
Unit Trusts		2,902,259	3,533,202	
Investments in Gold		18,800	-	
Policy Loans		-	-	
Mortgage Loans		-	-	
Other Loans	1,993,693	767,383		
11	Investment Income of Insurance Companies	1. Life Insurance	45,799,598	21,177,467
		2. General Insurance	12,721,008	4,932,540

12	Description		Quarter 02 - 2023		Quarter 02 - 2022	
	Aspects of Financial System	Indicator	General Insurance Note 2	Life Insurance	General Insurance	Life Insurance
	Capital Adequacy	Capital Adequacy Ratio	192%	352%	223%	276%
		Capital to Total Assets	0.48	0.21	0.48	0.20
		Capital to Technical Reserves	1.94	N/A	1.67	N/A
		Technical Reserve Ratio (%)	139.13	N/A	126.27	N/A
	Earnings and Profitability	Profitability Ratio (%)	8.73	18.55	22.90	11.27
		Underwriting Ratio (%)	13.40	N/A	13.57	N/A
		Return on Assets (ROA) (%)	6.52	4.29	9.71	3.18
		Return on Equity (ROE) (%)	13.63	20.62	19.91	15.42
		Net Combined Operating Ratio (%)	111.74	96.80	106.61	79.90
		Investment Yield Ratio (%)	13.49	14.04	6.69	9.28
		Premium Stability Ratio (%)	7.91	10.39	18.30	17.91
	Liquidity	Liquidity Ratio	0.88	0.81	0.85	0.76
		Loss Ratio (%)	63.54	53.59	67.88	40.16
	Reinsurance and Actuarial Issues	Retention (Reinsurance) Ratio (%)	71.52	95.24	74.93	49.97
Costs	Management Expense Ratio (%)	48.20	43.21	38.73	39.74	
13	Total Assets of the Insurance Brokering Companies <small>Note 2</small>		11,140,625		9,163,124	
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.6 Bn) in the 2nd quarter 2023. Overall profits (PBT) of General Insurance business shows a decrease of Rs. 8.8Bn (59% decrease)				
		Assets of the Life Insurance business had recorded an increase of 14% due to increase in Government Securities (17%), Equity (33%), Investments in Associates (89%), and Cash and cash Equi (185%) Assets of General Insurance business had increased by 9%. Government securities (6%), Equity (36%), Investment in Gold (100%), and Cash & Casg Equ (40%) had indicated an increase. Capital Levels had increased by 22% for the Life Insurance business and depicts a decrease of 10% for General Insurance business respectively.				
		Premium growth for Life Insurance business was 10%, while General Insurance business also recorded a increase of 7% & overall industry premium growth was 8%.				
		Claims of Life Insurance business had increased by 47% and claims of General Insurance business had decreased by 2%.				

Notes

- Note 1** The above data for Q2 2023 and the comparative column Q2 2022 include data for all General Insurance Companies and Life Insurance Companies
- Note 2** Total assets of the Insurance Brokering Companies represents all Insurance Brokering Companies excluding 3 Brokering Companies due to non-submission of Quarterly Returns.
- Note 3** 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 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.