

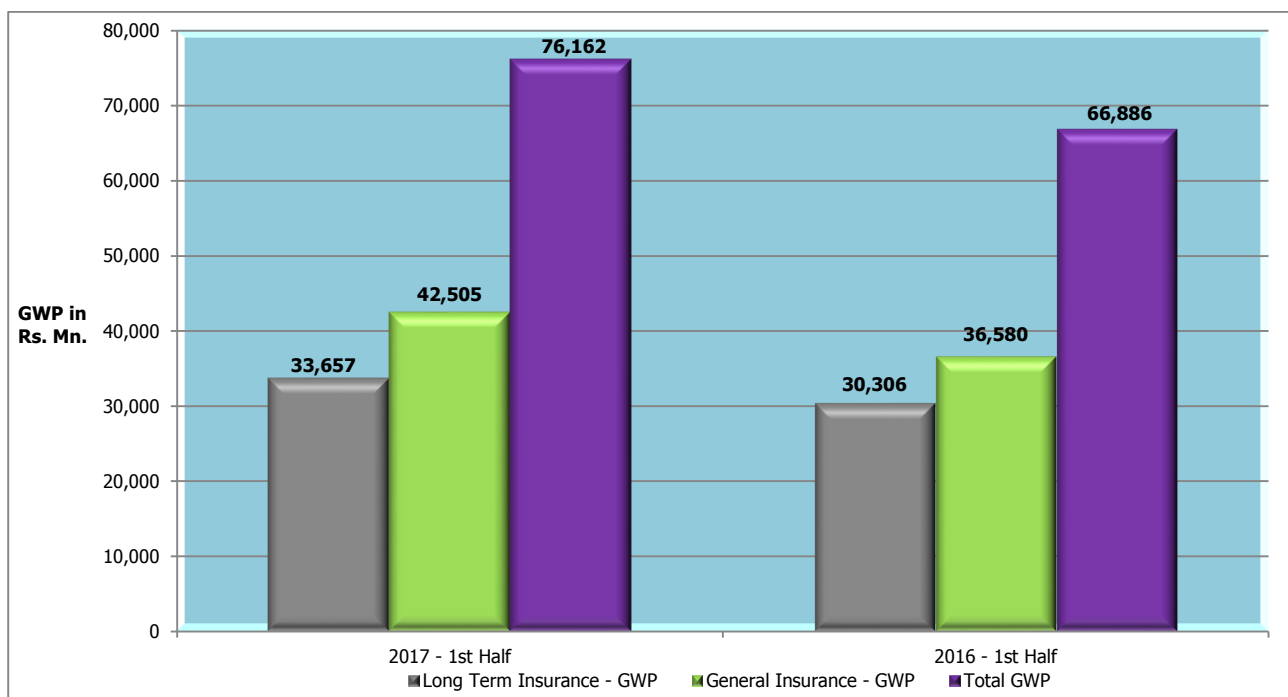
PRESS RELEASE

Performance of the Insurance Industry – 1st Half of 2017

Gross Written Premium

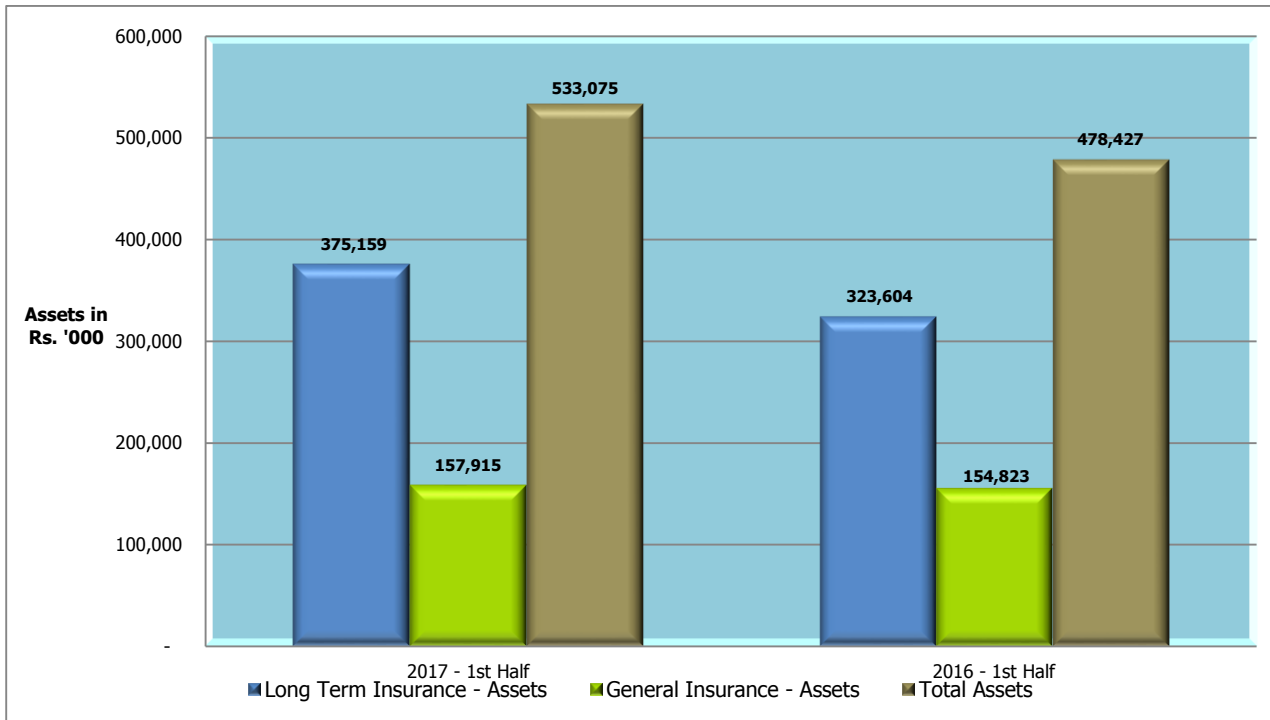
The insurance industry recorded a growth of 13.87%, in terms of Gross Written Premium (GWP), during the first half of year 2017 when compared to the same period in the year 2016. This growth is relatively lower than the growth experienced in 1st Half of 2016, i.e. 17.01%

The GWP for Long Term Insurance and General Insurance Businesses for the six (06) months up to 30th June 2017 was Rs. 76,162 million compared to the first six months of 2016 amounting to Rs. 66,886 million. The GWP of Long Term Insurance Business amounted to Rs. 33,657 million (1st Half 2016: Rs. 30,306 million) while the GWP of General Insurance Business amounted to Rs. 42,505 million (1st Half 2016: Rs. 36,580 million) during the first half of 2017. Thus, Long Term Insurance Business and General Insurance Business witnessed a GWP growth of 11.06% and 16.20% respectively when compared to the corresponding period of year 2016.



Total Assets

Total Assets of insurance companies have increased to Rs. 533,075 million as at 30th June 2017 when compared to Rs. 478,427 million recorded as at 30th June 2016, reflecting a growth of 11.42%. The assets of Long Term Insurance Business amounted to Rs. 375,159 million (1st Half 2016: Rs. 323,604 million) indicating a growth rate of 15.93% year-on-year. The assets of General Insurance Business amounted to Rs. 157,915 million (1st Half 2016: Rs. 154,823 million) depicting a growth rate of 2.00%, at the end of first six months of 2017.

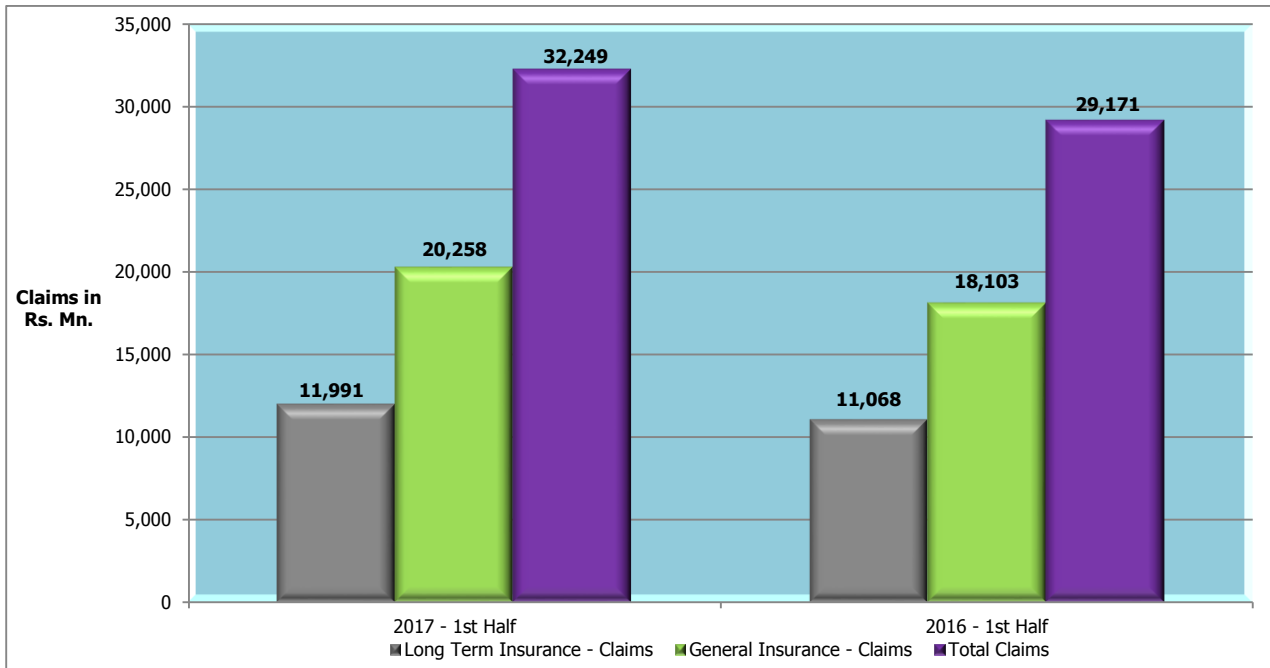


Investment in Government Securities

At the end of first six months of 2017, investment in Government Debt Securities amounted to Rs. 175,627 million representing 46.81% (1st Half 2016: Rs. 158,239; 48.90%) of the total assets of Long Term Insurance Business, while such investment compared to the total assets of General Insurance Business amounted to Rs. 30,933 million representing 19.59% (1st Half 2016: Rs. 31,986; 20.66%). Accordingly, the total investment of assets of both Technical Reserve of General Insurance Business and Long Term Insurance Fund of the Life Insurance Business amounted to Rs. 206,560 million representing 38.75% (1st Half 2016: Rs. 190,224; 39.76%) of the total assets as at 30th June 2017.

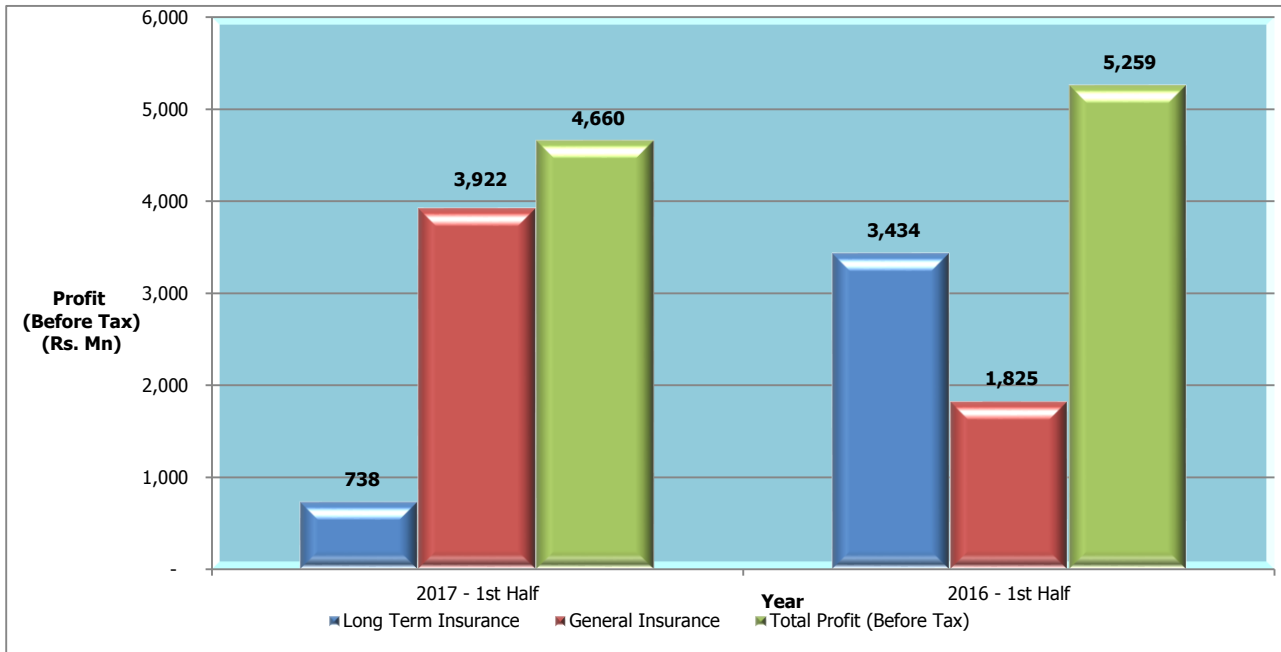
Claims incurred by Insurance Companies

The claims incurred by insurance companies in both Long Term Insurance Business and General Insurance Business was Rs. 32,249 million (1st Half 2016: Rs. 29,171 million) showing an increase in total claims amount by 10.55% year-on-year. The Long Term Insurance claims, including maturity and death benefits, amounted to Rs. 11,991 million (1st Half 2016: Rs. 11,068 million). The claims incurred in General Insurance Business, including Motor, Fire, Marine and other categories, amounted to Rs. 20,258 million (1st Half 2016: Rs. 18,103 million). Hence, during the first half 2017, there is an increase in claims incurred by 8.34% and 11.91% for Long Term Insurance and General Insurance Businesses respectively, when compared to the corresponding period of year 2016.



Profit (Before Tax) of Insurance Companies

The profit (before tax) of insurance companies in both Long Term Insurance Business and General Insurance Business has decreased to Rs. 4,660 million (1st Half 2016: Rs. 5,259 million) showing a negative growth rate of 11.38%. The profit (before tax) of Long Term Insurance Business amounted to Rs. 738 million (1st Half 2016: Rs. 3,434 million) while the profit (before tax) of General Insurance Business amounted to Rs. 3,922 million (1st Half 2016: Rs. 1,825 million) during the first half of 2017. Thus, profit (before tax) of Long Term Insurance Business witnessed a negative growth rate of 78.5% whereas the General Insurance Business witnessed a positive growth of 114.9%, when compared to the corresponding period of year 2016. The main reason for negative growth rate of profit (before tax) of Long Term Insurance Business was the loss of Rs.2,260 million recorded by Sri Lanka Insurance Corporation (SLIC) for the quarter ended 30th June 2017.



Insurers

Out of twenty seven (27) Insurance Companies (Insurers) registered with the Board as at 30th June 2017, twelve (12) are engaged in Long Term (Life) Insurance Business, twelve (12) companies are engaged in General Insurance Business and three (03) are composite companies (dealing in both Long Term and General Insurance Businesses).

Insurance Brokers

Sixty (60) insurance brokering companies, registered with the Board as at 30th June 2017, mainly concentrate in General Insurance Business. Total Assets of insurance brokering companies have increased to Rs. 4,134 million as at 30th June 2017 when compared to Rs. 3,809 million recorded as at 30th June 2016, reflecting a growth of 8.53% year-on-year.

Notes:

- 1) 2017 - Unaudited figures.
- 2) Above analysis does not include National Insurance Trust Fund (NITF) information.
- 3) Inter segment transactions (i.e. transactions between Long Term and General Insurance segments) have not been considered.
- 4) Total assets of insurance brokering companies as at 30th June 2017 excludes assets of three insurance brokering companies due to non-submission of regulatory returns to the Insurance Regulatory Commission.

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21/11/2017