BULLETIN OF THE INSURANCE MARKET PERFORMANCE

THE RESEARCH & STATISTICS DEPARTMENT
SYNOPSIS OF THE INSURANCE MARKET

IN FIRST QUARTER, 2025

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Introduction

Statistics from the Nigerian Insurance market in the first quarter of 2025 has revealed a sustained positive performance indicating yet, its ability to adapt and grow despite the prevailing macroeconomic challenges. It recorded a notable growth in premium generation of about seven hundred and sixty-nine (N769.2) billion naira, representing an increase of 63.4 per cent, year-on-year (YoY) and, reflective of the sustained regulatory market deepening measures in the sector.

1.1 Gross Premium Written - Performance

The industry recorded a gross premium written of N769.2 billion for both life and non-life businesses during the quarter, the highest ever premium generation in a first quarter period of any year. This is also an indication of the fulfilling potentials of the market that has come of age, as the industry looks towards technology and the big-data driven policies for expansion.

Table 1 provides a snapshot of the distribution of insurance premiums across the various classes of business within the market during the period under review.

Table 1: Gross Premium Written: Non-Life & Life Businesses: Q1, 2025

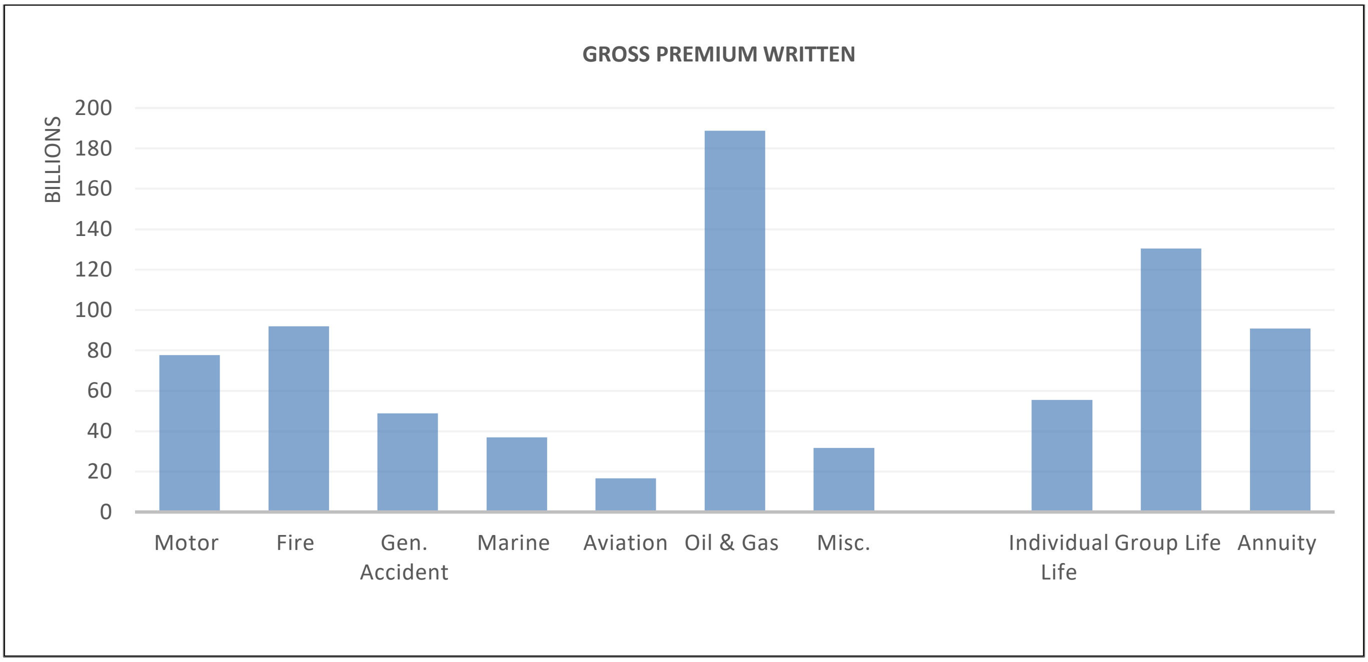
Currency: ₦ Billion

Variables	Motor	Fire	Gen. Accident	Marine	Aviation	Oil &Gas	Misc.	Life Business	Market Aggregate
Gross Premium Written	77.7	91.9	48.9	36.9	16.6	188.7	31.7	276.8	769.2
Net Premium	55.9	41.4	21.4	19.9	5.9	53.2	19.5	238.6	455.8

Data collected during the period indicates a growth rate of 63.4%, marking a substantial increase even at a period when the national output is still growing in a single digit.

Chart 1 further illustrates the relative contribution of each class of business to the basket for both Life and Non-Life insurances during the period.

Chart1: Gross Premium Written by Class - Non-Life & Life Business: Q1, 2025

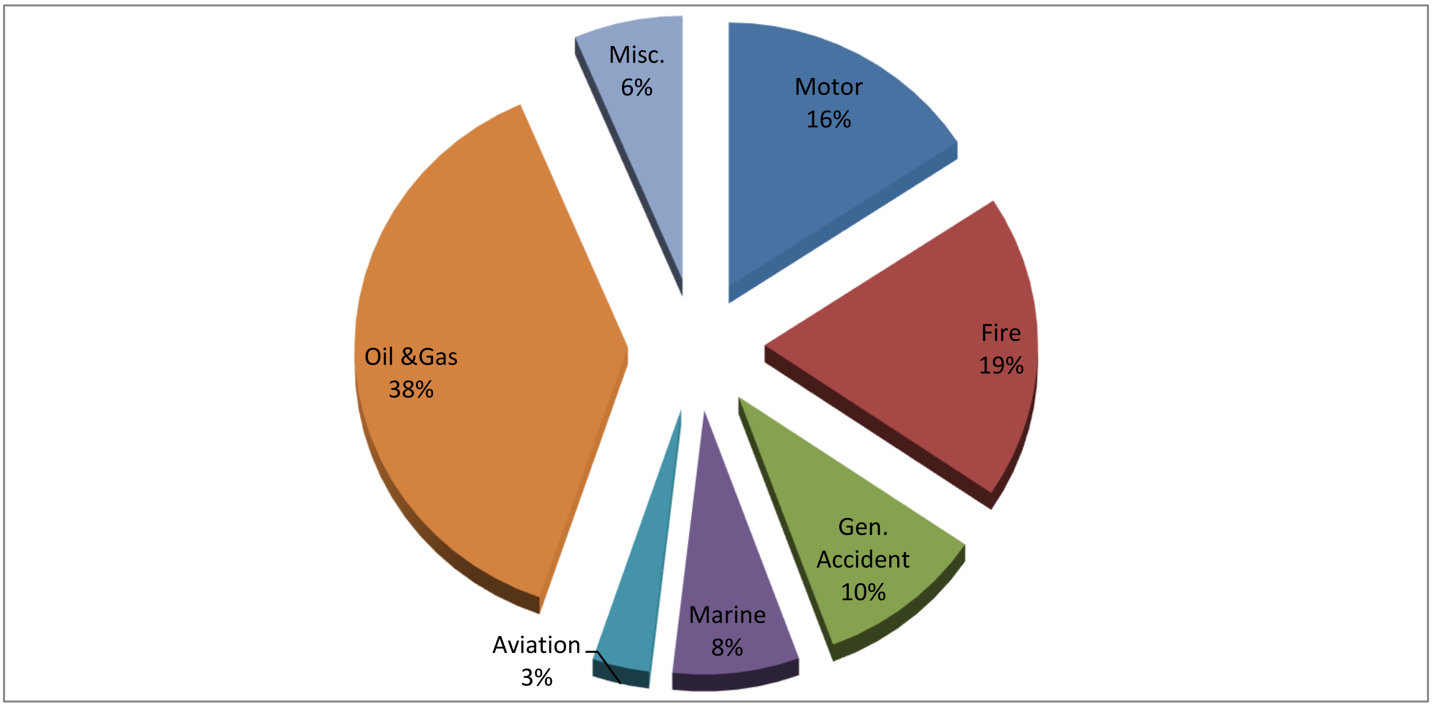


The non-life segment retained its relative dominance in the market, contributing 64.0% to the total premium pool, mirroring its performance in the corresponding quarter of 2024. On the other hand, the life Insurance segment accounted for 36.0% of all the premiums generated during the same period.

Insights into the Non-Life segment indicates that the Oil & Gas portfolio remained the major contributor, accounting for 38.3% of the total Non-Life premiums during the quarter. This was followed by Fire Insurance with 18.7% and Motor Insurance at 15.8%. Meanwhile, the Marine & Aviation, General Accident, and Miscellaneous portfolios contributed 10.9%, 9.9%, and 6.4%, respectively.

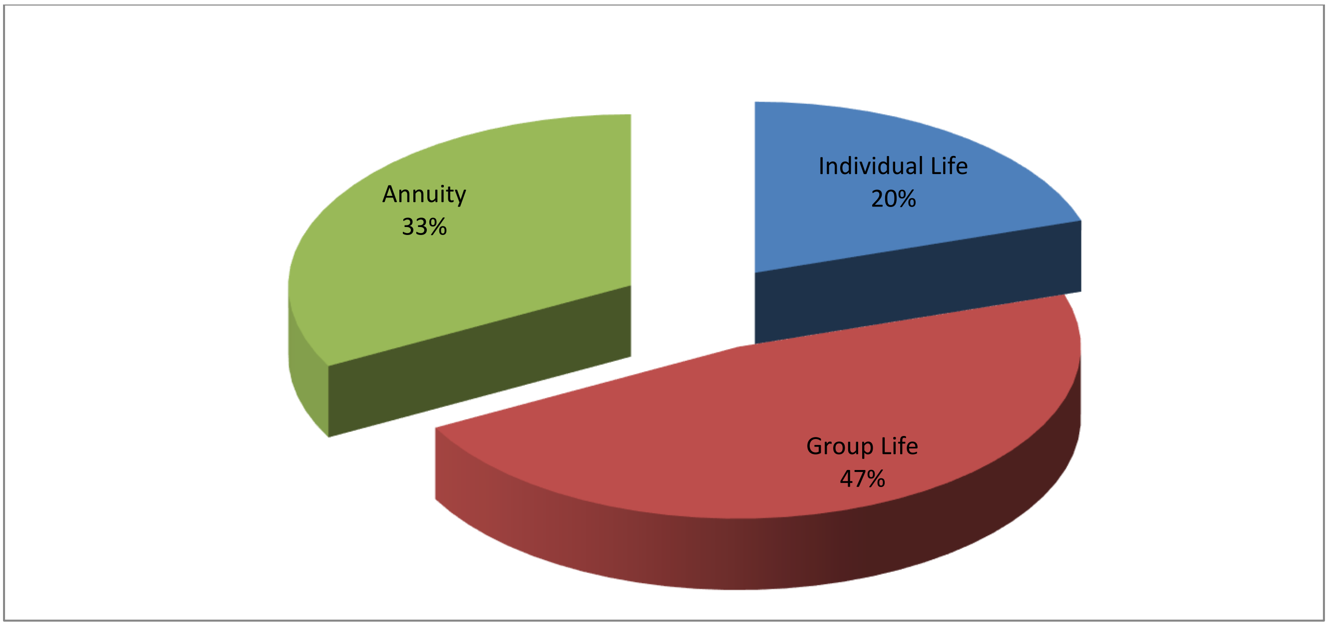
Chart 2 illustrates the distribution of gross premiums written, highlighting the relative market share of each business line within the Non-Life business during the review period.

Chart 2: Distribution of Gross Premium Written - Non-Life



Analysis of the Life Insurance business which accounted for 36.0% of the total premiums show that Group Life contributed 47.1%, Annuity business 32.8%, and 20.1% of the premium was attributable to the Individual Life business during the quarter. This is further described by Chart 3 herein.

Chart 3: Contribution of Gross Premium Written - Life

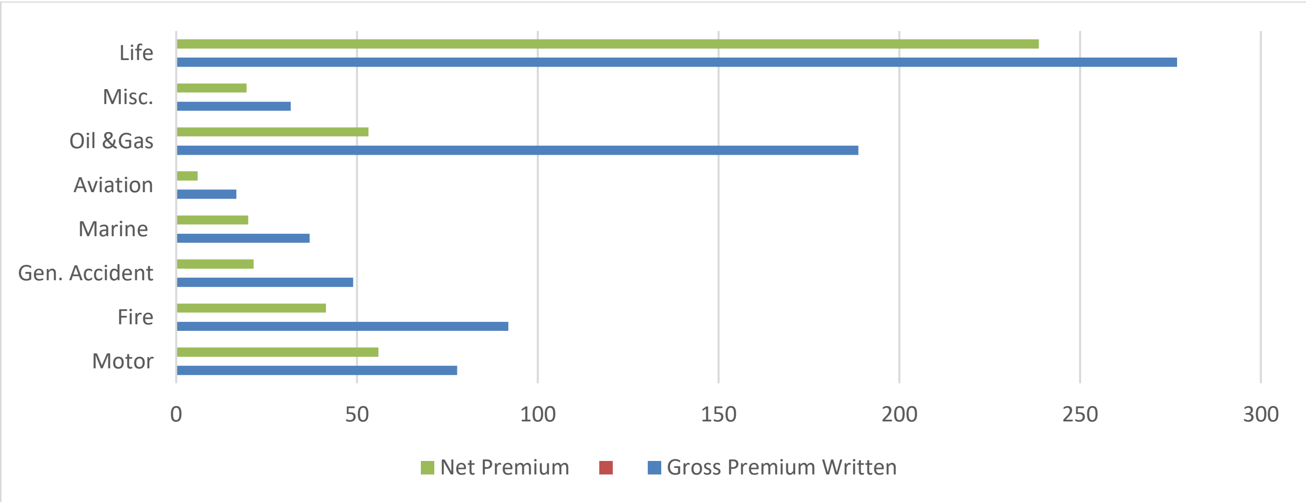


1.2 Premium Retention Capacity

An insurer's level of risk retention is typically dependent on its risk appetite as determined by its financial capacity and evaluation of the given business. Notably during the first quarter, the industry exhibited strong confidence by retaining a significant share of risks within their portfolios in spite the operational challenges posed by economic reforms. The industry recorded a market average retention ratio of 59.3%, suggestive of strong market confidence and sound financial standing especially in the Life business which stood at 86.2%. In the Non Life segment the roportional retention was comparatively lower owing to the effect of the special risks portfolios thereby it was recorded at about 44.1% precisely.

Chart 4 illustrates the relative retention of various classes of Insurance business during the period under review.

Chart 4: Relative Premium Retention - Q1, 2025



Analytical insight into the performance by various classes in the Non Life business of the market as revealed in Table 2 shows that Motor and Marine classes stood at above average positions. Oil & Gas, Aviation, General Accident and Fire business on the other hand, were recorded at below average, and as typical, the Oil & Gas reporting the least retention ratio owing to inadequate carriage capacity of that business in the Nigeria market.

Table 2: Retention Ratios of Various Classes of Non-Life & Life Businesses - Q1, 2025

Variable	Motor	Fire	Gen. Accident	Marine	Aviation	Oil & Gas	Misc.	Life Business	Market Average i
Retention Percentage	72.0	45.0	43.8	53.9	35.9	28.2	61.2	86.2	59.3

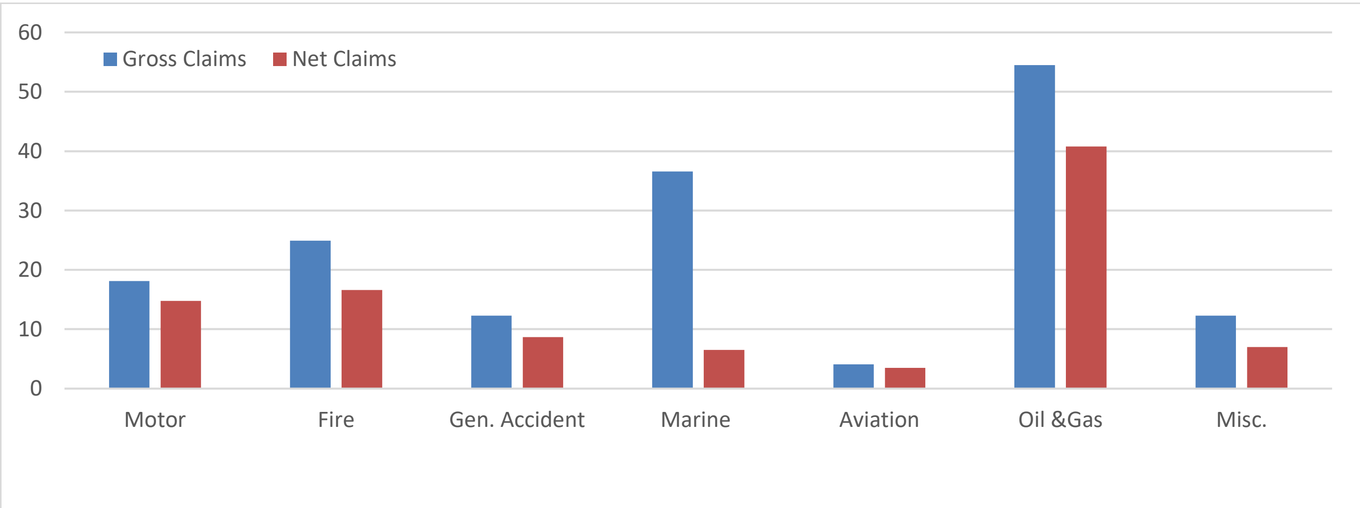
2. Insurance Claims Component

The effects of increased public awareness, growing confidence of stakeholders with regards claims settlement and redress mechanism are seen reflected in the volume of gross claims reported during the first quarter of 2025. The total claims reported during the period stood at N266billion. Although the total claims reported signifies just about thirty-five per cent (34.6%) of all the premiums generated during the same period, it was a win-win situation for insurers and policyholders as it underpins the underwriting quality and market sustainability.

The aggregate Net claims paid for both life and non-life insurances also stood at N167.3billion, signifying 62.8% of all the claims reported during the period with the Life segment of the market reporting about 67.1 per cent while the non-life segment recorded 60.1 per cent. The proportion of net claims settlement against reported claims in the market was moderate largely owing to issues of incomplete or delayed documentation of claims reports.

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

Chart 5: Comparative Sequence of Gross and Net Claims for Non-Life: Q1, 2025



The pattern of percentage claims settlement, as illustrated in Chart 5, indicates that for most classes of insurance, the gross claims reported is not relatively too different from the net claims paid. During the period under review, Motor Insurance recorded the highest settlement ratio in the non-life segment of the market at 81.2%, followed by Oil & Gas (74.9%), General Accident (70.7%), Fire (66.7%), Miscellaneous (57.7%), Fire (66.7%) and, Marine & Aviation 24.6%, reporting the least ratio of claims paid to reported claims.

Table 3 provides the volume of Gross and Net claims recorded in billions of Naira for all classes of business during the period.

Table 3: Gross and Net Claims recorded for Non Life & Life Businesses – Q1, 2025

Currency: ₦ Billion

Variables	Motor	Fire	Gen. Accident	Marine	Aviation	Oil &Gas	Misc.	Life Business	Market Aggregate
GrossClaims Claims	18.1	24.9	12.3	36.6	4,1	54.5	12.3	103.4	266.3
Net Claims	**14.8**	**16.6**	**8.7**	**6.5**	**3.5**	**40.8**	**7.0**	**69.4**	**167.3**

3. Profitability of the Sector

The net loss ratio as critical measure of underwriting quality represents the proportion of net claims incurred relative to net premiums earned. It also serves as a key indicator of profitability and risk management efficacy in the insurance industry. During the first quarter of 2025, the market average of the net loss ratio stood at 36.7%, posting an impressive further improvement from 52.0% recorded in the corresponding period of the preceding year. This significant decline highlights stronger underwriting discipline and improved claims management across the market.

A breakdown of the figures reveals that the non-life business recorded a higher net loss ratio of 45.1%, indicating a relatively more claims intensive environment, attributable to the exposure in the Oil & Gas business which reported about 76.7% of the net loss ratio during the period. Nevertheless, the ratio remains within some sustainably good levels, suggesting effective risk mitigation and underwriting prowess. Comparatively, the position of the Life Insurance business was even more desirable with a net loss ratio of 29.1%, reflecting stronger profitability.

In the overall analysis, the results indicate a stable and improving underwriting landscape as loss ratios remain within sustainable thresholds while posing a positive industry outlook, typical of a resilient and risk management conscious industry. 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 or 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, at least 100% or greater during the period.

Table 4: Loss Ratios above hundred percentile for Insurers in Q1, 2025

Composite	Non-Life	Life	Reinsurance	Total
5	3	2	1	11

4. Market Concentration Risk

The market concentration exposure for both Life and Non-Life segments has largely remained the same compared to the position recorded during the prior year in which it remained more pronounced in the life business relative to non-life. In the Life business segment, top three institutions control about forty-seven per cent (47.0%) of the total Life premiums written, compared to 44.2% recorded in the corresponding period of the preceding year while 83.3% of the market was contributed by the top ten of the operators in that business. However, in the non-life, the top three players accounted for about thirty (30.4%) of all the written premiums during the quarter as 66.2% of that corner of the market was controlled by the top ten Insurers operating in non-life business.

More so, the least ten operators in the life insurance segment contributed 0.3% of the premiums written during the period while the non-life reported about 0.5% of market share for the least ten underwriters in the section. Nonetheless, it is worthy to note that at the least bottom, are mostly institutions under regulatory order or facing various operational challenges over time. In the overall analysis, the market has fairly sustained a lower risk with respect to over concentration especially, in the non-life section of the industry.

5. The Market Size

The insurance sector recorded total assets of about N4.2 trillion in the first quarter, representing a 24.9% increase compared to the N3.3 trillion reported in the corresponding period of 2024.

A breakdown of the industry's financial position revealed a total of N2,732.5 billion in assets for Non-Life business while the Life business stood at N1,433.2 billion.

Table 5 provides insight into the Insurance industry Market size for the Q1, 2025.

Table 5: Total Assets in Billions of Naira – Q1, 2025

Insurance Business	N Billion
Non-Life Insurance Business	2,732.5
Life Insurance Business	1,433.2
Industry Total	4,165.7

From the market statistical insights of the first quarter 2025, it is apparent that the insurance industry has demonstrated growth, profitability and resilience amidst operational and macroeconomic challenges. Furthermore, in cognisance of the ongoing regulatory initiatives including sector-wide digitization, risk-based supervision among other measures, the industry outlook could be adjudged as decidedly positive.

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First Quarter, 2025