



Insurance Sector

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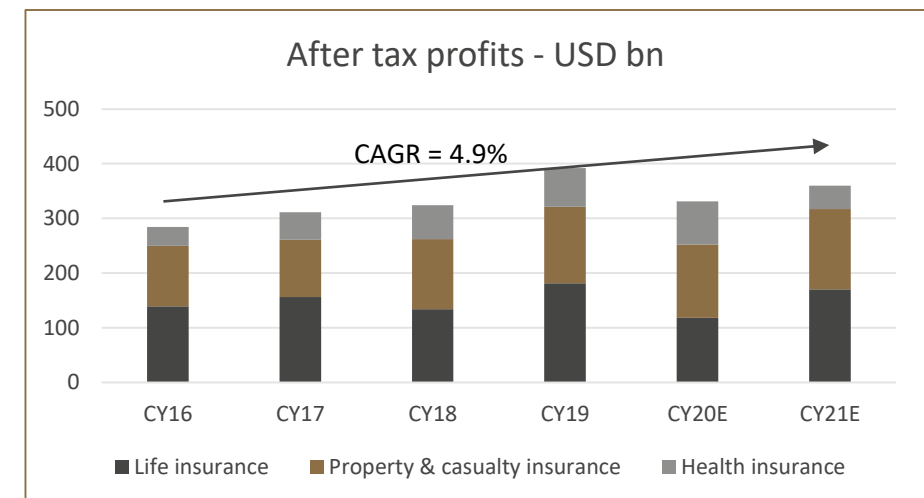
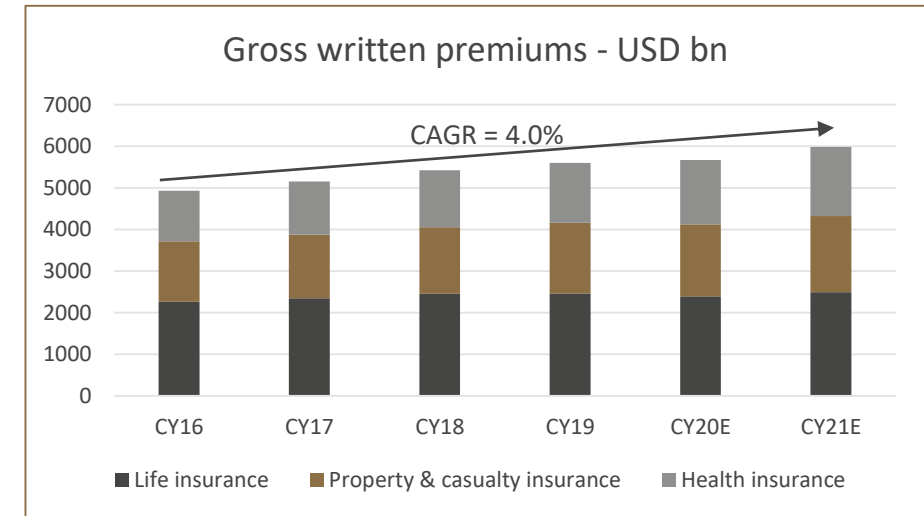
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Global Insurance Industry

- The insurance industry is a vital component of the global economy by virtue of the scale of its investments and the major socio-economical role it plays by securing personal and business risks.
- Life insurance is a contract between the policyholder and the insurance company where the beneficiary is designated to receive stated monetary benefits in case of death of the insured person.
- General insurance provides cover for risks other than life-risk, and covers the risk of damage to other aspects and assets like health, property, vehicles etc. This type of cover insures assets against theft or damage due to fires, natural calamities, accidents, man-made disasters like riots or terrorist attacks, etc. General Insurance is categorized into property & casualty (P&C) insurance and health insurance in the US.
- Globally, life insurance accounted for 41% of total Gross written premiums (in CY21E), P&C accounted for 31% and health insurance accounted for 28%.





Snapshot of the Sri Lankan Economy

	CY18	CY19	CY20	1QCY21	2QCY21	3QCY21	4QCY21	CY21	Latest value
GDP growth rate (YoY)	3.3%	2.3%	-3.6%	4.3%	12.3%	-1.5%	1.8%	3.6%	
Exchange rate (USD/LKR)	182.75	181.63	186.41	199.0	201.1	200.0	200.4	200.4	31-May-2022 360.8
Inflation (CCPI)	4.3%	4.3%	4.6%	4.1%	5.2%	5.7%	12.1%	5.9%	(average for the year) 31-May-2022 39.1%
SDFR	8.00%	7.00%	4.50%	4.50%	4.50%	5.00%	5.00%	5.00%	08-Apr-2022 13.50%
SLFR	9.00%	8.00%	5.50%	5.50%	5.50%	6.00%	6.00%	6.00%	14.50%
USD bn	CY18	CY19	CY20	1QCY21	2QCY21	3QCY21	4QCY21	CY21	
Current Account balance	(2.80)	(1.80)	(1.10)	(0.48)	(1.0)	(0.74)	(1.14)	(3.36)	
Exports	11.89	11.94	10.05	2.98	2.72	3.24	3.57	12.50	1QCY22 3.25
Imports	22.23	19.94	16.06	5.04	4.97	4.92	5.70	20.64	5.65
Trade balance	(10.34)	(8.00)	(6.01)	(2.06)	(2.26)	(1.69)	(2.13)	(8.14)	(2.40)
Workers' remittances	7.0	6.7	7.1	1.9	1.5	1.3	0.9	5.5	Jan-Apr CY22 1.03
Foreign exchange reserve	6.92	7.64	5.66	4.06	4.06	2.70	3.14	3.14	30-Apr-2022 1.81



Financial Sector in Sri Lanka

- The financial sector of Sri Lanka is LKR 26.75 tn strong, with the insurance sector amounting for 3% of this.
- The total assets of the insurance sector in Sri Lanka were LKR 879.8 bn in CY21, which is a CAGR of 11% from LKR 581.7 bn in CY17.
- Assets in the General Insurance sector amounted to LKR 633.0 bn and assets in the Life Insurance sector amounted to LKR 246.8 bn.

Assets in the Financial sector	CY17		CY18		CY19		CY20		CY21	
	LKR bn	%	LKR bn	%	LKR bn	%	LKR bn	%	LKR bn	%
Banking Sector	11,897.4	69.7	13,711.4	72.2	14,442.1	71.9	17,087.9	72.5	19,969.9	75%
Other Deposit Taking Financial Institutions	1,370.4	8.0	1,603.2	8.4	1,553.2	7.7	1,637.6	6.9	1,636.7	6%
Specialized Financial Institutions	388.9	2.3	241.1	1.3	286.7	1.4	415.3	1.8	387.7	1%
Contractual Savings Institutions	2,838.0	16.6	2,807.4	14.8	3,097.9	15.4	3,639.7	15.4	3,876.3	14%
Insurance Companies	581.7	3.4	630.4	3.3	696.9	3.5	796.8	3.4	879.8	3%
Total	17,076.4	100	18,993.5	100	20,076.8	100	23,577.3	100	26,750.4	100



A snapshot of the General Insurance sector in Sri Lanka

		CY15	CY16	CY17	CY18	CY19	CY20	CY21
Conventional		17	15	14	13	13	13	13
Takaful		1	1	1	1	1	1	1
Private sector		15	13	12	11	11	11	11
Public sector		3	3	3	3	3	3	3
Gross Premium Written (GPW) - LKR bn		69.27	79.59	93.39	100.59	107.68	105.28	109.05
Growth		13%	15%	17%	8%	7%	-2%	4%
Public sector		29%	30%	32%	31%	33%	34%	
Private sector		71%	70%	68%	69%	67%	66%	
Number of companies	Large (GPW > LKR 10 bn)	2	3	3	4	5	5	
	Medium (GPW > 1 bn)	13	10	10	8	7	7	
	Small (GPW < 1 bn)	3	3	2	2	2	2	
Market Share	Large	38%	51%	50%	65%	74%	72%	
	Medium	60%	46%	49%	35%	25%	27%	
	Small	1.6%	2.7%	0.9%	0.7%	0.9%	1.1%	
GPW – LKR bn	Large	26.50	40.60	47.11	65.02	79.27	75.89	
	Medium	41.67	36.82	45.45	34.84	27.43	28.23	
	Small	1.10	2.17	0.83	0.73	0.99	1.15	
Underwriting result	LKR bn	13.5	12.1	12.8	14.5	13.1	28.1	21.9



A snapshot of the Life Insurance sector in Sri Lanka

		CY15	CY16	CY17	CY18	CY19	CY20	CY21
Number of companies					15			
Conventional					14			
Takaful					1			
Private sector					13			
Public sector					2			
Gross Premium Written (GPW) - LKR bn		53.69	63.48	71.57	80.29	88.79	102.97	124.71
Growth		20%	18%	13%	12%	11%	16%	21%
Public sector		20%	19%	18%	17%	18%	19%	
Private sector		80%	81%	82%	83%	82%	81%	
Number of companies	Large (GPW > LKR 10 bn)	3	3	4	5	5	5	
	Medium (GPW > 1 bn)	5	6	6	5	5	5	
	Small (GPW < 1 bn)	7	6	5	5	5	5	
Market Share	Large	60%	58%	70%	81%	81%	82%	
	Medium	33%	37%	27%	16%	16%	15%	
	Small	7%	5%	4%	3%	3%	3%	
GPW – LKR bn	Large	32.36	37.03	49.91	65.01	71.57	84.15	
	Medium	17.60	23.34	19.08	12.73	14.41	15.83	
	Small	3.73	3.11	2.58	2.56	2.81	2.99	

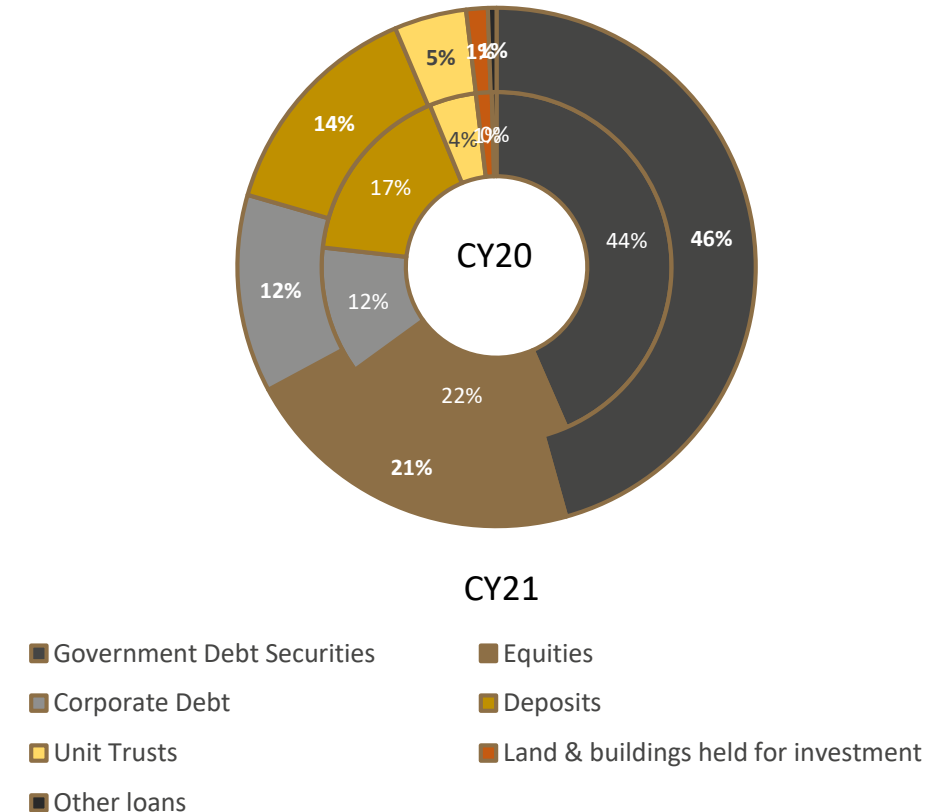


General Insurance - Assets

Assets and Investments – LKR mn					
General Insurance	CY17	CY18	CY19	CY20	CY21
Total Assets	185,583.0	190,088.0	205,129.6	225,956.2	246,799.9
Total investments	125,135.9	135,128.5	132,397.3	151,168.8	163,204.3
Investment income	8,213.28	9,787.21	12,048.8	10,042.2	10,624.9

- The total assets in the general insurance sector were LKR 246.8 bn in CY21, of which LKR 163.2 bn were investments.
- Bulk of the investments were in Government securities (46%) and equities (21%).

Breakdown of investments - General Insurance



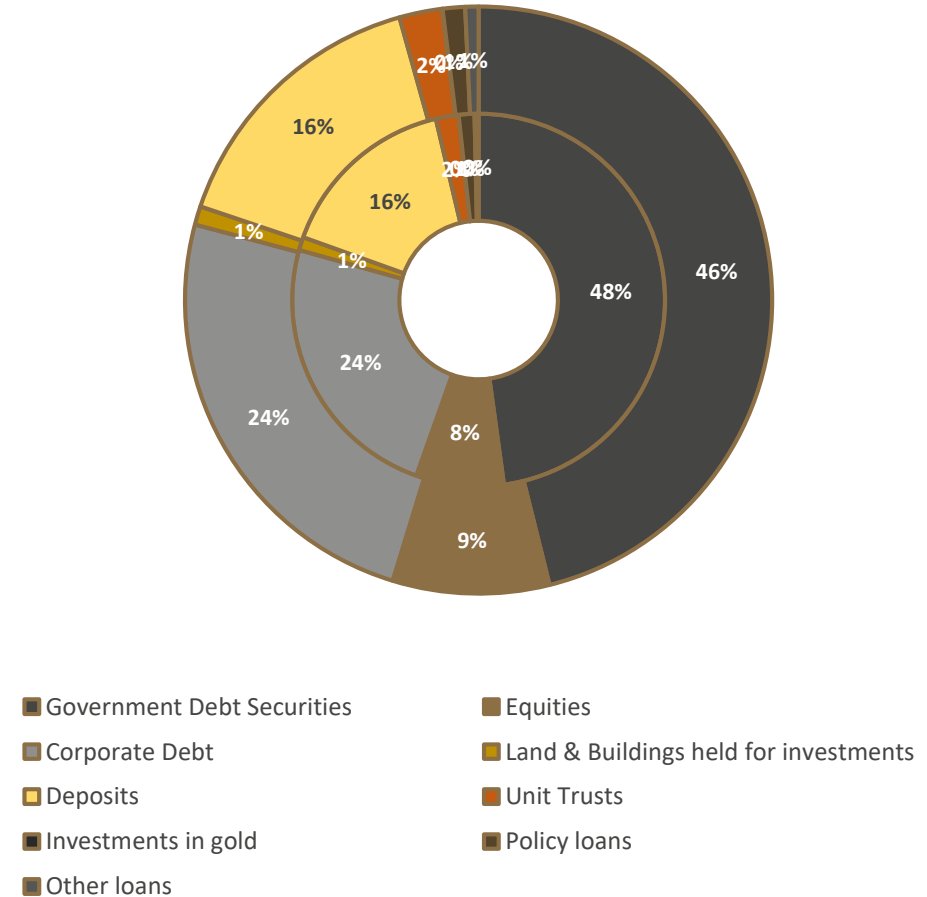


Life Insurance - assets

Assets and Investments – LKR mn					
Life Insurance	CY17	CY18	CY 19	CY 20	CY 21
Total Assets	185,583.0	190,088.0	485,121.0	563,768.5	632,963.2
Total investments	126,634.9	136,482.6	437,687.2	509,248.6	569,401.3
Investment income	34,102.3	37,026.6	42,859.0	45,774.0	54,249.4

- The total assets in the life insurance sector were LKR 633.0 bn in CY21, of which LKR 569.4 bn were investments.
- In this sector too, bulk of the investments were in Government securities (46%) and while corporate debt accounted 24% of the total investments.

Concentration of investments - Life Insurance





General Insurance companies

Insurer	CY17			CY18			CY19			CY20		
	Premium	Growth	Market Share	Premium	Growth	Market Share	Premium	Growth	Market Share	Premium	Growth	Market Share
	LKR Mn	(%)	(%)	LKR Mn	(%)	(%)	LKR Mn	(%)	(%)	LKR Mn	(%)	(%)
SLIC	18,355,361	21	19.65	17,916,274	-2	17.81	18,162,766	1	16.87	19,370,895	7	18.4
Ceylinco Gen.	17,012,087	11	18.22	18,137,933	7	18.03	18,401,405	1	17.09	18,680,545	2	17.74
Allianz Gen.	5,956,142	40	6.38	17,983,748	202	17.88	18,095,258	1	16.8	13,852,829	-23	13.16
NITF	8,114,412	26	8.69	9,644,901	19	9.59	13,358,203	39	12.4	12,051,251	-10	11.45
Fairfirst	9,610,990	307	10.29	10,980,850	14	10.92	11,247,669	2	10.44	11,937,480	6	11.34
People's	4,587,432	10	4.91	5,354,368	17	5.32	5,694,164	6	5.29	5,686,757	0	5.4
LOLC Gen.	3,795,106	23	4.06	4,318,721	14	4.29	4,954,896	15	4.6	5,612,895	13	5.33
Continental	3,892,780	26	4.17	4,545,405	17	4.52	5,002,548	10	4.65	4,808,965	-4	4.57
HNB Gen.	3,662,008	23	3.92	4,062,171	11	4.04	4,394,457	8	4.08	4,583,235	4	4.35
Cooperative Gen.	2,966,679	23	3.18	3,692,397	24	3.67	4,192,960	14	3.89	4,274,397	2	4.06
Amana Gen.	1,686,270	14	1.81	1,841,067	9	1.83	1,621,461	-12	1.51	1,639,021	1	1.56
Orient	1,179,000	45	1.26	1,376,398	17	1.37	1,564,902	14	1.45	1,628,153	4	1.55
Sanasa Gen.	569,509	48	0.61	732,379	29	0.73	898,079	23	0.83	898,724	0	0.85
MBSL	260,806	-73	0.28	-512	-100	0	95,979	-18853	0.09	250,976	161	0.24
Janashakthi Gen.	11,740,185	16	12.57									
Total	93,388,766		100	100,586,101		100	107,684,747		100	105,276,123		100

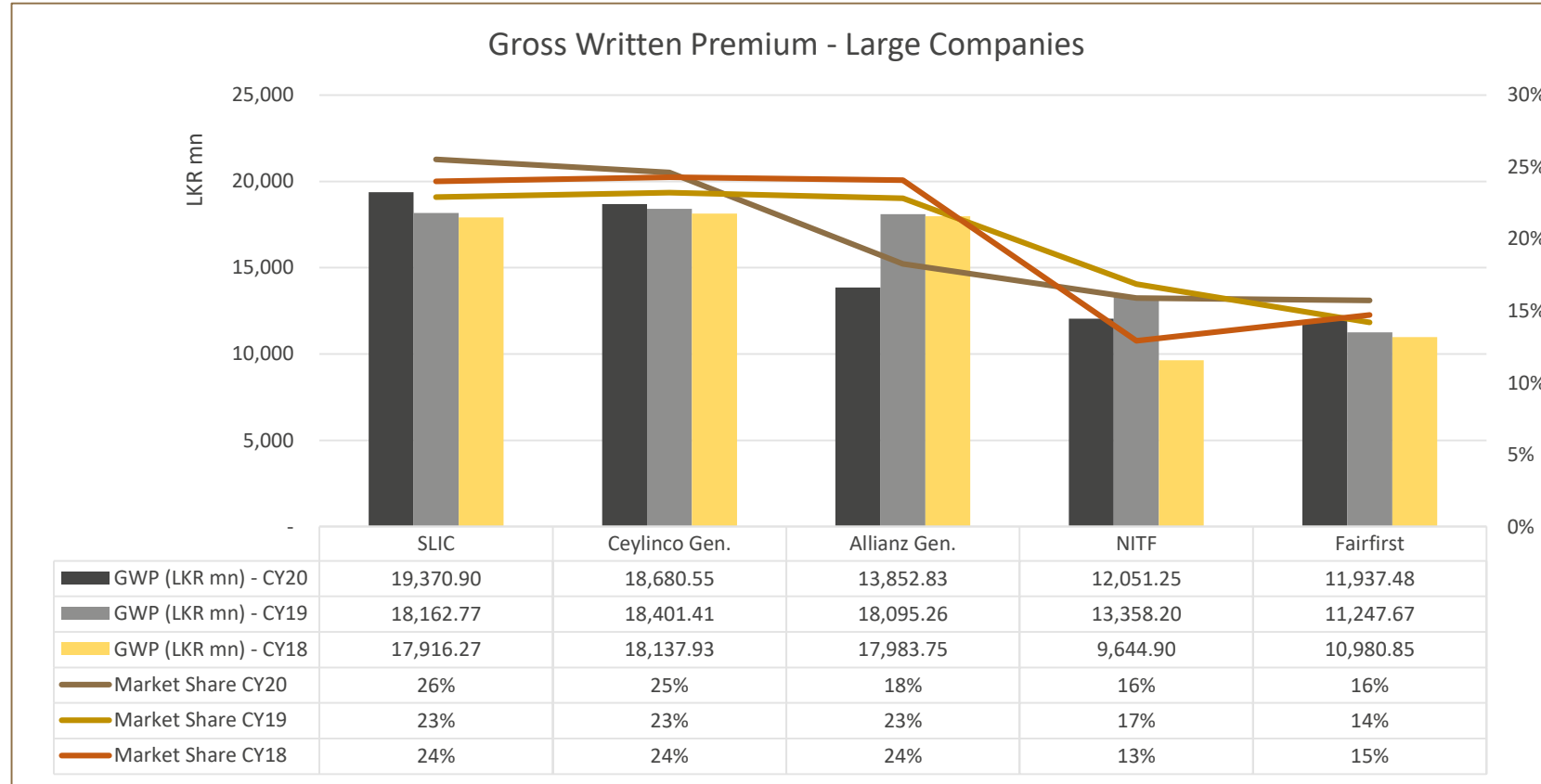


General Insurance – Large Companies

Insurance Company	CY20						
	Gross Written Premium – LKR mn	Growth in CY20	Market Share	Investments + cash & bank – LKR mn	Investment Income – LKR mn	Underwriting results – LKR mn	Shareholders' equity – LKR mn
SLIC	19,370.90	7%	26%	34,898.54	2,618.47	1,349.94	46,880.27
Ceylinco Gen.	18,680.55	2%	25%	15,297.96	1,256.48	5,056.47	12,972.65
Allianz Gen.	13,852.83	-23%	18%	18,391.18	1,477.14	4,073.84	11,728.31
NITF	12,051.25	-10%	16%	948.27	1,139.28	6,861.26	(3,563.00)
Fairfirst	11,937.48	6%	16%	9,793.20	715.51	162.14	6,304.51
Total	75,893.00		100%	79,329.15	7,206.87	17,503.66	74,322.74



General Insurance – Large Companies



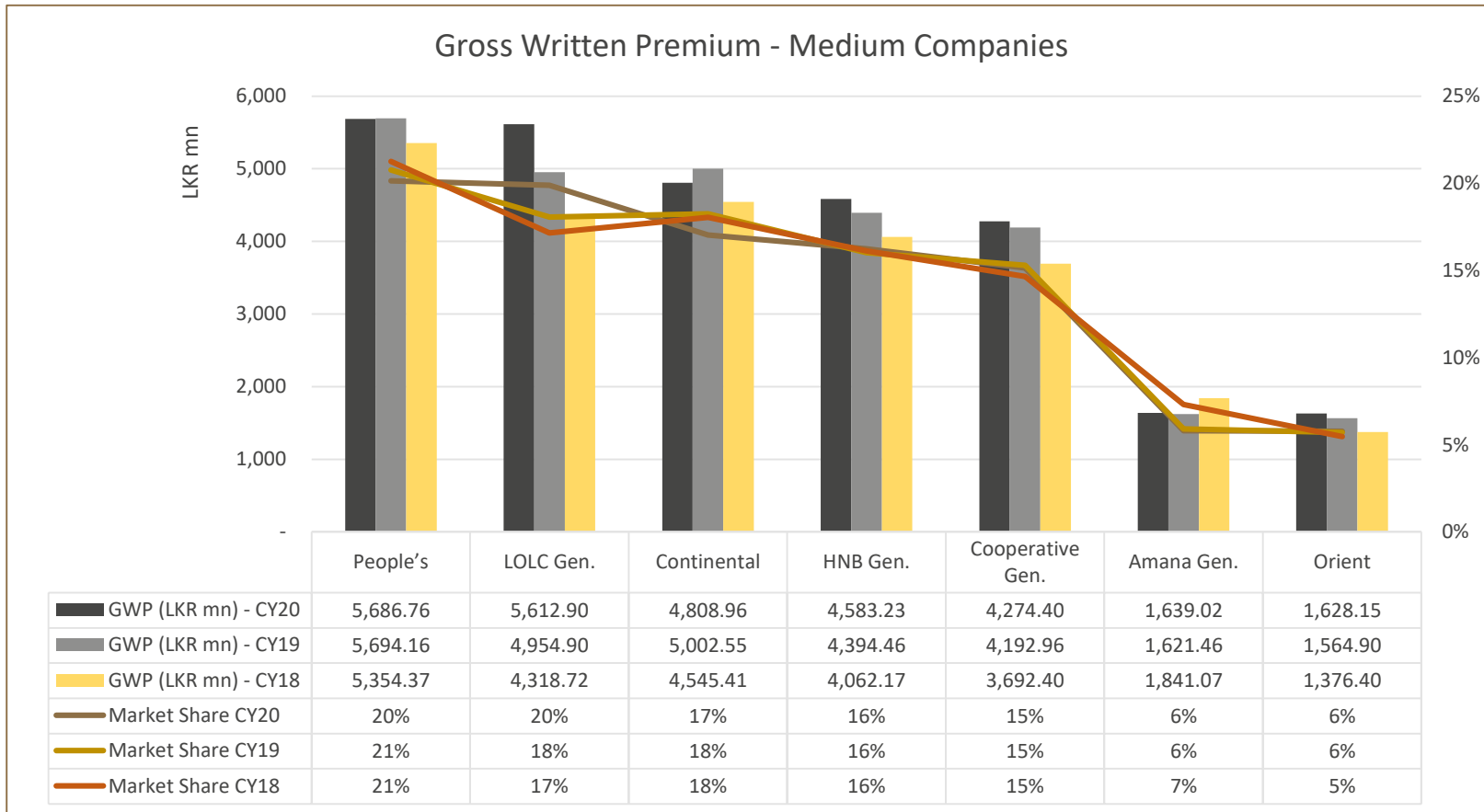


General Insurance – Medium Companies

Insurance Company	CY20						
	Gross Written Premium – LKR mn	Growth in CY20	Market Share	Investments + cash & bank – LKR mn	Investment Income – LKR mn	Underwriting results – LKR mn	Shareholders' equity – LKR mn
People's	5,686.76	0%	20%	8,537.36	751.89	2,044.55	4,598.57
LOLC Gen.	5,612.90	13%	20%	6,890.74	480.34	2,760.30	3,124.39
Continental	4,808.96	-4%	17%	5,564.57	433.87	1,591.67	2,897.71
HNB Gen.	4,583.23	4%	16%	4,608.93	367.96	1,334.62	2,083.24
Cooperative Gen.	4,274.40	2%	15%	4,589.48	448.93	1,406.20	3,418.86
Amana Gen.	1,639.02	1%	6%	839.04	76.70	497.91	1,508.41
Orient	1,628.15	4%	6%	1,859.88	133.68	505.05	1,016.32
Total	28,233.42		100%	32,889.99	2,693.37	10,140.29	18,647.49



General Insurance – Medium Companies



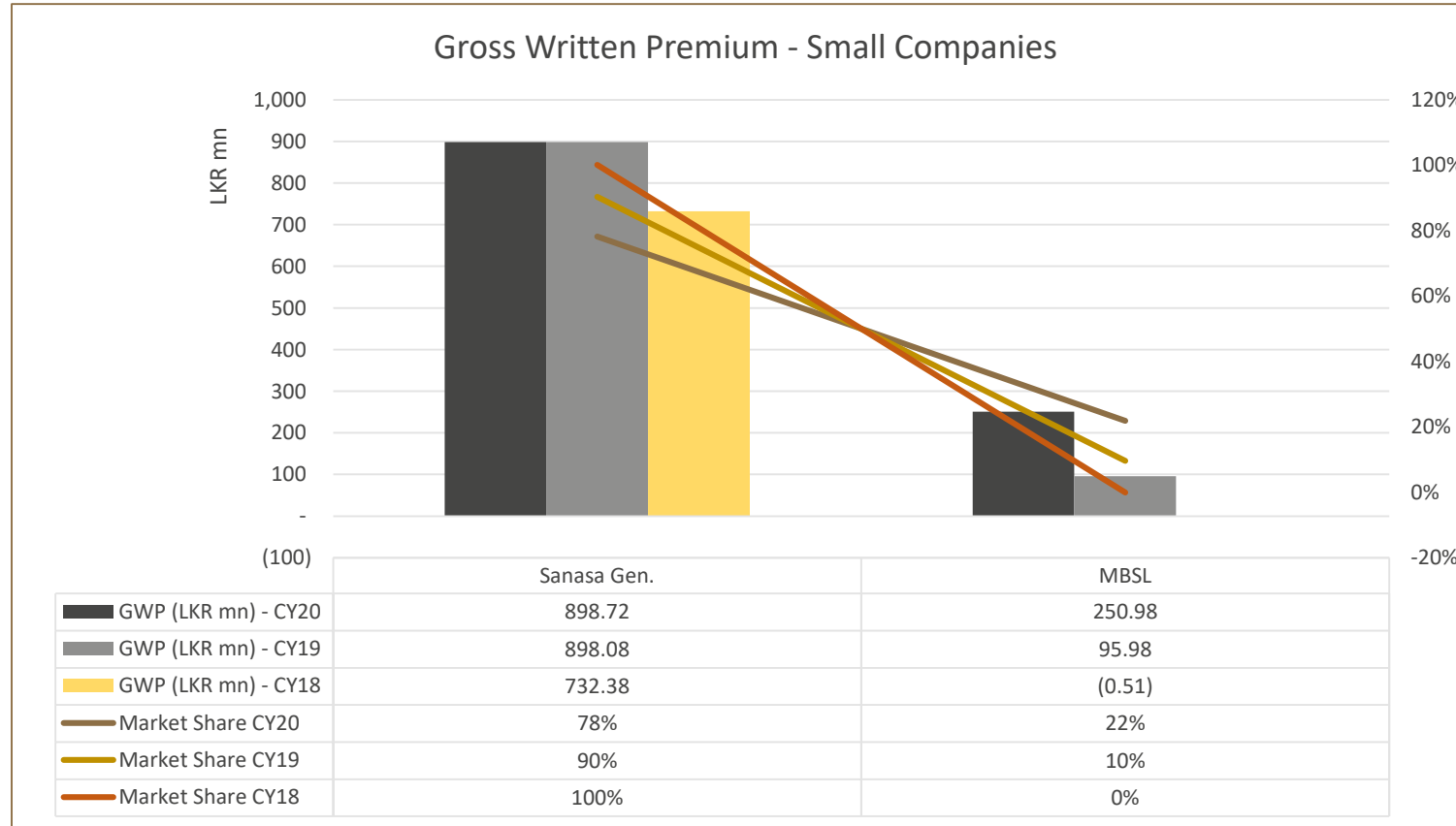


General Insurance – Small Companies

Insurance Company	CY20						
	Gross Written Premium – LKR mn	Growth in CY20	Market Share	Investments + cash & bank – LKR mn	Investment Income – LKR mn	Underwriting results – LKR mn	Shareholders' equity – LKR mn
Sanasa Gen.	898.72	0%	78%	915.34	58.20	465.98	790.50
MBSL	250.98	161%	22%	1,200.54	83.73	37.33	641.20
Total	1,149.70		100%	2,115.88	141.93	503.31	1,431.70



General Insurance – Small Companies





Life Insurance companies

Insurer	CY17			CY18			CY19			CY20		
	Premium	Growth	Market Share	Premium	Growth	Market Share	Premium	Growth	Market Share	Premium	Growth	Market Share
	LKR Mn	(%)	(%)	LKR Mn	(%)	(%)	LKR Mn	(%)	(%)	LKR Mn	(%)	(%)
Ceylinco Life	15,765	5	22.03	17,813	13	22.18	18,719	5	21.08	22,076	18	21.44
SLIC	12,517	5	17.49	13,206	6	16.45	14,820	12	16.69	19,258	30	18.7
Softlogic life	7,531	34	10.52	10,006	33	12.46	12,531	25	14.11	15,660	25	15.21
AIA Life	11,511	14	16.08	12,739	11	15.87	13,848	9	15.6	14,050	1	13.64
Union Life	10,118	22	14.14	11,244	11	14	11,648	4	13.12	13,109	13	12.73
HNB Life	3,964	12	5.54	4,421	12	5.51	5,175	17	5.83	5,487	6	5.33
Janashakthi Life	2,903	-1	4.06	3,009	4	3.75	3,512	17	3.96	3,767	7	3.66
LOLC Life	2,467	30	3.45	2,611	6	3.25	2,683	3	3.02	3,236	21	3.14
Arpico	1,038	39	1.45	1,387	34	1.73	1,633	18	1.84	1,863	14	1.81
Allianz Life	1,179	13	1.65	1,301	10	1.62	1,404	8	1.58	1,476	5	1.43
Cooplif	627	34	0.88	620	-1	0.77	773	25	0.87	775	0	0.75
Amana Life	792	-3	1.11	828	5	1.03	851	3	0.96	767	-10	0.75
LIC	582	23	0.81	523	-10	0.65	599	15	0.67	714	19	0.69
Sanasa Life	454	24	0.62	521	15	0.65	537	3	0.61	694	29	0.67
MBSL	124	-47	0.17	66	-47	0.08	55	-17	0.06	41	-25	0.04
Total	71,571	13	100	80,294	12	100	88,787	11	100	102,974	16	100

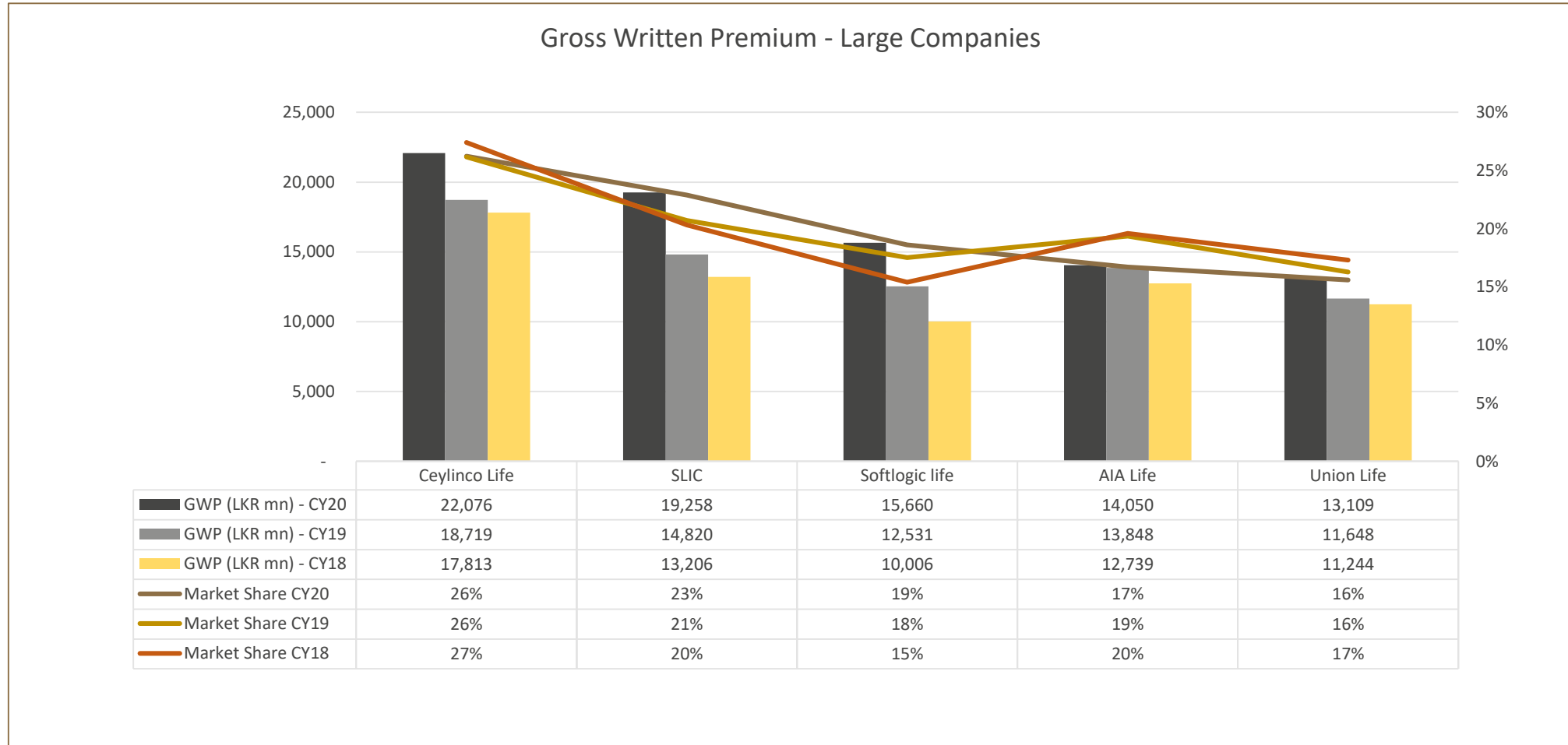


Life Insurance – Large Companies

Insurance Company	CY20					
	Gross Written Premium – LKR mn	Growth in CY20	Market Share	Investments + cash & bank – LKR mn	Investment Income – LKR mn	Shareholders' equity – LKR mn
Ceylinco Life	22,076	17.94%	26.2%	129,017	13,542	38,145
SLIC	19,258	29.95%	22.9%	151,577	13,973	14,641
Softlogic life	15,660	24.97%	18.6%	27,922	1,634	9,936
AIA Life	14,050	1.45%	16.7%	66,077	5,585	20,580
Union Life	13,109	12.54%	15.6%	53,316	4,787	15,108
Total	84,153		100	427,910	39,521	98,410



Life Insurance – Large Companies



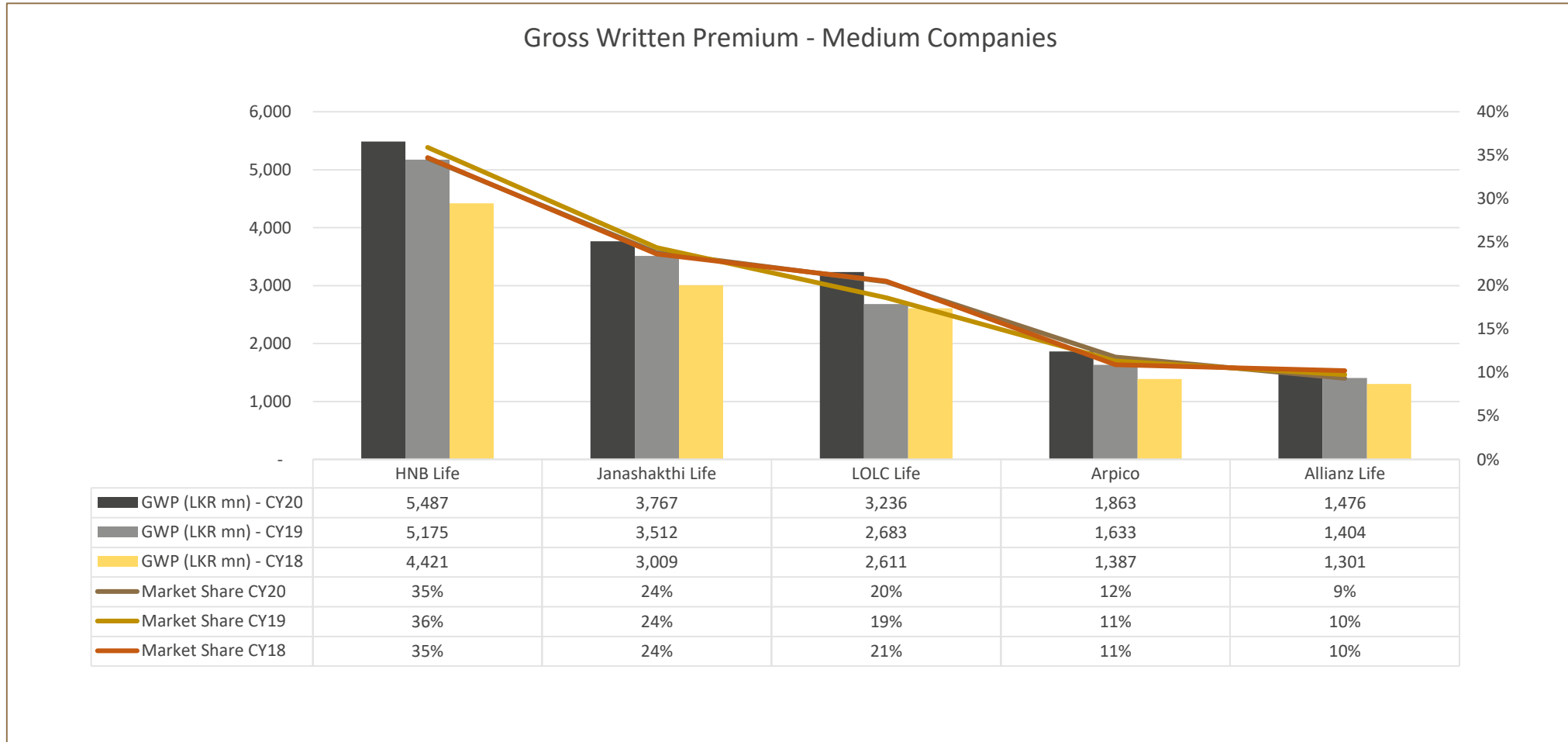


Life Insurance – Medium Companies

Insurance Company	CY20					
	Gross Written Premium – LKR mn	Growth in CY20	Market Share	Investments + cash & bank – LKR mn	Investment Income – LKR mn	Shareholders' equity – LKR mn
HNB Life	5,487	6.03%	34.7%	22,469	2,125	7,261
Janashakthi Life	3,767	7.27%	23.8%	20,715	1,885	9,728
LOLC Life	3,236	20.65%	20.4%	7,277	533	1,797
Arpico	1,863	14.08%	11.8%	3,351	253	1,961
Allianz Life	1,476	5.14%	9.3%	5,929	434	2,081
Total	15,830		100	59,741	5,230	22,828



Life Insurance – Medium Companies



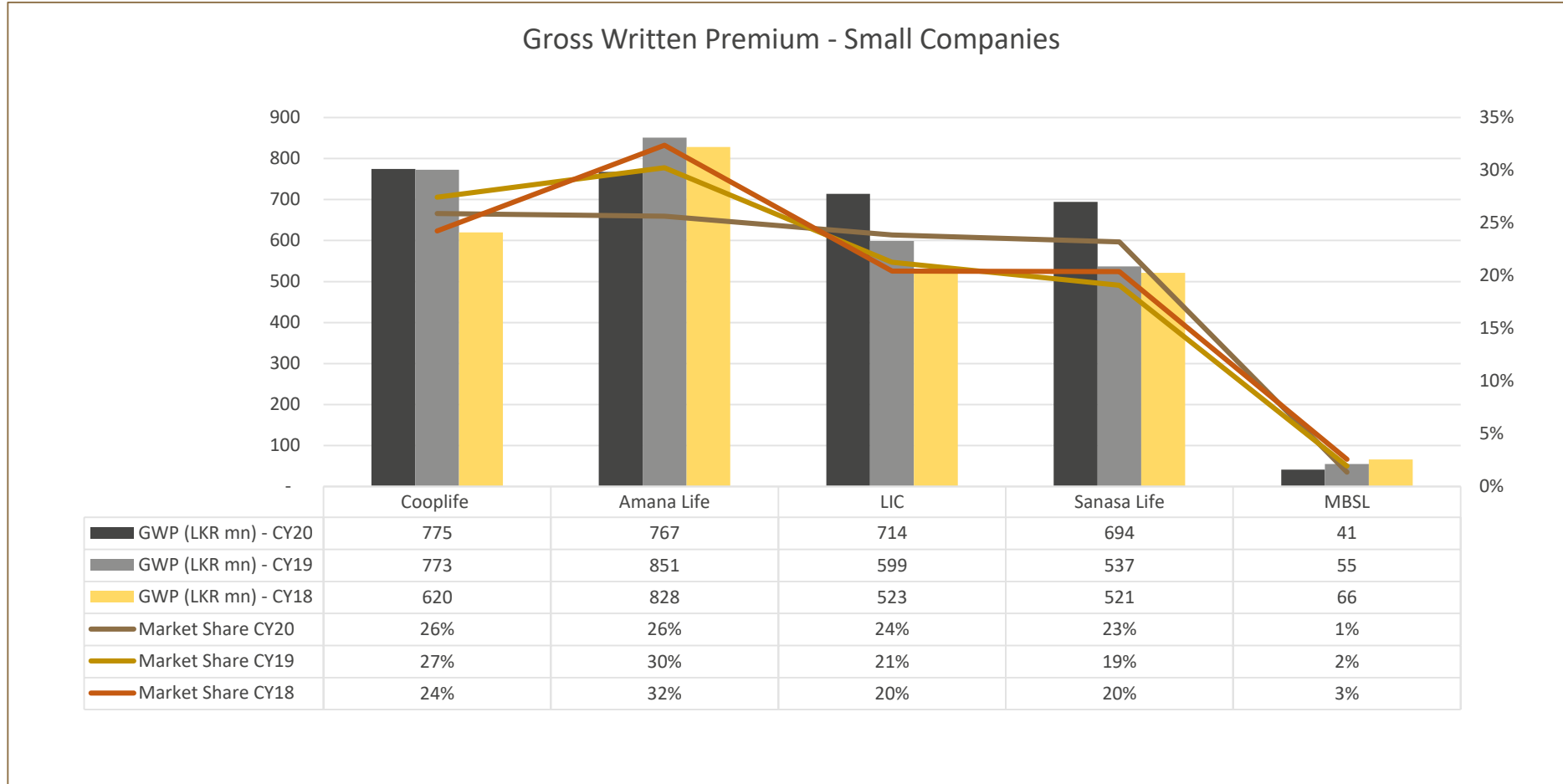


Life Insurance – Small Companies

Insurance Company	CY20					
	Gross Written Premium – LKR mn	Growth in CY20	Market Share	Investments + cash & bank – LKR mn	Investment Income – LKR mn	Shareholders' equity – LKR mn
Cooplife	775	0.22%	25.9%	2,980	284	1,059
Amana Life	767	(9.87)%	25.6%	2,801	271	460
LIC	714	19.24%	23.9%	2,801	276	87
Sanasa Life	694	29.28%	23.2%	1,523	114	1,048
MBSL	41	(25.13)%	1.4%	1,042	76	603
Total	2,991		100	11,147	1,022	3,257



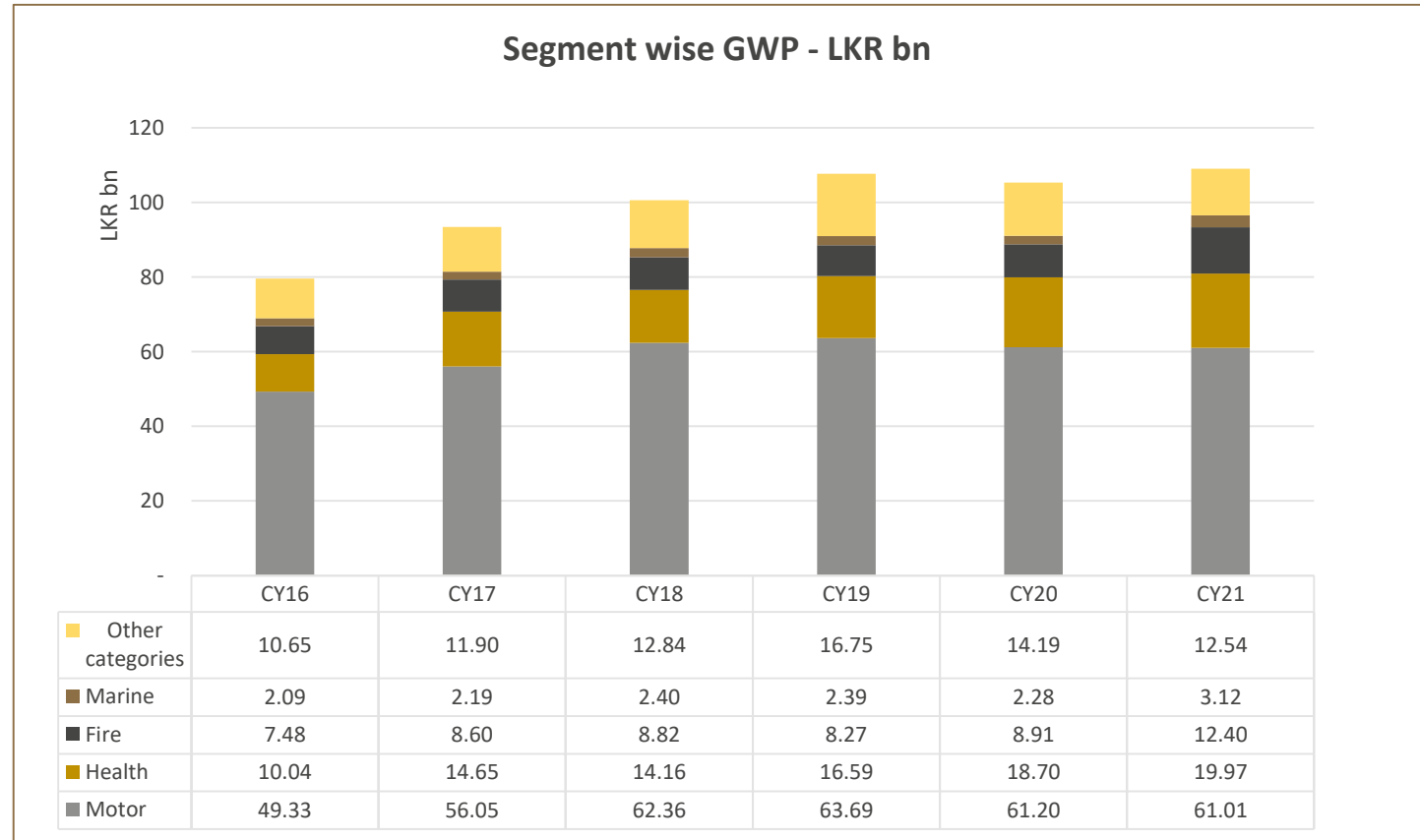
Life Insurance – Small Companies





General Insurance – segmental analysis

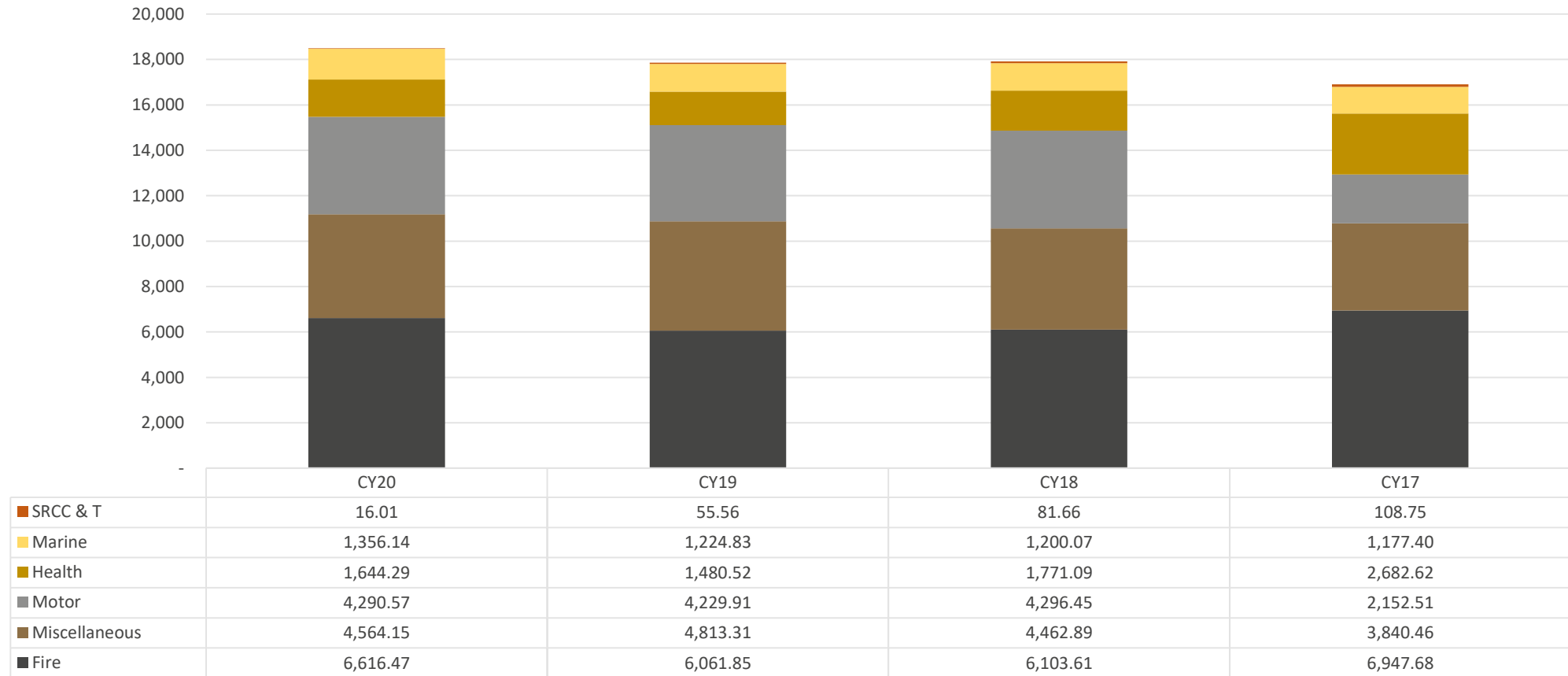
- Motor insurance is the most commonly subscribed form of general insurance.
- It amounts to 56% of the total GWP of the general insurance sector in CY21.
- Health and fire insurance are the next most common, with other categories, which includes Strike, riots, civil commotion and terrorism (SRCC&T) insurance making up 11% of the total GWP.





General Insurance – Reinsurance

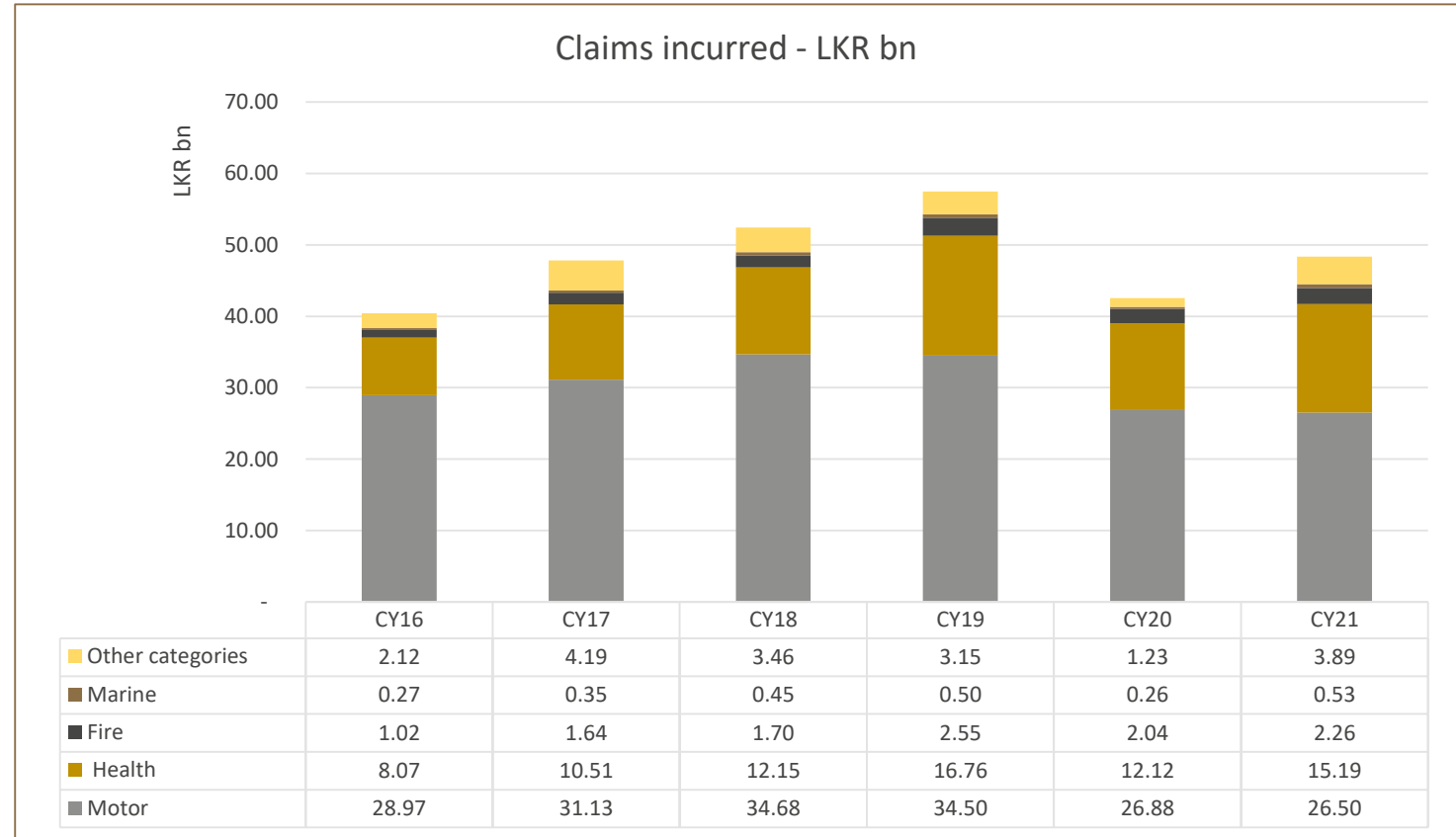
Reinsurance GWP - LKR mn





General Insurance – segmental analysis

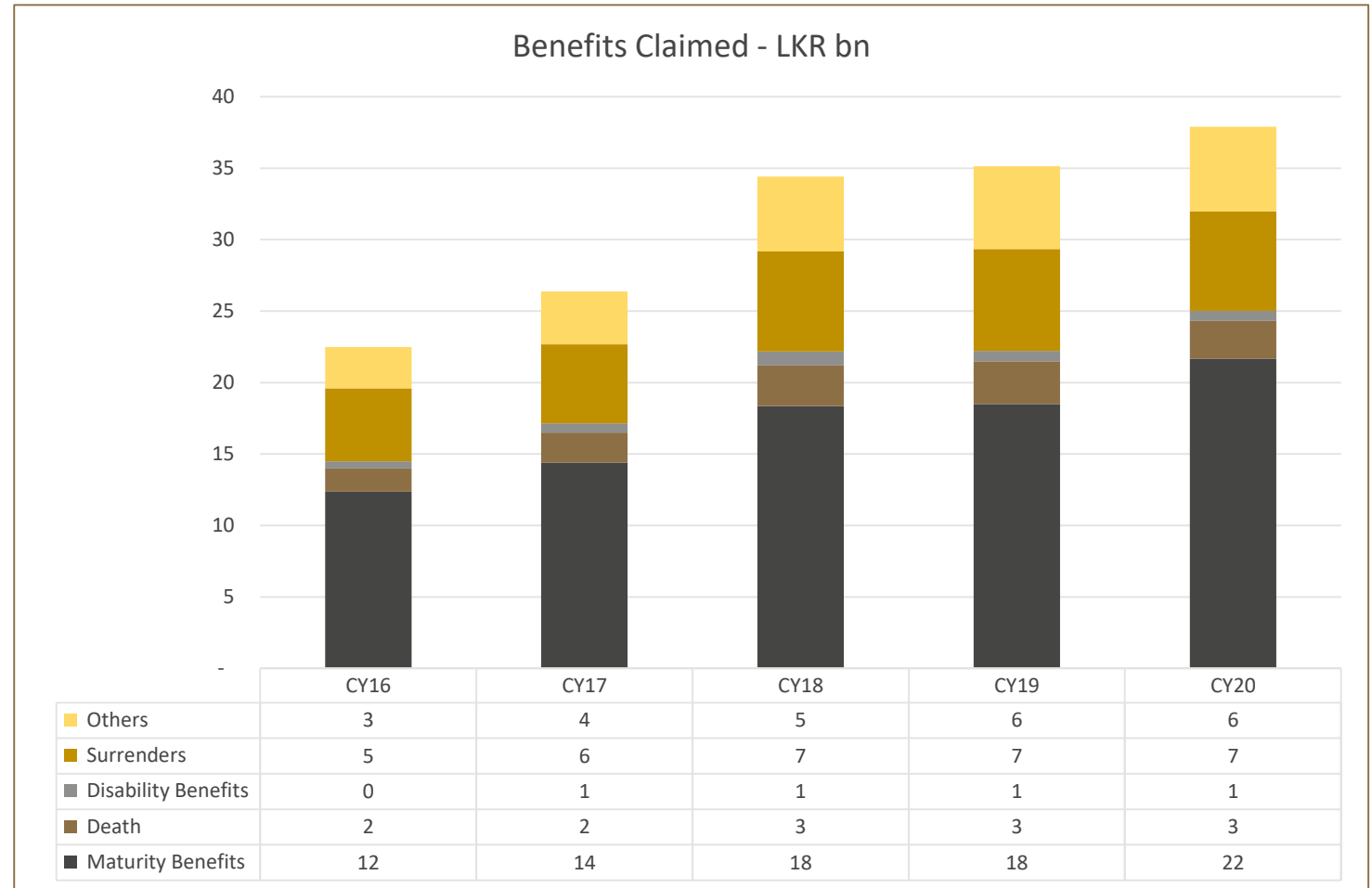
- Motor insurance claims are the most common claims incurred, with LKR 26.5 bn claimed in CY21, amounting for 55% of the total claims.
- Health insurance was the next most common claimed segment, with LKR 15.19 bn claimed in CY21, amounting for 31% of the total claims.
- Total claims for CY21 was LKR 48.37 bn.
- A y-o-y decline in claims of about 26% was observed in CY20, which could be attributed to a decline in claimable incidents due to the Covid-19 lockdowns.





Life Insurance – Benefits Claimed

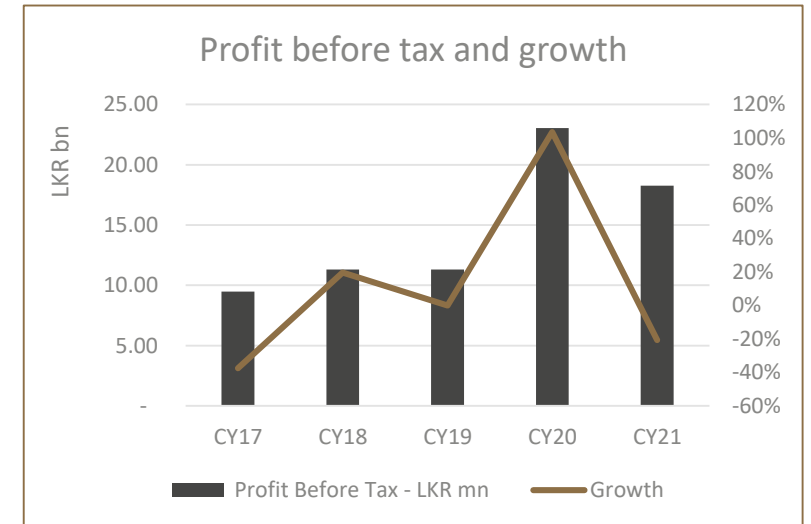
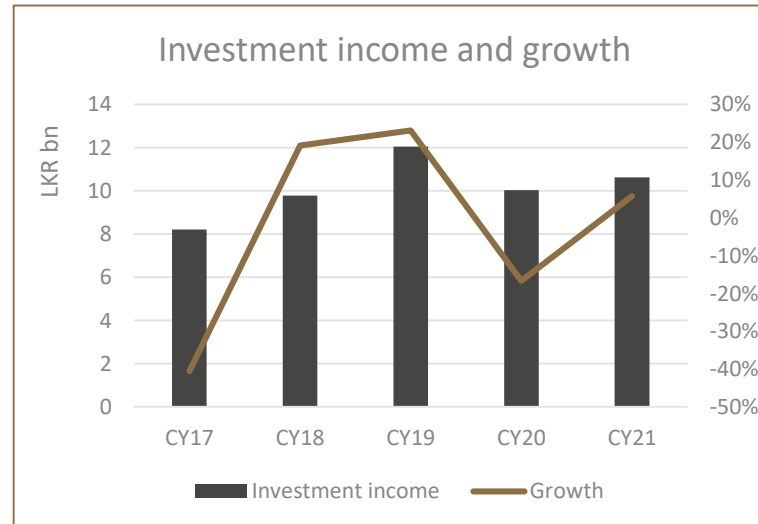
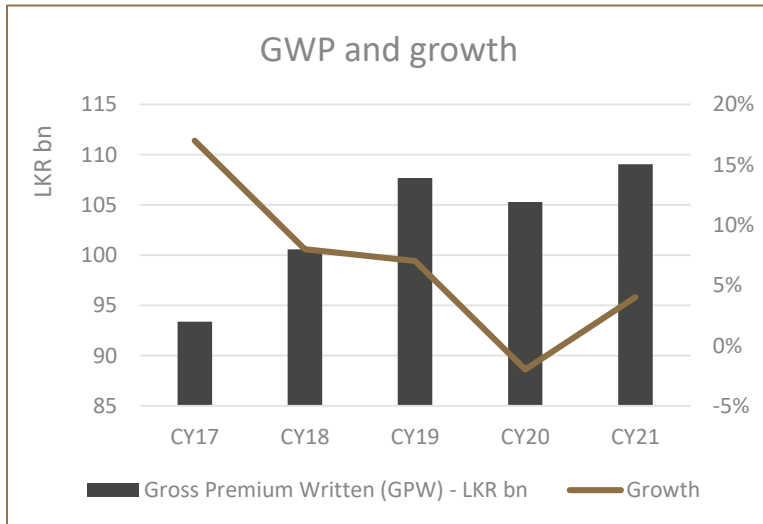
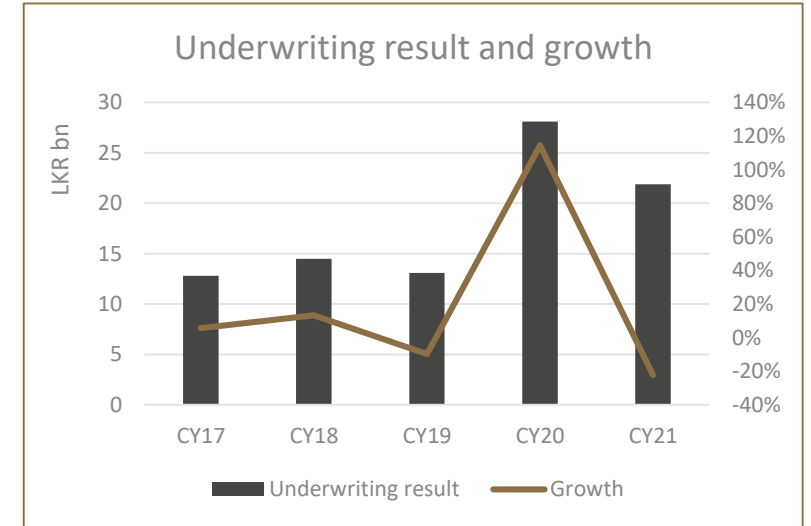
- The life insurance sector paid claims amounting to LKR 38 bn in CY20.
- A majority of this (58%) were as maturity benefit.
- Benefits claimed have grown from LKR 22 bn in CY16 at an annual rate of 12%, while GWP have grown by only 10% annually in the same period.





General Insurance - profitability

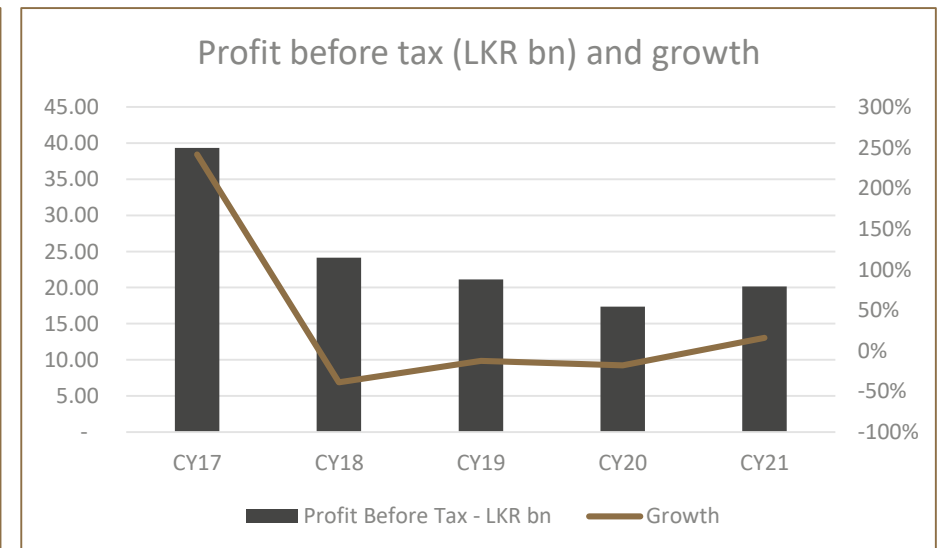
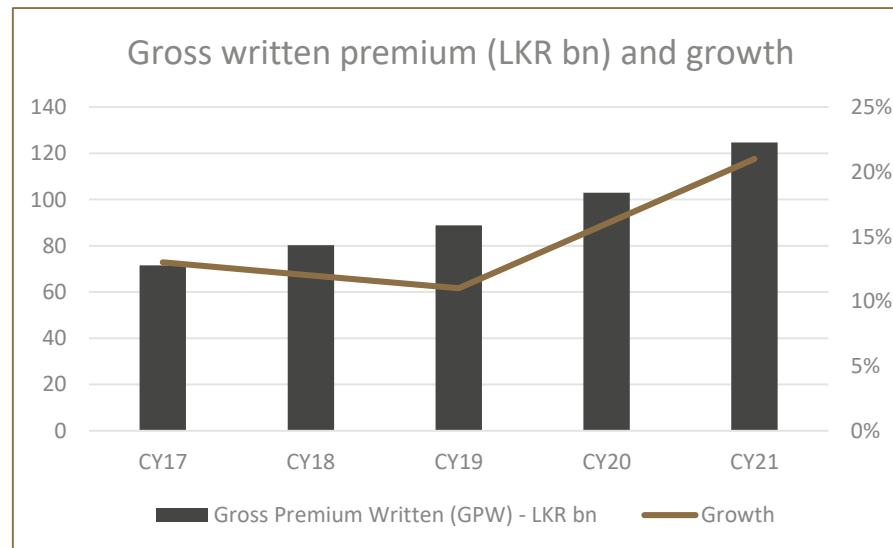
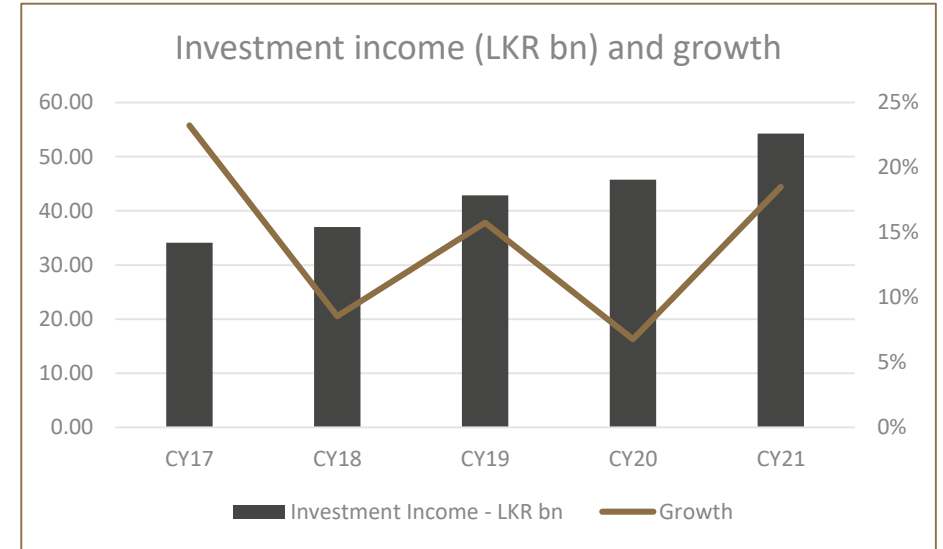
- The sector’s underwriting result has almost doubled since CY17, it peaked at CY20 growing at more than 115% since the previous year. This peak is also observed in the profit before tax growing by 104% in the year CY20.
- This could be attributed to the reduction in claims that year due to Covid-19 lockdowns.
- The sector’s investment income has grown by LKR 2.4 bn in the last 5 years, at a CAGR of ~5.3%. It peaked in CY19, and has since declined by LKR 1.6 bn.
- The GWP has grown by a CAGR of ~3% over the last 5 years, however, the growth is on a declining trend.





Life insurance - profitability

- The GWP has been increasing gradually since CY17 and has increased by ~74% by CY21.
- Investment income too has increased gradually over the period since CY17, and has grown by 59% from LKR 34.10 bn to LKR 54.25 bn in CY21.
- The reduction in profits since CY17 is mostly due to incremental transfers to the life insurance fund (change in contract liability)





Financial ratios of the Insurance industry

	Long-term Insurance				General Insurance			
	CY18	CY19	CY20	CY21	CY18	CY19	CY20	CY21
Capital Adequacy Ratio (%) - Regulatory minimum – 120%	312.1	298	352	384	178.3	231.2	272	224
Retention Ratio (%) -	95.8	95.8	95.4	96	81.6	83	82.4	76.2
Claims Ratio (%) -	47.1	45.6	38.6	38.7	65.1	67.4	49.2	55.8
Combined Operating Ratio (%) -	100.6	96	82.7	81.2	101.3	105.3	88.6	94.9
Return on Assets (ROA) (%) -	5.9	3.9	3.3	3.4	6	6.1	10.7	7.8
Return on Equity (ROE) (%) -	25.8	16	14.5	15.7	13.1	12.3	22.7	15.5
Underwriting Ratio (%) -					18	14.7	32.6	25.3



Company-wise solvency ratios

Insurer	General Insurance	
	CAR (%) CY19	CAR (%) CY20
Allianz Gen.	167%	212%
Amana Gen.	199%	188%
Ceylinco Gen.	186%	183%
Continental	254%	291%
Cooperative Gen.	187%	249%
Fairfirst	181%	188%
HNB Gen.	226%	255%
LOLC Gen.	209%	301%
MBSL	212%	311%
Orient	301%	281%
People's	248%	304%
Sanasa Gen.	208%	254%
SLIC	212%	223%

Insurer	Life Insurance	
	CAR (%) CY19	CAR (%) CY20
AIA Life	639%	488%
Allianz Life	307%	709%
Amana Life	190%	204%
Arpico	371%	415%
Ceylinco Life	347%	421%
Cooplife	189%	250%
HNB Life	322%	338%
Janashakthi Life	300%	304%
LIC	144%	143%
LOLC Life	218%	185%
MBSL	272%	731%
Sanasa Life	182%	198%
SLIC	436%	459%
Softlogic Life	182%	302%
Union Life	368%	341%

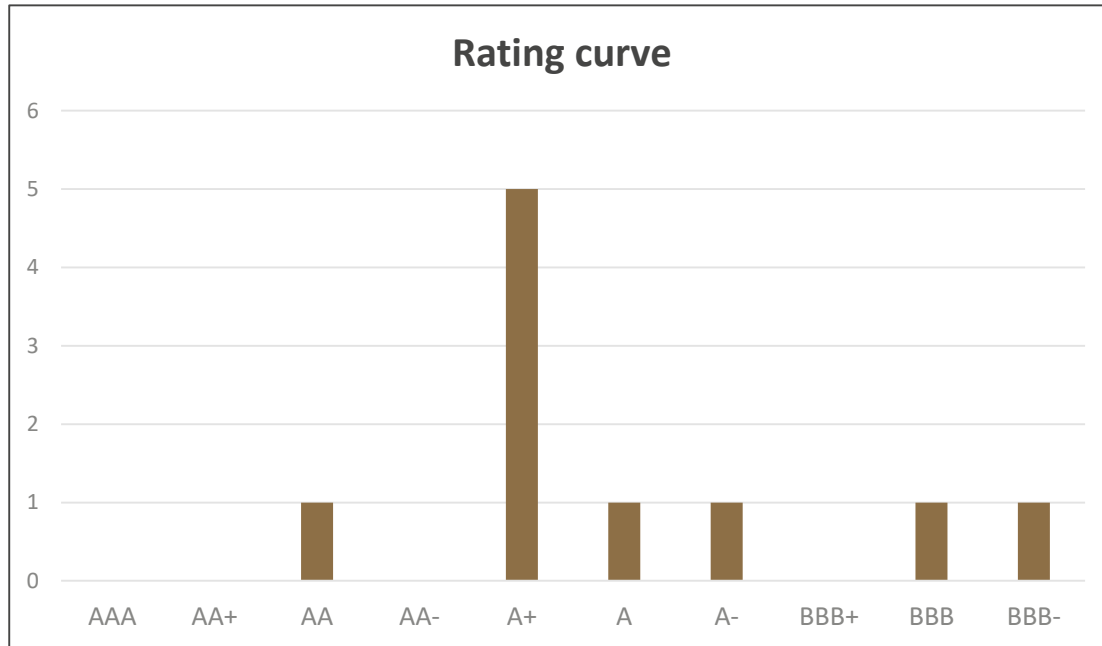


Regulatory framework

- Insurance companies in Sri Lanka come under the purview of the Ministry of Finance with supervisory control by the Insurance Regulatory Commission of Sri Lanka (IRCSL).
- IRCSL advises the government on policies and laws that would help the industry remain viable, able to meet its commitments to policy holders by helping them overcome risks.
- The industry is regulated under the Regulation of Insurance Industry (RII) Act No. 43 of 2000, as amended.
- As such, all insurance companies are required to maintain a Total available capital (TAC) of a minimum of LKR 500 mn and a Capital adequacy ratio (CAR) of a minimum of 120%.
- All insurance companies are required to carry out the general and life insurance businesses as separate entities. However certain companies (SLIC and NITF) have been granted exemptions to this regulation.
- Life Insurance Companies are also required to invest a minimum of 30% of their insurance fund assets in government securities, while for General Insurance companies the regulatory minimum is 20%.



Rating curve – General and Life Insurance companies



Insurance Company	Credit Rating	Outlook	Rating Agency
Life Insurance			
Softlogic Life Insurance	A	Stable	ICRA
Sanasa Life Insurance	BBB	Stable	ICRA
HNB Assurance	A+	RW - Negative	Fitch
General Insurance			
Continental Insurance	A+	RW - Negative	Fitch
Peoples Insurance	A+	RW - Negative	Fitch
HNB General Insurance	A+	RW - Negative	Fitch
National Insurance Trust Fund	A+	RW - Negative	Fitch
Cooperative Insurance Company	A-	RW - Negative	Fitch
Sanasa General Insurance	BBB-	RW - Negative	Fitch
Life + General Insurance			
Sri Lanka Insurance corporation	AA	RW - Negative	Fitch



Outlook of the Insurance Industry

- The insurance industry in Sri Lanka has been quite robust over the past few years, successfully overcoming challenges presented by the Covid-19 pandemic. The industry prevented policy lapses from occurring by providing 3-months moratoria for all insurance payments from the onset of the pandemic^[1].
- The pandemic has been a blessing in disguise by reducing claims in the general insurance sector due to lockdowns and travel restrictions which reduced incidents that would warrant a claim.
- The pandemic also increased the risk awareness among the public with GWPs in the life insurance sector increasing by 16% in CY20, the highest since CY16, and by 21% in CY21.
- While increasing costs of living could put a strain on the ability of policyholders to pay premiums, the industry could address this by offering moratoria for premium payments.
- The state-owned NITF would bear the brunt of losses due to the recent riots through its Strike, riots, civil commotion, and terrorism fund. The total loss is expected to be more than LKR 1 bn, however, NITF's losses will be limited to LKR 1 bn by its excess loss reinsurance cover. NITF is expected to have sufficient liquidity to manage this^[2].
- The high interest rates are expected to increase investment returns for insurance companies due to the high percentage of fixed income bearing investments in their investment mix.



Outlook of the Insurance Industry

- Sri Lanka also has a large potential to increase the market size of both the general and life insurance sectors. Market penetration of the insurance industry is very low in Sri Lanka with the total GWP being only 1.39% of the GDP in CY21. This is quite low compared to regional peers. (i.e – Life insurance premiums as a % of GDP are >2.5% in countries like India, Malaysia and Thailand).
- The insurance industry is also gradually accepting digitization trends. This is helpful in enhancing the customer experience and reducing overall costs. This has become evident in the decline in the expense ratio over the last few years. The expense ratio declined from 53.5% in CY18 to 45.1% in CY20. This is expected to decline further to ~38% by CY25^[1].
- The life and health insurance sectors saw a boost due to a Covid-19 induced risk awareness, which is also being helped by the general awareness the public is gaining about Non-communicable diseases (NCDs). NCDs are on the rise and are the reason for 83% of deaths in Sri Lanka (according to the world bank in CY19). This awareness too is increasing the amount of life/health insurance covers being taken.
- While the current challenges faced by the country are vastly different from the Covid-19 related challenges, the insurance industry is strong and stable enough with sufficient capital and liquidity to face these with minimum repercussions.