

**BULLETIN OF THE INSURANCE MARKET
PERFORMANCE**

**RESEARCH & STATISTICS DEPARTMENT
SYNOPSIS OF THE INSURANCE MARKET
IN THIRD QUARTER, 2024**

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Introduction

This analytical report of the Insurance Industry Statistics is a description of the Market performance during the period of third quarter, 2024. It shows resilience amid macroeconomic challenges, sustaining the industry growth trajectory at 60.9 per cent, year on year, and 44.3 per cent on a quarter-on-quarter basis, to close at about N1,173.1billion in gross premium written.

1.1 Gross Premium Written - Performance

The Gross premium written in the third quarter of 2024 stood at N1,173.1billion, a remarkable occasion attributable to the consistent deepening policy of the Commission and market resilience. The performance was majorly led by the non-life sector, recording a market share of 68.9 per cent for a total volume of N808.4billion while the life segment accounted for 31.1 per cent of the market premium aggregate.

Table 1 maps the contribution of total premium generated by respective portfolios in the market during the period.

Table 1: Gross Premium Written: Non-Life & Life Businesses: Q3, 2024

Currency: N-Billion

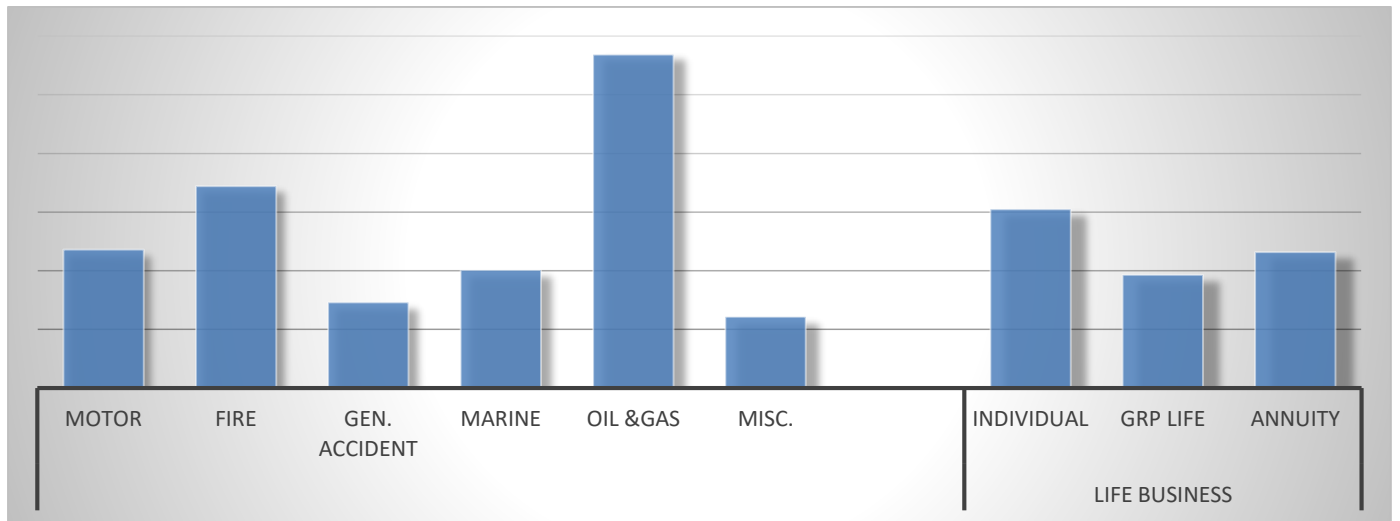
Variable	Motor	Fire	Gen. Accident	Marine	Oil & Gas	Misc.	Life Business	Market Aggregate
Gross Premium Written	117.9	171.9	72.9	100.6	284.3	60.6	364.7	1,173.1
Net Premium	101.2	88.8	42.7	53.5	83.3	29.4	288.9	687.7

The industry Statistics reveals that the market has achieved a substantial higher rate of growth compared to the national output (GDP) which grew at 3.5 per cent during the period under review, signifying its impressive performance and potential propensity.

Chart 1 further provides the comparative descriptives of each class of business, suggesting the share relevance of each Insurance portfolio during the third quarter.



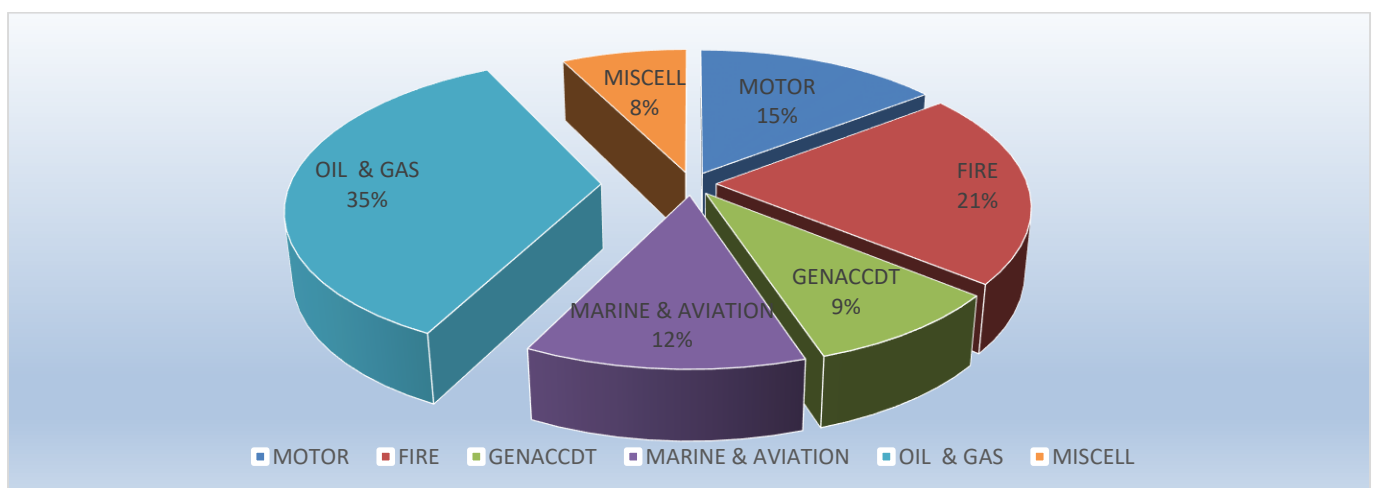
Chart1: Gross Premium Written by Class - Non-Life & Life Business: Q3, 2024



The Non-Life segment maintained its dominance, accounting for 68.9 per cent of the total premium generated during the period, closely aligning with its 69.1% share in the previous quarter. Within this segment, the Oil & Gas portfolio led with a 35.2% contribution, followed by Fire Insurance at 21.3%. Motor Insurance also accounted for 14.4%, while Marine & Aviation, General Accident, and Miscellaneous contributed 12.4%, 9.0%, and 7.5%, respectively.

The infographic representation of the non-life business is further illustrated by Charts 2 herein.

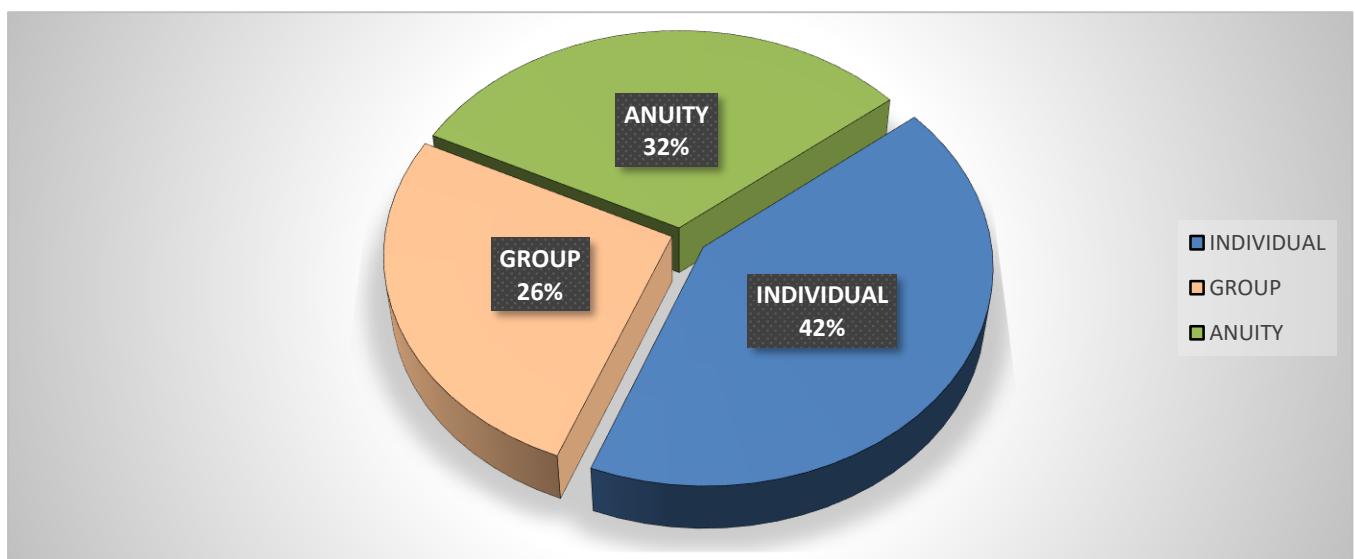
Chart 2: Distribution of Gross Premium Written - Non Life



The Life business on the other hand contributed 31.1% of the total premium, gradually increasing its proportional share of the industry's gross premium. Analysis of the Life Insurance segment also shows that, Annuity business accounted for 31.8% of the total gross premium, while Individual Life business led with about 41.8% contribution of all the life insurance premiums during the quarter.

Figure 3 further presents insight into the Life insurance business during the period under review.

Chart 3: Contribution of Gross Premium Written - Life



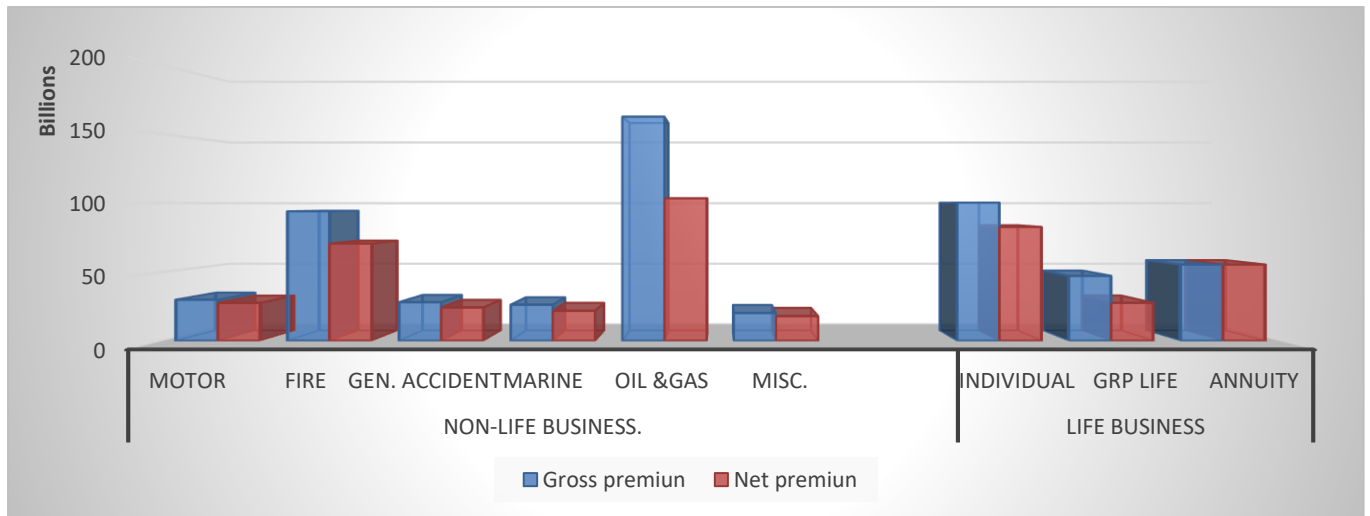
1.2 Premium Retention Capacity

Notwithstanding the experiments within the financial services sector, underwriters exhibited undoubted certainty and confidence, as reflected in the robust retention levels across the market. The overall market average retention rate stood at 58.6%, with the Life business achieving about 79.2% and the Non-Life segment recording a retention ratio of 49.3% during the period.

Chart 4 describes the relative retentions of various classes of Insurance business during the third quarter of 2024.



Chart 4: Relative Premium Retention - Q3, 2024



Insight into the retention performance across various classes in the Non-Life segment, as shown in Table 2, reveals that most classes achieved above-average positions except for, the Oil & Gas (29.3%) and Miscellaneous (48.5%) businesses which demonstrated notably some low retention capacity among the underwriters.

Details of standing for various portfolios is herein provided in Table 2 on the premium retention proportions.

Table 2: Retention Ratios of Various Classes of Non-Life - Q3, 2024

Motor	Fire	Gen. Accident	Marine & Aviation	Oil & Gas	Misc.	Life Business	Market Aggregate
85.8	51.6	58.5	53.2	29.3	48.5	79.2	64.4

2. Insurance Claims Component

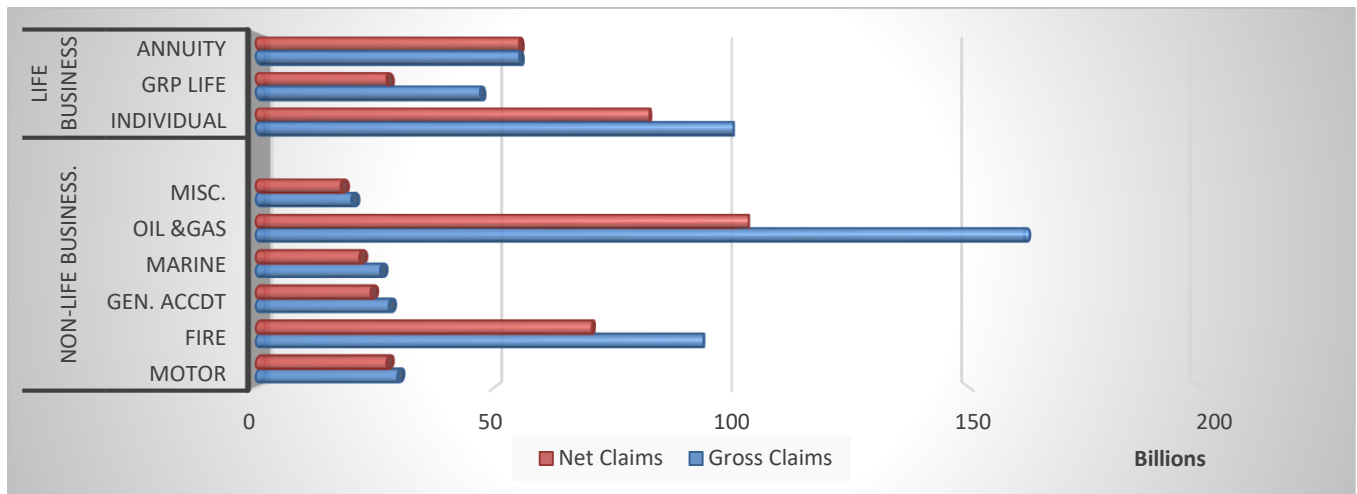
The improvements in claims management of the industry has served as driver for expansion in gross claims reported in Q3 2024, reaching N564.1 billion which is representative of about 48.1 per cent of the total premiums generated during the period. This, however underscores the need



for accelerated premium growth and appropriate rate setting. The Life Insurance segment recorded an impressive claims settlement ratio of 81.6%, while the Non-Life segment achieved 73.6%.

Chart 5, provides the relative industry Gross and Net claims reported and paid in non-life section of the market.

Chart 5: Comparative Sequence of Gross and Net Claims for Non-Life: Q3, 2024



The ratio of net claims paid demonstrated strong performance across various business classes. Motor Insurance achieved an outstanding ratio of 92.3%, followed by Miscellaneous at 88.9%. General Accident and Fire businesses recorded 86.3% and 75.1%, respectively. The Oil & Gas business, while lower at 63.7%, showed significant progress compared to 43.1% recorded in the corresponding period of the previous year.

Table 3 provides the percentage of net claims paid against total claims reported with respect to non-life portfolios for the period of the third quarter.

Table 3: Percentage Claims Settlement of Non-Life - Q3, 2024

Motor	Fire	Gen. Accident	Marine	Oil & Gas	Misc.	Non-Life Average
92.3	75.1	86.3	83.3	63.7	88.7	73.6



The improvement in the Oil & Gas in terms of the ration of net claims paid despite recording some low retention during the same period signifies the potentials of that business if only the existing capital gaps would be addressed.

3. Profitability of the Sector

The insurance market demonstrated profitability during the period under review, achieving an overall net loss ratio average of 62.8%. The Non-Life segment recorded a loss ratio of 66.7%, while the Life business reported 57.4% during the period, representing a significant improvement in the profitability position of the life segment with about seven points increase from 64.8% recorded in the corresponding prior period, highlighting an enhanced market performance and a positive outlook.

Nonetheless, despite a rather good scenario of the market average, some eleven Insurers gave rise to the reported net loss ratio during the period under review. Those were underwriters with figures of a hundred per cent and above of net loss ratios, classified by the type of company as illustrated in table 4.

Table 4 provides insight into the number of Insurers with highest loss ratios of a hundred per cent or above during the quarter.

Table 4: Loss Ratios for Insurers in Q3, 2024

Composite	Non-Life	Life	Reinsurance	Total
6	3	0	2	11



4. Market Concentration Risk

The market concentration as shaped by competition and other factors in the industry revealed a similar scenario compared to the prior quarter, indicating that the market control setting has not significantly changed in the last three months. In the current, the uneven share of the business was more pronounced within the Life sector compared to the Non-Life as statistics showed that the top three Life insurance companies controlled about 59.8% of the total Life premiums while the top three Non-Life insurers controlled 33.3% of all the premiums generated in that part of the market. Additionally, 65.3% of all Life insurance business was accounted for by the top ten players in the market during the quarter.

On the other hand, the top ten underwriters in the Non-Life sector generated about 65.3% of the total gross premiums while the least ten companies in the segment accounted for just 0.7% of the market during the period under review, apparently expressing a relative balance compared to the Life Insurance section of the market. Although the Life segment proved less desirable, it is however only on relativity basis but, not too exposed to the market concentration risks vulnerabilities.

5. The Market Size

The industry recorded a N3,877.1billion in total assets representing an expansion of 5.1% compared to the corresponding period when it reported N2,809.3billion as the industry size. The statistics of the financial position of the market also recorded a total of N2,337.9 billion in Assets as attributable to Non-Life business while the Life business accounted for N1,539.2billion as total Assets at the close of the quarter.

Table 5 provides the necessary insight into the Market size of the Insurance industry as at the third quarter of 2024.



Table 5: Total Assets in Billions of Naira - Q3, 2024

Insurance Business	N Billion
Non-Life Insurance Business	2,337.1
Life Insurance Business	1,539.2
Total	3,877.1

The industry indeed, has demonstrated some significant level of robustness, profitability, and stability as established by the performance in premium generation, favourable net loss ratios, substantial market expansion and a competitive operating environment. More importantly, is the favourable outlook of the market owing to the ongoing regulatory policy direction in terms of sector-wide process automation, market deepening measures and a sustainable legal framework improvement.

**The Research & Statistics Department
National Insurance Commission, Abuja
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