

## OVERVIEW OF THE INSURANCE INDUSTRY

As at June 30, 2016, eleven general insurance companies were registered; however, only ten were operational. While there were seven registered life insurance companies, only six were in operation during the same period.

### Life Insurance

Total assets of the life insurance industry amounted to \$287.1 billion as at June 30, 2016 (December 2015: \$281.7 billion); representing an increase of 2 per cent over the balance as at December 31, 2015.

For the six-month period ended June 2016 quarter, there was a noticeable increase in the reported revenues for the industry. Net premium income and net investment income increased by 5.1 per cent, and 16.8 per cent respectively compared to the June 2015 quarter. This improvement in revenues boosted the industry aggregate net income before taxes from \$5.4 billion as at June 2015 to \$8.2 billion, representing an increase of 51.9 per cent over the amount earned for the similar period in 2015 (see table 1).

Table 1 - Statistical Information and Financial Position of the Life Insurance Industry						
As at	June 15 \$'B	Sept 15 \$'B	Dec 15 \$'B	Mar 16 \$'B	June 16 \$'B	%age Change between Dec '15 & June '16
<b>Balance Sheet</b>						
Total Investment Assets	253.8	255.3	263.5	267.4	266.4	1.6
<b>Total Assets</b>	271.7	273.9	281.7	287.6	287.1	2.0
Insurance Liabilities	82.6	81.1	81.1	83.2	85.5	5.2
Other Liabilities	127.5	128.7	131.9	133.7	132.6	1.1
<b>Total Liabilities</b>	210.1	209.8	213.1	216.9	218.1	2.6
<b>Capital &amp; Surplus</b>	61.5	64.1	68.6	70.6	69.0	0.0
<b>Profit and loss (YTD)</b>						
Net Premium Earned	21.4	32.1	45.9	11.2	22.5	5.1
Net Investment Income	10.1	15.6	23.0	5.6	11.8	16.8
Other Income	2.0	3.0	4.0	1.2	2.5	25.0
Total Expenses before tax	28.1	38.0	52.1	14.1	28.6	1.8
<b>Net Income before tax</b>	5.4	12.9	21.0	4.0	8.2	51.9
<b>Net Income</b>	5.0	10.4	17.3	3.1	6.3	26.0

## General Insurance

As at June 30, 2016 aggregate total assets of the general insurance industry amounted to \$76.5 billion representing an increase of 17.9 per cent over the \$64.9 billion reported as at December 31, 2015.

For the six-month period ended June 30, 2016, aggregate net income before tax was approximately \$1.8 billion paralleling the corresponding period of June 30, 2015. However, on an after-tax basis, net income for the June 30, 2016 period, at \$1.5 billion, was \$0.2 billion less than the \$1.3 billion reported for the comparative period in 2015 due to less reported taxes. Lower taxes had the effect of bolstering the aggregate net income after tax by 15.4 per cent.

As illustrated in Table 3, the ratios indicate that life and general insurance companies are well capitalized and are generating a positive return on equity.

Table 2 - Statistical Information and Financial Position of the General Insurance Industry						
As at	Jun 15 \$'B	Sept 15 \$'B	Dec 15 \$'B	Mar 16 \$'B	Jun 16 \$'B	%age Change between Dec '15 & June '16
<b>Balance Sheet</b>						
Total Investment Assets	43.4	44.5	45.2	46.7	47.7	5.5
<b>Total Assets</b>	66.3	64.9	64.9	67.9	76.5	17.9
Insurance Liabilities	36.9	37.0	35.3	36.4	42.3	19.8
Other Liabilities	7.5	5.5	6.1	6.9	9.0	47.5
<b>Total Liabilities</b>	44.5	42.5	41.4	43.3	51.3	23.9
<b>Capital &amp; Surplus</b>	21.8	22.4	23.6	24.5	25.2	6.8
<b>Profit and loss (YTD)</b>						
Net Premium Earned	8.1	12.3	16.3	4.1	8.3	2.5
Net Investment Income	1.4	2.0	2.8	0.7	1.6	14.3
Other Income	0.3	0.5	0.7	0.2	0.6	100.0
Total Expenses before taxes	8.0	12.0	15.3	4.3	8.7	8.7
<b>Income (Loss) before Tax</b>	1.8	2.9	4.5	0.7	1.8	0.0
<b>Net Income</b>	1.3	2.0	3.3	0.7	1.5	15.4

**Table 3 - Selected Prudential Ratios for Insurance Companies**

<b>Ratios</b>	<b>15-Jun</b>	<b>15-Sep</b>	<b>15-Dec</b>	<b>16-Mar</b>	<b>16-Jun</b>	<b>FSC Benchmark</b>
<b>Life Companies</b>						
Solvency Ratio	29.3	30.5	32.5	32.5	31.6	≥ 10%
Return on Equity (YTD)	8.6	20.0	30.1	5.6	11.9	≤ 20%
<b>General Companies</b>						
Solvency Ratio	45.3	48.8	53.2	53.0	46.4	≥ 25%
Return on Equity (YTD)	8.8	13.9	18.9	2.9	7.6	≤ 20%
Underwriting Ratio (YTD)	99.2	97.3	96.8	105.2	104.8	≤100%