



## **PRESS RELEASE**

### **Insurance Industry Performance – 1<sup>st</sup> Half of 2011**

The insurance industry is regulated by the Insurance Board of Sri Lanka (IBSL) in terms of the Regulation of Insurance Industry Act, No. 43 of 2000 (the Act). The IBSL was established to develop, supervise & regulate the insurance industry in Sri Lanka.

There are twenty (20) insurers registered with the IBSL. Twelve (12) of them are composite companies (dealing in both General and Long Term Insurance Businesses), six (06) of them are registered to carry on General Insurance Business and two (02) companies engage only in Long Term (Life) Insurance Business. However, one company registered to carry on General Insurance Business is prohibited from engaging in insurance business since 05<sup>th</sup> August 2009.

The overall Gross Written Premium (GWP) Income for General Insurance and Long Term Insurance Businesses was Rs. 38.59 billion which reflected a growth rate of 23.38% compared with the 1<sup>st</sup> six months of 2010. The General Insurance Business has demonstrated a progress of its overall Gross Written Premium (GWP) Income during the 1<sup>st</sup> half of 2011 when compared to the same period of 2010. The Long Term Insurance Business also showed a progress of its overall Gross Written Premium Income during the 1<sup>st</sup> half of 2011 when compared to the same of 2010. The overall Gross Written Premium Income of General Insurance Business amounted to Rs. 21.56 billion (1<sup>st</sup> Half 2010: Rs. 18.18 billion) while the overall Gross Written Premium Income of Long Term Insurance Business amounted to Rs. 17.04 billion (1<sup>st</sup> Half 2010: Rs. 13.12 billion) during the 1<sup>st</sup> six months of 2011.

The Total Assets of the insurance companies have increased to Rs. 241.86 billion at the end of the 1<sup>st</sup> six months of 2011 when compared to the Total Assets valued at Rs. 222.24 billion at the end of year 2010.

In terms of Section 25 of the Act, 20% of assets of the Technical Reserve of General Insurance Business and 30% of the assets of Long Term Insurance Fund of the Life Insurance Business should be invested in Government Securities. This is a mandatory requirement that all insurance companies have to comply with. The investment in Government Securities represents 51.86% (1<sup>st</sup> Half 2010: 50.96%) of the total assets of Long Term Insurance Business and 25.70% (1<sup>st</sup> Half 2010: 24.65%) of the total assets of General Insurance Business at the end of 2<sup>nd</sup> quarter of 2011. This is in excess of the required amount of investment in Government Securities by the Act.

Insurance Broking Companies, as intermediaries, make significant contribution to the insurance industry. Forty Four (44) insurance broking companies, registered with the IBSL in terms of Section 82 of the Act, currently engage in insurance broking business. Insurance Broking Companies mainly concentrate on General Insurance Business and their Total Gross Written Premium Income from both General Insurance Business and Long Term Insurance Business amounted to Rs. 4.94 billion during the 1<sup>st</sup> half of 2011.

Note:

The figures pertaining to the Overall Gross Written Premium Income, Total Assets and Investment in Government Securities represent all insurance companies except National Insurance Trust Fund (NITF) and Ceylinco Takaful Limited.

**Insurance Board of Sri Lanka**  
**29<sup>th</sup> September 2011**