

Insurance Industry as at June 2015

Overview of the Insurance Industry

For the six months period ended June 2015, nine (9) of the ten (10) registered general insurance companies were operational; while, six (6) of the seven (7) registered life insurance companies were operational

The insurance companies earned less foreign exchange gains during the six- month period ended June 2015 compared to the similar period in 2014. This was due mainly to the slower rate of the devaluation of the Jamaican dollar against the United States Dollar for the period under review compared to the corresponding period in 2014. Consequently, other income and net income for the overall insurance industry were lower than the comparative six month period ended June 2014.

Tables 1, 2 and 3 display selected financial indicators for both types of insurance companies.

Table 1 - Statistical Information and Financial Position of the Life Insurance Industry							
As at	Mar 14 \$'B	Jun 14 \$'B	Sep 14 \$'B	Dec 14 \$'B	Mar 15 \$'B	Jun 15 \$'B	%age Change between Jun '14 & Jun '15
Balance Sheet							
Total Investment Assets	227.7	232.6	238.1	244.0	247.5	253.8	9.1
Total Assets	255.6	250.2	256.6	261.7	265.7	271.7	8.6
Insurance Liabilities	75.2	76.9	78.1	80.0	79.6	82.6	7.4
Other Liabilities	116.6	117.9	121.7	122.9	125.2	127.5	8.1
Total Liabilities	191.8	194.8	199.8	202.9	204.8	210.1	7.8
Capital & Surplus	63.8	55.4	56.8	58.9	60.8	61.5	11.0
Profit and loss (YTD)							
Net Premium Earned	11.6	21.4	31.4	41.7	10.6	21.4	0.0
Net Investment Income	4.7	9.4	14.2	19.3	4.8	10.1	7.4
Other Income	1.1	3.4	4.38	5.2	0.9	2.0	(41.2)
Total Expenses before tax	14.5	26.8	39.1	51.6	13.8	28.1	4.8
Net Income before tax	2.9	6.8	10.8	13.1	2.6	5.4	(20.6)
Net Income	2.7	6.8	10.0	13.7	2.2	5.0	(26.5)

Note: YTD: Year to Date

Table 2 - Statistical Information and Financial Position of the General Insurance Industry							
As at	Mar 14 \$'B	Jun 14 \$'B	Sep 14 \$'B	Dec 14 \$'B	Mar 15 \$'B	Jun 15 \$'B	%age Change between Jun '14 & Jun '15
Balance Sheet							
Total Investment Assets	39.6	40.3	41.6	41.1	42.8	43.4	7.7
Total Assets	58.6	62.5	61.9	59.5	62.0	66.3	6.1
Insurance Liabilities	33.4	35.9	35.8	34.5	34.9	36.9	2.8
Other Liabilities	5.8	6.7	5.8	4.4	6.0	7.5	11.9
Total Liabilities	39.2	42.6	41.6	38.9	40.9	44.5	4.3
Capital & Surplus	19.4	19.9	20.3	20.3	19.8	21.8	9.5
Profit and loss (YTD)							
Net Premium Earned	3.8	7.8	11.9	16.0	4.0	8.1	3.8
Net Investment Income	0.7	1.4	2.1	2.8	0.6	1.4	0.0
Other Income	0.2	0.4	0.5	0.9	0.1	0.3	(25.0)
Total Expenses before taxes	3.7	7.3	11.3	15.4	4.3	8.0	9.6
Income (Loss) before Tax	1.1	2.3	3.3	4.3	0.7	1.8	(21.7)
Net Income	0.8	1.7	2.3	2.9	0.5	1.3	(23.5)

Note: YTD: Year to Date

Table 3 - Selected Prudential Ratio for Insurance Companies							
Ratio	14-Mar	14-Jun	14-Sep	14-Dec	15-Mar	15-Jun	FSC Benchmark
Life Companies							
Solvency Ratio	33.3	28.4	28.4	29.0	29.7	29.3	≥ 10%
Return on Capital (YTD)	4.5	13.2	18.9	22.2	4.2	8.6	≤ 20%
General Companies							
Solvency Ratio	46.0	46.0	45.3	52.1	48.5	45.3	≥ 25%
Return on Capital (YTD)	6.1	13.9	17.4	21.2	3.7	8.8	≤ 20%
Underwriting Ratio (YTD)	95.0	93.5	94.6	96.6	100.1	99.2	≤100%

Note: YTD: Year to Date