

STATISTICAL REVIEW

An Overview of the Insurance Industry

Year 2015 was a successful year for the Sri Lankan Insurance industry which posted a commendable growth rate of 16.12% in total Gross Written Premium (GWP) when compared to 5.44% growth recorded in 2014. The total GWP generated during 2015 amounted to Rs. 122,390 million (2014: Rs. 105,399 million). This significant growth was attributable to increased premium incomes in both long term and general insurance business sectors which amounted to Rs. 53,575 million and Rs. 68,815 million respectively.

During 2015, National Insurance Trust Fund (NITF) has generated reinsurance premium income from compulsory reinsurance cession of general insurance business worth of Rs. 1,784 million. NITF's reinsurance premium income has declined by 12.59% compared to Rs. 2,041 million generated in 2014.

Long term insurance business generated premiums amounting to Rs. 53,575 million in 2015 with a growth of 20.14% over premiums worth of Rs. 44,596 million recorded in 2014. The increased performance of the long term insurance sector was mainly due to factors such as insurers efforts to improve operational processes to assure quality service to customers, revamping existing products whilst introducing innovative life insurance products to cater changing needs of customers, improved customer awareness on insurance and upliftment in socio economic conditions of the country which in turn increase the demand for life insurance products, etc.

General insurance business also recorded a notable growth of 13.18% in year 2015 by generating GWP worth of Rs. 68,815 million compared to Rs. 60,803 million generated in 2014. It is noteworthy that most of the general insurers have been able to increase their premium income in 2015 amidst fierce competition prevailing in the market through mechanisms such as re-engineering their business processes, targeting attractive niche markets,

expanding business operations in the northern and eastern provinces, etc.

Insurance penetration reflects insurance premium as a percentage of GDP and in 2015 total industry premium was 1.09% of GDP and recorded a growth of 8% compared to 2014. Insurance penetration in Sri Lanka is still at a lower level than many other economies in the Asian region, which indicates that there is significant opportunity for insurers to expand their businesses by offering insurance products to cater growing needs of customers. In 2015, penetration ratios of long term and general insurance businesses were recorded as 0.48% (2014: 0.43%) and 0.62% (2014: 0.58 %) respectively, both classes reflecting improvement in penetration levels.

Insurance density reflects the premium income per person of the population and amounted to Rs.5,838 in 2015. Insurance density has grown by 15.06% in 2015 compared to Rs.5,074 recorded in 2014. This growth was due to increased premium income against the insignificant growth in the population.

Table 1
Premium Income & Penetration

	2011 (a)	2012 (a)	2013 (a)	2014 (b)	2015 (c)
Premium Income - Long Term Insurance Business (Rs. millions)	35,162	37,477	41,676	44,596	53,575
Premium Income - General Insurance Business (Rs. millions)	46,929	53,213	58,284	60,803	68,815
Total Premium Income - Insurance Business (Rs. millions)	82,091	90,690	99,960	105,399	122,390
Growth Rate in Total Premium Income - Insurance Business (%)	17.62	10.48	10.22	5.44	16.12
Reinsurance Premium Income (Rs. millions)**	199	464	1,042	2,041	1,784
Gross Domestic Product at Current Market Price (Rs. billions)*	7,219	8,732	9,592	10,448	11,183
GDP Growth Rate % *	8.40	9.10	3.40	4.90	4.80
Penetration % (Total Premium of Insurance Business as a % of GDP)	1.14	1.04	1.04	1.01	1.09
Penetration % (Premium of Long Term Insurance Business as a % of GDP)	0.49	0.43	0.43	0.43	0.48
Penetration % (Premium of General Insurance Business as a % of GDP)	0.65	0.61	0.61	0.58	0.62
Insurance Density - (Total Premium Income - Insurance Business/ population) Rs.	3,934	4,440	4,857	5,074	5,838
Population '000 (Mid Year) *	20,869	20,424	20,579	20,771	20,966

* Source: Central Bank of Sri Lanka and Department of Census and Statistics

** Reinsurance premium income represents the compulsory cession of reinsurance premium of General Insurance Business ceded to NITF.

- (a) Reinstated Audited figures
- (b) Reinstated Audited figures (Except NITF)
- (c) Provisional figures

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Total Assets of Insurance Companies

Total assets held by insurers and reinsurer, NITF after eliminating inter segment transactions amounted to Rs. 464,944 million as at 31st December 2015 (2014: Rs.421,407 million), up by 10.33% compared to 2014. Assets of long term insurance business including shareholders amounted to Rs. 305,897 million as at 31st December 2015 (2014: Rs. 247,061 million) which recorded a significant growth of 23.81% compared

to 2014. Assets of general insurance business and shareholders of general and composite insurers amounted to Rs. 157,001 million as at 31st December 2015 (2014: Rs.173,964 million) recording a decline by 9.75% compared to 2014.

However, above mentioned growth in assets of long term insurance business and decline in assets of general insurance business were due to segregation of composite insurance

companies which came into effect in year 2015, where assets belonging to shareholders of composite insurers were previously considered under general insurance business. Further, assets pertaining to reinsurance business of NITF amounted to Rs. 3,381 million as at 31st December 2015 (2014: Rs. 3,065 million) recording a growth of 10.31% compared to the previous year.

Total assets of the insurance industry and their growth rates from 2011 to 2015 are depicted in Chart 1.

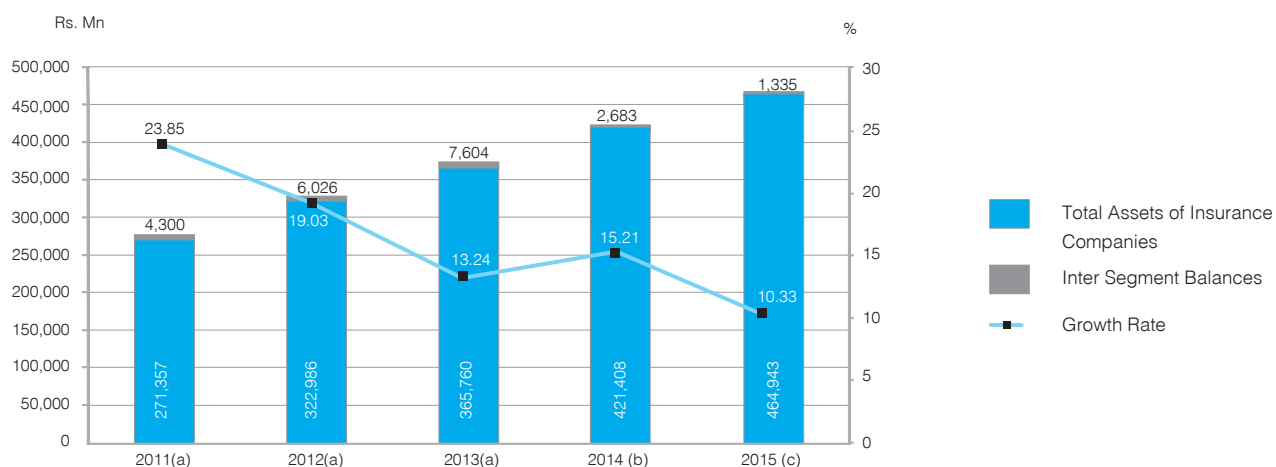
Table 2
Assets of Insurance Companies

	2011 (a)	2012 (a)	2013 (a)	2014 (b)	2015 (c)
Long Term Insurance (Rs. millions)	165,519	190,642	216,275	247,061	305,897
General Insurance (Rs. millions)	109,482	137,730	155,636	173,964	157,001
Reinsurance (Rs. millions)	655	640	1,453	3,065	3,381
Total	*271,356	*322,986	*365,760	*421,407	* 464,944

*Intersegment transactions have been eliminated as per Table 3.

- (a) Reinstated Audited figures
- (b) Reinstated Audited figures (Except NITF)
- (c) Provisional figures

Chart 1
Total Assets and Assets Growth Rate of the Insurance Industry



- (a) Reinstated Audited figures
- (b) Reinstated Audited figures (Except NITF)
- (c) Provisional figures

STATISTICAL REVIEW CONTD...

Distribution of Assets of Insurance Companies

Table 03 illustrates the distribution of assets among insurance companies under long term insurance and shareholders, general insurance and shareholders and reinsurance segment of NITF as at 31st December 2014 and 2015.

SLIC held the largest portion of the insurance industry's assets which accounted for 36.03% of total assets

in 2015 (2014: 38.43%) with assets worth of Rs. 167,540 million (2014: Rs. 161,931 million). Assets held by SLIC as at 31st December 2015 under long term and general insurance businesses amounted to Rs. 94,914 million (2014: Rs. 90,143 million) and Rs. 72,626 million (2014: Rs. 71,988 million) respectively.

Ceylinco Life held 17.33% of total assets of the insurance industry which amounted to Rs. 80,595 million and claimed the second position in terms of asset ownership. AIA Life which

held assets worth of Rs. 45,958 million claimed the third position by accounting for 9.88% of total assets. Union Life and Janashakthi Life recorded assets amounted to Rs. 31,014 million and Rs. 19,656 million respectively as at 31st December 2015 and accounted for 6.67% and 4.23% of total assets to claim the fourth and fifth places. Above five insurers together held 74.14% of total assets and the remaining 25.86% of assets were held by the other twenty five players of the insurance industry.

Table 3
Company wise analysis of Total Assets

Insurer	2014 (a)						2015 (b)					
	Long Term Insurance (Rs.'000)	General Insurance and Shareholders (Rs.'000)	Reinsurance (Rs.'000)	Inter Segment Transactions Elimination (Rs.'000)	Total (Rs.'000)	%	Long Term Insurance and Shareholders (Rs.'000)	General Insurance and Shareholders (Rs.'000)	Reinsurance (Rs.'000)	Inter Segment Transactions Elimination (Rs.'000)	Total (Rs.'000)	%
AIA Life	38,436,443	9,229,720		-	47,666,163	11.31	45,957,923			-	45,957,923	9.88
AIA Gen.					-		-	5,647,487			5,647,487	1.21
AIG	-	449,598		-	449,598	0.11		234,134		-	234,134	0.05
Allianz Gen.	-	3,264,435		-	3,264,435	0.77		3,943,092		-	3,943,092	0.85
Allianz Life	1,467,969	-		-	1,467,969	0.35	1,947,203			-	1,947,203	0.42
Amana Gen.	1,432,807	1,764,027		107,552	3,089,282	0.73		2,716,376		119,289	2,597,087	0.56
Amana Life							2,521,827			57,696	2,464,131	0.53
Arpico	980,743	-		-	980,743	0.23	1,184,539			-	1,184,539	0.25
Asian Life	6,716,714	3,589,135		-	10,305,849	2.45	9,814,620			-	9,814,620	2.11
Asian Gen.								2,489,014		-	2,489,014	0.54
Ceylinco	63,184,332	34,313,040		-	97,497,372	23.14						
Ceylinco Gen.								18,849,220		-	18,849,220	4.05
Ceylinco Life							80,595,478				80,595,478	17.33
Continental	-	2,037,110		-	2,037,110	0.48		2,544,689		-	2,544,689	0.55
Cooperative Gen.	999,455	2,839,229		-	3,838,683	0.91		3,005,196		-	3,005,196	0.65
Cooplife							1,672,432			-	1,672,432	0.36
HNB Life	5,930,808	2,583,550		1,394,110	7,120,248	1.69	10,022,562			-	10,022,562	2.16
HNB Gen.								2,710,914		-	2,710,914	0.58
Janashakthi Life	8,159,309	12,507,757		-	20,667,067	4.90	19,656,286			-	19,656,286	4.23
Janashakthi Gen.								11,212,847		-	11,212,847	2.41
LIC	1,899,682	-		-	1,899,682	0.45	2,056,120			-	2,056,120	0.44
LOLC	1,042,182	2,653,278		247,838	3,447,622	0.82						
LOLC Gen.								3,120,836		-	3,120,836	0.67
LOLC Life							2,346,342			402,566	1,943,775	0.42
MBSL	395,278	1,337,651		-	1,732,929	0.41	517,231	1,427,882			1,945,114	0.42
NITF (b)		8,128,022	3,065,354		11,193,376	2.66		8,454,168	3,380,634	-	11,834,803	2.55
Orient	-	1,015,302		-	1,015,302	0.24		1,150,664		-	1,150,664	0.25
People's	-	4,577,483		-	4,577,483	1.09		6,459,865		-	6,459,865	1.39
Sanasa	742,655	1,047,995		-	1,790,650	0.42	920,152	1,170,876		-	2,091,028	0.45
SLIC	90,142,534	71,988,109		200,137	161,930,506	38.43	94,914,277	72,625,496		-	167,539,773	36.03
Union Life	25,530,258	10,638,421		733,048	35,435,630	8.41	31,769,676			755,860	31,013,816	6.67
Union Gen.								9,238,376		-	9,238,376	1.99
Total	247,061,169	173,963,862	3,065,354	2,682,685	421,407,699	100	305,896,668	157,001,132	3,380,634	1,335,411	464,943,024	100

(a) Reinstated Audited figures (Except NITF)

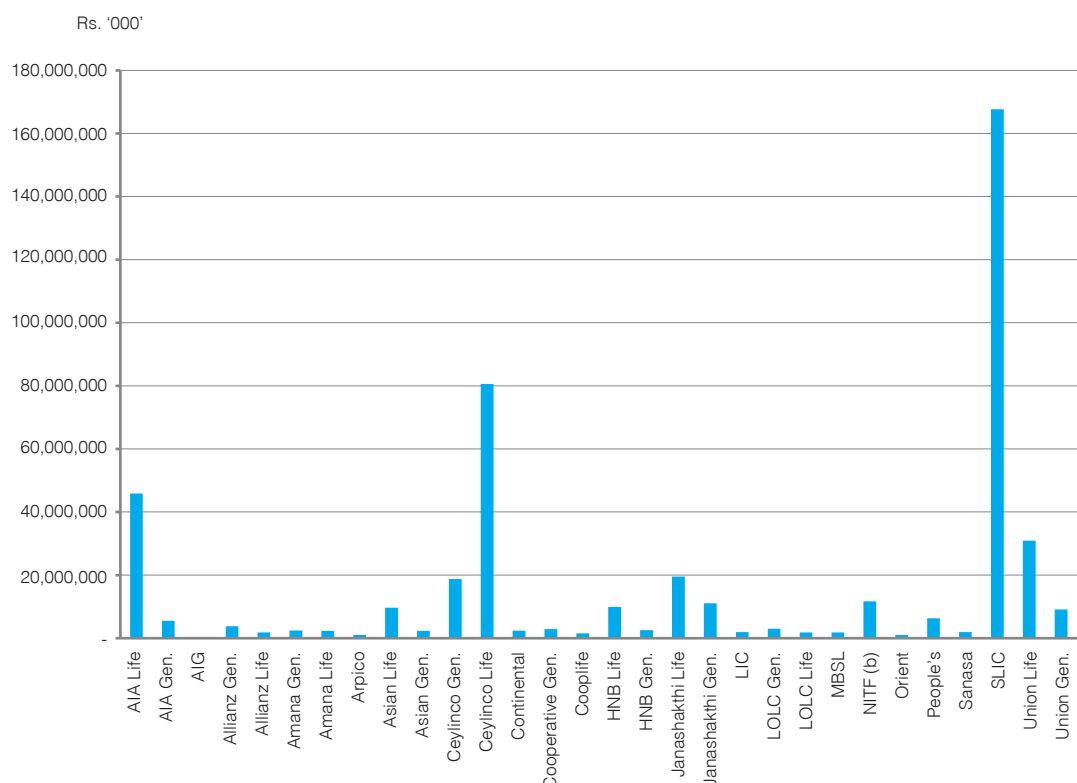
(b) Provisional figures

Notes:

1. Intersegment transactions have been eliminated.
2. Assets belonging to shareholders of composite insurance companies have been reported under general insurance business for the year 2015.
3. Assets belonging to shareholders have been reported under general insurance business except for Allianz Life, Arpico and LIC for the year 2014.

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Chart 2
Company-wise Analysis of Concentration of Assets as at 31st December 2015



Shareholders' Funds of Insurance Companies

Total shareholders' funds of insurance companies amounted to Rs. 134,689 million as at 31st December 2015 (2014: Rs. 128,445 million) growing by 4.86% over 2014. As depicted in Table 4, total shareholders' funds comprising of stated capital and reserves amounted to Rs. 39,242 million and Rs. 95,447 million respectively as at 31st December 2015. Similar to previous year, SLIC held the largest portion of total shareholders'

funds by accounting for 46.88%. Ceylinco Life and NITF accounted for 6.43% and 6.30% of total shareholders' funds respectively claiming the second and the third largest portions of total shareholders' funds. Ceylinco General and Janashakthi Life accounted for 5.91% and 5.58% of total insurance industry's shareholders' funds respectively as at 31st December 2015. Above mentioned five insurance companies which were ranked at the top five positions accounted for 71.10%

of total shareholders' funds as at 31st December 2015.

It's noteworthy to state that due to segregation of composite insurance companies which came into effect in year 2015, significant variations are observed in the shareholders' funds of individual insurance companies. This was mainly due to shareholders funds of composite insurance companies were previously considered under general insurance business.

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Table 04
Total Shareholders' Funds of Insurance Companies

Insurer	2014 (a)		2015 (b)			
	Total Shareholders' Funds (Rs.'000)	%	Stated Capital (Rs.'000)	Total Reserves (Rs.'000)	Total Shareholders' Funds (Rs.'000)	%
AIA Life	4,835,259	3.76	511,922	5,850,950	6,362,871	4.72
AIA Gen.			1,878,017	52,262	1,930,279	1.43
AIG	216,399	0.17	536,265	(409,203)	127,062	0.09
Allianz Gen.	896,867	0.70	500,000	486,717	986,717	0.73
Allianz Life	228,764	0.18	739,624	(525,138)	214,486	0.16
Amana Gen.	1,039,367	0.81	1,650,001	40,390	1,690,391	1.26
Amana Life			500,000	15,594	515,594	0.38
Arpico	621,296	0.48	675,565	(22,912)	652,653	0.48
Asian Life	2,370,993	1.85	1,062,500	1,375,435	2,437,935	1.81
Asian Gen.			800,000	(214,611)	585,389	0.43
Ceylinco	25,269,840	19.67				
Ceylinco Gen.			500,200	7,463,161	7,963,361	5.91
Ceylinco Life			500,001	8,154,425	8,654,426	6.43
Continental	897,988	0.70	750,000	286,499	1,036,499	0.77
Cooperative Gen.	1,464,133	1.14	1,004,910	486,574	1,491,483	1.11
Cooplife			500,000	(13,445)	486,555	0.37
HNB Life	2,406,356	1.87	1,171,875	1,339,468	2,511,343	1.86
HNB Gen.			1,150,000	(227,399)	922,601	0.68
Janashakthi Life	5,206,641	4.05	4,854,139	2,661,582	7,515,721	5.58
Janashakthi Gen.			4,000,000	171,287	4,171,287	3.10
LIC	698,866	0.54	500,000	192,038	692,038	0.52
LOLC	1,008,610	0.79				
LOLC Gen.			600,000	215,108	815,108	0.61
LOLC Life			800,000	(337,230)	462,770	0.34
MBSL	459,735	0.36	1,080,022	(727,273)	352,749	0.26
NITF (b)	7,723,035	6.01		8,483,299	8,483,299	6.30
Orient	627,949	0.49	750,000	(232,710)	517,290	0.38
People's	1,409,322	1.10	1,350,000	888,865	2,238,865	1.66
Sanasa	637,444	0.50	745,058	111,080	856,138	0.64
SLIC	64,216,314	50.00	6,000,000	57,143,901	63,143,901	46.88
Union Life	6,210,217	4.83	1,000,000	2,464,929	3,464,929	2.57
Union Gen.			3,131,948	272,914	3,404,863	2.54
Total	128,445,395	100	39,242,047	95,446,557	134,688,603	100

(a) Reinstated Audited figures (Except NITF)

(b) Provisional figures

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Distribution of Total Assets of Major Financial Sectors

In 2015, total assets of major financial sectors of the economy increased to Rs.13,662 billion as at 31st December 2015 from Rs. 12,015 billion recorded as at 31st December 2014 increasing by 13.71%. Banking sector accounted for 69.6% of the total assets with

assets worth of Rs. 9,503.billion as at 31st December 2015 reflecting its importance in the financial sector as depicted in Table 5 and Chart 3. Contractual savings institutions accounted for 15.4% of total assets of the financial sector in 2015 by recording assets amounted to Rs.2,108.1 billion. Other deposit taking financial institutions and specialized financial institutions

held assets worth Rs.1,042 and Rs. 544 billion respectively as at 31st December 2015 and accounted for 7.6 % and 4.0% of the financial sector respectively. Assets held by insurance companies amounted to Rs. 464.9 billion as at 31st December 2015 and accounted for only 3.4% of total assets of the financial sector indicating a decline compared to 3.5% recorded in 2014.

Table 05

Distribution of Total Assets of Major Financial sectors

Financial Sector	Distribution of Assets									
	2011		2012		2013		2014		2015	
	Rs. billions	%	Rs. billions	%	Rs. billions	%	Rs. billions	%	Rs. billions	%
Banking Sector	5,375.6	69.7	6,377.0	70.3	7,187.5	69.6	8,442	70.3	9,503	69.6
Other Deposit Taking Financial Institutions	427.1	5.5	621.2	6.9	756.4	7.3	857	7.1	1,042	7.6
Specialized Financial Institutions	338.8	4.4	310.4	3.4	378	3.7	441	3.7	544	4.0
Contractual Savings Institutions	1,299.4	16.8	1,429.6	15.8	1,632.5	15.8	1,853.6	15.4	2,108.1	15.4
Insurance Companies	271.4 (a)	3.6	323.0 (a)	3.6	365.8 (a)	3.6	421.4 (b)	3.5	464.9 (c)	3.4
Total	7,712.3	100	9,061.2	100	10,320.2	100	12,015	100	13,662	100

* Source: Central Bank of Sri Lanka Annual Report - 2015

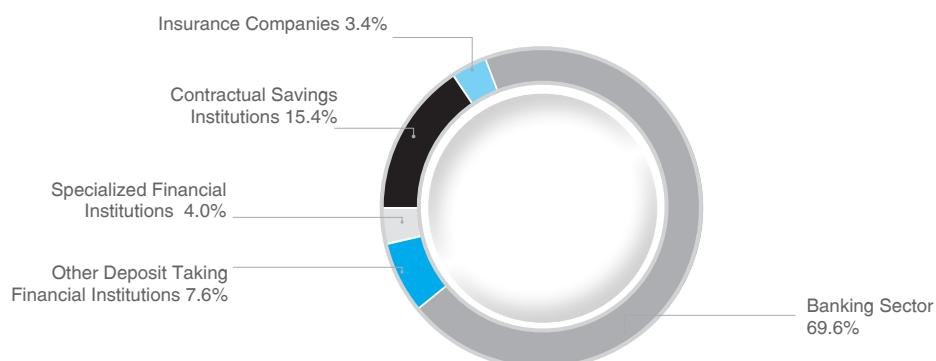
Assets of insurance companies were reinstated based on data received from insurance companies.

(a) Reinstated Audited figures

(b) Reinstated Audited figures (Except NITF)

(c) Provisional figures

Chart 3

Distribution of Total Assets of Major Financial Sectors as at 31st December 2015

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Analysis of Branches, Employees and Agents of Insurance companies

Insurance companies had a total of 1,872 branches island-wide as at 31st December 2015, growing by a significant 27.78% compared to 1,465 branches operated in 2014 corresponding with the growth in the insurance sector in 2015. As depicted in Table 6, highest number of branches was situated in the Western province which amounted to 631 (2014:488) and represented 33.71% of the total branches situated in the island. Southern province and North Western provinces had the second and third largest branch networks with 232 (2014:192) and 188 (2014:133) respectively. Similar to previous year, in 2015 least number of branches was situated in the Uva province which amounted to 108 branches (2014: 76) although growing by 42.11% compared

to 2014. Branches situated in the Northern and Eastern provinces have also increased by 25.23% and 19.23% in 2015 reflecting continuous expansion of insurance business in the North and East after the end of the war.

Insurance industry contributes to the economy by providing both direct and indirect employment opportunities. In 2015, total employees of the insurance sector amounted to 15,830 (2014: 15,650) increasing by 1.15% compared to 2014. Highest number of employees was located in the Western Province which amounted to 10,484 (2014: 10,287) representing 66.23% of total employees of the island. Southern and North Western provinces stationed the second and the third highest number of employees in 2015 with 986 (2014: 1,143) and 883 (2014: 725) respectively. Least number of employees was

stationed in the Northern province which amounted to 430 in 2015 (2014: 400).

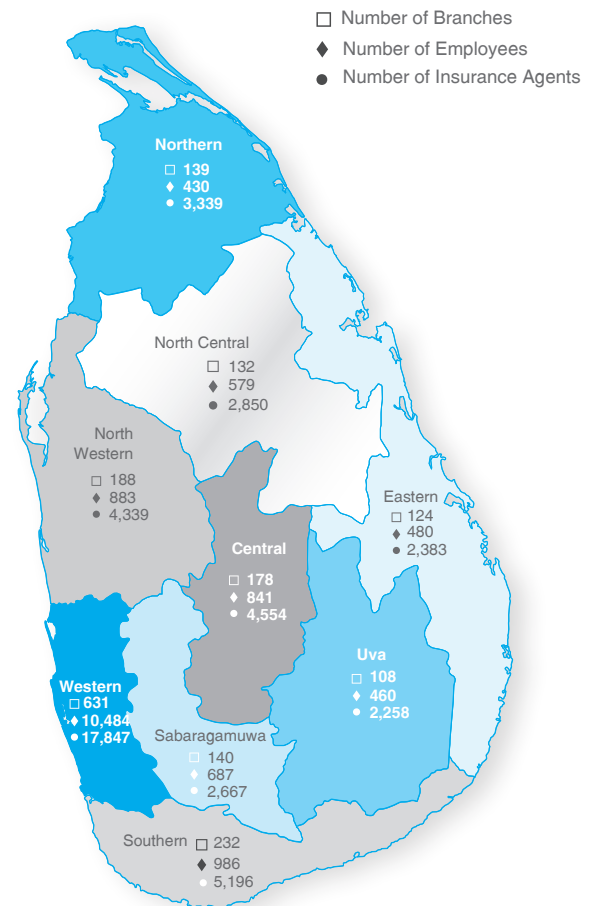
Total agents operated in the insurance market amounted to 45,433 in 2015 (2014: 42,958) representing a growth of 5.76% compared to 2014. Similar to branches and employees, the highest number of agents operated in the Western province and amounted to 17,847 (2014:16,578). Second and the third largest number of agents operated in the Southern and Central provinces in 2015 and amounted to 5,196 (2014: 5,275) and 4,554 (2014: 4,370) respectively. Least number of agents was located in the Uva province and amounted to 2,258 (2014: 2,197) in 2015.

Chart 4 provides details regarding the number of branches, employees and agents operated in the nine provinces of the island as at 31st December 2015.

Table 06
Number of Branches, Employees and Agents as at 31st December, 2015 and 2014

Province	No of Branches		No. of Employees		No. of Agents	
	2014	2015	2014	2015	2014	2015
Central Province	159	178	941	841	4,370	4,554
Eastern Province	104	124	506	480	2,310	2,383
North Central Province	110	132	682	579	2,752	2,850
North Western Province	133	188	725	883	3,898	4,339
Northern Province	111	139	400	430	3,369	3,339
Sabaragamuwa Province	92	140	561	687	2,209	2,667
Southern Province	192	232	1,143	986	5,275	5,196
Uva Province	76	108	405	460	2,197	2,258
Western Province	488	631	10,287	10,484	16,578	17,847
Total	1,465	1,872	15,650	15,830	42,958	45,433

Chart 4
Number of Branches, Employees and Agents as at 31st December 2015



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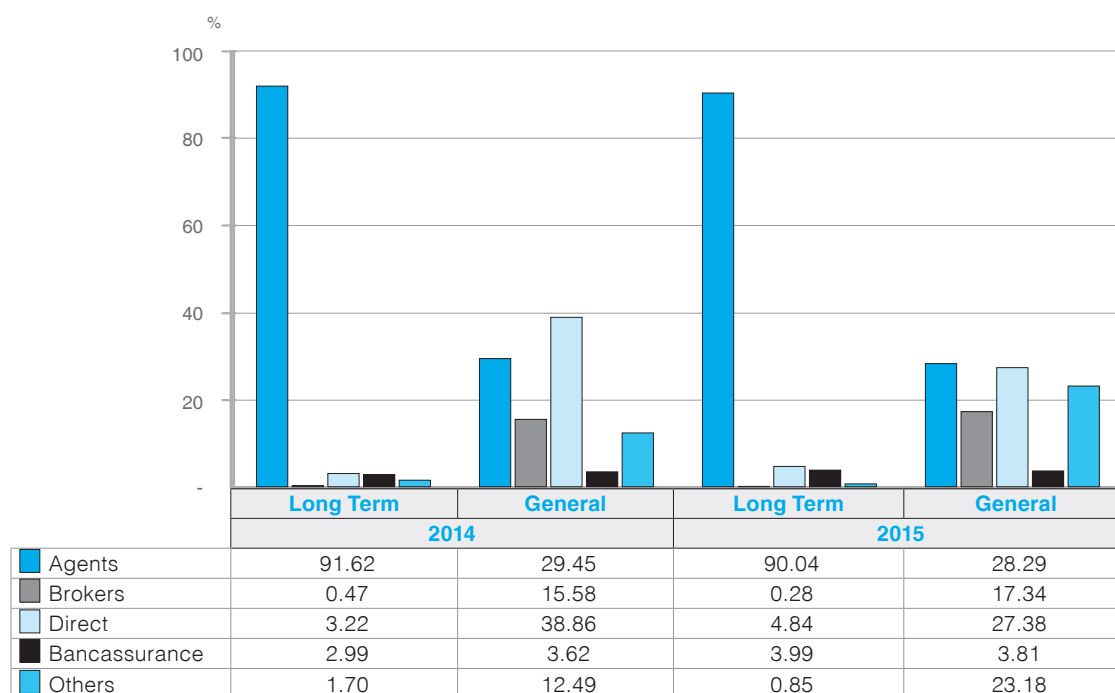
Distribution Channels of Insurance Companies

Chart 5 depicts the main distribution channels adopted by insurers to reach their customers, namely agents, brokers, direct marketing, bancassurance and other distribution channels. Similar to 2014, agents continued to be the main distribution channel of long term insurance business in 2015 and generated 90.04% of total GWP (2014: 91.62%) reflecting their dominance in the market. Direct

marketing and bancassurance were the other important distribution channels of long term insurance business and generated 4.84% and 3.99% of GWP respectively in 2015. Other distribution channels consists of group, corporate entities and branches generated 0.85% of GWP. Brokers generated only 0.86% and 0.28% of total GWP during 2015.

Agents, direct marketing, other distribution channels and brokers play important roles in generating GWP of general insurance business

unlike in long term insurance business where agents are the main distribution channel. As illustrated in Chart 05, in 2015 agents have generated 28.29% of GWP of general insurance business followed by direct marketing, other distribution channels, brokers and bancassurance which have generated 27.38%, 23.18%, 17.34% and 3.81% of total GWP respectively.

*Chart 5***Distribution Channels of Insurance Companies**

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Long Term Insurance Business

Gross Written Premium

Long term insurance companies have notably performed well during 2015 and generated GWP income of Rs. 53,575 million compared to Rs. 44,596 million generated in year 2014. During the year 2015, long term insurance companies have recorded a commendable growth of 20.14% compared to 7.01% growth recorded in year 2014. This is the highest year on year growth recorded by the long term insurers during the last five years.

The growth in premiums was mainly attributable to the innovative products, creative marketing campaigns, expansion in distribution channels especially in terms of agency force,

etc. Further 'Life Insurance Awareness Month' which was held during the month of September 2015, to educate and create greater awareness on long term insurance among the general public have positively contributed to the growth in the long term insurance market.

Ceylinco Life, the market leader of long term insurance market has generated premium income of Rs. 13,457 million (2014: Rs. 12,003 million) and achieved a market share of 25.12% (2014: 26.92%). SLIC was able to secure the second position in the market by recording GWP of Rs. 10,367 million and a market share of 19.35% (2014: 18.21%). SLIC's premium income has increased by 27.66% in 2015 compared to Rs. 8,121 million recorded in 2014. Similar to previous years, AIA Life was

able to achieve the third largest market share (Rs. 8,433 million, 15.74%), followed by Union Life (Rs. 6,964 million, 13%) and Asian Life (Rs. 4,091 million 7.64%). HNB Life and Janashakthi Life has recorded premium income of Rs. 2,789 million (5.21%) and Rs. 2,536 million (4.73%) respectively and were able to secure the sixth and seventh positions in the market.

LOLC Life has considerably improved its premium income to Rs. 1,210 million (2014: Rs. 592 million) by recording a market share of 2.26% (2014: 1.33%) and achieved the eighth place in the long term insurance market. Chart 6 illustrate the company wise market share of GWP for 2015 and Table 7 illustrates the GWP of long term insurance business from 2011 to 2015.

Table 7
Company-wise Gross Written Premium and Market Share - Long Term Insurance Business

Insurer	2011		2012		2013		2014 (a)		2015 (b)	
	Premium (Rs.'000)	Market Share (%)	Premium (Rs.'000)	Market Share (%)	Premium (Rs.'000)	Market Share (%)	Premium (Rs.'000)	Market Share (%)	Premium (Rs.'000)	Market Share (%)
AIA Life	7,846,447	22.32	6,495,863	17.33	6,863,047	16.47	7,266,574	16.29	8,433,333	15.74
Allianz Life	351,299	1.00	532,142	1.42	828,790	2.00	823,456	1.85	919,143	1.72
Amana Life	303,786	0.86	364,759	0.97	542,986	1.30	679,029	1.52	928,294	1.73
Arpico	-	-	101,900	0.27	206,494	0.50	297,439	0.67	484,226	0.90
Asian Life	1,579,191	4.49	2,034,084	5.43	2,520,283	6.05	3,048,148	6.84	4,091,042	7.64
Ceylinco Life	9,815,943	27.91	10,829,470	28.90	11,122,906	26.69	12,002,524	26.92	13,456,828	25.12
Cooplif	269,579	0.77	312,056	0.83	337,623	0.81	402,046	0.90	493,384	0.92
HNB Life	1,290,367	3.67	1,500,028	4.00	2,014,547	4.83	2,342,867	5.25	2,788,716	5.21
Janashakthi Life	1,871,986	5.32	2,025,075	5.41	2,193,662	5.26	2,170,419	4.87	2,536,298	4.73
LIC	295,859	0.84	303,344	0.81	322,268	0.77	348,767	0.78	387,535	0.72
LOLC Life	51,427	0.15	106,238	0.28	274,798	0.66	592,422	1.33	1,209,578	2.26
MBSL	143,156	0.41	192,780	0.52	251,720	0.60	294,299	0.66	203,235	0.38
Sanasa	128,113	0.36	203,616	0.54	283,975	0.68	260,867	0.58	311,910	0.58
SLIC	6,743,073	19.18	7,369,031	19.66	8,397,718	20.15	8,121,159	18.21	10,367,498	19.35
Union Life	4,471,627	12.72	5,106,323	13.63	5,515,063	13.23	5,945,499	13.33	6,964,390	13.00
Total	35,161,853	100	37,476,709	100	41,675,880	100	44,595,515	100	53,575,410	100
Growth Rate(%)	12.87		6.58		11.20		7.01		20.14	

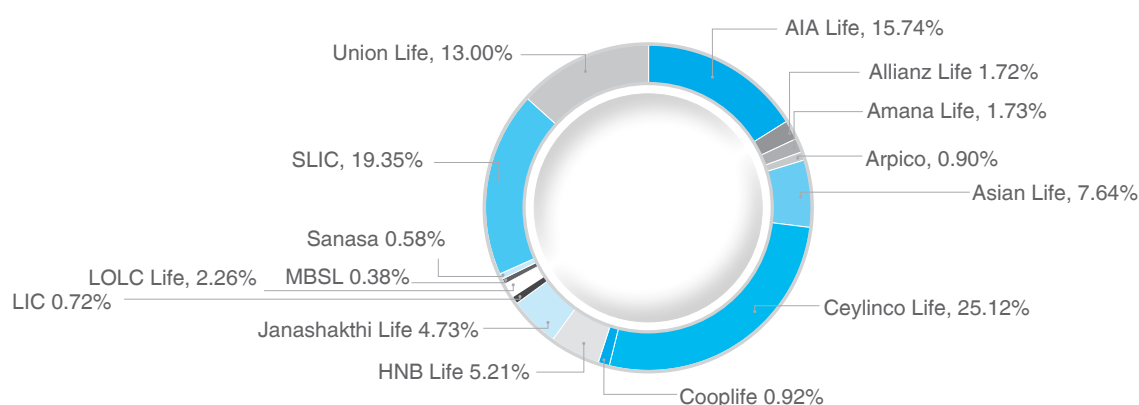
(a) Reinstated Audited figures

(b) Provisional figures

STATISTICAL REVIEW CONTD...

Chart 6

Company wise Market Share of Gross Written Premium - Long Term Insurance Business for the Year Ended 31st December 2015



Market Share of Top Five Contributors to Gross Written Premium and Other Insurers - Long Term Insurance Business

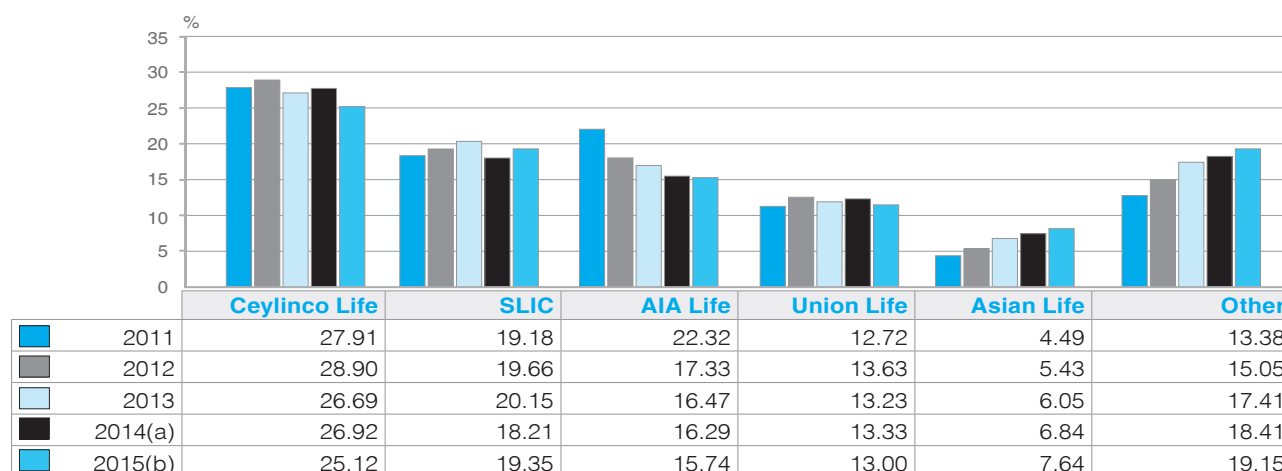
Ceylinco Life, SLIC, AIA Life, Union Life, Asian Life remained as the leading

five players in the long term insurance market in year 2015. These five market players together contributed to 80.85% (2014: 81.59%) of the total long term insurance premium recorded in 2015 and the remaining ten players together

generated 19.15% (2014: 18.41%) of the total premium income. The analysis of market share of top five premium contributors and other insurers are reflected in Chart 7.

Chart 7

Market Share of Top Five contributors of GWP and Other Insurers for the years 2011 to 2015 - Long Term Insurance Business



(a) Reinstated Audited figures

(b) Provisional figures

STATISTICAL REVIEW CONTD...

Claims Incurred by Insurance Companies - Long Term Insurance Business

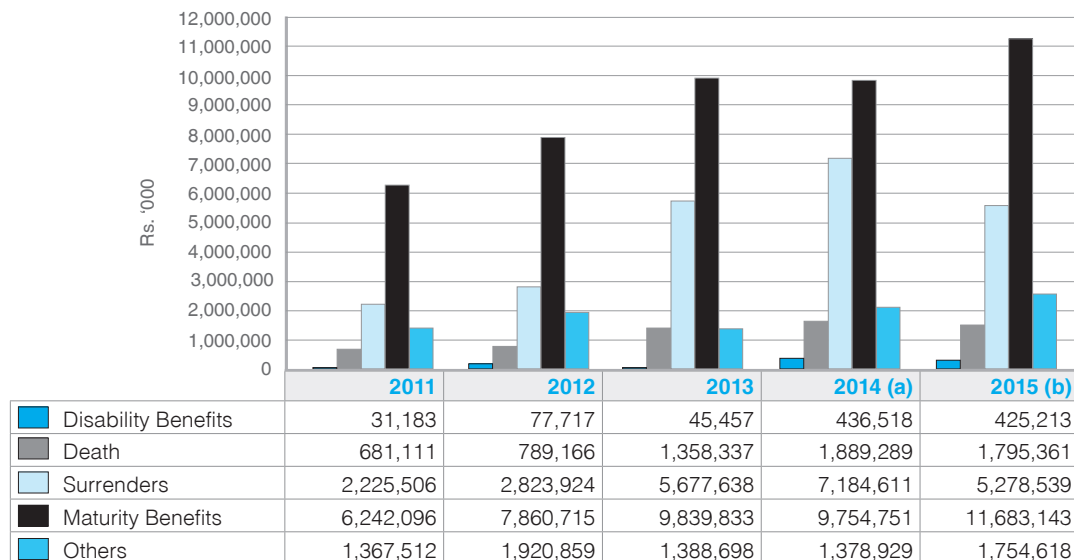
During 2015 total claims incurred by long term insurance companies including maturity, death, surrender benefits, etc. amounted to Rs. 20,937 million (2014: Rs. 20,644 million) as indicated in Chart 8.

The maturity benefits have considerably increased by 19.77% to Rs. 11,683 million (2014: Rs. 9,754 million) in year 2015. These claims represented more than half of the total claims incurred during the year. Surrenders as an impactful phenomenon for poor persistency in the life insurance market represented one fourth of the total claims. However surrender benefits have reduced by 26.53% to Rs. 5,279 million in 2015 compared to Rs. 7,185

million recorded in 2014.

Death benefits which amounted to Rs. 1,795 million represented 8.58% of the total claims incurred in 2015. Further, death benefits have slightly reduced compared to Rs. 1,889 million reported in 2014. Other benefits such as health benefits, advance payments, bonus, etc. amounted to Rs. 1,755 million in 2015 compared to Rs. 1,379 million recorded in 2014.

Chart 8

Claims Incurred by Insurance Companies - Long Term Insurance Business

(a) Reinstated Audited figures
(b) Provisional figures

Number of Insurance Claims –Long Term Insurance Business

In 2015 280,753 long term insurance claims have been reported to long term

insurers and represented the highest number of claims reported during the last five years as depicted in table 8. The number of maturity and death claims reported was 105,308 and 6,782

respectively in 2015. Further, there were 43,651 policies reported as surrenders and represented 15.55% of the total number of claims incurred in 2015.

Table 8

Number of Insurance Claims - Long Term Insurance Business

	2011	2012	2013	2014	2015
Maturity Benefits	98,363	102,465	102,050	107,353	105,308
Death	4,328	4,358	5,284	5,795	6,782
Disability Benefits	569	578	6,980	8,120	12,540
Surrenders	25,661	24,631	41,964	46,312	43,651
Other benefits	45,885	51,773	99,257	84,835	112,472
Total	174,806	183,805	255,535	252,415	280,753

STATISTICAL REVIEW CONTD...

Assets of Long Term Insurance Business

Total assets held by long term insurance companies amounted to Rs. 305,897 million (2014:247,061 million) as at 31st December 2015 and recorded a significant growth of 23.81% compared to previous year. Similar to previous years government securities represented the main investment category mainly due to regulatory requirement to invest a minimum of 30% of the life fund assets and the low risk involved. In 2015, total government securities investments amounted to Rs. 136,832 million (2014: Rs. 111,153 million) and represented 44.73% (2014:44.99%) of the total assets.

The volume of investments in corporate debt instruments especially in listed debentures continued to be high and recorded as Rs. 51,895 million compared to Rs. 40,743 million in 2014. This represented a growth of 27.37%.

Due to low interest rate environment prevailed during 2015, investments in deposits have slightly increased from Rs. 37,474 million in 2014 to Rs. 38,644 million in 2015. These main investment categories namely, government securities, corporate debts and deposits have accounted for 74.32% (2014: 76.65%) of the total assets held by long term insurers in 2015.

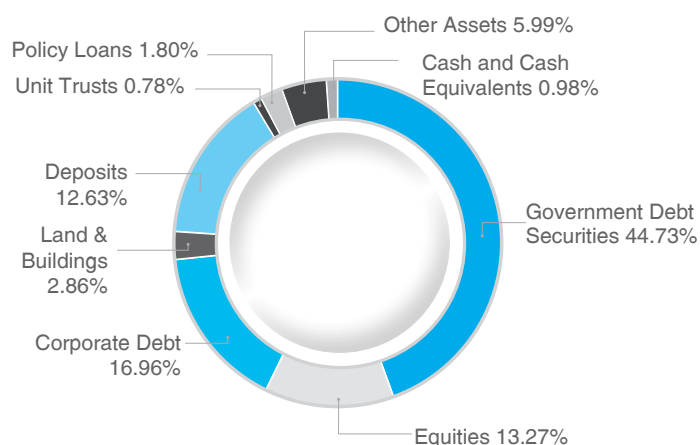
Equity investments, the third largest investment category has increased from Rs. 31,049 million to Rs. 40,595 million in 2015 despite the relatively moderate performance of the stock market. This was mainly due to increase in investments in subsidiaries recorded in the year 2015 as a result of segregation of composite insurance companies. In addition insurers' asset portfolios consisted of other asset categories such as land and buildings, policy loans and cash and cash equivalents, etc. Table 9 and Chart 9 illustrate the concentration of assets of long term insurance business.

Table 9
Concentration of Assets as at 31st December 2014 & 2015
- Long Term Insurance Business

Type of Asset	2014 (a)		2015 (b)	
	Rs.'000	%	Rs.'000	%
Government Debt Securities	111,153,045	44.99	136,831,589	44.73
Equities	31,048,723	12.57	40,595,129	13.27
Corporate Debt	40,743,451	16.49	51,895,159	16.96
Land & Buildings	5,909,483	2.39	8,738,764	2.86
Deposits	37,473,905	15.17	38,643,918	12.63
Unit Trusts	2,220,790	0.90	2,392,162	0.78
Policy Loans	5,708,113	2.31	5,498,162	1.80
Other Assets	10,635,805	4.30	18,310,155	5.99
Cash and cash equivalents	2,167,851	0.88	2,991,628	0.98
Total	247,061,166	100.00	305,896,666	100

(a) Reinstated Audited figures
(b) Provisional figures

Chart 9
Concentration of Assets as at 31st December 2015 - Long Term Insurance Business



STATISTICAL REVIEW CONTD...

Investment Income of Long Term Insurance Business

Investment income of long term insurance companies had a negative impact from low interest rates movement in price indices of stock market etc. during 2015. As depicted in Table 10, total investment income generated amounted to Rs. 24,882 million from average investments worth of Rs. 260,945 million, recording an overall investment yield of 9.54%.

Investment income generated from government securities amounted to Rs. 12,934 million in 2015 against average investments of Rs. 123,922 million. Income from treasury bonds was Rs. 12,063 million and represented 48.5% of total investment income in 2015. However, investment yield of

government securities was represented 10.43% in 2015 and recorded a decline compared to 11.25% recorded in 2014.

Insurers have preferred to invest in the attractive corporate bonds market and average investments in corporate bonds had increased to Rs. 46,319 million in 2015 (2014: Rs. 36,844 million) by Rs. 9,475 million. Further, corporate bonds had generated an investment income of Rs. 5,465 million and recorded an investment yield of 11.80% in 2015.

The returns from equities have drastically decreased in 2015 and amounted to Rs. 869 million compared to Rs. 3,956 million recorded in 2014 with the slow performance exhibited in the equity market. Dividend income of insurance companies amounted to Rs.

1,464 million and capital losses reported amounted to Rs. 595 million in 2015. In 2015 investment income from unit trusts has noticeably dropped to Rs. 101 million from Rs. 531 million recorded in 2014. Further, average investment of unit trusts amounted to Rs. 2,306 million compared to Rs. 2,261 million recorded in 2014.

During 2015, average investment in deposits has reduced by 2.76% to Rs. 38,059 million, meanwhile investment income has dropped by 23.14% to Rs. 3,507 million from Rs. 4,563 million reported in 2014.

Investment income from other investments has significantly increased in 2015 to Rs. 1,902 million from Rs. 676 million recorded in 2014 mainly due to sale of subsidiary by one insurer.

Table 10
Breakup of Investment Income and Average Investments - Long Term Insurance Business

Category	2014(a)			2015(b)		
	Investment Income (Rs. '000)	Average Investments (Rs. '000)	Investment Yield Ratio (%)	Investment Income (Rs. '000)	Average Investments (Rs. '000)	Investment Yield Ratio (%)
Government Debt Securities	11,512,106	102,346,152	11.25	12,934,054	123,992,317	10.43
- Treasury Bonds	10,315,496			12,063,400		
- Treasury Bills	384,095			202,707		
- Others (REPO)	812,515			667,947		
Equity	3,956,177	27,827,594	14.22	869,042	35,821,926	2.43
- Capital Gain/Losses	3,026,181			(595,326)		
- Dividend	929,996			1,464,368		
Corporate Debts	4,600,656	36,843,640	12.49	5,464,638	46,319,305	11.80
- Debentures	4,586,742			5,435,533		
- Commercial Papers	20,783			19,925		
- Asset Backed Securities	5,910			-		
- Other Similar Financial Instruments	(12,779)			9,180		
Land and Buildings	2,454	6,019,820	0.04	(1,729)	7,324,124	(0.02)
Deposits	4,563,205	39,140,139	11.66	3,507,413	38,058,912	9.22
- Bank	4,344,197			3,300,590		
- Finance Companies	219,008			206,823		
Unit Trust	531,077	2,261,415	23.48	101,312	2,306,476	4.39
Gold	(56)	14,648	(0.38)	-	-	-
Policy Loans	56,724	5,471,640	1.04	105,190	5,603,138	1.88
Others	675,749	916,864	73.70	1,901,613	1,518,722	125.21
Total	25,898,092	220,841,912	11.73	24,881,533	260,944,920	9.54

(a) Reinstated Audited figures

(b) Provisional figures

STATISTICAL REVIEW CONTD...

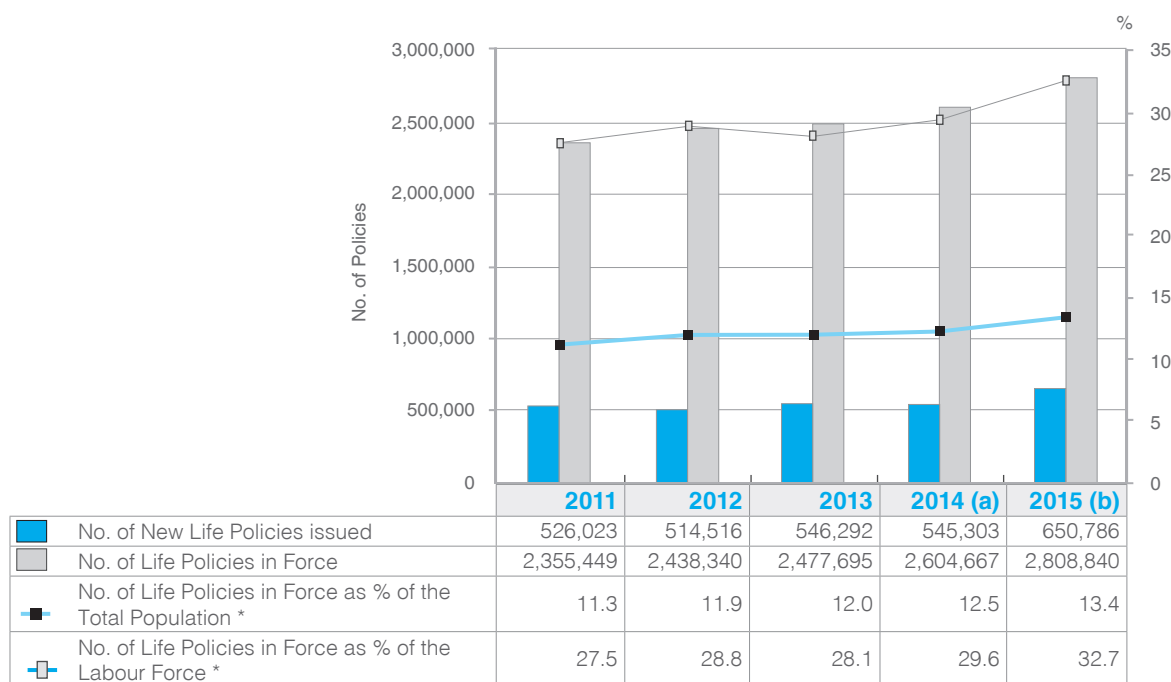
Number of Insurance Policies Issued and Policies in Force –Long Term Insurance Business

During the year life insurance companies have taken several initiatives to develop business by expanding and improving quality of their distribution network especially by way of enhancing quality of

agency (sales) force. With these efforts, new policies issued by insurers have considerably increased by 19.34% to 650,786 during the year 2015 compared to 545,303 in 2014. As depicted in Chart 10 total policies in force were 2,808,840 in 2015 (2014: 2,604,667) and this was the highest number of policies in force recorded during last five years.

The number of effective policies in force as a percentage of total population was 13.4% in year 2015. Further, long term insurance policies in force as a percentage of labor force has increased by 3.1% compared to 29.6% recorded in 2014.

Chart 10

Number of Insurance Policies Issued and Policies in Force- Long Term Insurance Business

* Source: Mid year labour force and population - Department of Census and Statistics

- (a) Reinstated Audited figures
(b) Provisional figures

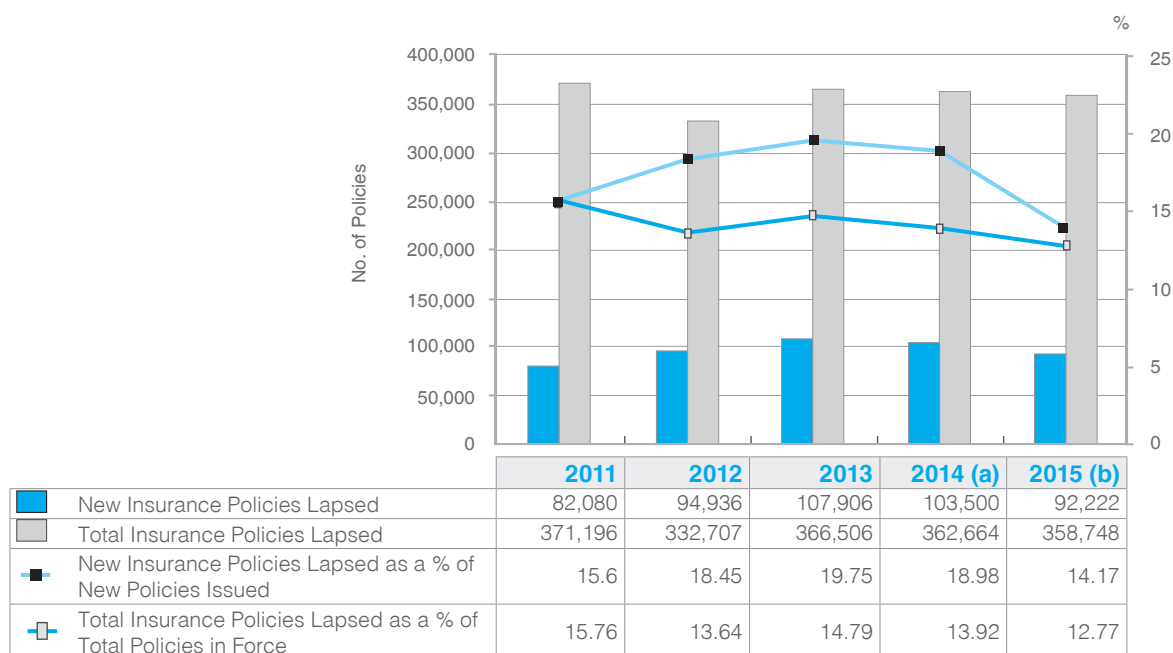
STATISTICAL REVIEW CONTD...

Insurance Policy Lapses – Long Term Insurance Business

Chart 11 depicts details of lapsed policies of long term insurance business during the last five years. During the year, there were 358,748 policy lapses and total

lapsed policies as a percentage of total policies in force were 12.77% in 2015 compared to 13.92% recorded in 2014 reflecting a slight improvement. New insurance policies lapsed during 2015 has amounted to 92,222 reflecting an

improvement compared to 103,500 new policy lapses recorded in 2014. Further, new policy lapses as a percentage of new policies issued has improved to 14.17% compared to 18.98% recorded in 2014.

*Chart 11***Number of Policies Lapsed and Lapse Ratio from 2011 to 2015 - Long Term Insurance Business**

(a) Reinstated as per the Actuarial Returns submitted to the board

(b) Provisional figures

STATISTICAL REVIEW CONTD...

Solvency Position of Insurance Companies – Long Term Insurance Business

Table 11 provides details of solvency margin and policy liabilities of long term insurance business of each insurance company as at 31st December 2014

and 2015. All long term insurance companies have complied with the solvency margin requirement by recording solvency ratios above one as at 31st December 2015 in accordance with the Solvency Margin Rules issued

by the Board. Further, long term policy liabilities amounted to Rs. 170,095 million as at 31st December 2015 and this represented an increase of 11.57% compared to Rs. 152,454 million recorded as at 31st December 2014.

Table 11

Company-wise Analysis of Solvency Position and Policy Liabilities as at 31st December 2014 & 2015 - Long Term Insurance Business

Insurer	As at 31st December 2014 (a)		As at 31st December 2015 (b)			
	Solvency Ratio (ASM/RSM)	Value of Policy Liabilities (Rs. '000)	Available Solvency Margin (ASM) (Rs. '000)	Required Solvency Margin (RSM) (Policy Liabilities*0.05) (Rs. '000)	Solvency Ratio (ASM/RSM)	Value of Policy Liabilities (Rs. '000)
AIA Life	4.32	25,120,062	7,938,606	1,392,166	5.70	27,843,311
Allianz Life	2.30	980,741	88,833	70,172	1.27	1,403,433
Amana Life	1.10	555,610	161,678	29,267	5.52	585,338
Arpico	34.27	283,540	394,263	23,728	16.62	474,558
Asian Life	2.66	4,913,375	447,020	298,185	1.50	5,963,695
Ceylinco Life	10.50	40,315,535	22,942,452	2,201,381	10.42	44,027,618
Cooplif	1.05	798,243	272,354	51,824	5.26	1,036,476
HNB Life	2.29	5,040,184	736,314	342,273	2.15	6,845,464
Janashakthi Life	2.54	6,822,472	630,047	398,395	1.58	7,967,906
LIC	12.28	1,141,273	587,122	64,976	9.04	1,299,526
LOLC Life	5.74	682,942	317,371	60,328	5.26	1,206,569
MBSL	0.13	336,932	40,820	19,025	2.15	380,499
Sanasa	3.59	693,098	245,236	43,687	5.61	873,747
SLIC	13.22	46,300,512	24,872,920	2,409,380	10.32	48,187,592
Union Life	4.74	18,469,562	3,004,872	1,099,955	2.73	21,999,099
Total/Overall	8.57	152,454,081	62,679,908	8,504,742	7.37	170,094,831

(a) Reinstated Audited figures

(b) Provisional figures

STATISTICAL REVIEW CONTD...

General Insurance Business

Gross Written Premium

All insurance companies engaged in general insurance business generated GWP amounted to Rs. 68,815 million in 2015 compared to Rs. 60,803 million recorded in 2014 and reported a significant growth of 13.18% as depicted in Table 12. This growth was mainly due to increased premium income recorded by all the classes of general insurance business and it is noteworthy to state that motor insurance business recorded a significant growth rate of 19% compared to 7.37% recorded in 2014. Increase in number of vehicle registrations during 2015 has resulted in the above growth.

As confirmed by the NITF, SRCC & TC premium in respect of general insurance business has amounted to Rs. 3,017 million in 2015 (2014: Rs. 2,835 million) and represent a growth of 6.41% compared to previous year.

SLIC achieved the largest market share of the general insurance market by accounting for 19.77% of the total GWP (2014: 19.92%) which amounted to Rs. 13,606 million (2014: Rs. 12,114 million).

Ceylinco General remained in the second position of the general insurance market in 2015 with a market share of 18.78% (2014: 18.80%) and generated GWP worth of Rs. 12,922 million (2014: Rs. 11,432 million).

Janashakthi General generated GWP worth of Rs. 7,372 million in 2015 (2014: Rs. 6,492 million) to achieve the third largest market share of 10.71% (2014: 10.68%).

Union General and NITF generated GWP worth of Rs. 5,557 million (2014: Rs. 4,951 million) and Rs. 4,541 million (2013: Rs. 4,896 million) respectively to claim the fourth and the fifth largest market shares of 8.08% (2014: 8.14%) and 6.60% (2014: 8.05%) respectively.

Top Five GWP generators collectively accounted for 63.94% of the Total GWP (2014: 65.59%) and the balance 36.06% was shared among the other thirteen insurers.

Chart 12 illustrates the company-wise market share of GWP achieved by insurance companies in 2015.

Table 12

Company - wise Gross Written Premium and Market Share - General Insurance Business

Insurer	2011 (a)		2012 (a)		2013 (a)		2014 (b)		2015 (c)	
	Premium (Rs. '000)	Market Share (%)	Premium (Rs. '000)	Market Share (%)	Premium (Rs. '000)	Market Share (%)	Premium (Rs. '000)	Market Share (%)	Premium (Rs. '000)	Market Share (%)
AIA Gen.	2,456,347	5.23	2,143,252	4.03	2,428,675	4.17	2,655,577	4.37	3,297,840	4.79
AIG	942,901	2.01	819,448	1.54	880,060	1.51	414,805	0.68	3,141	0.00
Allianz Gen.	1,379,406	2.94	1,397,127	2.63	1,964,907	3.37	2,723,406	4.48	3,244,844	4.72
Amana Gen.	916,754	1.95	1,125,838	2.12	1,432,135	2.46	1,285,418	2.11	1,438,732	2.09
Asian Gen.	582,257	1.24	1,133,240	2.13	1,556,386	2.67	1,638,126	2.69	1,908,901	2.77
Ceylinco Gen.	9,558,942	20.37	10,434,917	19.61	10,311,479	17.69	11,431,680	18.80	12,921,561	18.78
Continental	1,149,121	2.45	1,545,225	2.90	1,330,515	2.28	1,761,747	2.90	2,309,413	3.36
Cooperative Gen.	922,859	1.97	1,135,011	2.13	1,272,941	2.18	1,358,932	2.24	1,692,035	2.46
HNB Gen.	1,623,830	3.46	1,635,306	3.07	1,767,361	3.03	2,182,915	3.59	2,541,313	3.69
Janashakthi Gen.	5,086,207	10.84	5,773,429	10.85	6,318,626	10.84	6,491,556	10.68	7,372,182	10.71
LOLC Gen.	364,735	0.78	1,295,133	2.43	1,485,521	2.55	1,815,486	2.99	2,476,961	3.60
MBSL	636,738	1.36	1,049,147	1.97	1,132,789	1.95	961,225	1.58	1,159,209	1.68
NITF	3,599,928	7.67	3,518,528	6.61	4,973,357	8.53	4,895,760	8.05	4,540,558	6.60
Orient	1,749	0.00	308,547	0.58	355,001	0.61	491,127	0.81	746,935	1.09
People's	2,284,578	4.87	2,795,448	5.25	3,085,041	5.30	3,286,063	5.40	3,637,403	5.29
Sanasa	232,374	0.49	308,142	0.58	322,592	0.55	344,041	0.57	360,302	0.52
SLIC	11,134,583	23.73	12,359,188	23.23	12,549,763	21.53	12,113,994	19.92	13,606,205	19.77
Union Gen.	4,055,443	8.64	4,436,052	8.34	5,116,966	8.78	4,950,741	8.14	5,557,189	8.08
Total	46,928,752	100	53,212,978	100	58,284,115	100	60,802,599	100	68,814,724	100
Growth Rate (%)	21.46		13.39		9.53		4.32		13.18	

(a) Reinstated Audited figures

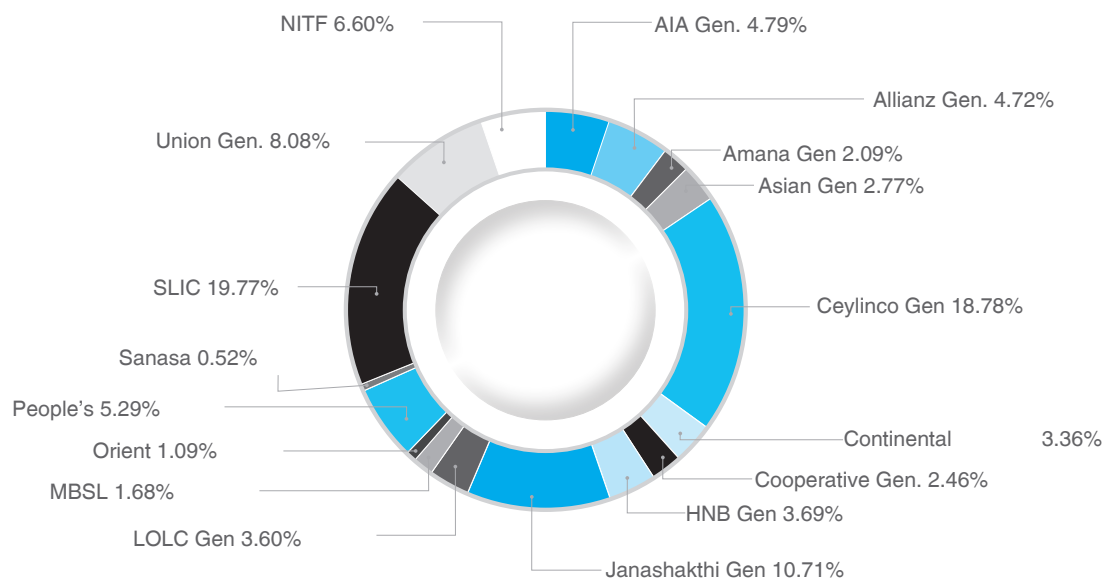
(b) Reinstated Audited figures (Except NITF)

(c) Provisional figures

STATISTICAL REVIEW CONTD...

Chart 12

Company-wise Market Share of Gross Written Premium - General Insurance Business for the Year ended 31st December 2015



STATISTICAL REVIEW CONTD...

Market Share of Top Five Contributors to Gross Written Premium and Other Insurers - General Insurance Business

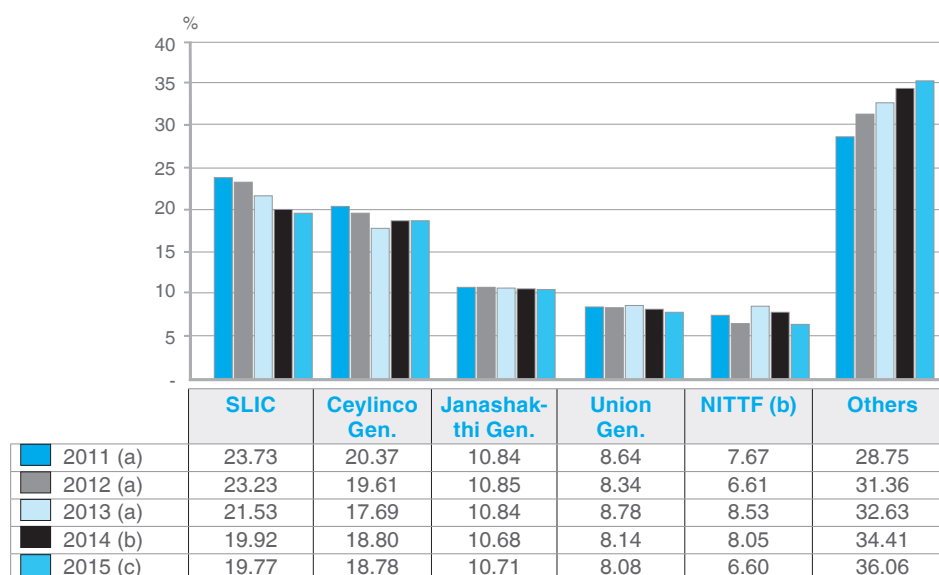
Chart 13 depicts the market share of top five contributors to the GWP and other insurers' market share in the general insurance business from 2011 to 2015. SLIC, Ceylinco General, Janashakthi General, Union General and NITF were the five main contributors to GWP. SLIC

had continued to be the market leader since 2011 and had achieved a market share of 19.77% in 2015. Ceylinco General has secured the second position in general insurance market in 2015 with a market share of 18.78%. Janashakthi General and Union General remained the third and fourth positions in the general insurance market by achieving market shares of 10.71% (2014:10.68%) and 8.08% (2014:8.14%)

respectively. Although NITF achieved the fifth position in the general insurance business by holding a market share of 6.60% in 2015 (2014:8.05%) market share has declined by 1.45% compared to year 2014. It is notable that the market share of the other insurance companies had gradually increased during the past five years.

Chart 13

Market Share of Top Five Contributors to GWP and Other Insurers for the Years 2011 and 2015 - General Insurance Business



- (a) Reinstated Audited figures
 (b) Reinstated Audited figures (Except NITF)
 (c) Provisional figures

STATISTICAL REVIEW CONTD...

Class-wise Analysis of Gross Written Premium- General Insurance Business

Table 13 and Chart 14 depict the class wise analysis of gross written premium generated from different classes of general insurance business during the period 2011 to 2015. Fire, marine, motor, miscellaneous insurance business constitute the main sub-classes of general insurance business.

In addition, premiums pertaining to SRCC & T covers provided by NITF are also analysed in Table 13 and Chart 14.

Similar to previous years, motor insurance continued its dominance in the general insurance segment by recording GWP of Rs. 42,585 million (2014: Rs. 35,787 million) which represented 61.88% of total GWP of general insurance business. Motor insurance had grown by 18.99% compared to previous year. In 2015, miscellaneous insurance sector accounted for 21.18% of the total GWP by posting GWP worth of Rs.14,573 million (2014: Rs.13,915 million) and had grown by 4.73% compared to 2014. GWP of fire insurance business amounted to Rs. 6,579 million (2014:

Rs. 6,353 million) and accounted 9.56% share of the total GWP (2014: 10.45%). Marine insurance generated GWP amounted to Rs. 2,061 million (2014: 1,912 million) and accounted for 3% of the total GWP in 2015 (2014: 3.14%) growing by only 7.81% compared to 2014.

As confirmed by the NITF, SRCC & T premium in respect of general insurance business has amounted to Rs. 3,017 million in 2015 (2014: Rs. 2,835 million) and represent a growth of 6.41% compared to previous year.

Table 13

Class-wise Analysis of Gross Written Premium - General Insurance Business

Class	Gross Written Premium (Rs.'000)				
	2011 (a)	2012 (a)	2013 (a)	2014(b)	2015(c)
Fire	5,379,788	5,474,094	6,303,725	6,353,292	6,578,842
Marine	1,679,794	1,927,096	1,796,969	1,911,944	2,061,222
Motor	27,356,318	31,844,102	33,331,917	35,786,941	42,584,532
Miscellaneous	10,506,321	11,686,509	14,307,720	13,915,221	14,573,260
Sub Total	44,922,221	50,931,801	55,740,331	57,967,398	65,797,856
SRCC & T	2,006,531	2,281,177	2,543,784	2,835,201	3,016,868
Total	46,928,752	53,212,978	58,284,115	60,802,599	68,814,724

Class	Growth (%)				
	2011 (a)	2012 (a)	2013 (a)	2014(b)	2015(c)
Fire	7.33	1.75	15.16	0.79	3.55
Marine	12.07	14.72	(6.75)	6.40	7.81
Motor	29.12	16.40	4.67	7.37	18.99
Miscellaneous	15.82	11.23	22.43	(2.74)	4.73
Sub Total	22.18	13.38	9.44	4.00	13.51
SRCC & T	7.29	13.69	11.51	11.46	6.41
Total	21.46	13.39	9.53	4.32	13.18

Class	Percentage Share (%)				
	2011 (a)	2012 (a)	2013 (a)	2014(b)	2015(c)
Fire	11.46	10.29	10.82	10.45	9.56
Marine	3.58	3.62	3.08	3.14	3.00
Motor	58.29	59.84	57.19	58.86	61.88
Miscellaneous	22.39	21.96	24.55	22.89	21.18
Sub Total	95.72	95.71	95.64	95.34	95.62
SRCC & T	4.28	4.29	4.36	4.66	4.38
Total	100	100	100	100	100

(a) Reinstated Audited figures

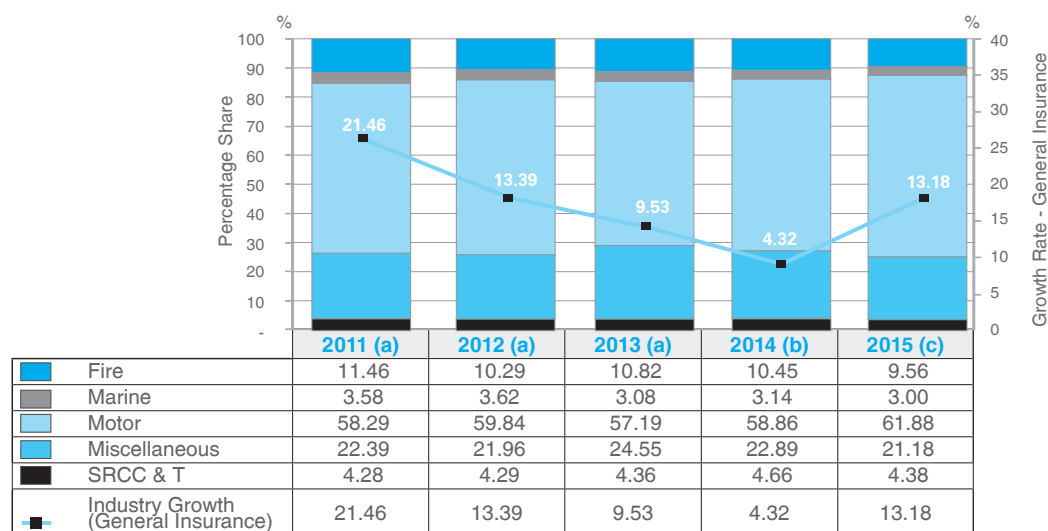
(b) Reinstated Audited figures (Except NITF)

(c) Provisional figures

STATISTICAL REVIEW CONTD...

Chart 14

Class-wise Analysis of GWP from 2011 to 2015 - General Insurance Business



(a) Reinstated Audited figures

(b) Reinstated Audited figures (Except NITF)

(c) Provisional figures

Category – wise Analysis of GWP of Miscellaneous Insurance Business

Table 14 depicts the GWP generated from different insurance segments categorized under miscellaneous insurance business during the years 2014 and 2015. Main categories of miscellaneous insurance business include health & surgical, personal accident, air craft hull, bankers' indemnity, workmen compensation insurance, cash in transit, etc. Total GWP generated from miscellaneous insurance

excluding SRCC & T and coinsurance premium amounted to Rs.14,573 million in 2015 (2014: Rs.13,915 million). Similar to previous year health and surgical was the segment which generated the highest GWP under miscellaneous insurance business which amounted to Rs.8,285 million in 2015 (2014: Rs.7,193 million) which represented 55.60% of total GWP inclusive of SRCC & T and coinsurance premium. Other categories of miscellaneous insurance business generated the second highest

premium income under miscellaneous insurance business in 2015 with a GWP of Rs. 1,520 million (2014:Rs.2,373 million). This represented 10.20% of the total GWP of miscellaneous insurance business inclusive of SRCC & T and co-insurance premium even though recorded a decline of 35.94% compared to the GWP generated in 2014. Personal accident generated the third highest premium income of miscellaneous insurance business which amounted to Rs. 1,338 million in 2015 (2014: Rs.1,263 million)

Table 14

Category - wise analysis of GWP of Miscellaneous Insurance Premium for 2014 & 2015

Category	GWP Rs.'000	
	2014 (a)	2015 (b)
Health & Surgical	7,193,386	8,284,561
Title	390,491	415,569
Personal Accident	1,263,406	1,338,009
Contractors' All Risk	172,772	213,337
Professional Indemnity	251,586	160,176
Travel Insurance	302,037	389,156
Fidelity Guarantee	73,704	137,180
Burglary	259,640	252,502
Cash in Transit Including Cash in Safe	388,982	399,385
Goods in Transits	69,916	75,101
Products Liability	49,948	53,632
Public Liability	159,683	266,540
Bankers' Indemnity	325,318	342,786
Air Craft Hull	577,559	575,595
WCI	375,507	477,941
Others	2,372,637	1,519,825
Subtotal	14,226,573	14,901,295
Less : Total of SRCC & T due to NITF	(293,448)	(294,773)
Coinsurance Premium	(17,903)	(33,262)
Total Miscellaneous Insurance GWP	13,915,222	14,573,260

(a) Reinstated Audited figures (Except NITF)

(b) Provisional figures

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Gross Written Premium, Reinsurance Premium and Retention by Insurers – General Insurance Business

Table 15 and chart 15 depict the GWP generated by insurance companies, reinsurance premium ceded to reinsurers and the retention levels of main classes of general insurance business from 2011 to 2015. In 2015, Rs. 10,358 million had been ceded to reinsurers (2014: Rs. 9,519 million) out of the total GWP of Rs. 65,798 million exclusive of SRCC & T premium generated by general insurers

(2014: Rs.57,967 million) which resulted in overall retention ratio of 84.26% (2014:83.58%).

Similar to previous years, the highest retention ratio was recorded in motor insurance business which amounted to 97.46% in 2015 (2014:98.22%). Similar to last five years miscellaneous insurance recorded the second highest retention ratio which amounted to 79.74% in 2015 (2014: 81.07%) and indicated a decrease of 1.33% compared to year 2014.

The retention ratio of marine insurance had increased to 41.25% in 2015 compared to 38.71% recorded in 2014. Reinsurance premium ceded to reinsurers in respect of marine insurance has increased to Rs. 1,211 million in 2015 from Rs. 1,172 million recorded in 2014.

Similar to previous years fire insurance recorded the lowest retention ratio in 2015 which amounted to 22.32% and had increased by 2.21% compared to previous year.

Table 15

Gross Written Premium, Reinsurance Premium and Retention by Insurers - General Insurance Business

Class	Gross Written Premium (Rs.'000)				
	2011 (a)	2012 (a)	2013 (a)	2014(b)	2015(c)
Fire	5,379,788	5,474,094	6,303,725	6,353,292	6,578,842
Marine	1,679,794	1,927,096	1,796,969	1,911,944	2,061,222
Motor	27,356,318	31,844,102	33,331,917	35,786,941	42,584,532
Miscellaneous	10,506,321	11,686,509	14,307,720	13,915,221	14,573,260
Sub Total	44,922,221	50,931,801	55,740,331	57,967,398	65,797,856
SRCC & T	2,006,531	2,281,177	2,543,784	2,835,201	3,016,868
Total	46,928,752	53,212,978	58,284,115	60,802,599	68,814,724

Class	Reinsurance Premium (Rs.'000)				
	2011 (a)	2012 (a)	2013 (a)	2014(b)	2015(c)
Fire	4,090,136	4,140,877	4,823,732	5,075,545	5,110,528
Marine	847,392	1,326,369	998,976	1,171,768	1,210,958
Motor	387,211	478,478	864,394	636,603	1,083,455
Miscellaneous	2,302,942	2,752,627	2,700,309	2,634,795	2,953,005
Total Reinsurance Premium	7,627,681	8,698,351	9,387,411	9,518,711	10,357,946

Class	Retention (Rs.'000)				
	2011 (a)	2012 (a)	2013 (a)	2014(b)	2015(c)
Fire	1,289,652	1,333,216	1,479,993	1,277,747	1,468,314
Marine	832,402	600,727	797,994	740,176	850,264
Motor	26,969,107	31,365,623	32,467,523	35,150,338	41,501,077
Miscellaneous	8,203,379	8,933,883	11,607,411	11,280,426	11,620,255
Total Net Written Premium	37,294,540	42,233,449	46,352,921	48,448,687	55,439,910

Class	Retention as a Percentage of Gross Written Premium (%)				
	2011 (a)	2012 (a)	2013 (a)	2014(b)	2015(c)
Fire	23.97	24.36	23.48	20.11	22.32
Marine	49.55	31.17	44.41	38.71	41.25
Motor	98.58	98.50	97.41	98.22	97.46
Miscellaneous	78.08	76.45	81.13	81.07	79.74
Overall Retention Ratio	83.02	82.92	83.16	83.58	84.26

(a) Reinstated Audited figures

(b) Reinstated Audited figures (Except NITF)

(c) Provisional figures

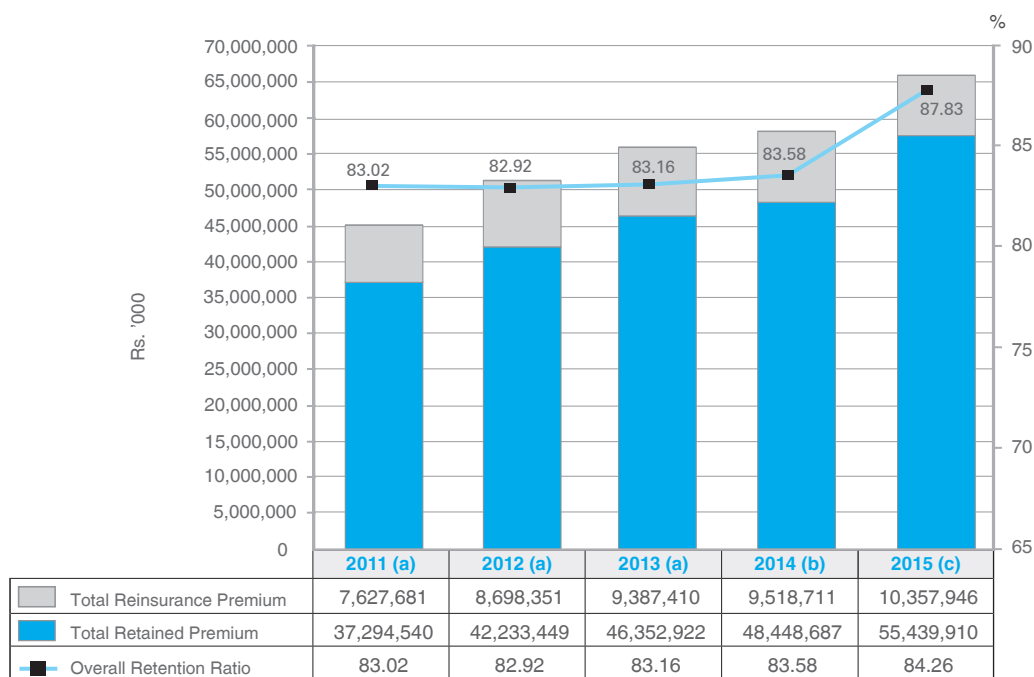
Note:

Re-insurance premium details are not applicable for SRCC & T Premums of NITF.

STATISTICAL REVIEW CONTD...

Chart 15

Reinsurance Premium and Retention by Insurers - General Insurance Business



- (a) Reinstated Audited figures
 (b) Reinstated Audited figures (Except NITF)
 (c) Provisional figures

Net Earned Premium, Net Claims Incurred, Net Claims Ratio, Net Expenses Ratio and Net Combined Ratio - General Insurance Business

Net earned premium generated from main sub-classes of general insurance business increased to Rs. 54,148 million in 2015 from Rs. 49,597 million generated in 2014 by 9.18% as depicted in Table 16. Motor insurance business recorded the highest net earned premium that amounted to Rs. 37,946 million (2014 : 33,821 million) and reflected 70.08% of total net earned premium recorded in 2015.

Total net claims incurred during 2015 amounted to Rs. 33,897 million indicating an increase of 12.93% compared to Rs. 30,016 million recorded in 2014. Motor insurance business accounted for 72.55% of total net claims incurred in 2015 by recording claims amounted to Rs. 24,593 million (2014: Rs 20,281 million).

Net claims ratio, which reflects net claims as a percentage of net

earned premiums, was highest for miscellaneous insurance business in 2015 which reflects 77.12% (2014: 78.41%). Accordingly net claim ratio of miscellaneous insurance business had marginally declined in 2015 compared to 2014.

Motor insurance business recorded a net claims ratio of 64.81% in 2015 which was higher than the net claims ratio of 59.97% recorded in 2014. Though net earned premium of motor insurance business had increased to Rs. 37,946 million in 2015 from Rs. 33,821 million recorded in 2014 by 12.19%, net claims ratio of motor insurance business had increased due to significant increase of claims incurred by 21.26% in 2015 when compared with 2014.

Fire insurance business recorded a net claims ratio of 45.77% in 2015 and reflected a considerable decrease over 57.78% recorded in 2014. Net claims incurred for marine insurance business has recorded a 35.24% net claim ratio

which is similar to the net claim ratio recorded in 2014 of 35.37%.

Net claims ratio of SRCC & T has significantly dropped to -0.01% in 2015 from 2.11% recorded in 2014 due to the over provision made by NITF in 2014.

As reflected in Table 16 and Chart 16 net expenses incurred by general insurance sector which amounted to Rs. 19,522 million in 2015 (2014: Rs.23,991 million) had decreased by 18.63% in 2015. The overall net expense ratio of general insurance business including SRCC & T has also decreased to 36.05% in 2015 compared to 48.37% recorded in 2014. Net combined ratio which reflects the aggregate of net claims ratio and net expense ratio had decreased to 98.65% from 108.89% recorded in 2014. A combined ratio not exceeding 100% reflects that the total claims and expenses incurred by the general insurance sector had been lower than the earned premium which is favorable to the general insurance business.

STATISTICAL REVIEW CONTD...

Table 16

Net Earned Premium, Net Claims Incurred, Net Claims Ratio, Net Expense Ratio and Net Combined Ratio - General Insurance Business

Class	Net Earned Premium (Rs.'000)				
	2011 (a)	2012 (a)	2013 (a)	2014(b)	2015(c)
Fire	1,145,285	1,452,556	1,405,887	1,241,985	1,283,057
Marine	804,444	546,598	806,277	753,643	804,393
Motor	23,790,270	29,499,705	31,346,284	33,821,396	37,945,841
Miscellaneous	7,670,795	8,192,094	10,845,577	11,087,494	10,936,252
Sub Total	33,410,794	39,690,953	44,404,025	46,904,518	50,969,543
SRCC & T (d)	1,864,652	2,185,222	2,406,477	2,692,730	3,178,495
Total	35,275,446	41,876,175	46,810,502	49,597,248	54,148,038

Class	Net Claims Incurred (Rs.'000)				
	2011 (a)	2012 (a)	2013 (a)	2014(b)	2015(c)
Fire	482,646	506,092	810,281	717,626	587,194
Marine	232,189	321,562	432,748	266,560	283,458
Motor	15,544,386	18,351,251	19,514,319	20,281,109	24,592,825
Miscellaneous	5,683,867	6,176,879	6,170,826	8,694,096	8,433,888
Sub Total	21,943,088	25,355,784	26,928,174	29,959,391	33,897,365
SRCC & T (d)	(141,694)	37,076	2,332	56,897	(240)
Total	21,801,394	25,392,860	26,930,506	30,016,288	33,897,125

Class	Net Claims Ratio (%)				
	2011 (a)	2012 (a)	2013 (a)	2014(b)	2015(c)
Fire	42.14	34.84	57.63	57.78	45.77
Marine	28.86	58.83	53.67	35.37	35.24
Motor	65.34	62.21	62.25	59.97	64.81
Miscellaneous	74.10	75.40	56.90	78.41	77.12
Sub Total	65.68	63.88	60.64	63.87	66.51
SRCC & T (d)	(7.60)	1.70	0.10	2.11	(0.01)
Total	61.80	60.64	57.53	60.52	62.60

Description	Net Expenses (Rs.'000)				
	2011 (a)	2012 (a)	2013 (a)	2014(b)	2015(c)
Net Expenses for all classes of General Insurance Business except SRCC & T	12,105,102	14,807,142	17,359,623	21,322,543	19,035,896
SRCC & T (d)	329,202	386,071	414,422	2,668,435	486,474
Total	12,434,304	15,193,213	17,774,045	23,990,978	19,522,370

Description	Net Expense / Ratio (%)				
	2011 (a)	2012 (a)	2013 (a)	2014(b)	2015(c)
Net Expenses Ratio for all classes of General Insurance Business except SRCC & T	36.23	37.31	39.09	45.46	37.35
Net Expense Ratio of General Insurance Business	35.25	36.28	37.97	48.37	36.05

Description	Net Combined / Ratio (%)				
	2011 (a)	2012 (a)	2013 (a)	2014(b)	2015(c)
Net Combined Ratio for all classes of General Insurance Business except SRCC & T	101.91	101.19	99.74	109.33	103.86
Net Combined Ratio of General Insurance Business	97.05	96.92	95.50	108.89	98.65

(a) Reinstated Audited figures

(b) Reinstated Audited figures (Except NITF)

(c) Provisional figures

(d) SRCC and T details were included in above analysis as per information submitted by NITF

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Chart 16

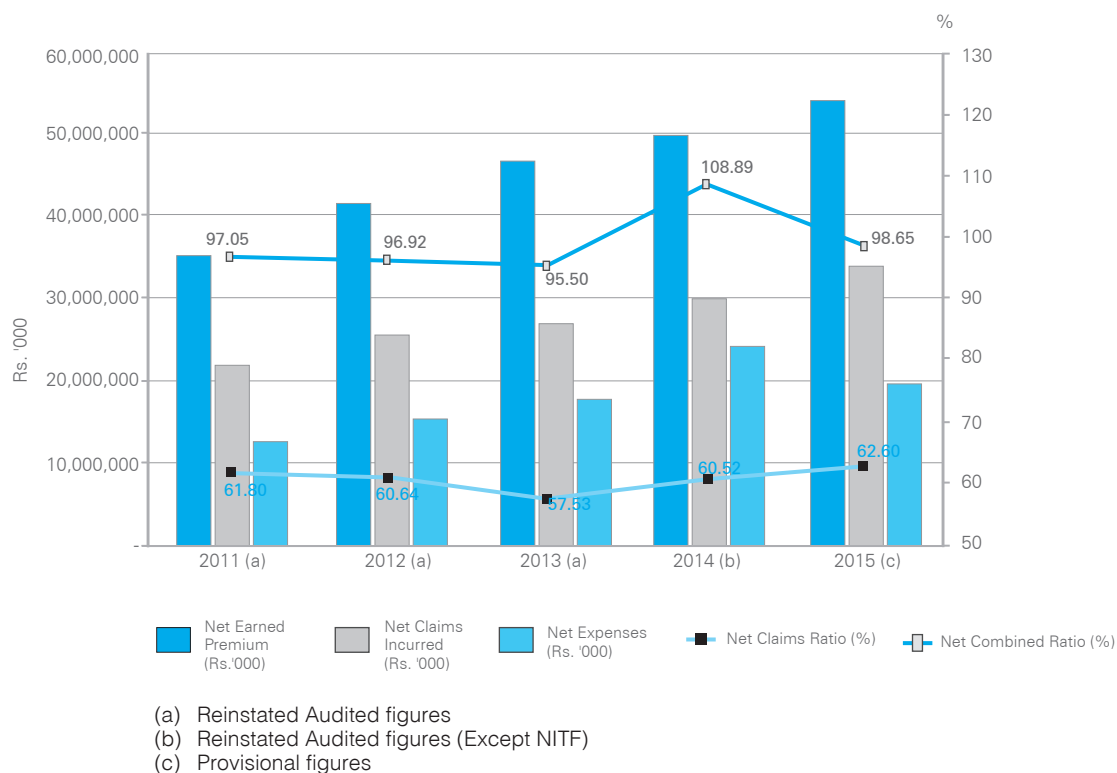
Net Earned Premium, Net Claims Incurred, Net Expenses, Net Claims Ratio and Net Combined Ratio - General Insurance Business**Number of Policies Representing Gross Written Premium – General Insurance Business**

Table 17 illustrates the total number of insurance policies which had contributed to generate GWP of different sub-classes of general insurance business during the period 2011 to 2015. The total number of insurance policies related to all sub-classes of general insurance business has increased to 5,191,170 in

2015 from 4,597,188 policies reported in 2014.

As depicted in Table 17 total number of policies of general insurance business had increased gradually during the past five years. Motor insurance business accounted for the largest number of policies from a single sub-class of general insurance business representing 87.97% of total policies in year 2015. Further, total number of

motor insurance policies amounted to 4,566,914 in 2015 which comprised of 2,478,380 third party insurance policies and 2,088,534 comprehensive insurance policies.

Insurance policies of fire, marine and miscellaneous insurance business had increased in 2015 compared to 2014. However insurance policies of workmen compensation had decreased in 2015 compared to 2014.

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Table 17

Number of Policies Representing Gross Written Premium - General Insurance Business

	2011	2012	2013	2014	2015
Fire	205,657	186,478	177,749	188,578	215,047
Marine	169,748	154,528	158,893	186,447	190,334
Motor					
3rd Party Only	2,086,490	1,997,502	2,126,037	2,229,153	2,478,380
Comprehensive	1,213,255	1,476,423	1,669,022	1,775,009	2,088,534
WCI	17,197	17,422	18,717	16,087	14,784
Miscellaneous					
Health	7,925	10,262	11,609	13,716	17,155
Excluding Health	204,782	198,406	167,414	188,198	186,936
Total	3,905,054	4,041,021	4,329,441	4,597,188	5,191,170

Assets of General Insurance Business and Shareholders

Table 18 and Chart 17 demonstrate the concentration of assets of general insurance business and shareholders as at 31st December 2015. Total assets of general insurance business including shareholders' assets amounted to Rs. 157,001 million as at 31st December 2015 (2014: Rs. 173,964 million) and recorded a decline of 9.75% compared to total assets recorded as at 31st December 2014. This decline was due to segregation of composite insurance companies which came into effect in 2015 where part of the shareholders assets previously considered under general insurance business is now considered under long term insurance

business.

Equities were the main investment category of the general insurance business and amounted to Rs. 46,295 million and represented 29.49% of the total asset portfolio of general insurance business in 2015.

Investment in government securities amounted to Rs. 38,042 million (2014: Rs. 31,770 million) recorded as at 31st December 2015 and represented the second largest asset category in general insurance business. Investments in government securities recorded a growth of 19.74% compared to previous year. Throughout the year the Board ensured that insurance companies invest at least 20% of investments of

Technical Reserves in government securities as stipulated by the Act and the remaining assets in accordance with Determination 1.

Deposits accounted for Rs. 14,729 million (2014: Rs. 20,756 million) and represented 9.38% of the total assets which recorded a decline of 2.55% compared to 2014 mainly due to lower interest rates prevailed during the year.

Land and buildings, corporate debts, other assets and reinsurance receivables were the other main asset categories of general insurance business and shareholders which accounted for 6.83%, 5.84%, 5.52% and 4.57% of total assets respectively as at 31st December 2015.

Table 18

Concentration of Assets of General Insurance Business and Shareholders as at 31st December 2014 & 2015

Type of Asset	2014 (a)		2015 (b)	
	Rs.'000	%	Rs.'000	%
Government Debt Securities	31,769,804	18.26	38,042,180	24.23
Equities	47,879,441	27.52	46,294,932	29.49
Corporate Debt	7,965,919	4.58	9,170,186	5.84
Land & Buildings	11,996,569	6.90	10,717,660	6.83
Deposits	20,756,018	11.93	14,728,905	9.38
Unit Trusts	2,362,112	1.36	1,831,049	1.17
Investments in Gold	110,491	0.06	2,491	0.00
Reinsurance Receivable	6,590,214	3.79	7,174,876	4.57
Premium Receivable from Policyholders and Intermediaries	13,580,926	7.81	14,854,319	9.46
Property Plant and Equipments	5,234,702	3.01	3,031,498	1.93
Other Assets	23,219,013	13.34	8,671,785	5.52
Cash and Cash Equivalents	2,498,656	1.44	2,481,252	1.58
Total	173,963,865	100	157,001,133	100

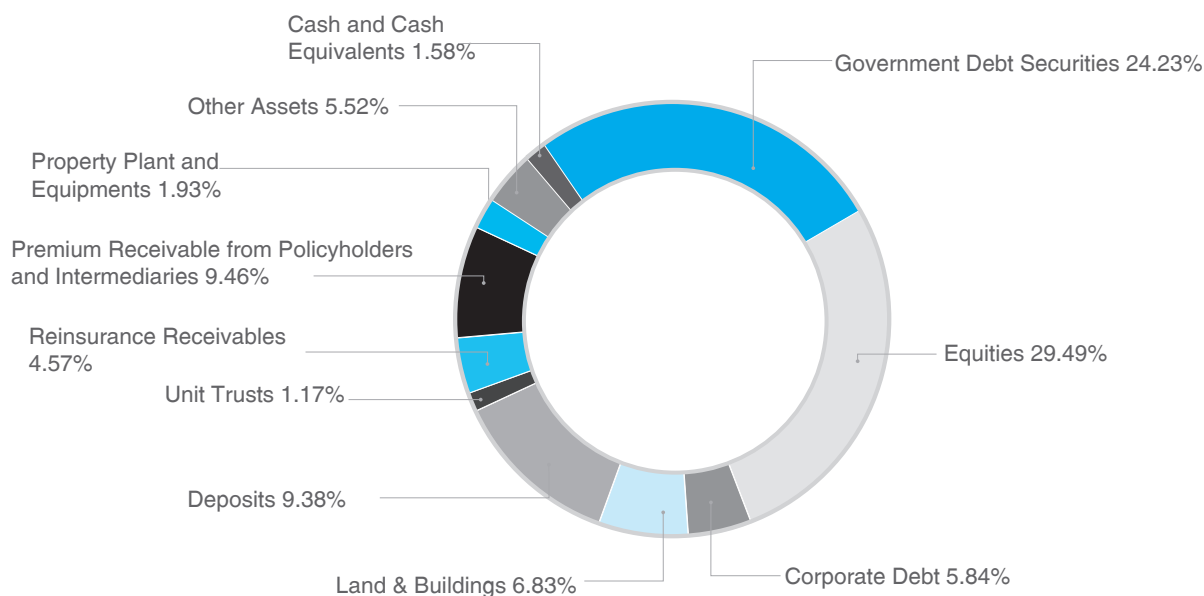
(a) Reinstated Audited figures (Except NITF)

(b) Provisional figures

STATISTICAL REVIEW CONTD...

Chart 17

Concentration of Assets of General Insurance Business and Shareholders - 31st December 2015



Investment Income of General Insurance Business and Shareholders

As depicted in the Table 19, average investment of general insurance business amounted to Rs.122,895 million in 2015 which increased by 8.36% compared to Rs. 113,411 million recorded in 2014. The total investment income recorded for the year 2015 amounted to Rs. 7,102 million (2014: Rs. 8,759 million) and resulted in an overall investment yield of 5.78% recorded in 2015.

Equities were the largest investment category of the general insurance

business with an average investment of Rs. 47,087 million (2014: Rs. 41,427 million) and generated an investment yield of 3.36% in 2015. Average investment in government securities amounted to Rs. 34,906 million in 2015 (2014 : Rs. 29,966 million) and generated an investment income of Rs. 2,657 million (2014 : 2,973 million). Investment yield ratio of government securities was 7.61% in 2015 recording a decline compared to 9.92% recorded in 2014.

Average investment in deposits in bank and finance companies amounted to Rs. 17,742 million and recorded a

negative growth of 10.64% compared to Rs.19,856 million recorded in 2014. Deposits generated an investment income of Rs. 1,025 million (2014: Rs.1,640 million) which reflected a significant drop of 37.47% when compared to 2014. Investment yield of deposits amounted to 5.78% in 2015 and recorded a decline of 2.48% when compared to the investment yield of 8.26% recorded in 2014.

Further, during 2015 corporate debts, land and buildings, unit trusts and other investments generated investment yield ratios of 11.86%, 0.05%, 6.91% and 62.13% respectively.

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Table 19

Breakup of Investment Income and Average Investments - General Insurance Business

Category	2014(a)			2015(b)		
	Investment Income (Rs. '000)	Average Investments (Rs. '000)	Investment Yield Ratio (%)	Investment Income (Rs. '000)	Average Investments (Rs. '000)	Investment Yield Ratio (%)
Government Debt Securities	2,972,870	29,966,376	9.92	2,657,461	34,905,992	7.61
- Treasury Bonds	1,608,179			1,626,662		
- Treasury Bills	535,623			345,291		
- Others (REPO)	829,068			685,508		
Equity	2,431,584	41,426,961	5.87	1,580,380	47,087,187	3.36
- Capital Gain/Losses	1,061,387			190,854		
- Dividend	1,370,197			1,389,526		
Corporate Debts	1,010,606	6,969,483	14.50	1,016,453	8,568,052	11.86
- Debentures	985,538			991,438		
- Commercial Papers	8,635			21,129		
- Asset backed securities	10,333					
- Other similar financial instruments	6,100			3,886		
Land and Buildings	10,913	11,537,337	0.09	6,050	11,357,114	0.05
Deposits	1,639,876	19,855,959	8.26	1,025,338	17,742,461	5.78
- Bank	1,368,330			782,906		
- Finance Companies	271,546			242,432		
Unit Trust	238,938	2,202,467	10.85	144,797	2,096,580	6.91
Gold	(606)	71,355	(0.85)		56,491	
Others	455,216	1,380,770	32.97	672,011	1,081,601	62.13
Total	8,759,397	113,410,708	7.72	7,102,490	122,895,478	5.78

(a) Reinstated Audited figures (Except NITF)

(b) Provisional figures

Note:

Investment income, Average investments belonging to shareholders of composite insurance companies namely ; SLIC, MBSL and Sanasa had been reported under general insurance business.

Solvency Position of Insurance Companies- General Insurance Business

Table 20 illustrates the solvency ratio and technical reserve details recorded by individual general insurance companies as at 31st December 2014 and 31st

December 2015. The average solvency ratio of general insurance business was 2.59 at the end of year 2015 compared to 2.8 in 2014. However, four insurance companies were unable to comply with the solvency margin requirement as at 31st December 2015 and the Board

has taken appropriate action regarding same. Technical Reserves of insurance companies amounted to Rs. 46,756 million at the end of year 2015 (2014: Rs. 40,200 million) and represent a positive growth of 16.31% compared to year 2014.

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Table 20

Company-wise Analysis of Solvency Position and Technical Reserves as at 31st December 2014 & 2015 - General Insurance Business

Insurer	2014(a)		2015 (b)			
	Solvency Ratio (ASM/RSM)	Technical Reserves (Rs. '000)	Available Solvency Margin (ASM) (Rs.'000)	Required Solvency Margin (Rs. '000)	Solvency Ratio (ASM/RSM)	Technical Reserves (Rs. '000)
AIA Gen.	3.13	1,833,987	1,419,434	520,089	2.73	2,055,784
AIG	2.78	72,002	97,752	50,000	1.96	37,146
Allianz Gen.	1.44	1,278,412	596,005	414,133	1.44	1,721,995
Amana Gen.	1.01	493,240	235,338	256,999	0.92	548,157
Asian Gen.	1.71	999,641	220,604	357,299	0.62	1,160,041
Ceylinco Gen.	1.48	6,110,117	2,911,584	2,114,069	1.38	6,504,627
Continental	2.52	761,969	808,295	344,545	2.35	1,014,865
Cooperative Gen.	1.24	1,076,600	192,258	331,227	0.58	1,229,298
HNB Gen.	3.24	1,150,323	662,337	441,411	1.50	1,407,205
Janashakthi Gen.	1.71	4,327,793	2,983,964	1,308,855	2.28	4,785,305
LOLC Gen.	1.45	1,326,137	608,241	440,389	1.38	1,885,375
MBSL	1.18	539,107	87,897	123,975	0.71	454,850
Orient	4.05	259,891	297,276	120,344	2.47	432,036
People's	1.60	2,581,583	1,269,729	701,661	1.81	2,870,881
Sanasa	2.84	177,876	82,897	53,966	1.54	162,689
SLIC	3.80	11,929,930	10,490,470	2,743,171	3.82	13,646,766
Union Gen.	3.17	3,152,537	2,722,386	926,530	2.94	3,471,493
NITF	4.90	2,128,643	7,758,204	1,639,840	4.73	3,367,198
Total	2.80	40,199,788	33,444,671	12,888,503	2.59	46,755,711

(a) Reinstated Audited figures (Except NITF)

(b) Provisional figures

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Details of New, Renewed and Policies In Force- General Insurance Business

As depicted in Table 21, total number of policies in force of general insurance was 5,123,180 at the end of 2015 and represented growth of 14.88% compared to 4,459,684 policies recorded in 2014. In 2015

motor insurance policies represented 88.57% of the total policies in force and comprised of 2,473,136 third party policies and 2,064,460 comprehensive policies. Fire insurance policies in force have increased to 226,638 in 2015 from 182,808 policies recorded at the end of 2014. Miscellaneous insurance policies including WCI policies and Marine insurance policies in force

represented 3.89% and 3.11% of total policies in force respectively.

During the year, insurance companies have written 2,460,564 new policies which has increased by 23.85% compared to previous year. 2,779,509 policies have been renewed during 2015 compared to 2,615,005 policies renewed during 2014.

Table 21

Details of New, Renewed and Policies in Force - General Insurance Business

	2014			2015		
	New policies	Renewed Policies	Policies inforce at year end	New policies	Renewed Policies	Policies inforce at year end
Fire	69,731	122,025	182,808	85,041	144,348	226,638
Marine	183,957	2,286	157,806	187,167	3,879	159,563
Motor	1,597,703	2,413,204	3,902,997	2,033,228	2,575,150	4,537,596
3rd party only	895,971	1,329,523	2,227,949	1,079,452	1,393,729	2,473,136
Comprehensive	701,732	1,083,681	1,675,048	953,776	1,181,421	2,064,460
Miscellaneous including WCI	135,390	77,490	216,073	155,128	56,132	199,383
Total	1,986,781	2,615,005	4,459,684	2,460,564	2,779,509	5,123,180

Reinsurance Business

National Insurance Trust Fund is the only Sri Lankan body which provides reinsurance cover to primary insurers. As per the government Gazette notification No. 1791/4 of 31st December 2012, all primary insurers are required to cede 30% of their total liability arising out of every general reinsurance to NITF.

During 2015, reinsurance premium income of NITF amounted to Rs. 1,784 million, declining by 12.59% compared to Rs. 2,041 million generated in 2014. This decline in premium income was mainly due to 15.88% decline in total reinsurance premium of general insurance business in 2015 which amounted to Rs. 8,007 million (2014:

Rs. 9,519 million) which resulted in increased retention levels for most sub-classes of general insurance business, particularly in fire insurance business.

Total assets held by the reinsurance business of NITF amounted to Rs. 3,381 million as at 31st December 2015, up by 10.31% compared to assets worth of Rs. 3,065 million recorded at the end of year 2014. As at the end of year 2015, NITF's reinsurance business has invested in government securities amounted to Rs. 2,640 million (2014: Rs. 1,955 million) which generated an investment income of Rs. 186 million (2014: Rs. 79 million). Accordingly, the investment yield ratio amounted to 8.10% in 2015 (2014: 5.74%).

During 2015, NITF received 278 reinsurance claims and claims paid amounted to Rs. 796 million. Further, net claims incurred during 2015 amounted to Rs. 1,265 million (2014: Rs. 774 million) which resulted in a claims ratio of 68.30% (2014: 45.75%).

Reinsurance business of NITF incurred expenses amounted to Rs. 539 million during 2015 recording a significant increase of 93.19% over Rs. 279 million incurred in 2014 and resulted in an expense ratio of 29.10% (2014: 16.43%). Accordingly, the combined ratio which is the aggregate of claims ratio and expense ratios amounted to 97.40% in 2015, increasing significantly by 35.22% over 62.18% recorded in 2014.

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Insurance Brokering Companies

Performance of Insurance Brokering Companies

During 2015, fifty seven insurance brokering companies operated in the market and generated a GWP amounting to Rs.16,330 million. Accordingly, total GWP generated through insurance brokering business recorded a growth of 10.96% in 2015 when compared to Rs.14,717 million generated in 2014. This total GWP consisted of premium income generated through long term insurance business and general

insurance business which amounted to Rs.206 million and Rs.16,124 million respectively. Out of the total GWP generated through insurance brokering companies, 98.74% represented GWP of general insurance business and only 1.26% represented GWP of long term insurance business.

Similar to previous years, insurance brokering companies' contribution towards long term insurance business was insignificant in 2015 and only 0.38% of the total GWP of long term insurance business (Rs.53,575 million) was generated from brokers. Insurance

brokering companies have generated 23.43% of the total GWP of general insurance business which amounted to Rs.68,815 million (including SRCC & T premium).

In 2015, twenty three insurance brokering companies procured GWP exceeding Rs.100 million each and these insurance brokers collectively generated GWP amounting to Rs.15,188 million. The remaining thirty four insurance brokering companies generated Rs. 1,142 million as depicted in Table 22.

Table 22
Gross Written Premium generated through Insurance Brokering Companies -2015

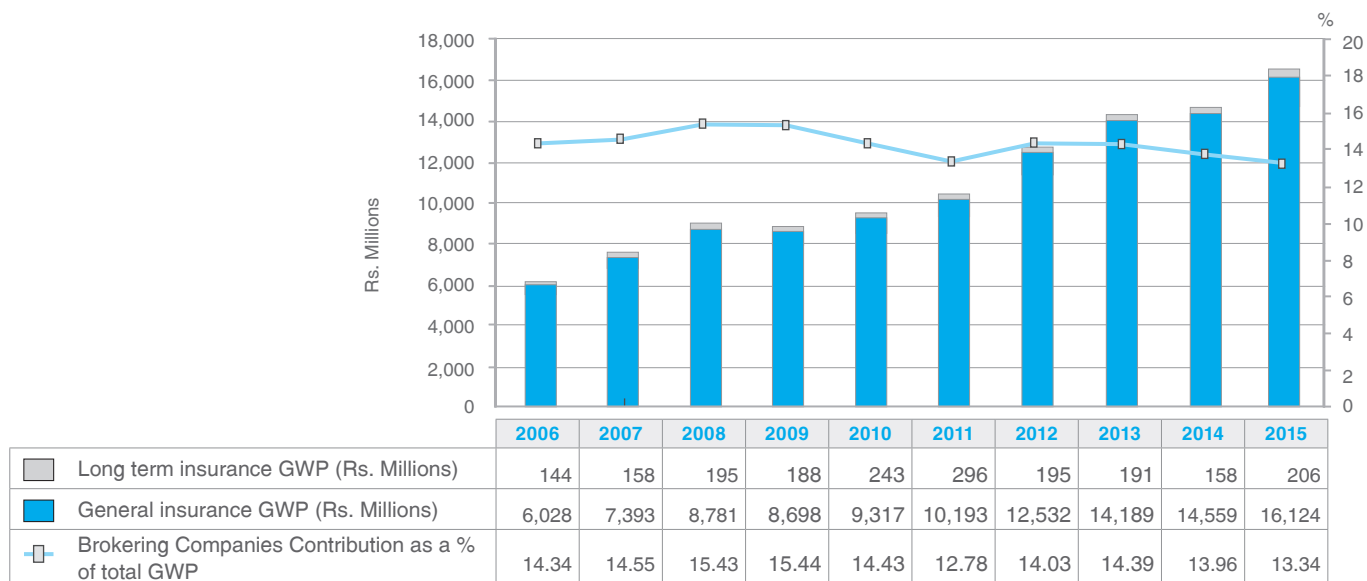
	Name of the Brokering Company	Gross Written Premium (*)					
		Long Term Insurance Business		General Insurance Business		Total	
		Rs.('000)	Market Share (%)	Rs.('000)	Market Share (%)	Rs.('000)	Market Share (%)
1	ADZ Insurance Brokers (Pvt) Ltd.	7,310	3.56	302,331	1.88	309,641	1.90
2	Aitken Spence Insurance Brokers (Pvt) Ltd.	375	0.18	379,527	2.35	379,902	2.33
3	Alfinco Insurance Brokers (Pvt) Ltd.	-	-	555,990	3.45	555,990	3.41
4	Assetline Insurance Brokers Limited.	-	-	1,247,902	7.74	1,247,902	7.64
5	CF Insurance Brokers (Pvt) Ltd.	46	0.02	2,231,407	13.84	2,231,453	13.67
6	Colombore Insurance Brokers (Pvt) Ltd.	1,324	0.64	273,173	1.69	274,497	1.68
7	Commercial Insurance Brokers (Pvt) Ltd.	63,782	31.02	1,946,679	12.07	2,010,461	12.32
8	Delmege Insurance Brokers (Pvt) Ltd.	16,438	8.00	991,549	6.15	1,007,987	6.17
9	Equity Insurance Brokers (Pvt.) Ltd.	-	-	129,878	0.81	129,878	0.80
10	Essajee Carimjee Insurance Brokers (Pvt) Ltd.	16,720	8.13	359,505	2.23	376,225	2.30
11	Finlay Insurance Brokers (Pvt) Ltd.	16,425	7.99	1,389,042	8.61	1,405,467	8.61
12	Foresight Insurance and Reinsurance Brokers (Pvt) Ltd.	-	-	169,173	1.05	169,173	1.04
13	Global Insurance Brokers and Services (Pvt) Ltd.	27	0.01	103,789	0.64	103,816	0.64
14	Life & General Insurance Brokers Ceylon (Pvt) Ltd.	799	0.39	137,610	0.85	138,409	0.85
15	Mercantile Insurance Brokers (Pvt) Ltd.	-	-	174,170	1.08	174,170	1.07
16	Nations Insurance Brokers Ltd.	10,573	5.14	1,223,715	7.59	1,234,288	7.56
17	Procure Insurance Brokers (Pvt) Ltd.	1,299	0.63	219,870	1.36	221,169	1.35
18	Protection & Assurance Insurance Brokers (Pvt) Ltd.	-	-	1,166,721	7.24	1,166,721	7.15
19	Reliance Insurance Brokers (Pvt) Ltd.	11,536	5.61	397,602	2.47	409,138	2.51
20	Senaratne Insurance Brokers (Pvt) Ltd.	5,257	2.56	503,327	3.12	508,584	3.10
21	Senkadagala Insurance Brokers (Pvt) Ltd.	-	-	718,966	4.46	718,966	4.40
22	Strategic Insurance Brokers (Pvt) Ltd.	19,701	9.58	200,934	1.25	220,635	1.35
23	Zenith Insurance Brokers (Pvt) Ltd.	1,084	0.53	192,477	1.19	193,561	1.19
	Sub - Total	172,696	84.00	15,015,337	93.12	15,188,033	93.01
	Other Insurance Brokering Companies (34)	32,889	16.00	1,108,754	6.88	1,141,643	6.99
	Grand total	205,585	100	16,124,091	100	16,329,676	100

* GWP figures are based on information submitted by Insurance Brokering companies.

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Chart 18

Gross Written Premium generated through insurance brokering companies from 2006 to 2015



Abbreviations for Insurance Companies

AIA Life	: AIA Insurance Lanka PLC	HNB Gen.	: HNB General Insurance Ltd.
AIA Gen.	: AIA General Insurance Lanka Ltd.	Janashakthi Life	: Janashakthi Insurance PLC
AIG	: AIG Insurance Ltd.	Janashakthi Gen.	: Janashakthi General Insurance Ltd.
Allianz Gen.	: Allianz Insurance Lanka Ltd.	LIC	: Life Insurance Corporation (Lanka) Ltd.
Allianz Life	: Allianz Life Insurance Lanka Ltd.	LOLC	: LOLC Asset Holding Ltd.
Amana Gen.	: Amana Takaful PLC	LOLC Gen.	: LOLC General Insurance Ltd.
Amana Life	: Amana Takaful Life Ltd.	LOLC Life	: LOLC Life Assurance Ltd.
Arpico	: Arpico Insurance PLC	MBSL	: MBSL Insurance Company Ltd.
Asian Life	: Asian Alliance Insurance PLC	NITF	: National Insurance Trust Fund
Asian Gen.	: Asian Alliance General Insurance Ltd.	Orient	: Orient Insurance Ltd.
Ceylinco	: Ceylinco Insurance PLC	People's	: People's Insurance Ltd.
Ceylinco Gen.	: Ceylinco General Insurance Ltd.	Sanasa	: Seemasahitha Sanasa Rakshana Samagama
Ceylinco Life	: Ceylinco Life Insurance Ltd.	SLIC	: Sri Lanka Insurance Corporation Ltd.
Continental	: Continental Insurance Lanka Ltd.	Union Life	: Union Assurance PLC
Cooperative Gen.	: Cooperative Insurance Company Ltd.	Union Gen.	: Union Assurance General Ltd.
Cooplif	: Cooplife Insurance Ltd.		
HNB Life	: HNB Assurance PLC		