

**Industry Highlights - Q4 of 2021 Vs Q4 of 2020**

No.	Description	Quarter 04 - 2021	Quarter 04 - 2020 <sup>Note 1</sup>	
		Value (Rs.'000)	Value (Rs.'000)	
1	Profit of Insurance Companies (Before Tax)	1. Life Insurance	20,135,818	17,341,280
		2. General Insurance	18,278,309	23,040,011
	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	21,917,555	28,147,259
3	Capital levels of Insurance Companies	1. Life Insurance	132,422,561	124,495,030
		2. General Insurance	124,406,007	109,057,593
	Compliance with Solvency Margin (RBC)	All Life & General Insurance companies complied with minimum requirement.	All Life & General Insurance companies complied with minimum requirement.	
4	Total Assets of the insurance sector	<b>879,763,132</b>	<b>789,724,777</b>	
5	Distribution of total assets of insurance companies <sup>(Note 2)</sup>	<b>1. Life Insurance</b>	<b>632,963,200</b>	<b>563,768,504</b>
		Government Debt Securities	262,587,696	243,561,027
		Equities	40,748,790	32,637,242
		Investments in Subsidiaries	5,889,684	3,889,684
		Investments in Associates	2,410,653	2,195,063
		Corporate Debt	139,001,869	121,706,551
		Land & Buildings	5,838,145	16,903,643
		Deposits	88,180,924	80,633,987
		Unit Trusts	13,426,656	9,991,046
		Investments in Gold	142,731	70,707
		Reinsurance receivable	3,164,827	2,156,994
		Policy Loans	7,016,923	6,944,985
		Mortgage Loans	-	-
		Premium receivable from policyholders and intermediaries	3,299,351	2,799,833
		Intangible Assets	3,400,516	2,728,785
		Property Plant and Equipment	16,358,163	6,871,715
Other Loans	4,157,174	1,780,181		
Other Assets	22,442,723	22,423,941		
Cash and cash equivalents	14,896,376	6,473,120		

		<b>2. General Insurance</b>	<b>246,799,933</b>	<b>225,956,273</b>
		Government Debt Securities	74,530,082	65,699,037
		Equities	13,054,744	12,192,520
		Investments in Subsidiaries	21,741,980	20,219,112
		Investments in Associates	253,675	141,062
		Corporate Debt	20,145,187	17,812,378
		Land & Buildings	2,197,100	12,293,551
		Deposits	23,059,205	25,708,734
		Unit Trusts	7,348,674	6,533,782
		Investments in Gold	-	-
		Reinsurance receivable	14,011,708	12,320,408
		Policy Loans	-	-
		Mortgage Loans	-	-
		Premium receivable from policyholders and intermediaries	28,117,183	27,735,241
		Intangible Assets	2,264,985	1,721,482
		Property Plant and Equipment	20,421,109	7,929,111
		Other Loans	873,686	665,110
		Other Assets	12,379,317	10,525,226
		Cash and cash equivalents	6,401,298	4,459,520
		<b>Total</b>	<b>233,756,637</b>	<b>208,249,634</b>
6	Gross Premiums for different classes of insurance	1. Life Insurance	124,708,585	102,973,511
		2. General Insurance	109,048,053	105,276,123
		a. Motor	61,010,607	61,201,801
		b. Fire	12,401,177	8,909,833
		c. Marine	3,124,054	2,277,465
		d. Health	19,967,730	18,700,747
		e. Other categories	12,544,486	14,186,276

No.	Description	Quarter 04 - 2021 Value (Rs.'000)	Quarter 04 - 2020 Note 1 & 2 Value (Rs.'000)	
7	Reinsurance by Insurance Companies <sup>Note 5</sup>	<b>1. Reinsurance premiums</b>	<b>26,092,531</b>	<b>23,203,578</b>
		a. Life Insurance	5,020,832	4,715,946
		b. General Insurance	21,071,699	18,487,632
		A. Reinsurance total after excluding SRCC premium income <sup>Note 7</sup>	21,071,699	18,487,632
		B. Premium Income of SRCC included in the reinsurance premium	6,425,863	6,088,496
		C. Total Reinsurance including premium income of SRCC <sup>Note 6</sup>	27,497,562	24,576,128
		a. Motor	5,096,428	4,290,568
		b. Fire	10,376,395	6,616,475
		c. Marine	1,959,311	1,356,136
	d. Health	1,706,252	1,644,291	
	e. Other categories	8,359,176	10,668,659	
	Retention by Insurance Companies <sup>Note 5</sup>	<b>2. Retention of Premium</b>	<b>207,664,107</b>	<b>185,046,056</b>
		a. Life Insurance	119,687,753	98,257,565
		b. General Insurance	87,976,353	86,788,490
		a. Motor	55,914,178	56,911,233
		b. Fire	2,024,782	2,293,358
		c. Marine	1,164,742	921,330
d. Health		18,261,478	17,056,456	
e. Other categories	4,176,980	3,533,631		
f. SRCC	6,434,193	6,072,482		
8	Earned Premiums for different classes of insurance <sup>Note 5</sup>	<b>Total</b>	<b>206,306,037</b>	<b>184,737,179</b>
		1. Life Insurance	119,684,917	98,256,924
		2. General Insurance	86,621,119	86,480,255
		a. Motor	55,745,562	57,857,937
		b. Fire	1,874,091	2,339,266
		c. Marine	1,115,981	966,785
		d. Health	16,079,438	14,809,578
e. Other categories	5,896,286	4,346,801		
f. SRCC	5,909,761	6,159,888		

9	Claims of Insurance companies Note 5	1. Life Insurance	46,351,006	37,903,096
		2. General Insurance	48,370,006	42,517,078
		a. Motor	26,504,121	26,881,280
		b. Fire	2,256,068	2,041,356
		c. Marine	533,530	255,979
		d. Health	15,185,203	12,122,437
10	Investments of the Insurance sector with breakup Note 2	<b>1. Life Insurance</b>	<b>569,401,243</b>	<b>520,314,116</b>
		Government Debt Securities	262,587,696	243,561,027
		Equities	40,748,790	32,637,242
		Investments in Subsidiaries	5,889,684	3,889,684
		Investments in Associates	2,410,653	2,195,063
		Corporate Debt	139,001,869	121,706,551
		Land & Buildings	5,838,145	16,903,643
		Deposits	88,180,924	80,633,987
		Unit Trusts	13,426,656	9,991,046
		Investments in Gold	142,731	70,707
		Policy Loans	7,016,923	6,944,985
		Mortgage Loans	-	-
		Other Loans	4,157,174	1,780,181
		Investments of the Insurance sector with breakup Note 2	<b>2. General Insurance</b>	<b>163,204,333</b>
Government Debt Securities	74,530,082		65,699,037	
Equities	13,054,744		12,192,520	
Investments in Subsidiaries	21,741,980		20,219,112	
Investments in Associates	253,675		141,062	
Corporate Debt	20,145,187		17,812,378	
Land & Buildings	2,197,100		12,293,551	
Deposits	23,059,205		25,708,734	
Unit Trusts	7,348,674		6,533,782	
Investments in Gold	-		-	
Policy Loans	-		-	
Mortgage Loans	-		-	
Other Loans	873,686		665,110	
11	Investment Income of Insurance Companies		1. Life Insurance	54,249,396
		2. General Insurance	10,624,990	10,282,227

12	Description		Quarter 04 - 2021		Quarter 04 - 2020 <sup>Note 1 &amp; 2</sup>	
	Aspects of Financial System	Indicator	General Insurance	Life Insurance	General Insurance	Life Insurance
	Capital Adequacy	Capital Adequacy Ratio	244%	384%	272%	352%
		Capital to Total Assets	0.50	0.21	0.48	0.22
		Capital to Technical Reserves	1.96	N/A	1.59	N/A
		Technical Reserve Ratio (%)	138.82	N/A	126.35	N/A
	Earnings and Profitability	Profitability Ratio (%)	15.83	16.15	21.89	16.84
		Underwriting Ratio (%)	25.30	N/A	32.55	N/A
		Return on Assets (ROA) (%)	7.75	3.37	10.69	3.31
		Return on Equity (ROE) (%)	15.48	15.67	22.69	14.48
		Net Combined Operating Ratio (%)	94.92	81.21	88.64	82.73
		Investment Yield Ratio (%)	6.83	9.96	6.61	9.53
		Premium Stability Ratio (%)	9.69	21.11	(2.24)	15.98
	Liquidity	Liquidity Ratio	0.85	0.73	0.82	0.75
		Loss Ratio (%)	55.84	38.73	49.16	38.58
	Reinsurance and Actuarial Issues	Retention (Reinsurance) Ratio (%)	76.19	95.97	82.44	95.42
Costs	Management Expense Ratio (%)	39.08	42.48	39.47	44.15	
13	Total Assets of the Insurance Brokering Companies <sup>Note 3</sup>		8,591,804		7,143,197	
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. 2.8Bn) in the 4th quarter 2021. Overall profits (PBT) of General Insurance business decreased by 21%.				
		Assets of Life Insurance business had recorded an increase by 12% due to increase in Corporate Debts (14%) and Government Securities (8%). Assets of General Insurance business had increased by 9%. Government Securities (13%), Equity 7%, Corporate debt (13%) & Cash & Cah equivalents (44%) had indicated an increase. Deposits (10%) had recorded a decrease during the quarter. Capital Levels had increased by 6% & 14% for Life Insurance business and General Insurance business respectively.				
		Premium growth for Life Insurance business was 21%, while General Insurance business also recorded a increase of 10% & overall industry premium growth was 16%.				
		Claims of Life Insurance business had increased by 22% and claims of General Insurance business had decreased by 14%.				

#### Notes

**Note 1**

Information for the Quarter ended 2020 are extracted from the data prepared for Statistical Review -2020 which is already published.

**Note 2** Amounts recorded under "Land & Buildings" in Q4 2020 includes land and buildings held for both investment purposes and non-investment purposes. However, in Q4 2021 "Land & Buildings" value includes, land and buildings held for investment purposes only. Land and buildings held for non-investment purposes have been recorded under "Property Plant & Equipment" in Q4 2021 for better reflection of concentration of assets/ for better reflection of asset categorization.

**Note 3** Total assets of the Insurance Brokering Companies represents all Insurance Brokering Companies excluding 7 Brokering Companies due to non-submission of Quarterly Returns.

**Note 4** 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 4 submission to provide more accurate information of the insurance industry.

**Note 5** The format has modified by including few rows to present SRCC scheme (segment) of NITF (Items 7,8 and 9).

**Note 6** Reinsurance premium (outgo) recorded in the Statement of Income of insurance companies included premium income belongs to SRCC which remitted to NITF.

**Note 7** 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.