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NIGERIA'S INSURANCE INDUSTRY IN 1985

Abstract

This report describes the activities of insurance companies operating in Nigeria in 1985. Among the topics covered are the number and type, ownership structure, income and expenditure and the relative performance of the insurance companies. Their sources and application of funds, loss and expense ratios are also discussed by class of insurance. The report, which ends with a discussion of the assets of the insurance companies, observes that operating costs rose in the companies during the review period, and traces the source of the increased costs to higher costs in the life insurance companies run by indigenous insurers.

Introduction

This report presents an analysis of the business activities of insurance companies in 1985. Data for the report were compiled from individual company statements submitted to the Insurance Department of the Federal Ministry of Finance. At the time of preparing the report, 77 companies representing 88.5 per cent of all insurance enterprises in business in 1985 had filed their returns. However, estimates were made for non-response in order to obtain industry-wide aggregates for the variables of interest.

The report is divided into five parts. Part I discusses the structure and performance of the insurance industry as a whole while parts II and III deal separately with life and non-life insurance businesses, respectively. In Part IV, the assets and pattern of investment of the companies in the industry are discussed while Part V presents a summary and conclusion.

PART I

STRUCTURE AND PERFORMANCE OF INSURANCE INDUSTRY

1.1 Number and Type¹

Following the exit of six insurance companies and the entry of five others, the number of insurance companies in active business fell by one to 87 at the end of 1985. All six companies which left the industry were wholly indigenous companies engaged exclusively in non-life insurance. One of the five new entrants in 1985 was solely in life insurance while the rest were licenced to carry out only non-life business. Following these changes, the numbers of insurance companies which handled only life, non-life and a mixture of both life and non-life in 1985 stood at 4, 60 and 23 respectively, representing 4.6, 69.0 and 26.4 per cent of all the operating companies in that year.

In the preceding year, however, the numbers of life, non-life and mixed insurance companies stood at 3, 62 and 23, constituting 3.4, 70.5 and 26.1 per cent of the industry. (See Table 1).

1.2 Ownership Structure

The 87 companies that operated in the insurance industry in 1985 consisted of 68 wholly indigenous and 19 joint Nigerian/foreign owned companies. Of the 68 indigenous companies, 50, 17 and 1 were engaged in solely non-life, mixed life and non-life, and wholly life insurance businesses, respectively. The appearance in 1985 of an indigenous company in the wholly life insurance business was a significant development in the industry as it constituted a break in the monopoly enjoyed for many years by jointly-owned companies in the life business. Jointly-owned companies in 1985 comprised 3 life, 10 non-life, and 6 combining life and non-life businesses. (See Table 2).

1.3. Paid-up Capital

At ₦133.3 million in 1985, the paid-up capital of all insurance companies showed an increase of 4.5 per cent above its preceding year's level. Wholly Nigerian owned companies which accounted for 78.2 per cent of the number of companies in the industry, contributed ₦107.7 million or 80.8 per cent of the total paid-up capital in the industry. At that level, indigenous participants enhanced their contribution by 4.4 per cent in 1985. Their share of equity in the industry remained about the same, 80.8 per cent compared with 80.9 per cent in 1984. Jointly-owned companies on the other hand, contributed ₦25.6 million, or 19.2 per cent of total paid-up capital in 1985, compared with ₦24.4 million or 19.1 per cent in 1984. (See Table 3).

1.4. Income and Expenditure

The aggregate income of all insurance companies from premiums and interest on investments declined by 4.6 per cent to ₦387.0 million in 1985. The decline, which largely reflected the fall of 18.1 per cent in the earnings of wholly indigenous companies, contrasted with the increase of 1.2 per cent recorded in 1984. At ₦193.5 million, the income of wholly indigenous companies fell by 10.7 per cent from ₦216.7 million in 1984 while that of their jointly-owned counterparts rose to ₦193.5 million from ₦189.0 million in 1984. However, non-life income of joint companies also fell in 1985.

Total expenditure rose considerably in the industry in 1985 due mainly to a sharp increase in outlay on surrenders and outstanding claims. While aggregate expenditures of all the companies rose by 36.8 per cent to ₦377.8 million in 1985, expenditures of the indigenous and jointly-owned companies increased by 24.7 and 8.1 per cent respectively. The increase largely reflected the rise in expenditures in life insurance business generally.

1.5. Relative Performance by Type of Ownership

The simultaneous decline in income and increase in expenditure of the insurance companies in 1985 was reflected in a fall in the ratio of the total earnings to aggregate expenditure during the period. This ratio fell from 1.47 in 1984 to 1.20 in 1985.

Receipts per naira expended fell in both indigenous and jointly-owned companies in 1985. While the average revenue per unit of naira expenditure of wholly indigenous companies fell by 28.6 per cent in 1985, that of jointly-owned companies fell by 4.8 per cent during the same period. This contrasts with the situation in 1984 when wholly indigenous

1/ In a previous report, two insurance companies, UNIC and UNLIC were reported as having merged. It has since become known that the merger efforts failed to receive necessary approval. The error is regretted.

companies enhanced their average income per naira of expenditure by 13.1 per cent and jointly-owned companies by 5.0 per cent.

1.6. Relative Performance by Class of Insurance

Table 5 contains data on income and expenditure of insurance companies analysed by classes of insurance. The decline in the average receipt per naira of expenditure reported above was shared by the two classes of insurance business. However, life insurance business, reflecting the relatively good results of jointly-owned companies, performed better in 1985 as receipt per naira of expenditure for this class of insurance was higher than that of non-life. The income per naira of expenditure for life insurance business was 1.86 and 1.39 in 1984 and 1985 respectively, while the corresponding figures for non-life were 1.28 and 1.07. The decline in average earnings in 1985 for non-life contrasts with an increase of 18.5 per cent recorded for this class of insurance in 1984. Average income per naira of expenditure however, declined for life insurance in both 1984 and 1985. (See Table 5).

PART II

LIFE INSURANCE BUSINESS

II.1. Income and Expenditure

As indicated by the relative movement in the average income per unit of naira expenditure, life insurance was not as prosperous in 1985 as it was in 1984. The ratio declined from 1.86 in 1984 to 1.39 in 1985. Although both the indigenous and jointly-owned companies shared in the reduced returns on expenditures, the decline in the ratio of revenue to expenditure was larger in the indigenous companies than in the jointly-owned companies. While the decrease in the ratio was 46.0 per cent for the indigenous companies, it was 2.4 per cent for jointly-owned companies. In the preceding year, the average earning per naira of expenditure of jointly-owned companies rose by 7.0 per cent while that of wholly indigenous companies fell by 8.7 per cent. The underlying factor in the performance of life insurance business in 1985 was the general decline in employment and incomes. The growth of premium receipts declined as a consequence while payments in respect of surrenders and outstanding claims rose sharply.

Aggregate income from life insurance business rose by 8.2 per cent in 1985 in contrast with the situation in the preceding year when the total income for this class of insurance declined by 2.2 per cent. The increase in 1985 was due entirely to the increase of 16.4 per cent in the aggregate income of jointly-owned companies. The earnings of wholly indigenous companies which declined by 17.9 per cent in 1984 fell further by 1.7 per cent in 1985.

At ₦130.6 million, the total expenditure on life business in 1985 showed a sharp rise of 44.2 per cent over the level in the preceding year. The rise largely reflected the sharp rise of 82.1 per cent in the expenditure by wholly indigenous companies in this class of insurance business during 1985. Jointly-owned companies recorded an increase of 19.1 per cent in their expenditure in 1985. Consequently, while the share of the total expenditure of indigenous companies increased from 39.8 per cent in 1984 to 50.3 per cent in

1985, the jointly owned companies reduced their share from 60.2 per cent in 1984 to 49.7 in 1985. This situation contrasts with what obtained in 1984 when the share of the expenditure incurred by indigenous companies showed a fall.

II.2. Sources and Application of Funds

The most important source of income for life insurance business continued to be premium income. This source accounted for 78.3 and 72.8 per cent of the total income accruing to life insurance business in 1984 and 1985, respectively. Income from this source increased by 6.3 per cent to ₦132.5 million in 1985. The increase in 1985 was wholly attributable to a rise of 12.5 per cent in premium received by the jointly-owned companies. Wholly indigenous companies recorded a decline of 14.0 per cent in premium earnings during the year.

The other major sources of income for life insurance business were interest on loans, property earnings and dividends from investment of life insurance funds. These sources jointly contributed 18.4 and 23.3 per cent of total income for this class of insurance in 1984 and 1985 respectively. Both wholly indigenous and jointly owned companies recorded increases from these sources of income in 1985. While the indigenous companies enhanced their income from this source by a phenomenal 80.6 per cent, the jointly owned companies recorded an increase of 8.5 per cent. (See Table 7).

Profits on sale of assets together with miscellaneous receipts constituted another source of income for insurance companies in 1985. They accounted for 3.2 and 3.9 per cent of total earnings of the companies in 1984 and 1985 respectively.

As regards the application of the funds of the companies, surrenders and claims outstanding became the most significant item in 1985 unlike the situation in the past when management expenses and net claims were the most dominant. Surrenders and claims outstanding absorbed 31.3 per cent of the total amount expended on life insurance business in 1985. However, management expenses and net claims continued to account for substantial proportions of funds of the companies — having absorbed 25.6 and 23.5 per cent of the total expenditure in 1985. In 1984, surrenders and claims outstanding constituted 16.9 per cent of total expenditure for life insurance business.

Management expenses on life insurance business increased from ₦30.9 million in 1984 to ₦33.4 million in 1985. These expenses which declined in wholly indigenous companies in 1984, rose in both groups of insurance companies in 1985. While they rose by 16.1 per cent in wholly Nigerian companies, they increased marginally by 2.8 per cent in jointly owned companies. (See Table 7).

II.3. Loss Ratio

Following the sharp rise in net claims plus claims outstanding in 1985, the loss ratio, defined as the quotient of claims (net claims plus claims outstanding) over gross premium income, increased significantly for all companies transacting life insurance. The loss ratio for this class of insurance increased from 29.3 per cent in 1984 to 54.0 per cent in 1985, wholly indigenous companies recording a sharp rise from 28.2 per cent in 1984 to 78.4 per cent in 1985. The ratios indicated that, although the loss ratios for life insurance rose steeply in 1985, the wholly indigenous companies were worst hit, having recorded a rise of 178.0 per cent in claims per naira receipt of premium income. For life insurance business as a whole, the high rise in loss ratio in

1985 provides an explanation for the lower performance of life insurance business in 1985.

II.4. Expense Ratio

The proportion of gross premium income absorbed by management expenses, called the expense ratio ^{1/}, increased by 7.2 per cent for life insurance business in 1985 compared with the rise of 14.6 per cent in 1984. The rise in the ratio in 1985 entirely reflected the increase in expenses ratio of wholly indigenous companies whose expense ratio recorded an increase of 35.0 per cent (from 21.7 per cent in 1984 to 29.3 per cent in 1985). The expense ratio of jointly owned companies, in contrast fell by 8.8 per cent during the year.

PART III

NON-LIFE INSURANCE BUSINESS

III.1. Income and Expenditure

As in previous years, non-life insurance, commonly known as general insurance, yielded a higher proportion of the industry's income in 1985 than the life insurance business although the share of the latter showed a significant increase. Non-life insurance business contributed 58.6 and 53.0 per cent of total income earned in the industry in 1984 and 1985 respectively. Similarly, the shares of expenditure on general insurance business in the industry's total expenditure declined from 67.2 per cent in 1984 to 59.6 per cent in 1985.

Total income earned from non-life business fell by 13.7 per cent in 1985 in contrast to an increase of 3.9 per cent during the preceding year. The fall in revenue for non-life business in 1985 reflected declines in the revenue of both indigenous and jointly owned companies. While the income of the indigenous companies fell by 15.6 per cent, that of jointly-owned companies fell by 10.9 per cent in 1985.

Total expenditure on non-life insurance business at ₦192.4 million showed a rise of 3.7 per cent above its preceding year's level. This contrasts with the situation in 1984 when expenditure for this class of insurance fell by 12.1 per cent. The rise in expenditure entirely reflected the rise of 6.2 per cent in the costs of indigenous companies. General insurance expenditure of jointly owned companies remained virtually unchanged from its 1984 level. In 1984 in contrast, expenditure of the indigenous companies fell by 31.9 per cent while that of jointly owned companies rose sharply by 57.5 per cent. (See Table 6).

Average income per unit of naira expenditure fell for all companies by 15.4 per cent to 1.10 in 1985. The fall was shared by both indigenous and jointly owned companies. While the ratio for jointly owned companies fell by 7.7 per cent, wholly indigenous companies fell by 23.1 per cent.

^{1/} Expense Ratio is the ratio of management expenses to gross premium income expressed in percentage.

III.2. Sources of Income

Most of the revenue earned by insurance companies underwriting non-life insurance policies came from premiums collected through selling protection against loss resulting from fire, accident and other hazards classified under general insurance. Gross premium constituted 86.6 and 95.2 per cent

of total income derived from non-life insurance business in 1984 and 1985 respectively.

Gross premium income derived from non-life business which increased in 1984, declined to ₦195.3 million in 1985. The decline was attributable to the fall in premium incomes from marine, aviation and transit; and miscellaneous classes of insurance. While premium income from marine, aviation and transit jointly fell by 50.4 per cent, that on miscellaneous fell by 46.8 per cent in 1985. The fall in the premium collected from marine insurance was probably due to the restriction on the volume of imports during 1985.

Premium collected on fire, accident, motor vehicle and employer's liability was higher in 1985 due to increases in premium collected by the indigenous companies for these types of insurance. Jointly-owned companies recorded declines in premium collected for all types of insurance under non-life business in 1985. While indigenous companies enhanced their premium income slightly by 0.2 per cent, the jointly owned companies recorded a decline of 11.5 per cent. This resulted in an overall decline of 5.1 per cent in premium collected by the insurance industry on non-life business in 1985. In the preceding year, premium collected on non-life business increased by 7.2 per cent in jointly owned companies; and fell by 17.5 per cent in indigenous companies (See Table 9).

Analysis of premium income earned by type of insurance reveals that, as in previous years, the bulk of the income was derived from motor insurance. This source contributed 45.8 and 50.8 per cent of total premium income gathered on non-life business in 1984 and 1985 respectively. Furthermore, premium on motor insurance rose by 5.4 per cent in 1985 in contrast to a decline of 18.6 per cent in 1984. Other sources of premium on non-life during the year included accident and fire insurance which contributed 15.1 and 18.3 per cent in 1985, respectively. During the preceding year they contributed 14.0 and 13.8 per cent.

III.3. Expenditure on Non-Life Insurance Business

Total outlay of the insurance industry on non-life business increased from ₦185.5 million in 1984 to ₦192.4 million in 1985. The dominant expenditure items were management expenses and claims. At 84.5 and ₦114.3 million in 1984 and 1985, respectively, management expenses accounted for 45.6 and 59.4 per cent of total expenditure on non-life business. Claims, which stood at 77.7 and ₦64.0 million, accounted for 41.9 and 33.3 per cent of total expenditure in 1984 and 1985 respectively. General insurance claims declined in 1985. Claims on indigenous companies which fell by 33.2 per cent in 1984 fell further by 23.9 per cent in 1985. Claims on jointly owned companies which rose by 20.8 per cent in 1984 all fell by 11.4 per cent in 1985.

Management expenses, however, rose by 35.2 per cent to ₦114.3 million in 1985. Indigenous companies, whose management expenses contracted in 1984, witnessed a substantial rise of 60.8 per cent in 1985. Another important item of expenditure, net commission paid out on non-life business, accounted for 12.2 and 6.9 per cent of total outgoings on non-life business in 1984 and 1985, respectively. (See Table 10).

III.4. Loss Ratio

The loss ratio for the insurance companies transacting non-life insurance fell from 37.8 per cent in 1984 to 32.8 per cent in 1985. This development showed an improvement of 7.8 and 13.2 per cent in the average claims on premium

income in 1984 and 1985 respectively. The improvement reflected the reduction in the loss ratio for wholly indigenous companies, the ratio for jointly-owned companies which increased by 12.0 per cent in 1984 and 0.2 per cent in 1985. In 1984 and 1985, jointly owned companies entertained higher claims per naira premium income compared with the indigenous companies.

III.5. Expense Ratio

The total amount spent in managing the non-life business of the industry relative to the premium collected, was higher in 1985 compared with 1984. The expense ratio rose from 41.1 per cent in 1984 to 58.5 per cent in 1985 because management expenses increased while premium income declined simultaneously. Wholly indigenous companies contributed more to the increase in the ratio than the jointly owned companies. While the ratio rose by 60 per cent in the wholly indigenous companies, it rose by 16.3 per cent in jointly-owned companies.

PART IV

ASSETS AND INVESTMENT PATTERN OF INSURANCE COMPANIES

IV.1. Assets

The total value of assets held by all insurers increased by 45.0 per cent to ₦1,934.5 million in 1985. The increase was significantly higher than the 20.6 per cent increase recorded in 1984. All financial assets, consisting of government securities i.e. stocks, shares, bonds, cash and bills receivable, and miscellaneous instruments, contributed to the increased value of the assets in 1985.

The value of government securities held by the insurance industry rose from ₦212.2 million in 1984 to ₦460.6 million in 1985. This item constituted 23.8 per cent of total assets held in the insurance industry during the year and ranked next to that of miscellaneous instruments which accounted for 39.6 and 34.3 per cent in 1984 and 1985, respectively. Mortgages and loans, which declined by 33.3 per cent in 1984, rose sharply by 50.2 per cent to ₦297.2 million in 1985. There was a significant increase of 39.2 per cent in the value of the asset held in the form of stocks, shares and bonds. The value of cash and bills receivable increased by 20.1 per cent to ₦236.1 million in 1985. This item recorded an increase of 35.0 per cent a year earlier.

Analysis by class of insurance business reveals that the value of assets held by the insurance companies transacting life insurance increased in all the investment portfolio in 1985 except in miscellaneous instruments. This contrasts with the situation a year earlier when assets held against this category of insurance recorded declines in government securities and mortgages and loans but increases in the hold-

ings of private stock, shares and bonds, cash and bills receivable and miscellaneous instruments. The value of government securities which increased by 39.4 per cent in 1985 constituted 17.9 per cent of total assets held by all companies under-writing life policies. Other assets such as stocks, shares and bonds, mortgages and loans, cash and bills receivable, and miscellaneous instruments accounted for 25.3, 22.7, 15.0 and 19.1 per cent of total assets by the industry for 1985 for life insurance business.

The value of assets held by the insurance companies in non-life business in 1985 rose sharply compared with 1984. Government securities, mortgages and loans, stocks and bonds increased by 175.1, 110.5 and 60.3 per cent above their respective values in 1984. (See Tables 11 and 12).

IV.2. Distribution of Assets and Investment

Under the country's insurance regulations, insurers are expected to invest not less than 25 per cent of their total assets in specified government and other securities. Also, no insurer is expected to invest more than 10 per cent of its assets in real property in respect of non-life insurance; or 25 per cent of the assets in respect of life insurance.^{1/}

However, available data indicate that, on the average, the insurance companies as a group, failed to comply fully with this legal requirement to hold 25 per cent of their assets in government securities during the review period, although they were closer in 1985 than 1984. The industry as a whole invested 15.9 and 23.8 per cent of total assets in government securities in 1984 and 1985, respectively. The respective proportions of government securities in the total assets held against life and non-life insurance policies were 17.9 and 27.2 per cent in 1985 as against 15.2 and 16.5 per cent in 1984.

The requirement that a maximum of 25 per cent of the assets of life insurance underwriters should be in real property was, however, fulfilled in 1984 and 1985. Life insurers invested 22.3 and 22.7 per cent of their assets in mortgages and loans in 1984 and 1985, respectively. However, non-life insurance companies exceeded the upper limit of 10 per cent placed on holdings of mortgages and loans. Unlike in 1984 when non-life insurance companies kept 8.8 per cent of their total assets in mortgages and loans, this group of companies maintained 11.1 per cent of their assets in this category of assets in 1985. (See Table 12).

1/ See section 18 of the Insurance Decree of 1976.

SUMMARY AND CONCLUSION

The insurance industry witnessed no major change in 1985 in terms of the structure of ownership and the business specialisation of companies within the industry even though, five companies commenced business while six others left. Wholly-owned Nigerian companies, engaged mainly in general insurance business, accounted for just over 79 per cent of the total number of enterprises in the industry. Joint, foreign-Nigerian owned enterprises, continued to dominate the life insurance business although for the first time, a wholly Nigerian company specialising in life insurance business emerged.

The industry's income declined during 1985 by 4.6 per cent to ₦387.0 million while total expenditures increased by 17.0 per cent to ₦323.0 million. The decline in income was due solely to the fall in income of wholly Nigerian companies whose total expenditure also rose more rapidly than that of jointly owned companies. In terms of the two major classes of insurance, the decline in income was accounted wholly by non-life business while life insurance accounted for most of the increase in total industry expenditures.

Following the movements in income and expenditures, the industry witnessed a reduction in the ratio of income to expenditure which fell by 18.4 per cent from its 1984 level. While this ratio fell for both life and non-life business, it was higher for life business in 1985.

The most important source of income in the insurance industry remained the premium income. Premium income constituted 78.3 and 72.8 per cent of total income accruing to life insurance business during 1984 and 1985 respectively, and 86.6 and 95.2 per cent of total earnings derived from non-life business. Gross income for life insurance increased in 1985 while total premium collected for non-life business declined during the year.

Life insurers paid higher claims per naira of premium collected during 1985. This was indicated by the loss ratio which rose steeply by 84.3 per cent in 1985 and thus underlined the reduced performance of life insurance business

during the review year. The loss ratio for non-life business however fell during 1985 reflecting the improvement in the costs of wholly indigenous companies which dominated general insurance business.

The expense ratios for both life and non-life insurance depicted a rise in the running cost in each class of insurance in 1985 as the ratios increased over their 1984 levels. The expense ratio for life and non-life insurance increased by 7.2 and 42.3 per cent in 1985 respectively. The rise in running cost for life insurance reflected the increase of 35 per cent in expense ratio for wholly indigenous companies while both jointly-owned and indigenous companies contributed to the rise in the expense ratio for non-life insurance business in 1985.

The total value of assets held by the industry increased sharply by 45.0 per cent during 1985 to ₦1,934.5 million. Holdings of government securities more than doubled from ₦212.2 million in 1984 to ₦460.6 million. Despite the sharp increase, however, the share of government securities in total assets, at 23.8 per cent, fell below the prescribed 25 per cent. It however marked a significant improvement over 1984 when the share of government securities in total assets stood at 15.9 per cent. The requirement that a maximum of 25 per cent of total assets should be held in real property by life insurers was met in 1985. Companies transacting non-life insurance exceeded the legal limit set for the proportion of their holdings in real property in 1985 when they kept 11.1 per cent, as against a stipulated maximum of 10 per cent of their assets in real property.

STATISTICAL SURVEYS OFFICE
STATISTICS & ECONOMETRICS DIVISION
RESEARCH DEPARTMENT

TABLE 1

**DISTRIBUTION OF INSURANCE COMPANIES
BY TYPE OF BUSINESS AND NUMBER**

	1983		1984 ^{1/}		1985	
	Number of Companies	Percentage Share of Total	Number of Companies	Percentage Share of Total	Number of Companies	Percentage Share of Total
Wholly Life	2	2.3	3	3.4	4	4.6
Wholly Non-Life	60	70.6	62	70.5	60	69.0
Life and Non-Life (Mixed)	23	27.1	23	26.1	23	26.4
TOTAL	85	100	88	100	87	100.0

1/ Revised.

TABLE 2

**STRUCTURE OF INSURANCE INDUSTRY BY TYPE OF
BUSINESS AND OWNERSHIP**

Business Type and Ownership Pattern	1983		1984		1985	
	Number of Companies	Percentage Share of Total	Number of Companies	Percentage Share of Total	Number of Companies	Percentage Share of Total
I. LIFE	2	100.0	3	100.0	4	100.0
(a) Nigerian	—	—	—	—	1	25.0
(b) Joint	2	100.0	3	100.0	3	75.0
II. NON-LIFE	60	100.0	62	100.0	60	100.0
(a) Nigerian	53	88.3	52	83.9	50	83.3
(b) Joint	7	11.7	10	16.1	10	16.7
III. LIFE AND NON-LIFE (MIXED)	23	100.0	23	100.0	23	100.0
(a) Nigerian	18	78.3	17	73.9	17	73.9
(b) Joint	5	21.7	6	26.1	6	26.1
IV. ALL COMPANIES	85	100.0	88	100.0	87	100.0
(a) Nigerian	71	83.5	69	78.4	68	78.2
(b) Joint	14	16.5	19	21.6	19	21.8

TABLE 3

**PAID-UP CAPITAL OF INSURANCE COMPANIES BY VALUE
(N'000)**

Year	Wholly Nigerian		Joint		Total	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
1983	100,452	89.7	11,526	10.3	111,978	100.0
1984	103,172	80.9	24,426	19.1	127,598	100.0
1985	107,735	80.8	25,591	19.2	133,326	100.0

TABLE 4

**INCOME AND EXPENDITURE OF ALL INSURANCE COMPANIES IN NIGERIA
SUMMARY BY TYPE OF OWNERSHIP
(N' 000)**

Type of Ownership	Income			Expenditure		
	1983	1984	1985	1983	1984	1985
Wholly Nigerian	264,662	216,708	193,462	204,312	147,916	184,501
Joint	135,798	188,970	193,525	96,706	128,140	138,482
Total	400,460	405,678	386,987	301,018	276,056	322,983

TABLE 5

**INCOME AND EXPENDITURE OF ALL INSURANCE COMAPNIES IN NIGERIA
SUMMARY BY CLASS OF INSURANCE
(N'000)**

Class of Insurance	Income			Expenditure		
	1983	1984	1985	1983	1984	1985
Life	171,827	168,083	181,901	90,013	90,576	130,629
Non-life	228,633	237,595	205,086	211,005	185,480	192,354
Total	400,460	405,678	386,987	301,018	276,056	322,983

TABLE 6

INCOME AND EXPENDITURE OF LIFE INSURANCE COMPANIES IN NIGERIA
SUMMARY BY TYPE OF OWNERSHIP
(N'000)

	Income			Expenditure		
	1983	1984	1985	1983	1984	1985
Wholly Nigerian	92,703	76,115	74,840	40,065	36,080	65,702
Joint	79,124	91,968	107,061	49,948	54,496	64,927
Total	171,827	168,083	181,901	90,013	90,576	130,629

Table 7

INCOME, EXPENDITURE AND FUND OF LIFE INSURANCE BUSINESS IN NIGERIA
(N'000)

		Wholly-Nigerian			Joint			All Companies		
		1983	1984	1985	1983	1984	1985	1983	1984	1985
(1)	Income			50,661			81,825			132,486
(a)	Premium	74,902	58,932		63,984	72,723		138,886	131,655	
(b)	Interest, Dividends and Rents	12,288	12,108	21,861	14,968	18,901	20,514	27,256	31,009	42,375
(c)	Profit and Sale of Assets		275	1	8	16	585	8	291	586
(d)	Other Receipts	5,513	4,800	2,317	164	328	4,137	5,677	5,128	6,454
Total		92,703	76,115	74,840	79,124	91,968	107,061	171,827	168,083	181,901
(2)	Expenditure									
(a)	Net Claims Paid	12,069	13,479	19,918	6,486	9,756	10,810	18,555	23,231	30,728
(b)	Bonuses	415	15	29	1,222	1,414	2,335	1,637	1,429	2,364
(c)	Net Commission	5,618	3,678	3,867	7,946	9,839	11,127	13,564	13,517	14,994
(d)	Surrenders and Outstanding Claims	3,481	3,111	19,786	13,574	12,191	21,056	17,055	15,302	40,842
(e)	Management Expenses	13,952	12,773	14,831	14,577	18,120	18,571	28,529	30,893	33,402
(f)	Other Expenditure	4,530	3,024	7,271	6,143	3,180	1,028	10,673	6,204	8,299
Total		40,065	36,080	65,702	49,948	54,496	64,927	90,013	90,576	130,629

Table 8

INCOME AND EXPENDITURE OF NON-LIFE INSURANCE BUSINESS
SUMMARY BY TYPE OF OWNERSHIP
(N'000)

Type of Ownership	Income			Expenditure		
	1983	1984	1985	1983	1984	1985
Wholly-Nigerian	171,959	140,593	118,622	164,247	111,836	118,799
Joint	56,674	97,002	86,464	46,758	73,644	73,555
All Companies	228,633	237,595	205,086	211,005	185,480	192,354

Table 9

SOURCES OF INCOME OF NON-LIFE INSURANCE BUSINESS IN NIGERIA
(₦'000)

	Wholly-Nigerian			Joint			All Companies		
	1983	1984	1985	1983	1984	1985	1983	1984	1985
A. Premium	137,707	113,593	113,807	54,094	92,101	81,483	191,801	205,694	195,290
(1) Fire	21,386	17,014	26,351	4,973	11,323	9,298	26,359	28,337	35,649
(2) Accident	18,215	16,353	20,668	6,718	12,367	8,752	24,933	28,720	29,420
(3) Motor Vehicle	84,719	49,911	58,226	31,018	44,274	41,030	115,737	94,185	99,256
(4) Employer's Liability	3,791	1,792	2,190	2,866	4,309	3,920	6,657	6,101	6,110
(5) Marine, Aviation and Transit	(7,458)	14,615	2,804	4,561	10,001	9,414	(2,897)	24,616	12,218
(6) Miscellaneous	17,054	13,908	3,568	3,958	9,827	9,069	21,012	23,735	12,637
B. Other Income	34,252	27,000	4,815	2,580	4,901	4,981	36,601	31,901	9,796
(1) Interest, Dividends and Rents	3,821	37	1	257	4,713	4,583	4,078	4,750	4,584
(2) Other Receipts	30,431	26,963	4,814	2,323	188	398	32,754	27,151	5,212
Total	171,959	140,593	118,622	56,674	97,002	86,464	228,633	237,595	205,086

Table 10

BREAKDOWN OF EXPENDITURE FOR NON-LIFE INSURANCE BUSINESS IN NIGERIA
(₦'000)

	Wholly Nigerian			Joint			All Companies		
	1983	1984	1985	1983	1984	1985	1983	1984	1985
A. Claims	58,263	38,930	29,615	20,317	38,774	34,360	78,580	77,704	63,975
(1) Fire	4,963	3,173	(2,590)	1,071	2,161	2,576	6,034	5,334	(14)
(2) Accident	3,645	2,338	4,021	1,941	3,938	2,387	5,586	6,276	6,408
(3) Motor Vehicle	41,242	26,399	28,815	14,399	27,311	25,337	55,641	53,710	54,152
(4) Employer's Liability	597	202	265	554	955	598	1,151	1,157	863
(5) Marine, Aviation and Transit	4,099	6,247	(1,781)	1,319	1,760	1,771	5,418	8,007	(10)
(6) Miscellaneous	3,717	571	885	1,033	2,649	1,691	4,750	3,220	2,576
B. Other Underwriting Expenses	105,984	72,906	89,184	26,441	34,870	39,195	132,425	107,776	128,379
(1) Management Expenses	77,826	47,204	75,893	28,361	37,316	38,388	106,187	84,520	114,281
(2) Net Commission	23,794	25,239	12,672	(2,334)	(2,571)	521	21,460	22,668	13,193
(3) Other Expenses	4,364	463	619	414	125	286	4,778	588	905
Total	164,247	111,836	118,799	46,758	73,644	73,555	211,005	185,480	192,354

Table 11

ASSETS OF INSURANCE COMPANIES IN NIGERIA
(₦'000)

Type of Assets	Life			Non-Life			All Companies		
	1983	1984	1985	1983	1984	1985	1983	1984	1985
Government Securities	101,795	90,807	126,582	102,883	121,427	334,055	204,678	212,234	460,637
Stocks, Shares and Bonds	119,353	137,842	178,807	50,143	61,677	98,874	169,496	199,519	277,681
Mortgages and Loans	135,187	133,228	161,072	69,438	64,691	136,147	204,615	197,919	297,219
Cash and Bills Receivable	70,673	88,720	106,076	74,925	107,888	130,002	145,598	196,608	236,078
Miscellaneous	120,831	148,132	135,435	260,905	379,472	527,429	381,736	527,604	662,864
Total	547,839	598,729	707,972	558,284	735,155	1,226,707	1,106,123	1,333,884	1,934,481

Table 12

PERCENTAGE DISTRIBUTION OF ASSETS

Type of Assets	Life			Non-Life			All Companies		
	1983	1984	1985	1983	1984	1985	1983	1984	1985
Government Securities	18.5	15.2	17.9	18.4	16.5	27.2	18.5	15.9	23.8
Stocks, Shares and Bonds	21.8	23.0	25.3	9.0	8.4	8.1	15.3	15.0	14.3
Mortgages and Loans	24.7	22.3	22.7	12.4	8.8	11.1	18.5	14.8	15.4
Cash and Bills Receivable	12.9	14.8	15.0	13.4	14.7	10.6	13.2	14.7	12.2
Miscellaneous	22.1	24.7	19.1	46.8	51.6	43.0	34.5	39.6	34.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 13

INVESTMENT PATTERN OF INSURANCE COMPANIES IN NIGERIA BY CATEGORY
(N'000)

Type of Assets	Life			Non-Life			All Companies		
	1983	1984	1985	1983	1984	1985	1983	1984	1985
Government Securities	101,795	90,807	126,582	102,883	121,427	334,055	204,678	212,234	460,637
Stocks, Shares and Bonds	119,353	137,842	178,807	50,143	61,677	98,874	169,496	199,519	277,681
Real Estate, and Mortgage and Loans	82,079	82,350	91,264	29,563	51,683	116,455	111,642	134,033	207,719
Other Loans	53,108	50,879	69,808	39,865	13,008	19,691	92,973	63,887	89,499
Total	356,335	361,878	466,461	222,454	247,795	569,075	578,789	609,673	1,035,536

Table 14

PERCENTAGE DISTRIBUTION OF INSURANCE INVESTMENT PORTFOLIO BY CATEGORY

	Life			Non-Life			All Companies		
	1983	1984	1985	1983	1984	1985	1983	1984	1985
Government Securities	28.6	25.1	27.1	46.3	49.0	58.7	35.4	34.8	44.5
Stocks, Shares and Bonds	33.5	38.1	38.3	22.5	24.9	17.4	29.3	32.7	26.8
Real Estate, Mortgage and Loans	23.0	22.7	19.6	13.3	20.9	20.5	19.3	22.0	20.1
Other Loans	14.9	14.1	15.0	17.9	5.2	3.4	16.0	10.5	8.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0