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# STATISTICAL REPORT

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Insurance Sector Quarterly Review September 2024

DECEMBER 4, 2024  
FINANCIAL SERVICES COMMISSION  
39-43 Barbados Avenue, Kingston 5.

# Insurance Sector Quarterly Review September 2024

## 1. Overview of the Insurance Sector

As at September 30, 2024, there were seventeen registered insurance companies; that is, six life insurance and eleven general insurance companies. Ten of the eleven general insurance companies were fully operational, while one operated as a branch.

Total assets in respect of the insurance sector amounted to \$561.5 billion as at September 30, 2024, which represented an increase of 9.5 per cent or \$48.9 billion when compared to the comparative period in 2023. This increase was mainly driven by growth in the life insurance sector, which rose by 9.9 per cent or \$41.1 billion, to a total of \$456.7 billion (See Figure 1). Total assets for the general insurance sector amounted to \$104.8 billion.

## 2. Performance of Life Insurance Sector

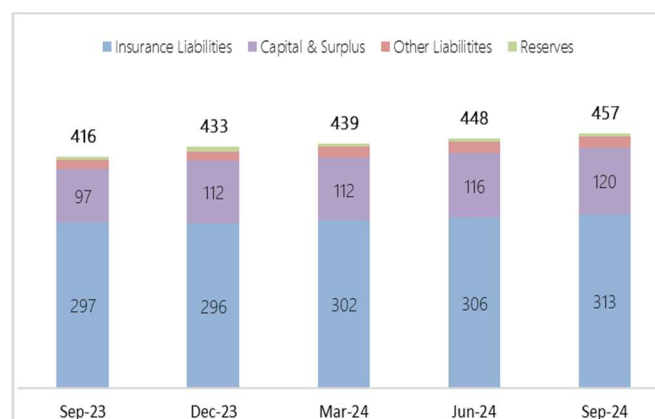
Asset growth in the life insurance sector was driven by investments, which increased by 7.3 per cent or \$24.5 billion relative to September 2023, and was primarily due to investments in public sector domestic securities. Notably, asset growth was also supplemented by a 34.8 per cent

or \$9.0 billion increase in cash and cash equivalents.

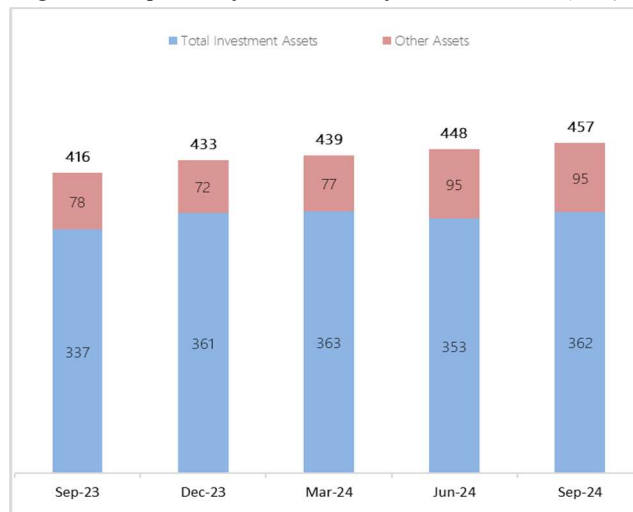
The total insurance liabilities for the life insurance sector increased by 6.2 per cent or \$19.3 billion, which amounted to \$331.5 billion. (See Figure 2). This resulted from a 5.3 per cent or \$13.2 billion increase in the total insurance contract liabilities

For the nine-months period ended September 2024, profit before taxes contracted by 15.2 per cent or \$2.5 billion. This was primarily driven by a 10.3 per cent or \$4.3 billion increase in insurance service expenses coupled with a 20.4

**Figure 2: Composition of Total Liabilities, Equities & Reserves - Life Insurance Sector (\$'Bn)**



**Figure 1: Composition of Total Assets - Life Insurance Sector (\$'Bn)**



per cent or \$2.3 billion decline in net investment result. Despite an 11.6 per cent or \$5.9 billion increase in total insurance revenues, mainly from contracts using the premium allocation approach (PAA) and the general measurement model (GMM)<sup>1</sup>, this was offset by the increase in insurance services expenses. This resulted in an 11.0 per cent or \$0.9 billion increase in the sector's insurance service result. The contraction in net investment income occurred as some insurance companies continue to face revaluation losses on investments holding, considering the

<sup>1</sup> The premium allocation approach (PAA) is the optional simplified measurement model that is allowed under IFRS 17 for short-term contracts. The general measurement model (GMM) is regarded as the standard approach.

## Insurance Sector Quarterly Review September 2024

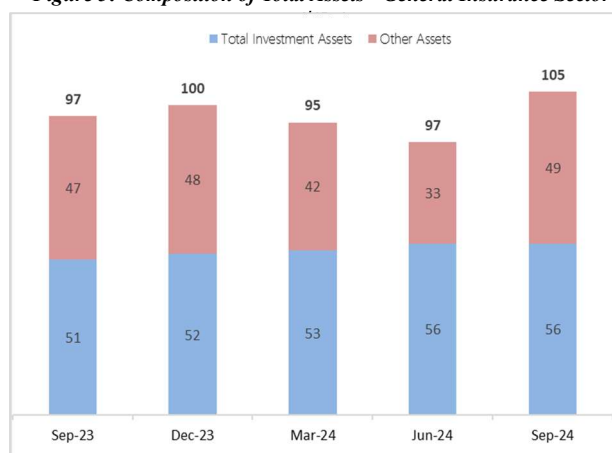
high-interest rate environment. The increase in insurance service expenses continued to be driven by increased claims and benefits payout.

Moreover, the life insurance sector remained solvent and adequately capitalized. All companies reported solvency ratios above the 10.0 regulatory benchmark. Additionally, the sector had a weighted average Life Insurance Capital Adequacy Test (LICAT) ratio of 235.4 per cent, which exceeded the 100.0 per cent regulatory benchmark.

### 3. Performance of General Insurance Sector

Growth in total assets for the general insurance sector was driven by investments, which increased by 10.3 per cent or \$5.1 billion to total \$55.7 billion as at September 30, 2024 (See Figure 3).

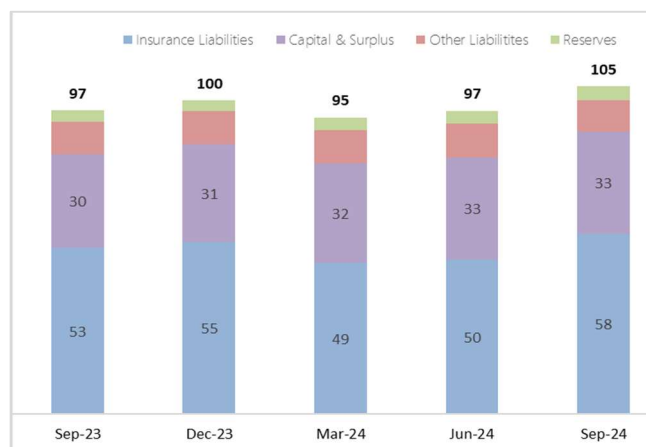
Figure 3: Composition of Total Assets - General Insurance Sector



Additionally, total liabilities increased by 6.5 per cent or \$4.1 billion, which resulted from an 8.3 per cent or \$4.4 billion increase in total insurance contract liabilities (See Figure 4).

For the nine-months period ended September 2024, the general insurance sector reported a 33.3 per cent or \$0.7 billion increase in profit before taxes. This stemmed from a 21.2 per cent or \$11.3 billion increase in revenue from PAA contracts (specifically, attributed to the motor class of insurance business), which was partially offset by

Figure 4: Composition of Total Liabilities, Equities & Reserves - General Insurance Sector (\$'Bn)



a 36.8 per cent or \$8.1 billion increase in net expenses from insurance contracts held. This resulted in an overall insurance service result of \$2.5 billion.

Similar to the life insurance sector, the general insurance sector remained solvent and adequately capitalized. All companies reported solvency ratios above the 25.0 per cent minimum requirement. Also, the sector had a weighted average Minimum Capital Test (MCT) ratio of 233.4 per cent which exceeded the 150.0 per cent regulatory benchmark.

# Insurance Sector Quarterly Review September 2024

## Appendix I

### Condensed Balance Sheet & Income Statement

**Table 1: Statistical Information and Financial Position of the Life Insurance Sector (\$'Bn)<sup>2</sup>**

<b>Balance Sheet</b>	<b>Sep-23</b>	<b>Dec-23</b>	<b>Mar-24</b>	<b>Jun-24</b>	<b>Sep-24</b>	<b>% Change (Sep-2023 vs Sep-24)</b>
Total Investment Assets	337.2	360.5	362.7	352.7	361.7	7.3%
Other Assets	78.4	72.4	76.7	95.3	95.0	21.2%
<b>Total Assets</b>	<b>415.6</b>	<b>432.9</b>	<b>439.4</b>	<b>448.0</b>	<b>456.7</b>	<b>9.9%</b>
Insurance Liabilities	296.8	296.3	301.6	305.8	312.6	5.3%
Other Liabilities	15.5	17.1	20.6	21.2	18.9	21.9%
<b>Total Liabilities</b>	<b>312.2</b>	<b>313.4</b>	<b>322.2</b>	<b>326.9</b>	<b>331.5</b>	<b>6.2%</b>
Reserves	3.4	7.6	5.7	4.7	5.7	67.6%
Capital & Surplus	100.0	111.8	111.5	116.4	119.6	19.6%
<b>Total Liabilities, Equity and Reserves</b>	<b>415.6</b>	<b>432.9</b>	<b>439.4</b>	<b>448.0</b>	<b>456.7</b>	<b>9.9%</b>

<b>Income Statement</b>	<b>Sep-23</b>	<b>Dec-23</b>	<b>Mar-24</b>	<b>Jun-24</b>	<b>Sep-24</b>	<b>% Change (Sep-2023 vs Sep- 2024)</b>
Total Insurance Revenue	50.2	67.6	18.1	36.9	56.0	11.6%
Insurance Service Expenses	41.8	55.3	15.5	30.8	46.1	10.3%
Net Expenses from Reinsurance Contracts Held	0.2	0.2	0.3	0.5	0.8	300.0%
Insurance Service Result	8.2	12.1	2.4	5.6	9.1	11.0%
Net Investment Result	11.3	20.6	2.7	6.2	9.0	-20.4%
Other Income & Expenses	3.1	5.3	1.4	3.0	4.2	35.5%
Profit (Loss) Before Taxes	16.4	27.2	3.4	8.8	13.9	-15.2%
Total Income Taxes	2.9	4.0	0.9	1.9	2.9	0.0%
Profit (Loss) After Taxes	13.6	23.2	2.5	6.9	11.1	-18.4%

<sup>2</sup> Values may differ slightly from the exact result due to rounding error.

## Insurance Sector Quarterly Review September 2024

**Table 2: Statistical Information and Financial Position of the General Insurance Sector (\$'Bn)<sup>3</sup>**

Balance Sheet	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	% Change (Sep-2023 vs Sep- 2024)
Total Investment Assets	50.5	52.3	53.4	55.7	55.7	10.3%
Other Assets	46.5	48.1	41.5	32.9	49.1	5.6%
<b>Total Assets</b>	<b>97.0</b>	<b>100.4</b>	<b>94.9</b>	<b>96.9</b>	<b>104.8</b>	8.0%
Insurance Liabilities	53.2	55.0	48.5	49.5	57.6	8.3%
Other Liabilities	10.3	10.6	10.8	10.8	10.0	-2.9%
<b>Total Liabilities</b>	<b>63.5</b>	<b>65.7</b>	<b>59.3</b>	<b>60.3</b>	<b>67.6</b>	6.5%
Reserves	3.7	3.6	4.0	4.2	4.4	18.9%
Capital & Surplus	29.9	31.2	31.6	32.5	32.8	9.7%
<b>Total Liabilities, Equity and Reserves</b>	<b>97.0</b>	<b>100.4</b>	<b>94.9</b>	<b>96.9</b>	<b>104.8</b>	8.0%

Income Statement	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	% Change (Sep-2023 vs Sep- 2024)
Total Insurance Revenue	53.4	74.1	20.3	42.2	64.7	21.2%
Insurance Service Expenses	29.7	40.7	10.0	22.3	32.1	8.1%
Net Expenses from Reinsurance Contracts Held	22.0	30.3	9.1	18.2	30.1	36.8%
Insurance Service Result	1.7	3.1	1.2	1.7	2.5	47.1%
Net Investment Result	3.0	4.2	1.0	2.1	3.4	13.3%
Other Income & Expenses	2.9	1.2	0.2	2.2	3.5	20.7%
Profit (Loss) Before Taxes	1.8	3.1	1.0	1.6	2.4	33.3%
Total Income Taxes	0.4	1.2	0.2	0.6	0.7	75.0%
Profit (Loss) After Taxes	1.4	1.9	0.8	1.0	1.7	21.4%

<sup>3</sup> Values may differ slightly from the exact result due to rounding error.