

by Eric Bois, C.I.
*Spanning The Jamaica
and Caribbean
Insurance Industries.*



**Some of the Features
in this issue:**

- Importance of having a
Diversified Careers
- Insurance penetration in
Jamaica
- Eye on Diabetes
- New Road Traffic Act
- Exchange Rate, Inflation
and Economic Growth
in Jamaica

IAJ YEARBOOK

Eighth Edition - October 2018

ISSUE: Informative, current, relevant and workable ideas plus 2017 Insurance Industry Statistics

Overview of the Life & Health Insurance Operations 2017/2016

Individual Life Sales

There has been steady growth in sales in the life insurance sector 2017. Final figures for 2017 indicate that the sector produced \$5.8 Billion of new annualized premiums, up 7% from the Annualised Premium written in 2016. Number of policies sold was 96,308, representing a 3% reduction over the amount sold in 2016. The Face Amount Payable for these new policies was \$219.24billion, up 13% over the previous year. Number of Sales Representatives grew by 5% over the number in 2016 to register 795.

In recent years there has been an increase in Life Insurance Sales from Brokerage houses whose production activities have boosted the sector's overall performance.

Types of Insurance Sold

Types of insurance plans sold for the period under review included: Term, Whole Life, Personal Accident, Critical Illness, Annuities, Universal/Interest Sensitive, Universal/Equity Linked, Individual Health and Riders.

In this grouping, Universal/Interest Sensitive plans which are investment -linked recorded the highest sales representing 59 %of policies sold but, 68 % in terms of premium income, as persons continue to buy Life Insurance for Investment reasons. Critical Illness Insurance now represent 25 % of new policies sold, although 8% with respect to premiums. They are bought to provide insurance protection when persons suffer life threatening illnesses such as cancer and cardiovascular illnesses as cost of dealing with these and other Non-Communicable Diseases (NCD) are on the increase.

Categories of Premium

Risk Premium for the year was \$4,892.72million against \$4,648.94 million for 2016. Investment Premium AAIP \$2,136.64million against

\$2,034.97 for the previous year and Investment Premium/Lump Sum \$4,584.32million against \$5,330.84million for 2016.

Gross Premium

Gross Premium income for 2017 amounted to \$\$37.3 Billion, 6% above the amount recorded for 2016. This must be seen against a background of the inflation rate of 2.1 % recorded by the Statistical Institute of Jamaica in 2017.

Life Benefits Paid

Benefits paid out for Individual Life in 2017 amounted to \$21.3 Billion, 4% over the amount paid out in 2016. Categories included: Death \$2.8 Billion Dollars up 6%, Policy Loans \$877.54 million down 9%, Surrenders \$4.1 Billion down 3%, Encashments \$12.6 Billion, up 7%, Critical Illness, \$649.44 million up 16%, Maturities up 16% and Others \$4.98 million up 30%.

GROUP BUSINESS

Premiums Billed

Annualized Premiums billed were: Group Life \$4.69 B for 2017 up 13 % over 2016. Creditor Life \$2.3 B an increase on the \$1.5 B for 2016. Group Health was \$15.3 B an 8.6 % increase on the amount collected in 2016.

Sums Insured

Group Sums insured were: Group Life \$1,211,500.68 million against \$668,539.89 million for 2016 while Creditor Life was \$434,406.13 million up 36 % from \$319,081.0 in 2016, due to additional business from large clients, despite the same number of Credit Life Contracts

Number of Employees/Pensioners

The number of Employees/Pensioners covered were: Group Life in 2017 was 510,755 up 3.8%

Life Insurance

amount recorded in 2016. Creditor Life policyholders decreased marginally by 0.7% to 1,526,851 in 2017 from the recorded in 1,538,075 in 2016. Group Health had a total of 252,745 policyholders in 2017 up 7.6% from amount in 2016, while Group Pension Scheme Members climbed by 5.4% to 75,542 in 2016.

Group Contracts in Force

Group contracts in force were: 1,766 for 2017 up from 1,731 in 2016. Creditor Life remained unchanged with 117 for 2017 as it was in the previous year. Group Health Policies moved to 2,150 from 2,091 in 2016 while Group Pension Schemes slipped to 455 in 2017 from

469 in 2016.

Health Benefits Paid

Group Health Benefits paid out in 2017 amounted to \$18.2 B up from \$16.9 B paid in 2016. The main categories were: Hospital \$1.75 B, Surgery \$2.52 B, Doctors Fees \$1.99 B, Lab/ X-Ray \$2.04 B, Prescription Drugs \$5.59 B, Maternity \$154.74 M Dental \$1.84 B, Optical \$1.42 B, Disability \$122.91 M and Others \$825.64 M.

Pension Funds Under Management

Pension Funds under Management grew by 19% in 2017 to \$291.10 Billion dollars relative to the amount under management in 2016.

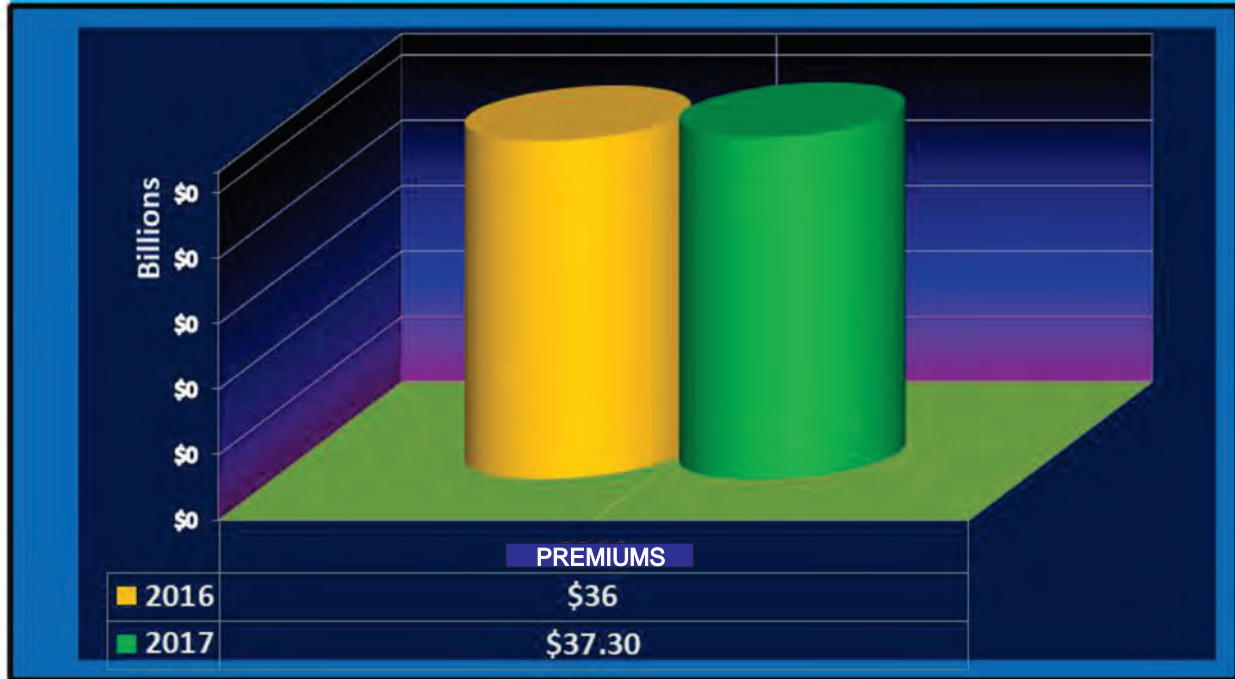
LIFE INSURANCE – CASH DISBURSEMENT - \$MILLIONS

	2016	2017	% of Total
Death	2,648.82	2,805.92	6
Policy Loans	962.58	877.54	-9
Surrenders	4,298.88	4,164.84	-3
Encashments	11,869.32	12,653.45	7
Critical Illness	560.95	649.44	16
Maturities	130.53	151.69	16
Others	3.84	4.98	30
TOTAL	20,474.92	21,307.86	4

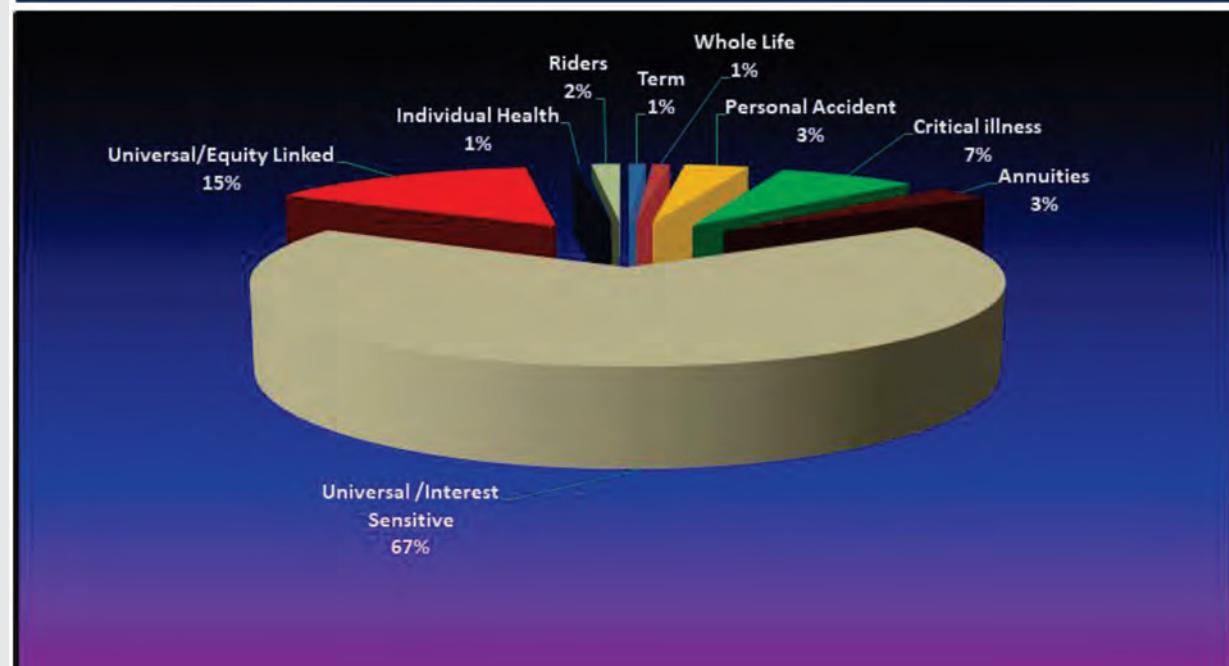
LIFE INSURANCE HEALTH CLAIMS PAID OUT JANUARY – DECEMBER 2017

	\$	PERCENTAGE (%)
HOSPITALIZATION	1,751,698,763.08	10%
SURGERY	2,528,026,526.63	14%
DOCTORS FEES	1,996,426,377.69	11%
LAB/XRAY	2,049,225,259.99	11%
PRESCRIPTION DRUGS	5,591,737,924.83	31%
MATERNITY	154,747,169.78	1%
DENTAL	1,848,123,053.96	10%
OPTICAL	1,423,013,636.87	8%
DISABILITY	122,910,375.00	1%
OTHERS	825,646,369.23	5%
TOTAL	\$18,291,555,457.06	100%

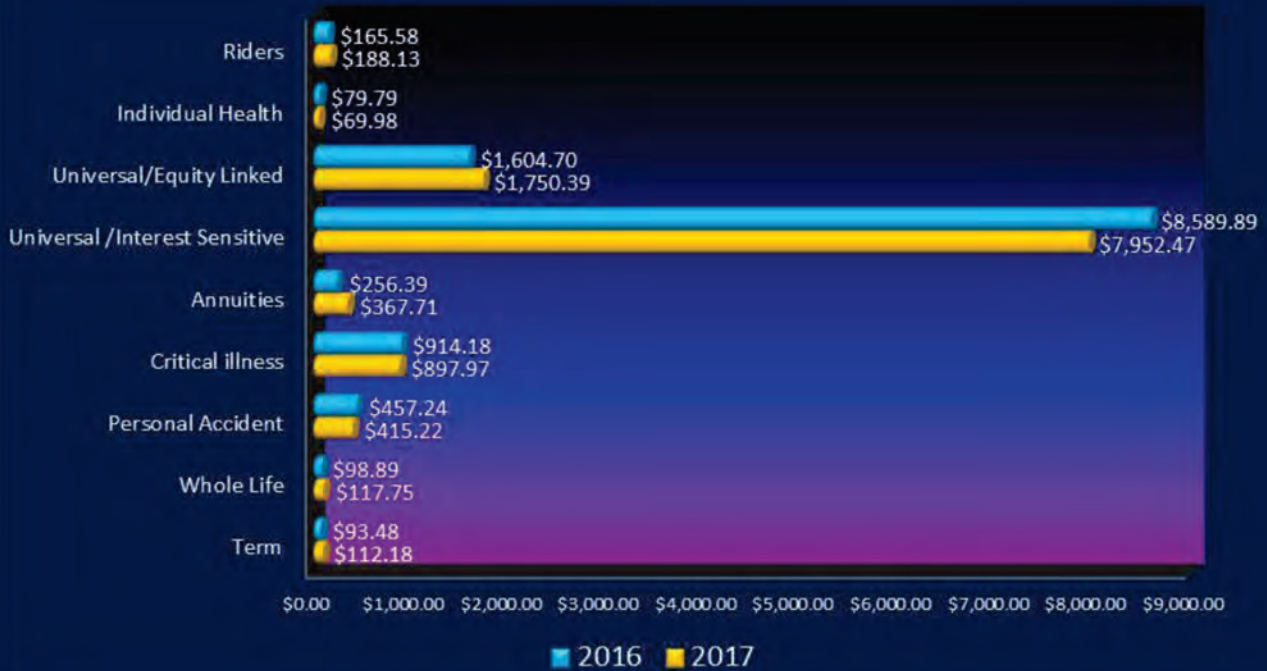
Gross Premiums 2016/2017



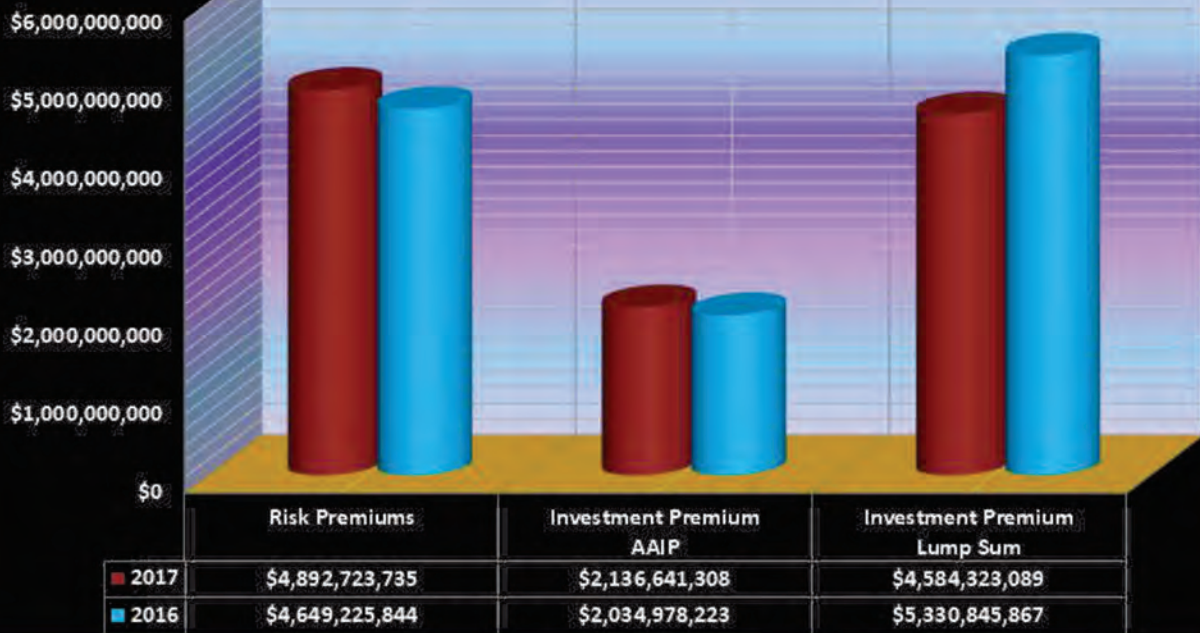
2017 Annualized Premiums by Percentage



Annualized Premium Income by Category 2016/2017 \$Millions



Risk, AAIP & Lump Sum Premium Summary 2016/ 2015

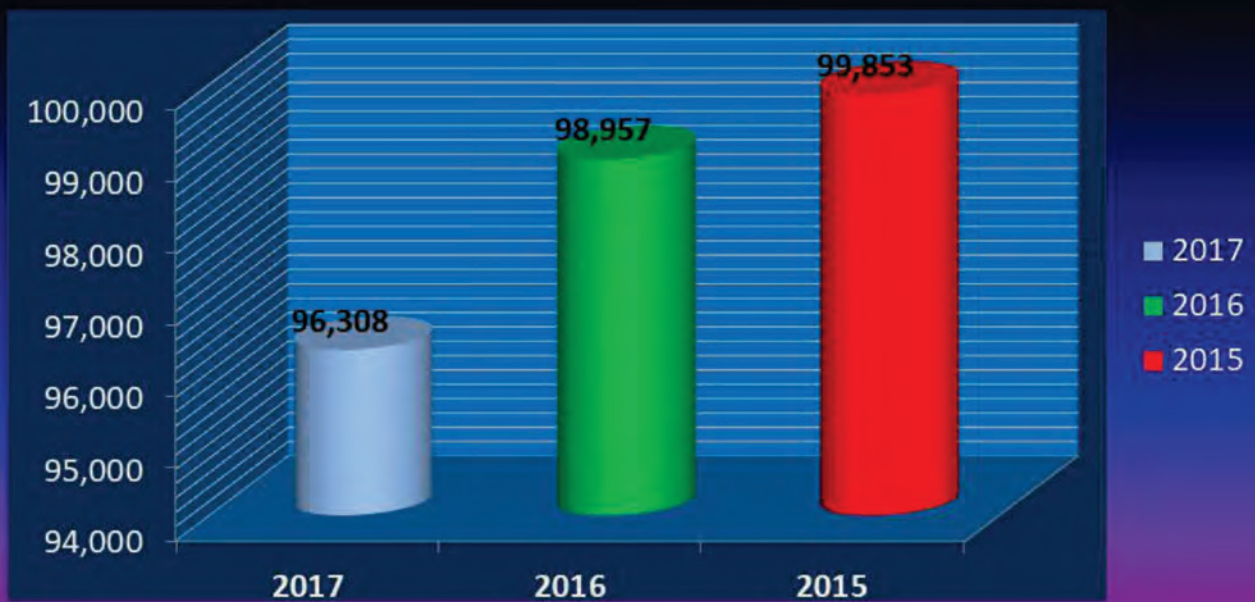


Face Amount Payable 2017

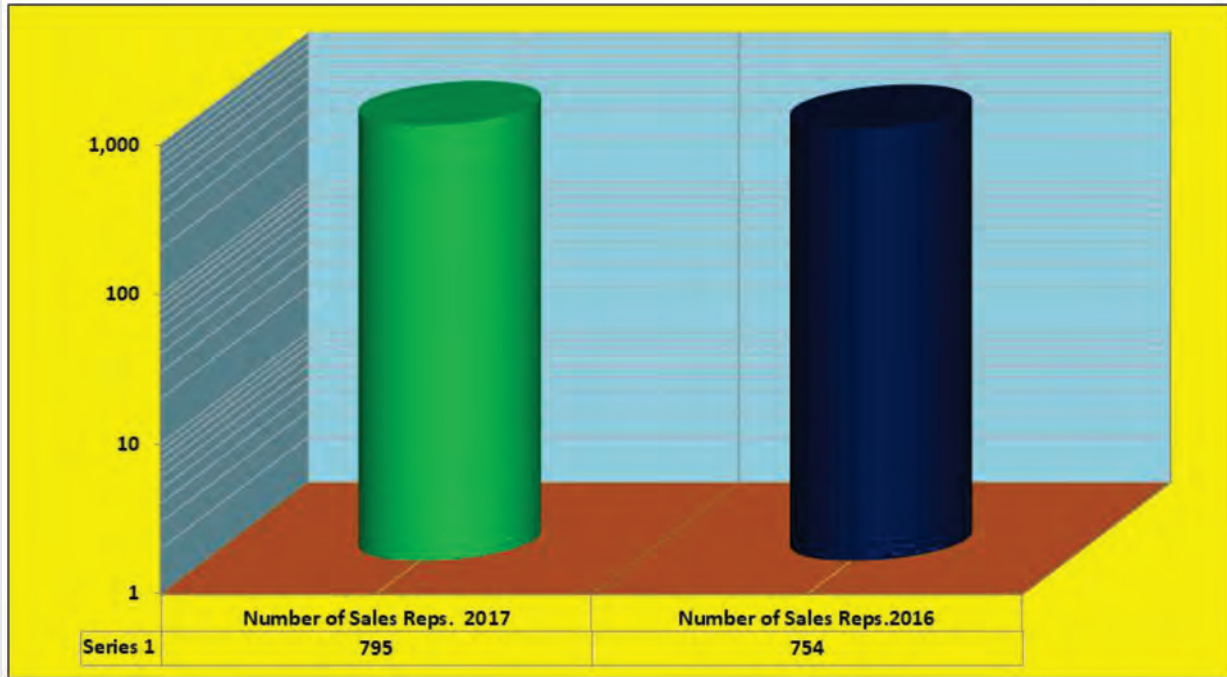
Amount Payable (\$Billions)



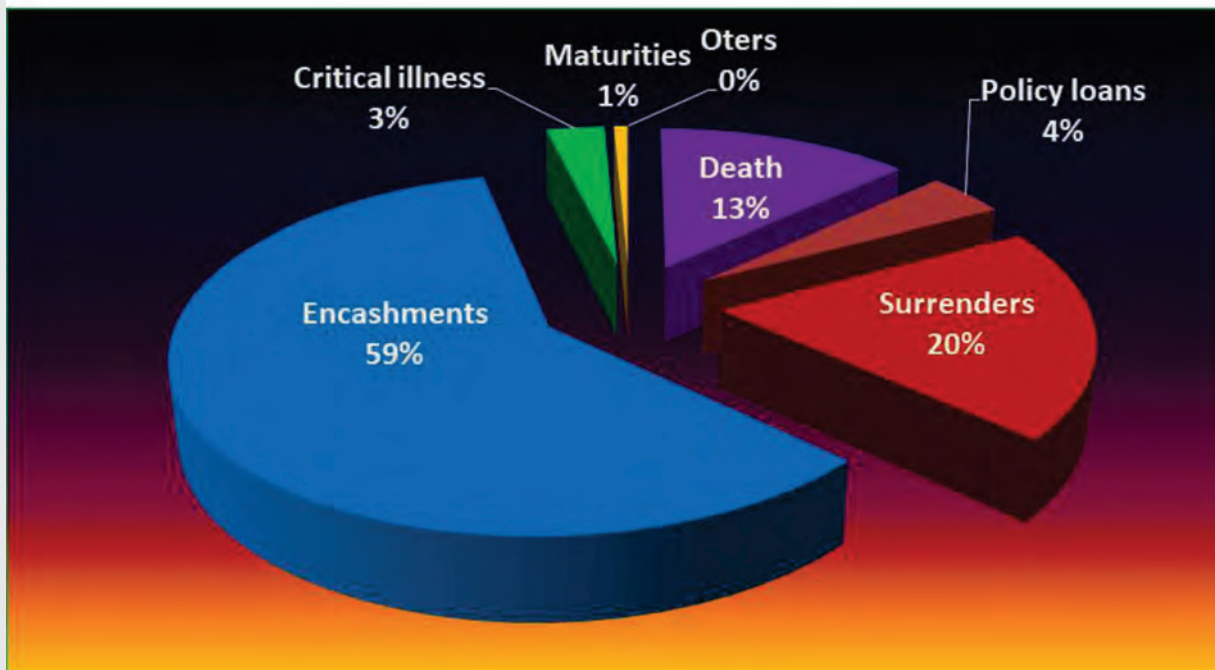
Number of Policies Sold 2015,2016,2017



Number of Sales Representatives 2017/2016



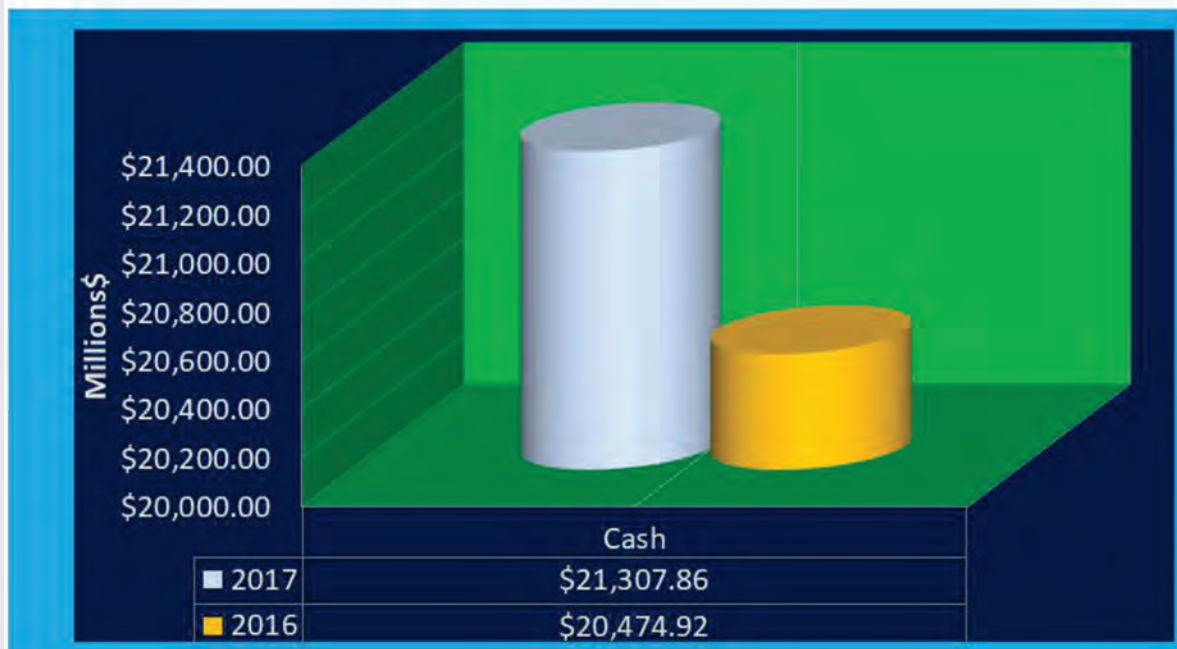
Cash Disbursements % 2017



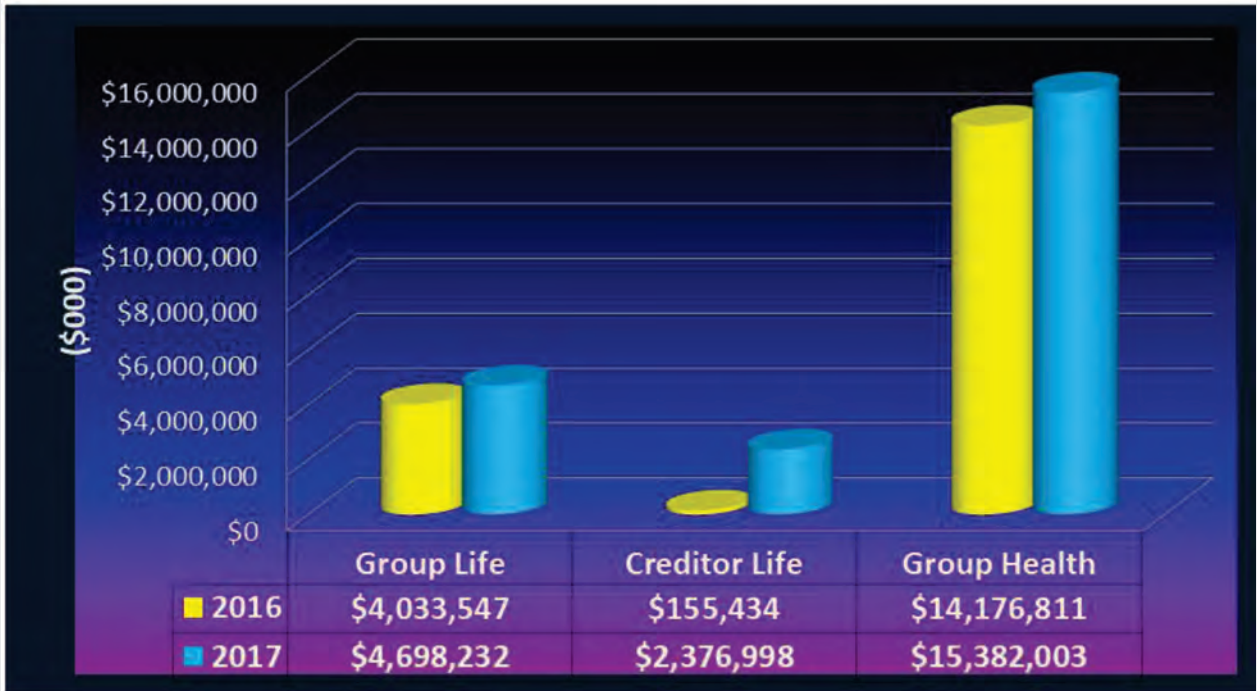
Life Insurance Cash Disbursements 2016/2017



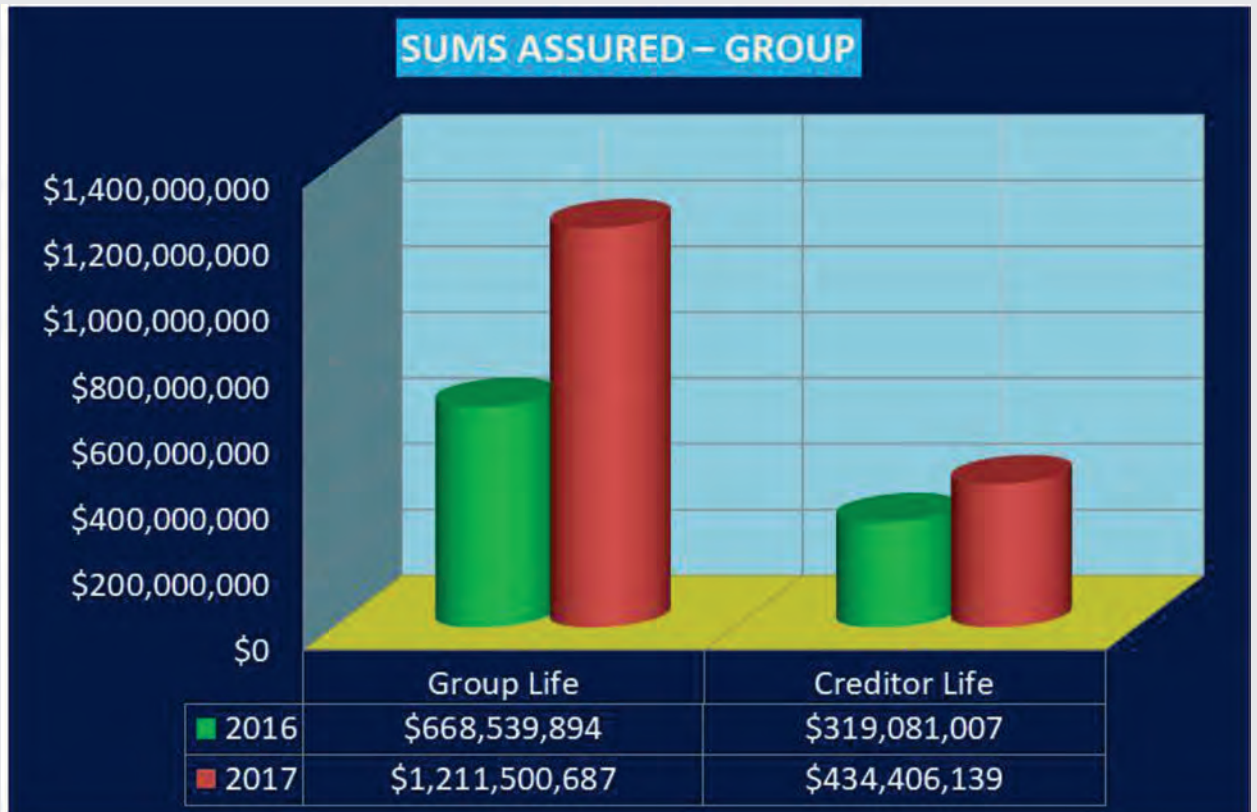
Total Cash Disbursements 2017



Group Premiums Billed 2016/2017

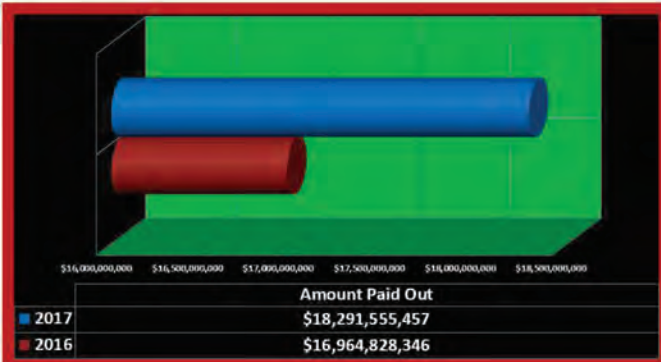


SUMS ASSURED – GROUP

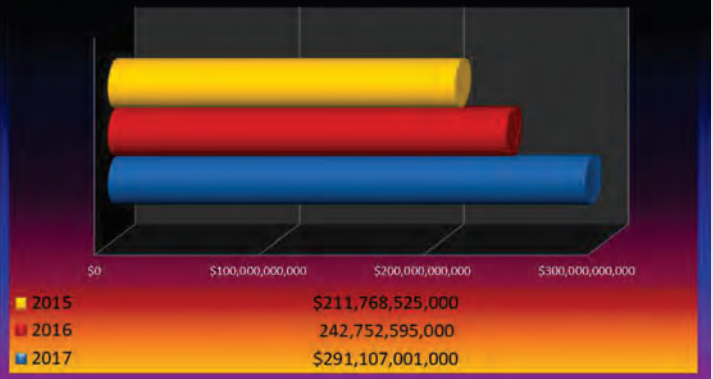


Life Insurance

Health Benefits Paid out 2017/2016



Group Pension – Funds under Management 2017/2016/2015



NUMBER OF EMPLOYEES/PENSIONERS



Health Benefits Paid Out 2016/2017 \$Millions



make it **easy**
on
yourself!

It's so easy to get
COVERED!



 QUOTE  BUY  RENEW
MOTOR VEHICLE INSURANCE

Use PromoCode: **BIG5000** to get **\$5000 off***
when you purchase motor insurance online,
Visit www.jngionline.com


* Conditions apply

- Quote and Buy within minutes
- Have an existing policy? Renew anytime!
- Receive your **JNGI InstaCover**, 30 day electronic cover note that is acceptable by the Police and Tax Office
- Experienced an accident? No worries, notify us and upload 5 pictures
- **Confidence on the Road** with a complimentary JAA membership with unlimited roadside assistance

JAGI
ONLINE
INSURANCE

jngionline.com
1-888-225-5636 • @jngijamaica



A Member of the  Group

GENERAL INSURANCE SUMMARY = JANUARY TO DECEMBER 2017

Gross Written Premiums

Gross written Premiums for 2017 was \$41.1 billion up 9% on the amount recorded in 2016.

Net Written Premiums (Gross Premiums less Reinsurance) was 19.2 billion representing a 9% gain on the premiums written in 2016.

Total Reinsurance premiums remitted in 2017 was \$22.2 billion also up 9 % on the Reinsurance premiums reported in 2016

These figures have to be seen within the context of the 2.1 % inflation reported by the Statistical Institute of Jamaica in 2017

Gross Written Premiums include Commercial and Residential Property, Motor, Employers, Public and Other Liabilities and all others. Motor at \$18.5 billion and Commercial Property at \$13.6 billion were the highest contributors.

Underwriting Income

Total Underwriting Income leveled at \$21.2 billion, 6% over \$20.05 billion for 2016 while investment and other income was just over \$4 B down 3.3 % on the previous year.

Sums Insured

Sums insured for all categories grew to \$5,944.59 billion for the year, 34% over \$4.423.80 billion for 2016. The largest contributors were, Commercial

Property \$2,149.25 billion, Residential \$436.49 billion and Motor at \$369.38 billion.

Policy Count

Policy count inched up to 492,117 for the year, 32% over 372,273 for 2016 while Risk Count moved to 589,125, a 15% increase over 511,370 for 2016.

Claims Incurred

Gross Claims incurred for 2017 was \$13.2 billion 10% below the \$14.7 billion recorded 2016 as there some exceptional claims in 2016. Reinsurance on claims was \$2.42 billion, -55% below \$5.39 billion for 2016, also as a result in the claim pattern returning to normal. Motor claims were \$9.5 B, 72 % of total claims incurred.

Operating Expenses

All Operating Expenses of \$8.31 billion was 6% over \$7.86 billion for 2016. Total Underwriting Expenses amounted to \$21.62 billion for the year against \$19.59 billion for 2016, a 10% increase.

Claims Count

Claims count was 59,774, a large increase of 42% over 42,005 for 2016. Average premium per policy was \$84,317, an -18% drop from \$102,223 in 2016.

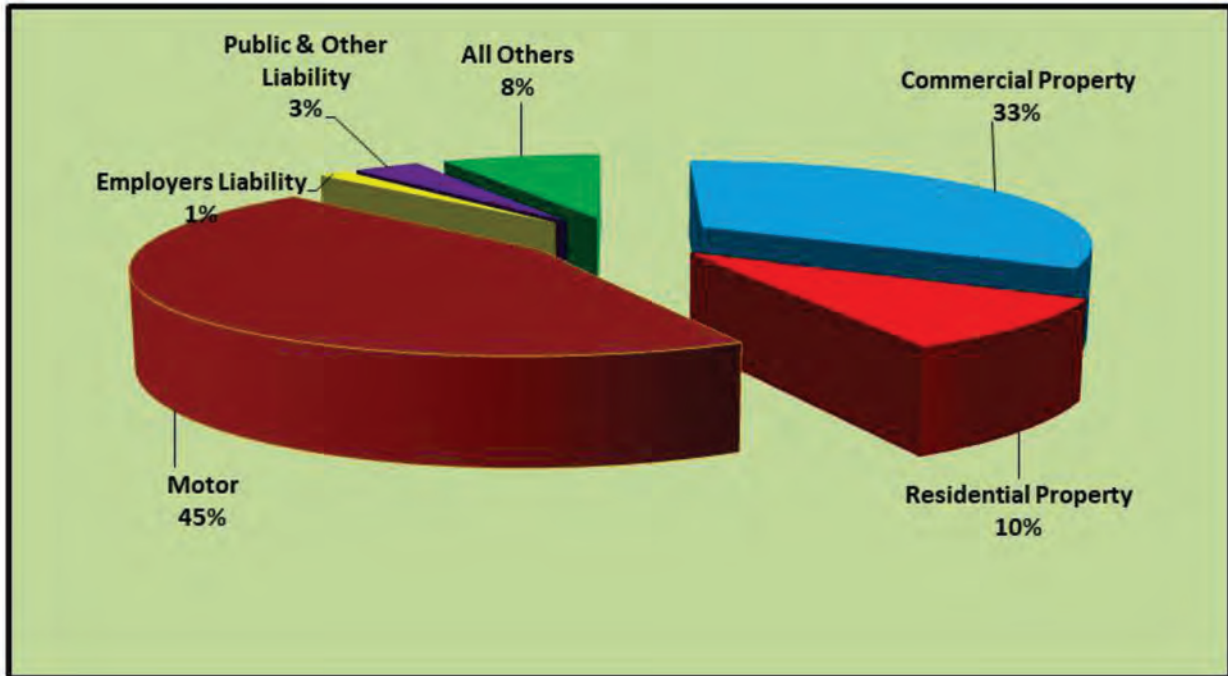
GENERAL INSURANCE MARKETING STATISTICS, JANUARY TO DECEMBER 2017

COMPANY	PROPERTY		MOTOR	LIABILITY		ALL OTHERS	TOTAL AS AT DEC 31, 2017	2017 Market Share %	TOTAL AS AT DEC 31, 2016	Change Y-O-Y
	Commercial	Residential		Employers	Public & Other					
MARKET STATISTICS FOR JANUARY 1 - DECEMBER 31, 2017										
Gross Written Premiums	13,675,418,605	3,963,587,093	18,558,746,566	606,994,369	1,375,556,943	3,313,486,438	41,493,790,018	100	38,054,926,851	9%
Proportional Reinsurance	(12,951,607,397)	(3,642,144,664)	(2,018,282,235)	(70,694,775)	(714,329,606)	(2,824,792,936)	(22,221,851,613)	100	(20,377,534,436)	9%
Net Written Premiums	723,811,211	321,442,429	16,540,464,332	536,299,594	661,227,337	488,693,502	19,271,938,405	100	17,677,392,414	9%
Excess Of Loss	(289,686,007)	(217,076,214)	(321,937,143)	(7,087,517)	(12,894,526)	(16,745,189)	(864,396,597)	100	(788,904,511)	10%
Unearned Premium Adj	5,709,698	(10,564,979)	(635,097,666)	(9,075,936)	(19,791,316)	(43,709,698)	(712,529,898)	100	(488,786,309)	48%
Net Earned Premiums	440,864,902	93,801,236	15,583,429,522	520,136,141	628,541,495	428,238,615	17,695,011,910	100	16,399,701,594	8%
Commission Earned	1,536,061,185	675,259,756	959,646,615	13,923,960	57,359,249	337,613,910	3,579,864,675	100	3,659,807,215	-2%
TOTAL UW INCOME	1,976,926,037	769,060,992	16,543,076,136	534,060,101	685,900,743	765,852,525	21,274,876,585	100	20,059,508,809	8%
Gross Claims Incurred	(861,687,277)	(105,540,829)	(11,451,862,076)	(343,232,567)	(257,998,856)	(223,294,358)	(13,243,615,963)	100	(14,736,304,564)	-10%
Less: Reim On Claims	843,276,242	(4,387,279)	1,315,028,181	28,262,137	128,810,544	117,974,014	2,428,963,839	100	5,398,300,878	-55%
Net Claims Incurred	(18,411,035)	(109,928,109)	(10,136,833,895)	(314,970,430)	(129,188,312)	(105,320,343)	(10,814,652,124)	100	(9,338,003,686)	16%
Commission Outward	(792,416,469)	(231,441,362)	(1,157,544,397)	(54,692,927)	(93,647,294)	(164,131,283)	(2,493,873,732)	100	(2,390,371,369)	4%
All Operating Expenses	(1,137,030,122)	(605,666,986)	(5,682,421,569)	(179,249,790)	(340,188,070)	(368,422,153)	(8,312,978,691)	100	(7,864,280,872)	8%
TOTAL UW EXPENSES	(4,947,857,626)	(947,036,457)	(16,976,799,861)	(548,913,148)	(563,023,675)	(637,873,780)	(21,621,504,546)	100	(19,592,655,927)	10%
NET UW RESULTS	29,068,461	(177,975,465)	(433,723,724)	(14,853,046)	122,877,068	127,978,745	(346,627,961)	100	466,852,882	-174%
Stays Insured	2,149,250,158,007	436,494,106,410	369,381,131,162	15,137,958,926	69,945,686,704	233,561,639,091	5,944,598,592,348		4,423,805,173,179	34%
Policy Count	28,013	25,578	374,713	3,067	4,213	5,662	492,117		372,273	32%
Risk Count	85,710	28,304	357,494	5,876	5,355	41,141	589,125		511,370	15%
Claim Count	887	360	38,926	4,429	4,528	1,080	59,774		42,005	42%

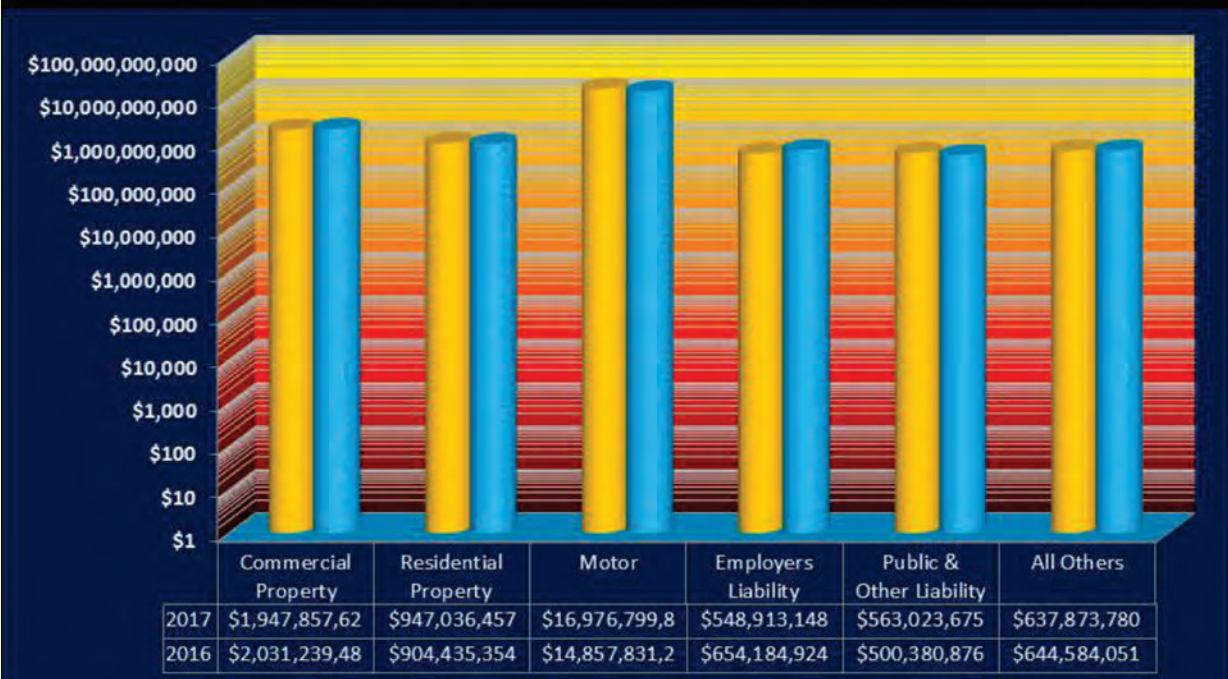
Gross Written Premiums by Line of Business 2017/2016
\$Millions



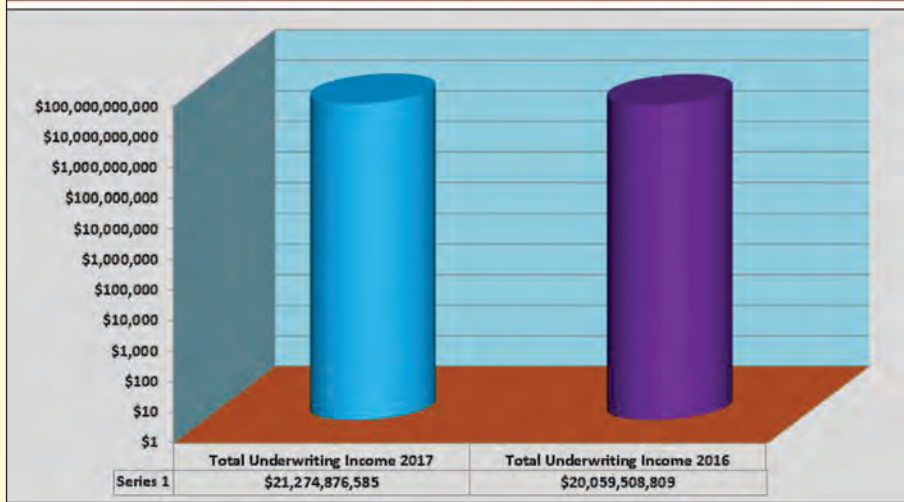
Gross Written Premiums by Line of Business 2017



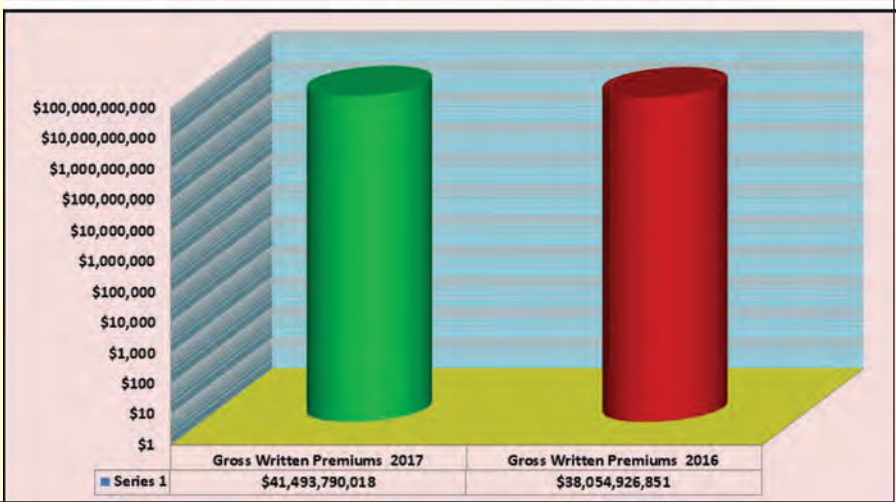
Total Underwriting Expenses by Line of Business 2017/2016



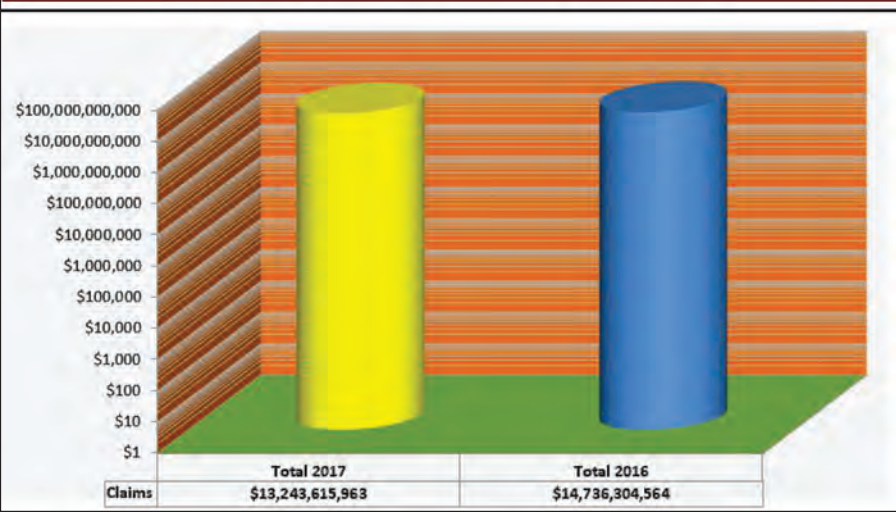
Total Underwriting Income 2017/2016



Gross Written Premiums 2017/2016



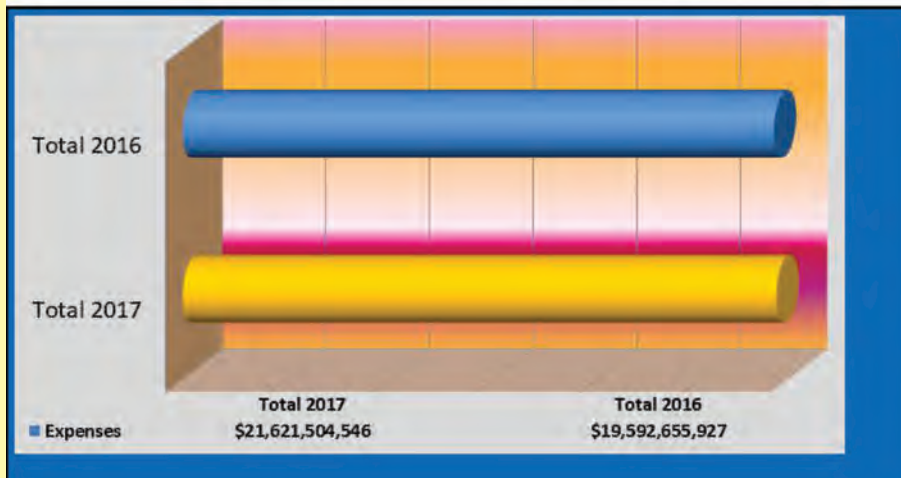
Gross Claims Incurred 2016/2015



Underwriting Income by Line of Business 2016/2017



Total Underwriting Expenses



Total Underwriting Income 2017/2016

