MUTUAL BENEFITS ASSURANCE PLC

Financial Condition Report as at 31 December 2023

December 2024

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1. Appointed Actuary's Statement

I, Jay Kosgei, acting in my capacity as the Appointed Actuary, certify that, as at 31 December 2023, this Financial Condition Report for Mutual Benefits Assurance Plc has been prepared in accordance with the "Prudential Guidelines for Insurance Institutions in Nigeria" issued by the National Insurance Commission of Nigeria, as well as generally accepted actuarial principles.

Jay Kosgei
Fellow of the Institute and Faculty of Actuaries
FRC No: FRC/2021/004/00000023786
Appointed Actuary: Mutual Benefits Assurance Plc

02 December 2024

2. Executive Summary

Introduction

2.1. The preparation of this Financial Condition Report ("FCR") stems from the National Insurance Commission's ("the Commission") Prudential Guidelines, which states that an insurer shall on annual basis appoint an independent Actuary who shall conduct and submit a Financial Condition Report with details of inter alia; measures governing the business operations, corporate governance, risk management, solvency and financial performance of an insurer."

2.2. The FCR sets out the results of the analysis of the financial condition of Mutual Benefits Assurance Plc ("MBA") as at 31 December 2023. This report includes an analysis of the financial progress since the previous financial year end.

2.3. MBA has contracted Zamara Actuaries, Administrators and Consultants Limited ("Zamara") to provide actuarial services. Jay Kosgei, FIA, is the Appointed Actuary and will sign off on the FCR.

2.4. This report is limited to the information of MBA, not the consolidated Group information (i.e. this FCR only covers general insurance business underwritten in Nigeria, and excludes business underwritten by foreign offices belonging to the Group – unless stated otherwise).

2.5. MBA has successfully implemented the newly adopted financial reporting standard for Insurance Contracts, IFRS 17 ("the Standard") which was effective for periods starting in 2023.

2.6. This FCR is the first report under this Standard. As such, where appropriate, we have provided comparative analysis with the previous IFRS 4 Standard to allow for a smooth transition of the trends captured in this report.

2.7. In implementing the standard, MBA has made considerable investments in appropriate technology and human capital to ensure a smooth process and prepare for transition to operating under a Business as Usual ("BAU") model. We provide below a summary of the key steps taken:

a) **Actuarial and Accounting Processes:** MBA's contracts and financial data available supports the use of the simplified measurement method, the Premium Allocation Approach ("PAA") for its short-term contracts, while contracts that span over one-year periods were measured under General Measurement Method ("GMM"). MBA has also prepared policy documents on key actuarial and accounting processes that define the treatment of key requirements in line with the Standard's requirements.

   MBA has successfully presented its accounts in the IFRS 17 format by restating the 2021 and 2022 balances, which have been used as comparatives in the 2023 accounts. The accounts comply with the required disclosures for the standard and present insurance and reinsurance contracts separately as expected.

People: MBA has a technical team that has been involved in the implementation process, the review process with the appointed actuary, and the IFRS 17 audit process with the external auditor. The technical team works closely with the appointed actuary in the actuarial valuations, and the internal financial reporting function in IFRS 17 reporting so as to satisfy the granularity of the reporting requirements. The technical teams will play a critical role in the transition to the IFRS 17 BAU model, with key reporting areas such as the strategy and budget plans, and solvency computations being the key items to be updated.

b) **Products and Contract Aggregation:** MBA's financial reporting calculations are based on the aggregation of insurance contracts based on the similarity of risks insured, year of inception and the degree of profitability.

c) **Systems:** MBA has acquired the Iris IFRS 17 reporting tool for use internally. The Company relies on the software to produce IFRS 17 accounts with the required disclosure requirements.

2.8. Zamara has conducted a review of MBA's IFRS 17 results following the implementation process and is comfortable with the approach adopted by the Company. The sections that follow provide a report on the financial condition of MBA in line with the Commission's guidelines and the requirements of the IFRS 17 Standard where applicable.

Financial Performance

Statement of Profit or Loss – IFRS 17

2.9. Based on the IFRS 17 accounts for 2022 and 2023 as captured in section 5.1, the insurance service results (before reinsurance) improved from NGN 2.8 billion in 2022 to NGN 3.7 billion in 2023 despite an increase in the insurance service expenses from NGN 12.5 billion in 2022 to NGN 16.4 billion in 2023. The increase in the insurance service result was mainly attributable to the increase in the insurance service revenue from NGN 15.3 billion in 2022 to NGN 20.1 billion in 2023, representing a 31.6% growth over the year.

2.10. On the other hand, the reinsurance expenses increased from NGN 2.9 billion in 2022 to NGN 4.5 billion in 2023, representing a 54.1% increase. On the other hand, the reinsurance recoveries decreased over the period from NGN 2.1 billion in 2022 to NGN 1.8 billion in 2023.

2.11. Overall, the insurance service results (after reinsurance) declined by NGN 1.0 billion in 2023 mainly attributable to the increased net reinsurance costs.

2.12. The net investment result position improved from NGN 748.8 million in 2022 to NGN 3.0 billion in 2023. This was mainly attributable to the increase in investment income from the government securities and foreign exchange gains.

2.13. Overall, the increase in IFRS 17 profit in 2023 was largely due to a significant increase in net investment results recorded during the year.

2.14. Further analysis of MBA's performance, over the last two years, based on the IFRS 17 accounts, is provided in section 5.1 of this report.

Statement of Profit or Loss – IFRS 4

2.15. We further analysed MBA's financial performance based on the IFRS 4 accounts to allow for a comparison of the previous years' trends as the insurer fully transitions to the IFRS 17 reporting.

2.16. Based on these accounts, MBA recorded an underwriting profit in 2023 of NGN 3.9 billion compared to a profit of NGN 3.7 billion recorded in 2022. This result was lower than the budget where the insurer had projected a profit of NGN 6.3 billion.

2.17. The net loss ratio deteriorated from 31.6% in 2022 to 36.0% in 2023. The net incurred claims increased from NGN 3.6 billion in 2022 to NGN 5.2 billion in 2023.

2.18. Overall, the insurer's underwriting result improved in 2023 largely attributable to the top line growth.

Balance Sheet

2.19. The total assets of MBA have grown by 28.5% in the period between 31 December 2022 and 31 December 2023. Invested assets (excl. investments in the associates and subsidiaries) formed 64.2% of the total assets of MBA as at 31 December 2023 with fixed interest securities making up 55.0% of MBA's total invested assets.

2.20. We observed a increase of NGN 494.2 million in the fixed interest securities within the year and an increase in equities by NGN 341.5 million due to fair value changes during the year.

2.21. The insurance liabilities as at 31 December 2023 increased from NGN 9.7 billion to NGN 13.7 billion, this was largely due to a significant increase in the unexpired premium reserve for the period. On the other hand, the reinsurance assets remained relatively unchanged year on year.

Solvency Position

2.22. As at 31 December 2023, MBA is required to hold minimum capital of NGN 3 billion i.e. the higher of NGN 3 billion and approximately NGN 2.3 billion representing 15% of the net premium income during the last preceding financial year.

2.23. The SCAR was observed to be following an increasing trend over the period due to an increase in the solvency margin. The increase in the solvency margin over the two years (2022 and 2023) was due to a higher increase in the total admissible assets relative to the increase in the liabilities.

Improvements Observed

2.24. **Top Line Growth** – It is commendable that management has been able to maintain year on year top line growth over the last two years.

2.25. **IFRS 17 Compliance** – As highlighted in section 2.4, MBA has made considerable investments in appropriate technology and human capital to ensure a smooth process as it transitions to IFRS 17 reporting. MBA has acquired systems and reviewed the reporting and actuarial processes to comply with the requirements of the IFRS 17 Standard. In particular, the insurer has produced the 2023 financials in line with the IFRS 17 requirements.

Material Risks Identified

2.26. The following summarizes the key risks faced by MBA, as well as their impact and implications, based on our review as the Appointed Actuary:

Insurance Risk

2.27. This is the risk that inadequate pricing or inappropriate underwriting, product design, pricing and claims settlements could expose the company to a financial loss or inability to meet its contractual obligations.

2.28. MBA's gross combined ratio improved as observed in the movement from 71.9% in 2022 to 70.1% in 2023 mainly occasioned by a decrease in gross incurred claims ratio from 39.4% in 2022 to 35.4% in 2023 which is favorable.

2.29. With the adoption of the IFRS 17 Standard, we recommend that MBA assesses the performance of the insurance service result at a portfolio basis and analyses the gross performance separately from the reinsurance service result.

Catastrophic Risk

2.30. Catastrophe Risk is defined as the risk related to the occurrence of high-severity and low-frequency events. This is especially noteworthy as the company also writes volatile classes of business such as Fire, Marine and Oil and Gas. These classes of business may be exposed to catastrophic events which may negatively influence the profitability and capital adequacy of the company.

2.31. MBA's management needs to constantly review the appropriateness of the retentions held for these classes to ensure the company is not exposed to catastrophe events.

2.32. Other possible courses of action would be setting up catastrophe reserves and/or claims equalization reserves to combat future one-off losses thereby minimizing their impact on the overall profitability.

Liquidity Risk

2.33. Whereas as a going concern, MBA is expected to receive premium income, as well as premiums from new business to offset these cashflows demands, the liquidity position should be monitored closely for the short term as a liquidity gap in this period is observed. A proper asset liability matching exercise should ensure that the assets and liabilities are matched both in respect of timing and amounts.

Compliance Risk

2.34. This is the risk that a change in the current legislation or global reporting requirement will affect a company, or industry. This is especially because companies must abide by regulations set by governing bodies that oversee their industry.

2.35. MBA should be wary of any adverse effects of future compliance requirements. This is especially with the possible shift to the Risk Based regime for the Nigeria insurance industry. Such changes are bound to have implications on operational costs and sometimes could even introduce restrictions to a company's normal operations.

Currency Risk

2.36. MBA is exposed to currency risk resulting from recognised assets and liabilities in currencies other than the Naira. Examples include transactions carried out in Pound, US Dollar, and Euro.

2.37. Thus, the management of MBA should have proper mitigative measures instituted to reduce the impact of such an event as well monitoring its foreign exchange arrangements and take measures to minimise the risk of Forex losses. The company should consider some of the hedging approaches that may help minimise this risk.

Actuary's Opinions

Recent Experience and Profitability

2.38. We recommend that MBA reviews their budgets or forecasts and aligns these based on the IFRS 17 accounts. This will also allow for the realignment of the key performance indicators.

Insurance Liability Valuation

2.39. As the Appointed Actuary, we are satisfied with the reserves booked by MBA in their audited accounts.

2.40. The approach and methodologies adopted for the measurement of the insurance and reinsurance contracts are in line with the IFRS 17 Standard and key actuarial decisions made by the insurer.

Reserves Adequacy

2.41. The utilization of the undiscounted best estimate liabilities held as at 31 December 2022 was deemed to be reasonable (excluding the effect of large losses) at an overall level. For classes where overutilization was observed, the reserves were strengthened.

Pricing and Premium Adequacy

2.42. The requirement under IFRS 17 Standard to have the insurance result presented separately from the reinsurance result will ensure that the performance of the insurance contracts is separately tracked and monitored.

Reinsurance Arrangements

2.43. We recommend that MBA develops metrics to be adopted for the performance review of the reinsurance contracts held. This might include setting thresholds for key ratios as highlighted above.

2.44. In addition, we recommend that MBA separately reviews the performance of the insurance service result before reinsurance from that of the reinsurance result at a class wise or portfolio level. This will allow for a better assessment of each class or portfolio.

Status of Prior Year Recommendations

Recommendation	Status	Comment
Insurer's Plans The Company to consider the impact of retaining more business on its underwriting profits, risk profile and future business plans in view of historical claims ratios experienced by the Company. The Company considers the impact on its projections should there be a delay for the initiatives to translate into higher business volumes. This includes the use of sensitivity testing.	Amber	MBA is yet to review its business projections. With the adoption of the IFRS 17 Standard, the insurer should align the business projections with the IFRS 17 accounts and incorporate the recommendations.
Recent Experience and Profitability The Company performs a detailed expense allocation to each line of business. This will aid in determining the true underwriting results per line and emphasise monitoring of expense levels and its effect on the expense ratio. The Company should take note of the risk it is exposed to from an economic downturn and continue to assess how it can improve its underwriting profitability.	Amber	With the adoption of the IFRS 17 Standard, MBA has identified the attributable expenses for purposes of IFRS 17 accounts. We however, note that the insurer is yet to document the expense allocation policy.
Forex Exchange Risks – Mutual Benefits should continue monitor its foreign exchange movements.	Amber	Although, there were gains on foreign bank balances. The company should consider exploring the use of various hedging instruments and other mitigation strategies to cater for similar events in the future.
Review of appropriateness of retentions and catastrophe risk – This relates to the volatile claims experience in Fire, Marine and Oil and Gas classes of business	Amber	Annual review of the ERM framework was undertaken and the Group Risk added There is need to monitor the volatility risk and setting up of measures to handle the characteristic large losses associated with these classes. Possible courses of action would be the setting up of catastrophe and or claims equalisation reserve to combat future one off losses that may distort the actuarial reserves and overall profitability

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Key

Colour	Status	Meaning
Red		Needs immediate action
Amber		Continues to be an area of focus
Green		No longer a point of focus

3. Information Requirements

Data Obtained

3.1. The following data was received from MBA in order to complete the FCR:

- Up to date IFRS 17 financial statements as at 31 December 2023 and restated 2022 financial statements in the IFRS 17 format;
- Insurance Liability Valuation as at 31 December 2023 (prepared by Zamara);
- Various documents relating to company governance structure and business plans for MBA, including MBA's:
    - Investment Policy Document;
    - Budget for the 2023 financial year;
    - Risk Management Framework;
    - Summary of Treaty Cover Notes for 2023; and
    - Peak Exposures for 2023

Reliances and Limitations

3.2. This FCR is based on the audited financial statements of MBA as at 31 December 2023 as well as the general business plans of MBA, and company information that was provided to Zamara.

3.3. It was assumed that the data provided by MBA was correct. A full audit of the data provided by MBA was not conducted. However, reconciliations of data were conducted as part of the Insurance Liability Valuation as at 31 December 2023.

3.4. The insurance liability valuation results as at 31 December 2023 were calculated in line with the newly adopted financial reporting standard for Insurance Contracts, IFRS 17 ("the Standard").

3.5. A summary of the insurance liability valuation results, including our commentary on the process is included in section 6 of this report.

3.6. It is worth noting that the results produced were based on expected cashflows as captured in the insurer's policy administration systems and not the actual cashflows as captured in the insurer's financial management systems.

3.7. The implication of this is that any other balances that relate to insurance and reinsurance contracts, that is, insurance receivables and payables which are not actuarial inputs will be aggregated with the actuarial inputs for purposes of presentation in the financial statements. This is in line with the requirements of the standard under presentation of accounts.

3.8. We understand that Solvency returns are audited by the External Auditor. As such, whereas we have not audited the returns, we have provided commentary on the solvency margins as at 31 December 2023 in section 8.

4. Business Overview

Company Structure and Key Shareholders

4.1. Mutual Benefits Assurance Plc is a general insurance company engaged in various lines of business and is registered and domiciled in Nigeria. The Company was incorporated in 1995 as a private limited liability company under the name Mutual Benefits Assurance Company Limited which was converted to a public limited company in 2001.

4.2. The Company underwrites life business through its wholly owned subsidiary – Mutual Benefits Life Assurance Limited. The Company also has subsidiaries in Liberia and Niger.

4.3. This report is limited to the information of MBA, not the consolidated Group information (i.e. this FCR only covers general insurance business underwritten in Nigeria, and excludes business underwritten by foreign offices belonging to the Group – unless stated otherwise).

4.4. The shareholding structure of the company over the reporting period was as follows:

Shareholder	% Shareholding - 2022	% Shareholding - 2023
Charles Enterprises LLC	42.27%	42.27%
Arubiewe Farms Ltd	21.97%	21.97%
Ogunbiyi Akinade Akanmu	5.48%	5.48%

4.5. There were no changes in the shareholding structure during the year from the position as at December 2022.

4.6. The Commission has in place "Corporate Governance Guidelines for Insurance and Reinsurance Companies in Nigeria". These guidelines highlight key requirements and provide guidance for effective corporate governance of the regulated entities.

Products

4.7. MBA currently underwrites the following classes of general insurance business:

- Fire insurance business;
- General accident insurance business;
- Motor vehicle insurance business;
- Marine insurance business;
- Aviation insurance business;
- Oil and gas insurance business;
- Engineering insurance business; and
- Bonds credit guarantee and suretyship insurance business.

5. Recent Experience and Profitability

Financial Performance

5.1. This section highlights the performance of MBA over the recent years. We first give the results based on the IFRS 17 Standard and provide associated commentary on the performance of the insurer. In the subsequent section, we review MBA's performance using the IFRS 4 accounts which allow for the continued trend analysis from the prior year's performance and provides a basis for the transition into the IFRS 17 performance analysis in the subsequent years.

Statement of Profit or Loss Amounts in NGN '000	31 December 2023	31 December 2022
Insurance Contract Revenue		
Expected Claims and Expenses Excluding Loss Component	819,976	521,022
Expected Release of Risk Adjustment	86,948	59,608
CSM Release	227,490	342,784
Acquisition Costs Recovered	236,326	176,436
PAA Premium Reserve Release (Earned Premium)	18,738,753	14,181,230
Total	**20,109,492**	**15,281,080**
Insurance Service Expenses		
Incurred claims and attributable expenses	18,293,059	14,140,175
Changes that relate to past service	(4,478,277)	(4,019,861)
Losses on onerous contracts and reversal of the losses	(374,241)	257,179
Insurance acquisition cash flows amortisation	2,937,225	2,136,645
Total	**16,377,766**	**12,514,137**
Insurance service result before reinsurance (A)	3,731,726	2,766,943
Reinsurance Expenses		
Expected Claims and Expenses Excluding Loss Component	226,541	238,808
Expected Release of Risk Adjustment	25,333	29,305
CSM Release	283,310	129,928
PAA Premium Reserve Release (Earned Premium)	3,961,484	2,520,397
Total	**4,496,668**	**2,918,438**
Reinsurance Recoveries		
Claims recovered	3,620,335	3,322,724
Changes that relate to past service	(1,851,261)	(1,159,049)
Total	**1,769,074**	**2,163,675**
Reinsurance Service Result (B)	2,727,982	754,763
Insurance Service Result (C) = (A) - (B)	1,004,133	2,012,179
Net Investment income	3,307,495	976,620
Insurance finance expense	(568,737)	(324,598)
Insurance finance income	247,872	96,751
Net Investment Result (D)	2,986,630	748,773
IFRS 17 Profit (E) = (C) +(D)	3,990,762	2,760,953
Other (Expenses)/Income	(983,367)	(754,190)
Profit Before Tax	3,007,395	2,006,763

(i) Insurance Service Result

5.2. We observed an improvement in insurance service results before reinsurance from NGN 2.8 billion in 2022 to NGN 3.7 billion in 2023 despite an increase in the insurance service expenses from NGN 12.5 billion in 2022 to NGN 16.4 billion in 2023. The increase in the insurance service result was mainly attributable to the increase in the insurance service revenue from NGN 15.3 billion in 2022 to NGN 20.1 billion in 2023, representing a 31.6% growth over the year.

5.3. As highlighted in the previous table, the insurance service expense is made up of the incurred claims and other directly attributable expenses, changes that relate to past service, insurance acquisition cashflows amortization, and the losses on onerous contacts and reversal of the losses. We observed an increase in the insurance service expenses amounting to NGN 3.9 billion in 2023 driven by the increase in the incurred claims and attributable expenses.

5.4. The reinsurance expenses, which represent the reinsurance costs or reinsurance share of earned premiums increased from NGN 2.9 billion in 2022 to NGN 4.5 billion in 2023, representing a 54.1% increase. On the other hand, the reinsurance recoveries decreased over the period from NGN 2.1 billion in 2022 to NGN 1.8 billion in 2023.

5.5. Overall, the insurance service results (after reinsurance) declined by NGN 1.0 billion in 2023 mainly attributable to the increased net reinsurance costs.

(ii) Net Investment Result

5.6. The net investment result position improved from NGN 748.8 million in 2022 to NGN 3.0 billion in 2023. This was mainly attributable to the increase in investment income from the government securities and foreign exchange gains.

5.7. Overall, the increase in IFRS 17 profit in 2023 was largely due to a significant increase in net investment results recorded during the year.

5.8. We have further assessed MBA's performance based on the previous IFRS 4 accounts. This is to allow for trend analysis based on the previous metrics and to allow for a smooth transition to the IFRS 17 performance metrics in the subsequent years.

5.9. The table below details the profitability of MBA for the 2021-2023 financial years, as well as a comparison of the 2023 actual and budgeted performance. Key financial ratios have also been included that can be used to assess trends in the business.

Financial Performance Statement	31 December 2023	31 December 2023	31 December 2022
	Budget (NGN '000)	Actual (NGN '000)	Actual (NGN '000)
Gross written premium	25,000,000	23,844,496	15,749,404
Net earned premium	17,784,909	14,471,565	11,369,777
Net claims incurred	(5,839,261)	(5,209,919)	(3,592,864)
Net commissions incurred	(2,564,281)	(2,338,647)	(1,657,516)
Underwriting expenses	(3,103,210)	(3,044,928)	(2,451,489)
Underwriting profit/(loss)	6,278,157	3,878,071	3,667,908
Ratios			
Net loss ratio	32.8%	36.0%	31.6%
Expense ratio*	31.9%	37.2%	36.1%
Net combined ratio	64.7%	73.2%	67.7%

**Combined underwriting expenses and net commission ratio*

5.10. Consideration of the underwriting profit for the 2023 financial year against the budget shows that underwriting profit was NGN 1.6 billion lower than the budgeted level.

5.11. While the insurer did not achieve the 2023 budget, the overall performance in 2023 was observed to have improved from the position as at 2022.

5.12. We assessed the movement in the key drivers of overall profitability (underwriting profit) year on year vis a vis any changes in management actions and the wider industry dynamics. Details on these and their effect on the profitability are as given below:

(i) Increased net earned premium following the top line growth

5.13. The gross written premium grew by NGN 8.1 billion from NGN 15.7 billion in the 2022 financial year to NGN 23.8 billion in the 2023 financial year representing a 51.4% increase. However, this was lower than the budget by NGN 1.2 billion. The net earned premium increased by NGN 3.1 billion from NGN 11.4 billion in 2022 to NGN 14.5 billion in 2023.

(ii) Worsening claims experience

5.14. The net loss ratio deteriorated from 31.6% in 2022 to 36.0% in 2023. The net incurred claims increased from NGN 3.6 billion in 2022 to NGN 5.2 billion in 2023. The net loss ratio was unfavourable compared to the budget.

(iii) Worsening of underwriting expense ratios

5.15. The underwriting expenses (inclusive of net commissions) increased from NGN 4.1 billion in the 2022 financial year to NGN 5.4 billion in the 2023 financial year, representing a 31.0% increase. Consequently, the underwriting expense ratios worsened from 36.1% in 2022 to 37.2% in 2023.

5.16. Overall, the insurer's underwriting result improved in 2023 largely attributable to the top line growth.

Actuary's Opinion

5.17. We recommend that MBA reviews their budgets or forecasts and aligns these based on the IFRS 17 accounts. This will also allow for the realignment of the key performance indicators.

6. Insurance Liability Valuation

Reserving Methodology

6.1. In line with the requirements of the IFRS 17 Standard ("the Standard"), the valuation of insurance liabilities covers liabilities for remaining coverage (LRC) and liabilities for incurred claims (LIC) at gross and reinsurance levels using prescribed methodologies and assumptions.

6.2. Following the adoption of the premium allocation approach (PAA) to measure the short-term contracts and General Measurement Method (GMM) to measure the long term contracts issued by MBA, the following components were estimated as part of the LRC and LIC.

a) Liability for remaining coverage (unexpired service):

- Unearned Premium Reserve (UPR) for contracts measured under PAA; and
- Fulfilment Cashflows for contracts measured under GMM

b) Liability for incurred claims (expired service): Fulfilment Cashflows

Liabilities for Remaining Coverage

Contracts Measured under PAA

6.3. The liability for remaining coverage is estimated as the Unearned Premium Reserve (UPR) less the Deferred Acquisition Cost (DAC) asset, both calculated using the 365ths method in which the risk profile is assumed to be spread evenly over the year.

6.4. The LRC reserve is adjusted for the Deferred Acquisition Cost (DAC) asset which represents the portion of prepaid acquisition costs (commissions) yet to be recognized.

Contracts Measured under GMM

6.5. The General Measurement Model involves estimating the liability for remaining coverage (LRC) as the sum of the Best Estimate Liabilities (BEL), the Risk Adjustment (RA) for non-financial risks and the Contractual Service Margin (CSM).

6.6. For the BEL, this entailed making monthly projections of all items of future outgo and income on a policy-by-policy basis. The future outgo comprises all future expected claims and expenses. Future income includes expected premiums. The BEL is then computed by deducting the present value of future income from the present value of future outgo at the assumed valuation rate of interest.

6.7. IFRS 17 standard has introduced the Contractual Service Margin (CSM) which represents unearned profit for a group of insurance contracts. This is added to the Best Estimate Liability (BEL) and Risk Adjustment (RA) in the balance sheet to eliminate day one profits and then this is released and recognized over time in the profit and loss (P&L) based on coverage units' allocation. The amount of CSM released over the period is proportional to the ratio of the coverage units allocated to the current period to the total number of coverage units outstanding as at the beginning of the period. The coverage units reflect the provision of insurance coverage as required by the insurance contract.

6.8. For the contracts measured under BBA, we established the coverage units measure as the unearned premium reserve.

Liability for Incurred Claims (LIC)

6.9. The fulfilment cashflows in respect of incurred claims comprise, in line with the standard requirements, the Best Estimate Liabilities (BEL) and the Risk Adjustment (RA).

6.10. The undiscounted best estimate liability for incurred claims is made up of the Outstanding Claims Reserves (OCR) and the Incurred But Not Reported (IBNR) claims reserves.

6.11. The IBNR reserve is estimated by use of triangulation methods based on the historic claims' development pattern of the Company. Future claim settlement cashflows, as well as related expenses are extracted from the triangles and discounted accordingly.

6.12. Cashflows relating to incurred claims are discounted to reflect the time value of money with respect to the expected time of settlement derived from the payment pattern for each class of business.

6.13. MBA has adopted the Bottom-up approach in discounting its LIC. This is in line with the guidance from the Commission. The applicable yield curve used for discounting as at the Valuation Date is attached in the appendix.

6.14. The risk adjustment was determined using the Value at Risk (VaR) statistical method and was estimated at a portfolio level. The adopted confidence level was 75%. A summary of the applicable risk adjustment factors per portfolio is provided in the appendix of this report.

6.15. In summary, the insurance liabilities were calculated using the following methodologies and assumptions:

PAA	GMM
Liability for Remaining Coverage	
Unearned Premium Reserves (UPR) Deferred Acquisition Cost (DAC) Additional Unexpired Risk Reserve (AURR)	**Fulfilment Cashflows for remaining Coverage comprising of:** Best Estimate Liability Risk Adjustment for Non-Financial Risk Contractual Service Margin (CSM)
Liability for Incurred Claims	
Incurred Claims fulfilment Cashflows: Best Estimate Liability Risk Adjustment for Non- Financial Risk	**Incurred Claims fulfilment Cashflows:** Best Estimate Liability Risk Adjustment for Non- Financial Risk

Valuation Results

6.16. The insurance liability valuation results as at 31 December 2023 were calculated in line with the newly adopted financial reporting standard for Insurance Contracts, IFRS 17 ("the Standard").

6.17. Zamara computed the undiscounted Best Estimate Liabilities which inform the cashflows required for IFRS 17 reporting. Subsequently, Zamara produced the IFRS 17 accounts using the Iris IFRS 17 tool in line with MBA's IFRS 17 adopted methodologies and policy choices on key actuarial and accounting areas.

6.18. The IFRS 17 results as at the Valuation Date are summarized in the table below:

Liabilities/Assets	Reserves as at 31 December 2023 (NGN '000)	
	Insurance Liabilities	Reinsurance Assets
Liability for Incurred Claims		
Discounted Best Estimate Liabilities (BEL)	4,833,464	1,497,938
Risk Adjustment	793,766	240,961
Liability for Remaining Coverage		
LRC Excl. Loss Component	7,913,948	1,139,582
Loss Component	109,366	0
Total Liabilities/Assets	13,650,544	2,878,481

6.19. Overall, the total insurance liabilities were NGN 13.7 billion while the reinsurance assets were NGN 2.9 billion as at the Valuation Date.

6.20. For comparison, the IFRS 17 results as at the previous valuation date are summarized in the table below:

Liabilities/Assets	Reserves as at 31 December 2022 (NGN '000)	
	Insurance Liabilities	Reinsurance Assets
Liability for Incurred Claims		
Discounted Best Estimate Liabilities (BEL)	4,246,043	1,769,375
Risk Adjustment	442,967	182,346
Liability for Remaining Coverage		
LRC Excl. Loss Component	4,547,254	931,750
Loss Component	483,589	0
Total Liabilities/Assets	9,719,853	2,883,471

6.21. The total insurance liabilities were NGN 9.7 billion while the reinsurance assets were NGN 2.9 billion. Overall, the insurance liabilities increased while the reinsurance assets decreased marginally in 2023 from those held in 2022.

Actuary's Opinion

6.22. As the Appointed Actuary, we are satisfied with the reserves booked by MBA in their audited accounts. The approach and methodologies adopted for the measurement of the insurance and reinsurance contracts are in line with the IFRS 17 Standard and key actuarial decisions adopted by the insurer.

7. Reserves Adequacy

Adequacy of Reserves Held as at 31 December 2022

7.1. The adequacy of the IBNR estimate held as at 31 December 2022, in respect of accident years 2022 and prior, has been assessed as follows. The assessment has been based on the reporting classes:

Class of Business	Reserves Adequacy Amounts in NGN '000s				
	Gross IBNR as at 31 December 2022	Pure IBNR	Emerging IBNER	Utilisation	% Utilised
Fire	471,831	267,923	(398,968)	(131,045)	-27.8%
General Accident	334,724	342,883	614,387	957,269	286.0%
Marine	209,941	178,336	(188,940)	(10,604)	-5.1%
Motor	575,935	940,115	3,908	944,023	163.9%
Oil and Gas	561,363	976,045	(116,012)	860,033	153.2%
Total	**2,153,794**	**2,705,303**	**(85,626)**	**2,619,677**	**121.6%**

7.2. The utilization analysis was performed on the undiscounted best estimate liabilities which exclude the effect of discounting and risk adjustment.

7.3. The Gross IBNR as at 31 December 2022 was insufficient at an overall level with utilization of 121.6% as at the Valuation Date. Overutilization was noted in all classes except the Fire and Marine classes.

7.4. Excluding the impact of the large losses, the utilization was below 100%, as shown below:

Class of Business	Reserves Adequacy (Excl Large Losses) Amounts in NGN '000s				
	Gross IBNR as at 31 December 2022	Pure IBNR	Emerging IBNER	Utilisation	% Utilised
Fire	471,831	267,923	(73,950)	193,973	41.1%
General Accident	575,935	815,645	3,908	819,553	142.3%
Marine	334,724	180,479	(35,074)	145,405	43.4%
Motor	209,941	178,336	(188,940)	(10,604)	-5.1%
Oil and Gas	561,363	77,491	(116,012)	(38,521)	-6.9%
Total	**2,153,794**	**1,519,875**	**(410,069)**	**1,109,806**	**51.5%**

7.5. While the impact of large losses was attributable to the overutilization in some classes such as the General Accident, the reserves recommended as at the Valuation Date were adjusted to allow for the high utilization under these classes.

Actuary's Opinion

7.6. The utilization of the undiscounted best estimate liabilities held as at 31 December 2022 was deemed to be reasonable (excluding the effect of large losses) at an overall level. For classes where overutilization was observed, the reserves were strengthened.

8. Capital Management & Capital Adequacy

8.1. The following table shows the solvency margin of Mutual Benefits as at 31 December 2023. The solvency position for 2022 is also displayed for comparative purposes.

Capital Item Amounts in NGN'000	2022	2023
Total Admissible Assets	26,553,630	34,515,906
Total Admissible Liabilities	13,317,554	18,318,444
Solvency Margin	**13,236,076**	**16,197,462**
Minimum Regulatory Capital	3,000,000	3,000,000
15% of Net Premium	1,854,396	2,341,924
Regulatory Capital	**3,000,000**	**3,000,000**
Statutory CAR Cover	**4.41**	**5.40**

8.2. As at 31 December 2023, MBA is required to hold minimum capital of NGN 3 billion i.e. the higher of NGN 3 billion and approximately NGN 2.3 billion representing 15% of the net premium income during the preceding financial year.

8.3. The SCAR was observed to be following an increasing trend over the period due to an increase in the solvency margin. The increase in the solvency margin in 2023 was due to the increase in total admissible assets.

8.4. Management should continue monitoring capital levels to ensure that the company's solvency position remains favourable.

8.5. The Company has established the following capital management objectives, policies, and approach to managing the risks that affect its capital position:

- To maintain the required level of stability of the Company thereby providing a degree of security to policyholders.
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.
- To align the profile of assets and liabilities taking account of risks inherent in the business.
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators, and stakeholders.
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders' value.

9. Pricing and Premium Adequacy

Premium Adequacy

9.1. Based on the underwriting result using the IFRS 17 results, we note that MBA recorded a positive insurance service result before reinsurance at an overall level over the two years. This implies that the premiums charged on a gross basis were sufficient at an overall level.

9.2. Similarly, the performance after the reinsurance cost is noted to be positive over the two years.

Statement of Profit or Loss Amounts in NGN '000	2023	2022
Insurance Service		
Insurance Service Revenue	20,109,492	15,281,080
Insurance Service Expense	(16,377,766)	(12,514,137)
Insurance Service Result Before Reinsurance (A)	3,731,726	2,766,943
Reinsurance		
Reinsurance Costs	(4,496,668)	(2,918,438)
Reinsurance Recoveries	1,769,074	2,163,675
Reinsurance Service Result (B)	(2,727,594)	(754,763)
Insurance Service Result (C) = (A) - (B)	1,004,133	2,012,179

9.3. We have further reviewed the premium adequacy on a gross basis using the IFRS 4 accounts. The table below indicates the values of key gross financial ratios for MBA for the financial year ended 31 December 2023. The corresponding statistics from the previous year have been included for comparative purposes.

Key Financial Ratios	31 December 2023	31 December 2022
Gross loss ratio	35.4%	39.4%
Expense ratio*	34.7%	32.5%
Gross combined ratio	70.1%	71.9%

**includes net commission incurred and underwriting expenses*

9.4. The above statistics indicate that the overall mix of exposure for MBA resulted in a gross combined ratio of 70.1% as at 2023. The combined ratio improved by 1.8% from the ratio as at 2022 largely driven by the decrease in the gross loss ratio in 2023.

9.5. The overall gross combined ratio cannot, however, be relied upon to give useful information on the appropriateness of premium rates for individual classes of business. Significant changes in the future mix of business underwritten by MBA can have a material impact on the overall combined ratio and profitability of MBA.

9.6. We have therefore assessed the appropriateness of the premiums charged per class of business using the gross combined ratios over the last three years. The tables below indicate the values of key financial ratios for MBA for the financial years ending 31 December 2021 to 31 December 2023.

9.7. A summary of the key ratios as at 31 December 2023 is provided in the table below.

Class of Business	31 December 2023		
	Gross Loss Ratio	Gross Expense Ratio*	Gross Combined ratio
Fire	42.5%	38.6%	81.1%
General Accident	51.5%	39.4%	91.0%
Marine	26.1%	35.2%	61.2%
Motor	28.0%	30.0%	58.0%
Oil and Gas	31.6%	34.1%	65.7%
Total	35.4%	34.7%	70.1%

**includes net commission incurred and underwriting expenses*

9.8. A summary of the key ratios as at 31 December 2022 is provided in the table below.

Class of Business	31 December 2022		
	Gross Loss Ratio	Gross Expense ratio*	Gross Combined ratio
Fire	24.5%	37.8%	62.3%
General Accident	44.5%	27.5%	72.1%
Marine	25.7%	43.6%	69.3%
Motor	78.0%	27.3%	105.3%
Oil & Energy	13.8%	31.6%	45.4%
Total	39.4%	32.5%	71.9%

**includes net commission incurred and underwriting expenses*

9.9. A summary of the key ratios as at 31 December 2021 is provided in the table below.

Class of Business	31 December 2021		
	Gross Loss Ratio	Gross Expense ratio*	Gross Combined ratio
Fire	55.7%	5.6%	61.3%
General Accident	107.0%	4.8%	111.8%
Marine	18.7%	2.1%	20.8%
Motor	63.3%	-3.9%	59.4%
Oil & Energy	-4.3%	4.4%	0.1%
Total	48.9%	1.9%	50.8%

**includes net commission incurred and underwriting expenses*

9.10. The overall loss ratio improved over the 2022 to 2023 financial year from 71.9% to 70.1%. It was also noted that no class of business had a gross combined ratio of above 100% as at December 2023.

Actuary's Opinion

9.11. We recommend that Mutual Benefits continue to monitor the adequacy of its premiums for its portfolios.

9.12. The requirement under IFRS 17 Standard to have the insurance result presented separately from the reinsurance result will ensure that the performance of the insurance contracts is separately tracked and monitored.

10. Asset and Liability Management

10.1. The financial statements as at December 2023 were prepared in accordance with the IFRS 17 requirements. This includes a change in the presentation of the financial statements in addition to the level of disclosures required compared to the previous years' financial statements.

10.2. We provide below a summary of the balance sheet including the IFRS 17 results based on the IFRS 17 accounts produced by MBA as at 31 December 2023 and the restated IFRS 17 2022 financials:

Asset/Liability Class (NGN '000)	31 December 2023	31 December 2022
Fixed Interest Instruments	12,792,276	12,298,057
Investment Property	100,000	75,000
Equities	554,192	212,696
Cash and Bank Balances	9,796,235	3,027,375
Invested Assets	**23,242,703**	**15,613,128**
Reinsurance Assets	2,878,480	2,883,471
Other balance sheet assets	10,064,624	9,671,931
Total Assets	**36,185,807**	**28,168,530**
Insurance Liabilities	13,650,538	9,719,849
Reinsurance Liabilities	-	-
Other Liabilities	4,667,906	4,318,958
Total Liabilities	**18,318,444**	**14,038,807**
Net Assets	**17,867,363**	**14,129,723**

**Fixed interest assets include deposits with financial institutions*

Assets

Valuation of Assets

10.3. For the purposes of this FCR, we are not aware of any assets that are not held at fair value. Therefore, the assets adopted for our review total NGN 36.2 billion as at 31 December 2023. The total assets of MBA have grown by 28.5% in the period between 31 December 2022 and 31 December 2023.

Asset Admissibility

10.4. The following assets held by MBA are admissible for the purposes of demonstrating regulatory solvency under the existing solvency templates:

- Cash and Bank Balances;
- Quoted Investments at Market Value;
- Unquoted Stock at Cost;
- Land and Buildings;
- Furniture and Fittings;
- Office Equipment;
- Motor Vehicles;
- Prepaid Expenses made to members of staff;
- Amount due from retrocession;
- Staff Loans and advances; and
- Claims receivable

Liabilities

Currency of liabilities

10.5. MBA underwrites the following classes of business: Bonds, Engineering, Fire, General Accident, Marine, Motor and Oil & Gas.

10.6. The Company is exposed to foreign exchange currency risk primarily through transactions denominated in foreign currency, as well as currency fluctuations in its investments. The Company regularly reviews its investment policy with a view to taking advantage of the foreign exchange volatility and immunizing the liability obligations of the Company.

Nature and term of liabilities

10.7. In general, the following is applicable relating to the term of liabilities arising from various classes of business:

- Engineering class liabilities are generally long tailed and may take more than 3 years to settle.
- Marine class liabilities are generally long-tailed and may take more than 3 years to settle and may also increase with inflation, specifically court-award and price inflation.
- Property damage claims are generally reported and settled soon after occurrence and thus are considered short-tailed.
- Property damage claims are generally not affected by inflation from occurrence to settlement.
- Fire and Oil and Gas liabilities are very volatile in nature. The claims experience for these classes can range from very favourable to highly unfavourable.

10.8. The currency, nature and term of the liabilities impact the assets that Mutual Benefits should be investing in so as to reduce the risk of a mismatch between assets and liabilities.

Asset Liability Matching

10.9. The following is a Gap analysis showing the projected asset/liability profile of MBA. The analysis is based on the internal computation undertaken by MBA:

Class of Asset (NGN '000)	Time Period				
	0	1	2	3	4+
Treasury Bills: Held to Maturity	11,365,317	-	-	-	-
Equities	554,192	-	-	-	-
Cash and Cash Equivalents	9,796,235	-	-	-	-
Total Income from Assets	21,715,744	-	-	-	-
Liabilities	0	1	2	3	4+
Net OCR and IBNR	2,629,840	895,927	524,791	147,128	5,916
Net UPR less DAC	3,461,592	2,168,206	474,754	465,802	204,011
Other	4,667,906				
Total liabilities outgo	10,759,337	3,064,133	999,545	612,930	209,928
Gap	10,956,407	(3,064,133)	(999,545)	(612,930)	(209,928)

10.10. From the gap analysis, the surplus in year 0 and the expected premium income should be adequate to offset any cashflow demands in the medium term. Nonetheless, management should continue monitoring this position on a regular basis. Seen above, MBA has sufficient liquidity to meet its financial obligations in the short term, which is ideal given the relatively short-term nature of the contractual obligations of general insurance companies.

Investment Strategy

10.11. Mutual Benefits investment strategy is hinged on prudent investment principles within the context of the applicable insurance regulations. The goal and objective of the Company's investment activities is to maximize returns on a risk adjusted basis.

10.12. The Company should consider introducing two investment pools in the strategy: one to cover liabilities and a second for surplus/free assets. The first pool should ideally be broken down into business lines or smaller pools based on the nature and term of actual/notional liabilities. The second pool represents the company's free assets and can be used to improve investment returns. Each pool should have its own target asset allocation and tactical limits. In addition, there should be a target and maximum allowable allocation per asset class.

11. Reinsurance Arrangements

Reinsurance Management Strategy

11.1. It is the responsibility of the Board of Directors and senior management to develop, implement and maintain a reinsurance strategy appropriate to the operations of the Company, in order to ensure that the Company has sufficient capacity to meet its obligations as they arise.

These responsibilities are as follows:

- Set limits on the net risk to be retained per class of business and in aggregate for the Company
- Document clear policies and procedures for implementing the reinsurance strategy
- Review the reinsurance strategy regularly
- Seek professional advice on the soundness of the risk transfer before entering into, modifying or terminating a reinsurance arrangement

Placing Reinsurers

11.2. Mutual Benefits Assurance uses the following criteria when determining if a reinsurance broker is suitable as a service provider:

- Possession of current operating licence.
- Value added to the reinsurance programme.
- Prompt remission of reinsurance premium to reinsurers.
- Prompt collection of a claim from reinsurer in case of a cash call.
- The ability to obtain concession of reinsurers on exceptional risks.

Summary of 2023 Treaty Cover Note

11.3. A Summary of the Treaty Cover Notes are summarised in the Appendix

Peak Exposures

11.4. The biggest risks faced by Mutual Benefits are summarised in the Peak Exposures section of the appendix.

Impact of Reinsurance on Insurance Service Result

11.5. We assessed the impact of the reinsurance arrangements on MBA's performance over the last two years based on the IFRS 17 results over these periods as shown below.

Reinsurance Impact Amounts in NGN '000	31 December 2023	31 December 2022
Insurance Service		
Insurance Service Revenue	20,109,492	15,281,080
Insurance Service Expense	(16,377,766)	(12,514,137)
Insurance service result before reinsurance (A)	3,731,726	2,766,943
Reinsurance		
Reinsurance Costs	(4,496,668)	(2,918,438)
Reinsurance Recoveries	1,769,074	2,163,675
Reinsurance Service result (B)	(2,727,594)	(754,763)
Insurance Service Result (C) = (A) - (B)	1,004,133	2,012,179
Ratios		
Reinsurance Cost/Insurance Service Revenue	22.4%	19.1%
Reinsurance Recoveries/Insurance Service Expense	10.8%	17.3%

11.6. At an aggregate level, we note that MBA's reinsurance impact on the insurance service result was positive for the 2022 and 2023 financial years. This is indicative of value for money from a cost versus benefit analysis of reinsurance which is commendable.

11.7. Based on the 2023 results, the proportion of reinsurance cost incurred to the insurance service revenue increased to 22.4% in 2023 from 19.1% in 2022 while the recoveries decreased from 17.3% in 2022 to 10.8% as at 2023. The recoveries in 2023 were not commensurate with the reinsurance costs incurred which may be an indication of lower recoveries compared to the cost of claims incurred.

Actuary's Opinion

11.8. We recommend that MBA develops metrics to be adopted for the performance review of the reinsurance contracts held. This might include setting thresholds for key ratios as highlighted above.

11.9. In addition, we recommend that MBA separately reviews the performance of the insurance service result before reinsurance from that of the reinsurance result at a class wise or portfolio level. This will allow for a better assessment of each class or portfolio.

12. Risk Management

Risk Management Strategy

12.1. Mutual Benefits has adopted the three lines of defense model for its risk governance specifying roles and responsibilities for each line of defense and ensuring independence of the parties involved. It should be noted that the board of directors and senior management are not considered to be part of the three lines of defense but are served by the three lines of defense model. They are therefore responsible for ensuring that the three lines of defense model are implemented in the Insurer.

12.2. Mutual Benefits has identified the following major risk areas as part of its risk management strategy:

- Reputational risk
- Operational risk
- Liquidity risk
- Market risk
- Investment risk
- Strategic risk
- Credit risk
- Reinsurance risk
- Underwriting risk

Material Risks Identified

12.3. The following summarizes the key risks faced by MBA, as well as their impact and implications, based on our review as the Appointed Actuary:

Insurance Risk

12.4. This is the risk that inadequate pricing or inappropriate underwriting, product design, pricing and claims settlements could expose the company to a financial loss or inability to meet its contractual obligations.

12.5. MBA's gross combined ratio improved as observed in the movement from 71.9% in 2022 to 70.1% in 2023 mainly occasioned by a decrease in gross incurred claims ratio from 39.4% in 2022 to 35.4% in 2023 which is favorable.

12.6. With the adoption of the IFRS 17 Standard, we recommend that MBA assesses the performance of the insurance service result at a portfolio basis and analyses the gross performance separately from the reinsurance service result.

Catastrophic Risk

12.7. Catastrophe Risk is defined as the risk related to the occurrence of high-severity and low-frequency events. This is especially noteworthy as the company also writes volatile classes of business such as Fire, Marine and Oil and Gas. These classes of business may be exposed to catastrophic events which may negatively influence the profitability and capital adequacy of the company.

12.8. MBA's management needs to constantly review the appropriateness of the retentions held for these classes to ensure the company is not exposed to catastrophe events.

12.9. Other possible courses of action would be setting up catastrophe reserves and/or claims equalization reserves to combat future one-off losses thereby minimizing their impact on the overall profitability.

Liquidity Risk

12.10. Whereas as a going concern, MBA is expected to receive premium income, as well as premiums from new business to offset these cashflow demands, the liquidity position should be monitored closely for the short term as a liquidity gap in this period is observed. A proper asset liability matching exercise should ensure that the assets and liabilities are matched both in respect of timing and amounts.

Compliance Risk

12.11. This is the risk that a change in the current legislation or global reporting requirement will affect a company, or industry. This is especially because companies must abide by regulations set by governing bodies that oversee their industry.

12.12. MBA should be wary of any adverse effects of future compliance requirements. This is especially key with the possible shift to the Risk Based regime for the Nigeria insurance industry. Such changes are bound to have implications on operational costs and sometimes could even introduce restrictions to a company's normal operations.

Currency Risk

12.13. MBA is exposed to currency risk resulting from recognised assets and liabilities in currencies other than the Naira. Examples include transactions carried out in Pound, US Dollar, and Euro.

12.14. Thus, the management of MBA should have proper mitigative measures instituted to reduce the impact of such an event as well monitoring its foreign exchange arrangements and take measures to minimise the risk of Forex losses. The company should consider some of the hedging approaches that may help minimise this risk.

Appendix 1: Yield Curve

Yield Curve as at 31 December 2023

Year	Discount Rate (%)
1	11.5
2	13.8
3	13.6
4	14.4
5	15.2
6	15.4
7	15.1
8	14.9
9	15.2
10	15.9
11	16.4
12	16.5
13	17.6
14	18.0
15	17.9
16	17.8
17	17.8
18	17.7
19	18.7
20	20.1

Appendix 2: Risk Adjustment Factors

Risk Adjustment Factors

IFRS 17 Portfolio	2023
Aviation	10.00%
Bond	10.00%
Engineering	19.64%
Fire	19.03%
General Accident	12.15%
Marine	18.68%
Motor	18.06%
Oil And Gas	10.00%

Appendix 3: Peak Exposures

Fire

Policy Number	Sum Insured	EML	Annual Premium	Retention	Sum Insured	Fac Reins	P/N	Lead Reins	P/N
IAR/01/1/00055/16	5,405,238,300	100%	43,086,599	200,000,000	5,205,238,300	-	0%	African Re	60%
CBP/01/1/00574/23	6,000,000,000	100%	15,201,013	200,000,000	5,800,000,000	-	0%	African Re	60%
CBP/01/1/00400/21	7,635,841,264	100%	20,666,954	200,000,000	7,435,841,264	-	0%	African Re	60%
CBP/01/1/00513/22	10,817,793,871	100%	24,601,786	200,000,000	8,000,000,000	2,617,793,871	24%	African Re	60%
CBP/01/1/00245/20	12,820,856,250	100%	33,941,924	200,000,000	8,000,000,000	4,620,856,250	36%	African Re	60%
IAR/01/1/00024/16	14,500,000,000	100%	14,590,179	200,000,000	8,000,000,000	6,300,000,000	43%	African Re	60%
IAR/01/1/00382/18	20,552,000,000	100%	56,186,629	200,000,000	8,000,000,000	12,352,000,000	60%	African Re	60%
IAR/01/1/00003/17	21,490,245,605	100%	10,636,473	200,000,000	8,000,000,000	13,290,245,605	62%	African Re	60%
IAR/01/1/00207/20	23,637,146,832	100%	55,994,473	200,000,000	8,000,000,000	15,437,146,832	65%	African Re	60%

Terrorism

Policy Number	Sum Insured	EML	Annual Premium	Retention	Sum Insured	Fac	P/N	Lead Reins	P/N
PVI/01/2/00002/16	38,231,341,719	100%	20,896,070	100,000,000	500,000,000	37,631,341,719	98%	African Re	60%

General Accident

Policy Number	Sum Insured	EML	Annual Premium	MBA Retention	Sum Insured	Fac Reins	P/N	Lead Reins	P/N
GPA/03/2/00116/19	1,944,576,087	100%	4,043,837	45,000,000	1,350,000,000	549,576,087	28%	African Re	60%
CBP/01/1/00056/22	2,600,000,000	100%	7,020,000	100,000,000	2,500,000,000	-	0%	African Re	60%
PUB/03/2/00077/20	3,600,000,000	100%	2,160,000	20,000,000	600,000,000	2,980,000,000	83%	African Re	60%
IAR/01/1/00102/19A	5,382,200,000	100%	8,961,363	100,000,000	3,000,000,000	2,282,200,000	42%	African Re	60%
PRI/01/2/02666/C	6,922,500,000	100%	4,107,650	30,000,000	900,000,000	5,992,500,000	87%	African Re	60%
GIT/01/2/00041/21	8,923,806,000	100%	1,338,571	30,000,000	900,000,000	7,993,806,000	90%	African Re	60%
GIT/01/2/00205/22	21,788,812,800	100%	32,683,219	30,000,000	900,000,000	20,858,812,800	96%	African Re	60%

Engineering

Policy Number	Sum Insured	EML	Annual Premium	MBA Retention	Sum Insured	Fac Reins	P/N	Lead Reins	P/N
EAR/01/6/00003/23	6,280,820,000	100%	19,388,652	150,000,000	6,130,820,000	-	0%	African Re	60%
CAR/01/6/00072/23	7,926,000,000	100%	4,630,506	200,000,000	7,000,000,000	726,000,000	9%	African Re	60%
CAR/01/2/00040/23	9,312,960,698	100%	18,428,717	200,000,000	7,000,000,000	2,112,960,698	23%	African Re	60%
CAR/01/6/00027/23	37,349,910,841	100%	25,335,190	200,000,000	7,000,000,000	30,149,910,841	81%	African Re	60%
CAR/01/2/00046/18	59,725,588,648	100%	10,000,472	200,000,000	7,000,000,000	52,525,588,648	88%	African Re	60%
CAR/18/6/00073/23	121,235,783,316	100%	24,247,157	200,000,000	7,000,000,000	114,035,783,316	94%	African Re	60%

Marine Hull

Policy Number	Sum Insured	EML	Annual Premium	MBA Retention	Sum Insured	Fac Reins	P/N	Lead Reins	P/N
MAH/6B/3/00002/22	532,518,400	100%	4,925,750	150,000,000	382,518,400	-	0%	African Re	60%
MAH/01/3/00012/15	752,675,000	100%	6,266,019	150,000,000	602,675,000	-	0%	African Re	60%
MAH/10/3/00014/23	900,000,000	100%	7,650,000	150,000,000	750,000,000	-	0%	African Re	60%
MAH/18/3/00001/23	1,124,214,000	100%	10,965,240	150,000,000	974,214,000	-	0%	African Re	60%
MAH/01/3/03310/A	3,183,639,484	100%	23,792,109	150,000,000	3,033,639,484	-	0%	African Re	60%
MAH/26/3/00021/20	9,787,500,000	100%	17,128,125	150,000,000	4,500,000,000	5,137,500,000	52%	African Re	60%

Marine Cargo

Policy Number	Sum Insured	EML	Annual Premium	MBA Retention	Sum Insured	Fac Reins	P/N	Lead Reins	P/N
MOC/01/3/00035/18	1,254,084,302	100%	4,075,774	150,000,000	1,104,084,302	-	0%	African Re	60%
MOC/18/3/00065/23	2,000,000,000	100%	5,500,000	150,000,000	1,850,000,000	-	0%	African Re	60%
MOC/01/3/00031/22	2,844,567,634	100%	3,167,653	150,000,000	2,694,567,634	-	0%	African Re	60%
MOC/01/3/00047/23	4,192,410,819	100%	4,192,411	150,000,000	4,042,410,819	-	0%	African Re	60%
MOC/01/3/00085/18	6,174,342,000	100%	6,174,342	150,000,000	4,500,000,000	1,524,342,000	25%	African Re	60%
MAC/1A/4/00050/20	8,611,628,690	100%	3,014,070	150,000,000	4,500,000,000	3,961,628,690	46%	African Re	60%

Bond

Policy Number	Sum Insured	EML	Annual Premium	MBA Retention	Sum Insured	Fac Reins	P/N	Lead Reins	P/N
APB/01/5/00021/23	52,051,545	100%	520,515	20,820,618	31,230,927	-	0%	African Re	60%
APB/01/5/00018/23	84,488,502	100%	633,664	33,795,401	50,693,101	-	0%	African Re	60%
APB/01/5/00019/23	70,000,000	100%	700,000	28,000,000	42,000,000	-	0%	African Re	60%
APB/01/2/00002/23	31,000,000	100%	310,000	12,400,000	18,600,000	-	0%	African Re	60%
PRB/01/2/00006/23	50,000,000	100%	500,000	20,000,000	30,000,000	-	0%	African Re	60%

Aviation

Policy Number	Sum Insured	EML	Annual Premium	MBA Retention	Sum Insured	Fac Reins	P/N	Lead Reins	P/N
AVN/26/3/00003/13	5,259,429,416	100%	27,036,347	500,000				Swiss Re	50%
AVN/6B/3/00004/21	11,602,500,000	100%	23,328,814	500,000				Swiss Re	50%
AVN/6B/3/00004/22	15,610,320,000	100%	56,883,359	500,000				Swiss Re	50%
AVN/26/3/00004/20	19,045,426,400	100%	17,745,065	500,000				Swiss Re	50%
AVN/01/7/00001/23	19,337,500,000	100%	16,632,895	500,000				Swiss Re	50%
AVN/26/3/00013/21	43,509,375,000	100%	9,014,276	500,000				Swiss Re	50%

Oil and Gas

Policy Number	Sum Insured	EML	Annual Premium	MBA Retention	Sum Insured	Fac Reins	P/N	Lead Reins	P/N
OIL/01/2/00001/14	7,193,550,000	100%	10,070,970	500,000				Thomas Miller Specialist	20%
OIL/26/2/00066/E	15,429,522,397	100%	27,458,376	500,000				Thomas Miller Specialist	20%
OIL/01/02/000011/B	16,088,800,000	100%	2,013,691	500,000				Thomas Miller Specialist	20%
OIL/26/2/00017/15	21,862,497,017	100%	14,844,571	500,000				Thomas Miller Specialist	20%
OIL/26/2/00012/16	23,978,500,000	100%	46,489,067	500,000				Thomas Miller Specialist	20%
OIL/26/2/00021/21	48,545,963,529	100%	115,706,241	500,000				Thomas Miller Specialist	20%

Motor

Policy Number	Sum Insured	EML	Annual Premium	MBA Retention	Sum Insured	Fac Reins	P/N	Lead Reins	P/N
CVG/01/4/01019/23	80,000,000	100%	4,000,000	2,000,000	10,000,000	68,000,000	85%	African Re	60%
PRM/01/4/00122/17	62,000,000	100%	3,100,000	2,000,000	10,000,000	50,000,000	81%	African Re	60%
PRM/01/4/00199/23	72,000,000	100%	3,600,000	2,000,000	10,000,000	60,000,000	83%	African Re	60%

Agriculture

Policy Number	Sum Insured	EML	Annual Premium	MBA Retention	Sum Insured	Fac Reins	P/N	Lead Reins	P/N
AYI/01/1/00160/23	174,480,000	100%	1,746,720	69,792,000	104,688,000	-	0%	African Re	60%
POU/18/MISC/00001/23	188,250,000	100%	6,176,925	75,300,000	112,950,000	-	0%	African Re	60%
MPC/01/1/00163/23	736,571,897	100%	18,595,683	294,628,759	441,943,138	-	0%	African Re	60%

Appendix 4: Summary of Treaty Cover notes

CLASS OF BUSINESS	TYPE OF TREATY	MBA'S NET RETENTION	NO. OF LINES	TREATY LIMIT	GROSS CAPACITY	COMM.	FAC%	FAC ACCEPTANCE LIMIT
PROPORTIONAL								
Fire/Con Loss	Surplus	200,000,000.00	40	8,000,000,000.00	8,200,000,000.00	27.50%	25%	2,050,000,000.00
Terrorism	Surplus	100,000,000.00	5	500,000,000.00	600,000,000.00	25.00%	25%	150,000,000.00
Marine Cargo	Surplus	150,000,000.00	30	4,500,000,000.00	4,650,000,000.00	30.00%	50%	2,325,000,000.00
Marine Hull	Surplus	150,000,000.00	30	4,500,000,000.00	4,650,000,000.00	30.00%	25%	1,162,500,000.00
Bond	Quota Share	40,000,000.00	40/60	60,000,000.00	100,000,000.00	25.00%	25%	25,000,000.00

CLASS OF BUSINESS	TYPE OF TREATY	MBA'S NET RETENTION	NO. OF LINES	TREATY LIMIT	GROSS CAPACITY	COMM.	FAC%	FAC ACCEPTANCE LIMIT
ENGINEERING								
CAR	Surplus	200,000,000.00	35	7,000,000,000.00	7,200,000,000.00	30.00%	25%	1,800,000,000.00
EAR	Surplus	200,000,000.00	35	7,000,000,000.00	7,200,000,000.00	30.00%	25%	1,800,000,000.00
MB	Surplus	150,000,000.00	35	5,250,000,000.00	5,400,000,000.00	30.00%	25%	1,350,000,000.00
PAR	Surplus	150,000,000.00	35	5,250,000,000.00	5,400,000,000.00	30.00%	25%	1,350,000,000.00
Electronic Equipment	Surplus	150,000,000.00	35	5,250,000,000.00	5,400,000,000.00	30.00%	25%	1,350,000,000.00
Boiler & Pressure Vessels	Surplus	150,000,000.00	35	5,250,000,000.00	5,400,000,000.00	30.00%	25%	1,350,000,000.00
Power Plants	Surplus	150,000,000.00	35	5,250,000,000.00	5,400,000,000.00	30.00%	25%	1,350,000,000.00
Third Party Liability Limit	Surplus	-	0	550,000,000.00	550,000,000.00	30.00%	25%	137,500,000.00

CLASS OF BUSINESS	TYPE OF TREATY	MBA'S NET RETENTION	NO. OF LINES	TREATY LIMIT	GROSS CAPACITY	COMM.	FAC%	FAC ACCEPTANCE LIMIT
GENERAL ACCIDENT								
Business Premises	Surplus	100,000,000.00	30	3,000,000,000.00	3,100,000,000.00	30.00%	50%	1,550,000,000.00
Private Premises	Surplus	100,000,000.00	30	3,000,000,000.00	3,100,000,000.00	30.00%	50%	1,550,000,000.00
Cash-In-Transit	Surplus	30,000,000.00	15	450,000,000.00	480,000,000.00	30.00%	50%	240,000,000.00
Cash-In-Safe	Surplus	30,000,000.00	15	450,000,000.00	480,000,000.00	30.00%	50%	240,000,000.00
Goods-In-Transit								
General Goods	Surplus	30,000,000.00	30	900,000,000.00	930,000,000.00	30.00%	50%	465,000,000.00
Own Goods	Surplus	25,000,000.00	30	750,000,000.00	775,000,000.00	30.00%	50%	387,500,000.00
All Risks	Surplus	30,000,000.00	30	900,000,000.00	930,000,000.00	30.00%	50%	465,000,000.00
Fidelity Gurantee								
Per Person	Surplus	30,000,000.00	15	450,000,000.00	480,000,000.00	30.00%	50%	240,000,000.00
Per Firm	Surplus	30,000,000.00	15	450,000,000.00	480,000,000.00	30.00%	50%	240,000,000.00
Personal Accident								
Any One Person	Surplus	35,000,000.00	30	1,050,000,000.00	1,085,000,000.00	30.00%	50%	542,500,000.00
Known Accumulation	Surplus	45,000,000.00	30	1,350,000,000.00	1,395,000,000.00	30.00%	50%	697,500,000.00

CLASS OF BUSINESS	TYPE OF TREATY	MBA'S NET RETENTION	NO. OF LINES	TREATY LIMIT	GROSS CAPACITY	COMM.	FAC%	FAC ACCEPTANCE LIMIT
LIABILITY								
Professional Indemnity	Surplus	30,000,000.00	30	900,000,000.00	930,000,000.00	30.00%	50%	465,000,000.00
Owners/Occupiers Liability	Surplus	25,000,000.00	30	750,000,000.00	775,000,000.00	30.00%	50%	387,500,000.00
Directors & Officer Liability	Surplus	25,000,000.00	30	750,000,000.00	775,000,000.00	30.00%	50%	387,500,000.00
Public & Product Liability	Surplus	20,000,000.00	30	600,000,000.00	620,000,000.00	30.00%	50%	310,000,000.00
General 3rd Party Liability	Surplus	20,000,000.00	30	600,000,000.00	620,000,000.00	30.00%	50%	310,000,000.00

NON-PROPORTIONAL EXCESS OF LOSS								
Fire/Con Loss & Allied Perils:								
Working Cover	XOL	100,000,000.00	xs	100,000,000.00	200,000,000.00			

Motor								
Motor		10,000,000.00	xs	2,000,000.00	12,000,000.00			