

**Industry Highlights - Q2 of 2021 Vs Q2 of 2020**

No.	Description		Quarter 02 - 2021 <sup>Note 1</sup>	Quarter 02 - 2020 <sup>Note 1</sup>
			Value (Rs.'000)	Value (Rs.'000)
1	Profit of Insurance Companies (Before Tax)	1. Life Insurance	7,862,850	6,646,875
		2. General Insurance	6,596,072	11,511,953
	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	9,043,934	14,056,739
3	Capital levels of Insurance Companies	1. Life Insurance	127,042,379	117,632,127
		2. General Insurance	102,883,084	103,308,686
	Compliance with Solvency Margin (RBC)		All Life and General Insurance companies complied with minimum requirement.	Three Life Insurance companies, One Composite Insurance Company did not comply with minimum requirement.
4	Total Assets of the insurance sector		<b>814,589,299</b>	<b>755,229,273</b>
5	Distribution of total assets of insurance companies	<b>1. Life Insurance</b>	<b>600,750,877</b>	<b>540,126,267</b>
		Government Debt Securities	241,253,732	224,178,840
		Equities	36,942,761	27,097,216
		Investments in Subsidiaries	5,889,684	3,889,684
		Investments in Associates	2,257,295	2,166,546
		Corporate Debt	129,962,118	105,806,635
		Land & Buildings	6,216,776	5,093,176
		Deposits	82,254,825	86,597,663
		Unit Trusts	16,101,291	6,691,155
		Investments in Gold	111,139	58,067
		Reinsurance receivable	2,649,287	1,852,572
		Policy Loans	7,028,596	6,885,205
		Mortgage Loans	-	-
		Premium receivable from policyholders and intermediaries	3,093,219	4,021,813
		Intangible Assets	3,551,574	2,570,626
		Property Plant and Equipment	16,209,919	15,945,423
		Other Loans	4,165,473	5,024,554
Other Assets	22,015,295	28,120,892		
Cash and cash equivalents	21,047,893	14,126,200		

		<b>2. General Insurance</b>	<b>213,838,422</b>	<b>215,103,007</b>
		Government Debt Securities	50,631,110	57,285,738
		Equities	12,945,478	9,544,388
		Investments in Subsidiaries	21,271,980	20,731,479
		Investments in Associates	164,125	148,509
		Corporate Debt	20,565,451	15,424,592
		Land & Buildings	1,964,966	1,964,945
		Deposits	20,677,759	26,289,338
		Unit Trusts	7,599,230	2,369,280
		Investments in Gold	-	-
		Reinsurance receivable	13,362,840	12,020,181
		Policy Loans	-	-
		Mortgage Loans	-	-
		Premium receivable from policyholders and intermediaries	23,529,248	29,762,596
		Intangible Assets	2,172,249	2,037,961
		Property Plant and Equipment	17,549,386	17,789,847
		Other Loans	504,214	912,617
		Other Assets	11,825,897	12,368,218
		Cash and cash equivalents	9,074,488	6,453,318
		<b>Total</b>	<b>105,310,442</b>	<b>95,158,470</b>
6	Gross Premiums for different classes of insurance	1. Life Insurance	56,156,129	43,269,853
		2. General Insurance	49,154,313	51,888,617
		a. Motor	28,408,674	30,779,592
		b. Fire	6,550,090	5,936,865
		c. Marine	1,488,346	1,077,704
		d. Health	6,224,614	8,400,275
		e. Other categories	6,482,590	5,694,182

No.	Description	Quarter 02 - 2021 <sup>Note 1</sup>	Quarter 02 - 2020 <sup>Note 1</sup>	
		Value (Rs.'000)	Value (Rs.'000)	
7	Reinsurance by Insurance Companies	<b>1. Reinsurance premiums</b>	<b>16,465,358</b>	<b>15,464,982</b>
		a. Life Insurance	2,509,173	2,142,992
		b. General Insurance	13,956,185	13,321,990
		a. Motor	2,398,956	3,078,927
		b. Fire	5,272,125	4,902,118
		c. Marine	882,940	642,371
		d. Health	979,833	994,622
		e. Other categories	4,422,331	3,703,951
	Retention by Insurance Companies	<b>2. Retention of Premium</b>	<b>88,845,085</b>	<b>79,693,489</b>
		a. Life Insurance	53,646,957	41,126,861
		b. General Insurance	35,198,128	38,566,627
		a. Motor	26,009,717	27,700,664
b. Fire		1,277,965	1,034,747	
c. Marine		605,406	435,332	
	d. Health	5,244,781	7,405,653	
	e. Other categories	2,060,259	1,990,231	
8	Earned Premiums for different classes of insurance	<b>Total</b>	<b>90,614,334</b>	<b>80,273,339</b>
		1. Life Insurance	53,644,231	41,126,472
		2. General Insurance	36,970,103	39,146,867
		a. Motor	27,627,120	28,145,767
		b. Fire	1,037,854	1,009,976
		c. Marine	558,625	509,739
		d. Health	4,431,969	6,884,504
		e. Other categories	3,314,535	2,596,880

9	Claims of Insurance companies	1. Life Insurance	20,755,718	16,707,405
		2. General Insurance	20,275,578	19,918,032
		a. Motor	13,234,441	12,850,276
		b. Fire	1,265,461	993,041
		c. Marine	314,124	161,686
		d. Health	3,277,475	5,364,159
	e. Other categories	2,184,077	548,869	
10	Investments of the Insurance sector with breakup	<b>1. Life Insurance</b>	<b>532,183,691</b>	<b>473,488,742</b>
		Government Debt Securities	241,253,732	224,178,840
		Equities	36,942,761	27,097,216
		Investments in Subsidiaries	5,889,684	3,889,684
		Investments in Associates	2,257,295	2,166,546
		Corporate Debt	129,962,118	105,806,635
		Land & Buildings	6,216,776	5,093,176
		Deposits	82,254,825	86,597,663
		Unit Trusts	16,101,291	6,691,155
		Investments in Gold	111,139	58,067
		Policy Loans	7,028,596	6,885,205
		Mortgage Loans	-	-
		Other Loans	4,165,473	5,024,554
	Investments of the Insurance sector with breakup	<b>2. General Insurance</b>	<b>136,324,313</b>	<b>134,670,886</b>
		Government Debt Securities	50,631,110	57,285,738
		Equities	12,945,478	9,544,388
		Investments in Subsidiaries	21,271,980	20,731,479
		Investments in Associates	164,125	148,509
		Corporate Debt	20,565,451	15,424,592
		Land & Buildings	1,964,966	1,964,945
Deposits		20,677,759	26,289,338	
Unit Trusts		7,599,230	2,369,280	
Investments in Gold		-	-	
Policy Loans		-	-	
Mortgage Loans		-	-	
Other Loans		504,214	912,617	
11	Investment Income of Insurance Companies	1. Life Insurance	23,821,839	20,931,552
		2. General Insurance	4,152,368	4,821,896

12	Description		Quarter 02 - 2021 <sup>Note 1</sup>		Quarter 02 - 2020 <sup>Note 1</sup>	
	Aspects of Financial System	Indicator	General Insurance	Life Insurance	General Insurance	Life Insurance
	Capital Adequacy	Capital Adequacy Ratio	224%	351%	238%	308%
		Capital to Total Assets	0.48	0.21	0.48	0.22
		Capital to Technical Reserves	1.69	N/A	1.50	N/A
		Technical Reserve Ratio (%)	131.66	N/A	123.93	N/A
	Earnings and Profitability	Profitability Ratio (%)	13.42	14.00	20.88	15.36
		Underwriting Ratio (%)	24.46	N/A	33.33	N/A
		Return on Assets (ROA) (%)	8.70	2.98	7.68	3.22
		Return on Equity (ROE) (%)	18.35	13.91	16.15	14.58
		Net Combined Operating Ratio (%)	98.16	82.11	87.27	88.24
		Investment Yield Ratio (%)	7.21	9.69	8.69	9.79
		Premium Stability Ratio (%)	(10.85)	29.78	(6.52)	3.85
	Liquidity	Liquidity Ratio	0.72	0.73	0.81	0.77
		Loss Ratio (%)	54.84	38.69	47.23	40.62
	Reinsurance and Actuarial Issues	Retention (Reinsurance) Ratio (%)	71.61	95.53	75.85	95.05
	Costs	Management Expense Ratio (%)	43.31	43.42	40.04	47.61
13	Total Assets of the Insurance Brokering Companies <sup>Note 2</sup>		7,189,088		6,154,179	
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 increase (Rs. 1.2Bn) in the 2nd quarter 2021. Overall profits (PBT) of General Insurance business decreased by 43% (Rs. 4.9Bn)				
		Assets of insurance industry had grown by 8%. Assets of Life Insurance business had recorded an increase by 11% due to increase in Corporate Debts (23%) and Government Securities (8%). However assets of General Insurance business had decreased slightly by 1%. Decrease was mainly reported from Government Securities (12%) and Deposits (21%). However Unit Trust and Equity had increased by 221% and 36% respectively. Capital Levels had increased by 8% for Life Insurance business and General Insurance business does not shows a significant impact YOY.				
		Premium growth for Life Insurance business was 30%, while General Insurance business recorded a decrease of 5% & overall industry premium growth was 11%.				
		Claims of Life Insurance business had increased by 24% and claims of General Insurance business had decreased by 2%.				

#### Notes

**Note 1** The above Q2 2021 column represents insurance companies' information excluding National Insurance Trust Fund (NITF) and the comparative column of Q2 2020 represents insurance companies' information including National Insurance Trust Fund (NITF).

**Note 2** Total assets of the Insurance Brokering Companies represents all Insurance Brokering Companies excluding 12 Brokering Companies due to non-submission of Quarterly Returns.