



ANALYSIS OF NON-LIFE
INSURANCE COMPANIES IN
PAKISTAN FOR THE YEAR ENDED
31st DECEMBER 2017

CONTENTS

Introduction
Gross Premium
Retention Ratio
Loss Ratio
Commission Ratio
Expense Ratio
Investment Ratio
Profit Before Tax
Return on Equity
Underwriting Profits
Takaful Window
Conclusion



INTRODUCTION



We have analyzed financial statements of 20 Non-Life Insurance Companies whose financials were available as at 26th April 2018.

Companies Included in the analysis

1	Adamjee Insurance	11	Habib Insurance*
2	EFU General Insurance	12	TPL Direct Insurance*
3	Jubilee General Insurance	13	Reliance Insurance
4	The United Insurance*	14	Premier Insurance
5	Sindh Insurance	15	Century Insurance
6	UBL Insurance*	16	Saudi Pak Insurance*
7	Atlas Insurance	17	Asia Insurance*
8	Askari General Insurance	18	Shaheen Insurance
9	SGI Insurance	19	The Crescent Star Insurance
10	East West Insurance	20	The Universal Insurance*

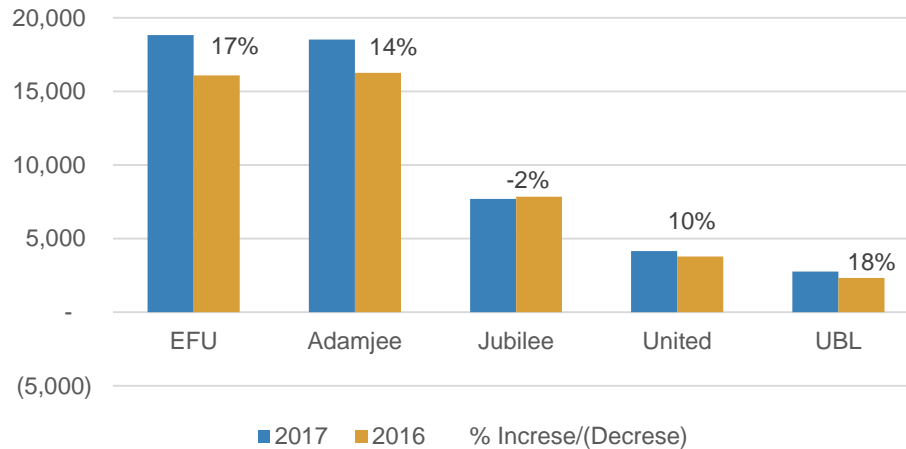
*A few companies were observed to change presentation of financial statements as per Insurance Rules – 2017

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GROSS WRITTEN PREMIUM



PKR (Million) Gross Written Premium (Top 5)



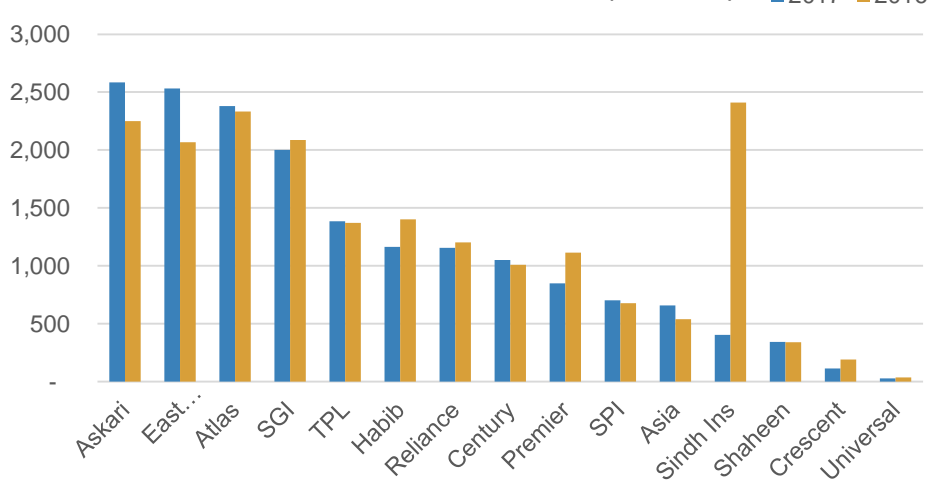
Total Gross Premium Written by the 20 insurance companies showed an increase of 6% from PKR 65.4 billion to PKR 69.3 billion

Highest growth is observed for Asia and East West at 22%

Negative Growth is observed for the following companies

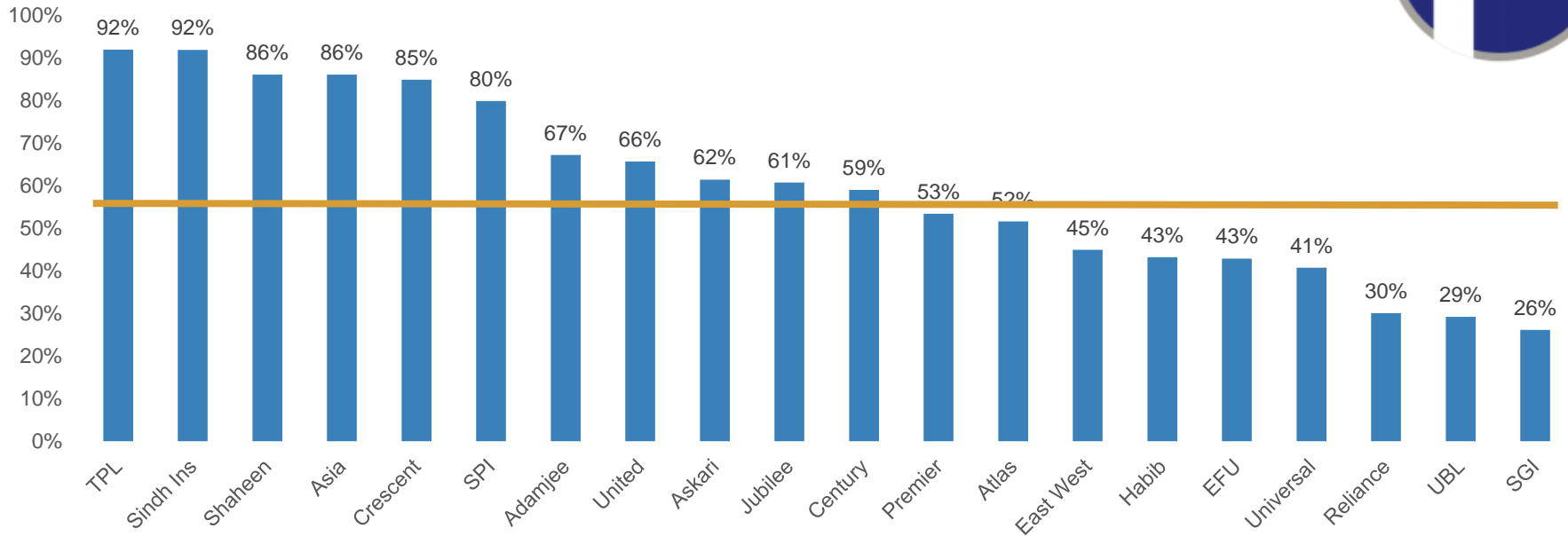
- Sindh Insurance (83%)
- Crescent Star (41%)
- Premier (24%)
- Universal (21%)
- Habib (17%)
- Reliance (4%)
- SGI (4%)
- Jubilee (2%)

PKR (Million) Gross Written Premium (Others)



Results for IGI Insurance one of the Key Players are not available to date

RETENTION RATIO



Highest retention ratio is shown by TPL at 92%, with more than 85% of GWP in motor portfolio

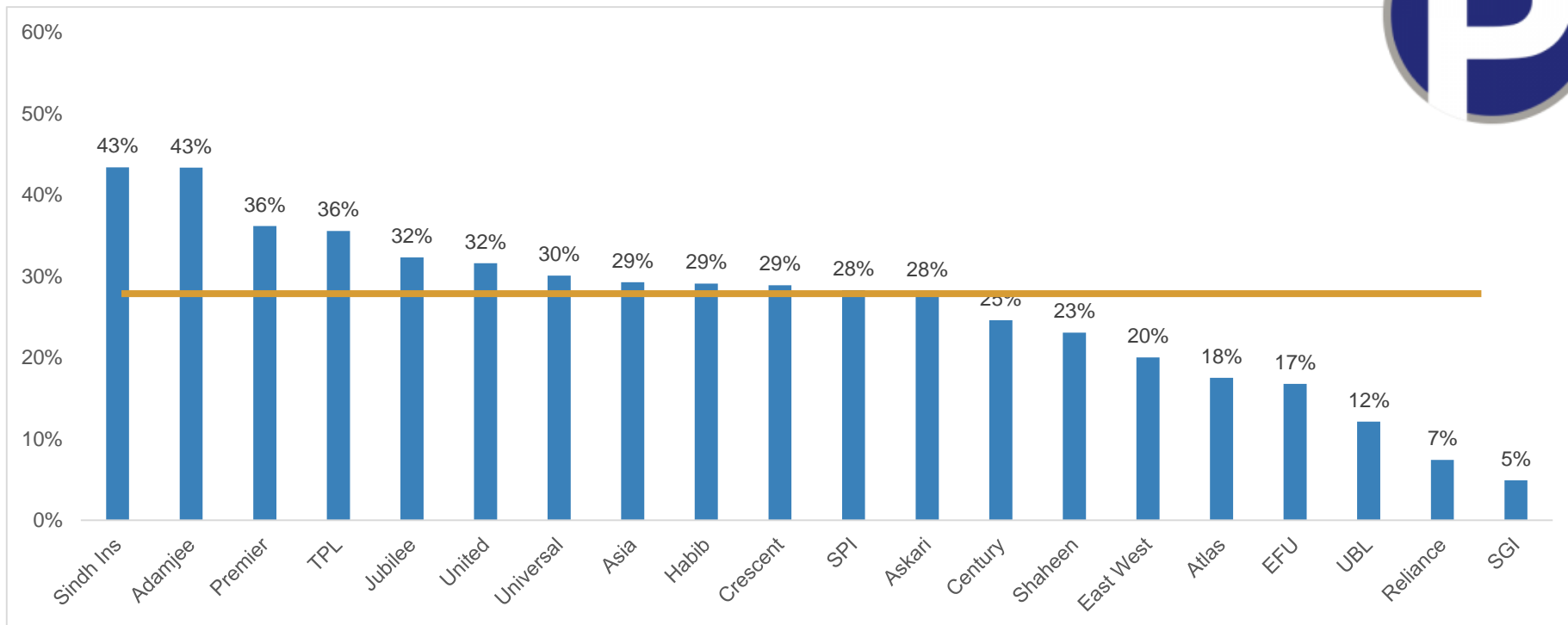
The lowest retention ratio of 26% is reflected by SGI

The average retention ratio is 56%

The retention ratios have been calculated as ratio of net earned premium and gross earned premium



LOSS RATIO



Highest loss ratio is observed for Sindh Insurance at 43%, followed by Adamjee at around the same level

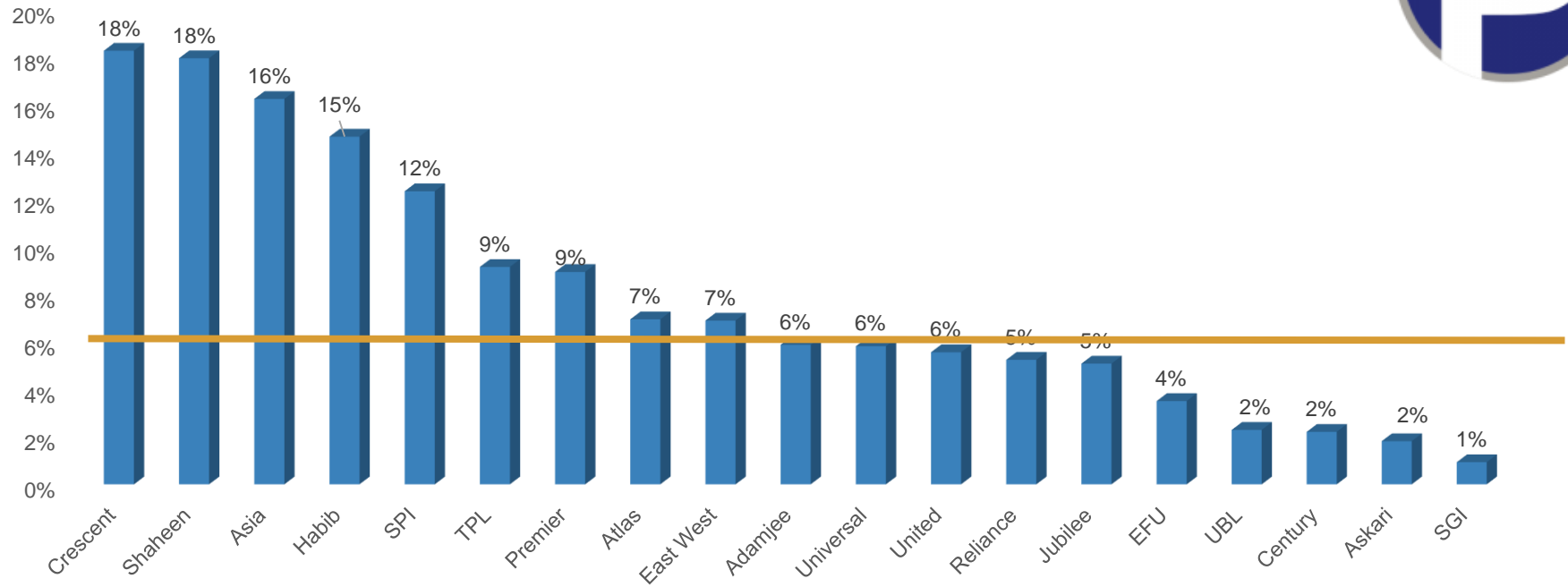
The lowest loss ratio of 5% is reflected by SGI.

The average loss ratio is 28%

The loss ratios have been calculated as ratio of net claims and net earned premium



COMMISSION RATIO



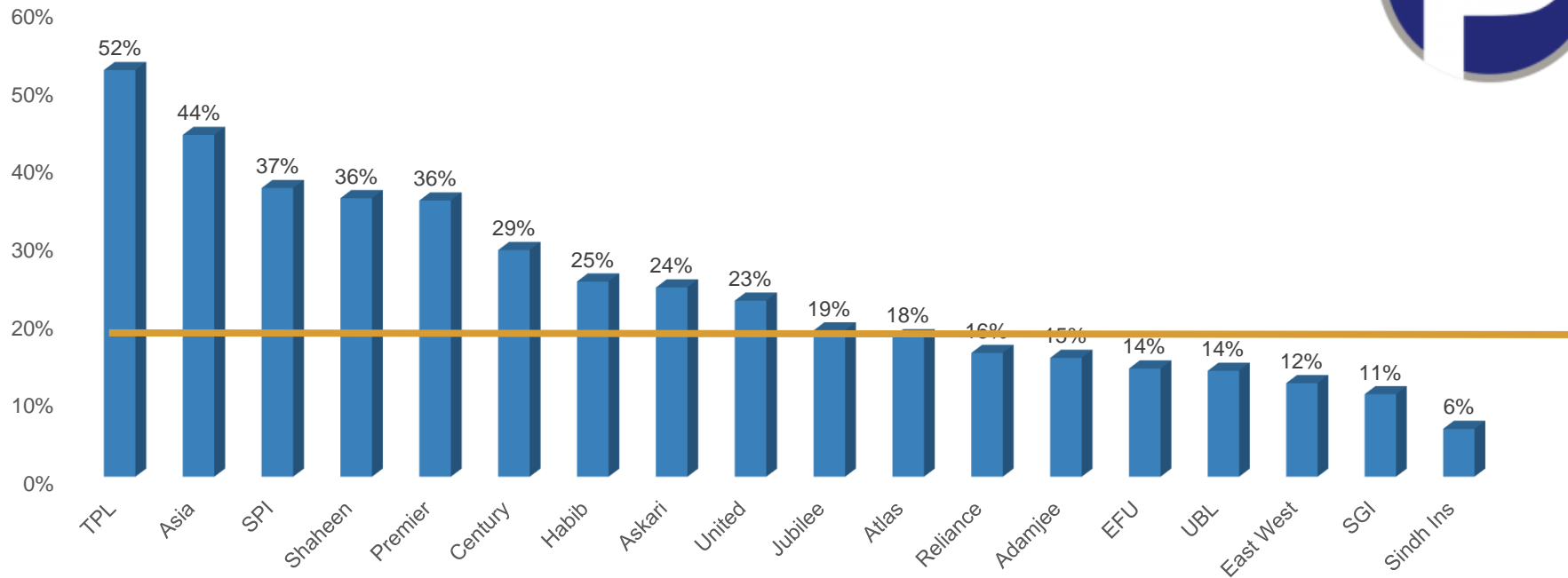
Highest commission ratio is shown by Crescent Insurance at 18%, whereas lowest commission ratio of 1% is reflected by SGI

The average commission ratio is 6%

The commission ratios have been calculated as ratio of net commission and gross written premium



EXPENSE RATIO



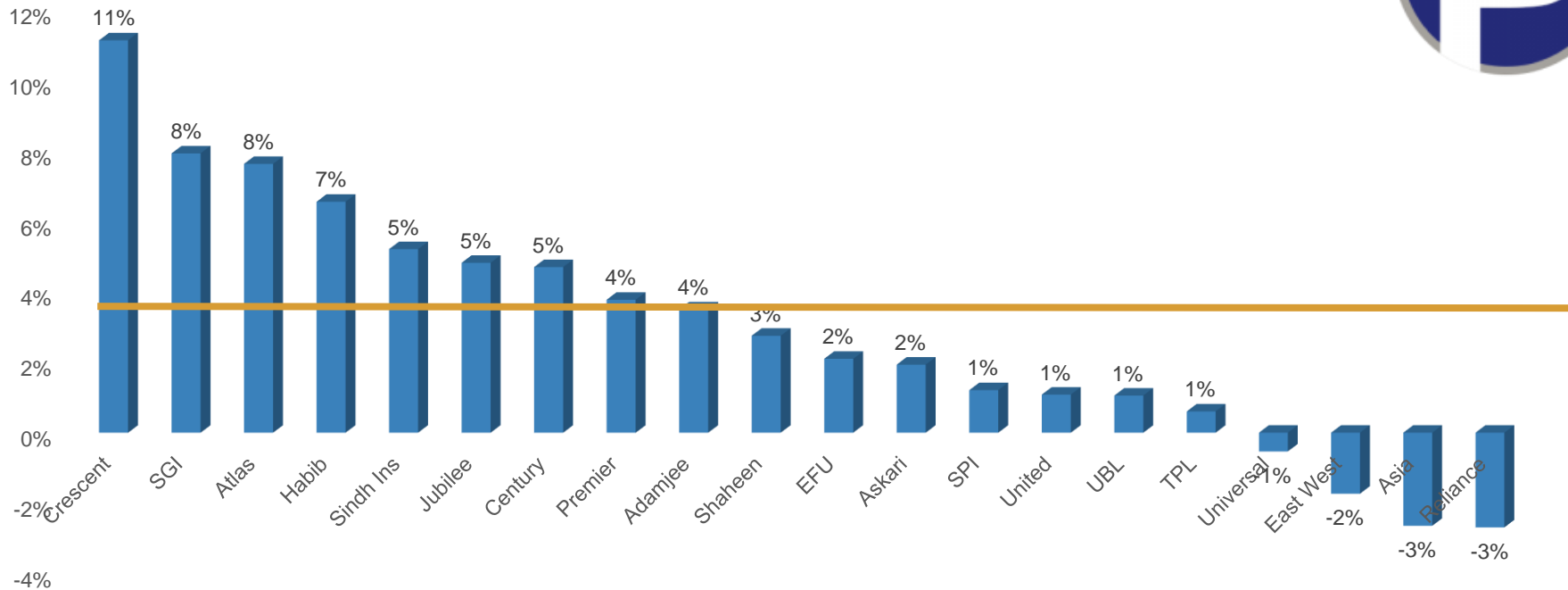
Highest expense ratio is shown by TPL Insurance at 52%, whereas lowest expense ratio of 6% is reflected by Sindh Insurance

The average expense ratio is 18%

The expense ratios have been calculated as ratio of 'management and G&A expense' and gross earned premium



INVESTMENT RATIO



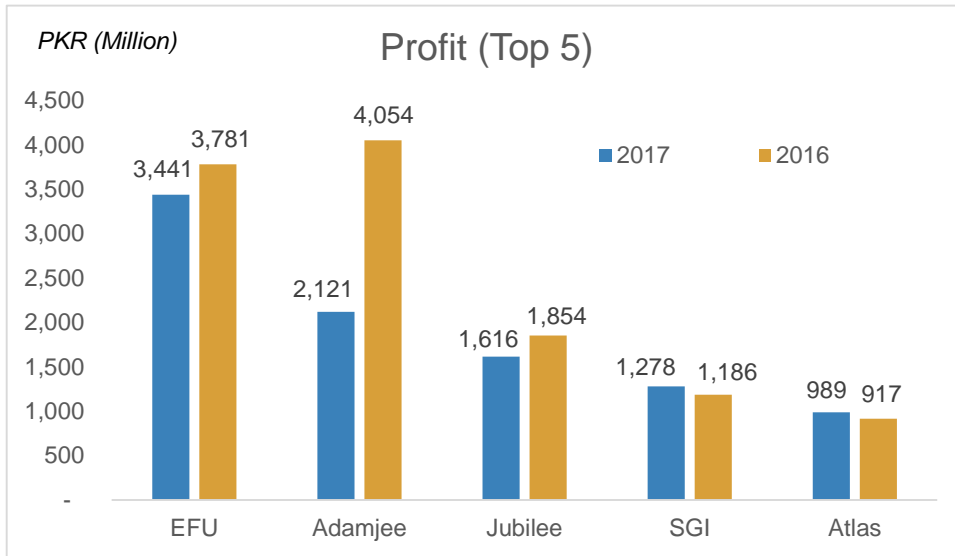
Highest investment ratio is shown by Crescent Insurance at 11%, whereas lowest investment ratio of -3% is reflected by Reliance Insurance

The average investment ratio is 4% for the year

The investment ratios have been calculated as a ratio of net investment income and assets at the beginning of the period



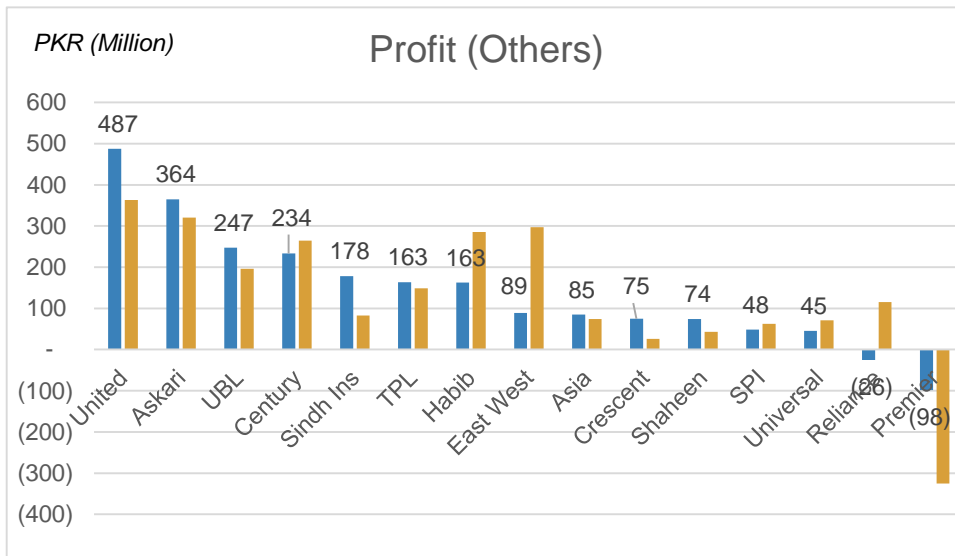
PROFIT (BEFORE TAX) FOR THE PERIOD



Highest profit is shown by EFU at 3.4 billion

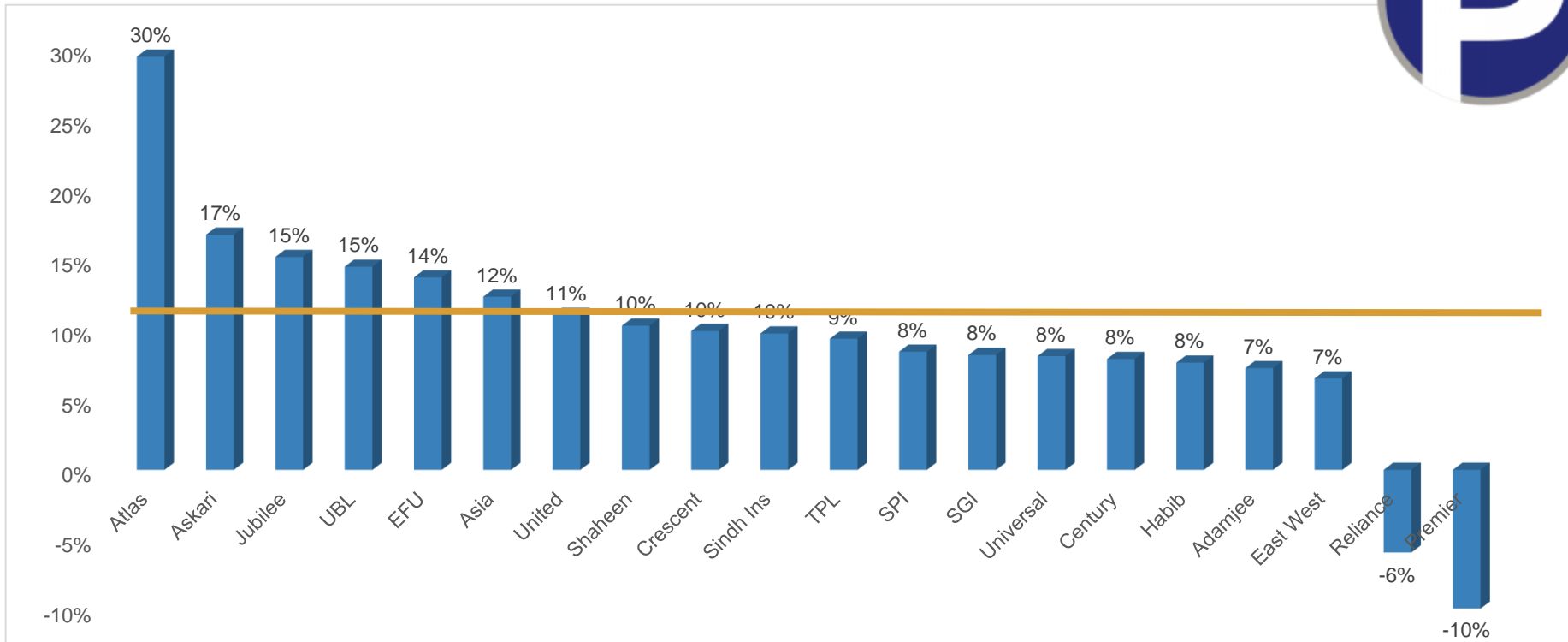
Overall the profits have declined from 13.9 billion to 11.8 billion for the year 2017 i.e. a decrease of 16%; mainly attributable to decline in investment income and underwriting results

Losses are observed for Reliance and Premier Insurance during the year



The Profit shown is 'Profit Before Tax' as per financial statements of the companies

RETURN ON EQUITY



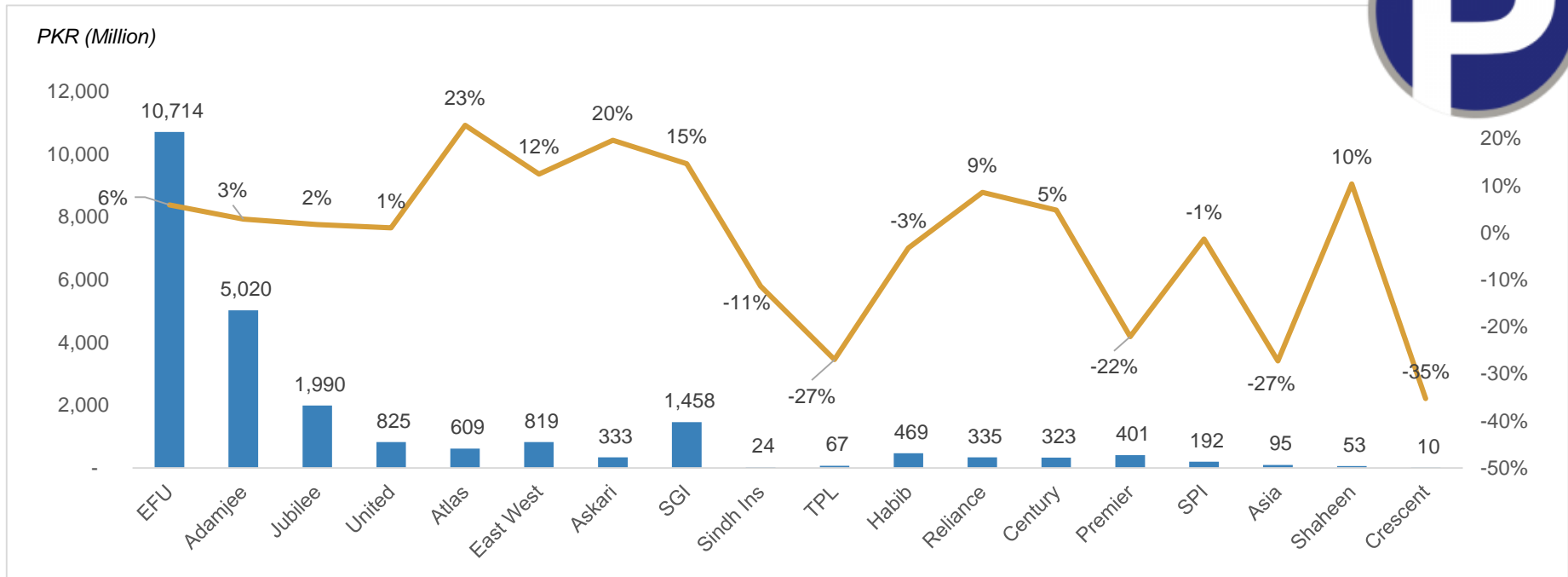
Highest return on equity is shown by Atlas Insurance at 30%, whereas lowest is reflected by Premier at -10%

The average return on equity is 11%.

The return on equity has been calculated as ratio of profit after tax and equity at the beginning of period



FIRE - UNDERWRITING PROFIT



Highest net earned premium is shown by EFU at 10.7 bilion, with underwriting profit ratio of 6%

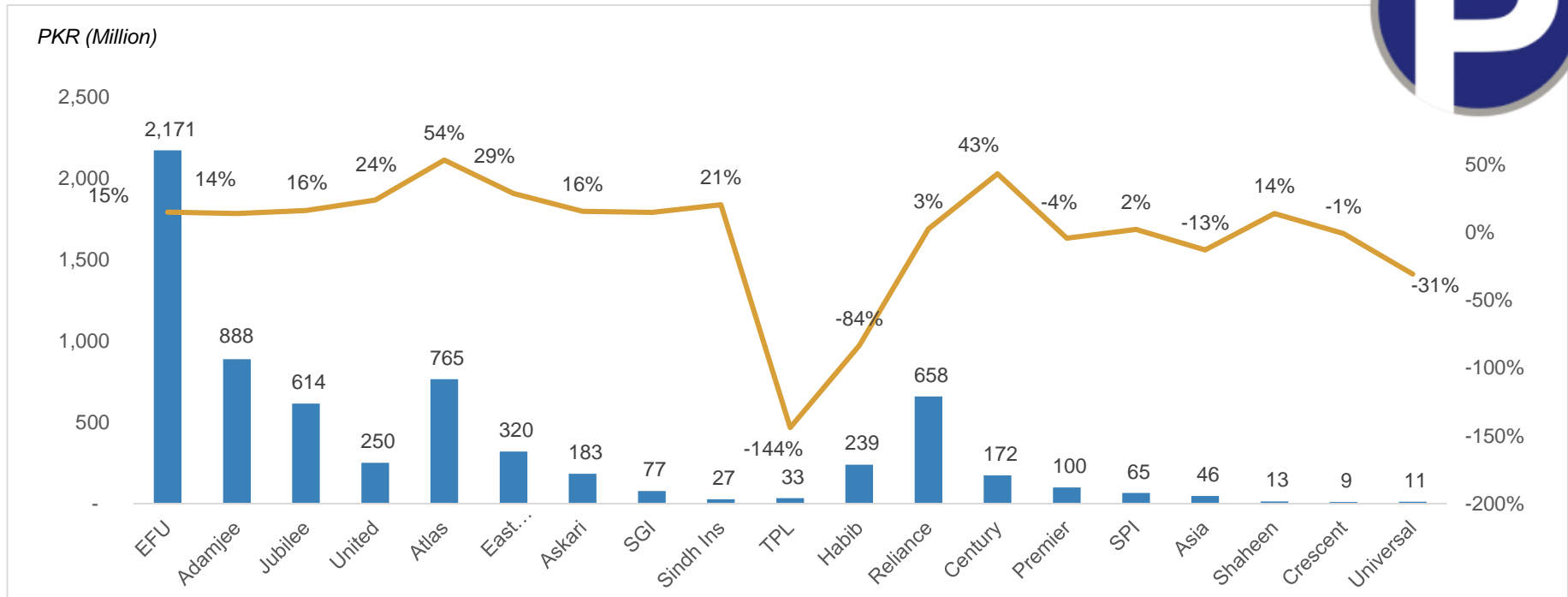
The average underwriting profit ratio is 5%.

The highest underwriting profit ratio is shown by Atlas at 23%; mainly small insurers showed negative results during the year

The underwriting profit ratio is calculated as a ratio of underwriting profits and earned premium



MARINE - UNDERWRITING PROFIT



Highest net earned premium is shown by EFU at 2.1 billion, with underwriting profit ratio of 15%

The average underwriting profit ratio is 18%.

The highest underwriting profit ratio is shown by Atlas at 54% followed by Century (43%) and East West (29%); TPL (-144%) and Habib (-84%) show high negative results

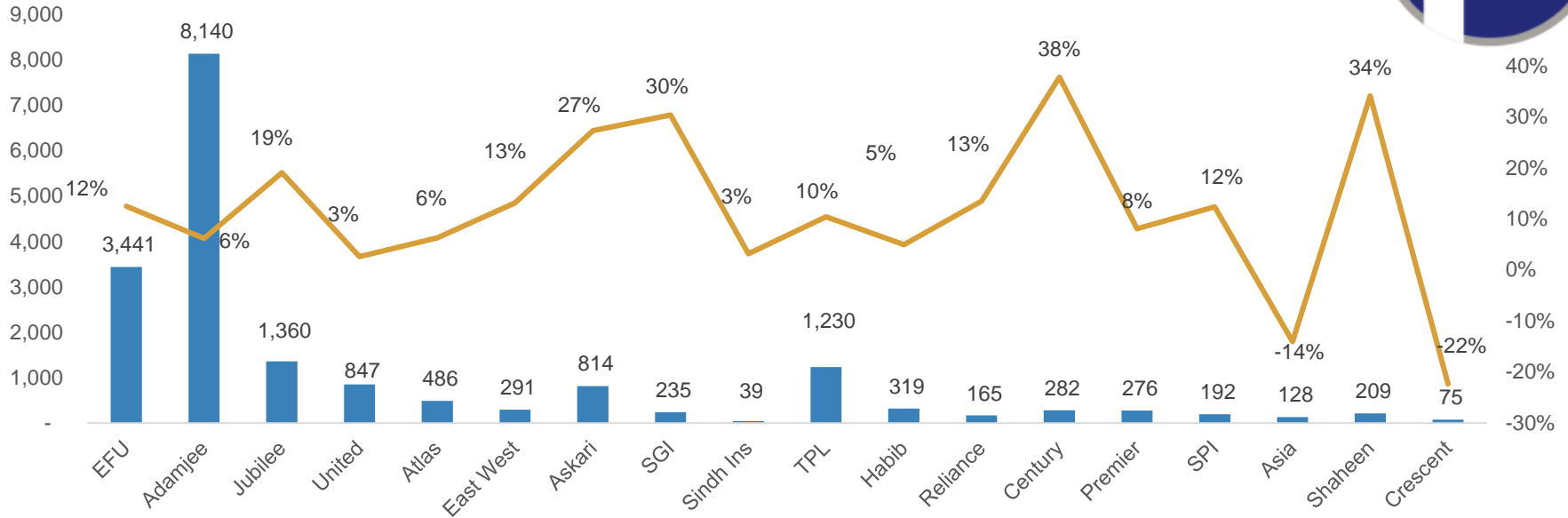
The underwriting profit ratio is calculated as a ratio of underwriting profits and earned premium.



MOTOR - UNDERWRITING PROFIT



PKR (Million)



Highest net earned premium is shown by Adamjee at 8.1 billion (mainly business written is outside Pakistan), with UW profit ratio of 6%

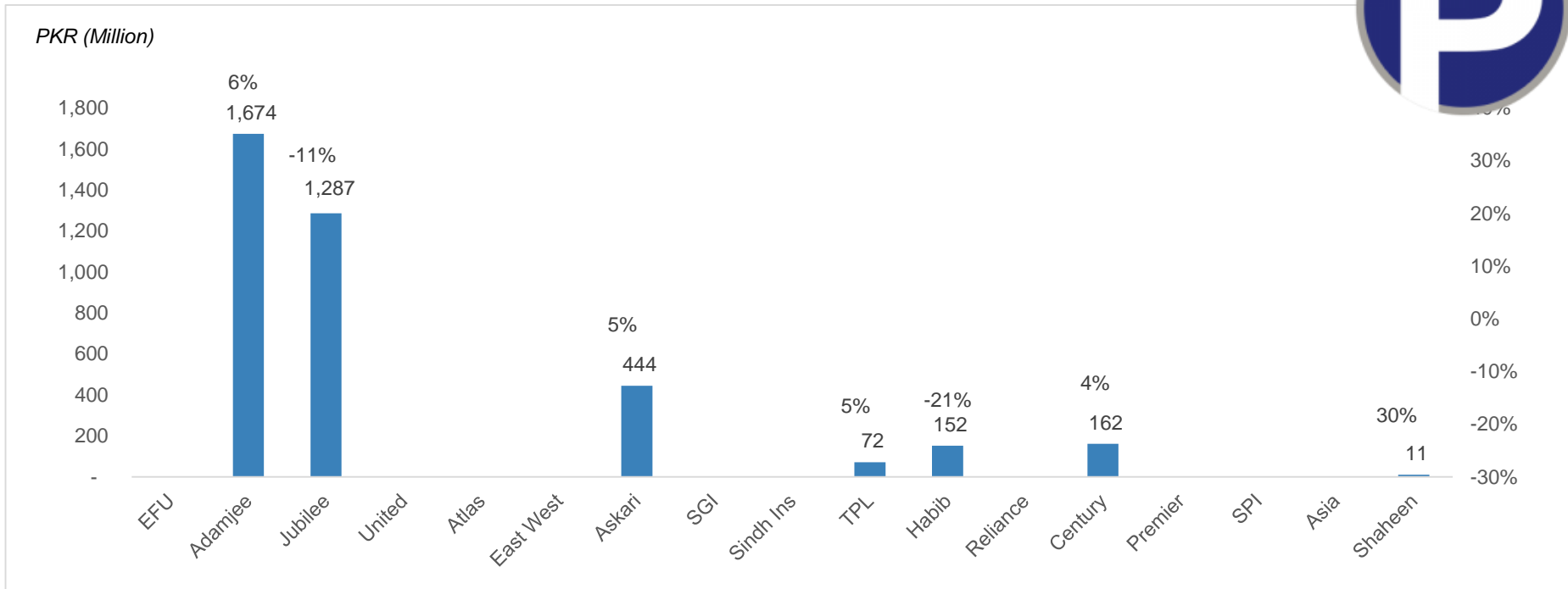
The average underwriting profit ratio is 10%

The highest UW ratio is shown by Century (38%), Shaheen (34%) and SGL (30%)

The underwriting profit ratio is calculated as a ratio of underwriting profits and earned premium.



HEALTH - UNDERWRITING PROFIT



Highest net earned premium is shown by Adamjee at 1.7 billion, with underwriting profit ratio of 6%

The average underwriting profit ratio is -1%.

Underwriting Profit Ratio is negative for Jubilee (-11%) and Habib (-21%)

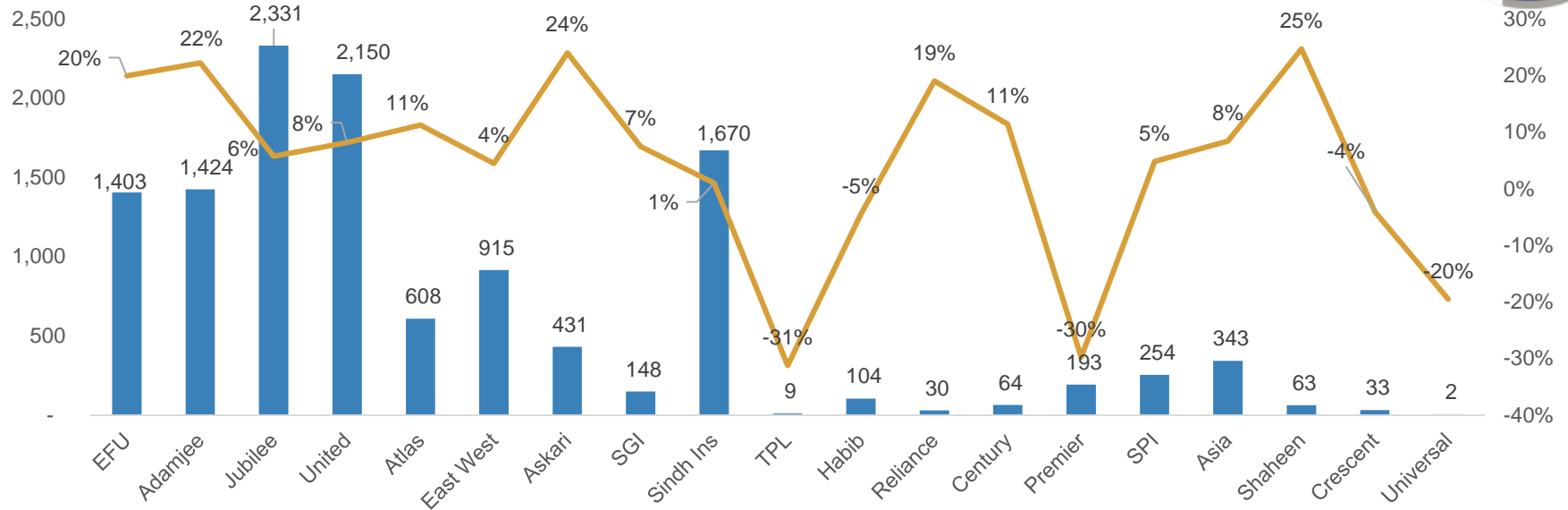
The underwriting profit ratio is calculated as a ratio of underwriting profits and earned premium.



MISC. (OTHERS) - UNDERWRITING PROFIT



PKR (Million)



Highest net earned premium is shown by Jubilee at 2.3 billion, with underwriting profit ratio of 6%

The average underwriting profit ratio is 9%.

High UW profit is shown by Shaheen (25%), Askari (24%), Adamjee (22%) and EFU (20%)

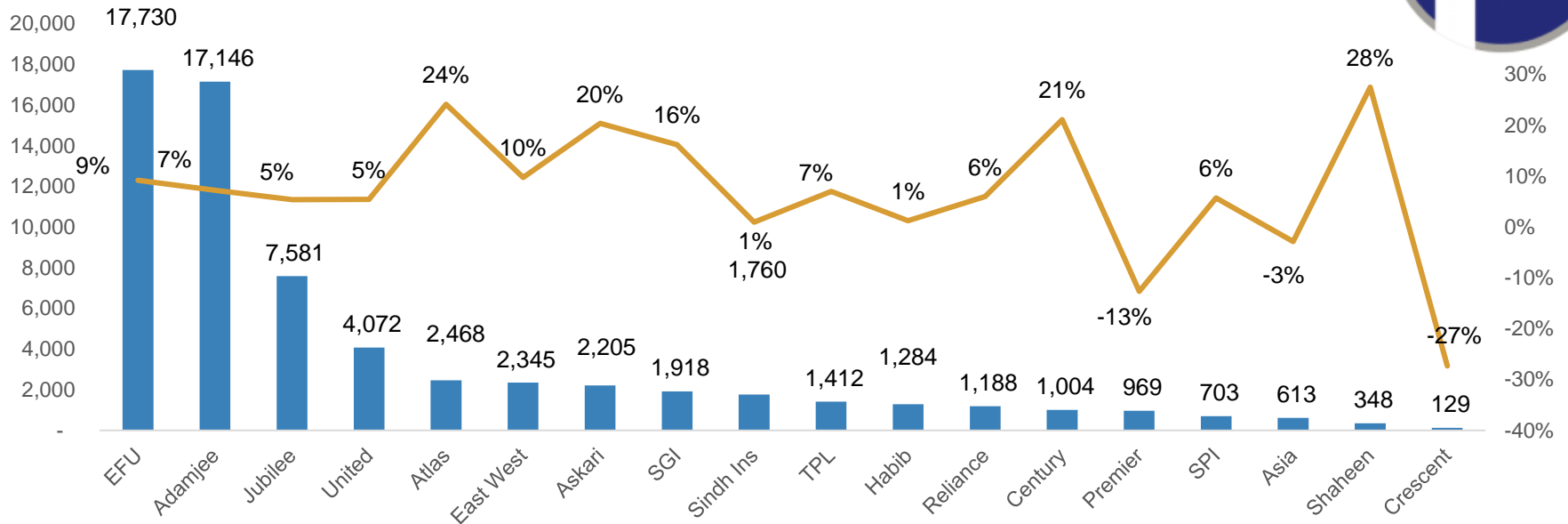
The underwriting profit ratio is calculated as a ratio of underwriting profits and earned premium.



ALL LINES OF BUSINESS - COMBINED



PKR (Million)



Highest net earned premium is shown by EFU at 17.7 bilion, with underwriting profit ratio of 9%

The average underwriting profit ratio is 8%.

Underwriting Profit Ratio is negative for Crescent (-27%), Premier (-13%) Asia (-3%); highest ratio is shown by Shaheen (28%), Atlas (24%), Century and Askari (20%)

The underwriting profit ratio is calculated as a ratio of underwriting profit and earned premium.

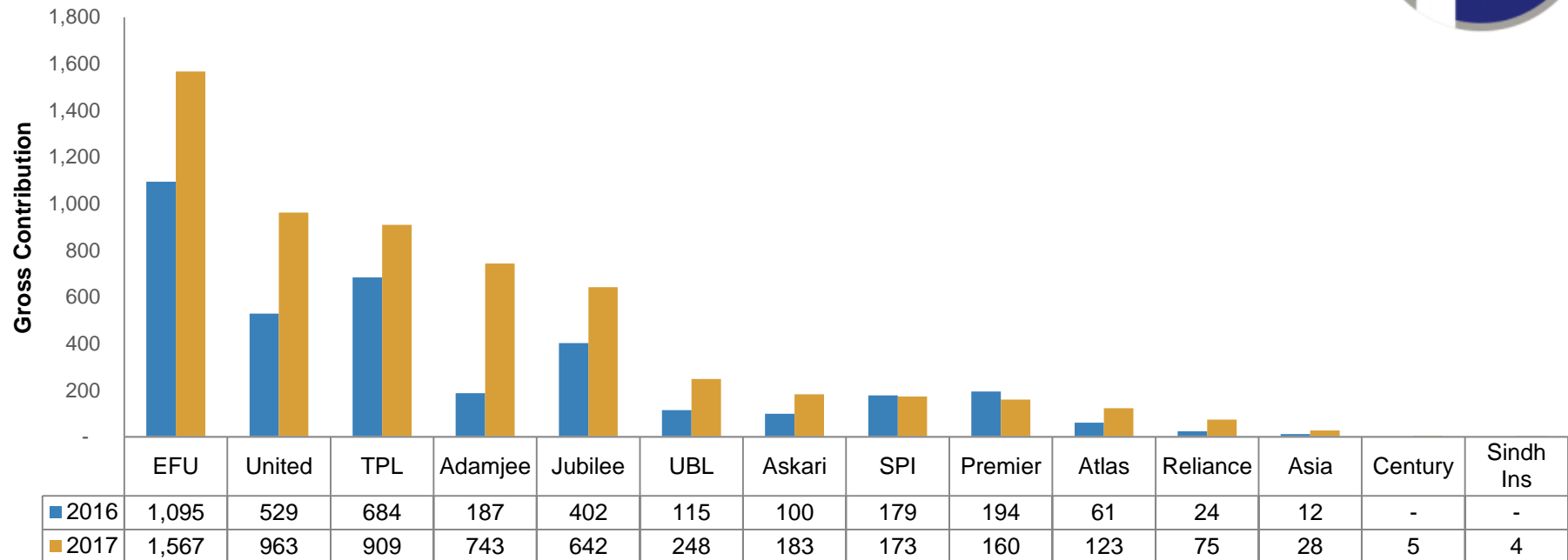


TAKAFUL WINDOW - GWC



PKR (Million)

Gross Written Contribution



Highest gross window takaful contributions were written by EFU during the year

The main line of business for takaful window operation has been motor

Overall, the GWC from the year 2016 (3.5 billion) has increased by 163% i.e. 5.8 billion for year 2017

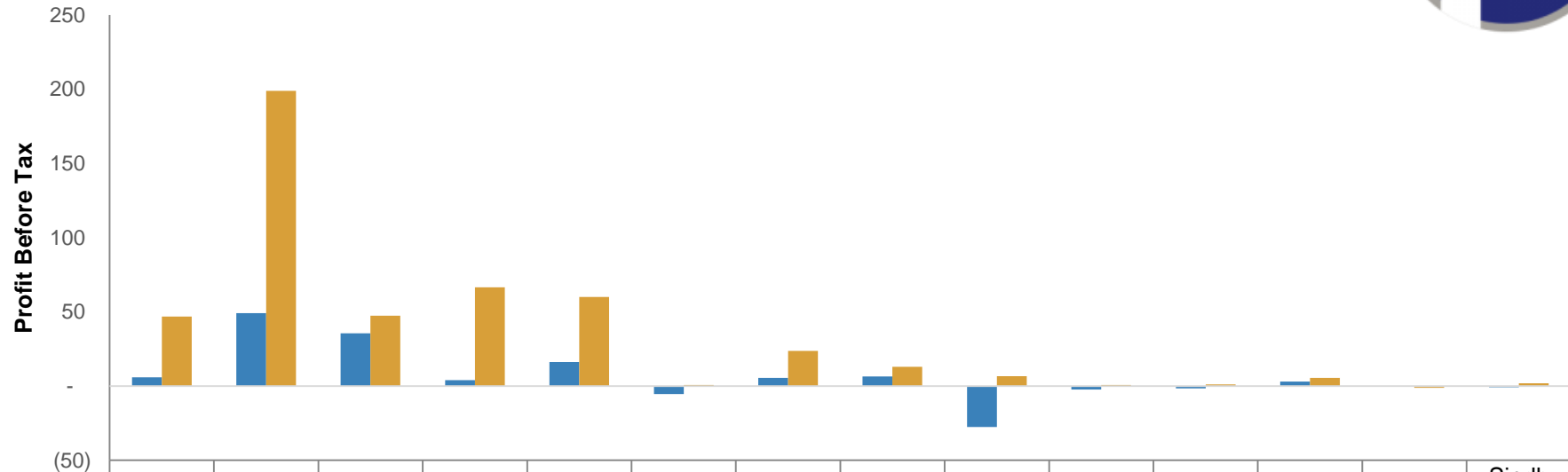


TAKAFUL WINDOW - Profit



PKR (Million)

Profit Before Tax



	EFU	United	TPL	Adamjee	Jubilee	UBL	Askari	SPI	Premier	Atlas	Reliance	Asia	Century	Sindh Ins
2016	6	49	36	4	16	(5)	6	7	(28)	(2)	(2)	3	-	(1)
2017	47	199	48	67	60	1	24	13	7	1	1	6	(1)	2

Highest profit before tax is observed for United during the year

Century insurance observed a loss from Takaful Window operations during the year

Overall, the profits from the year 2016 (0.1 billion) has increased by 533% i.e. 0.5 billion for year 2017



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