



**UNAUDITED FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2016**



General Accident Insurance Company Jamaica Limited

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Year ended 31 December 2016

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GENERAL ACCIDENT INSURANCE COMPANY (JAMAICA) LIMITED



Report to Stockholders

For the year ended 31 December 2016

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

The highlights are as follows:

18th consecutive year of premium growth

Net profit of \$372 million, an increase of 18% (2015: \$304 million)

Earnings per share of \$0.36 (2015: \$0.30)

Book value of \$1.95 billion (2015: \$1.78 billion)

Annualized return on average equity of 20%

Underwriting Performance

General Accident delivered a fair performance during the 2016 financial year despite the many challenges. Gross written premiums grew by 3% to \$6.3 billion in 2016. This marks the 18th year in a row that the Company has grown its gross written premiums.

In 2016, the Company’s claims expense increased by 8% to \$751 million. The industry suffered a series of large property losses which significantly impacted the underwriting performance. This resulted in our underwriting profit being the lowest over the past 8 years.

In 2016, 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 9 of the last 10 years.

Investment Performance

Our investment income (inclusive of foreign exchange gains and realized gains on disposal of certain equity investments) for the year of 2016 was \$379 million which is well above the prior year amount of \$213 million. This represents an annualized return on our average investment portfolio of 15.5% and more than our benchmark inflation and the returns on Government of Jamaica Securities.

GENERAL ACCIDENT INSURANCE COMPANY (JAMAICA) LIMITED



Interim Report to Stockholders

Summary

General Accident ended the year with a book value of \$1.95 billion and generated a return on average equity for shareholders for the year of 20%.

As at 31 December 2016, 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 2017.

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 2017.

On behalf of the Board of Directors,

P. B. Scott
Chairman

Sharon Donaldson
Managing Director



General Accident Insurance Company Jamaica Limited
Statement of Comprehensive Income
Year ended 31 December 2016

	Unaudited Year ended 31 December 2016 \$'000	Audited Year ended 31 December 2015 \$'000	Unaudited 3 months ended 31 December 2016 \$'000	Unaudited 3 months ended 31 December 2015 \$'000
Gross Premiums Written	6,296,127	6,112,355	1,064,695	663,670
Reinsurance ceded	(4,978,197)	(4,832,142)	(703,970)	(357,696)
Excess of Loss Reinsurance Cost	(92,934)	(89,248)	(21,990)	(18,304)
Net Premiums Written	1,224,996	1,190,965	338,735	287,670
Changes in unearned premiums, net	(81,752)	(70,910)	(49,470)	40,482
Net Premiums Earned	1,143,244	1,120,055	289,265	328,152
Commission Income	351,835	372,867	69,530	93,898
Commission Expense	(267,309)	(246,405)	(61,522)	(50,043)
Changes in commission, net	30,449	10,981	24,727	(9,435)
Claims Expense	(750,664)	(696,480)	(143,448)	(107,934)
Management Expenses	(497,614)	(446,362)	(162,033)	(125,473)
Underwriting Profit	9,941	114,656	16,519	129,165
Investment Income	330,054	175,653	44,616	51,572
Other Income	56,274	45,391	2,777	14,346
Other Operating Expenses	(23,899)	(32,252)	(3,205)	(9,198)
Profit before Taxation	372,370	303,448	60,707	185,885
Taxation	(60)	970	-	-
NET PROFIT FOR THE PERIOD	372,310	304,418	60,707	185,885
Other Comprehensive Income:				
Items that may be subsequently reclassified to profit or loss				
Unrealised gains on available-for-sale investments				
	126,605	61,288	71,806	53,882
Gains recycled to profit or loss on disposal of available-for-sale investment				
	(148,748)	-	-	-
Tax credit				
	-	2,428	-	-
Total Other Comprehensive Income	(22,143)	63,716	71,806	53,882
TOTAL COMPREHENSIVE INCOME	350,167	368,134	132,513	239,767
EARNINGS PER SHARE	\$0.36	0.30	\$0.06	0.18



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

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	Unaudited	Audited
	31 December 2016	31 December 2015
	\$'000	\$'000
ASSETS		
Cash and Short Term Investments	1,080,023	1,002,316
Taxation Recoverable	176,587	150,162
Due from policyholders, brokers and agents	583,610	570,072
Due from reinsurers and co-insurers	670,901	577,760
Deferred policy acquisition cost	259,317	225,042
Other Receivables	77,595	41,961
Due from related parties	-	3,871
Loans receivable	180,385	170,000
Leases receivable	74	8,877
Investment Securities	1,621,895	1,396,435
Pooled real estate investment	143,549	143,549
Property, Plant & Equipment	138,340	126,271
Intangible assets	4,445	3,587
Deferred tax assets	3,897	3,897
Total Assets	4,940,618	4,423,800
LIABILITIES		
Due to reinsurers and coinsurers	317,912	378,768
Due to related parties	6,322	6,322
Other liabilities	242,829	100,048
Insurance Reserves	2,423,097	2,163,365
Total Liabilities	2,990,160	2,648,503
SHAREHOLDERS' EQUITY		
Share capital	470,358	470,358
Capital reserves	152,030	152,030
Fair value reserve	96,134	118,277
Retained earnings	1,231,936	1,034,632
Total shareholders' equity	1,950,458	1,775,297
Total liabilities and shareholder's equity	4,940,618	4,423,800

Approved by the Board of Directors on 26 January 2017 and signed on its behalf by:


 Director


 Director



General Accident Insurance Company Jamaica Limited
Statement of Changes in Equity
Year ended 31 December 2016

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	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
Net profit for the period				304,418	304,418
Other Comprehensive Income			63,716	-	63,716
Total comprehensive income	-	-	63,716	304,418	368,314
Transactions with owners					
Dividends	-	-	-	(172,219)	(172,219)
Balance as at 31 December 2015	470,358	152,030	118,277	1,034,632	1,775,297
Net profit for the period				372,310	372,310
Other Comprehensive Income			(22,143)		(22,143)
Total comprehensive income	-	-	(22,143)	372,310	350,167
Transactions with owners					
Dividends				(175,006)	(175,006)
Balance as at 31 December 2016	470,358	152,030	115,849	1,231,936	1,950,458



General Accident Insurance Company Jamaica Limited
Statement of Cash Flows
Year ended 31 December 2016

	Unaudited 31 December 2016	Audited 31 December 2015
	\$'000	\$'000
Cash Flows from Operating Activities		
Net profit	372,310	304,418
Adjustments for items not affecting cash:		
Depreciation	20,943	27,665
Amortisation of intangible assets	2,957	4,587
Amortisation of premium	22,326	5,166
Gains on unit trust funds	-	(6,957)
Gain on sale of investments	(148,748)	
Loss /(gain)on disposal of property, plant and equipment	4	(1,741)
Interest income	(171,460)	(151,092)
Dividend income	(9,003)	(11,961)
Deferred taxation	-	(970)
Foreign exchange gains	(91,805)	(26,159)
Increase in deferred policy acquisition cost	(34,275)	(22,142)
Increase in insurance reserves	259,732	174,792
	222,981	295,606
Changes in operating assets and liabilities:		
Due from policyholders, brokers and agents	(3,402)	(183,458)
Other receivables	(35,635)	(16,505)
Loans receivable	(10,385)	(409)
Other liabilities	142,780	24,887
Due from related parties	3,871	4,726
Due from reinsurers and coinsurers, net	(152,417)	55,235
	167,793	180,082
Taxation suffered at source	(26,425)	(22,717)
Net cash provided by operating activities	141,368	157,365
Cash Flows from Investing Activities		
Acquisition of investments	(876,234)	(636,818)
Lease receivables, net	8,803	32,051
Acquisition of property, plant and equipment	(33,163)	(59,767)
Acquisition of pooled real estate investment		
Acquisition of intangible asset	(3,668)	(711)
Proceeds from disposal of property, plant and equipment	-	2,710
Proceeds from disposal and maturity of investments	782,818	252,345
Dividend received	9,003	12,778
Interest received	167,313	131,397
Net cash (used in)/provided by investing activities	54,872	(266,015)
Cash Flows from Financing Activities		
Dividends paid	(175,006)	(172,219)
Net cash used in financing activities	(175,006)	(172,219)
(Decrease)/increase in cash and cash equivalents	21,234	(280,869)
Effect of exchange rate changes on cash and cash equivalents	56,473	10,658
Cash and cash equivalents at beginning of year	1,002,316	1,272,527
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,080,023	1,002,316



General Accident Insurance Company Jamaica Limited
Notes to the Financial Statements
Year ended 31 December 2016

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