



## BULLETIN OF THE INSURANCE MARKET PERFORMANCE

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

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## Introduction

The Nigerian insurance industry has achieved a remarkable growth in premium generation during the fourth quarter of 2024, attaining yet a significant milestone to close at N1.56 trillion, representing a growth rate of 55.8 per cent, year on year (YoY).

### 1.1 Gross Premium Written - Performance

Reflective of the consistent market deepening measures in the sector, the gross written premium sustained its positive trajectory to hit an impressive N1,562.9 billion during the quarter, in spite the challenging operational and macroeconomic conditions prevalent during the period. Table 1 maps the distribution of insurance premiums generated by the various portfolios in the market during the quarter under review.

**Table 1: Gross Premium Written: Non-Life & Life Businesses: Q4, 2024**

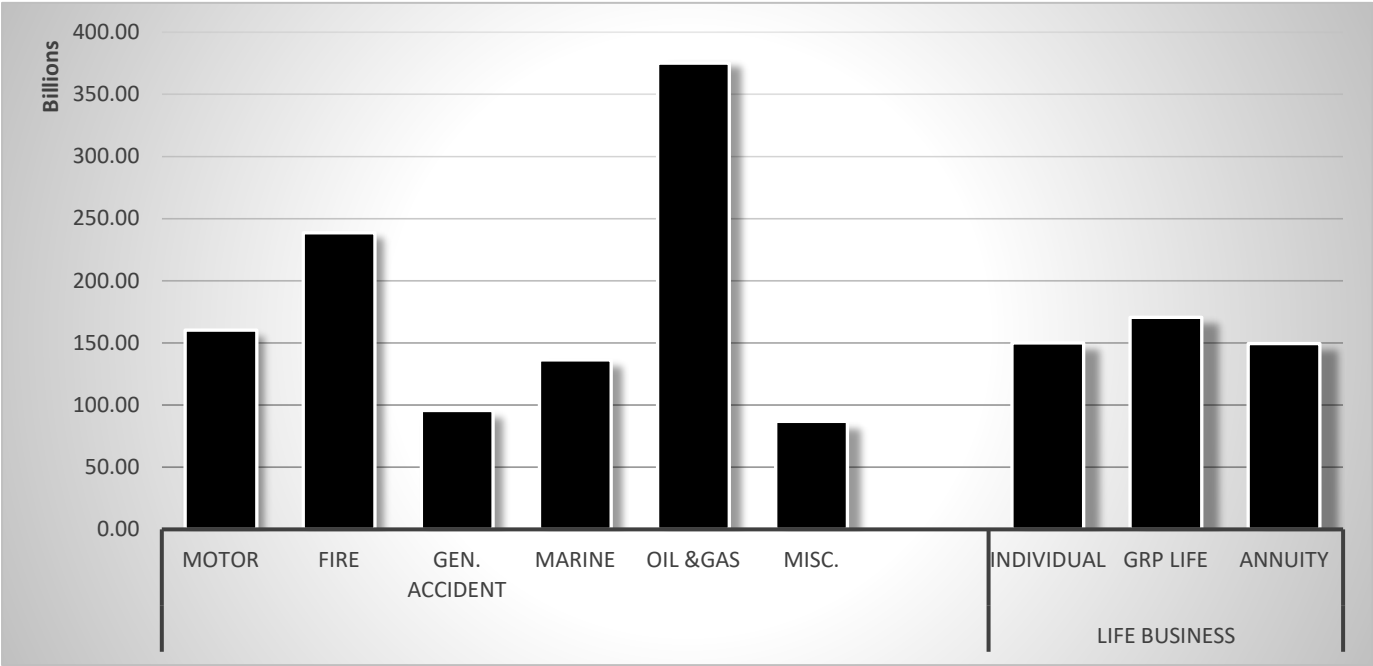
Currency: ~~N~~ Billion

Variable	Motor	Fire	Gen. Accident	Marine	Oil & Gas	Misc.	Life Business	Market Aggregate
Gross Premium Written	160.4	238.7	95.7	136.3	375.0	87.0	469.9	1,562.9
Net Premium	127.4	154.7	84.6	76.2	166.8	45.1	320.4	975.1

indeed, the industry outpaced the broader economic national output (GDP) in terms of rate of increase during the quarter as the later reported a single digit growth (3.8%) compared to the fifty percentile region recorded in the insurance market performance during the same period. This presents not only about market resilience but an increasing confidence, resultant of the regulatory dexterity in market discipline measures.

Chart 1 provides a relative contribution of each class of business in premium generation for both Life and Non-Life insurances during the period.

**Chart1: Gross Premium Written by Class - Non-Life & Life Business: Q4, 2024**

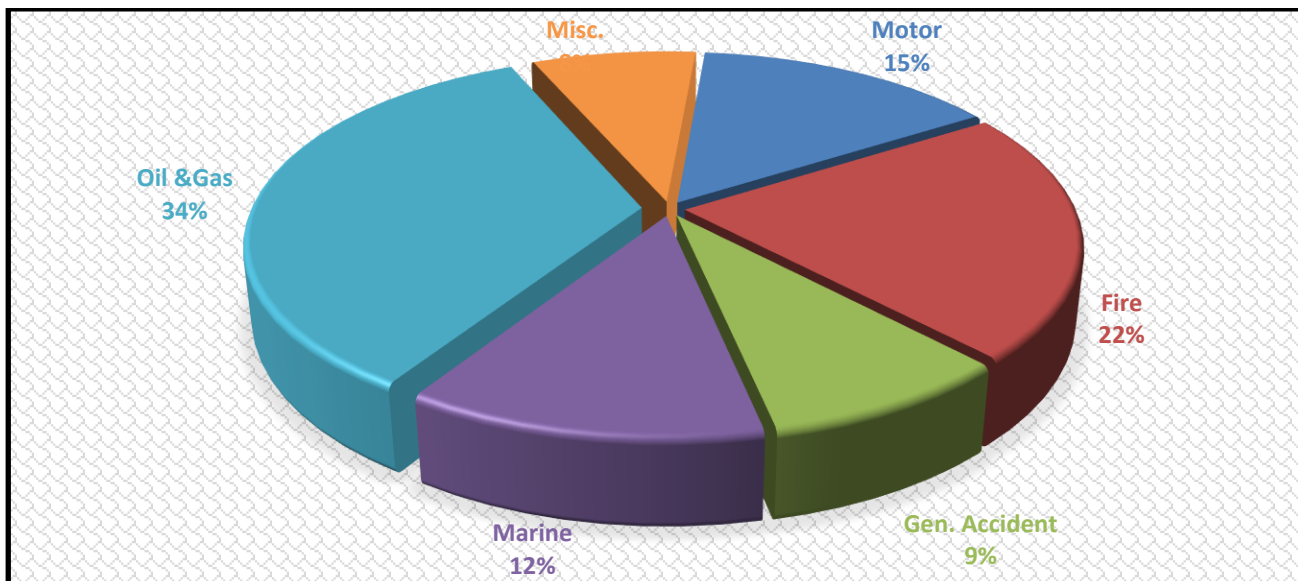


The Non-Life insurance segment continued to lead the market, contributing 69.9% to the total premium pool, consistent in performance it recorded during the corresponding period in 2023. On the other hand, the Life Insurance segment of market accounted for about 30.1% of all premiums generated during the period.

Micro analysis of the Non-Life business shows that, the Oil & Gas portfolio has continued to sustain its relevance in terms of premium contribution during the quarter whereby it accounted for about 34.3% of all of Non-Life premiums generated; an increase from 27.3% it recorded during the Q4 of 2023. This is followed by the portfolio of Fire Insurance at 21.8% and, Motor Insurance 14.7% while the Marine & Aviation, General Accident, and Miscellaneous portfolios accounted for 12.8%, 8.8%, and 8.0%, respectively. The Chart 2 on the distribution of gross premium written, further illustrates the relative market share in terms of premium generation of each business of the Non-Life segment during the period under review.

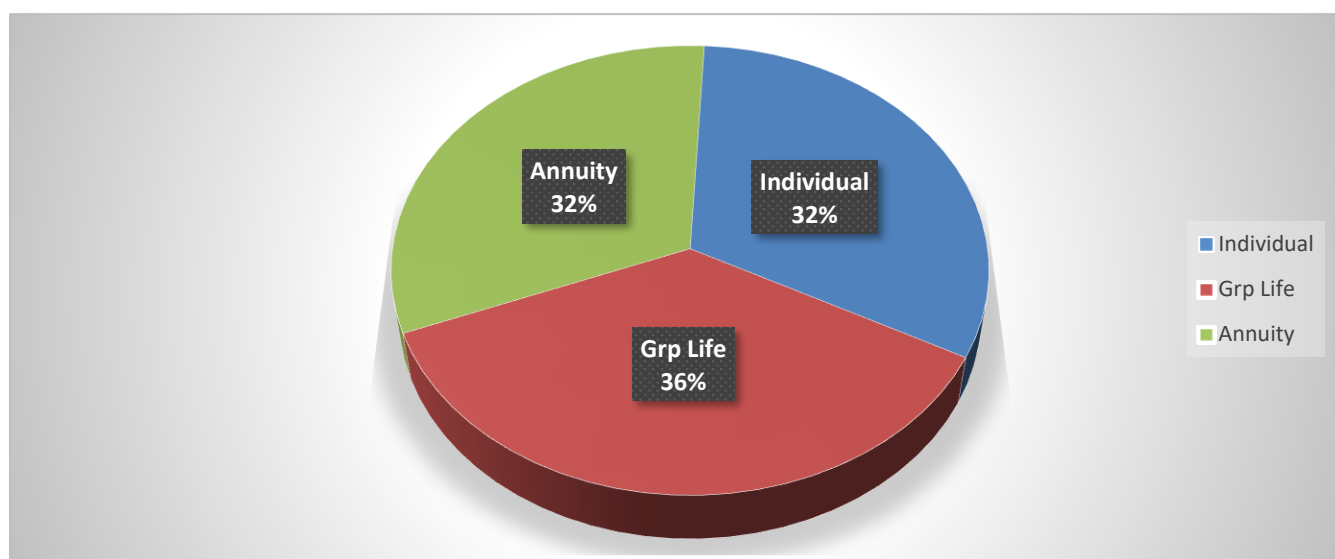


**Chart 2: Distribution of Gross Premium Written - Non Life**



On the other hand, the Life Insurance section depicts that 36.3 per cent of all the Life business premium generated was attributable to the Group Life while Individual Life business accounted for about 31.9 per cent. The Annuity business continue to close up in terms of proportional relevance as it accounted for about a one third of all the Life segment premiums generated during the quarter at 31.8% per cent. A further insight into the Life business is represented by Chart 3, thus.

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



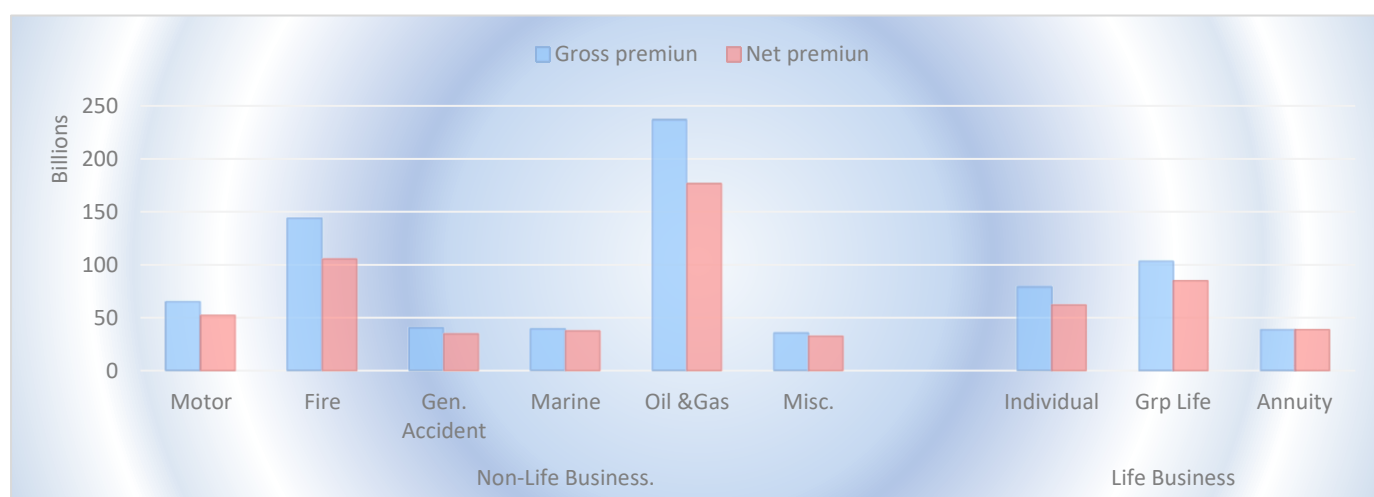
## 1.2 Premium Retention Capacity

The underwriters displayed strong confidence, as indicated by market statistics during the period, showing an industry average of 62%. However, additional investment in human and capital resources is crucial for the Oil & Gas insurance sub-section to overcome the capacity challenges and, achieve some sustainably desirable retention levels in that corner of the market.

Nonetheless, the retention positions in the non-life business sustained stability, quarter on quarter, recording an average ratio of about 59.9%, an improved position compared to 49.3% reported in the prior quarter. The Life business retention for the quarter on the other hand, stood at 68.2%, a decline from the 79.2% recorded in the prior quarter. Similarly, the industry average retention ratio stood at 62.4 per cent for the period of the fourth quarter 2024, slightly declining from 66.7% it recorded during the corresponding period of the preceding year.

The infographic in Chart 4 describes the relative retentions of various classes of Insurance business during the fourth quarter of 2024.

**Chart 4: Relative Premium Retention - Q4, 2024**



Insights from the retention statistics of the various portfolios in non-life segment is further revealed in Table 2, showing that most classes posted an above average ratio during the quarter except for the Oil & Gas insurance business. However, even in the Oil & Gas, retention levels

showed a notable improvement, increasing from 29.3% in the previous quarter to 44.5% in the current. General Accident Insurance recorded highest retention ratio of 88.4% during the quarter while, Miscellaneous Insurance rose from 48.5% to 51.8% quarter-over-quarter and, Fire Insurance significantly grew from a capacity of 51.6% retention in the prior quarter to a record high of 64.8% in the current period.

Overall, the market displayed strong confidence in its retention capabilities, especially within the individual and group life businesses, thanks to the trend toward greater domestication of the Life insurance business.

**Table 2: Retention Ratios of Various Classes of Non-Life - Q4, 2024**

Motor	Fire	Gen. Accident	Marine	Oil & Gas	Misc.	Life Business	Market Aggregate
79.4	64.8	88.4	55.9	44.5	51.8	62.4	62.4

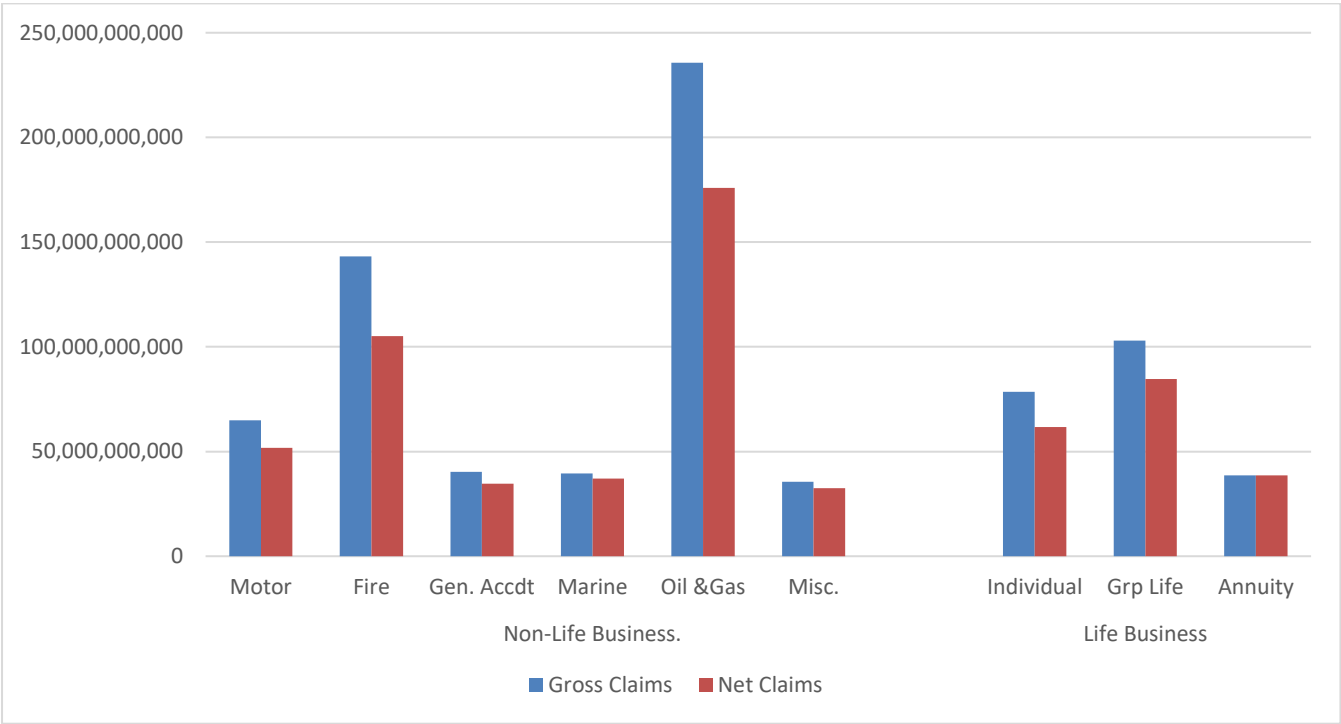
## 2. Insurance Claims Component

The focused regulatory measures aimed at market deepening has no thought led to enhanced public awareness regarding policyholder rights and opportunities for claims issues redress, thereby leading to expansion in the rate of claims reported during the quarter under review. Other explanatory factors are improved customer confidence and, the business expansion recorded in the market during which, it goes with increased claims reporting by policyholders. During the period, the industry recorded a total gross claims of N779.5 billion, representing 50.0% of the premiums generated during the same period. This also signifies a 38.2% growth, quarter-over-quarter and a 45.3% increase compared to the corresponding quarter in 2023.

The rise in consumer confidence is reflected in the net claims paid, which amounted to N622.0 billion, or about 80.0% of all the total claims reported during the quarter. The Life Insurance sector achieved an impressive net claims settlement ratio of 84.0% of the total reported claims, while the Non-Life segment recorded a ratio of 78.1% during the same period.

Chart 5, provides the comparative industry Gross and Net claims reported and paid in the market.

**Chart 5: Comparative Sequence of Gross and Net Claims for Non-Life: Q4, 2024**



The claims settlement ratios are consistent with the market retention trends, whereby all classes reported above-average of net claims paid. Marine & Aviation businesses recorded 94.1%, reflecting an improvement of 11 percentage points compared to the previous quarter while Motor Insurance sector posted 79.7% proportion of net claims paid to gross claims reported. On the other hand, the General Accident (85.9%), Miscellaneous (91.0%), and Fire (73.4%) sectors although reported impressive ratios each, reported a decrease of points each compared to the prior quarter.





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

**Table 3: Percentage Claims Settlement of Non-Life & Life Business - Q4, 2024**

Motor	Fire	Gen. Accident	Marine	Oil & Gas	Misc.	Life Business	Market Aggregate
<b>79.7</b>	73.4	85.9	94.1	74.6	91.3	84.0	79.8

The Oil & Gas portfolio represents a promising growth opportunity if deliberate efforts could focus on bridging the existing technical and financial gaps prevalent in that corner of the market.

### 3. Profitability of the Sector

The Loss Ratio, a key metric for a quality underwriting performance, reflects the proportion of earned premiums used to cover claims. The activities during the period under review have demonstrated the market's strong profitability and business sustainability stance. The market remained profitable, with an industry average in net loss ratio of 63.8%, an increase from 52.9% in the prior quarter. The Non-Life segment's loss ratio stood at 68.8%, while the Life business recorded a net loss ratio of 57.7% during the same period. This outcome is particularly commendable given the macroeconomic challenges, including the inflationary pressures prevalent in the economy during the review period.

While the aggregate market average and the two broad segments of the industry provide a general overview, individual portfolios may exhibit specific **net loss ratios** that differ, either higher or lower, than the market average. During the quarter, major drivers of the market net loss ratio were of some thirteen (13) underwriters with a record of 100% and above.



Table 4 provides the number of Insurers with highest net loss ratios, at least 100% or greater during the period, in line with respective business.

**Table 4: Loss Ratios for Insurers in Q4, 2024**

Composite	Non-Life	Life	Reinsurance	Total
6	2	3	2	13

However, in spite the outlier Insurers, the overall profitability of the industry along with its outlook, continue to be strong, creating a favourable environment for profitable investment returns.

**4. Market Concentration Risk**

The market exhibited some concentration of control during the period, with a significant imbalance in the Life Insurance segment. Data from the fourth quarter showed that the top three Life Insurance companies control 50.3% of the total premiums generated in this segment. Additionally, the top ten players accounted for 87.3% of the entire life insurance business, while the bottom ten contribute only 4.0% of all the premiums generated.

in contrast, the Non-Life segment exhibits a relatively more balanced distribution of the market share. During the period, the top three insurers in the Non-Life segment controlled 31.1% of all premiums, while the top ten underwriters accounted for 63.3% of the market share. On the other hand, the bottom ten insurance companies in the Non-Life sector contributed only 1.1% of the market, reflecting a situation similar to that of the Life segment in that strata of the market.



## 5. The Market Size

The industry's total assets in the current period amounted to N3,857.6 billion, reflecting a slight contraction of -0.5% compared to the N3,877.1 billion reported in Q3 2024. The Non-Life business reported total assets of N2,324.3 billion, while the Life business accounted for a total asset of about N1,533.3 billion at the close of the period under review.

Table 5 further provides the necessary insights into the Market size of the Insurance industry.

**Table 5: Total Assets in Billions of Naira - Q4, 2024**

Insurance Business	N Billion
Non-Life Insurance Business	2,324.3
Life Insurance Business	1,533.3
Total	3,857.6

The Nigerian insurance market has demonstrated resilience, maintaining strong performance across key indicators including, premium generation, claims settlement, and profitability. This reflects a promising outlook for both the Life and Non-Life segments. The sector's continued improvement could be largely attributable to the renewed vigor in proactive regulatory efforts, supporting its sustained positive performance over the years.

**The Research & Statistics Department  
National Insurance Commission, Abuja  
Fourth Quarter, 2024**

