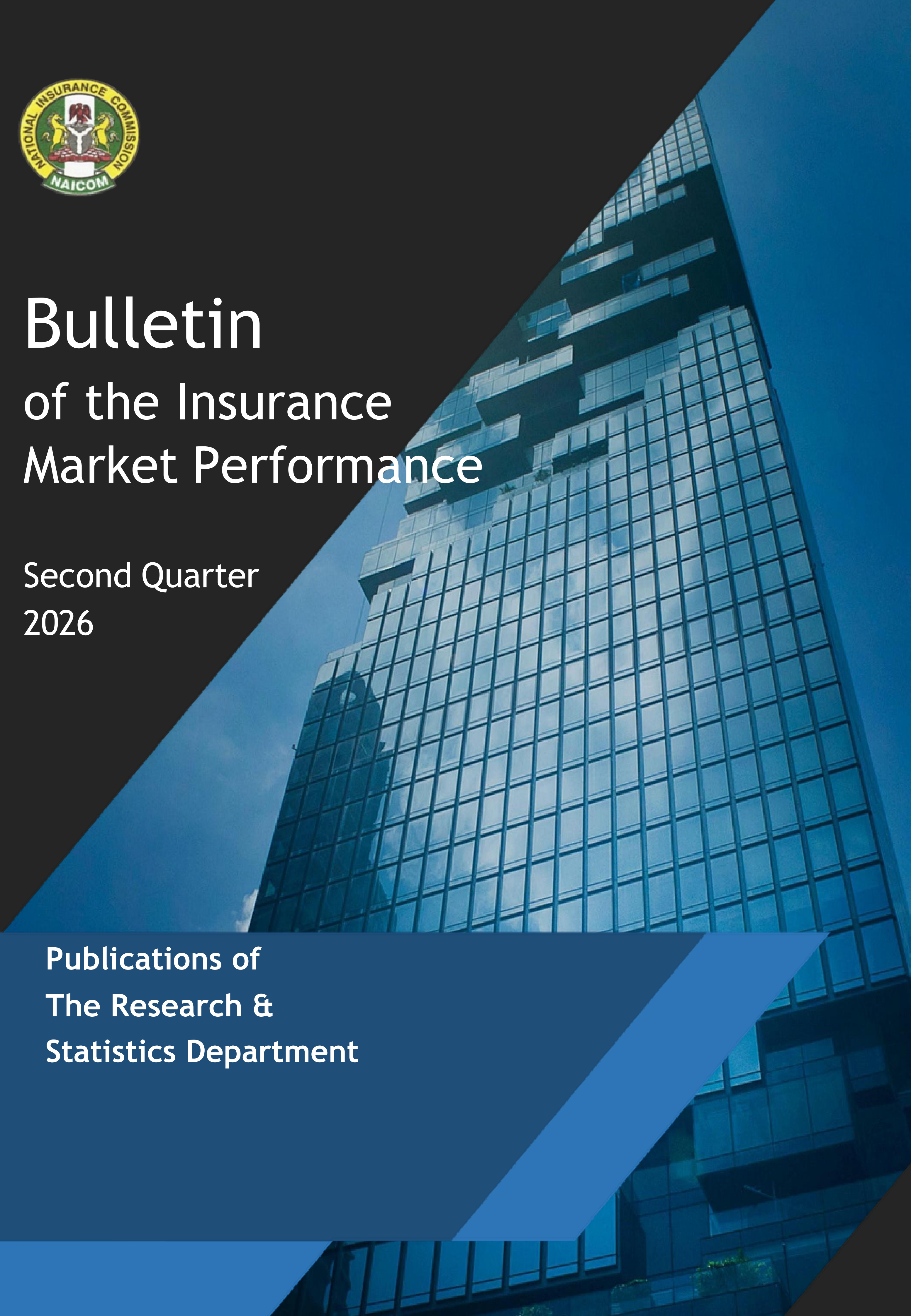
Bulletin

of the Insurance Market Performance

Second Quarter
2026



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Introduction

This analysis of performance of the Nigerian Insurance Industry is an insight into the market behavior in the second quarter of 2026. It demonstrates consistent progression amid the improving macroeconomic conditions of the economy, sustaining the industry growth of about six (5.9%) per cent, year on year, to close at ₦1,285.2 billion in Gross Premium Written.

1.1 Gross Premium Written - Performance

In the second quarter of 2026, the insurance market achieved a total aggregate in written premium of ₦1,285.2 billion Naira, sustaining a positive growth at about 38% relative to the prior quarter ended March this year, a notable performance in a consistent trajectory reported in recent times, in spite the ongoing macroeconomic reforms and consequent socioeconomic pressures.

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 Business: Q2, 2026

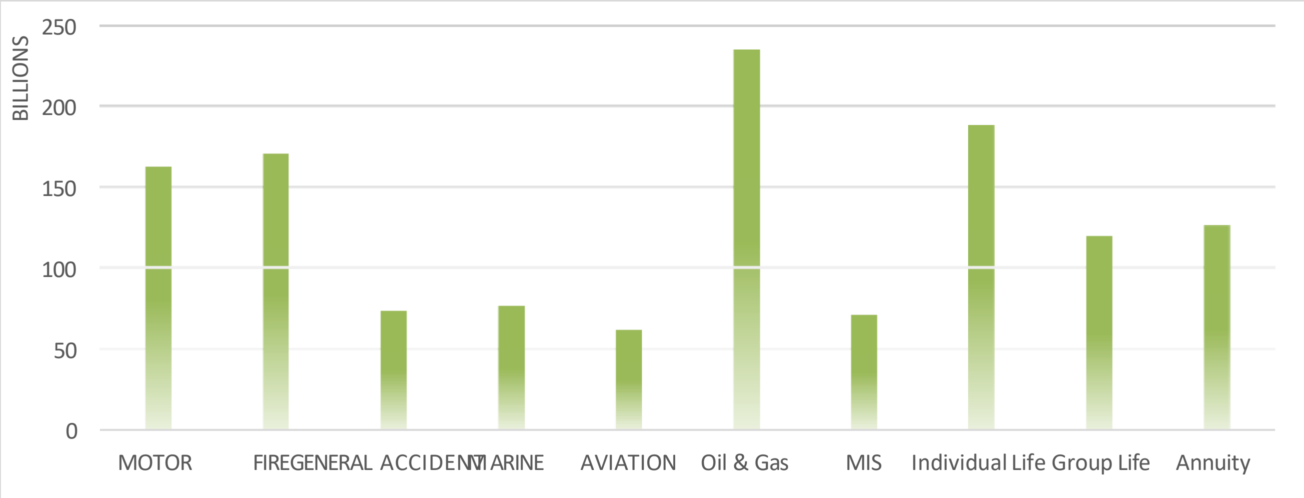
Currency: ₦ Billion

Variables	Motor	Fire	Gen. Accident	Marine	Aviation	Oil &Gas	Misc.	Life Business	Market Aggregate
Gross Premium Written	162.4	170.5	73.5	76.2	61.5	235.2	71.1	434.8	1,285.2
Net Premium	109.6	81.7	24.3	43.1	12.2	55.1	42.4	255.8	624.2

Data collected during the period indicates an annual growth rate of 5.9%, reflecting a strong performance, higher than the real national output, which was recorded as 4.4% over the same period.

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, 2026

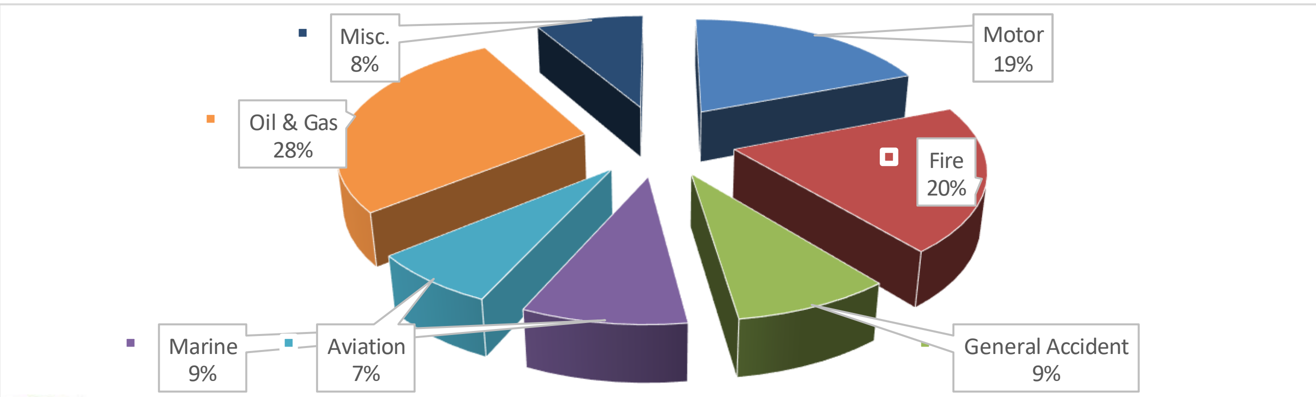


The non-life segment retained its relative dominance in the market, contributing 66.2% to the total premium pool, mirroring its performance in the corresponding quarter of 2025. On the other hand, the life Insurance segment accounted for 33.8% of all the premiums generated during the same period.

Insights into the Non-Life segment indicate that the Oil & Gas portfolio remained the major contributor, accounting for 27.7% of the total Non-Life premium during the quarter. This was followed by Fire Insurance with 20.0% and Motor Insurance at 19.1%. Meanwhile, Marine Insurance, General Accident, Miscellaneous and Aviation portfolios contributed 9.0%, 8.6%, 8.4% and 7.2%, respectively.

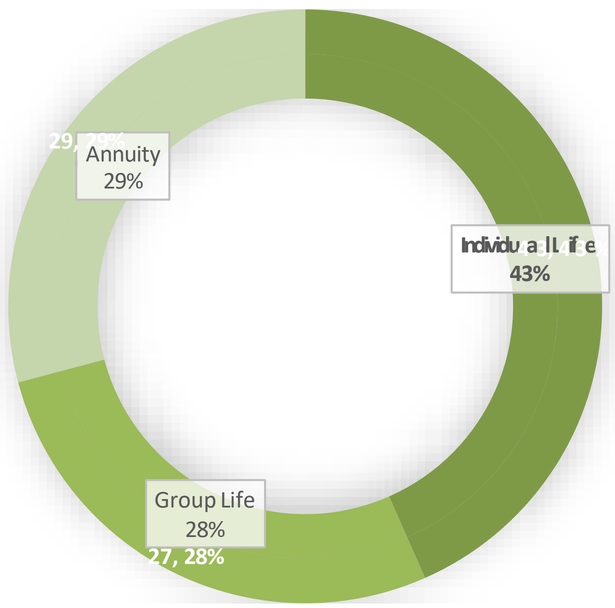
Chart 2 illustrates the distribution of gross premium written, highlighting the relative market share of each business line within the Non-Life business during the review period.

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



Analysis of the Life Insurance business which accounted for 33.8.0% of the total premium shows that Individual contributed 43.4%, Group Life 27.5%, and 29.1% of the premium was attributable to annuity 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 significant share of risks within their portfolios in spite the operational challenges posed by the continued macroeconomic reforms. The industry recorded a market average retention ratio of 65.9%, suggestive of strong market confidence and sound financial standing, especially in the Life business, which stood at 86.7%. 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 56.4%, precisely.

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

Chart 4: Relative Premium Retention Q2, 2026

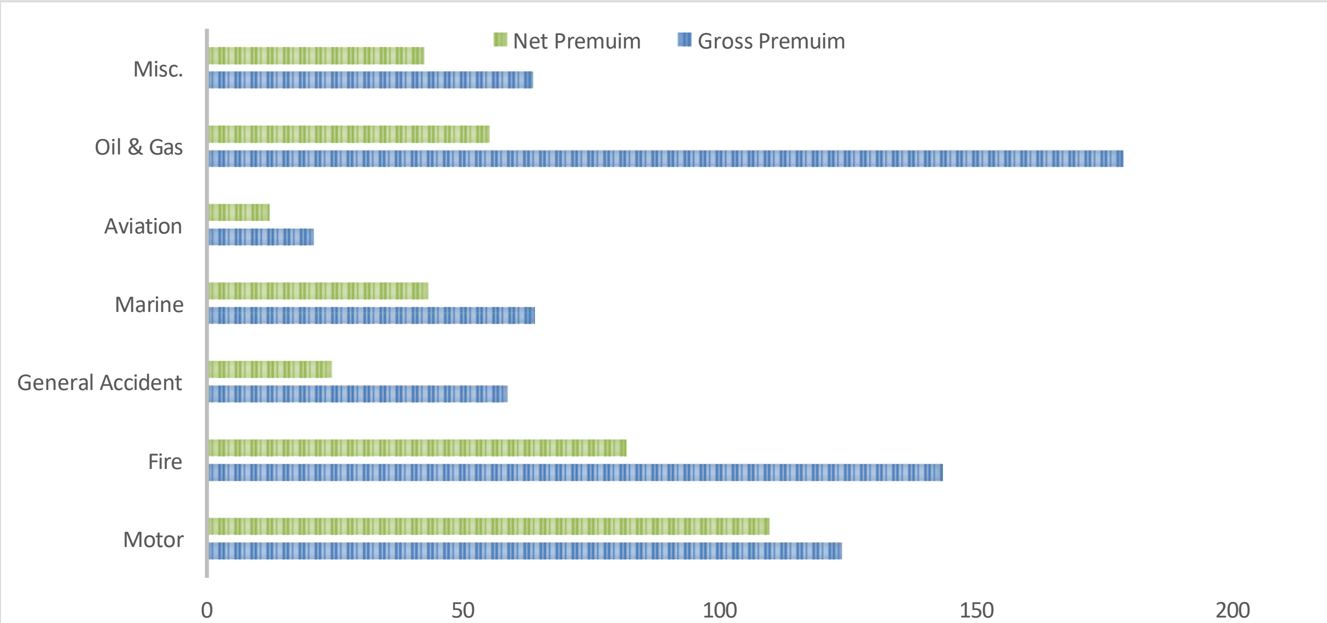


Table 2 provides analytical insights into the performance of the Non-Life business across various classes. The Motor, Marine, Miscellaneous, Aviation and Fire classes were reported at above average levels, underscoring their relative stability within the market. In contrast, the General Accident & Oil & Gas classes recorded below average positions, with Oil & Gas registering the lowest retention ratio at 30.9%. This outcome is attributable to the limited carriage capacity of that portfolio available in the Nigerian market, however, this scenario is being addressed as the regulator focuses on Insurers' recapitalization and the full implementation of the Risk based capital which is in line with the provisions of the Nigerian Insurance Industry Reform Act (NIIRA) 2025.

Table 2: Retention Ratios of Various Classes of Non-Life & Life Business – Q2, 2026

Currency: ₦ Billion

Variable	Motor	Fire	Gen. Accident	Marine	Aviation	Oil & Gas	Misc.	Life Business	Market Average
Retention Percentage	88.5	57.0	41.5	67.5	58.4	30.9	66.6	86.7	65.9

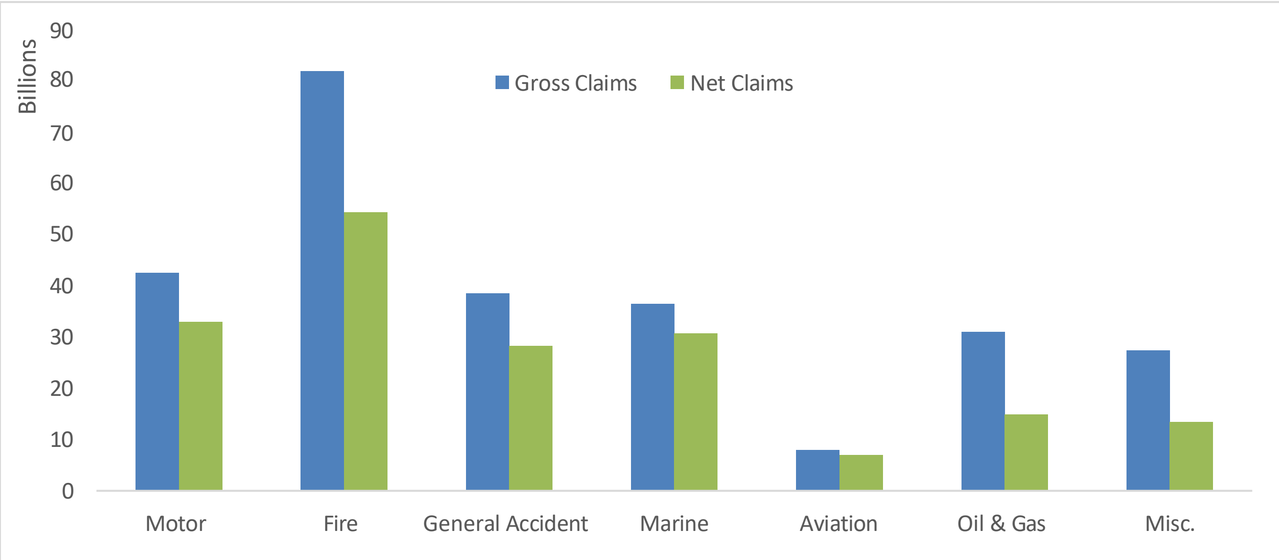
2. Insurance Claims Component

The effects of increased public awareness, growing confidence of stakeholders with regards claims settlement and redress mechanism of the Commission are seen reflected in the volume of gross claims reported during the second quarter of 2026. During the period, the gross claims increased by about 106% compared to the total claims reported in the prior quarter to close at ₦369.2billion albeit a 12% decline relative to the volume posted in the corresponding period of the prior year.

The aggregate Net claims paid for both life and non-life insurances also stood at ₦279.1billion, signifying about 75.6% of all the claims reported during the period with the Life segment of the market reporting about 94.4% while the non-life segment recorded 68.3 per cent. The proportion of net claims settlement against reported claims in the market was moderate, and largely owing to issues of incomplete or delayed documentation of claims reported.

Chart 5 presents the relative levels of Gross and Net claims paid recorded within the non-life insurance segment of the industry.

Chart 5: Comparative Sequence of Gross and Net Claims for Non-Life: Q2, 2026



As illustrated in Chart 5, gross claims reported closely aligned with net claims paid across most insurance classes, indicating limited variance between both the gross and net claims reported, representing largely some efficiency in the claims settlement experience within the industry.

During the period under review, Aviation Insurance recorded the highest settlement ratio in the non-life segment of the market at 87.5%, followed by Marine (84.0%), Motor (77.4%), General Accident (73.5%), and Fire (66.4%).

On the other hand, Miscellaneous (49.0%) and Oil & Gas (47.9%) reported lower ratios of claims paid, less than average relative to the 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 under review.

Table 3: Gross and Net Claims recorded for Non-Life & Life Business - Q2, 2026

Currency: ₦ Billion

Variables	Motor	Fire	Gen. Accident	Marine	Aviation	Oil &Gas	Misc.	Life Business	Market Aggregate
Gross Claims	42.5	81.7	38.5	36.5	8.0	31.0	27.4	103.6	369.2
Net Claims	**32.9**	**54.3**	**28.3**	**30.6**	**7.0**	**14.8**	**13.4**	**181.3**	**279.1**

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 for profitability and risk management efficacy in the insurance industry. During the second quarter of 2026, the market average of the net loss ratio stood at 44.7%, an experience of continued improvement compared to the corresponding period when it was reported as 59.4 per cent. The non-life segment's net loss ratio stood at 49.2 percent while the Life business recorded 38.2% during the same period under review.

However, despite the favorable business line and the market averages recorded, twelve specific Insurers gave rise to the reported net loss ratio in which they reported net loss ratios of 100% or higher during the review period. These underwriters are categorized based on company type as presented 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 - Q2, 2026

Composite	Non-Life	Life	Takaful	Total
5	2	2	3	12

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 life business relative to non-life. In the Life business segment, top three institutions control about 45.1% of the total Life premium written, compared to 47.0% recorded in the corresponding period of the preceding year while 88.3% 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 thirty-six (36.0%) of all the written premium during the quarter as 65.7% 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 premium written during the period while the non-life reported about 0.7% 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 sustained a lower risk with respect to overconcentration, especially in the non-life section of the industry.

5. The Market Size

The insurance sector recorded total assets of about N5.5 trillion in the second quarter, representing 25.6% increase compared to the N4.4 trillion reported in the corresponding period of 2025.

A breakdown of the industry's financial position revealed a total of N3,246.2 billion in assets for non-life business while the Life business stood at N2,276.2 billion, accounting for 41.2% of the total assets reported at the end of the quarter.

Table 5 provides the statistics of the Insurance industry Market size for Q2, 2026.

Table 5: Total Assets in Billions of Naira – Q2, 2026

Insurance Business	₦ Billion
Non-Life Insurance Business	3,246.2
Life Insurance Business	2,276.2
Industry Total	5,522.4

From the Statistical insights of the insurance industry for the second quarter of 2026, it is apparent that the market has not only demonstrated expansion in premium generation and Insurers' size but also sustained its underwriting quality and prowess to achieve optimum profitability and resilience. Furthermore, in cognizance of the ongoing industry recapitalization project and, market deepening among other regulatory measures, the industry is expected to sustain its trajectory of growth, stability, soundness and of best returns to investors.

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