



**BULLETIN OF THE INSURANCE MARKET  
PERFORMANCE**

**STATISTICS DEPARTMENT  
SYNOPSIS OF THE INSURANCE MARKET  
FIRST QUARTER, 2022**

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## Introduction

The Nigerian Insurance industry Statistics of the first quarter of 2022 has demonstrated the attractiveness of the market as portrayed in its continued steady growth. It recorded in spite of operational challenges, a 6.2% growth year on year (YoY) as measured by premium generation, to close at about two hundred and twenty-four billion (N223.8b) naira during the period.

### 1.1 Gross Premium Income - Performance

Gross premium income in the first quarter of 2022 stood at N223.8billion, a notable performance as mapped in Table 1 which portrays the premium contribution by each class of the business.

**Table 1: Gross Premium Income: Non-Life & Life Businesses: Q1, 2022**

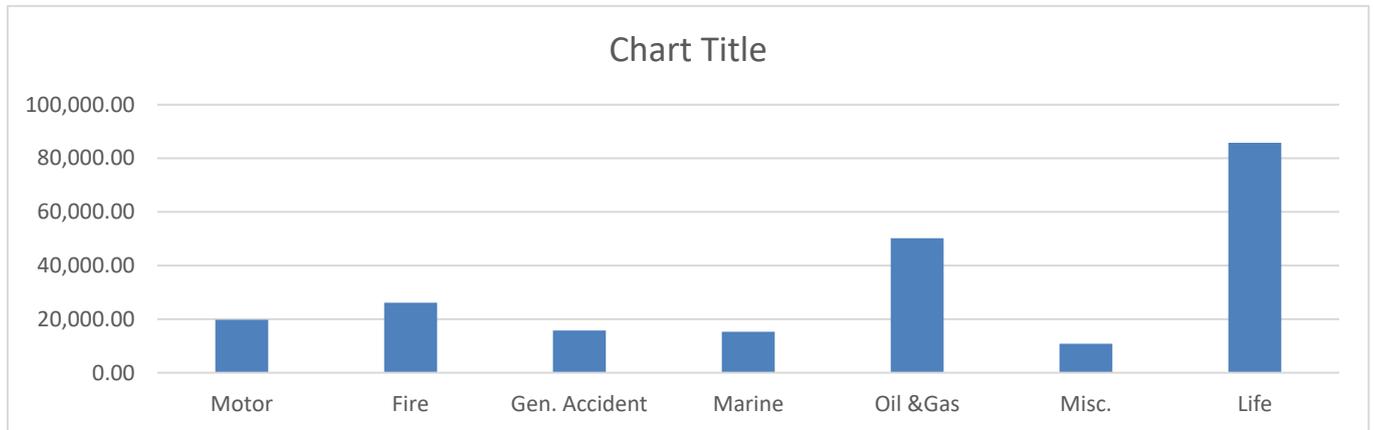
Currency: ₦Billions

Motor	Fire	Gen. Accident	Marine	Oil & Gas	Misc.	Life	Total
19.8	26.2	15.8	15.3	50.2	10.8	85.8	223.8

Compared to the Nigeria's growth in real Gross Domestic Product (GDP) of 3.11% during the same period, the industry's at over six per cent, had recorded yet an impressive performance in tandem with its recent trajectory.

Proportional input of each class of business is provided for in Chart 1, signifying the continued improvement of Life Insurance business as driven by its component of the Individual Life.

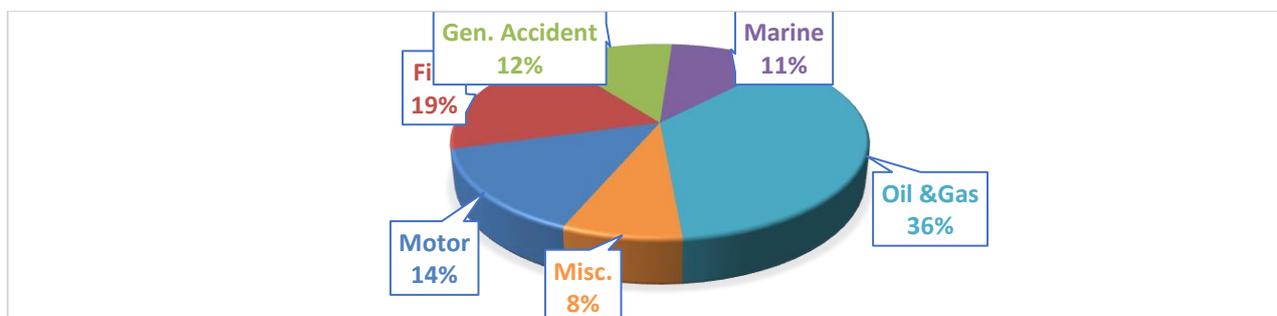
**Chart1: Gross Premium Income By Class - Non-Life & Life Business: Q1, 2022**



The Non-Life segment as seen in the figures sustained its market dominance at 61.7% of the total premium generated. Insights in the segment show Oil & Gas was the leading driver at 36.4% with a far distant second at 18.9% for Fire. Motor Insurance stood at 14.3% while Marine & Aviation, Gen. Accident and Miscellaneous reported a share of 11.1%, 11.5% and 7.8% in this order. Life business on the other hand recorded 38.3% of the market production as its share contribution gradually closes up. The share of Annuity in the Life Insurance business lagged at about sixteen per cent (15.8%) while Individual Life held a major driver position at 50.2% of the premium generated during the period.

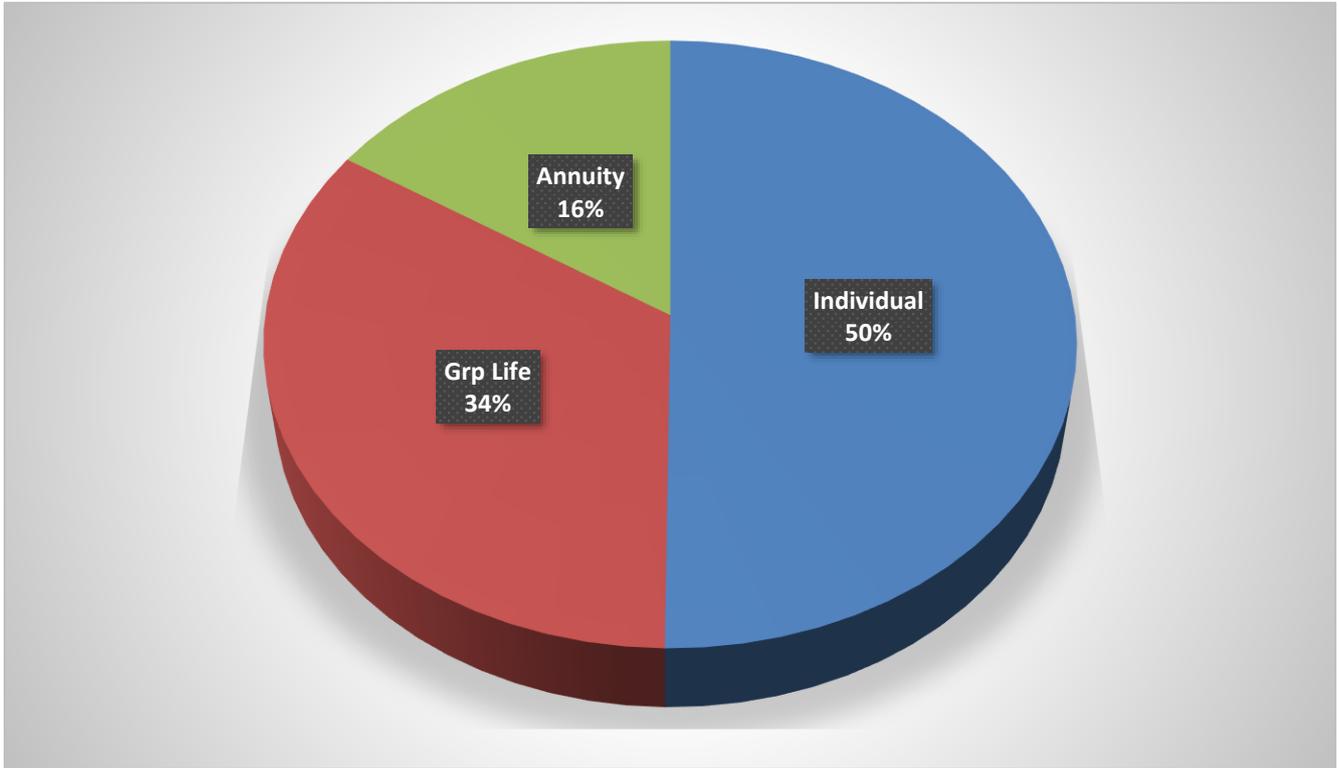
The infographic representations of the non-life and life businesses are further revealed by Charts 2 and 3 herein.

**Chart 2: Distribution of Gross Premium Income - Non Life**



A descriptive insight into the Life business composition during the period is further represented by figure 3.

**Chart 3: Contribution of Gross Premium Income - Life**

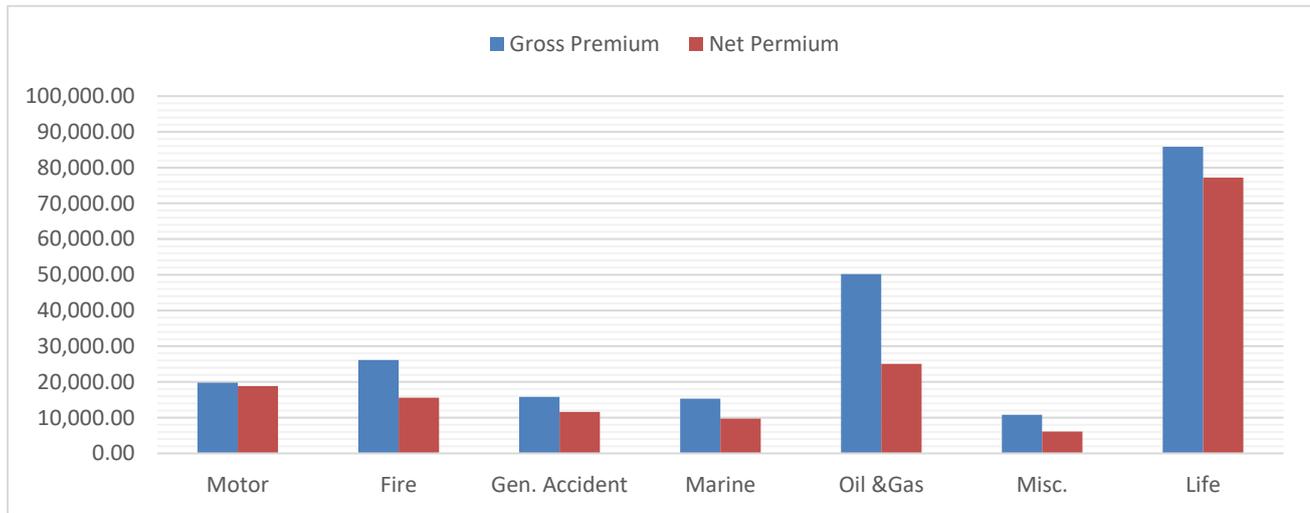


### 1.2 Premium Retention Capacity

Operational market confidence remained high in spite of economic challenges in the financial system and the economy at large as demonstrated by the relevant retention positions in the sector. The Life business retention for the period was 90% while non-life recorded a ratio of 63% as the industry average stood at about seventy-three (73.3%) per cent.

Chart 3 illustrates the relative retentions of various classes of Insurance business during the first quarter of 2022.

**Chart 4: Relative Premium Retention - Q1, 2022**



Performance by various classes in the non-life segment of the market as revealed in Table 2 shows that all classes stood at an above average position and, for the Oil & Gas business at about fifty (49.9%) per cent. That points a significant improvement in the Oil & Gas retention capacity in the market compared to the same period in 2021 when it recorded about forty one (41.4%) per cent in retention proportion.

**Table 2: Retention Ratios of Various Classes of Non-Life - Q1, 2022**

Motor	Fire	Gen. Accident	Marine & Aviation	Oil & Gas	Misc.	Total
95.4	59.8	73.4	63.4	49.9	55.6	63.0

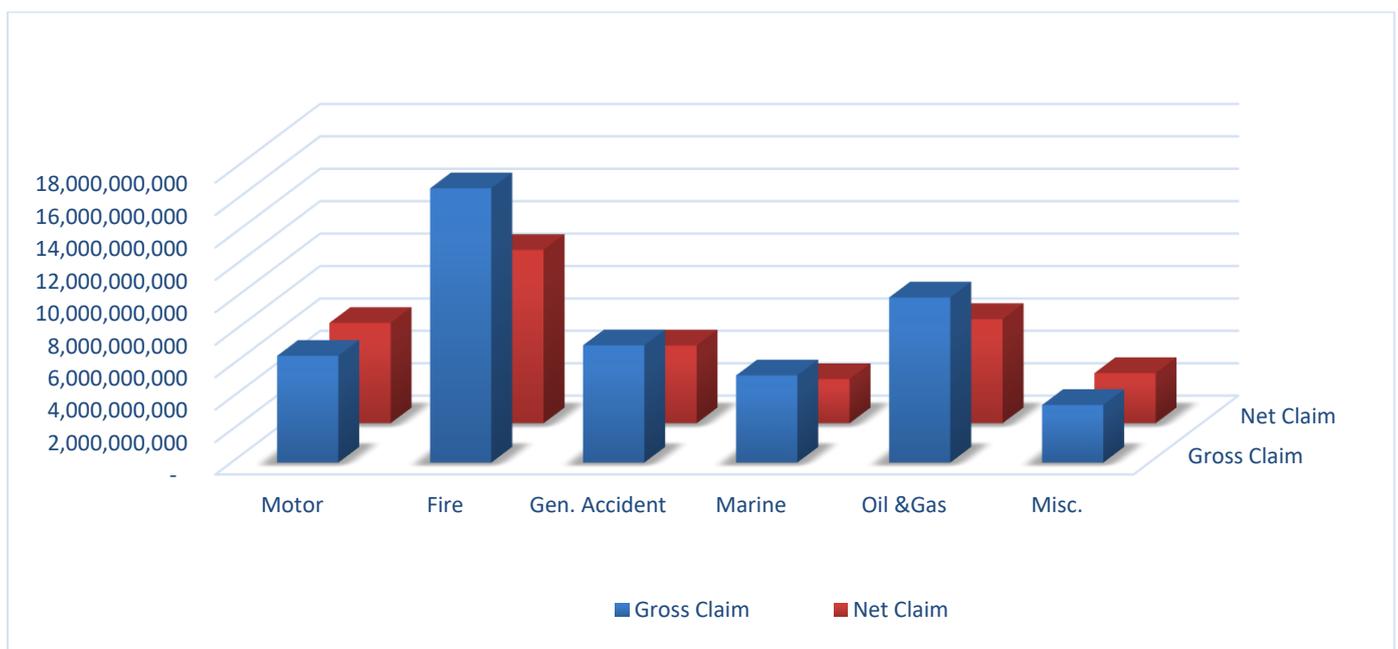
## 2. Insurance Claims Component

Although the growth of the gross claims reported was a significant negative (-35.5%) during the quarter compared to the corresponding period of 2021, the ratio of total claims to gross premium

was around the border of fifty per cent. The industry Statistics for gross claims in Q1 of 2022 was reported as N108.9 billion, representing 48.7% per cent of all premiums generated during the period. This occasion is a call for more emphasis on market deepening, professional underwriting and, efficient rate quoting in the industry. The net claims paid on the other hand stood at about N88.6 billion, signifying an 81.4% of all gross claims reported during the period. The Life Insurance business recorded an almost perfect point of 92.6% claims settlement against reported claims while non-life segment stood at about sixty-eight (68.1%) per cent.

Chart 4, 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, 2022**



The pattern of the percentage claims settlement took a direct reflection of the market retention view as Motor Insurance retained its lead, posting a claims settlement ratio of ninety four per cent. Improvement was however more pronounced in the Oil & Gas with an above sixty (63.1%) per cent of claims settlement ratio, an increase of some twenty two points compared to its

position of 41.1% recorded in the corresponding period of 2021. Miscellaneous insurance reported about eighty seven percent as paid claims ratio to all reported claims during the period while General Accident (66.3%), Fire (63.2%) and, Marine (50.6%) trailed in that order.

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

**Table 3: Percentage Claims Settlement of Non-Life - Q1, 2022**

Motor	Fire	Gen. Accident	Marine & Aviation	Oil & Gas	Misc.	Total
94.0	63.2	66.3	50.6	63.1	87.0	68.1

It is rather commendable that the performance in the Oil & gas in terms of claims settlement has improved significantly reflective of increasing capital and underwriting prowess, continued market development measures would surely grow confidence and reverse the massive capital plight in that corner of the market.

### 3. Profitability of the Sector

The Insurance market indeed remained profitable during the period, recording an overall industry average of fifty four per cent, that is in contrast to the 94.1% recorded in the corresponding period of preceding year. The Non-Life segment was particularly responsible for the impressive loss ratio whereby it stood at 39.0% even as the Life business was relatively less profitable at about seventy one (70.9%) per cent during the period. The non-life has sustained its good standing in terms of lower net loss ratios which is good for the market image and confidence, even in the preceding period it was 45.6%.

The Life Insurance segment of the market has suffered higher outflows since the COVID-19 era but gradually expected to normalise. The market has not only immensely improved but is far more profitable compared to the prior period when it reported about 133% as net loss ratio. Drivers of the loss experience are made up of some twenty six (26) underwriters with a record of loss ratios above 100%. However as noted earlier, the overall profitability of the industry and, especially its outlook, remains good and suitable for gainful returns on investment.

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 for Insurers in Q1, 2022**

Composite	Non-Life	Life	Reinsurance	Total
12	3	10	1	26

#### 4. Market Concentration Risk

The market concentration in the Life and the Non-Life sector has immensely improved compared to the corresponding prior quarter. In the Life segment, top three institutions control about forty per cent (39.8%) of the total Life market, compared to 63.3% of the previous quarter, YoY. However, top three of the Non-Life segment, retained a market control of about twenty eight (27.9%) per cent relative to thirty one per cent in the previous period, YoY.

More so, about seventy three (72.5%) per cent of all Life business is controlled by the top ten (10) of players in the market which signifies a drop from eighty seven (87.2%) per cent in the prior period. On the other hand, the top ten (10) underwriters in the Non-Life section of the industry contributed about sixty two (61.9%) per cent of the gross premiums income depicting a fairly distributed market control and relative less concentration risk in the segment. However,

less than one per cent was the contribution of the least ten (10) players in both Life (0.6%) and Non-Life (0.8%) segments of the market.

Nonetheless, at the least bottom are mostly institutions under regulatory order or facing various acute operational challenges as revealed over time. In the overall analysis, the market has not only improved in the current period but maintained a fairly balanced concentration especially in the Non-Life section of the industry.

## 5. The Market Size

The Sector recorded a total asset of about N2.3 trillion representing a 15.0 per cent rate of increase, YoY. The industry balance sheet revealed about N1.2 trillion in Assets of Non-Life business while the Life business stood at about N1.1trillion.

Table 5 provides the necessary insight into the Market size of the Insurance sector in the first quarter of 2022.

**Table 5: Total Assets in Millions of Naira - Q1, 2022**

Insurance Business	N Billion
Non-Life Insurance Business	1,223.4
Life Insurance Business	1,068.7
<b>Industry Total</b>	<b>2,292.1</b>

Performance Statistics of the first quarter 2022 has revealed some quality improvements in the market indicators in terms of growth, claims settlement and profitability, at levels of which the market could be judged as sound and stable. In cognisance also to the on-going digitisation and market deepening strides, the outlook of the market remains strongly positive.