



**UNAUDITED FINANCIAL STATEMENTS
FOR PERIOD ENDED 31 MARCH 2016**



General Accident Insurance Company Jamaica Limited

Table of Contents

Period ended 31 March 2016

Contents	Page
Financial Statements	
Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5

GENERAL ACCIDENT INSURANCE COMPANY (JAMAICA) LIMITED



Report to Stockholders

For the period ended 31 March 2016

We are pleased to present the unaudited financial statements of General Accident Insurance Company (Jamaica) Limited (“General Accident”) for the quarter ended 31 March 2016.

The highlights are as follows:

Net profit of \$21.1 million, a decrease of 19% (2015: \$26.1 million)

Earnings per share of \$0.02 (2015: \$0.03)

Book value of \$1.77 billion (2015: \$1.61 billion)

Annualized return on average equity of 4.8% (2015:6.6%)

Underwriting Performance

General Accident had a less than favorable start to 2016. Our Gross written premiums fell by 5% to \$1.6 billion in 2016. Despite our fall in gross revenue the Company’s net earned premiums increased by \$22.6 million or 10% to \$252.5 million.

In 2016, the Company’s claims expense increased by 26% to \$234.1 million. With the combined effects of higher net earned premium, an increase in claims and contained operating expenses, this resulted in the entity suffering an underwriting loss of \$26.2 million for the quarter.

Investment Performance

General Accident generated investment income of \$47.3 million in the first quarter, 8% above prior year amount of \$43.8 million. This represents an annualized return on our average investment portfolio of 8% and is in excess of our benchmarks inflation and the returns on Government of Jamaica securities.

GENERAL ACCIDENT INSURANCE COMPANY (JAMAICA) LIMITED



Interim Report to Stockholders For the quarter ended 31 March 2016

Summary

General Accident's profitability declined by 19% to \$26.1 million for the first quarter of 2016 when compared to the same period last year. With the continued depression of property rates, coupled with increased claims cost and the downward trending interest rates, the profitability trajectory is likely to be modest for the next quarter. Notwithstanding, the company ended the quarter with a book value of \$1.77 billion and generated a return on average equity for shareholders of 4.8%.

As at 31 March 2016, we remain in compliance with the capital adequacy and liquidity metrics prescribed by the Financial Services Commission.

We wish to thank all of our policyholders, brokers, reinsurers, and employees for their loyal support. With their help, we are confident that we can steer our way to a trajectory of profitability and growth for the remainder of 2016.

On behalf of the Board of Directors

Paul Scott
Chairman

Sharon Donaldson
Managing Director



General Accident Insurance Company Jamaica Limited
Statement of Comprehensive Income
Period ended 31 March 2016

	Unaudited Period ended 31 March 2016 \$'000	Unaudited Year ended 31 March 2015 \$'000	Audited Year ended 31 December 2015 \$'000
Gross Premiums Written	1,600,140	1,692,480	6,112,355
Reinsurance ceded	(1,277,046)	(1,348,132)	(4,832,142)
Excess of Loss Reinsurance Cost	(22,540)	(22,540)	(89,248)
Net Premiums Written	300,554	321,808	1,190,965
Changes in unearned premiums, net	(48,048)	(91,958)	(70,910)
Net Premiums Earned	252,506	229,850	1,120,055
Commission Income	128,964	100,957	372,867
Commission Expense	(74,862)	(70,033)	(246,405)
Changes in commission, net	8,196	18,900	10,981
Claims Expense	(234,138)	(185,456)	(696,480)
Management Expenses	(106,848)	(107,300)	(446,362)
Underwriting (Loss)/ Profit	(26,182)	(13,082)	114,656
Investment Income	47,372	43,881	175,653
Other Income	10,059	2,636	45,391
Other Operating Expenses	(10,135)	(7,316)	(32,252)
Profit before Taxation	21,114	26,119	303,448
Taxation	-	-	970
NET PROFIT FOR THE PERIOD	21,114	26,119	304,418
Other Comprehensive Income:			
Items that may be subsequently reclassified to profit or loss			
Unrealised (losses)/gains on available-for-sale investments, net of tax	(24,246)	6,458	61,288
Tax credit	-	-	2,428
	(24,246)	6,458	63,716
TOTAL COMPREHENSIVE INCOME	(3,132)	32,577	368,134
EARNINGS PER SHARE	\$0.02	\$0.03	\$0.31



General Accident Insurance Company Jamaica Limited
Statement of Financial Position
As at 31 March 2016

	Unaudited 31 March 2016 \$'000	Unaudited 31 March 2015 \$'000	Audited 31 December 2015 \$'000
ASSETS			
Cash and short term Investments	1,148,393	1,288,406	1,002,316
Taxation Recoverable	155,422	136,239	150,162
Due from policyholders, brokers and agents	1,563,003	1,228,513	570,072
Due from reinsurers and co-insurers	748,016	546,815	577,760
Deferred policy acquisition cost	288,745	240,826	225,042
Other Receivables	61,628	61,108	41,961
Due from related parties	3,702	2,548	3,871
Loans receivable	170,000	168,318	170,000
Leases receivable	6,159	37,044	8,877
Investment securities	1,274,484	982,859	1,396,435
Pooled real estate investment	143,549	143,549	143,549
Property, plant & equipment	122,120	111,901	126,271
Intangible assets	2,259	6,325	3,587
Deferred tax assets	3,897	499	3,897
Total Assets	5,691,377	4,954,951	4,423,800
LIABILITIES			
Due to reinsurers and coinsurers	1,232,319	1,014,653	378,768
Due to related parties	120,299	-	6,322
Other liabilities	8,667	81,847	100,048
Insurance Reserves	2,557,927	2,246,492	2,163,365
Total Liabilities	3,919,212	3,342,992	2,648,503
SHAREHOLDERS' EQUITY			
Share capital	470,358	470,358	470,358
Capital reserves	152,030	152,030	152,030
Fair value reserve	94,031	61,019	118,277
Retained earnings	1,055,746	928,552	1,034,632
Total shareholders' equity	1,772,165	1,611,959	1,775,297
Total liabilities and shareholder's equity	5,691,377	4,954,951	4,423,800

Approved by the Board of Directors on 11 April 2016, and signed on its behalf by:

Paul Scott
Director

Sharon Donaldson
Director



General Accident Insurance Company Jamaica Limited
Statement of Changes in Equity
Quarter ended 31 March 2016

	Share Capital \$'000	Capital Reserves \$'000	Fair Value Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance as at 31 December 2014	470,358	152,030	54,561	902,433	1,579,382
Comprehensive Income:					
Net profit for the period				26,119	26,119
Other Comprehensive Income					
Unrealised gains on available-for-sale investment, net of tax	-	-	6,458	-	6,458
Total comprehensive income	-	-	6,458	26,119	32,577
Total transactions with owners					
	-	-	-	-	-
Balance as at 31 March 2015	470,358	152,030	61,019	928,552	1,611,959
Balance as 31 December 2015	470,358	152,030	118,277	1,034,632	1,775,297
Comprehensive income:					
Net profit for the period				21,114	21,114
Other Comprehensive Income			(24,246)		(24,246)
Total comprehensive income	-	-	(24,246)	21,114	(3,132)
Balance as at 31 March 2016	470,358	152,030	94,031	1,055,746	1,772,165



General Accident Insurance Company Jamaica Limited
Statement of Cash Flows
Quarter ended 31 March 2016

	Unaudited 31 March 2015 \$'000	Unaudited 31 March 2015 \$'000	Audited 31 December 2015 \$'000
Cash Flows from Operating Activities			
Net profit	21,114	26,119	304,318
Adjustments for items not affecting cash:			
Depreciation	8,660	6,178	27,665
Amortisation of intangible assets	1,475	1,138	4,587
Amortisation of premium	499	331	5,166
Gains on unit trust funds	(1,732)	-	(6,957)
Gain on disposal of property, plant and equipment	-	-	(1,741)
Interest income	(42,137)	(35,706)	(151,092)
Dividend income	(3,502)	(3,030)	(11,961)
Deferred taxation	-	-	(970)
Foreign exchange gains	(8,564)	(2,779)	(26,159)
Increase in deferred policy acquisition cost	(63,703)	(37,926)	(22,142)
Increase /(decrease) in insurance reserves	394,562	257,919	174,792
	<u>306,672</u>	<u>212,244</u>	<u>295,606</u>
Changes in operating assets and liabilities:			
Due from policyholders, brokers and agents	(992,931)	(847,907)	(183,458)
Other receivables	(20,484)	(35,652)	(16,505)
Loans receivable	-	1,273	(409)
Other liabilities	20,251	6,688	24,887
Due from related parties	2,514	(273)	4,726
Due from reinsurers and coinsurers, net	683,295	727,985	55,235
	<u>683</u>	<u>64,358</u>	<u>180,082</u>
Taxation suffered at source	(5,260)	(8,794)	(22,717)
Net cash (used in)/provided by operating activities	<u>(5,943)</u>	<u>55,564</u>	<u>157,365</u>
Cash Flows from Investing Activities			
Acquisition of investments	-	(95,909)	(636,818)
Lease receivables, net	2,718	7,512	32,051
Acquisition of property, plant and equipment	(4,508)	(22,942)	(59,767)
Acquisition pooled real estate investment	-	-	-
Acquisition of intangible asset	(147)	-	(711)
Proceeds from disposal of property, plant and equipment	-	-	2,710
Proceeds from disposal and maturity of investments	107,137	30,000	252,345
Dividend received	4,319	3,847	12,778
Interest received	38,873	35,713	131,397
Net cash provided by/(used in) investing activities	<u>148,392</u>	<u>(41,779)</u>	<u>(266,015)</u>
Cash Flows from Financing Activities			
Dividends paid	-	-	(172,219)
Net cash used in financing activities	-	-	(172,219)
Increase /(decrease) in cash and cash equivalents	<u>142,449</u>	<u>13,785</u>	<u>(280,869)</u>
Effect of exchange rate changes on cash and cash equivalents	3,631	2,094	10,658
Cash and cash equivalents at beginning of year	<u>1,002,316</u>	<u>1,272,527</u>	<u>1,272,527</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>1,148,396</u>	<u>1,288,406</u>	<u>1,002,316</u>



General Accident Insurance Company Jamaica Limited
Notes to the Financial Statements
Quarter ended 31 March 2016

Page 5

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 December 31, 2015. These financial statements are expressed in Jamaican dollars which is the currency of the primary economic environment in which the company operates.