



BADRI

PAKISTAN'S LISTED NON-LIFE INSURANCE COMPANIES' PERFORMANCE ANALYSIS Q3-2020



GLAD TIDINGS



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The **award** is a reflection of the trust and loyalty of our esteemed clients, and the hard work and dedication of all our people at Badri.

Apart from excellence in core actuarial services, Badri has raised the bar in providing industry insights with market specific reports, trainings, newsletters, and data analytics with an aim to benefit the insurance industry at large.

Thank you Middle East Insurance Review and the judges for acknowledging all the efforts put in behind the scenes.



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ABOUT BADRI MANAGEMENT CONSULTANCY

BADRI MANAGEMENT CONSULTANCY IS THE FASTEST GROWING ACTUARIAL CONSULTING FIRM IN THE MIDDLE EAST, RECOGNIZED FOR ITS COLLABORATIVE APPROACH TO WORKING WITH ITS CLIENTS AS PROFIT OPTIMIZING PARTNERS. WE ARE SERVING AS APPOINTED ACTUARY FOR OVER 20 COMPANIES IN THE GCC. IN ADDITION, WE ARE PROVIDING OTHER SERVICES INCLUDING IFRS17 IMPLEMENTATIONS, DEVELOPMENT OF ERM FRAMEWORK, SPECIALIZED SERVICES FOR MEDICAL INSURANCE AND TPAs, BUSINESS INTELLIGENCE SOLUTIONS AND END OF SERVICE BENEFITS VALUATIONS.



BADRI

VISION

“ SOLUTION ARCHITECTS STRENGTHENING OUR PARTNERS TO OPTIMIZE PERFORMANCE ”

MISSION

“ WE HELP OUR CLIENTS BE THE BEST VERSION OF THEMSELVES BY FOSTERING PARTNERSHIPS, CHALLENGING NORMS AND PROVIDING CUTTING EDGE SOLUTIONS. WE INSPIRE OUR PEOPLE TO CONSTANTLY EVOLVE AND CHASE EXCELLENCE WITH INTEGRITY IN A DIVERSE, EXCITING AND GROWTH-ORIENTED CULTURE. ”



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INDUSTRY OVERVIEW - NON - LIFE

PKR 49.8 BILLION

Gross Premium Written - Conventional

Gross premium written by the listed non-life insurance companies YTD 2020-Q3

54%

Retention Ratio

The industry retention ratio YTD 2020-Q3 for listed non-life companies

49%

Net Loss Ratio

The industry net loss ratio YTD 2020-Q3 for listed non-life companies

PKR 4.5 BILLION

Investment Income

Total Investment Income earned by the listed non-life insurance companies YTD 2020-Q3

7%

Investment Return

The industry investment return YTD 2020-Q3 for listed non-life companies

PKR 6.5 BILLION

Gross Contribution Written – Window Takaful

Gross contribution written by the listed non-life insurance companies YTD 2020-Q3

47%

Gross Loss Ratio

The industry gross loss ratio YTD 2020-Q3 for listed non-life companies

89%

Combined Ratio

The industry combined ratio YTD 2020-Q3 for listed non-life companies

PKR 7.8 BILLION

PBT - Conventional & Takaful

Profit Before Tax of the listed non-life insurance companies YTD 2020-Q3.

11%

Return on Equity

The industry ROE YTD 2020-Q3 for listed non-life companies

Disclaimer.

**AICL includes business underwritten inside Pakistan only*



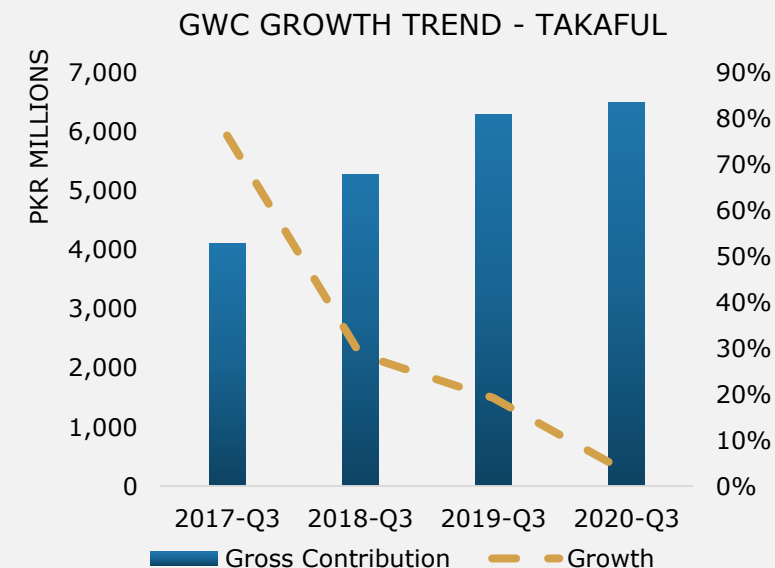
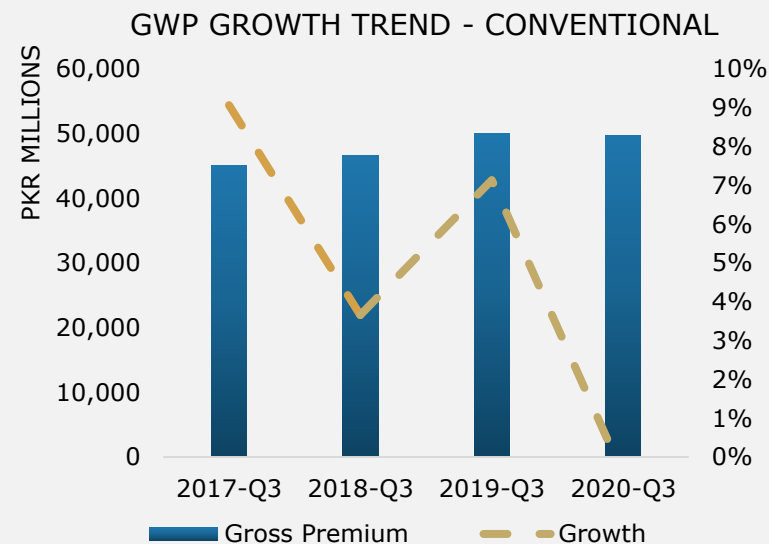
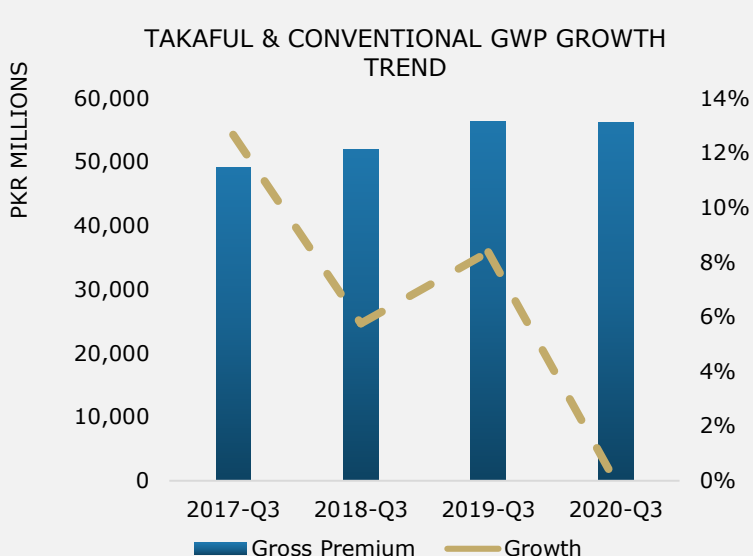
GROSS WRITTEN PREMIUM - MARKET

On an overall basis, the 17 listed non-life companies of the insurance industry of Pakistan showed negligible change in the gross written premium contribution for the nine months period ended September 2020. The highest growth for the last 4 years was witnessed in 2017 when the industry grew by 13% year-on-year nine months. Growth has stalled for the industry but still remains positive.

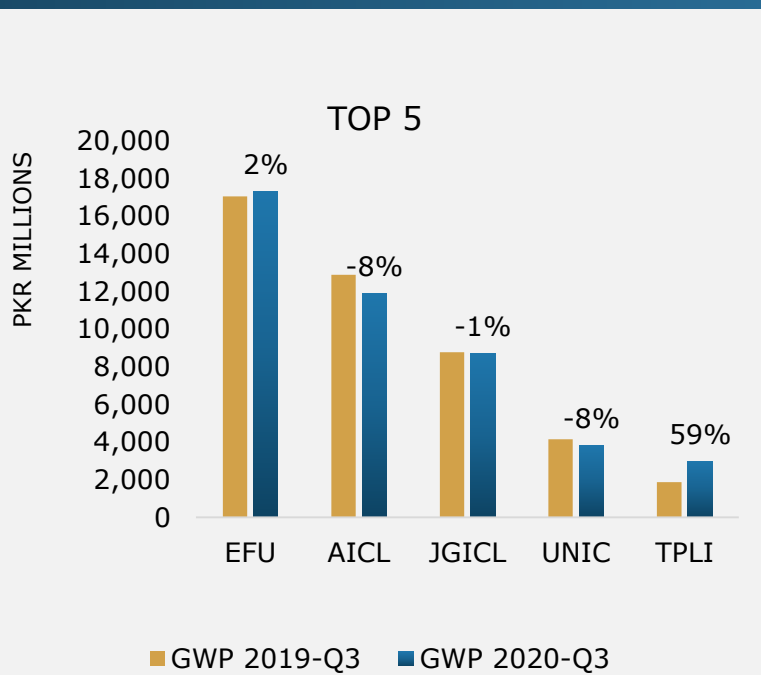
COVID-19 has impacted the economic activity in Pakistan and this was reflected in the growth of 2020-Q3 shown above which stands around 0%.

Conventional business is the main contributor to the industry; almost PKR 50 Billion of the PKR 56 Billion market premium came from it. On the basis of written premium growth, the nine months period ended September 2020 showed negligible change. The highest growth of 9% was seen for the nine months ended September 2017.

The listed companies showed an overall decreasing growth trend throughout the 4 year period for takaful business. The nine months period ended September 2019 showed a growth of 19% while the nine months period ended September 2020 shows a significantly lower growth of 3%. Growth in takaful seems to have stabilized now after the massive double-digit growth observed in the initial years after inception.



GROSS WRITTEN PREMIUM - COMPANIES



The top 5 companies contributed PKR 44 Billion out of the PKR 56 Billion premium which constitutes 79% of the market.

EFU can be seen as the market leader in non-life insurance based on GWP with a market share of 31% for the nine months ended September 2020 followed by AICL and JGICL at 21% and 15% respectively. EFU has shown a positive growth while the growth for both AICL and JGICL have been negative.

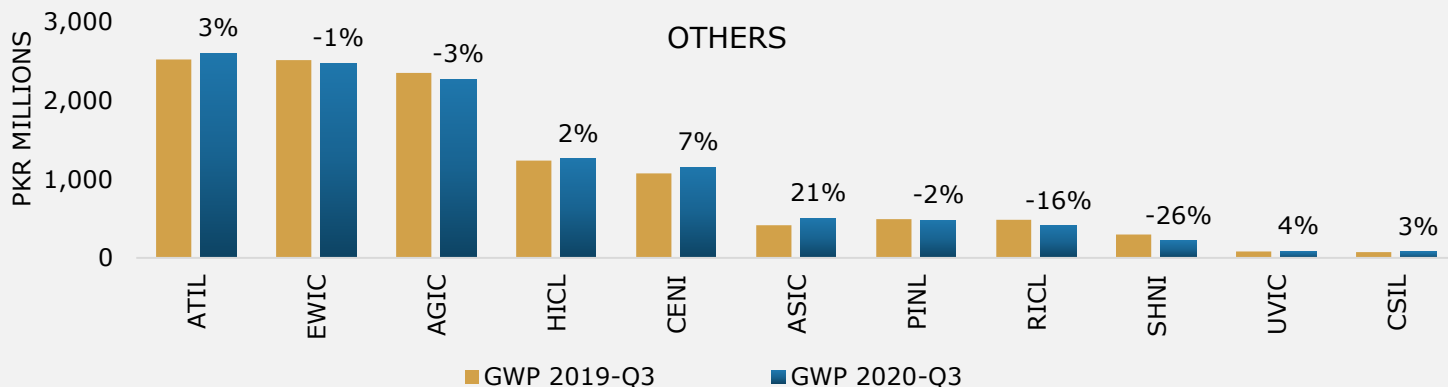
TPLI has shown a significant growth in premiums of 59% when compared to the business underwritten in first three quarters of 2019.

For Others, the highest growth was shown by ASIC of 21% whereas the biggest decline was shown by SHNI with a drop of 26% in GWP. Most medium-sized companies exhibited single digit positive or negative growth.

Overall, out of the 17 listed companies, 8 companies showed an increase in premium while the remaining showed a decline of business.

Disclaimer:

- *PKGI have not written any business over the last 2 years
- **TPLI's financial statements for 2019 were restated in 2020
- *** AICL includes business underwritten inside Pakistan only



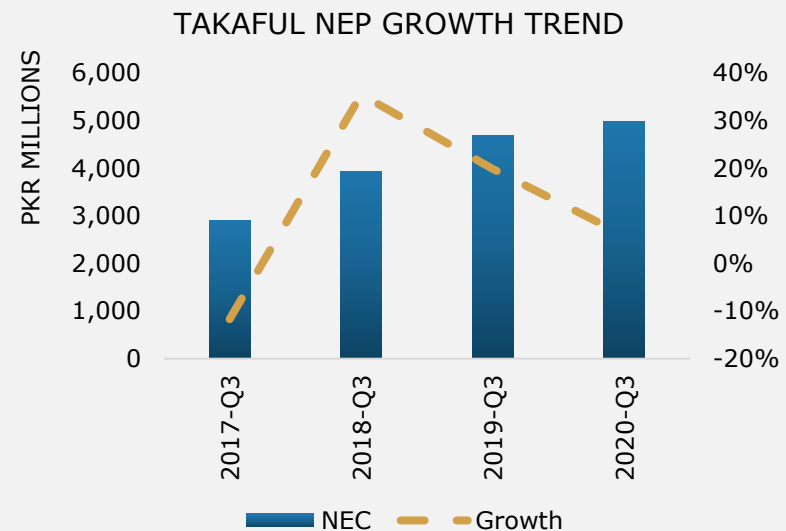
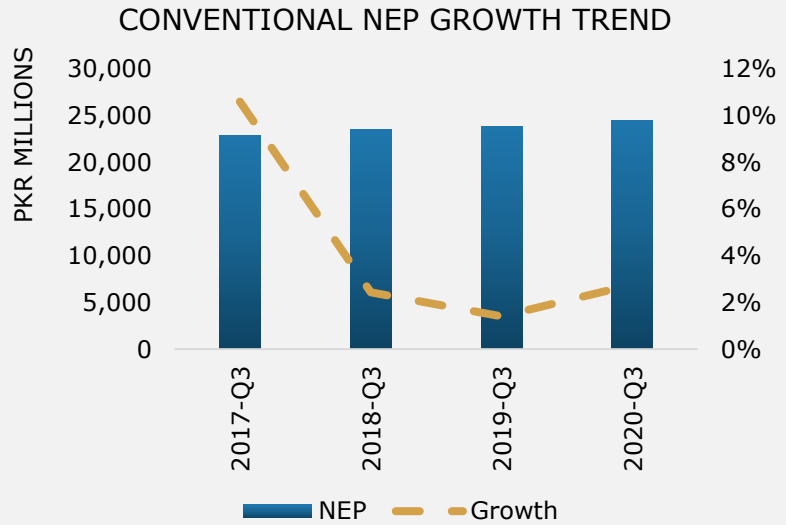
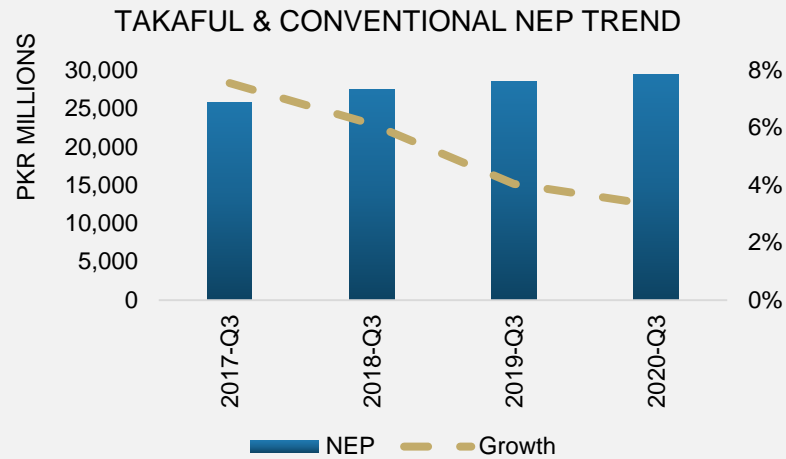


NET EARNED PREMIUM - MARKET

The total net earned premium for the conventional and takaful business combined amounted to PKR 29 billion by September 2020, an increase of 3% on 2019. The 4-year trend shows a consistent increase but at a decreasing rate. This corresponds with the slowing economic growth in Pakistan over recent years.

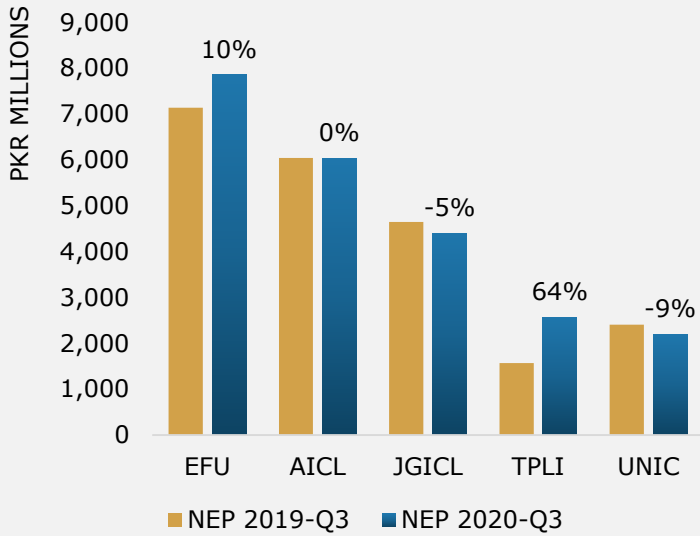
The conventional insurance business contributed PKR 24 billion to the net earned premium of the market for the nine months ended September 2020. The premium growth has flattened to a level of 2-3% over the past 3 years.

The takaful insurance business has been growing in terms of the net earned premium with the highest growth rate experienced for the nine months ended September 2018. The growth rate has experienced a decline since then. Early high growth in takaful when it was first established is now seen to stabilize and mirror the trend observed for conventional.



NET EARNED PREMIUM - COMPANIES

TOP 5



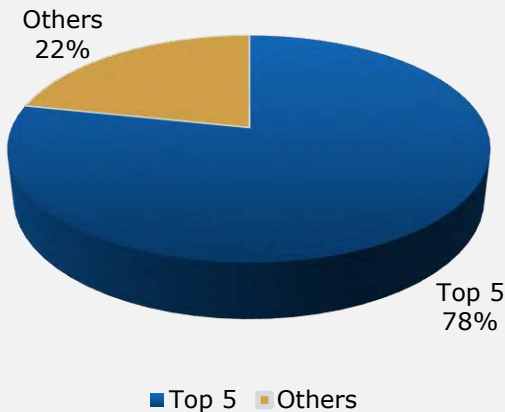
The net earned premium for the top 5 companies amounted to PKR 23 Billion having a market share of 78% and showing an increase of 2% when compared to 2019.

EFU leads the non-life insurance industry with a market share of 34% followed by AICL and JGICL with market shares of 20% and 15% respectively for the nine months ended September 2020.

TPLI was the top gainer in terms of net earned premium with a growth seen of 64% year-on-year between 2019 and 2020.

For Others, the highest growth was seen for UVIC of 31% while the biggest decline was seen in the financials of RICL of 18%. PKGI have not earned any premiums in 2020 as at September.

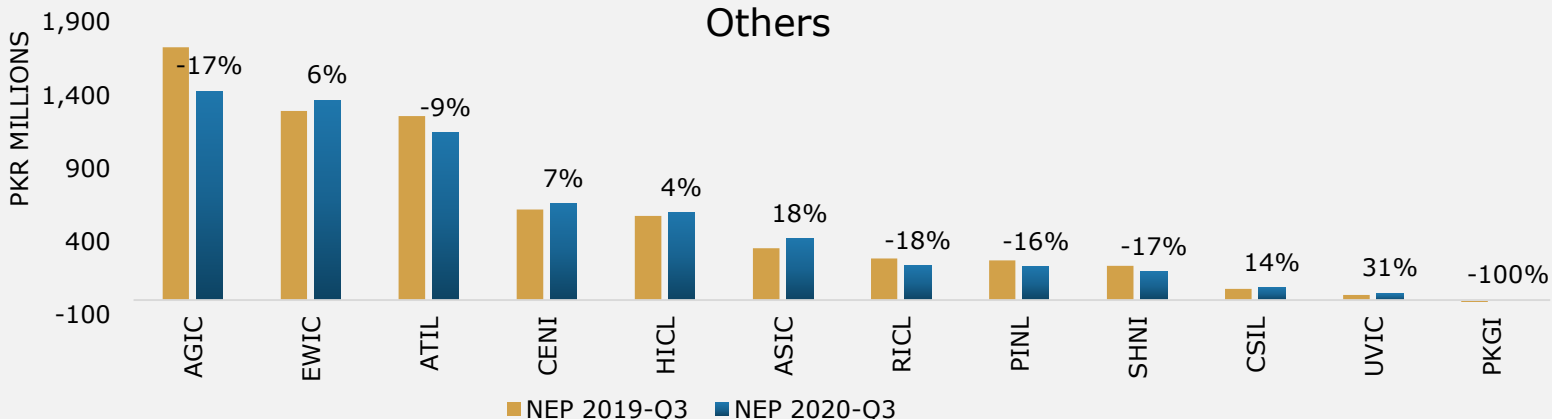
2020 Q3 NEP



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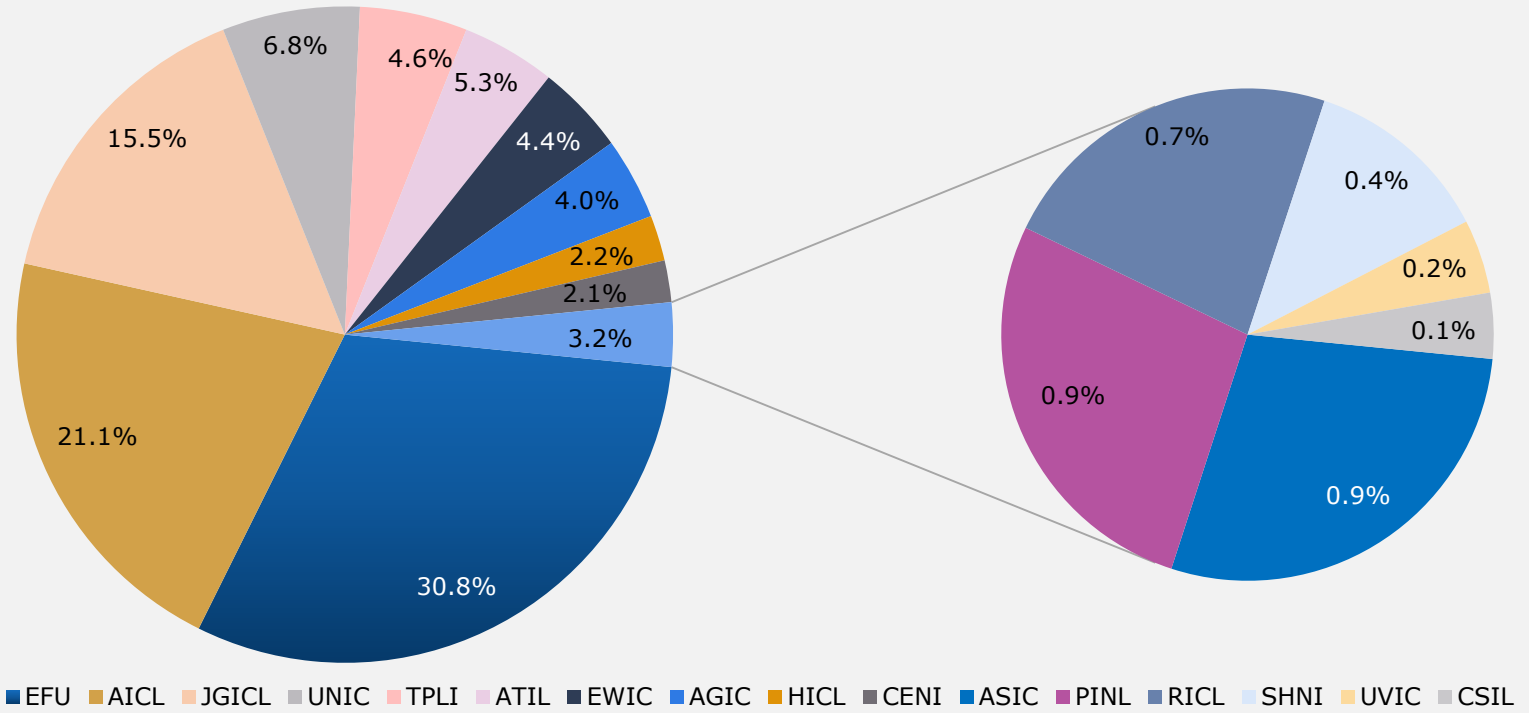
Others





MARKET SHARE - CONVENTIONAL & TAKAFUL

GWP MARKET SHARE



EFU can be seen as the market leader in non-life insurance based on GWP with a market share of 30.8% for the nine months ended September 2020 followed by AICL at 21.1% and JGICL at 15.5% respectively.

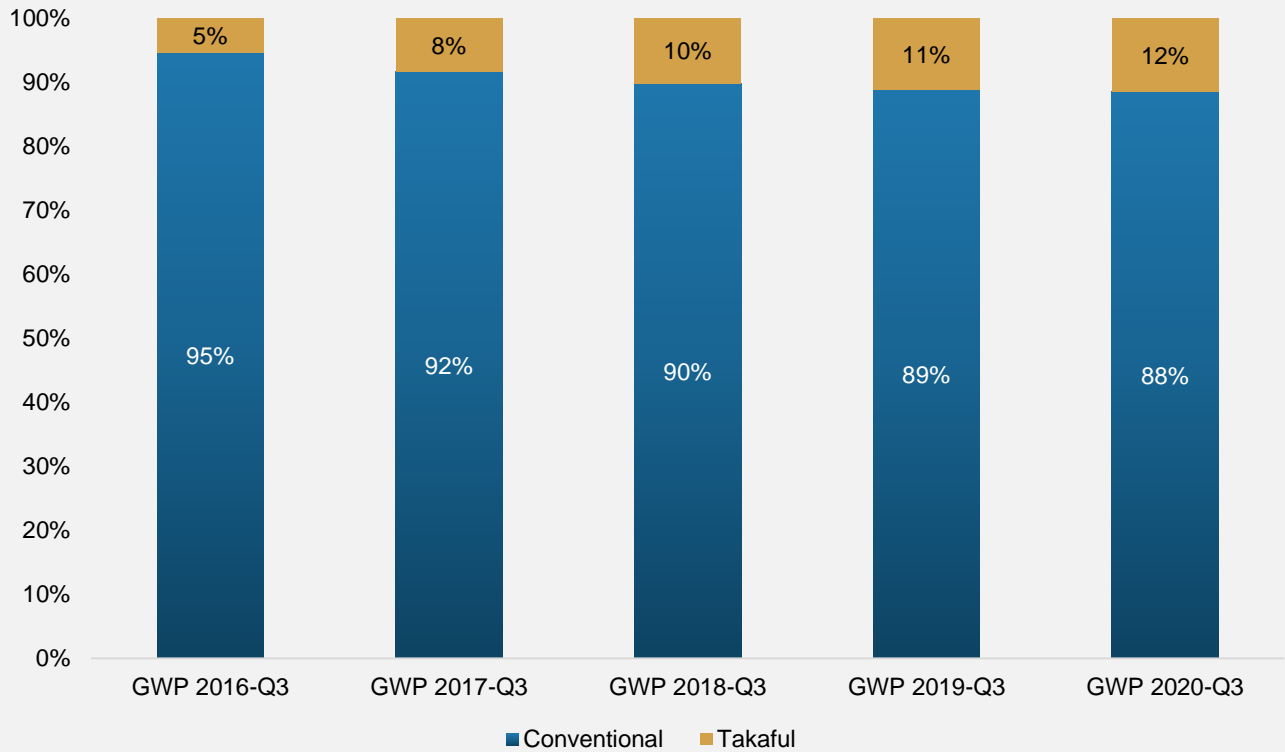
The non-life sector of Pakistan appears to be segmented into three types of companies; large ones having a double-digit market share, medium-sized which have a market share in the vicinity of 5%, and lastly a number of small companies having shares of less than 1%.

**PKGI have not written any business over the last 2 years*
**TPLI's financial statements for 2019 were restated in 2020*



CONVENTIONAL VS TAKAFUL

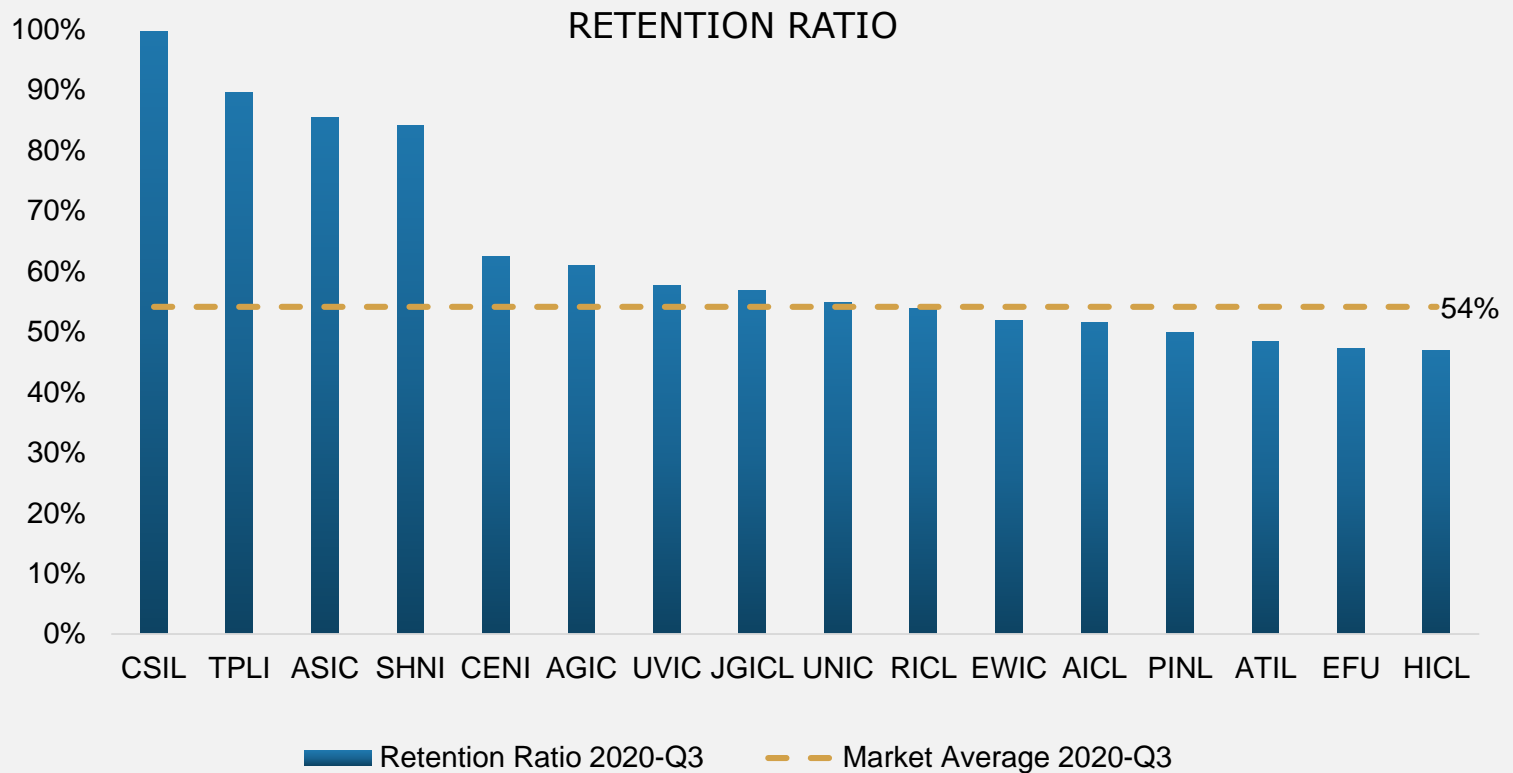
CONVENTIONAL & TAKAFUL BUSINESS DISTRIBUTUON



Out of the 17 listed companies, 14 operate window takaful operations following the approval given by SECP in 2014. While most of the business is still in conventional, the takaful proportion can be observed to show a consistent increase throughout the 5 year period. The share of takaful stands at 12% for the nine months period ended September 2020.

Most of the growth in takaful has come from the conversion of conventional business to Takaful and motor policies written on the leasing portfolios of Islamic banks.

RETENTION RATIO

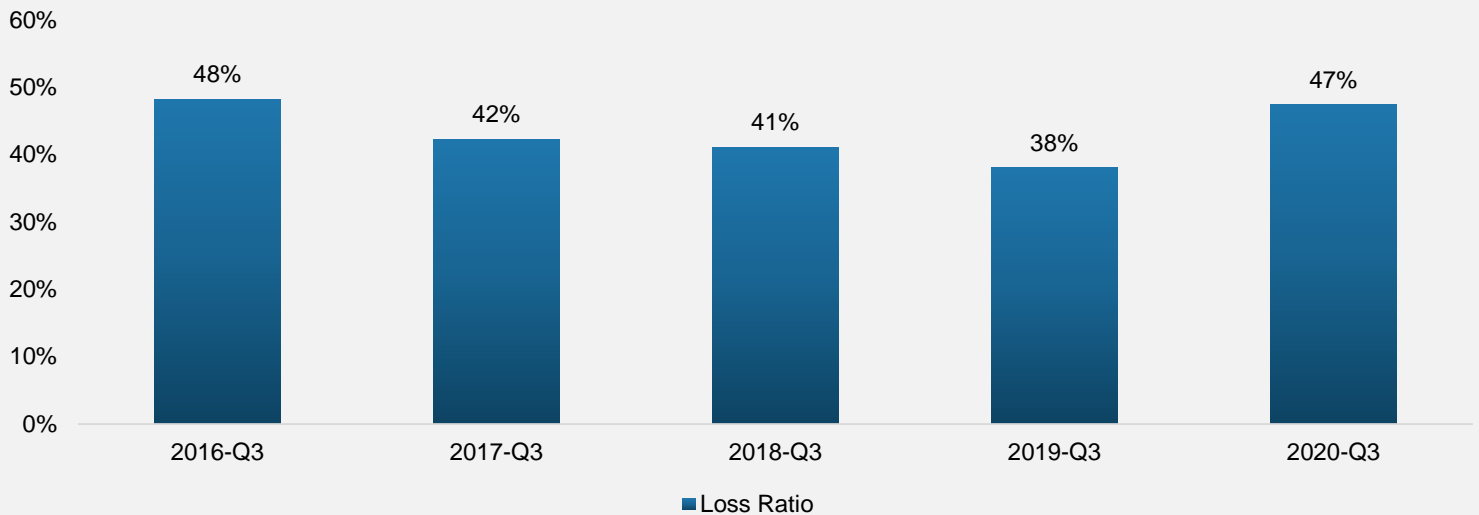


The retention ratio has been calculated as the ratio of net earned premium to gross earned premium. The market retention ratio is the weighted average ratio for the nine months period ended September 2020 and serves as a reference point for comparison in our analysis.

The highest retention ratio of around 100% is reflected for CSIL while the lowest ratio was reflected by HICL at 47%. Retention ratios are generally reflective of the portfolio mix; Motor and Health generally tend to have higher retention ratios, while commercial lines such as Fire and Engineering have lower retention ratios. Thus, a company’s retention ratio is also a function of their mix of business.

GROSS LOSS RATIO

GROSS LOSS RATIO TREND

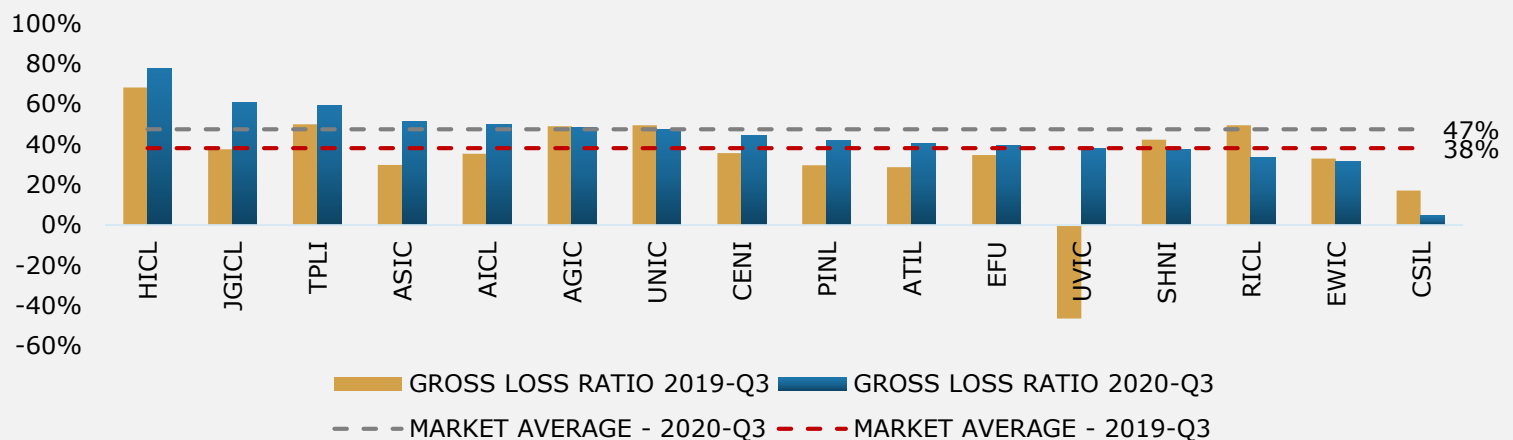


The gross loss ratio has been calculated as the ratio of gross incurred claims over the gross earned premium.

The market gross loss ratio exhibits a decreasing trend till 2019 while it picked up in 2020 with an increase of 9%. This increase is due to large textile fire losses and flash floods that were witnessed in some parts of the country especially the metropolitan city of Karachi. Fire business is a major portion of the total market premium thus these losses were noticeably reflected in the market loss ratio.

Profitability of the business written during the COVID-19 lockdown will be fully ascertained by mid of 2021.

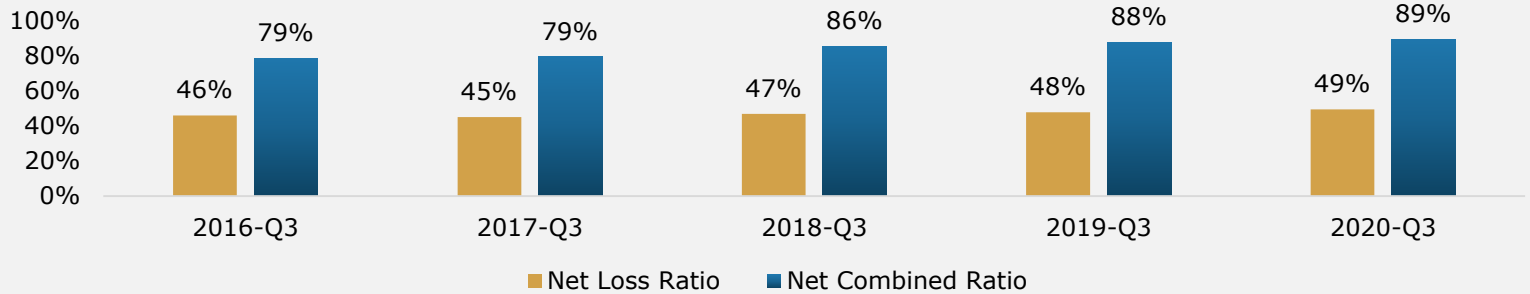
GROSS LOSS RATIO



Overall the gross loss ratio is higher for most listed companies for the nine months ended September 2020 when compared to 2019. AGIC, UNIC and EWIC were able to maintain their gross results. The highest ratio was depicted by HICL with a ratio of 77% while CSIL had the lowest gross loss ratio at 5%. JGICL and AICL both saw big drops in gross profitability.

NET LOSS & COMBINED RATIO

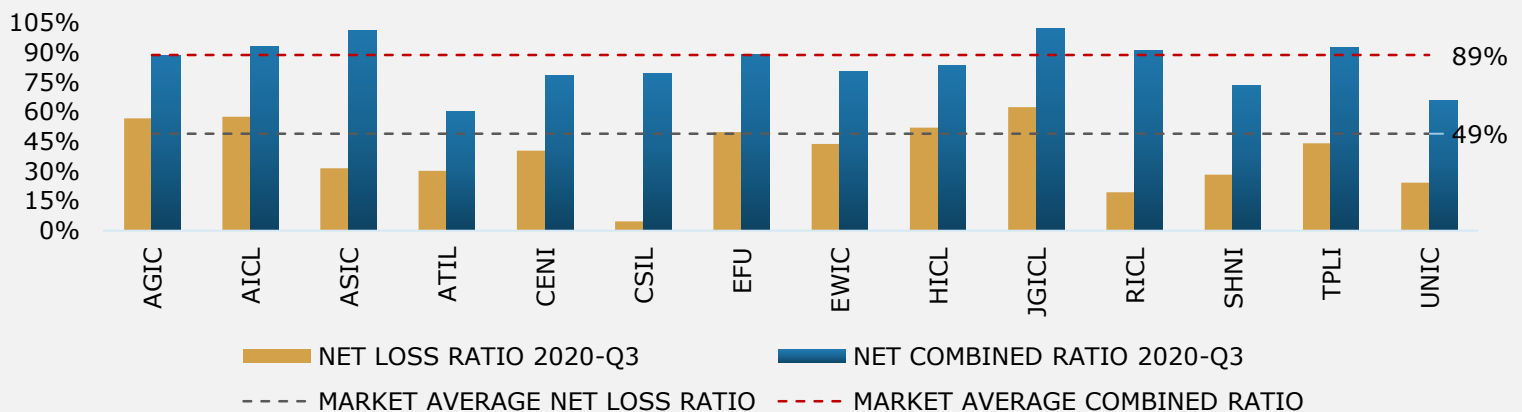
NET LOSS & COMBINED RATIO - CONVENTIONAL



The net loss ratio has remained at a stable level over the last 5 years whereas the combined ratio has gradually increased from 79% to 89% over the same period.

It can be observed that the impact of the gross loss ratio did not translate to the net loss ratio. This was mainly because of the Motor line of business which contributes nearly half of the market net premium saw a 2% decline in the net loss ratio. Secondly, Health which is the second largest contributor to the market net premium witnessed no change in the net loss ratio. Fire which experienced large losses contributes only 15-20% of the market net premium thus the spike in the market gross loss ratio did not impact the net loss ratio much.

NET LOSS & COMBINED RATIO - CONVENTIONAL



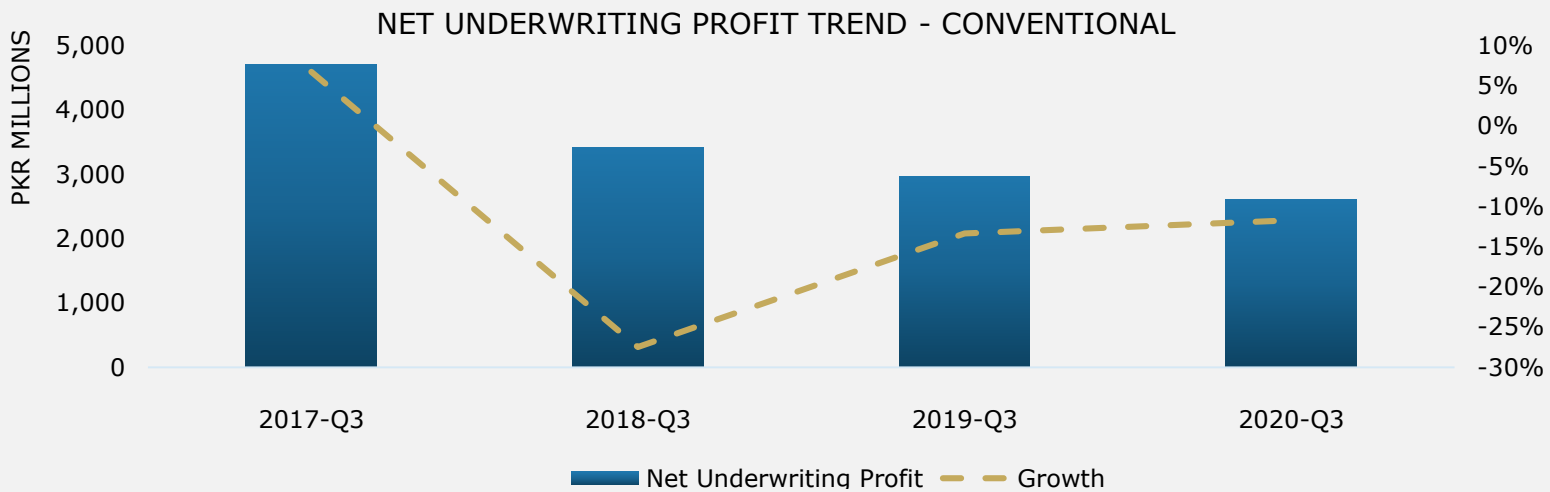
The net loss ratio is the ratio of net incurred claims over the net earned premium while the combined ratio includes management expenses and net commission as well.

The market net loss ratio is the weighted average net loss ratio which stands at 49% while the market combined ratio stood at 89% for the nine months period ended September 2020.

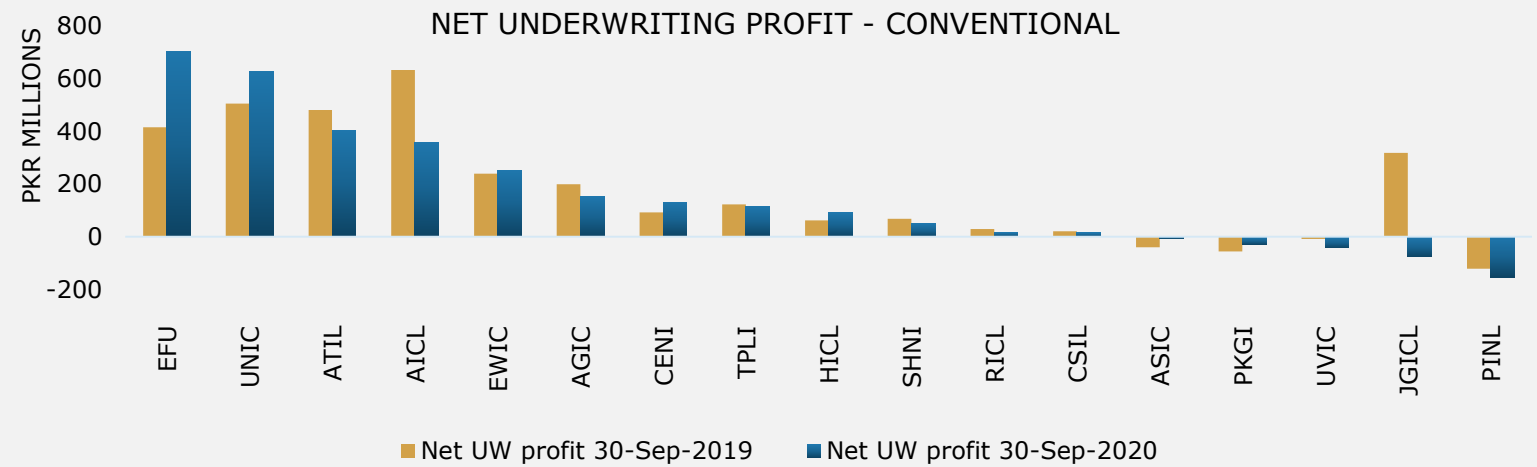
JGICL has the highest net loss ratio of 63% while CSIL has the lowest net loss ratio of 5%. UVIC, PINL, ASIC and JGICL have combined ratios in excess of 100%. Any combined ratio greater than 100% translates into a net underwriting loss.

Disclaimer: PINL & UVIC have combined ratio in excess of 190%. Hence they have been excluded from the graph.

NET UNDERWRITING PROFIT



The net underwriting profit for the market has consistently fallen since 2017. This corresponds with the combined ratio trend mentioned previously where the figure has increased from 79% to 89% for the same period.



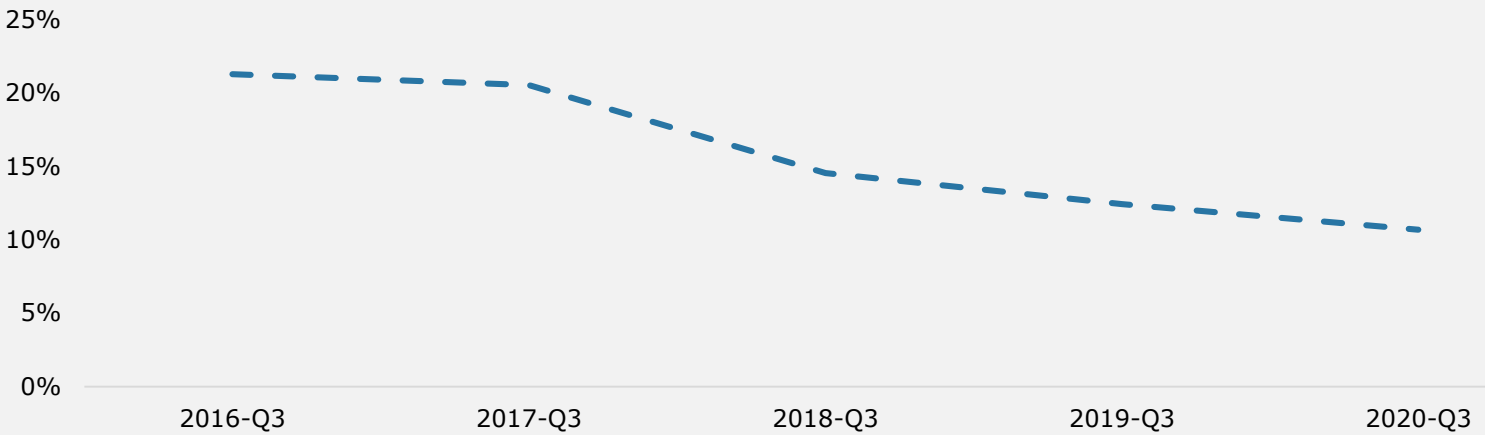
The total net underwriting profit of the conventional non-life listed companies accounts to PKR 2.6 billion. The bar graph shows EFU as the top company with an underwriting profit of PKR 702 million while PINL shows the highest loss at PKR 153 million.

A noticeable observation can be made for JGICL which has moved from a profit of PKR 318 million for the nine months period ended September 2019 to a loss of PKR 76 million for the corresponding period in 2020. This can be explained by higher than normal claims due to the damages caused by recent heavy rainfall as well as an increase in fire incidents.

Furthermore, AICL experienced a noticeable decline as well due to higher than normal claims on the Fire and Marine line of business which can also be reflected in the adverse movement loss ratios for the company

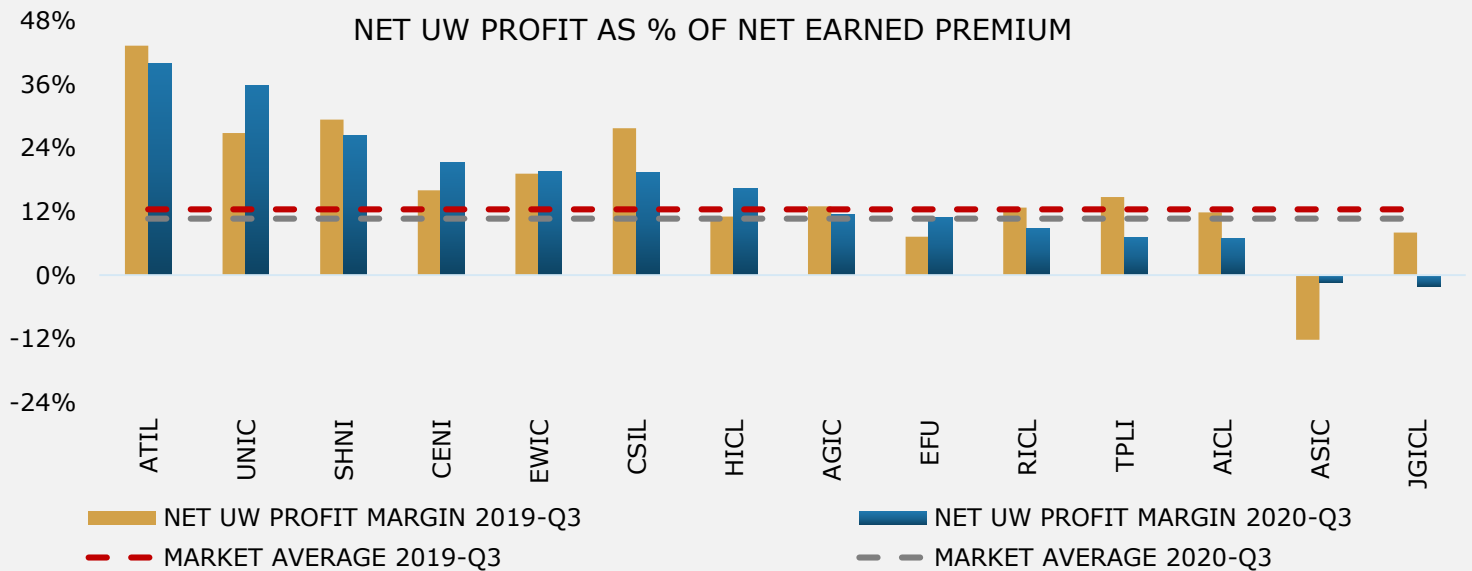
NET UW PROFIT AS A % OF NET EARNED PREMIUM

NET UW PROFIT AS A % OF NEP - TREND



The net underwriting margin has fallen over the 5 year period and currently stands at 11%. This corresponds with the trend observed for net underwriting profit which has also fallen consistently since 2017 in nominal terms. Flood events have become more frequent in Pakistan in recent years.

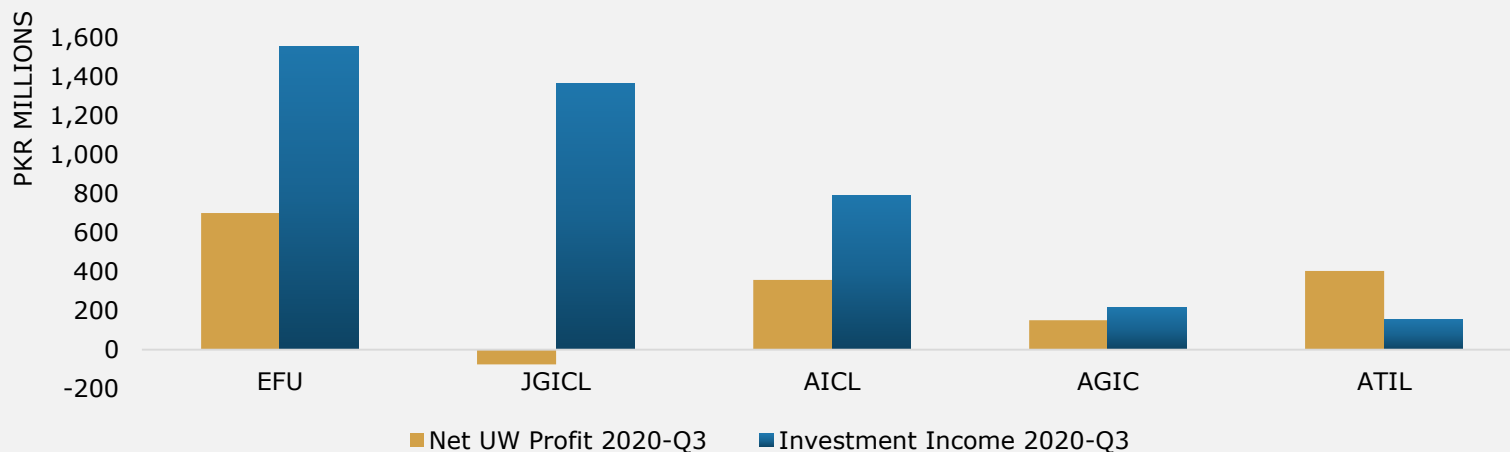
NET UW PROFIT AS % OF NET EARNED PREMIUM



ATIL has the highest profit margin which amounts to 40% in the current period while the lowest ratio is reflected in PINL's financials of -106% (not shown in the chart). Most companies have experienced a fall in net profit margin in the current period when compared to the same period in 2019. There were a few big market losses in Q2 and Q3.

INVESTMENT INCOME

PROFIT COMPOSITION - UW & INVESTMENT INCOME TOP 5

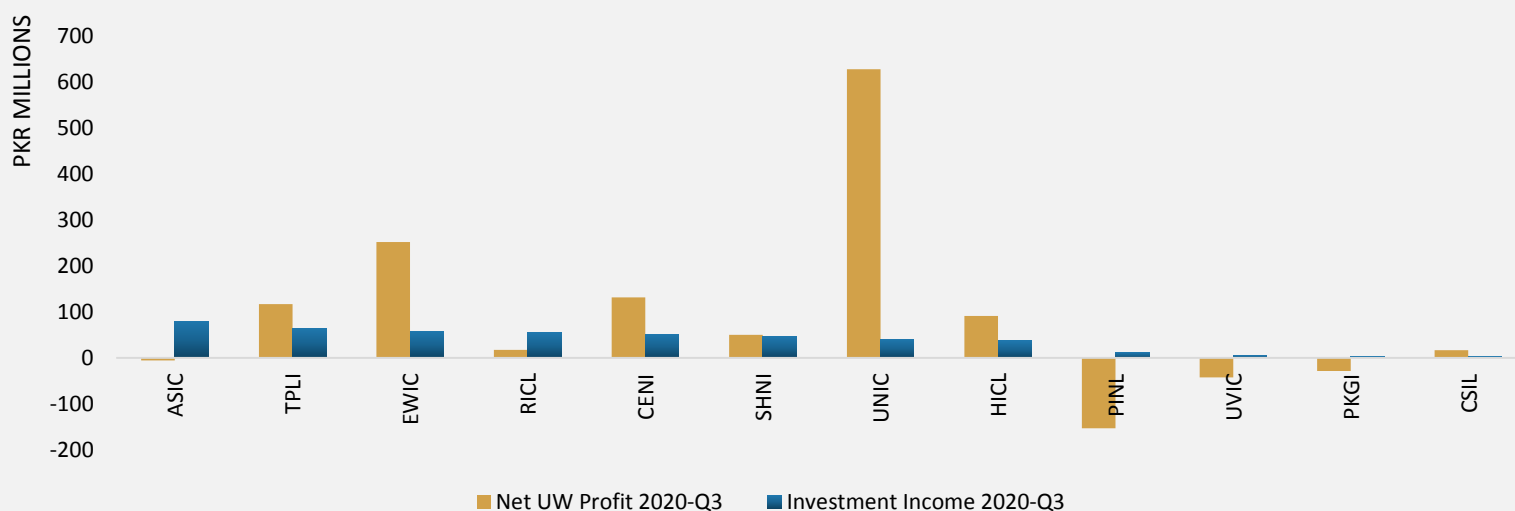


The total investment income earned for the listed non-life conventional market amounts to PKR 4.5 billion.

The graph shows the relative levels of net underwriting profit and investment income for the conventional business. The bar chart for the top 5 companies shows that the investment income is a significant driver of their performance. EFU leads the market with an investment income of PKR 1.56 billion while ATIL, the fifth largest in terms of investment income, earned PKR 156 million.

It is interesting to note that the UW income of ATIL is almost double their investment income. The other top 5 companies depict an opposite trend.

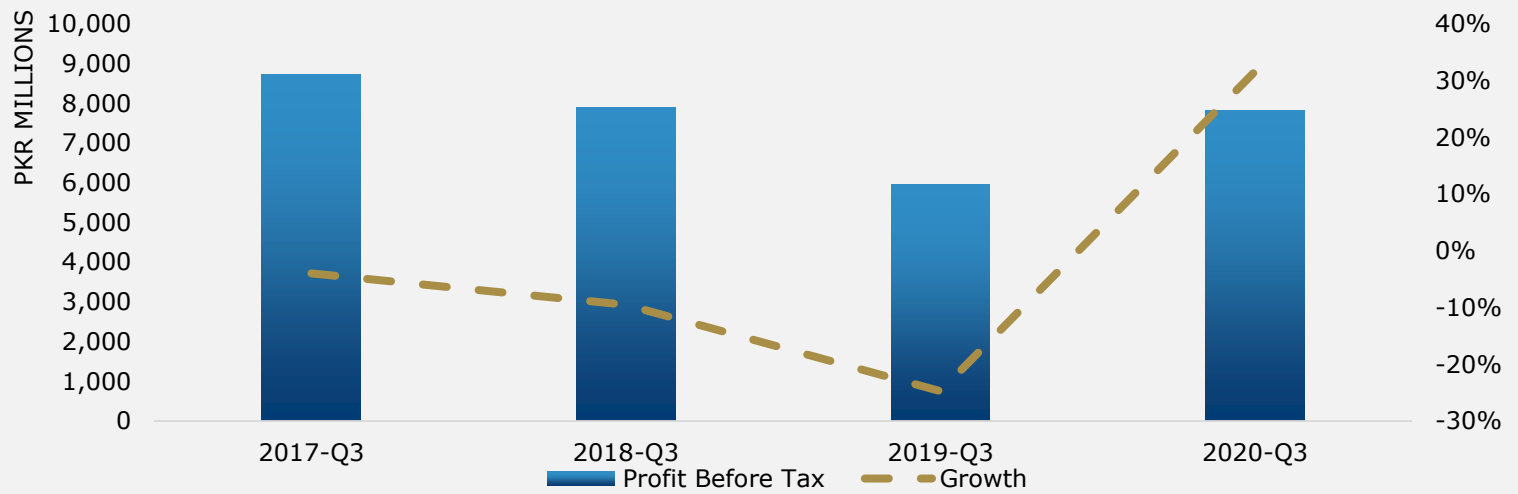
PROFIT COMPOSITION - UW & INVESTMENT INCOME OTHERS



The relative levels of UW profit and investment income for the other companies shows the significance of investments for non-life insurers. For companies making an underwriting loss, the investment income has helped them recoup some of that loss.

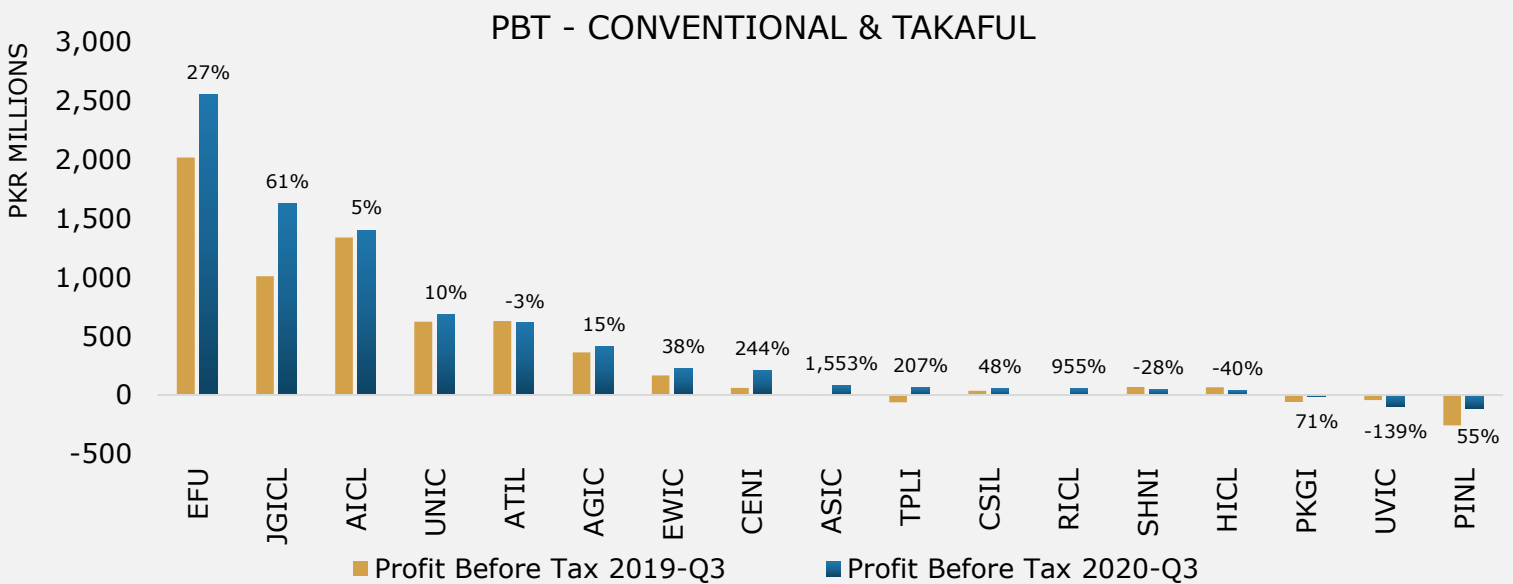
PROFIT BEFORE TAX

PBT GROWTH TREND - CONVENTIONAL & TAKAFUL



The profit before tax shows a decreasing trend from 2017 to 2019. However, the period ending September 2020 showed a sharp increase of 32% compared to the corresponding period of 2019.

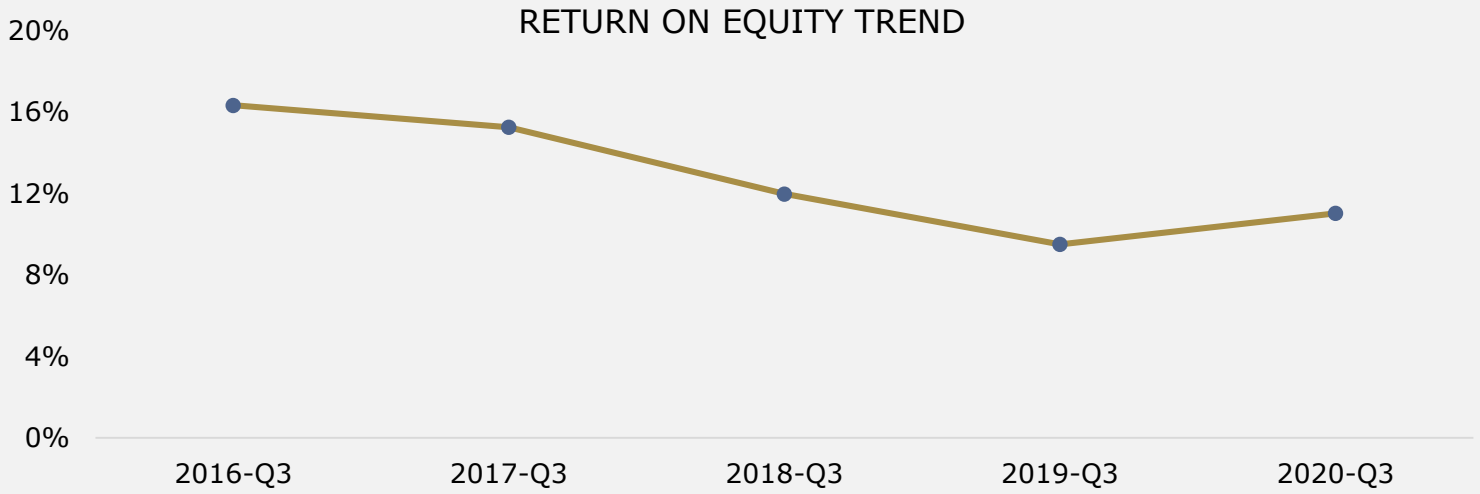
Even though the net underwriting profit of the market fell by 12%, a significant growth of 85% was seen in the investment income. This drove the PBT up in 2020.



EFU leads the non-life market with the highest profit before tax of PKR 2.56 Billion followed by JGICL at PKR 1.63 Billion and AICL at PKR 1.40 Billion. The highest growth in profit is by reflected in the financials of ASIC which showed a growth of 1,553%.

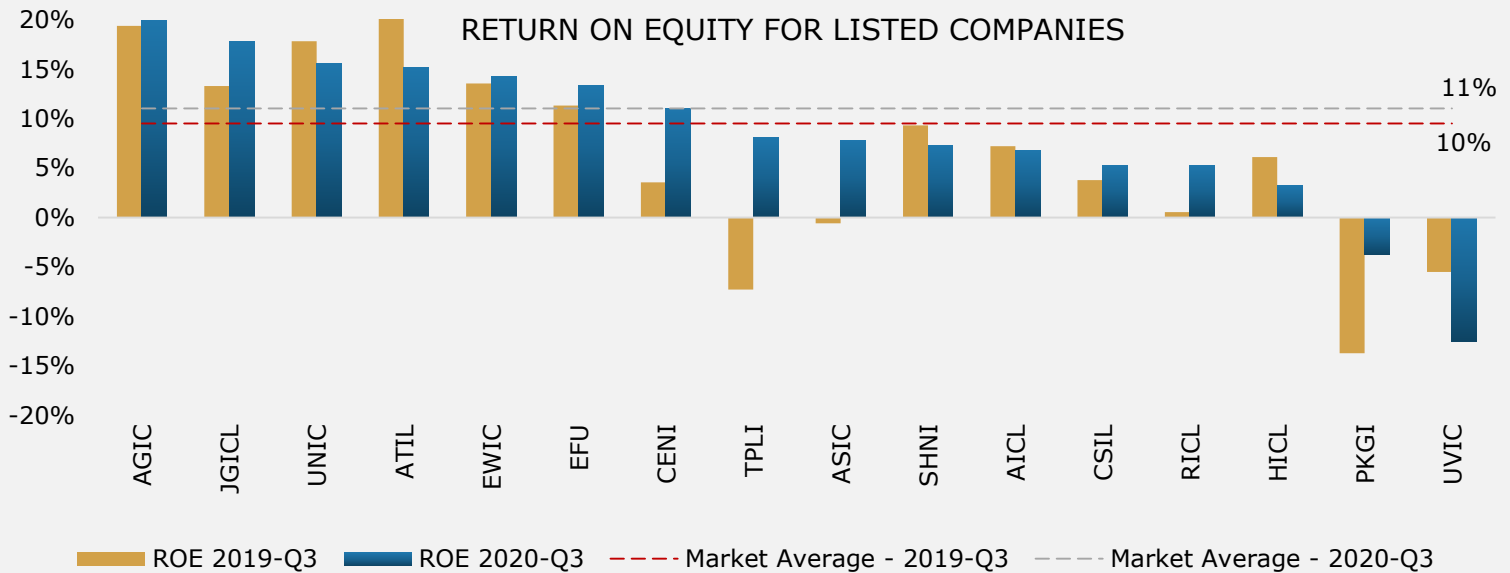
Disclaimer: AICL includes business underwritten inside Pakistan only

RETURN ON EQUITY



The ROE is calculated as the ratio of PBT for the period ended to the total of share holder's equity at the end of the period.

The return on equity shows how well a company is using its' capital to generate profit. The weighted average return on equity shows a decreasing trend till 2019 while it has improved to 11% in 2020. improved investment income drove the ROE up this year.

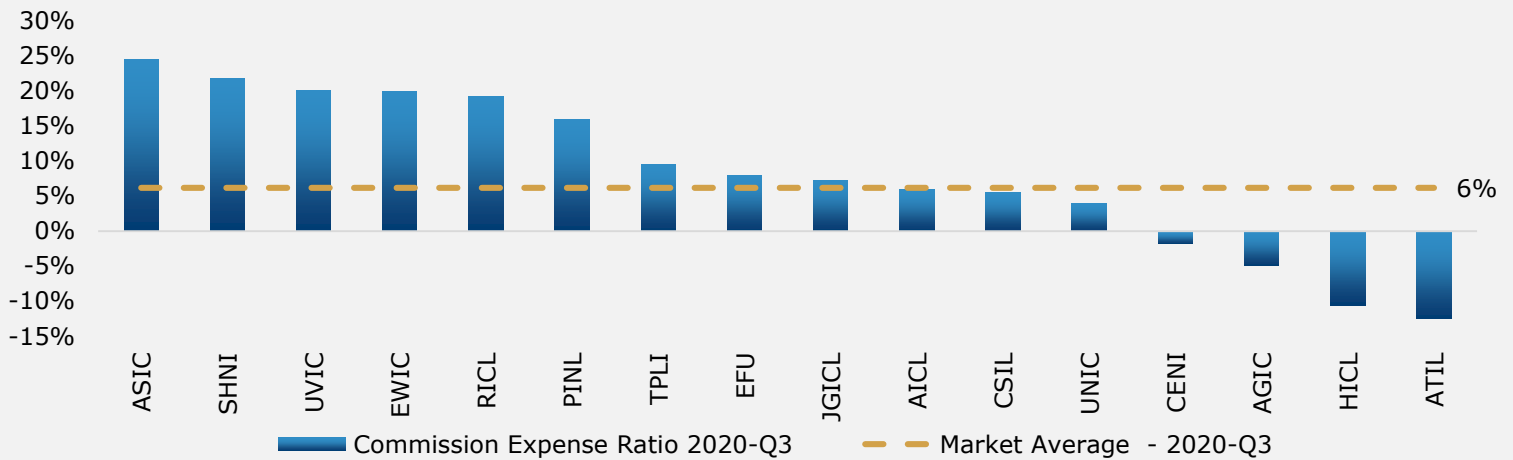


AGIC shows the highest return on equity of 20% while UVIC had the lowest return on equity of -11%. CENI, TPLI and ASIC healthy improvements observed.

ROE calculations are based on the published equity figures which are highly sensitive to capital market fluctuations. Capital markets have been quite unstable in Pakistan in the last two years.

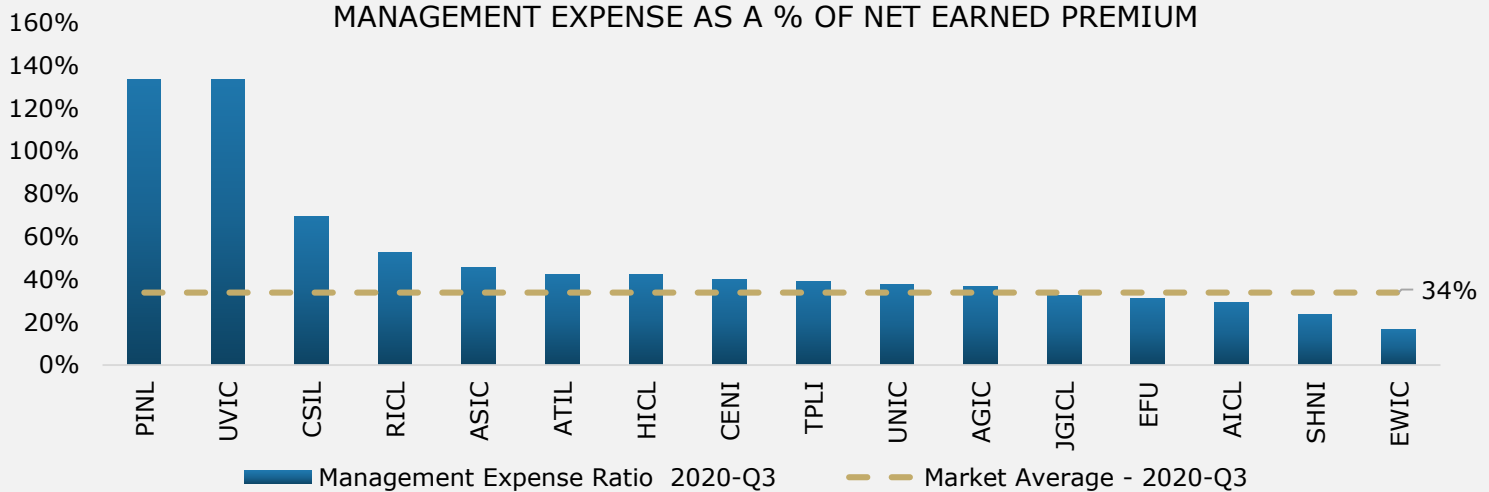
COMMISSION EXPENSE & MANAGEMENT EXPENSE RATIO

COMMISSION EXPENSE AS A % OF NET EARNED PREMIUM



The commission expense ratio is calculated as net commission divided by the net earned premium. Hence, a negative ratio signifies that the commission earned outweighs the commission paid. The market ratio is the weighted average which stands at 6% for the nine months ended 2020. The highest commission expense ratio can be observed for ASIC at 24% while ATIL has the lowest ratio of -12%. Companies usually cede out a large proportion of commercial lines business and benefit from the reinsurance commission which results in an overall lower net commission expense.

MANAGEMENT EXPENSE AS A % OF NET EARNED PREMIUM



The management expense ratio expresses management expenses over the net earned premium for a particular period. The market ratio calculates to 34% for the period ended September 2020.

UVIC and PINL have the highest management expense ratios of 133% and 134% respectively which are the main contributors to the loss before tax incurred by these companies.

JGICL, EFU, AICL, SHNI & EWIC have expense ratios below the market average.



PREMIUM BENCHMARKED ON THE BASIS OF PROFITABILITY

Company	Ranking		Indic
	GWP	PBT	
EFU	1	1	→
AICL	2	3	↓
JGICL	3	2	↑
UNIC	4	4	→
TPLI	5	10	↓
ATIL	6	5	↑
EWIC	7	7	→
AGIC	8	6	↑
HICL	9	14	↓
CENI	10	8	↑
ASIC	11	9	↑
PINL	12	16	↓
RICL	13	12	↑
SHNI	14	13	↑
UVIC	15	15	→
CSIL	16	11	↑

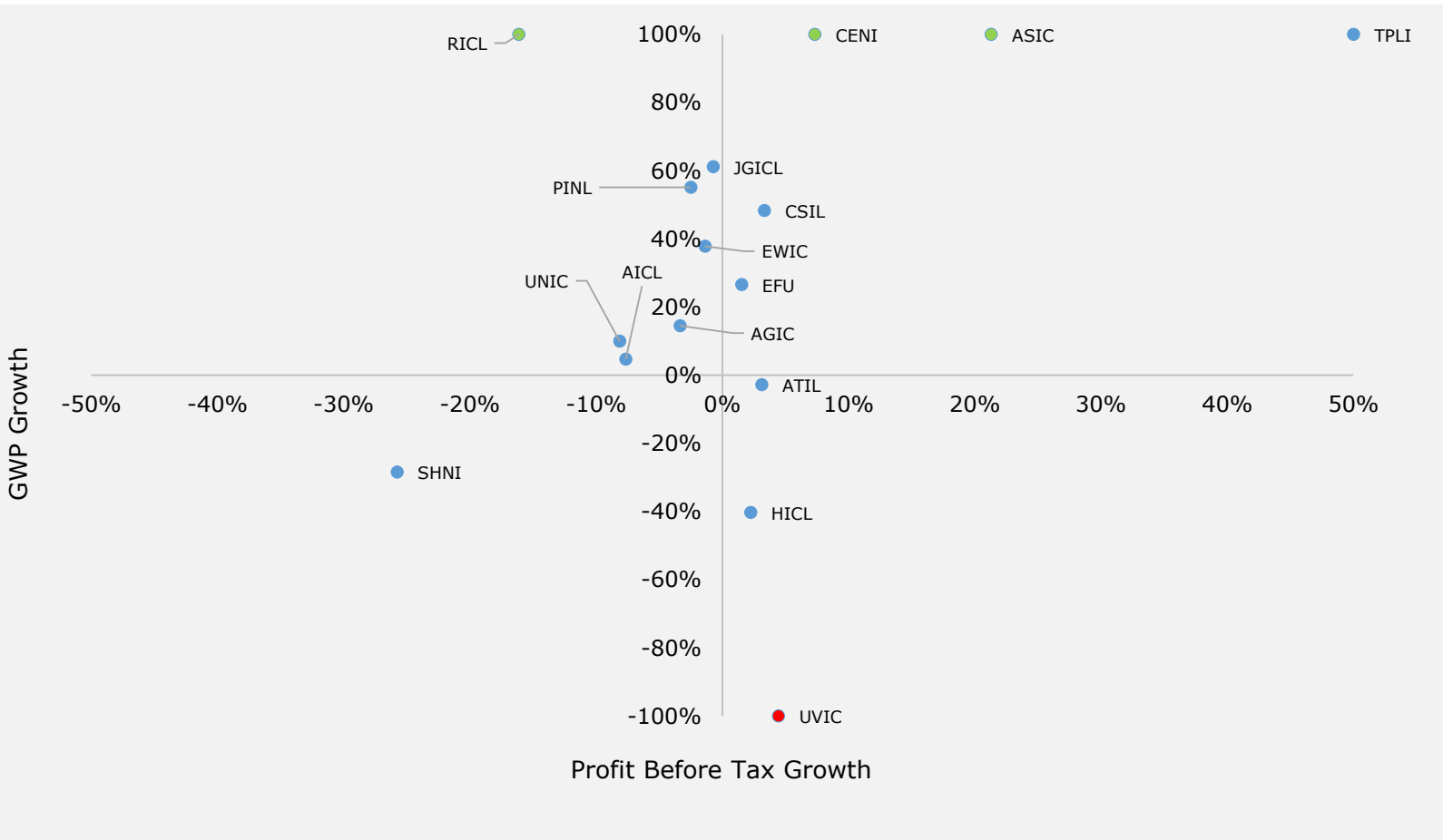
This table ranks companies based on gross written premium and profit before tax. The Indic column indicates whether the profit ranks above or below the premium rank.

EFU, AICL and JGICL have built up large and profitable books of business over the years. CSIL ranks the lowest in terms of premium but it's rank in terms of profit is much higher. TPLI, HICL and PINL have high premium rankings but much lower profit ones.

Disclaimer: PKGI have not written any business over the last 2 years. Hence excluded from the table.



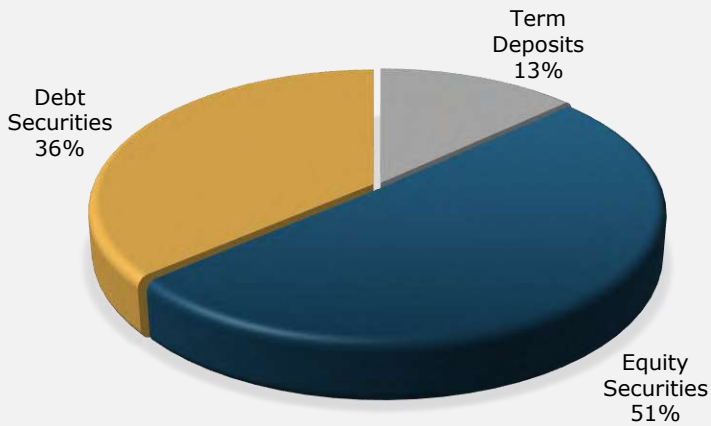
PREMIUM & PROFIT ANALYSIS



The graph shows gross written premium (GWP) growth on the x-axis and profit before tax growth on the y-axis. The profit before tax growth is capped at $\pm 100\%$ while the GWP growth is capped at $\pm 50\%$. The growth is calculated on a year-on-year basis for nine months ended Sep 2020 vs 2019. Companies in the top right quadrant show positive growth for both profit before tax and GWP which is desirable. Presence in the top left quadrant might indicate an improved underwriting performance or investment income whereas presence in the bottom right quadrant can indicate worsening underwriting profitability all else being equal.

ASSET MIX

TOTAL INVESTMENTS AS AT 2020-Q3

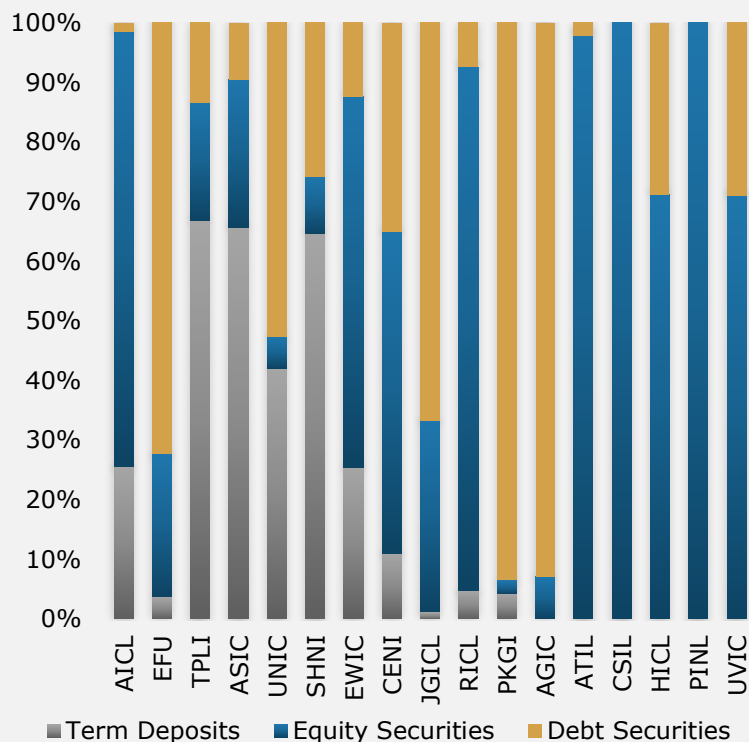


Total fund size: PKR 71.1 billion

The chart shows the Industry's Invested Asset breakdown and how the contribution is made by each asset class. Majority of the investments are made in equity securities followed by debt securities and then term deposits.

General Insurers prefer investment in liquid assets like debt securities and term deposit. Investment in equities can yield higher return but their market value is more volatile and thus leads to a higher capital charge.

ASSET MIX



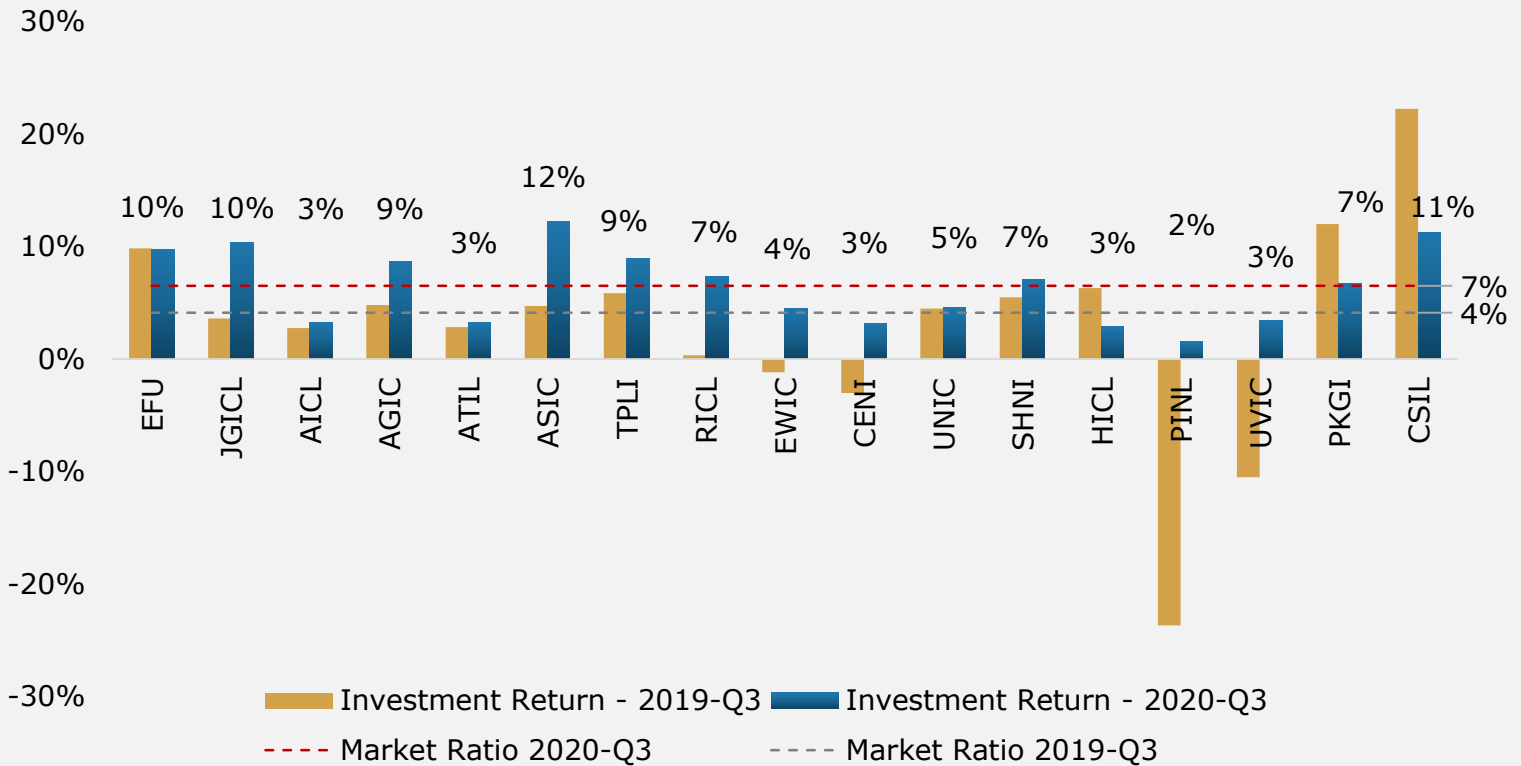
The bar graph shows the investments of companies by asset class.

AICL has a major proportion invested in the equity market whereas EFU & JGICL have focused more on the debt side.

CSIL & PINL have invested primarily only in the equity market while the other companies have diversified their portfolios across the three asset classes.

INVESTMENT RETURN

INVESTMENT RETURN - CONVENTIONAL & TAKAFUL



The investment return is computed as investment income over total investments.

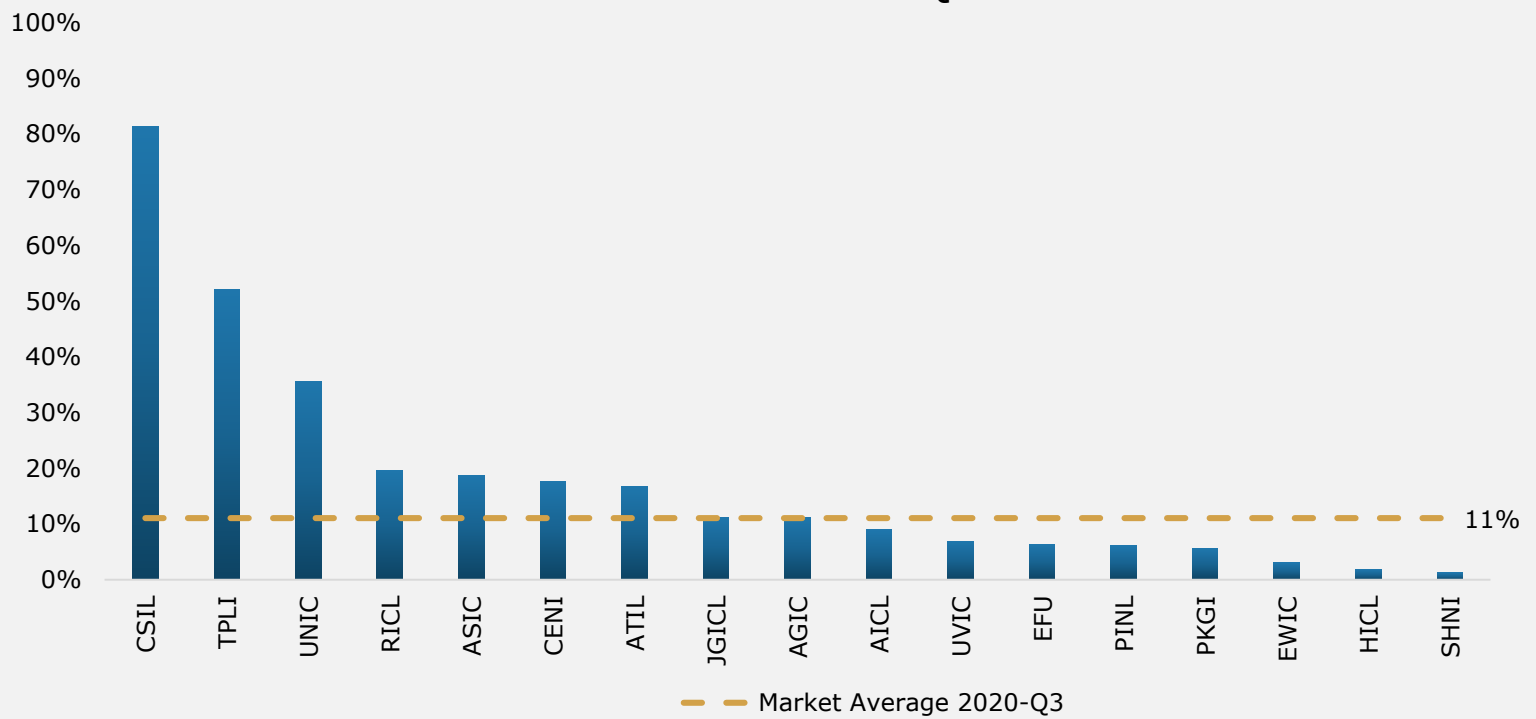
The investment returns of the industry averaged around 7% for the nine months ended Sep 2020 whereas it was 4% for the corresponding period in 2019.

ASIC had the highest level of investment return at 12% and the majority of their investments lie in term deposits. The lowest investment returns were achieved by PINL of 2% and their portfolio comprises primarily of equity securities.



CASH RATIO

CASH RATIO 2020-Q3



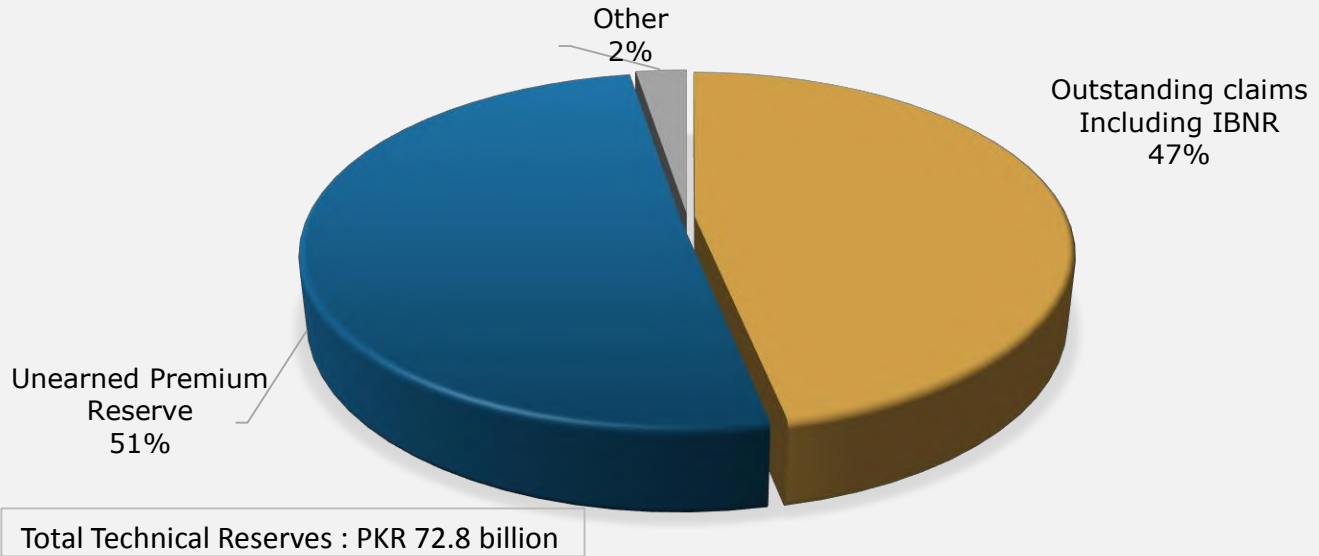
The cash ratio has been taken as the ratio of cash & bank to total invested assets including cash. General insurers aim to keep a minimum level of cash to meet unexpected requirements which may arise due to a large loss or a catastrophe. Cash generally earns a lower return compared to other asset classes.

The market average is calculated to be 11%.

CSIL has the highest level of 81% maintained as cash, while the lowest ratio of 1% was observed for SHNI.

TECHNICAL RESERVES

GROSS TECHNICAL RESERVES AS AT 2020-Q3



The pie chart shows that unearned premium reserve forms the biggest proportion of technical reserves for listed non-life insurance companies of Pakistan followed closely by the outstanding claims reserve which includes IBNR reserves as well.

Reserves are backed by assets which earn investment income for the company.

GROSS TECHNICAL RESERVES AS A % OF GWP



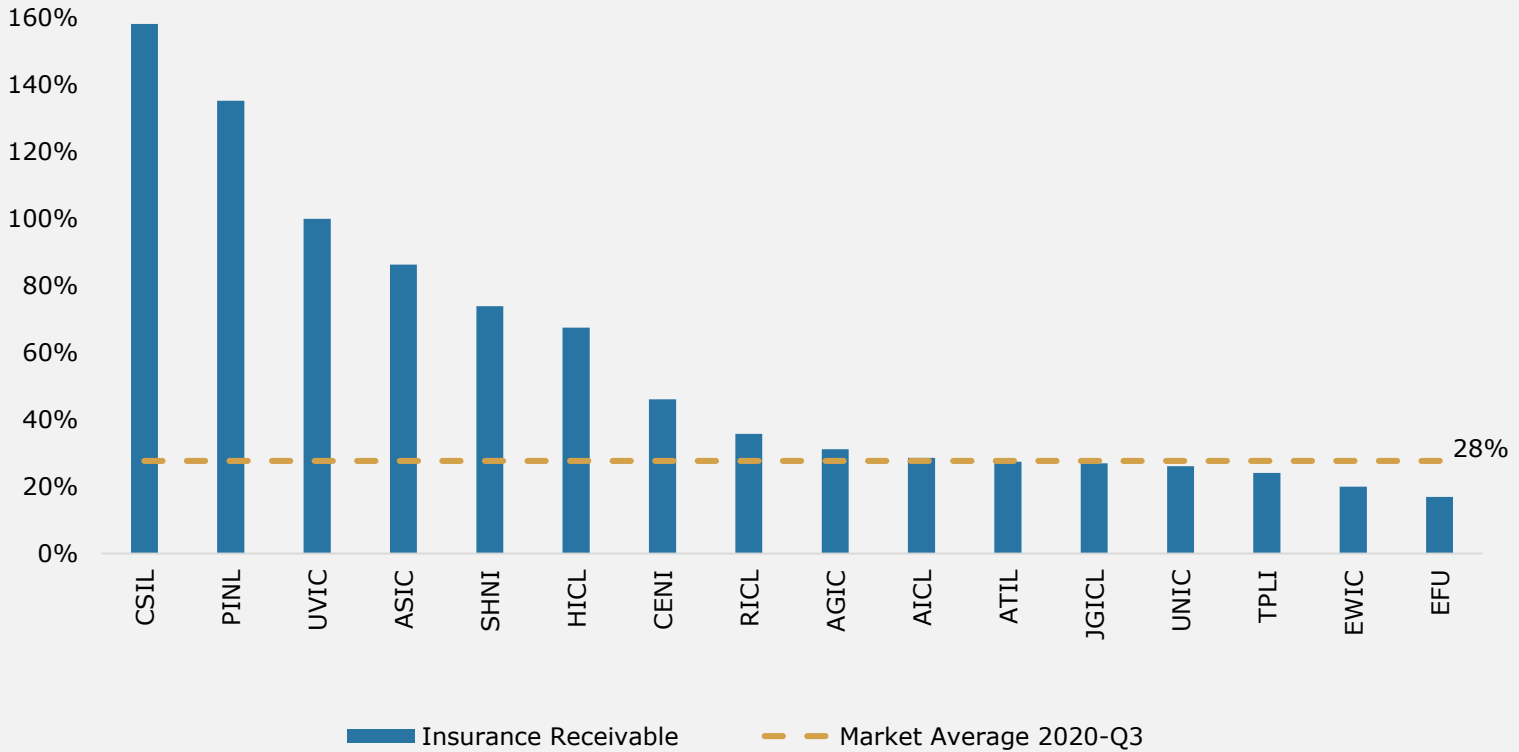
The bar graph represents the gross technical reserves as at Sep 20 over the gross premium written in calendar year 2019.

PINL ranks the highest with a ratio of 226% while EWIC has the lowest ratio at 59%. This ratio is driven by a company’s reserving philosophy and mix of business.

Insurers try to avoid both under-reserving as well as over-reserving. Over-reserving would lead to a deferral of profits and taxes while under-reserving can result in a premature payout of dividends.

INSURANCE RECEIVABLES

INSURANCE RECEIVABLES AS A % OF GWP

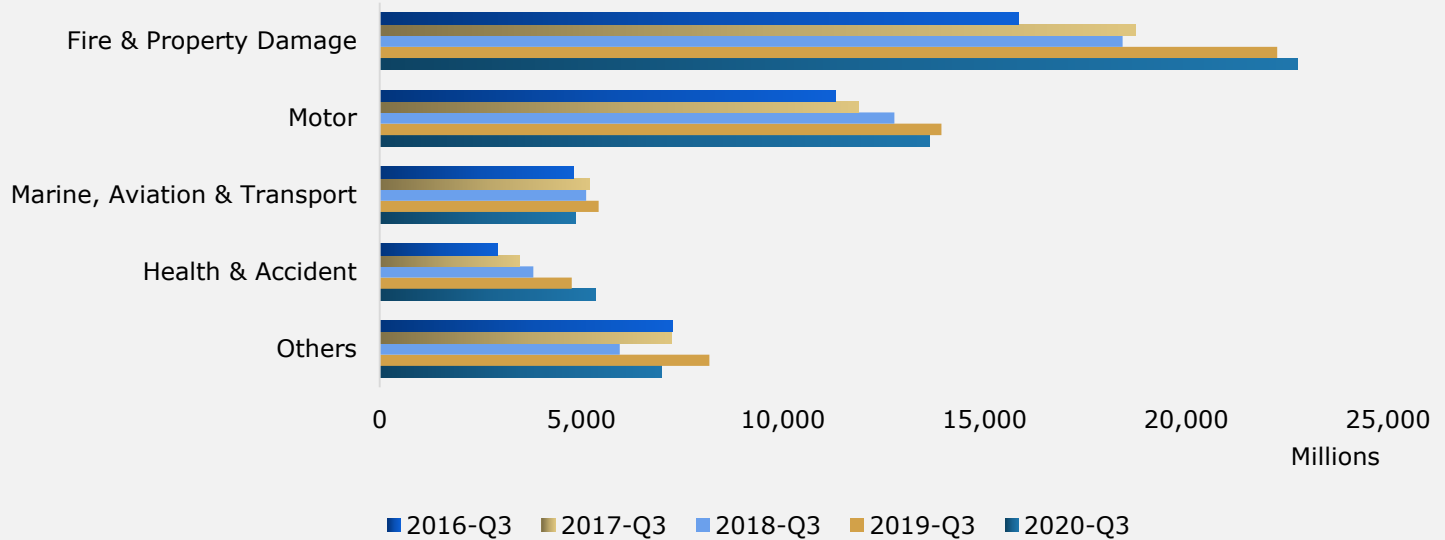


The ratio is computed using insurance receivables as at 2020-Q3 and the gross written premium for calendar year 2019. The market ratio is the weighted average which is computed to be 28%. CSIL has the highest ratio of 158% while EFU has the lowest ratio at 17%.

The ratio depicts the collection performance of each company. This is particularly important for general insurance which has a short tail. Quicker collection can also improve the liquidity position and favorably impact the investment income.

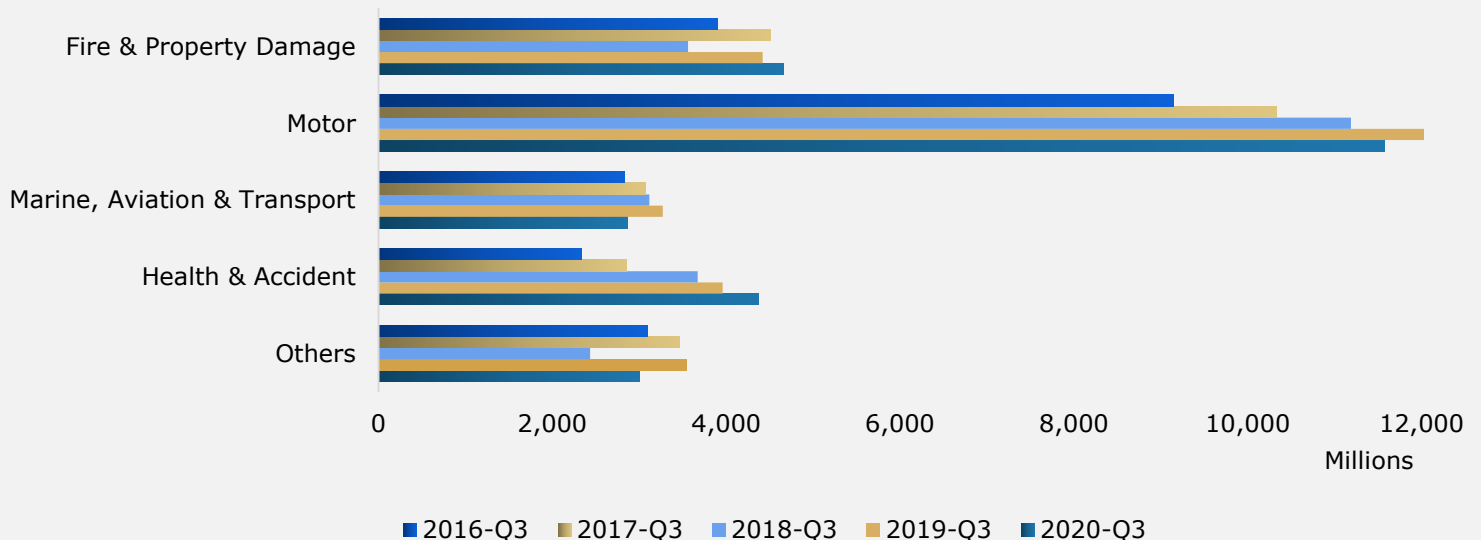
PREMIUMS BY LINE OF BUSINESS

GROSS WRITTEN PREMIUM/CONTRIBUTION BY LOB



The Gross Premium trend for the conventional and takaful business combined shows a decrease for the motor, marine, aviation and transport line for the nine months ended 2020 when compared with the corresponding period in 2019. This can be explained by the uncertainty created by COVID-19 lockdowns which decreased overall business activity. While the health line shows an increase in gross premiums. Furthermore, it can be seen that the highest premium of PKR 112 Billion was reported for the period ended September 2019.

NET EARNED PREMIUM/CONTRIBUTION BY LOB

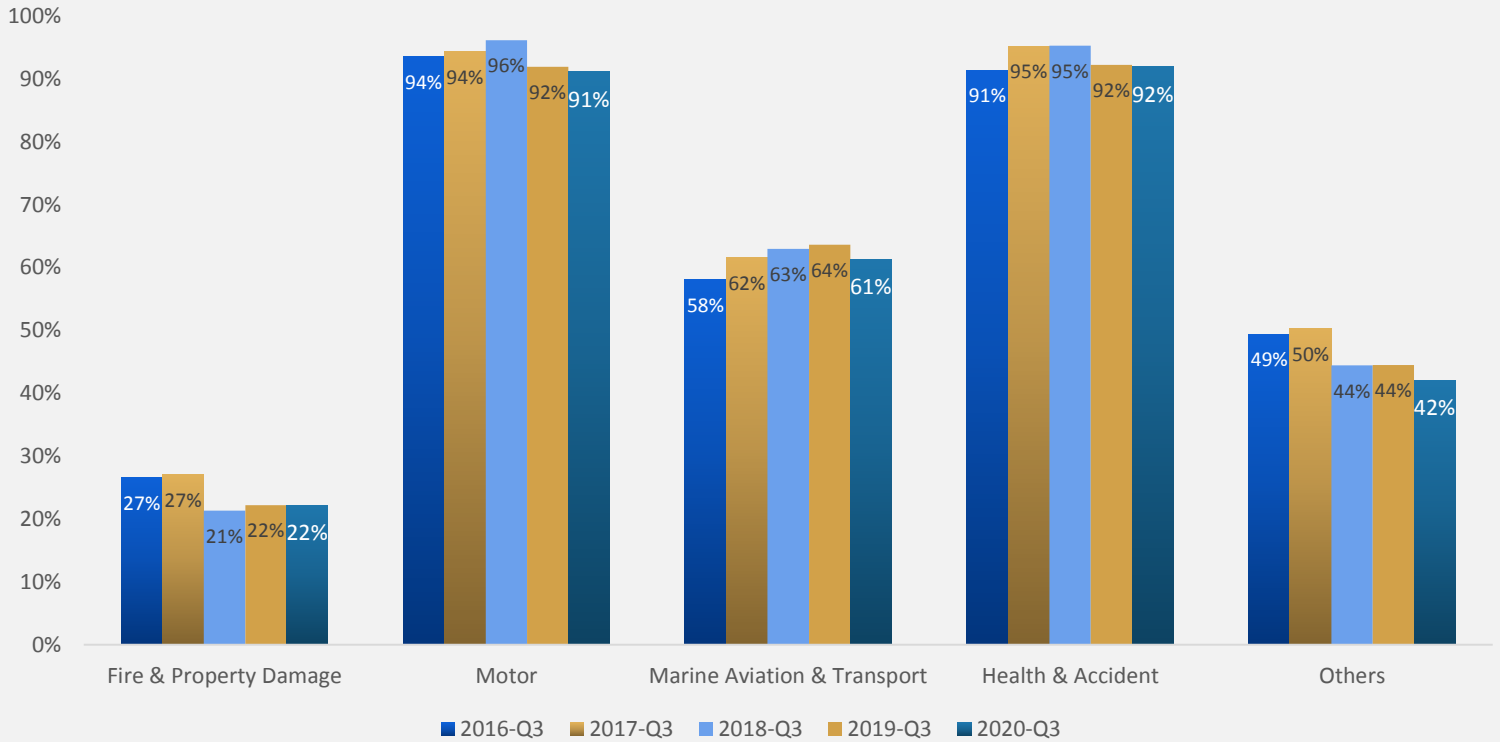


It can be observed that a significant proportion of the Fire & Property Damage line has been reinsured which is due to the nature of the risk profile for this line. The highest net premium has consistently been earned in the Motor line of business. Health & Accident continues to be a primarily retained line.



RETENTION RATIO BY LINE OF BUSINESS

RETENTION RATIO BY LOB

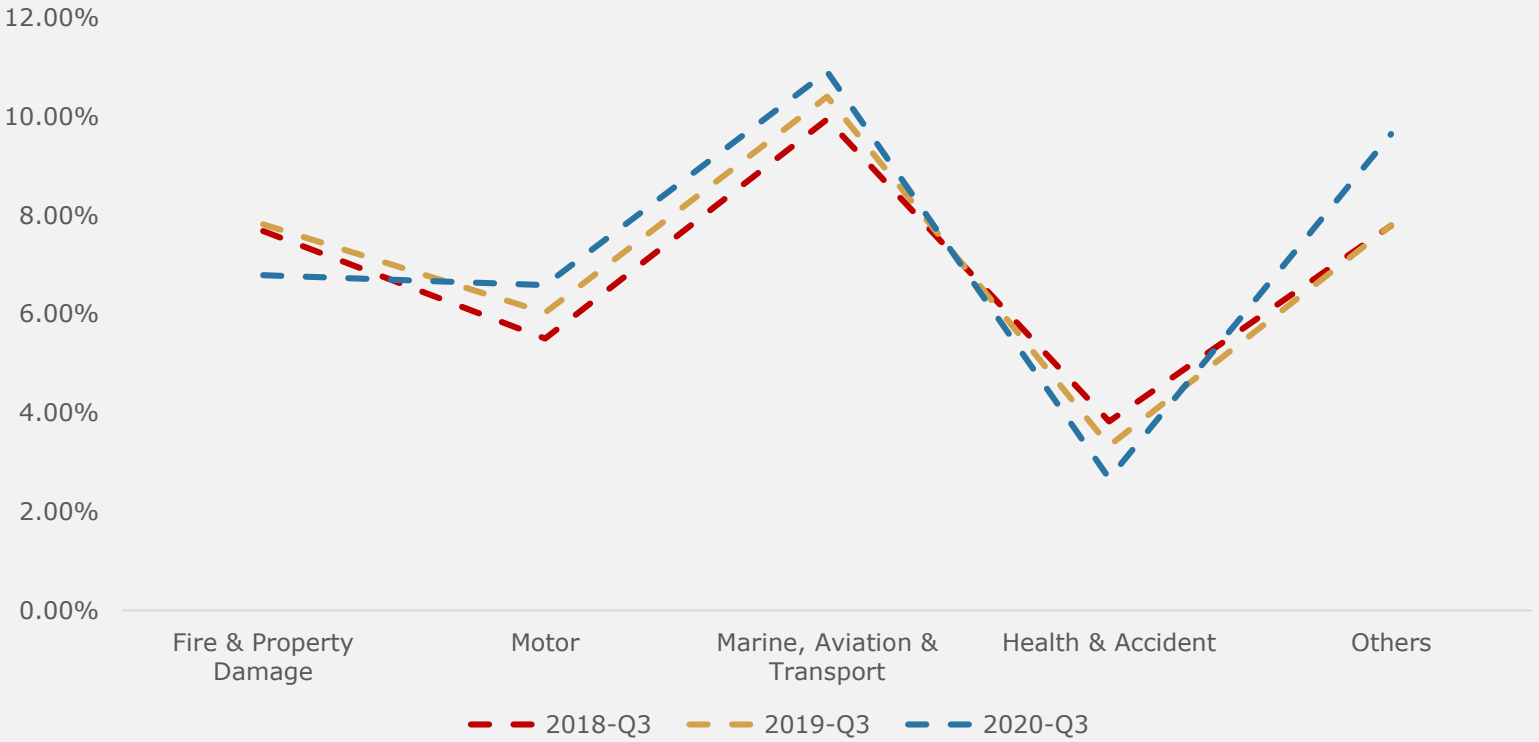


The retention ratio is the percentage of business earned by insurance companies that is not reinsured. High frequency/low severity lines like Motor and Health have a high retention ratio as expected. On the other hand, volatile lines like Fire and Marine where the risk sizes may be bigger have a low retention ratio. Capital and capacity issues mean most large property risks in Pakistan are ceded out to the foreign reinsurance market.



COMMISSION RATIO BY LINE OF BUSINESS

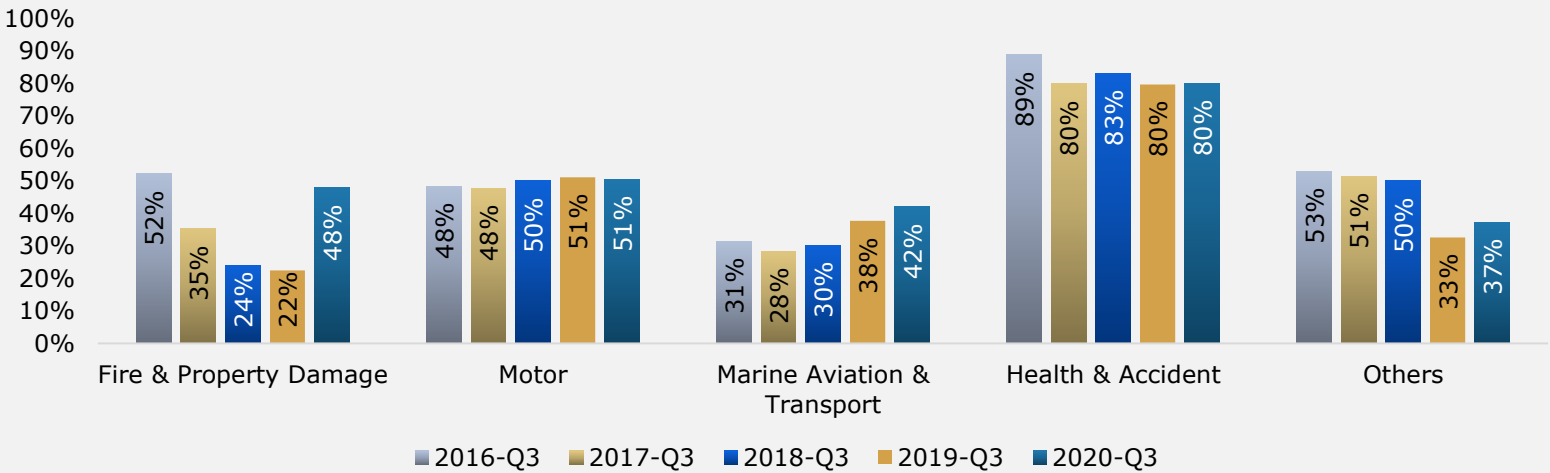
DIRECT COMMISSION RATIO BY LOB



The direct commission ratio is the commission paid for acquiring business through agents and brokers as a % of written premium. The trend shows lower 2020 ratios for Fire and Health when compared to 2018 & 2019. Whereas, this trend is opposite for Motor, Marine and Others. High loss ratio lines accommodate a lower commission as can be seen for Health here. Marine continues to be a profitable business in Pakistan and abroad and thus can be seen here offering the highest commission rates.

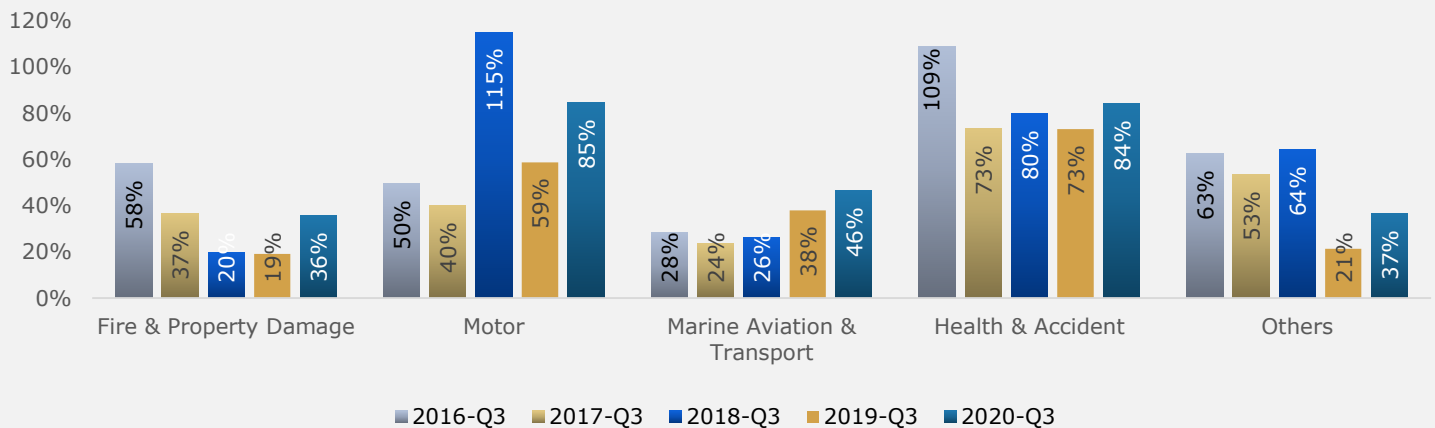
LOSS RATIOS BY LINE OF BUSINESS

GROSS LOSS RATIO BY LOB



The gross loss ratios have trended up for Fire, Marine and Others in 2020. Motor and Health have remained fairly stable over the years. In addition, these two lines might have benefited from the COVID-19 lockdown when less cars were on the road and hospital visits for non-urgent care were also on a decline.

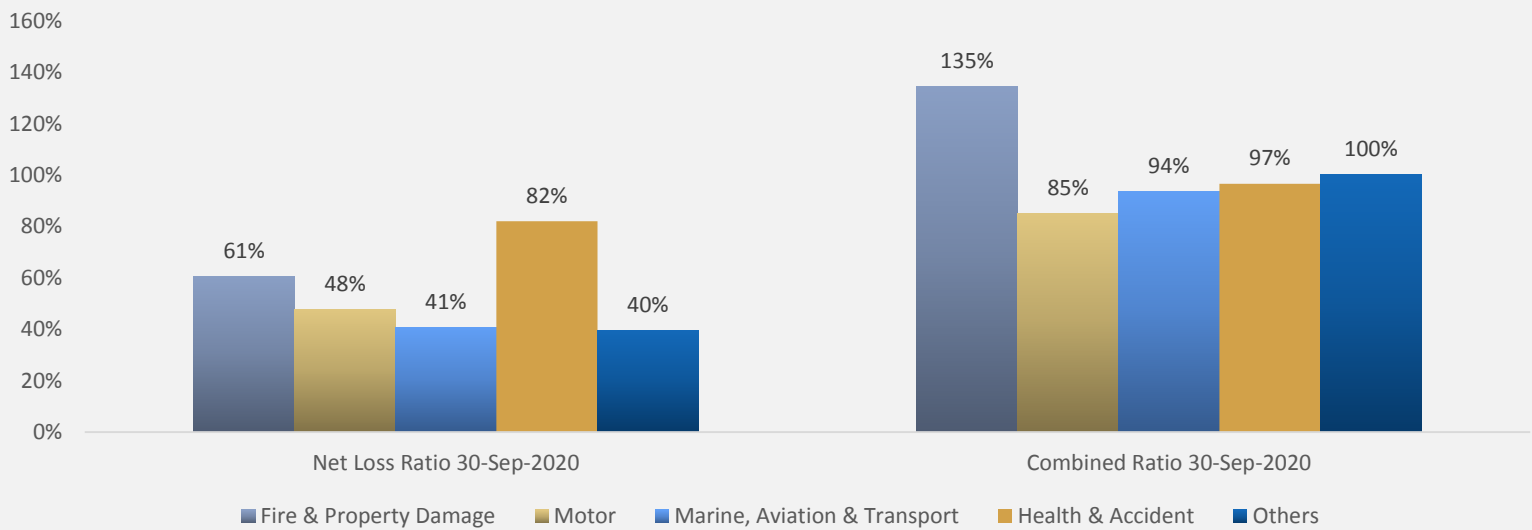
RI LOSS RATIO BY LOB



RI loss ratios have moved up in 2020 for all lines of businesses. This coupled with a hardening market can mean upward pressure on prices at the January 2021 renewals. Apart from this, there is no clear trend seen in the above ratios. This is expected since reinsurance is bought to absorb volatility enabling the cedant to smoothen their results across years.

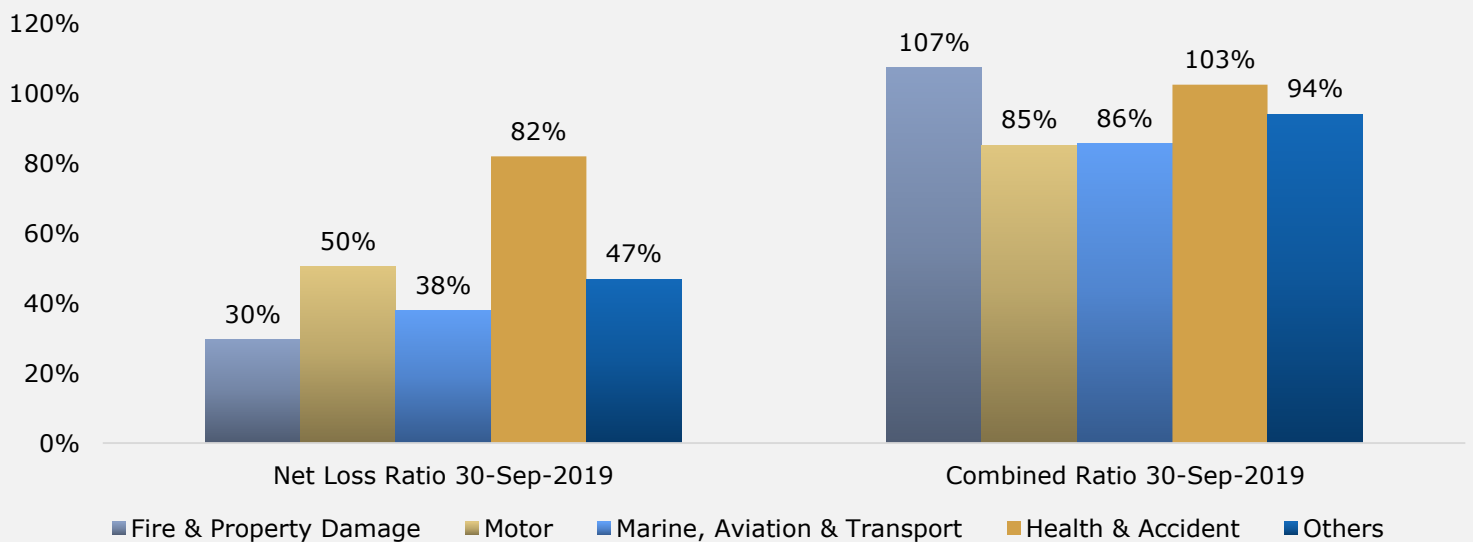
LOSS & COMBINED RATIO BY LINE OF BUSINESS

NET LOSS & COMBINED RATIO BY LOB - 2020 - Q3



The bar chart shows the net loss and combined ratios across the various business lines for conventional and takaful combined. The net loss ratios were higher for Fire and Marine for the nine months period ended Sep 2020 when compared to 2019. While they were lower for Motor and other lines.

NET LOSS & COMBINED RATIO BY LOB - 2019 - Q3



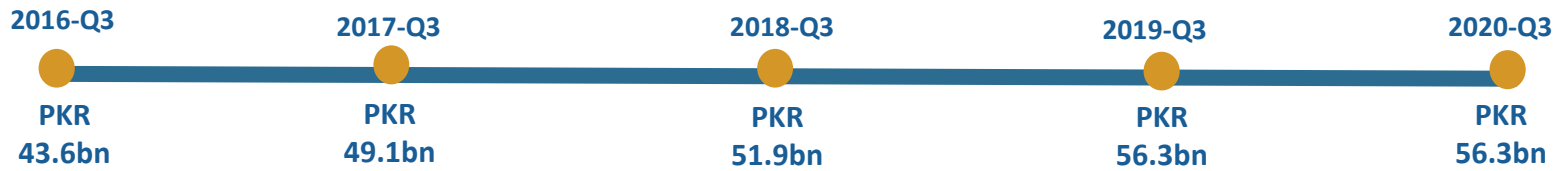
The combined ratios have increased for Fire, Marine and Others in 2020. While Health & Accident has shown an improvement for the same period.

Expense ratios have not changed much year-on-year for all lines as can be seen in the difference between net and combined ratio bars.

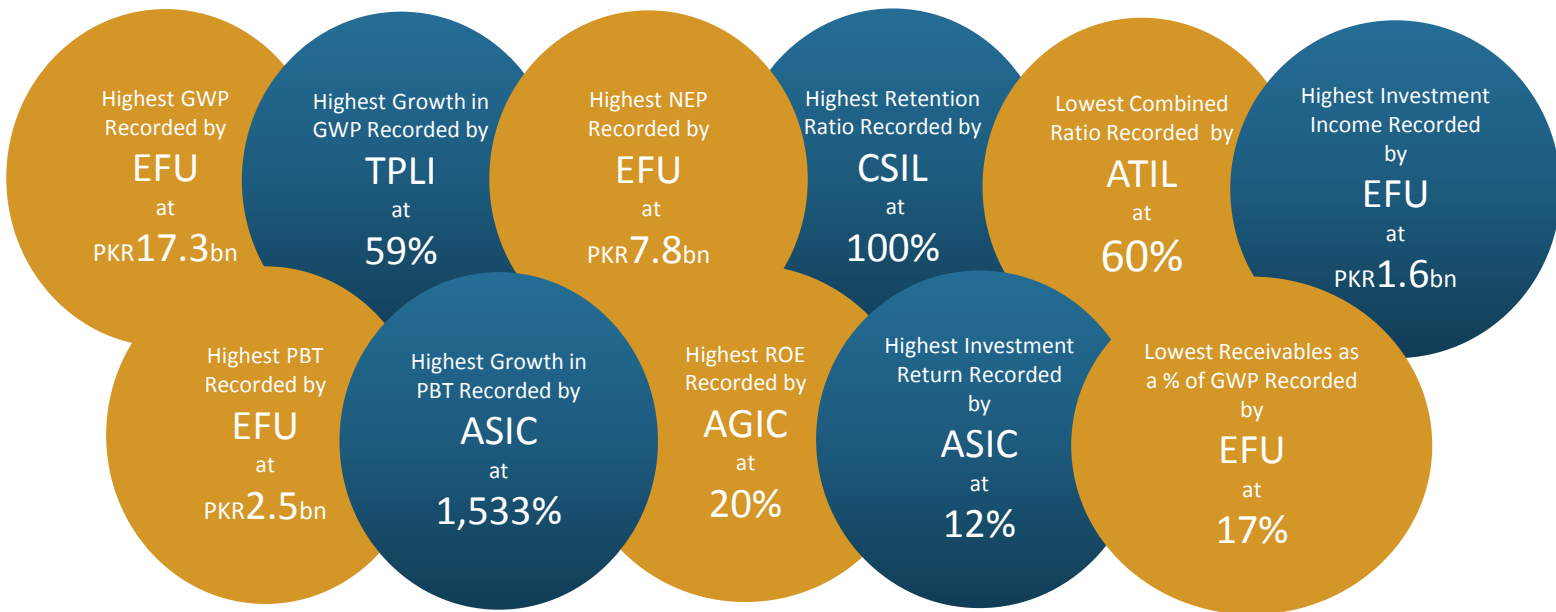
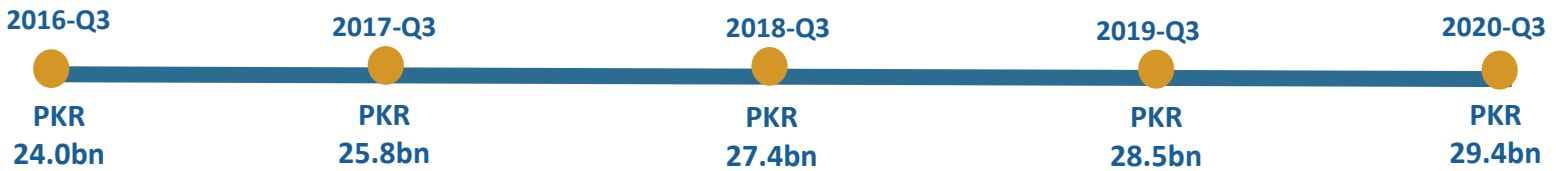


KEY TAKEAWAY POINTS

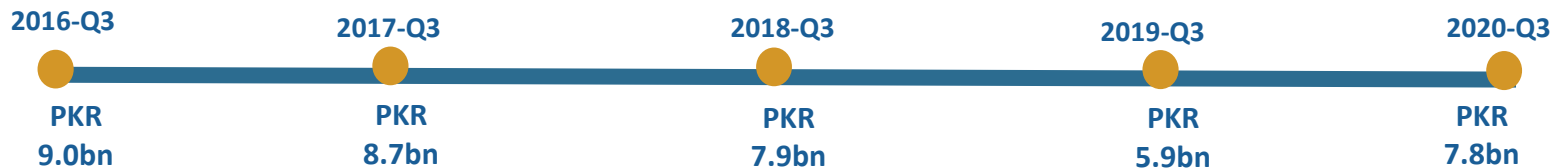
INDUSTRY GWP GROWTH TIMELINE - CONVENTIONAL & TAKAFUL



INDUSTRY NEP GROWTH TIMELINE - CONVENTIONAL & TAKAFUL



INDUSTRY PBT GROWTH TIMELINE - CONVENTIONAL & TAKAFUL





CONCLUSION

- The COVID-19 pandemic has severely impacted many economies of the world. Pakistan is currently battling with the second wave of the virus and the economic outlook seems uncertain.
- As of September 2020, any significant impact of the pandemic could not be recognized by the listed insurance companies of Pakistan. However, the full impact of the business underwritten during the lockdown period can only be ascertained by Q2 of 2021.
- The GWP has witnessed an increase but at a decreasing rate throughout the last 4 year period and showed negligible change for the period ended September 2020.
- GWP for the conventional and takaful business combined increased in the Fire & Property and Health & Accident line while the other lines of business saw a decline.
- The proportion of business underwritten by the takaful segment is consistently on the rise and currently stands at 12% of the total market.
- The gross loss ratio for the industry increased by 9% for the period ended September 2020.
- Investment income was a major contributor towards the performance of conventional insurers and stood at PKR 4.5 Billion in aggregate, an 85% increase on the 2019 level
- Profit before tax for the market increased by 32% and stood at PKR 7.83 billion for the first three quarters of 2020.



COMPANIES INCLUDED IN THE ANALYSIS

Listed Insurance Companies			
Sr. No.	Symbol	Name	Market
1	AICL	Adamjee Insurance Co. Ltd	PSX
2	ASIC	Asia Insurance Company Limited	PSX
3	AGIC	Askari Gen. Ins. Co. Ltd	PSX
4	ATIL	Atlas Insurance Limited	PSX
5	CENI	Century Insurance Co.Ltd	PSX
6	CSIL	Crescent Star Insurance Ltd	PSX
7	EWIC	East West Insurance Co. Ltd	PSX
8	EFU	EFU General Ins. Ltd	PSX
9	HICL	Habib Insurance. Co. Ltd	PSX
10	JGICL	Jubilee General Insurance Company Limited	PSX
11	PINL	Premier Insurance Limited	PSX
12	RICL	Reliance Insurance Co. Ltd	PSX
13	SHNI	Shaheen Ins. Co. Ltd	PSX
14	PKGI	The Pakistan Gen. Ins. Co. Ltd	PSX
15	TPLI	TPL Insurance Limited	PSX
16	UNIC	United Ins. Co. of Pak. Ltd	PSX
17	UVIC	Universal Insurance Company Ltd	PSX



DISCLAIMER

- We have undertaken an analysis of the Key Performance Indicators (KPIs) of the listed non-life insurance companies for the period ended September 2020. The data has been extracted from the financial statements of these companies.
- For the scope of our analysis, we have only taken business underwritten inside Pakistan for AICL.
- We have taken the data from the financial statements for the respective quarters. Any reinstatement in later years has not been adjusted.
- The reporting presentation changed from 2018 which means that some items available in 2017 accounts are not exactly available from 2018 onwards.
- Based on GWP of YTD 2020-Q3, the report covers 74% of the general insurance market. Quarterly accounts of most unlisted companies are either not available or are published very late.
- While we have tried to ensure accuracy in the data input and evaluation process, in view of the natural scope for human and/or mechanical error, either at input or during analysis, we accept no liability whatsoever for any loss or damage resulting from errors, inaccuracies or omissions affecting any part of this publication. If you come across an error or have a query, do write to us.



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ABOUT OUR TEAM

UAE/Oman
Actuarial

28 STAFF

KSA Actuarial

22 STAFF

Medical

4 STAFF

Business
Intelligence

11 STAFF

End of Service

5 STAFF

HR Consulting

2 STAFF

12 SUPPORT AND ADMIN STAFF

TOTAL STRENGTH = 84



BADRI

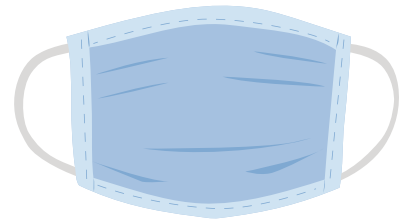
SOME SAFETY TIPS FROM TEAM BADRI

You're braver than you believe and stronger than you seem, and smarter than you think - so follow guidelines & stay safe.

Take extra care of hygiene



Don't forget to wear protective mask



Avoid touching eyes, nose and mouth



Maintain safe distance





CONTACT US!



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Ali Bhuriwala



Omar Khan



Maira Qadar



Afnan Shaukat



FEEDBACK

Badri Management Consultancy is proud to present the 2020-Q3 report. We have a dedicated team that is working to bring you research reports. Our doors are open for feedback, and we welcome them. Feel free to inquire about the report.



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