

## Developments in the Insurance Industry in Nigeria in 1993

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*Nigeria's insurance industry expanded marginally from 121 companies in 1992 to 125 in 1993. The total paid-up capital in the industry increased in spite of a drop in the share of joint venture companies. The aggregate industry income and expenditure rose drastically, while income to expenditure ratio fell from 1.7 to 1.04. This was attributed to the escalation of management expenses which affected all the sub-sectors of the industry. A survey conducted by the Central Bank of Nigeria (CBN) revealed that the industry's compliance with government regulations on the allocation of investment resources was mixed in 1993. All the investment outlets in the sector, except cash and bills receivable and miscellaneous items, increased.*

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### INTRODUCTION

This report reviews the performance of the insurance industry in Nigeria in 1993 on the basis of the survey conducted by the Central Bank of Nigeria which covered the entire 125 insurance companies that had full calendar year operations in Nigeria.<sup>1</sup> Out of this, 78 responded, indicating a response rate of 62.4 per cent. The report is divided into five parts. In Part I, the structure and performance of the Nigerian insurance industry is reviewed. Part II highlights developments in the life insurance business, while Part III examines activities in the non-life insurance business. Part IV analyses the composition of the industry's assets as well as its pattern of investment portfolios. Part V summarises the report.

### I. STRUCTURE AND PERFORMANCE OF THE INSURANCE INDUSTRY

#### Number and Type of Insurance Companies

With four new companies commencing operations in 1993, the total number of registered insurance companies increased by 3.3 per cent from 121 in 1992 to 125 in 1993. Both the wholly non-life as well as the life and non-life (composite) policy companies increased by 2 each during the review period. This brought the structure of the industry to 2 wholly life, 89 wholly non-life and 34 composite companies (see Table 1)

### Ownership Structure

The number of wholly indigenous firms operating in the insurance industry increased by 3.9 per cent in 1993. Of the 125 companies operating in the country, 107 were wholly Nigerian owned, while the remaining 18 were joint venture companies between Nigerian(s) and foreigner(s). Under the non-life, the wholly indigenous firms increased from 76 companies in 1992 to 78, while the composite indigenous establishment also rose to 28 from 26 companies in 1992 (see Table 2).

### Paid-Up Capital

The paid-up capital of the insurance companies increased by 119.3 per cent from ₦853.1 million in 1992 to ₦1,871.3 million. The increase was due largely to the compliance by a number of insurance companies with the statutory requirement stipulated in the Insurance Decree No. 58 of 1991 which requires all insurance and re-insurance companies to increase their paid-up capital to a minimum of ₦5 million and ₦50 million, respectively. Moreover, new companies are expected to meet the minimum paid-up capital requirement before registration. The paid-up capital of the indigenous insurance companies rose by 128.6 per cent from ₦739.9 million in 1992 to ₦1,691.2 million, while those of the joint venture companies increased by 59.1 per cent from ₦113.2 million in 1992 to ₦180 million in 1993. Consequently, the percentage share of the wholly-owned Nigerian companies in the total paid-up capital improved from 86.7 per cent in 1992 to 90.3 per cent, while that of the joint venture companies declined from 13.3 per cent in 1992 to 9.7 per cent in the review period.

### Income and Expenditure

Aggregate income in 1993 rose from the level in 1992 by 115.8 per cent to ₦7,228.3 million. The total expenditure of the insurance companies also increased significantly by 247.0 per cent to ₦6,886.9 million in 1993. The increased income was due to the premium adjustment on all classes of insurance cover on vehicles and workmen's compensation with effect from 1991. Higher expenditure was attributed to increased volume of claims and high cost of operations in the industry. A disaggregation of the income and expenditure by type of ownership showed that revenue of wholly-owned Nigerian insurance companies increased by 185.8 per cent to ₦5,989.4 million in the review period while their expenditure increased simultaneously by 285.5 per cent to ₦5,934.7 million. In contrast, the aggregate income of the joint venture companies decreased marginally by 1.2 per cent to ₦1,238.8 million, while expenditure increased sharply by 113.9 per cent to ₦952.2 million (see Table 4).

An analysis by class of insurance activities showed that owing to the concentration of activities in the non-life sub-sector, companies in the sub-sector accounted for ₦5,901.3 million, representing 81.6 per cent of the total revenue generated in the insurance industry in the review period. The life insurance business group accounted for the remaining 18.4 per cent. Similarly, the non-life group accounted for ₦5,975.7

million or 86.8 per cent of total industry expenditure, while life insurance business accounted for the remaining 13.2 per cent. The survey showed that the pattern of distribution of income and expenditure for the two major classes of insurance business during the review period was similar to what was displayed in 1992.

### Performance

Analysis of the performance of the insurance industry indicated that the income to expenditure ratio fell from 1.7 in 1992 to 1.04, implying that expenditure grew faster than income in the review period. Furthermore, performance analysis by ownership structure showed that the ratio fell from 1.4 and 2.8 in 1992 to 1.01 and 1.3 in 1993 for the indigenous and joint venture companies, respectively. Relative performance of the two classes of insurance activities (life and non-life) showed that life policy sub-sector fell from 3.4 in 1992 to 1.5, while the non-life sub-sector fell from 1.5 in 1992 to 0.99 in 1993. Both classes of insurance business thus performed poorly compared to the situation in the preceding year.

## II. LIFE INSURANCE BUSINESS

### Income and Expenditure

Total revenue of the life sub-sector increased by 81.3 per cent to N1,327.0 million in 1993. The pattern of income distribution and ownership structure observed in 1992 continued in the review period, with the indigenous firms in the sub-sector accounting for N902.1 million or 68.0 per cent of the total, while the joint venture companies accounted for the remaining 32.0 per cent. Similarly, total expenditure by life insurance companies increased over threefold (327.7 per cent) in 1993 from N213.0 million in 1992 to N911.2 million. The increase was due to the astronomical rise in management expenses incurred during the review period. The pattern of expenditure and ownership structure altered, with 68.7 per cent or N626.6 million and 31.3 per cent or N285.4 million being accounted for by the indigenous and the joint venture companies, respectively. The relative market shares of the two groups were 37.4 per cent and 62.6 per cent, respectively, in 1992 (see Table 6).

### Sources and Application of Funds

The major sources of income reported were premium income, interest dividend and rents, profits on sales of assets as well as other miscellaneous income. The expenditure components consisted of net claims paid, bonuses, net commission, surrender and outstanding claims, management expenses as well as other expenses. Although premium income provided the bulk of the revenue, its share in the total fell from 93.8 per cent and 68.3 per cent in 1991 and 1992, respectively, to 57.2 per cent or N759.4 million in 1993. However, income from interest, dividend and rents, at N559.7

million, increased substantially and accounted for 42.2 per cent, while income from profit on sales of assets and miscellaneous receipts increased marginally.

Indigenous enterprises generated 68.0 per cent of total life insurance income in 1993, while the joint venture companies accounted for the remaining 32.0 per cent. The expenditure of life insurance increased by 327.7 per cent over the 1992 level to ₦911.2 million. The increase was mainly due to the escalating management expenses which accounted for 46.5 per cent or ₦423.8 million of the total. The wholly-owned Nigerian companies accounted for 68.7 per cent of the total life insurance companies' expenditure, while the joint venture companies were responsible for the remaining 31.3 per cent (see Table 7).

### **Loss Ratio**

The efficiency of the insurance companies can be determined with the application of the loss ratio. This involves comparing the premium received with the amount expended on claims (net claims paid plus surrender and outstanding claims) from their customers. The loss ratio in the review period increased from 14.0 per cent in 1992 to 24.7 per cent. This showed a declining performance in the insurance industry in 1993 compared to 1992. The increasing inefficiency was more pronounced in wholly-owned Nigerian companies whose ratio rose from 9.0 per cent in 1992 to 50.4 per cent, while the joint venture companies rose from 12.8 per cent to 15.1 per cent in 1993.

### **Expenses Ratio**

The expenses ratio, which relates management expenses to the gross premium in a year, measures efficiency in the insurance industry. The ratio rose from 12.8 per cent to 24.2 per cent in 1993, thus further indicating a downward trend in performance in the industry. At 23.4 per cent and 33.6 per cent, respectively, both indigenous and joint venture companies operated poorly in 1993. The respective ratios for the two groups were 6.0 per cent and 28.6 per cent in 1992. Consequently, the efficiency level in the industry during 1993 was greatly eroded.

## **III. NON-LIFE INSURANCE BUSINESS**

### **Income and Expenditure**

At ₦5,901.2 million in 1993, the revenue generated by the wholly non-life insurance companies and the non-life business of the composite companies in the industry rose by 125 per cent over that of the preceding year. Also, at ₦5,087.3 million, the revenue generated by indigenous companies increased by 217.7 per cent in 1993 over its level in 1992. The remaining ₦813.3 million which represents a decline of 19.9 per cent below its 1992 level, is accounted for by the joint venture companies. Expenditure of the non-life insurance business, however, increased by 237 per cent over its level in 1992 to

₦5,975.7 million. At ₦5,308.9 million and ₦666.8 million or 88.8 per cent and 11.2 per cent of total, expenditure by the indigenous and joint venture companies rose over their previous year's levels by 263.7 per cent and 113.0 per cent, respectively. Consequently, the overall income-expenditure ratio for the non-life insurance business fell from 1.47 in 1992 to 1.01. The situation was more precarious for the joint venture companies than for the indigenous ones (see Table 8).

### Sources of Income

Premium income accounted for 83.5 per cent or ₦4,931.9 million of the total income of non-life insurance companies in 1993. At that level, premium income increased by 93.7 per cent over the ₦2,545.7 million earned in the sub-sector in 1992. Motor vehicle and miscellaneous income at ₦1,908.0 million and ₦1,212.7 million, respectively, together accounted for 52.8 per cent of the total non-life insurance companies' income in 1993 (see Table 9).

Analysis by type of ownership showed that wholly-owned Nigerian insurance companies earned ₦5,087.3 million, representing 86.2 per cent of the total revenue in the entire sub-sector compared with ₦1,601.2 million or 61.2 per cent in 1992. The joint venture companies accounted for the balance of 13.8 per cent.

### Expenditure on Non-Life Business

The expenses of the non-life insurance companies consisted of settlement of customers' claims and other underwriting expenditures which stood at ₦2,684.1 million and ₦3,291.6 million, respectively in 1993. Fire, management expenses and net commission, which constituted the bulk of the expenses, accounted for 19.4, 24.8 and 16.9 per cent, respectively. Expenditure by the indigenous non-life insurance companies increased by 263.7 per cent to ₦5,308.9 million out of which total claims accounted for 45.5 per cent or ₦2,417.2 million, while other underwriting expenses accounted for the balance of 54.5 per cent. This shows an increase of 416.1 per cent and 191.6 per cent in the two categories, respectively, over the amounts recorded in 1992.

Expenditure by the joint venture non-life insurance companies dropped by 13.0 per cent to ₦311.7 million. Of this, total claims from clients accounted for ₦266.9 million or 40.0 per cent, while underwriting expenses accounted for the remaining 60.0 per cent. The management expenses accounted for half of the total expenses of the joint venture non-life companies.

### Loss Ratio

There was an improvement in the non-life wholly indigenous insurance business as its loss ratio decreased from 24.1 per cent in 1992 to 17.5 per cent. In contrast, the jointly owned insurance companies' loss ratio rose from 14.5 per cent in 1992 to 25.5 per cent in the review period.

### Expenses Ratio

The expenses ratio of the wholly-owned Nigerian non-life insurance business declined from 28.6 per cent in 1992 to 18.4. The ratio, however, increased from 6.0 per cent in 1992 to 29.2 per cent in 1993 for the jointly owned insurance companies. The relatively high expenses ratio of the joint venture companies was due to management expenses that rose drastically by 132 per cent over the 1992 figures.

## IV. ASSETS AND INVESTMENTS OF INSURANCE COMPANIES

### Assets

The assets held by all the insurance companies operating in Nigeria in 1993 is shown in Table 11. The table revealed that the value of assets held by the industry doubled to ₦20,330.0 million from ₦10,166.7 million in 1992. All the components of assets increased except cash and bill receivable and miscellaneous items which decreased from 17.6 and 58.9 per cent in 1992 to 10.8 and 29.6 per cent, respectively. The value of total assets held by the life insurance and non-life insurance companies were ₦6,614.6 million and ₦13,715.4 million, respectively. This represented an increase of 171.4 per cent and 130.1 per cent over the levels in 1992. Assets held in government securities, stock, shares and bonus and mortgage and loans in 1993, increased from 6.4, 10.0 and 7.1 per cent in 1992 to 18.9, 25.1 and 15.6 per cent of total assets, respectively in 1993. Non-life insurance companies' holdings in government securities increased from 4.6 per cent in 1992 to 24.3 per cent, while stocks, shares and bonus and mortgages and loans also increased by 13.5 and 9.9 percentage points, respectively, over their levels in the previous year. The share of government securities held by life insurance companies, however, declined from 9.3 per cent in 1992 to 7.9 per cent, while the sub-sector's holding of stock, shares and bonus, cash and bills receivable and miscellaneous, rose from 13.6, 23.6 and 46.4 per cent in 1992 to 16.1, 24.1 and 49.8 per cent, respectively (see Tables 11 and 12).

### Distribution of Assets and Investment

The Insurance Decree No. 58 of 1991 mandates all insurance companies in Nigeria to invest 25 per cent of their assets in government and semi-government securities. The life insurance companies are expected to commit as much as 25 per cent of their investment into mortgages and loans, while 10 per cent of all non-life insurance assets are to be placed in real estate property. Available data showed that life insurance companies fell short of the stipulated requirement as they invested only 12.8 per cent in mortgages and loans. The bulk of the investible funds was placed on stock, shares and bonds and other miscellaneous assets which together accounted for 59.9 per cent. At 17.0 per cent of total assets, real estate investment by the non-life sub-sector exceeded the stipulated requirement of 10 per cent share. Overall, the

percentage share of government securities in the total investment of the insurance companies operating in the country was 18.9 per cent. This indicated that the statutory requirement for the placement of investible fund was not met in 1993 as in the previous years (see Table 15).

## V. SUMMARY AND CONCLUSION

Our survey showed that 125 insurance companies operated in Nigeria in 1993, including four new entrants fully owned by Nigerian entrepreneurs. The new entrants were engaged in equal number in non-life and composite (life and non-life) types of insurance business.

As a result of the increase in the number of insurance companies, income rose by 115.8 per cent to ₦7,228.3 million while expenses also increased drastically by 247.0 per cent to ₦6,886.9 million in 1993. With regard to life insurance business, the loss ratio, which relates the total claims to the gross income, showed that efficiency declined in the insurance industry in 1993. This situation calls for prudence in the management of expenses, especially in the wholly indigenous companies in which the loss ratio rose to 50.4 per cent in 1993 from 9.0 per cent in 1992. In the non-life insurance companies there was an improvement in both the loss and expense ratios of the wholly indigenous companies, while the ratios of the joint venture companies declined. As in the past, insurance companies in Nigeria partially complied with the insurance Decree of 1991 on the investment of their assets. This is because while the life insurance business sub-sector did not meet the required official target on investment in mortgages and loans, those in the non-life sub-sector also did not comply fully with the provision on investment in government securities during the review period.

**TABLE 1**  
**DISTRIBUTION OF INSURANCE COMPANIES**  
**BY TYPE OF BUSINESS AND NUMBER**

CLASS OF INSURANCE	1991		1992		1993	
	NO. OF COMPANIES	% OF TOTAL	NO. OF COMPANIES	% OF TOTAL	NO. OF COMPANIES	% OF TOTAL
WHOLLY LIFE	3	2.8	2	1.65	2	1.6
WHOLLY NON-LIFE	67	62.6	87	71.9	89	71.2
LIFE & NON-LIFE	37	34.6	32	26.45	34	27.2
<b>TOTAL</b>	<b>107</b>	<b>100</b>	<b>121</b>	<b>100</b>	<b>125</b>	<b>100</b>

**TABLE 2**  
**STRUCTURE OF INSURANCE INDUSTRY**  
**BY TYPE OF BUSINESS & OWNERSHIP**

BUSINESS TYPE AND OWNERSHIP PATTERN	1991		1992		1993	
	NO. OF COMPANIES	% SHARE OF TOTAL	NO. OF COMPANIES	% SHARE OF TOTAL	NO. OF COMPANIES	% SHARE OF TOTAL
LIFE	3	100	2	100	2	100
a. Nigerian	1	33.3	1	50	1	50
b. Joint	2	66.7	1	50	1	50
NON-LIFE	67	100	67	100	89	100
a. Nigerian	58	86.6	76	87.4	78	90
b. Joint	9	13.4	11	12.6	11	10
LIFE & NON-LIFE	37	101	32	100.1	34	100
a. Nigerian	28	76.7	26	81.3	28	80
b. Joint	9	24.3	6	18.8	6	20
<b>ALL COMPANIES</b>	<b>107</b>	<b>100</b>	<b>121</b>	<b>100</b>	<b>125</b>	<b>100</b>
a. Nigerian	<b>87</b>	<b>81.3</b>	<b>103.1</b>	<b>84.3</b>	<b>107</b>	<b>90</b>
b. Joint	<b>20</b>	<b>18.7</b>	<b>18</b>	<b>15.7</b>	<b>18</b>	<b>10</b>



**TABLE 3**  
**PAID-UP CAPITAL OF INSURANCE COMPANIES**  
**BY VALUE (N'000)**

	WHOLLY NIGERIAN		JOINT		TOTAL	
1991	184,506	66.6	92,624	33.4	277,130	100.0
1992	739,942	86.7	113,159	13.3	853,101	100.0
1993	1,691,208	90.3	180,046	9.7	1,871,254	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		
	1991	1992	1993	1991	1992	1993
WHOLLY NIGERIAN	1,043,367	2,095,795	5,989,447	780,057	1,539,424	5,934,668
JOINT	778,706	1,254,109	1,238,849	556,743	445,151	952,264
TOTAL	1,822,073	3,349,904	7,228,296	1,336,800	1,984,575	6,886,932

**TABLE 5**  
**INCOME AND EXPENDITURE OF ALL INSURANCE COMPANIES IN NIGERIA:**  
**SUMMARY BY CLASS OF INSURANCE (N'000)**

CLASS OF INSURANCE	INCOME			EXPENDITURE		
	1991	1992	1993	1991	1992	1993
LIFE	487,836	732,003	1,327,039	379,026	213,060	911,198
NON-LIFE	1,334,237	2,617,901	5,901,257	957,774	1,771,515	5,975,734
TOTAL	1,822,073	3,349,904	7,228,296	1,336,800	1,984,575	6,886,932

**TABLE 6**  
**INCOME AND EXPENDITURE OF LIFE INSURANCE BUSINESS IN NIGERIA:**  
**SUMMARY BY TYPE OF OWNERSHIP (N'000)**

TYPE OF OWNERSHIP	INCOME			EXPENDITURE		
	1991	1992	1993	1991	1992	1993
WHOLLY NIGERIAN	201,003	494,564	902,136	174,411	79,610	625,792
JOINT	286,833	237,439	424,903	204,615	133,450	285,406
TOTAL	487,836	732,003	1,327,039	379,026	213,060	911,198

**TABLE 7**  
**INCOME AND EXPENDITURE OF LIFE INSURANCE BUSINESS**  
**IN NIGERIA (N'000)**

	WHOLLY NIGERIAN			JOINT			ALL COMPANIES		
	1991	1992	1993	1991	1992	1993	1991	1992	1993
<b>INCOME</b>									
a. Premium	152,054	478,414	464,875	181,218	208,253	294,565	333,272	686,667	759,440
b. Interest, Dividend & Rents	46,740	14,377	431,883	82,670	29,161	127,848	129,410	43,538	559,731
c. Profit on Sales of Assets	1,029	99	3,625	2,123	25	84	3,152	124	3,709
d. Other Receipts	1,180	1,674	1,753	20,822	9	2,406	22,002	1,674	4,159
TOTAL	201,003	494,564	902,136	286,833	237,439	424,903	487,836	732,003	1,327,039
<b>EXPENDITURE</b>									
a. Net Claims Paid	58,948	37,366	197,134	18,251	41,155	52,355	77,199	78,521	249,489
b. Bonuses	6,885	1,415	12,931	7,415	5,200	247	14,300	6,615	13,178
c. Net Commission	22,274	7,323	109,176	21,402	11,085	44,986	43,676	18,408	154,162
d. Surrenders & Annuities	28,907	4,267	21,125	48,044	16,230	29,526	76,951	20,497	50,651
e. Management Expenses	54,443	28,480	275,834	101,987	59,485	148,751	156,430	87,965	423,785
f. Other Expenditure	2,954	759	10,392	7,516	295	9,541	10,470	1,054	19,933
TOTAL	174,411	79,610	626,592	204,615	133,450	285,406	379,026	213,060	911,198

**TABLE 8**  
**INCOME AND EXPENDITURE OF NON-LIFE INSURANCE BUSINESS:**  
**SUMMARY BY TYPE OF OWNERSHIP (N'000)**

CLASS OF INSURANCE	INCOME			EXPENDITURE		
	1991	1992	1993	1991	1992	1993
WHOLLY NIGERIAN	842,364	1,601,231	5,087,311	605,646	1,459,814	5,308,876
JOINT	491,873	1,016,670	813,946	352,128	311,701	666,858
ALL COMPANIES	1,334,237	2,617,901	5,901,257	957,774	1,771,515	5,975,734

**TABLE 9**  
**SOURCES OF INCOME OF NON-LIFE INSURANCE IN NIGERIA\***  
**(N'000)**

	WHOLLY NIGERIAN			JOINT			ALL COMPANIES		
	1991	1992	1993	1991	1992	1993	1991	1992	1993
A PREMIUM	321,140	1,541,837	4,141,350	475,101	1,003,354	790,568	1,296,243	2,545,691	4,931,918
a. Fire	166,152	277,409	473,689	67,266	561,839	69,807	233,418	839,249	543,496
b. Accident	122,430	200,334	561,669	53,791	49,444	43,829	176,271	249,777	605,498
c. Motor Vehicle	279,498	634,857	1,478,402	222,262	271,425	429,567	501,760	906,282	1,907,969
d. Employer's Liability	30,187	10,317	81,233	7,963	13,861	14,426	38,150	24,178	95,659
e. Marine, Aviation & Transit	141,734	307,335	503,726	71,474	56,149	62,871	213,208	363,484	566,597
f. Miscellaneous	81,091	111,585	1,042,631	52,345	51,136	170,068	133,436	162,721	1,212,699
B OTHER INCOME	21,222	59,394	945,961	16,772	12,816	23,378	37,994	60,534	969,339
a. Interest, Dividend & Rents	4,253	48,477	854,940	16,656	9,820	22,400	20,909	58,297	877,340
b. Other Receipts	16,969	10,917	91,021	116	2,996	978	17,085	2,237	91,999
TOTAL	842,364	1,601,231	5,087,311	491,973	1,016,670	813,946	1,334,237	2,606,225	5,901,257

\*Non-Life of both Wholly Non-Life and Mixed

**TABLE 10**  
**BREAKDOWN OF EXPENDITURE FOR NON-LIFE INSURANCE BUSINESS IN NIGERIA\***  
**(N'000)**

	WHOLLY NIGERIAN			JOINT			ALL COMPANIES		
	1991	1992	1993	1991	1992	1993	1991	1992	1993
<b>A PREMIUM</b>	203,221	468,347	2,417,221	183,651	145,540	266,884	386,872	613,887	2,684,105
a. Fire	49,439	103,634	1,143,180	30,976	11,161	17,854	80,415	114,795	1,161,034
b. Accident	27,976	49,944	423,504	14,807	16,824	25,227	42,783	66,768	448,731
c. Motor Vehicle	65,310	188,516	462,067	99,525	78,925	145,264	164,835	267,441	607,331
d. Employer's Liability	4,349	2,243	4,375	1,263	6,061	8,453	5,612	8,304	12,828
e. Marine, Aviation & Transit	42,205	67,488	108,458	15,821	13,726	11,024	58,026	81,214	119,482
f. Miscellaneous	13,942	56,522	275,637	21,259	18,843	59,062	35,201	75,365	334,699
<b>B OTHER UNDERWRITING EXPENSES</b>	402,425	991,467	2,891,655	168,477	166,161	399,974	570,902	1,157,628	3,291,629
a. Management Expenses	368,810	718,149	1,145,750	153,387	145,409	337,287	522,197	863,558	1,483,037
b. Net Commission	31,179	259,419	952,754	9,395	8,443	60,095	40,574	267,862	1,012,849
c. Other Expenses	2,436	13,899	793,151	5,695	12,309	2,592	8,131	26,208	795,743
<b>TOTAL</b>	<b>605,646</b>	<b>1,459,814</b>	<b>5,308,876</b>	<b>352,128</b>	<b>311,701</b>	<b>666,858</b>	<b>957,774</b>	<b>1,771,515</b>	<b>5,975,734</b>

\*Non-Life of both Wholly Non-Life and Mixed

**TABLE 11**  
**ASSETS OF INSURANCE COMPANIES IN NIGERIA**  
**(N'000)**

TYPE OF ASSET	LIFE			NON-LIFE			ALL COMPANIES		
	1991	1992	1993	1991	1992	1993	1991	1992	1993
a. Government Securities	398,691	357,691	523,001	164,232	271,253	3,333,350	562,923	628,944	3,856,351
b. Stocks, Shares & Bonds	281,922	525,813	2,197,025	286,981	461,624	2,896,998	568,903	987,437	5,094,023
c. Mortgage & Loans	885,757	174,010	846,927	318,124	1,076,566	2,330,862	1,203,881	1,250,576	3,177,789
d. Cash & Bills Receivable	227,008	909,505	1,283,881	807,544	694,395	905,745	1,034,552	1,603,900	2,189,626
e. Miscellaneous	1,191,876	1,712,432	1,763,761	2,066,240	3,983,441	4,248,409	3,258,116	5,695,873	6,012,170
<b>TOTAL</b>	<b>2,985,254</b>	<b>3,679,451</b>	<b>6,614,595</b>	<b>3,643,121</b>	<b>6,487,279</b>	<b>13,715,364</b>	<b>6,628,375</b>	<b>10,166,730</b>	<b>20,329,959</b>

**TABLE 12**  
**PERCENTAGE DISTRIBUTION OF ASSETS**  
**(N'000)**

TYPE OF ASSET	LIFE			NON-LIFE			ALL COMPANIES		
	1991	1992	1993	1991	1992	1993	1991	1992	1993
a. Government Securities	15.5	9.3	7.9	4.5	4.6	24.3	8.5	6.4	18.9
b. Stocks, Shares & Bonds	19.0	13.6	33.2	7.9	7.7	21.2	8.6	10.0	25.1
c. Mortgage & Loans	16.3	7.1	12.8	8.7	7.1	17.0	18.2	7.1	15.6
d. Cash & Bills Receivable	9.9	23.6	19.4	22.2	13.7	6.6	15.6	17.6	10.8
e. Miscellaneous	39.3	46.4	26.7	56.7	66.9	30.9	49.1	58.9	29.6
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**TABLE 13**  
**ASSETS AND LIABILITIES OF INSURANCE COMPANIES IN NIGERIA**  
**FOR 1992 & 1993 (N'000)**

TYPE OF ASSET	1992	1993	TYPE OF LIABILITY	1992	1993
Government Securities	628,944	3,856,351	Paid-Up Capital	853,101	1,871,254
Stocks, Shares & Bonds	987,437	5,094,023	Contingency Reserve	988,464	2,061,364
Mortgage & Loans	1,250,576	3,177,789	Life & Non-Life Insurance Fund	786,416	3,861,220
Cash & Bills Receivable	1,603,900	2,189,626	Outstanding Claims	3,458,847	8,264,657
Miscellaneous	5,695,873	6,012,170	Others	4,079,902	4,271,464
<b>TOTAL</b>	<b>10,166,730</b>	<b>20,329,959</b>		<b>10,166,730</b>	<b>20,329,959</b>

**TABLE 14**  
**PERCENTAGE DISTRIBUTION OF LIABILITIES OF INSURANCE**  
**COMPANIES IN NIGERIA FOR 1992 & 1993**  
**(N'000)**

TYPE OF LIABILITY	1992	%	1993	%
a. Paid-Up Capital	853,101	8.4	1,871,254	9.2
b. Contingency Reserve	988,464	9.7	2,061,364	10.1
c. Life & Non-Life Insurance Fund	786,416	7.8	3,861,220	19.0
d. Outstanding Claims	3,458,847	34.0	8,264,657	40.7
e. Others	4,079,902	40.1	4,271,464	21.0
<b>TOTAL</b>	<b>10,166,730</b>	<b>100.0</b>	<b>20,329,959</b>	<b>100.0</b>

**TABLE 15**  
**INVESTMENT PATTERN OF INSURANCE COMPANIES**  
**IN NIGERIA BY CATEGORY (N'000)**

TYPE OF ASSET	LIFE			NON-LIFE			ALL COMPANIES		
	1991	1992	1993	1991	1992	1993	1991	1992	1993
a. Government Securities	398,691	357,629	523,001	164,232	271,253	3,333,350	562,923	628,882	3,856,351
b. Stocks, Shares & Bonds	281,922	525,813	2,197,025	286,981	461,624	2,896,998	568,903	987,437	5,094,023
c. Real Estate, Mortgage & Loans	654,581	273,214	540,284	259,100	422,301	1,993,590	913,681	695,515	2,533,874
d. Other Loans	231,176	100,796	306,643	59,024	654,265	337,272	290,200	755,061	643,915
<b>TOTAL</b>	<b>1,566,370</b>	<b>1,257,452</b>	<b>3,566,953</b>	<b>769,337</b>	<b>1,809,443</b>	<b>8,561,210</b>	<b>2,335,707</b>	<b>3,066,895</b>	<b>12,128,163</b>

## **NOTES**

- 1. The CBN started to conduct census surveys on insurance companies in 1992 owing to the inability to obtain the required data from the National Insurance Supervisory Board (NISB).**