



**UNAUDITED FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2015**



General Accident Insurance Company Jamaica Limited

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Year ended 31 December 2015

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GENERAL ACCIDENT INSURANCE COMPANY (JAMAICA) LIMITED



Report to Stockholders For the year ended 31 December 2015

We are pleased to present the unaudited financial statements of General Accident Insurance Company (Jamaica) Limited (“General Accident”) for the year ended 31 December 2015.

The highlights are as follows:

- 17th consecutive year of premium growth
- Net profit of \$301 million, a decrease of 6% (2014: \$320 million)
- Earnings per share of \$0.29 (2014: \$0.30)
- Book value of \$1.77 billion (2014: \$1.57 billion)
- Annualized return on average equity of 18%

Underwriting Performance

General Accident enjoyed another strong year in 2015. Gross written premiums grew by 21% to \$6.1 billion in 2015. This marks the 17th year in a row that the Company has grown its gross written premiums.

In 2015, the Company’s claims expense increased marginally by 3% to \$699 million. Notwithstanding higher claims, our underwriting profit grew to \$107 million (2014 - 101 million) - . This was driven mainly by an increase in earned premiums.

In 2015, the Company’s combined ratio (its principal measure of underwriting profitability) was 90%, the same as the prior year audited.

We continue to be proud of our underwriting performance. In the face of difficult market conditions, we have made consistent underwriting profit in 8 of the last 9 years.

Investment Performance

Our investment income (inclusive of foreign exchange gains) for the year of 2015 was \$213 million, well below prior year amount of \$235 million. This represents an annualized return on our average investment portfolio of 9.5% and is in excess of our benchmark inflation and the returns on Government of Jamaica Securities. It should also be noted that our investment portfolio produced material gains on our available-for-sale investments currently recognized in other comprehensive income and not reflected in the 9.5% return. However if added to the investment income for the period, this would have produced an annualized return on the investment portfolio of 12.2%.

GENERAL ACCIDENT INSURANCE COMPANY (JAMAICA) LIMITED



Interim Report to Stockholders

Summary

General Accident ended the year with a book value of \$1.77 billion and generated a return on average equity for shareholders for the year of 18%.

As at 31 December 2015, we remain in compliance with the capital adequacy and liquidity metrics prescribed by the Financial Services Commission. The Company has also renewed its treaties with its reinsurance partners for 2016.

We wish to thank our all of our policyholders, brokers, reinsurers, and employees for their loyal support during the year. With their help, we are confident that we can maintain our trajectory of profitable growth for the New Year 2016.

On behalf of the Board of Directors,

A handwritten signature in blue ink, appearing to read 'P. B. Scott'.

P. B. Scott
Chairman

A handwritten signature in black ink, appearing to read 'Sharon Donaldson'.

Sharon Donaldson
Managing Director



General Accident Insurance Company Jamaica Limited
Statement of Comprehensive Income
Year ended 31 December 2015

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	Unaudited Year ended 31 December 2015 \$'000	Audited Year ended 31 December 2014 \$'000	Unaudited 3 months ended 31 December 2015 \$'000	Unaudited 3 months ended 31 December 2014 \$'000
Gross Premiums Written	6,112,355	5,072,375	663,670	555,402
Reinsurance ceded	(4,832,142)	(3,878,197)	(357,696)	(265,452)
Excess of Loss Reinsurance Cost	(89,248)	(127,640)	(18,304)	(31,810)
Net Premiums Written	1,190,965	1,066,538	287,670	258,140
Changes in unearned premiums, net	(70,910)	2,560	40,482	27,024
Net Premiums Earned	1,120,055	1,069,098	328,152	285,164
Commission Income	361,886	335,967	122,593	95,146
Commission Expense	(224,443)	(182,938)	(88,173)	(90,012)
Claims Expense	(698,672)	(678,558)	(107,934)	(161,697)
Management Expenses	(451,464)	(441,628)	(125,473)	(116,800)
Underwriting Profit	107,362	101,941	129,165	11,801
Investment Income	178,150	160,396	51,572	43,060
Other Income	48,046	88,124	14,346	20,219
Other Operating Expenses	(31,872)	(30,496)	(9,198)	(10,647)
Profit before Taxation	301,686	319,965	185,885	64,433
Taxation	(60)	113	-	-
NET PROFIT FOR THE PERIOD	301,626	320,078	185,885	64,433
Other Comprehensive Income:				
Items that may be subsequently reclassified to profit or loss				
Unrealised gains/(losses) on available-for-sale investments				
	61,288	6,192	53,882	(12,336)
Tax credit	-	46	-	-
Total Other Comprehensive Income	61,288	6,238	53,882	(12,336)
TOTAL COMPREHENSIVE INCOME	362,914	326,316	239,767	52,097
EARNINGS PER SHARE	0.29	0.31	0.18	0.06



General Accident Insurance Company Jamaica Limited
Statement of Financial Position
As at 31 December 2015

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	Unaudited 31 December 2015 \$'000	Audited 31 December 2014 \$'000
ASSETS		
Cash and Short Term Investments	997,689	1,2672,527
Taxation Recoverable	150,162	127,445
Due from policyholders, brokers and agents	570,072	380,606
Due from reinsurers and co-insurers	468,926	528,584
Deferred policy acquisition cost	225,042	202,900
Other Receivables	70,654	26,273
Due from related parties	3,871	2,275
Loans receivable	163,678	169,591
Leases receivable	10,434	44,556
Investment Securities	1,365,340	910,145
Investment Property	143,549	143,549
Property, Plant & Equipment	126,653	95,138
Intangible assets	3,770	7,463
Deferred tax assets	499	499
Total Assets	4,300,339	3,911,551
LIABILITIES		
Due to reinsurers and coinsurers	274,318	268,437
Other liabilities	94,771	75,159
Insurance Reserves	2,161,173	1,988,573
Total Liabilities	2,530,262	2,332,169
SHAREHOLDERS' EQUITY		
Share capital	470,358	470,358
Capital reserves	152,030	152,030
Fair value reserve	115,849	54,561
Retained earnings	1,031,840	902,433
Total shareholders' equity	1,770,077	1,579,382
Total liabilities and shareholder's equity	4,300,339	3,911,551

Approved by the Board of Directors on February 12 2016 and signed on its behalf by:


Director


Director



General Accident Insurance Company Jamaica Limited
Statement of Changes in Equity
Year ended 31 December 2015

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	Share Capital \$'000	Capital Reserves \$'000	Fair Value Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance as at 31 December 2013	470,358	152,030	48,323	786,233	1,456,944
Net profit for the period					320,078
Other Comprehensive Income			6,238	-	6,238
Total other comprehensive income	-	-	6,238	320,078	326,316
Transactions with owners					
Dividends	-	-	-	(203,878)	(203,878)
Balance as at 31 December 2014	470,358	152,030	54,561	902,433	1,579,382
Net profit for the period				301,626	301,626
Other Comprehensive Income			61,288		61,288
Total other comprehensive income	-	-	61,288	301,626	362,914
Transactions with owners					
Dividends				(172,219)	(172,219)
Balance as at 31 December 2015	470,358	152,030	115,849	1,031,840	1,770,077



General Accident Insurance Company Jamaica Limited
Statement of Cash Flows
Year ended 31 December 2015

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	Unaudited 31 December 2015	Audited 31 December 2014
	\$'000	\$'000
Cash Flows from Operating Activities		
Net profit	301,626	320,078
Adjustments for items not affecting cash:		
Depreciation	27,320	24,066
Amortisation of intangible assets	4,551	6,430
Amortisation of premium	1,538	2,790
Gain on sale of investments	-	-
Gain on disposal of property, plant and equipment	(1,631)	-
Interest income	(166,188)	(147,653)
Dividend income	(11,961)	(7,789)
Deferred taxation	-	(113)
Foreign exchange gains	(34,583)	(79,354)
Increase in deferred policy acquisition cost	(22,142)	(39,273)
Increase/(decrease) in insurance reserves	172,600	(376,085)
	271,130	(296,903)
Changes in operating assets and liabilities:		
Due from policyholders, brokers and agents	(189,466)	128,790
Other receivables	(9,477)	1,577
Loans receivable	5,913	(2,076)
Other liabilities	19,612	(3,294)
Due from related parties	(1,596)	(2,153)
Due from reinsurers and coinsurers, net	65,539	383,714
	161,655	209,655
Taxation suffered at source	(22,717)	(26,162)
Net cash provided by operating activities	138,938	183,493
Cash Flows from Investing Activities		
Acquisition of investments	(691,436)	(486,646)
Lease receivables, net	34,122	51,514
Acquisition of property, plant and equipment	(58,728)	(52,584)
Acquisition of pooled real estate investment	-	(143,549)
Acquisition of intangible asset	(858)	(730)
Proceeds from disposal of property, plant and equipment	1,631	-
Proceeds from disposal and maturity of investments	308,554	543,377
Dividend received	11,144	6,972
Interest received	141,865	148,579
Net cash (used in)/provided by investing activities	(253,706)	66,933
Cash Flows from Financing Activities		
Dividends paid	(172,219)	(203,878)
Net cash used in financing activities	(172,219)	(203,878)
(Decrease)/increase in cash and cash equivalents	(286,987)	46,548
Effect of exchange rate changes on cash and cash equivalents	12,149	56,449
Cash and cash equivalents at beginning of year	1,272,527	1,169,530
CASH AND CASH EQUIVALENTS AT END OF PERIOD	997,689	1,272,527



General Accident Insurance Company Jamaica Limited

Notes to the Financial Statements

Year ended 31 December 2015

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Identification and Activities

General Accident Insurance Company (Jamaica) Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is located at 58 Half-Way-Tree Road, Kingston 10.

The company is licensed to operate as a general insurance company under the insurance Act, 2001. Its principal activity is the underwriting of commercial and personal property and casualty insurance.

The company is a public company listed on the Jamaica Stock Exchange at September 30, 2011.

Statement of Compliance and Basis of Preparation

These unaudited interim financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board (IASB), and the relevant provisions of the Companies Act.

The interim financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets carried at fair value.

The accounting policies and method of computation are consistent with the audited financial statements for year ended 31 December 2014. These financial statements are expressed in Jamaican dollars which is the currency of the primary economic environment in which the company operates.