



General Accident Insurance Company Jamaica Limited

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For the period ended 31 December 2023

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Report to Stockholders

For the period ended 31 December 2023

The unaudited financial statements of General Accident Insurance Company Jamaica Limited and its subsidiaries (collectively “General Accident” or “The Group”), for the year ended 31 December 2023 is herein presented.

The group achieved an after-tax profit of \$376.4 million compared to \$577.5 million for the prior year.

The highlights for the group are as follows:

- Insurance Revenue \$9.3 billion (2022: \$7.9 billion)
- Insurance service results \$520.8 million (2022: \$456.1 million)
- Profit before tax of \$544.7 million (2022: \$663.9 million)
- Earnings per share of \$0.36 (2022: \$0.51)
- Total assets of \$10.5 billion (2022: \$8.6 billion)

Insurance Results

For the year ended 31 December 2023, all territories saw increased Insurance Contract Revenues. We continue to receive positive results from our Barbados and Trinidad markets resulting in increased Insurance Revenues of 52% and 57% respectively over the prior year.

All territories incurred increased reinsurance costs as a result of a contraction in capacity. Despite this, our core operations returned a positive net insurance result contribution of \$520.8 million. The Group results were negatively impacted by increased claims and administrative costs mainly due to inflation.

Investment Performance

General Accident’s consolidated investment income for the period ended 31 December 2023 showed a reduction of \$230 million or 52% over the prior year corresponding period. This reduction stemmed from gains received from our participation in initial public offerings in companies on the Jamaica Stock Exchange in 2022. However, the Group continues to benefit from higher interest rates being reaped in the market. We expect to see improved investment income as the management team continues to efficiently deploy capital to maximize investment returns.

General Accident Insurance Company Jamaica Limited

Report to Stockholders

For the period ended 31 December 2023

Outlook

The Group continues to show resilience in the face of a challenging economic climate and continues to experience significant growth across all territories. This growth stemmed from the development of new relationships within the market, strengthening existing relationships with our agent, broker and reinsurance partners and continued benefits being reaped from the General Accident and AutoSmart Brands. The Group also continues to take advantage of the higher yields being earned in the monetary market which has helped to grow our investment and other income. We continue to review our insurance processes with a view of using technology to drive our underwriting decisions.

General Accident continues to be in compliance with the capital adequacy and liquidity metrics prescribed by the Financial Services Commission, in all territories.

We remain focused on cementing our market leadership in Jamaica, growing our operations in Trinidad and Barbados, and allow technology to drive the core of our operations as we strive to be the insurer of choice in the Caribbean.

On behalf of the Board of Directors



P.B. Scott



Sharon Donaldson

General Accident Insurance Company Jamaica Limited
Consolidated Statement of Comprehensive Income
For the period ended 31 December 2023

	Unaudited Year ended 31 December 2023 \$'000	Unaudited Year ended 31 December 2022 \$'000	Unaudited Quarter Ending 31 December 2023 \$'000	Unaudited Quarter Ending 31 December 2022 \$'000	Restated Under IFRS 17 31 December 2022 \$'000
Insurance revenue	9,262,473	7,879,497	2,420,254	2,883,568	7,879,497
Insurance Service expenses	(5,125,500)	(3,913,210)	(1,382,444)	(1,061,285)	(3,913,210)
Net expenses from reinsurance contracts held	<u>(3,616,217)</u>	<u>(3,510,187)</u>	<u>(779,552)</u>	<u>(1,693,989)</u>	<u>(3,510,187)</u>
Insurance service result	520,756	456,100	258,258	128,294	456,100
Net Investment Income	<u>215,384</u>	<u>444,939</u>	<u>42,047</u>	<u>216,435</u>	<u>444,939</u>
Net Insurance and Investment result	736,140	901,039	300,305	344,729	901,039
Other operating expenses	(482,578)	(418,237)	(170,990)	(169,677)	(418,237)
Other operating income	<u>291,154</u>	<u>181,108</u>	<u>96,505</u>	<u>133,242</u>	<u>181,108</u>
Profit before taxation	544,716	663,910	225,820	308,294	663,910
Taxation	<u>(168,276)</u>	<u>(86,381)</u>	<u>(103,736)</u>	<u>(9,104)</u>	<u>(86,381)</u>
Profit after taxation	<u>376,440</u>	<u>577,529</u>	<u>122,084</u>	<u>299,190</u>	<u>577,529</u>
Attributable to:					
Owners of General Accident	374,321	525,337	120,972	266,895	525,337
Non-Controlling Interests	<u>2,119</u>	<u>52,192</u>	<u>1,112</u>	<u>32,295</u>	<u>52,192</u>
	<u>376,440</u>	<u>577,529</u>	<u>122,084</u>	<u>299,190</u>	<u>577,529</u>
Other Comprehensive Income, net of tax: Items that may not be subsequently reclassified to profit or loss					
Unrealised (losses)/gains on FVOCI investments	(25,106)	(32,067)	(53,317)	(268)	(32,067)
Foreign currency translation adjustments	<u>11,434</u>	<u>(2,492)</u>	<u>(8,001)</u>	<u>(6,606)</u>	<u>(2,492)</u>
Total Other Comprehensive Income	<u>(13,672)</u>	<u>(34,559)</u>	<u>(61,318)</u>	<u>(6,874)</u>	<u>(34,559)</u>
TOTAL COMPREHENSIVE INCOME	<u>362,768</u>	<u>542,970</u>	<u>60,766</u>	<u>292,316</u>	<u>542,970</u>
Attributable to:					
Owners of General Accident	356,729	491,195	62,360	247,497	491,195
Non-Controlling Interests	<u>6,039</u>	<u>51,775</u>	<u>(1,594)</u>	<u>44,819</u>	<u>51,775</u>
	<u>362,768</u>	<u>542,970</u>	<u>60,766</u>	<u>292,316</u>	<u>542,970</u>
Earnings Per Share (\$)	<u>0.36</u>	<u>0.51</u>	<u>0.04</u>	<u>0.18</u>	<u>0.51</u>

General Accident Insurance Company Jamaica Limited
Consolidated Statement of Financial Position
As at 31 December 2023

	December 2023 \$'000	December 2022 \$'000
ASSETS		
Cash and cash equivalents	1,023,683	786,304
Taxation recoverable	-	2,826
Insurance contract assets	324,163	60,297
Reinsurance contract assets	2,310,815	1,559,432
Other receivables	1,287,792	991,964
Due from related parties	73,071	8,049
Loans receivables	248,797	136,226
Lease receivables	44,724	66,312
Right of use assets	236,801	49,760
Investment securities	3,236,007	3,329,726
Investment property	433,578	407,507
Real estate investment	189,912	189,912
Property, plant and equipment	908,881	840,241
Intangible assets	159,126	166,430
Total assets	<u>10,477,350</u>	<u>8,594,986</u>
LIABILITIES		
Other liabilities	583,673	246,073
Tax payable	42,922	42,890
Lease payable	226,068	53,921
Due to related parties	-	16,576
Deferred tax liabilities	78,950	73,925
Insurance contract liabilities	4,820,272	3,556,886
Reinsurance contract liabilities	<u>1,411,051</u>	<u>1,450,543</u>
Total liabilities	<u>7,162,936</u>	<u>5,440,814</u>
SHAREHOLDER'S EQUITY		
Share Capital	470,358	470,358
Capital reserves	161,354	161,354
Property revaluation reserve	-	-
Fair value reserve	(9,248)	15,858
Translation reserve	62,780	51,346
Retained earnings	2,351,042	2,179,247
	3,036,286	2,878,163
Non-Controlling interest	<u>278,128</u>	<u>276,009</u>
Total shareholder's equity	<u>3,314,414</u>	<u>3,154,172</u>
Total liabilities and shareholder's equity	<u>10,477,350</u>	<u>8,594,986</u>

Approved by the Board of Directors on **14 February 2024** and signed on its behalf by:



Paul B. Scott Chairman



Sharon Donaldson – Levine Director

General Accident Insurance Company Jamaica Limited
Consolidated Statement of Changes In Equity
For the period ended 31 December 2023

	Share Capital \$'000	Capital Reserves \$'000	Property Revaluation Reserve \$'000	Fair Value Reserve \$'000	Translation Reserve \$'000	Retained Earnings \$'000	Non- Controlling Interest \$'000	Total \$'000
As at 1 January 2022	470,358	146,384	49,017	48,171	48,510	1,855,466	292,481	2,910,387
Comprehensive income:								
Net profit for the year	-	-	-	-	-	525,337	52,192	577,529
Other comprehensive	-	-	-	(32,313)	2,836	-	(5,082)	(34,559)
Total comprehensive	-	-	-	(32,313)	2,836	525,337	47,110	542,970
Transfer from reserves	-	-	(49,017)	-	-	49,017	-	-
Transactions with Non- controlling Interest	-	14,970	-	-	-	-	(63,582)	(48,612)
Dividends	-	-	-	-	-	(250,573)	-	(250,573)
	-	14,970	(49,017)	-	-	(201,556)	(63,582)	(299,185)
Balance at 31 December 2022	470,358	161,354	-	15,858	51,346	2,179,247	276,009	3,154,172
As at 1 January 2023	470,358	161,354	-	15,858	51,346	2,179,247	276,009	3,154,172
Comprehensive income:								
Net profit for the year	-	-	-	-	-	374,321	2,119	376,440
Other comprehensive	-	-	-	(25,106)	11,434	-	-	(13,672)
Total comprehensive	-	-	-	(25,106)	11,434	374,321	2,119	362,768
Dividends	-	-	-	-	-	(202,526)	-	(202,526)
Balance at 31 December 2023	470,358	161,354	-	(9,248)	62,780	2,351,042	278,128	3,314,414

General Accident Insurance Company Jamaica Limited
Consolidated Statement of Cash Flows
For the period ended 31 December 2023

	Year ended 31 December 2023	Year ended 31 December 2022
	\$'000	\$'000
Net profit	376,440	577,529
Adjustments for items not affecting cash:		
Depreciation	173,139	138,027
Amortisation of intangible assets	14,083	14,157
Amortisation of investment premium	(770)	(1,557)
Gains on revaluation of investment property	-	(77,973)
Fair value gains on shares classified as FVTPL	(59,969)	(131,099)
ECL on debt investments	(977)	(2,196)
Gain on disposal of property, plant and equipment	-	(407)
Finance charge	23,826	6,812
Interest income	(232,279)	(191,113)
Dividend income	(27,267)	(16,143)
Current and deferred taxation	168,276	110,937
Foreign exchange gains	(17,234)	13,644
	<u>417,268</u>	<u>440,618</u>
Changes in operating assets and liabilities:		
Insurance contract assets	(261,582)	142,077
Reinsurance contract assets	(751,383)	(344,335)
Insurance contract liabilities	1,263,386	(1,560,751)
Reinsurance contract liabilities	(39,492)	1,388,792
Other receivables	(298,338)	(135,255)
Other liabilities	231,541	(224,342)
Due from related parties	(65,022)	13,910
	<u>496,378</u>	<u>(279,286)</u>
Tax paid and deducted at source	(63,679)	(69,053)
Net cash used in operating activities	432,699	(348,339)
Cash Flows from Investing Activities		
Investments, net	93,928	(82,185)
Loans receivable	(112,572)	107,962
Lease receivables	21,588	1,008
Net cash outflow from acquisition of subsidiary	(120,598)	(48,612)
Acquisition of investment property	(24,000)	(2,976)
Acquisition of property, plant and equipment	(3,966)	(174,540)
Acquisition of intangible asset	(18,123)	(720)
Proceeds from disposal of property, plant and equipment	-	321
Dividend received	27,267	16,143
Interest received	229,284	193,099
	<u>92,808</u>	<u>9,500</u>
Net cash (used in)/provided by investing activities	92,808	9,500
Sub-total c/f	<u>525,507</u>	<u>(338,839)</u>

General Accident Insurance Company Jamaica Limited
Consolidated Statement of Cash Flows cont'd
For the period ended 31 December 2023

	Year ended 31 December 2023 \$'000	Year ended 31 December 2022 \$'000
Sub-total b/f	<u>525,507</u>	<u>(338,839)</u>
Cash Flows from Financing Activities		
Lease payments	(110,547)	(94,190)
Dividends paid	<u>(202,526)</u>	<u>(250,573)</u>
Net cash used in by financing activities	(313,073)	(344,763)
Increase/(Decrease) in cash and cash equivalents	212,434	(683,602)
Effect of exchange rate changes on cash and cash equivalents	24,945	25,723
Cash and cash equivalents at the beginning of the year	<u>786,304</u>	<u>1,444,183</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>1,023,683</u></u>	<u><u>786,304</u></u>

General Accident Insurance Company Jamaica Limited

Notes to the Financial Statements

For the period ended 31 December 2023

1. Identification and Activities

The General Accident Insurance Company Jamaica Limited (the company) is incorporated and domiciled in Jamaica. The company is a publicly listed company with its listing on the Jamaica Junior Stock Exchange. The company is an 80% subsidiary of Musson (Jamaica) Limited (Musson). The registered office of the company is located at 58 Half-Way-Tree Road, Kingston 10. The company's ultimate parent company, Musson, is incorporated and domiciled in Jamaica.

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 together with its subsidiaries are referred to as the Group.

2. Summary of Accounting Policies

(a) Basis of preparation and compliance

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 the year ended December 31, 2022. These financial statements are expressed in Jamaican dollars which is the currency of the primary economic environment in which the company operates.

(b) Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses the existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

General Accident Insurance Company Jamaica Limited
Notes to the Financial Statements
For the period ended 31 December 2023

2. Summary of Accounting Policies (Continued)

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

3. Segment Information

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. All operating segments used by management meet the definition of a reportable segment under IFRS 8.

The group is organised into two operating segments.

The segment information for the year ended 31 December 2023:

	Insurance	Investments
	\$'000	\$'000
Revenue	<u>9,262,473</u>	<u>215,384</u>
Profit	<u>520,756</u>	<u>215,384</u>

The segment information for the year ended 31 December 2022:

	Insurance	Investments
	\$'000	\$'000
Revenue	<u>7,879,497</u>	<u>444,939</u>
Profit	<u>456,100</u>	<u>444,939</u>

General Accident Insurance Company Jamaica Limited

Notes to the Financial Statements

For the period ended 31 December 2023

4. Effect of IFRS 17

Upon the adoption of IFRS 17, there were material changes to the presentation and disclosures in the financial statements.

For presentation in the statement of financial position, the Company aggregated insurance contracts issued and reinsurance contracts held, respectively. These are presented separately as follows:

- Portfolios of insurance and reinsurance contracts issued that are assets or liabilities.
- Portfolios of reinsurance contracts held that are assets or liabilities.

For the presentation in the income statement, the Company reported the following new line items under IFRS 17

- Insurance revenue
- Insurance service expenses
- Net expenses from reinsurance contracts held
- Insurance service result

Transition

On the adoption date 1 January 2023, the presentation of the statements of comprehensive income and financial position was adjusted to reflect the requirements of the standard. The changes included the restatement of balances in the statement of financial position. The restatements resulted in a reduction in retained earnings of \$32 million primarily due to actuarial risk adjustment on insurance contract liabilities.

General Accident Insurance Company Jamaica Limited
Shareholdings of Directors and their Connected Parties
For the period ended 31 December 2023

Directors	Combined Holding	Percentage
Musson Jamaica Ltd. Paul B. Scott Melanie Subratie	824,999,989	80.00
Sharon Donaldson Junior Levine	4,424,011	0.429
Gregory Foster	350,000	0.0340
Duncan Stewart Deborah Stewart Diana Stewart	2,475,190	0.2400
Christopher Nakash	1,698,020	0.1647
Nicholas Scott	2,030,198	0.1969
Matthew Lyn Jodi Lyn	96,500	0.0094
Lesley Miller Martin Miller et al	355,795	0.0347

General Accident Insurance Company Jamaica Limited
Shareholdings of Management Team and their Connected Parties
For the period ended 31 December 2023

Manager	Combined Holding	Percentage
Michelle Robinson	780,000	0.0756
Jamalda Stanford	92,857	0.0090
Janille Jarrett	25,000	0.0024

General Accident Insurance Company Jamaica Limited

Top Ten Shareholders

For the period ended 31 December 2023

Name	Amount	%
Musson Jamaica Ltd.	824,999,989	80.00
Mayberry Jamaican Equities Ltd.	23,212,265	2.25
QWI Investments Ltd.	15,032,119	1.46
JCSD Trustee Services – Barita Unit Trust	14,354,686	1.39
PAM – Pooled Equity Fund	9,361,515	0.91
Lancedale Farquharson	7,800,000	0.76
Mayberry Managed Clients Account	6,262,894	0.61
Christopher Berry	6,000,000	0.58
Sagicor Select Funds Ltd.	5,066,798	0.49
Sharon Donaldson et al	4,424,011	0.43