



NATIONAL INSURANCE COMMISSION

Insurance Market Performance
31ST December, 2020

NIGERIAN INSURANCE MARKET PERFORMANCE

The Nigerian Insurance industry was able to record some level of growth as measured by its gross premium generation even in the face of COVID-19 and its challenges. The market recorded N514.6billion in gross premium income indicating about 1.3 per cent growth, though a far call compared to its performance in 2019 when it grew at 19.2 per cent. The Non-life sector accounted for 54.9 per cent which is a little below its stance of 55.4 per cent in the prior year while the life segment contributed 45.1 per cent of the gross premium income generated with individual life business as a major driver during the period.

The gross claims in contrast to the preceding period recorded some growth in gross claims reported at 9.8 per cent, a huge leap relative to the drop of 10.7 per cent in 2019. This could be due to increased awareness in the markets. The Non-Life segment pulls about 22.2 per cent of reported claims in 2020 to close at N247.2billion industry wide during the year. This claims trend is good for the Nigerian Insurance sector as it could translate to improved policyholders' confidence in the industry.

Industry's total Assets maintained a positive growth trend recording about 35 per cent increase year-on-year, to stand at about N2,052.2 billion during the year under review. This could be due to the on-going recapitalisation exercise leading to some deliberate inflows of funds into the market during the period. The recapitalisation initiative is expected among other measures, to deepen the enhance market capacity and build confidence in the insurance sub-sector.

Under the recapitalisation scheme, Life Insurers are expected to maintain N8billion as capital as against N2billion existing while the Non-Life, Composite and Re-Insurers underwriters are required to maintain N10billion, N18billion and N20billion as against the current minimum paid up share capital of N3billion, N5billion and N10billion respectively.

However, due to the challenges posed by the COVID-19 pandemic, the National Insurance Commission (NAICOM) was constrained to extend the deadline as well as segment the recapitalization process into two phases. In the first phase, underwriters and Reinsurers were expected to meet 50% and 60% of their expected minimum paid-up capital respectively by 30th September, 2020. In the second phase, all insurance and reinsurance companies were expected to fully comply with the remaining 50% and 40% Minimum Paid-up Capital respectively, not later

than by 31st December, 2021. However, this laudable plan could not be enforced due to certain subsisting lawsuits.

In 2020, the Nigerian Insurance Market was ranked 68th in the world, based on the premium income performance by AXCO (UK) Insurance markets ranking, representing an impressive jump of eleven points compared to the 79th position it held in the prior period.

1.1 Gross Premium Income

The Gross premium income is the most feasible variable in the measurement of the Insurance market performance and viability. In the year 2020, a period plagued by global COVID-19 pandemic, the industry grew at 1.3 per cent growth. This is a far call compared to the 19.2 per cent growth rate recorded in the prior period and, the lowest in ten years of the market operation. The nearest was in 2014 when it reported about two per cent in growth performance. Table 1 relates to the gross premium generation over the past decade.

Table 1: Gross Premium Income: Non-Life & Life Businesses: 2011 - 2020

Currency: ₦-Million

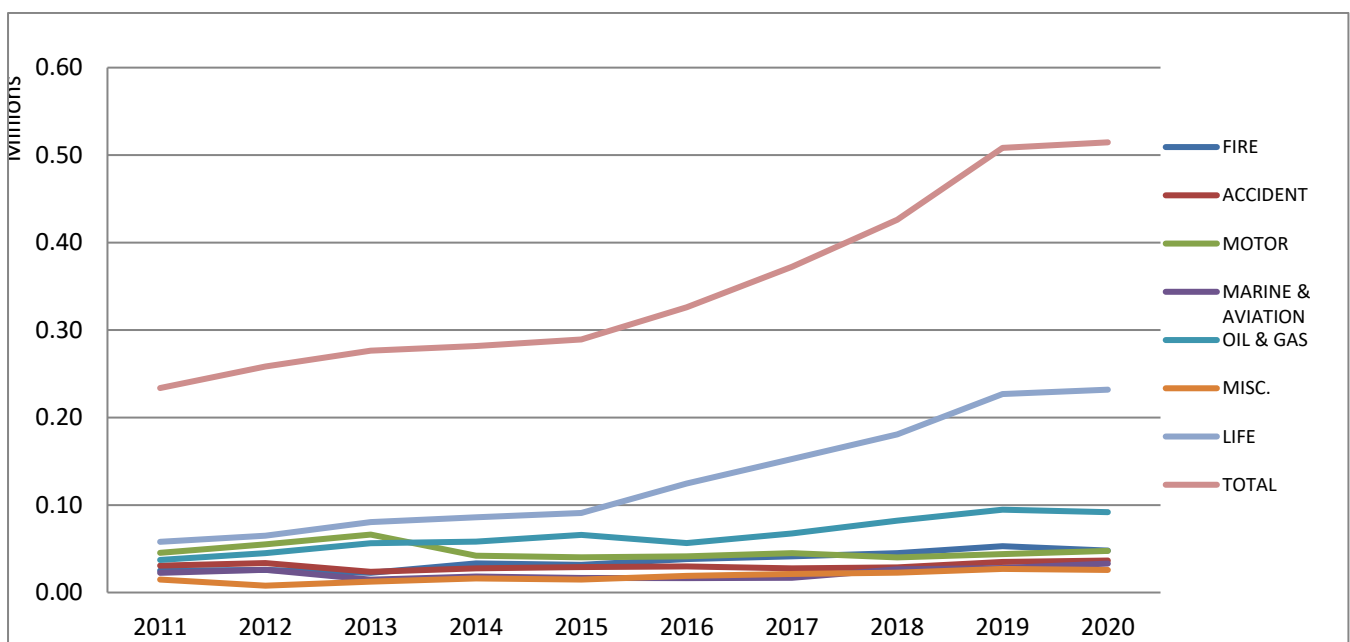
Year	Fire	Gen. Accident	Motor	Marine & Aviation	Oil & Gas	Miscellaneous	Life Business	Industry Total
2011	24,990.02	30,706.67	45,421.77	22,558.84	37,289.39	14,790.06	57,996.13	233,752.89
2012	25,831.11	33,671.84	55,008.41	26,077.15	45,068.64	7,836.10	64,909.06	258,402.30
2013	22,544.79	23,691.75	66,246.36	14,726.61	56,428.48	12,370.77	80,520.24	276,529.00
2014	33,353.18	27,700.15	42,175.69	18,342.52	58,200.55	16,115.76	85,952.58	281,840.43
2015	31,720.25	29,106.58	40,287.30	16,582.31	65,918.54	14,774.18	90,952.32	289,341.48
2016	38,249.72	29,875.53	41,428.05	16,515.76	56,481.38	18,997.24	124,566.34	326,114.02
2017	41,432.58	27,678.31	45,083.60	16,916.21	67,520.53	21,167.38	152,559.81	372,358.42
2018	45,036.60	28,782.71	40,149.33	26,472.04	82,236.87	22,733.62	180,799.76	426,210.93
2019	52,968.16	34,878.19	43,878.79	27,927.89	94,705.48	26,988.11	226,883.43	508,230.05
2020	47,888.27	36,587.63	47,515.23	33,107.78	91,877.70	25,735.09	231,876.15	514,587.85

As the most essential component of the Insurance business model, gross premium income is not only a leading indicator of industry performance, but a relevant gauge to its continuity and sustainability. The positive growth recorded during the huge economic challenges period is therefore a relevant indicator to the extent of industry resilience and capacity.

During the ten year period, the insurance market maintained a positive trajectory albeit in an unsteady pattern, at a double digit for a half of the decade. Although the gross premium income recorded growth all through the decade, its rate of growth fluctuated substantially and tended to sustain a double digit growth in recent years until the current period when it declined significantly to a record low of (1.3%); lowest in the entire period. It is noteworthy the market never recorded a negative growth in both Life and Non-Life business, even during economic recession periods as depicted by table 1. While the insurance industry as a whole grew by 120.1 per cent from N233.8 billion in 2011 to N514.6billion in the current period, the Life section including Individual, Group and Annuity businesses grew at about 299.8 per cent and, the non-life business grew by 60.9 per cent over the same period.

Chart 1 shows the growth evolution of respective classes of Insurance business over the period of ten years.

Chart1: Gross Premium Income By Class - Non-Life & Life Business: 2011 - 2020



It is obvious that all classes recorded some significant progression over the decade with Life business maintaining an increasing relevance against the Non-Life business. A major driver of growth as indicated by chart 1 was of the Life business segment which consistently maintained a positive trend since 2011, growing at 299.8 per cent in 2020 relative to ten years ago. This is in contrast to other classes of the non-life in which none was able to maintain a consistent increase over the period. Nonetheless, the Oil & Gas grew at about 146.4 per cent over the same period despite fluctuations in terms of gross premium income generation.

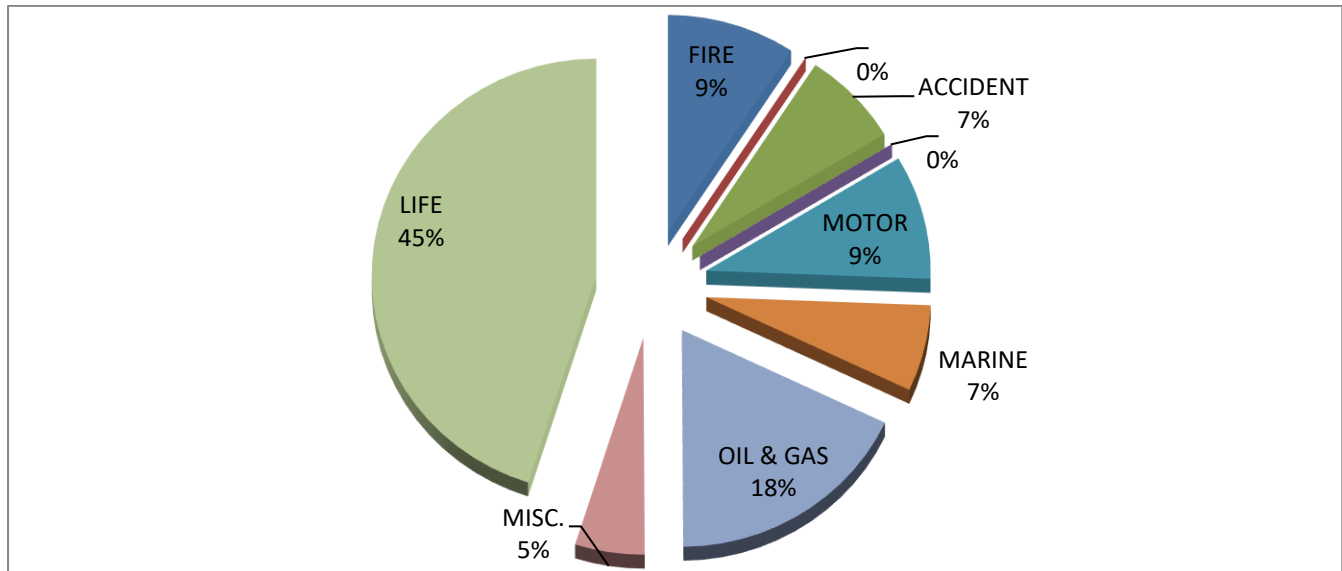
In 2020 however, the relative performance of year on year of the market recorded a decline in the classes of Fire (-9.6%), Oil & Gas (-2.9%) and in Miscellaneous (-4.6%) despite the overall positive growth of the industry. Marine & Aviation led the market growth as it increased by 18.6 per cent, followed by Motor, General Accident and Life Insurances at 8.3%, 4.9% and 2.2 per cent in that order. Motor Insurance business maintained its positive trajectory despite the challenges of the pandemic including total lockdowns in most cities and socio-economic crisis of EndSARS, albeit at a slower pace relative to the prior period when it recorded about 9.9 per cent in premium growth. Marine & Aviation on the other hand excelled from a lagging position (5.5%) to a comparatively major player (18.3%) while Oil & Gas took opposite swing, from 15.2% rate of increase in preceding year to a negative growth in 2020, owing to direct effect in the fall of its market demand during the pandemic. For sustainable and most efficient premium generation drive, the industry must refocus on the special risks insurances in terms of necessary investments and to eliminate fake insurances prominent in that part of the market.

As clearly represented by the Data, in 2020 the industry marked its highest generation of the premium, sustaining a steady growth throughout the decade. Correspondingly, the Life segment of the industry also had a steady growth devoid of fluctuations all through to peak at its highest premium generation position in the current period. Most classes also in the Non-Life recorded some significant increase year on year, especially in 2019 which stood out as the most prominent in which Fire insurance posted about 17.6 per cent growth rate while in the same manner Oil & Gas (15.2%) and Miscellaneous (18.7%) recorded positive growth rates. However, the statistics revealed some oscillations in the Non-Life section of the market with 2013 as the worst period for Marine & Aviation (43.5%), General Accident Insurance (-29.6%) and Fire insurance (-12.7%) in that order.

1.2 Distribution of Gross Premium Income

The info graphic of Chart 2 provides the percentage contributions of different Insurance classes to the gross premium income generated in 2020.

Chart 2: Distribution of Gross Premium Income by Class of Business - 2020



Non-life business contribution to the insurance industry in terms of gross premium contribution, was 54.9 per cent compare 55.4 per cent it held in the preceding year. It was a two point drop against life business in 2019, a one point less (57.6%) in 2018 and, 59%, 62% and 69% in 2017 2016 and 2015 respectively. Annuity business and confidence in its safety, has remained the growth catalyst of the Life segment of the market. Non-life on the other hand will need to focus on elimination of fake insurance policies militating against its survival as well as breaking into all potential areas hitherto excluded in the Insurance net.

In the non-life business, Oil & Gas sustained its lead as largest contributor of premium income at 32.5 per cent. Its contribution was about 19 per cent in the prior period and, 34 per cent in the period earlier. Fire insurance held a distant second (16.9%) while Motor (16.8%), General Accident (12.9%), Marine & Aviation (11.7%) and miscellaneous insurance (9.1%) followed in that order. In the preceding period, the contributions stood at 10% for Fire Insurance and, Motor (9%),

General Accident, (7%), Marine & Aviation Insurance (5%) and Miscellaneous (5%) trailed respectively.

In all, Life and Non-life businesses recorded positive growth over the current decade as illustrated by Chart 3.

Chart 3: Gross Premium Income: Non-Life & Life Insurance Businesses: 2011 - 2020

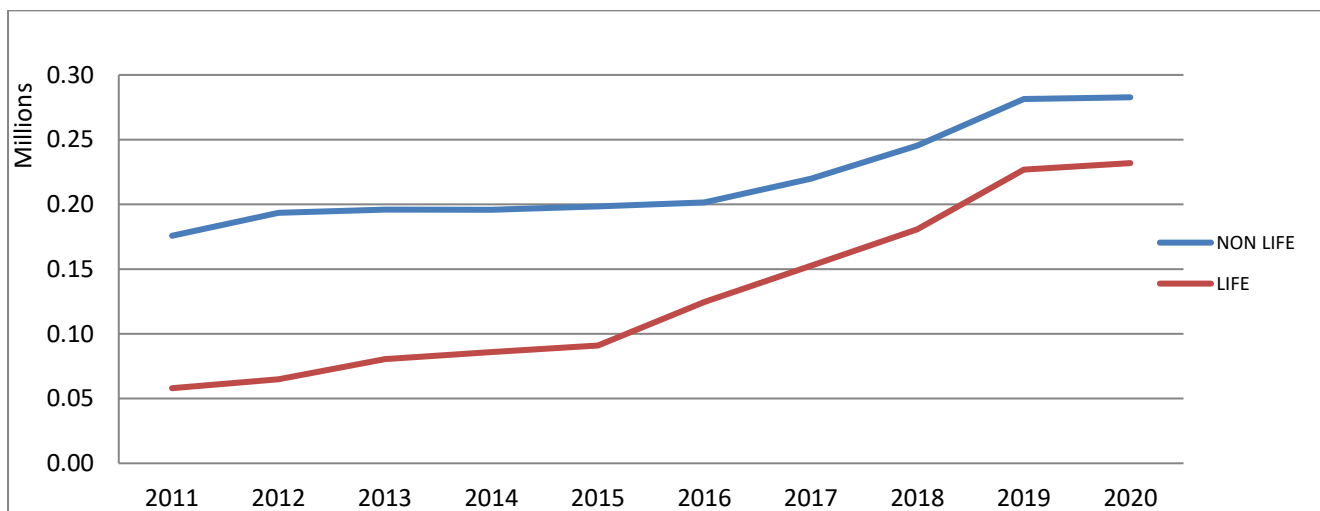


Chart 3 shows the evolution of the gross premium income over the period of ten years. The Non-Life segment recorded an ostensibly steadily growth from N175.8 billion in 2011 to peak at N282.7 billion in 2020, representing about 60.9 per cent increase. Oil & Gas led the driver of the growth contributing about thirty three per cent of all non-life premium generated. The Life sector by 120.1 per cent over the decade, from N57.9 billion to close at about N231.9 billion in 2020.

In a nutshell the industry recorded a robust performance overall during the period under review for both non-life and life businesses, posing strong industry fundamentals and prosperous outlook

1.3 Retained Premium Income

Retention capacity relates to how insurers handle their business risk as determined by their risk appetite which often, depends on their financial strength and stability. The risk carriage capacity is thus an indicator of underwriters' business confidence.

Table 2 reveals the performance of the industry with respect to the Net Premium Income (NPI) over the ten year period as it evolved from N181.4billion in 2011 to N368.6billion in 2020, representing 103.2 per cent increase.

Table 2: Sequence of Net Premium Income: Non-Life & Life Businesses 2011 - 2020

Currency: ₦-Million

Year	Fire	Gen. Accident	Motor	Marine & Aviation	Oil & Gas	Miscellaneous	Life Business	Industry Total
2011	17,366.19	25,281.78	42,735.82	16,680.44	15,643.54	11,178.79	52,508.18	181,394.74
2012	18,607.72	27,957.38	45,618.60	16,636.39	24,240.47	5,430.70	50,264.48	188,755.73
2013	12,545.89	18,831.11	58,502.21	9,561.03	23,478.33	7,905.54	73,679.32	204,503.43
2014	19,966.01	20,765.20	39,746.01	12,987.83	20,508.83	10,381.08	79,700.84	204,055.80
2015	17,295.63	22,218.83	38,296.66	10,242.06	24,958.04	8,899.34	83,707.60	205,618.16
2016	20,397.43	21,516.01	38,720.06	10,851.24	19,063.49	10,481.84	117,204.69	238,234.76
2017	19,638.84	19,979.03	40,190.71	10,568.12	25,584.08	10,652.53	138,885.31	265,498.62
2018	23,233.37	19,498.10	36,875.09	14,740.78	40,200.31	14,421.85	166,526.37	315,495.87
2019	27,106.97	21,652.66	41,452.98	16,608.87	37,587.14	13,992.11	207,976.08	366,376.81
2020	21,411.99	24,992.04	45,069.04	16,028.05	32,637.94	15,986.03	212,436.19	368,561.28

Table 3 provides the Annual growth rates of Net Insurance premium for the period of 2011 - 2020 in line with respective to classes of the business.

Table 3: Annual Growth Rates of Net Premium Income (%)

Year	Fire	Gen Accident	Motor	Marine & Aviation	Oil & Gas	Miscellaneous	Life Business
2011	3.4	9.8	2.7	10.7	21.7	70.9	38.3
2012	7.2	10.6	6.8	(0.3)	54.9	(51.4)	(4.3)
2013	(32.6)	(32.6)	28.2	(42.5)	(3.1)	45.6	46.6
2014	59.1	10.3	(32.1)	35.8	(12.7)	31.3	8.2
2015	(13.4)	7.0	(3.7)	(21.1)	21.7	(11.9)	5.0
2016	17.9	(3.2)	1.1	5.9	(23.6)	17.8	40.0
2017	(3.7)	(7.1)	3.8	(2.6)	34.2	1.6	18.5
2018	18.3	(2.4)	(8.3)	39.5	57.1	35.4	19.9
2019	16.7	11.1	12.4	12.7	(6.5)	(2.9)	24.9
2020	(21.0)	15.4	8.7	(3.5)	(13.2)	14.3	2.2

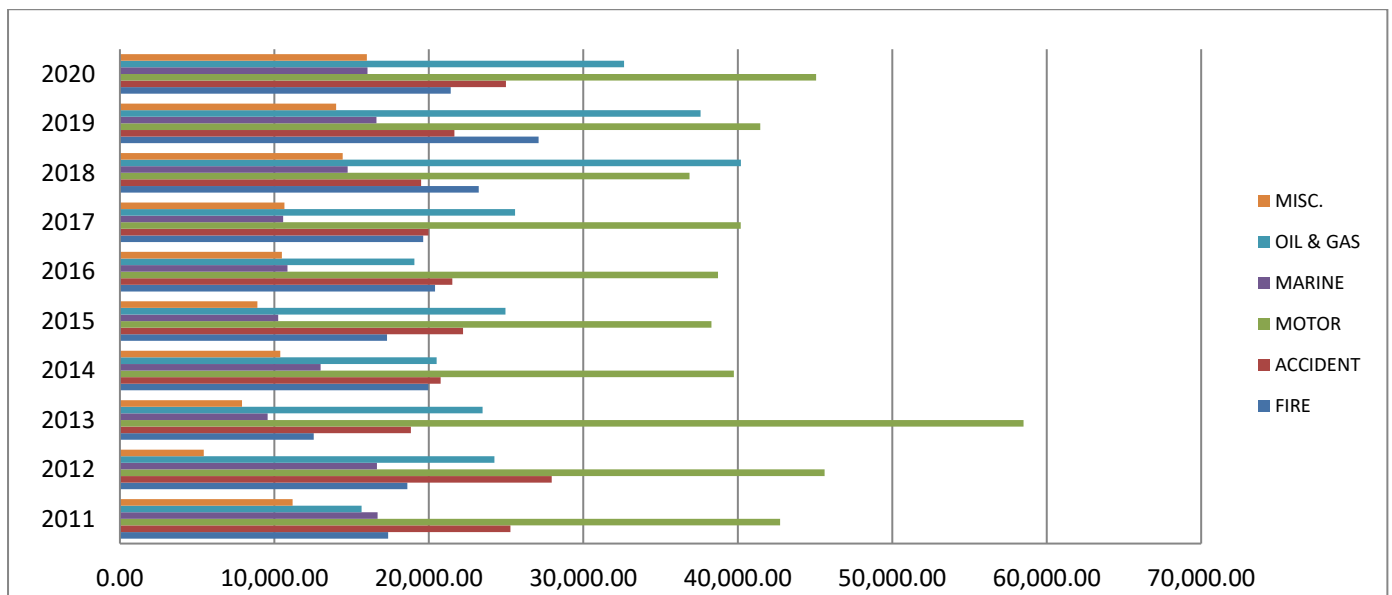
Figures in table 3 revealed a vital stability in the industry wherein business retention was essentially on the rise year-on-year except. In the Life insurance portfolio, changes in growth remained positive except in 2012 (-4.3%). It hit a peak of (46.6%) during the decade and a low of 2.2 per cent in 2020. Nonetheless, growth remained positive despite noticeable fluctuations across a decade of economic uncertainties, recessions and global pandemic. However, due to capital and human resources inadequacy, the special risks of Marine & Aviation and the Oil & Gas Insurance posted negative changes in retention growth in five different years. Marine & Aviation Insurance recorded the highest negative (-42.5%) in the industry in 2013. Motor and Miscellaneous Insurances on the other hand held better retentions, second only to the Life segment whereby fewer negative growth points were recorded.

Year 2020 was however, remarkable. Despite the low rate of growth recorded in gross premium, net premium growth was impressive, except for Fire (-21.0%), Oil & Gas (-13.2%) and Marine & Aviation (-3.5%), all other classes maintained a positive growth especially in General Accident Insurance where the rate stood at 15.4 per cent. Other classes of Miscellaneous (14.3%) and Motor (8.7%) also sustained commendable levels of growth in retention capacity during the current period. Marine & Aviation grew by 12.7 per cent while Fire insurance recorded growth

of 16.7 per cent. The Life segment in particular sustained a continued positive growth rate of 24.9 per cent far ahead of the 19.9 % it reported in the prior period. This picture of the industry retention capacity is commendable. It is an indication of the growing resilience of the sector despite an apparently difficult operating economic climate and an era of multiple socio-economic adversaries at both global and domestic spheres.

Chart 4 provides the net premium income of various non-life insurance classes for the ten year period.

Chart 4: Net Premium Income for Non-Life Insurance Business: 2011 - 2020



It is expressively evident that the pattern of net premium growth of respective classes of Insurance is in tandem with the growth profile of their corresponding gross premium accounts as illustrated in Chart 4.

The next segment of this report provides the details of the retained Insurance premium series for Life and Non-Life Insurance businesses.

1.4 Retention Ratios

Table 4 provides the percentage of retention scales in Insurance premium for the period of 2011 - 2020.

Table 4: Retention Ratios for Non-Life and Life Insurance Business; 2011 To 2020

Year	Non-Life Insurance (%)	Life Insurance (%)
2011	73.3	90.5
2012	71.6	77.4
2013	66.7	91.5
2014	63.5	92.7
2015	61.5	92.0
2016	60.1	94.1
2017	57.6	91.0
2018	60.7	92.1
2019	56.3	91.7
2020	55.2	91.6

Unlike the life insurance business, the Non-life has been on a steady decline since it peaked in 2011 at 73.3 per cent. The decline was halted in 2018 when it increased to about 61 per cent before waning to about 55 per cent in 2020. This is not to say that the development in that segment of market is poor, as the retention proportion remained far above average and, in deed in most periods held a position of above sixty per cent. While the life segment remained above the ninety percentile space, it only recorded about seventy seven per cent in 2012. The retention capacity recorded near perfect levels owing to the nature of Life business in which the business is wholly domesticated.

Although insignificant declines were recorded in both Life and Non-Life businesses of the market, it was only in the Non-Life that it was a whole point lower than in the previous year of 2019. It is remarkable, from table 4 that both life and non-life businesses maintained far above the fifty per cent (50%) mark throughout the decade especially for the life segment which was consistently at a near perfect position. This could be due to various government policies aimed at ensuring that life portfolios are domesticated as well as risk-bearing capacity of the market.

1. 4.1 Retention (%) of Non-Life Insurance by Class of Business

Year	Fire	Gen Accident	Motor	Marine & Aviation	Oil & Gas	Miscellaneous
2011	69.5	82.3	94.1	73.9	42.0	75.6
2012	72.0	83.0	82.9	63.8	53.8	69.3
2013	55.6	79.5	88.3	64.9	41.6	63.9
2014	59.9	75.0	94.2	70.8	35.2	64.4
2015	54.5	76.3	95.1	61.8	37.9	60.2
2016	53.3	72.0	93.5	65.7	33.8	55.2
2017	47.4	72.2	89.1	62.5	37.9	50.3
2018	51.6	67.7	91.8	55.7	48.9	63.4
2019	51.2	62.1	94.5	59.5	39.7	51.8
2020	45.1	68.3	94.9	48.4	35.5	62.1

Retention ratios of the various Non-Life classes as provided for in Table 4.1 shows that the industry is well positioned in terms of premium retention, except in the case of Oil & Gas business where for most periods it remained below average. The Motor account sustained its lead with about 95 per cent. At the initial period of the decade under review, it stood also highest (94.1%) while Oil & gas reported the least (42.1%) retention ratio and remained at the ninety percentile space except in the duo periods of 2012 and 2013 when it stood at about 83 per cent respectively. This could be reflective to the fact that most premiums generated in this account are of third-party motor Insurance which is typically retained by Insurance Institutions. Other classes also recorded some level of growth in the current period compared to the previous year. General Accident insurance account stood at 68.3% and Miscellaneous 62.1% as against 62% and 51.8% respectively recorded in 2019, indicative of the industry resilience and business confidence in the face of a global pandemic and other socioeconomic challenges.

Marine & Aviation Insurance account on the other hand recorded a drop of twelve points (48.4%) in retention during the current period compared to 2019 when it reported an increase to stand at 60 per cent. The account has before now, maintained an above average retention throughout

the decade with 2014 as its best period (70.8%) in spite of the negative effects of fake Insurances militating against this class of business and the effect of the COVID-19 pandemic and its challenges. The Oil & Gas Insurance account recorded the least (35.5%) as it continues the free fall since 2019 compared to other accounts, ascribable to its specialty nature vis-a-viz the sector's carriage capacity with regards to this kind of risk. The recapitalisation drive along with adequate human capital enhancement remain an urgent need for the necessary remedy of this market segment.

1.5 Distribution of 2020 Net Premium Income

Chart 5 represents the proportion of retained premium income recorded in 2020 in line with various classes of Life and Non-Life Insurances.

Chart 5: Distribution of Net Premium Income - 2020

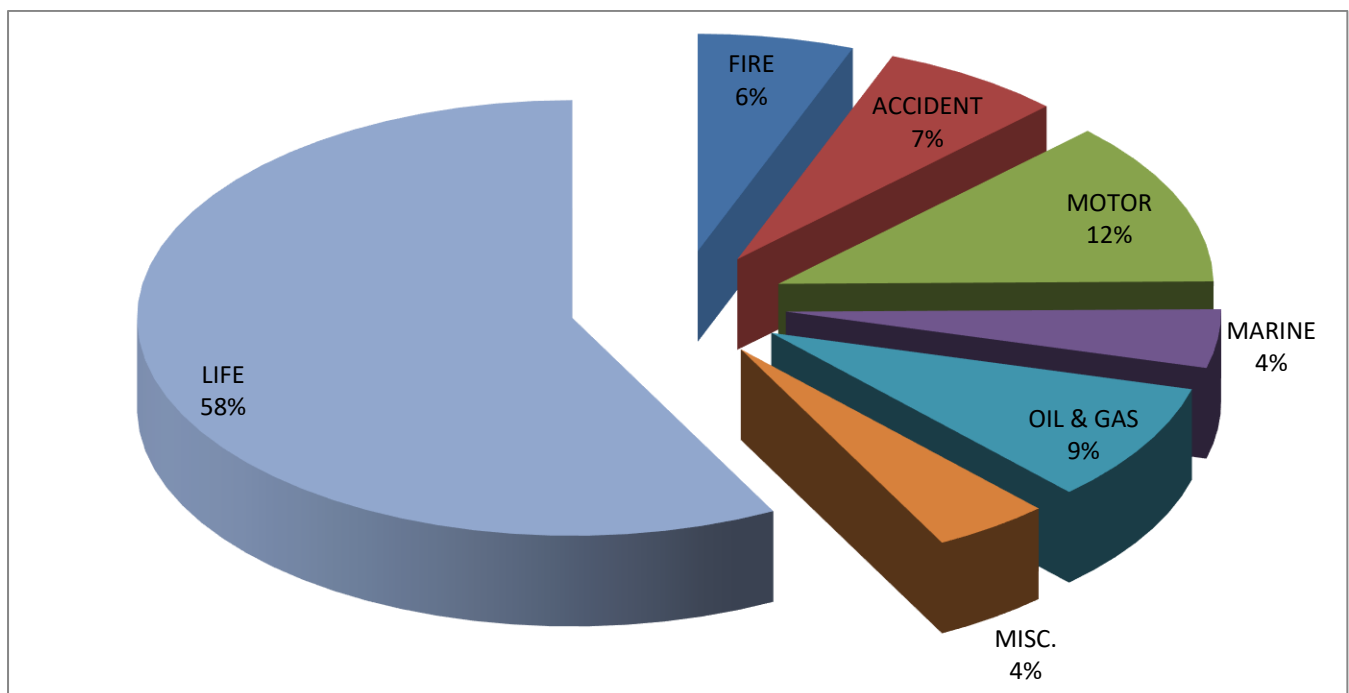


Chart 5 depicts the increasing proportional contribution of Life insurance section to the total net premium income, fifty eight per cent above its prior position in 2019 (57%) which was also higher than its earlier contribution of 53% reported in 2018. This is specifically significant for the Nigerian economy as it is most desired portion of net premium needed for long term

investments in critical national infrastructure, as found in developed climes of the global economy.

1.6 Claims Experience

1.6.1 Gross Claims

Gross claims reported has continued to rise over the years. Increasing policyholder enlightenment, business expansion, growing market confidence on both demand and supply sides, and regulatory measures meant to ensure prompt claims settlement explains this phenomenon better. In 2020 the industry reported a gross claim of N247 billion representing about ten per cent increase compared to its prior position when it recorded N225 billion. This is in contrast to a fall of about -11 per cent in the preceding year, attributable to volatility peculiarity of the period of 2020 when claims relating to especially Life portfolio surged.

Table 5 provides specifics on the Gross claims recorded for various classes of Insurance business during the decade.

Table 5: Gross Claims Paid - Non-Life & Life Insurance In: 2011 -2020

Currency: ₦-Million

Year	Fire	General Accident	Motor	Marine & Aviation	Oil & Gas	Miscellaneous	Life Business	Industry Total
2011	4,029.03	5,643.91	11,721.66	1,534.44	1,456.38	2,406.71	20,815.60	47,607.74
2012	13,398.70	10,387.18	16,080.83	8,042.04	5,370.26	2,438.14	23,405.43	79,122.58
2013	11,815.14	9,024.90	25,935.58	6,288.55	13,525.05	5,013.56	35,701.76	107,304.54
2014	15,347.46	10,050.14	14,512.03	5,437.56	14,836.49	5,372.02	33,601.00	99,156.70
2015	17,676.02	10,550.36	17,254.58	7,015.32	8,661.17	4,814.47	45,197.37	111,169.29
2016	22,927.54	10,397.97	18,137.15	6,879.16	13,158.83	7,073.91	67,263.78	145,838.34
2017	23,636.03	9,994.79	20,849.42	5,570.08	44,174.34	9,717.26	72,506.11	186,448.03
2018	20,348.49	11,175.70	17,455.64	13,303.84	51,141.10	7,052.83	131,712.61	252,190.21
2019	30,967.18	13,246.25	19,764.95	11,349.68	20,148.05	5,919.15	123,776.03	225,171.29
2020	33,626.45	14,945.24	19,068.71	12,922.09	35,182.12	8,182.53	123,307.79	247,234.93

The developments as highlighted in table 5 on the rate of change in Gross claims of the industry fluctuated substantially during the decade. It tended to stay on the rise through 2015 to 2018 before it dipped in 2019 and, ending at about 9.8 per cent growth rate in 2020. It recorded the highest growth in 2018 (35.3%) and the lowest (-10.7%) progression rate in 2019. However, except for the life portfolio (-0.4%) and Motor account (-3.5%) in the Non-Life, all other classes sustained an increase in the current year especially, for Oil & Gas leading with the rate of gross claims rate at 74.6 per cent. This is in a clear contrast to its behaviour in the prior period when it recorded a massive dip (-60.6%) signifying the rate of claims volatility existent in that portfolio. Fire insurance grew at about nine (8.9%) per cent, lower compared to its preceding position of about fifteen per cent, followed in ascending order by the General Accident business (12.8%), Marine & Aviation (13.9%) and Miscellaneous account (32.2%) in contrast with the market behaviour in recent past.

However, focusing on the gross claims performance on a decade-wide scale, besides the observed oscillations as noted earlier, Oil & Gas business grew at the highest rate of above two thousand per cent (2,315.7%) over the era under review. Motor account lagged in growth on the other hand, recorded about 62.7 per cent growth rate over the period signifying the extent of third party Insurance effect whereby most policyholders often do not make effort to report claims as appropriate. Marine & Aviation on the other hand, grew at about 742.1 per cent while Fire (734.6%), Miscellaneous (240.0%) and General Accident (164.8%) trailed in positive configurations of growth figures during the period. Life portfolio stood at a relatively moderate rate compared to other classes recording about 492.4 per cent growth over the decade.

The industry gross claims nonetheless, recorded the highest figure in the current period to peak at N247.2billion, representing about 419.3 per cent progression rate over the period of ten years.

1.6.2 Net Claims: NON-LIFE Insurance Business

The net insurance claims paid with regards to non-life business in 2020 was reflective of the pattern recorded in gross claims reported except in the case of Marine & aviation, whereby it took a reverse (-22.8%) of its position to the former (13.9%) when it reported an increase. Oil & Gas business, in a direct reflection to its gross claims, grew highest in the market at 38.1 per cent, year on year to peak at about N16.9billion in net claims paid over the year. This is followed

by other classes including Miscellaneous (29.5%), General Accident (16.6%) and Fire business (9.9%) in that order. Life segment on the other hand, grew at about 32.0 per cent year on year, representing total net claims paid of N116.9 billion in 2020.

On the scale of the ten year era however, the net claims paid took a direct reflection of the gross claims pattern whereby all classes reported positive with Oil & Gas business leading (1,030.8%) in the Non-Life section. Other accounts of Fire (369.3%), Marine & Aviation (276.9%), General Accident (97.2%), Miscellaneous (85.9%) and Motor (50.6%) all reported positive figures of net premium increase over the decade in tandem to increases observed in claims reportage and general growth of the Insurance market in the economy. The Life Insurance segment also recorded a net premium growth of 502.3 per cent during the ten year period under review.

Sequence of Net Claims Statistics for the ten year period on Non-Life business is herein provided by Table 6.

Table 6: Net Claims Paid: Non-Life Business: 2011 - 2020

Currency: N-Million

Year	Fire	General Accident	Motor	Marine & Aviation	Oil & Gas	Miscellaneous	Industry Total
2011	4,029.03	5,643.91	11,721.66	1,534.44	1,456.38	2,406.71	26,792.14
2012	10,168.35	8,906.28	14,853.84	5,204.59	11,899.45	2,502.94	53,535.45
2013	8,231.68	7,290.17	22,342.93	4,046.65	10,634.25	3,114.51	55,660.19
2014	10,277.36	8,244.55	13,348.41	4,227.14	11,575.68	4,348.47	52,021.61
2015	11,066.03	7,700.97	15,530.32	4,366.97	6,806.52	3,605.49	49,076.30
2016	11,381.10	7,113.23	16,136.77	4,249.81	10,313.60	4,566.97	53,761.48
2017	9,811.94	6,835.37	17,903.95	3,053.27	13,408.07	5,389.04	56,401.64
2018	9,266.50	8,428.10	17,344.02	7,128.17	17,122.68	4,773.46	64,062.93
2019	17,196.69	9,547.69	17,724.60	7,492.04	11,923.77	3,455.51	67,340.31
2020	18,909.14	11,129.00	17,647.62	5,784.63	16,469.29	4,473.24	74,412.92

The net claims paid grew from about N26.8 billion in 2011 to peak at N74.4 billion at the end of era under review, signifying about 117.7 per cent rate of increase. This is also representative of about 67.1 per cent of all gross premiums reported over the decade.

Table 7: Net Claims Paid: Life Business

Currency: N-Million

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Amount	19,416.2	21,457.9	26,281.9	26,278.5	43,011.6	54,628.4	68,261.7	117,322.1	88,594.8	116,943.2

1.6.3 The Claims Ratios

Tables 8, 8.1 and 8.2 provides detailed insights into the sequence proportions of the insurance industry net claims paid for the period 2011 to 2020.

Table8: Gross Claims/Gross Premium Income - Life and Non-Life

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Gross Claims(Nm)	47,607.7	79,122.6	107,304.5	99,156.7	111,169.3	145,838.3	186,448.0	252,190.2	225,171.3	247,234.9
Gross Premium(N)	233,752.9	258,402.3	276,529.0	281,840.4	289,341.5	326,114.0	372,358.4	426,210.9	508,230.1	514,587.9
Claims ratio (%)	20.4	30.6	38.8	35.2	38.4	44.7	50.1	59.2	44.3	48.0

Table 8.1 Gross Claims/Gross Premium Income: Non-Life

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Gross Claims(Nm)	26,792.1	55,717.2	71,602.8	65,555.7	65,971.9	78,574.6	113,941.9	120,477.6	101,395.3	123,927.1
Gross Premium(N)	175,756.8	193,493.2	196,008.8	195,887.9	198,389.2	201,547.7	219,798.6	245,411.2	281,346.6	282,711.7
Claims ratio (%)	15.2	28.8	36.5	33.5	33.3	39.0	51.8	49.1	36.0	43.8

Table 8.2 Gross Claims/Gross Premium Income - Life

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Gross Claims(Nm)	20,815.6	23,405.4	35,701.8	33,601.0	45,197.4	67,263.8	72,506.1	131,712.6	123,776.0	123,307.8
Gross Premium(57,996.1	64,909.1	80,520.2	85,952.6	90,952.3	124,566.3	152,559.8	180,799.8	226,883.4	231,876.2
Claims ratio (%)	35.9	36.1	44.3	39.1	49.7	54.0	47.5	72.8	54.6	53.2

Market insights in terms of ratios provided in Tables 8, 8.1 and 8.2 demonstrate only the industry average proportions which are not specific to individual Insurers. Individual underwriter’s claim ratio could be higher or lower than the industry average depending on the company definite circumstances. Moreover, the ratios are not founded on the actual incurred loss basis but industry gross reported claim which simply is reflective of a general picture. Notable to mention however, the absolute net claims ratio also follows the same pattern as observed earlier in the gross and net claims experience. That micro Insurers’ detail is found in our Statistical ratio analysis section of the Nigerian Insurance Statistics and Directory (NISD) publication.

1.6.4 Summary of Insurance Industry Claims and Expenses in 2020

Table 9 provides the Summary of the Gross and Net of Premiums and Claims recorded for the period of 2020

Table 9: Premiums and Claims Statistics, 2020

Currency: ₦Million

Description	Gross premium	Net premium	Gross claims	Net claims
Non-Life Insurance Business	282,711.7	156,125.1	123,927.14	74,412.9
Life Insurance Business	231,876.2	212,436.2	123,307.79	116,943.2

Statistics in table 9 reveals that the net incurred loss ratio stood at about forty eight (47.7%) per cent for the current period, signifying an increase of five points when compared to the prior

period. This is even lower relative to the Life segment of the market which increased by twelve points above its previous position (42.5%). However, in cognisance of the circumstances of a Pandemic stricken period which was challenged by socio-economic crisis, this development is rather commendable as net loss incurred ratios remain within much tolerable space that could guarantee a robust profitability and business efficiency.

The Insurance industry total assets which is a proxy for market size in 2020 stood at about N2,052.2 billion for both Life and Non-Life businesses representing a whopping 34.6 per cent in increase rate, year-on-year with Life portfolio segment as key driver of growth. This is in tandem with the historic movement in size of the market and, was the highest rate throughout the decade. The rate of increase in total Non-Life assets over in the current period was recorded at 23.0 per cent while Life assets grew at even higher rate of 44.1 per cent, year on year.

Focusing on the decade wide analysis, the Data shows that while the industry experienced a steady growth all through the ten year period, the None-Life segment had a dip (-5.3%) only in 2019 compared Life business section which experience similar declines in 2012 (-0.4%) and in 2014 (-52.5%) respectively. Overall, the None-Life business grew at about 108.9 per cent over the ten year period while Life business increased at an impressive place of 462.2 per cent giving an occasion for the Insurance market as a whole to report an increase at the rate of about two hundred and thirty (230.4%) per cent over the period under review.

Table 10: Total Assets in Millions of Naira 2011 - 2020

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Non-Life Business	407,432.2	497,799.4	526,277.8	700,298.5	647,504.1	702,969.3	709,357.5	730,360.2	691,641.5	850,940.7
Life Business	213,662.9	212,827.8	267,601.9	127,231.6	269,748.0	313,906.6	419,116.3	599,585.9	833,461.0	1,201,282.3
Total	621,095.1	710,627.2	793,879.7	827,530.1	917,252.1	1,016,875.9	1,128,473.9	1,329,946.0	1,525,102.4	2,052,223.0

The market notably recorded a steady expansion over the entire space of the decade, minimum fluctuation with respect to specific segments of Life and Non-Life business but maintaining an overall positive stand. Although the current surge in 2020 was driven mainly by the recapitalisation activity being implemented, an adequately recapitalised industry would sustain

the passionately positive industry outlook. Moreover, as the market deepening measures of the regulator continue, the demand and supply sides market confidence increases and, the surge in foreign investors' interest grows, the continued growth of the industry would remain certain, despite the economic uncertainties around the world.