BULLETIN OF THE INSURANCE MARKET PERFORMANCE

THE RESEARCH & STATISTICS DEPARTMENT
SYNOPSIS OF THE INSURANCE MARKET
IN THE SECOND QUARTER, 2025

OUTLINE

LIST OF TABLES & CHARTS

Introduction

The performance analysis of the Nigerian Insurance Industry is an insight into the market behavior in the second quarter of 2025. The market recorded ₦1,213.7 Billion in Gross Premium Written during the period, indicating a 49.3 percent growth rate compared to the same period of the prior year and an impressive 57.8 percent, quarter on quarter. The continued steady growth from the first quarter of the year correlates with the current performance of the period under review.

1.1 Gross Premium Written - Performance

In the second quarter of 2025, the insurance market achieved a Gross premium written of ₦1,213.7 Billion Naira, a notable performance amid macroeconomic challenges in the country.

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: Q2, 2025

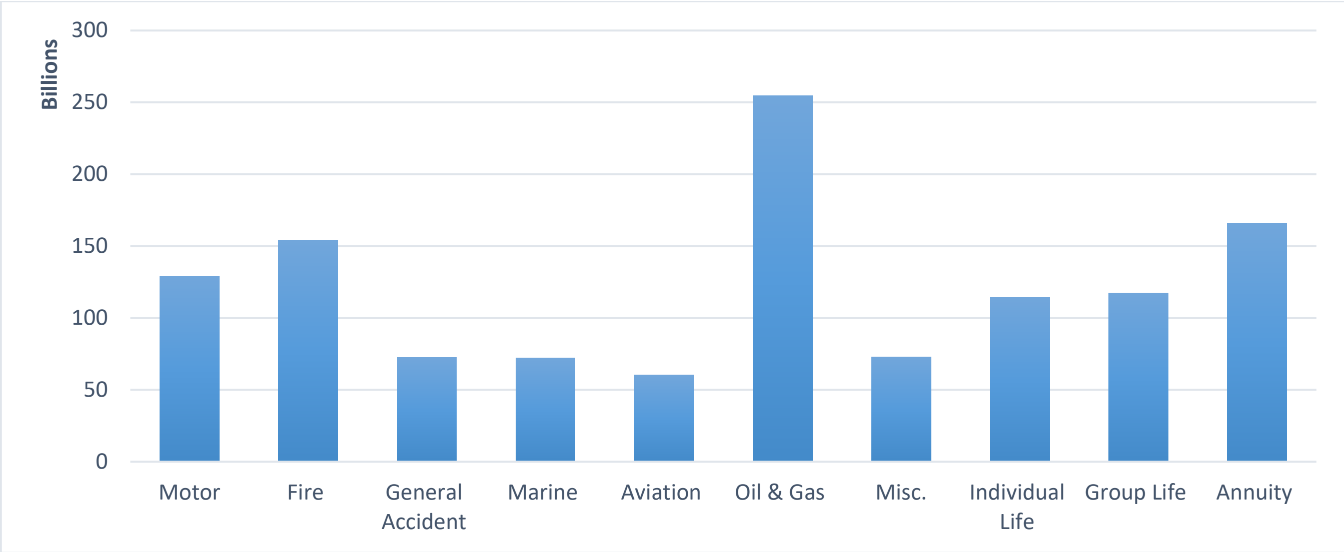
Currency: ₦ Billion

Variables	Motor	Fire	Gen. Accident	Marine	Aviation	Oil &Gas	Misc.	Life Business	Market Aggregate
Gross Premium Written	129.3	154.4	72.5	72.1	60.3	254.7	72.9	397.5	1,213.7
Net Premium	96.3	91.4	39.3	45.1	9.6	86.2	40.9	189.8	598.6

Data collected during the period indicates a growth rate of 49.3%, 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.

Chart 1: Gross Premium Written by Class - Non-Life & Life Business: Q2, 2025

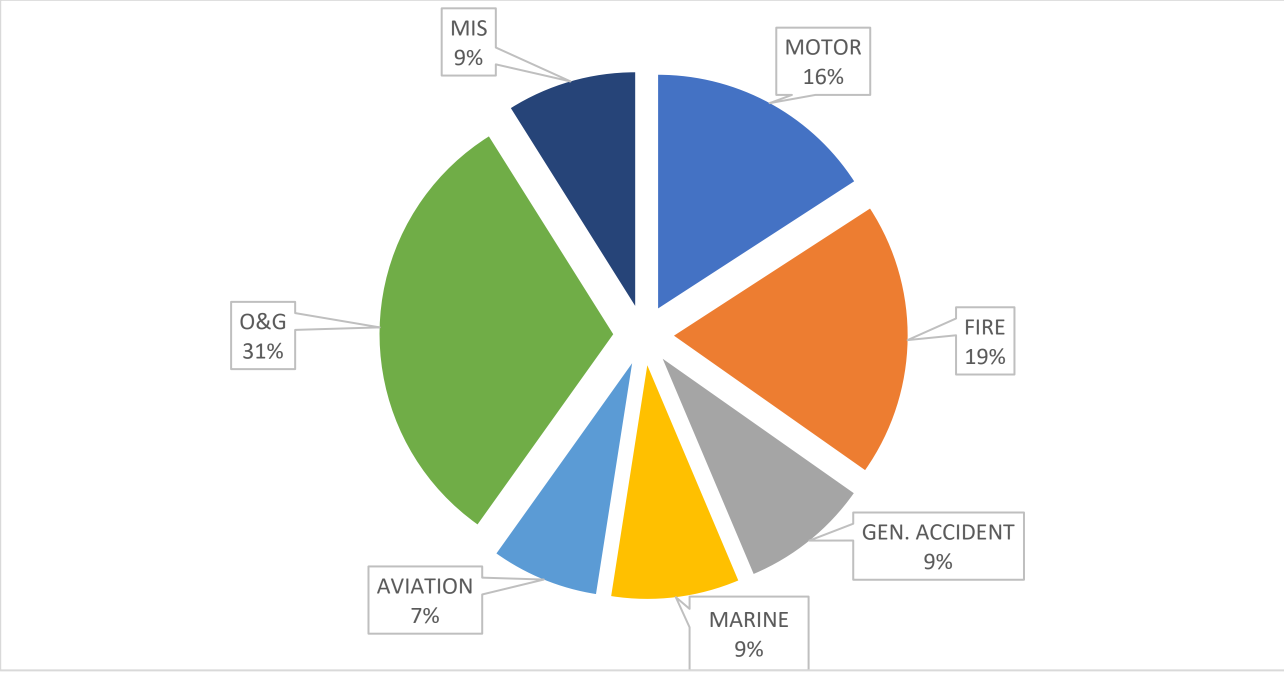


The non-life segment retained its relative dominance in the market, contributing 67.2% to the total premium pool, mirroring its performance in the corresponding quarter of 2024. On the other hand, the life Insurance segment accounted for 32.8% of all the premiums generated during the same period.

Insights into the Non-Life segment indicates that the Oil & Gas portfolio remained the major contributor, accounting for 31.2% of the total Non-Life premiums during the quarter. This was followed by Fire Insurance with 18.9% and Motor Insurance at 15.8%. Meanwhile, the General Accident, Miscellaneous, Marine and Aviation portfolios contributed 8.9%, 8.9%, 8.8% and 7.4%, respectively.

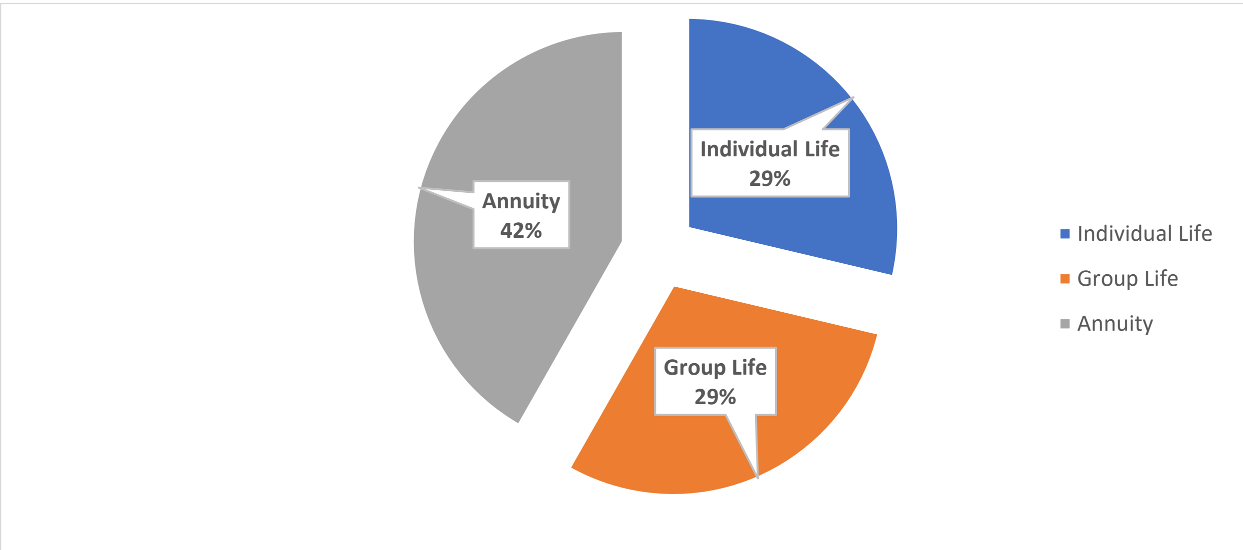
Chart 2 illustrates the distribution of gross premiums written, highlighting the relative market share of each business line within the Non-Life business during the review period.

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



Analysis of the Life Insurance business which accounted for 32.8.0% of the total premium shows that Annuity contributed 41.8%, Group Life 29.5%, and 28.7% 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 second 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 49.3%, suggestive of strong market confidence and sound financial standing especially in the Life business which stood at 47.8%. In the Non Life segment the proportional retention was comparatively lower owing to the effect of the special risks portfolios thereby it was recorded at about 50.1% precisely.

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

Chart 4: Relative Premium Retention Q2, 2025

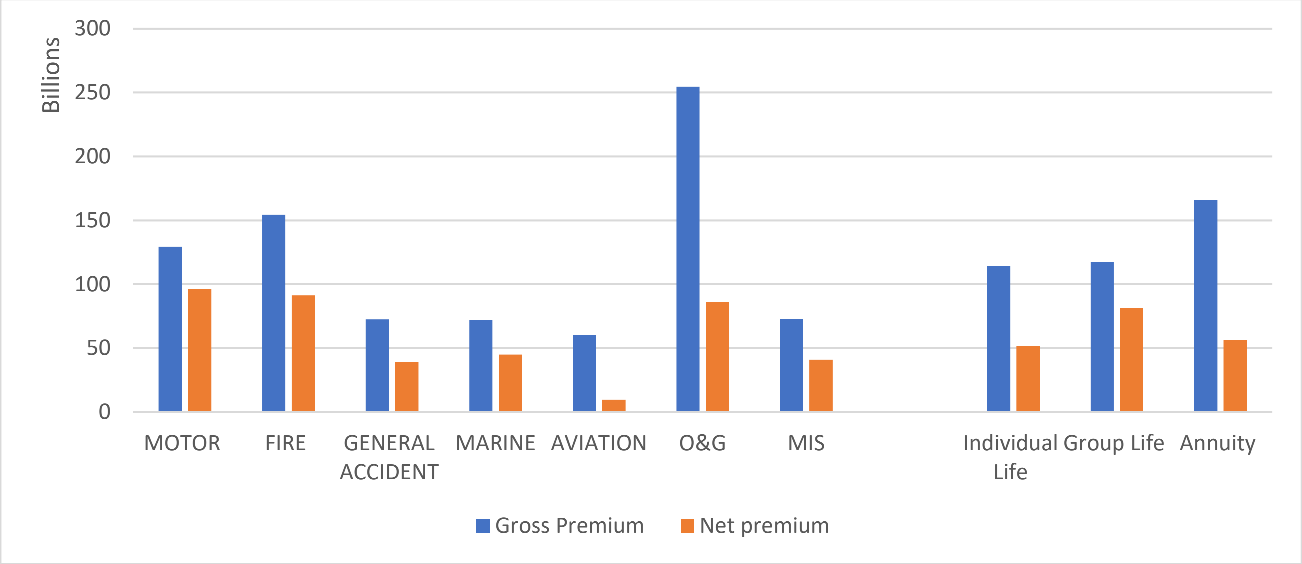


Table 2 provides analytical insights into the performance of the Non-Life business across various classes. The Motor, Marine, Fire, and General Accident classes reflected above average retention levels, underscoring their relative stability within the market. In contrast, the Oil & Gas and Aviation classes recorded below average positions, with Aviation registering the lowest retention ratio at 15.9%. This outcome is attributable to the limited carriage capacity available in the Nigerian market.

Table 2: Retention Ratios of Various Classes of Non-Life & Life Businesses - Q2, 2025
Currency: ₦ Billion

Variable	Motor	Fire	Gen. Accident	Marine	Aviation	Oil & Gas	Misc.	Life Business	Market Average
Retention Percentage	74.5	59.2	54.2	62.5	15.9	33.8	56.2	47.8	49.3

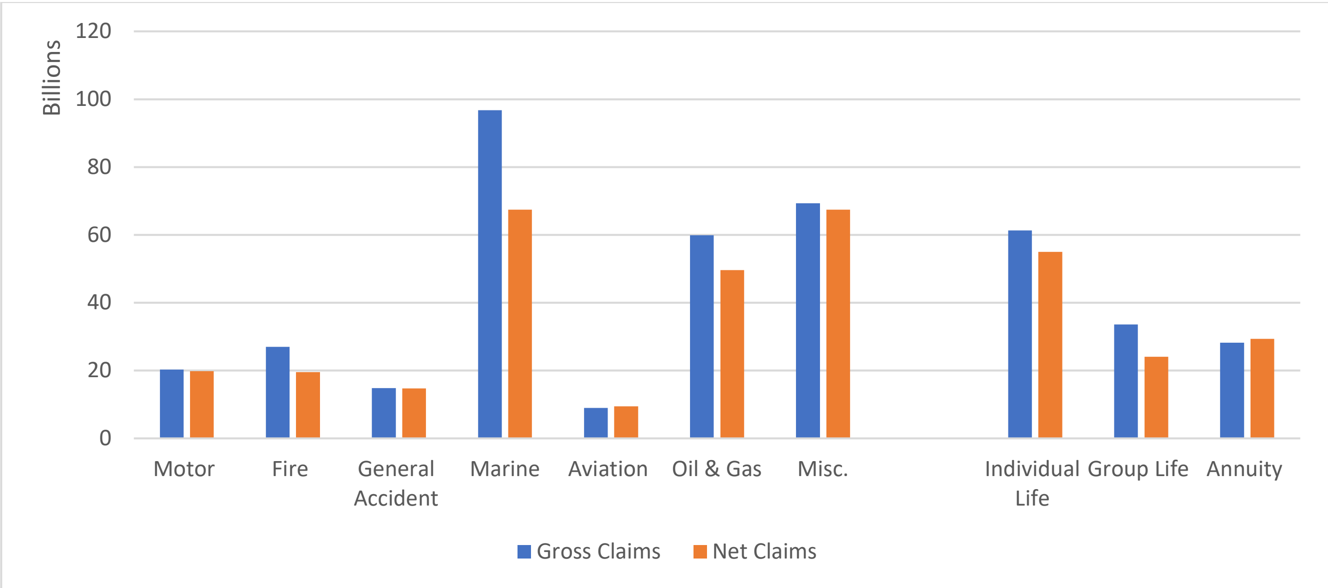
2. Insurance Claims Component

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 second quarter of 2025. The total claims reported during the period stood at ₦420.2billion. 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 ₦356.5billion, signifying 85.0% of all the claims reported during the period with the Life segment of the market reporting about 88.0 per cent while the non-life segment recorded 83.7per 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: Q2, 2025



The trend in percentage claims settlement, as illustrated in Chart 5, shows that for most insurance classes, the gross claims reported closely align with the net claims paid, indicating minimal variance between the two. During the period under review, Aviation Insurance recorded the highest settlement ratio in the non-life segment of the market at 105.4%, followed by General Accident (99.8%), Miscellaneous (98.5%), Motor (97.8%), Oil & Ga (82.7%), Fire (72.3%) and, Marine at 69.7%, 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 – Q2, 2025

Currency: ₦ Billion

Variables	Motor	Fire	Gen. Accident	Marine	Aviation	Oil &Gas	Misc.	Life Business	Market Aggregate
Gross Claims	20.3	26.9	14.8	96.8	8.9	59.9	69.4	123.2	420.2
Net Claims	**19.9**	**19.5**	**14.7**	**67.5**	**9.4**	**49.6**	**67.5**	**108.4**	**356.5**

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 second quarter of 2025, the market average of the net loss ratio stood at 59.4%, higher than 55.4% reported in the previous corresponding period. The Non Life segment's net loss ratio stood at 60.5 percent while the Life business recorded 57.1% in the same period under review.

In the overall analysis, the average Net loss ratio is above the global comfort range of (40–55%), but not excessively high. It suggests insurers are fairly responsive in paying claims but could face profitability pressure if expenses are high. However, the life segment is healthier and more stable than the non life segment, leaving more room for profitability. In conclusion, the average net loss ratio of 59.4 percent reflects that the industry is claims responsive but with a tight margin market.

Notwithstanding the relatively favourable market average, eleven insurers accounted for the reported net loss ratio during the review period. These underwriters recorded net loss ratios of 100% or higher and are categorised by company type 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 the 100th percentile for Insurers in Q2, 2025

Composite	Non-Life	Life	Reinsurance	Total
4	3	3	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 seventeen percent (17.0%) of the total Life premiums written, compared to 43.8% 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 (41.2%) 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 0.9% of the premiums written during the period while the non-life reported about 0.8% 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 N4.4 trillion in the second quarter, representing a 19.2% increase compared to the N2.3 trillion reported in the corresponding period of 2024.

A breakdown of the industry's financial position revealed a total of N2,486.0 billion in assets for Non-Life business while the Life business stood at N1,911.2 billion.

Table 5 provides insight into the Insurance industry Market size for the Q2, 2025.

Table 5: Total Assets in Billions of Naira – Q2, 2025

Insurance Business	₦ Billion
Non-Life Insurance Business	2,486.0
Life Insurance Business	1,911.2
Industry Total	4,397.2

From the market statistical insights of the second 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 digitisation, risk-based supervision among other measures, the industry outlook could be adjudged as decidedly positive.

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