MUTUAL BENEFITS ASSURANCE PLC

Financial Condition Report as at 31 December 2024

May 2025

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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 2024, 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

26 May 2025

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 2024. This report includes an analysis of the financial progress since the end of the previous financial year.

2.3. MBA has contracted Zamara Consulting Actuaries Nigeria 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 successfully implemented the financial reporting standard for Insurance Contracts, IFRS 17 ("the Standard") which was effective for periods starting in 2023.

2.6. This FCR is the second report under this Standard. The trends contained in this report are based on the IFRS 17 results over the last two years.

Financial Performance

Statement of Profit or Loss

2.7. Based on the IFRS 17 accounts for 2023 and 2024, as detailed in section 5.1, the insurance service result (before reinsurance) declined from a profit of NGN 3.7 billion in 2023 to a loss amounting to NGN 3.5 billion in 2024. This reduction was primarily driven by a significant increase in insurance service expenses, which rose from NGN 16.4 billion in 2023 to NGN 41.1 billion in 2024. The increase in expenses was mainly due to higher claims incurred and other attributable costs recorded during the year.

2.8. Reinsurance expenses increased from NGN 4.5 billion in 2023 to NGN 8.4 billion in 2024, representing an 86.7% increase. However, this was partially offset by an increase in reinsurance recoveries over the same period.

2.9. As a result, the insurance service result (after reinsurance) significantly declined —from a profit of NGN 1.0 billion in 2023 to a loss of NGN 0.99 billion in 2024.

2.10. In contrast, the net investment result improved significantly, increasing from NGN 3.0 billion in 2023 to NGN 7.1 billion in 2024. This improvement was largely driven by higher investment income from government securities and foreign exchange gains.

2.11. Overall, the profit before tax increased by NGN 2.6 billion in 2024. This growth was mainly attributable to fair value gains on financial assets and improved reinsurance recoveries during the year.

2.12. Further analysis of MBA's performance, over the last two years, is provided in section 5.1 of this report.

Balance Sheet

2.13. The total assets of MBA have grown by 51.8% in the period between 31 December 2023 and 31 December 2024. Invested assets (excl. investments in the associates and subsidiaries) formed 63.9% of the total assets of MBA as at 31 December 2024 with fixed interest securities making up 40.9% of MBA's total invested assets.

2.14. The cash holdings formed the highest proportion of the invested assets. This also formed the highest increase over the year from NGN 9.9 billion in 31 December 2023 to NGN 19.8 billion to 31 December 2024. This reflects a strategic move to enhance returns on idle funds which earned an average variable interest rate of 13.55% per annum.

2.15. We observed an increase of NGN 1.7 billion in the fixed interest securities within the year and an increase in equities by NGN 9.9 billion due to fair value changes during the year.

2.16. The insurance liabilities as at 31 December 2024 increased from NGN 13.6 billion to NGN 25.3 billion, mainly attributable to large losses reported during the year. Consequently, the reinsurance assets also increased from NGN 2.9 billion in 2023 to NGN 9.6 billion in 2024.

Solvency Position

2.17. As at 31 December 2024, MBA is required to hold minimum capital of NGN 4.4 billion i.e. the higher of NGN 3.0 billion and approximately NGN 4.4 billion representing 15% of the net premium income during the last preceding financial year.

2.18. The Solvency Capital Adequacy Ratio (SCAR) was observed to be following a decreasing trend over the period. This follows from the accelerated growth in the minimum capital (46%) relative to the increase in the solvency margin (41%). The increase in the solvency margin over the two years (2023 and 2024) was due to a higher increase in the total admissible assets relative to the increase in the liabilities.

Improvements Observed

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

2.20. **Improved Profitability** – Despite the volatilities observed in the financial markets during the year, MBA attained high profitability levels in 2024 largely attributable to the improved investment returns and foreign exchange gains.

Material Risks Identified

2.21. 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

2.22. 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.

2.23. MBA's gross combined ratio worsened as observed in the movement from 70.1% in 2023 to 119.6% in 2024 mainly occasioned by an increase in gross incurred claims ratio from 35.4% in 2023 to 65.0% in 2024 which is unfavorable.

2.24. However, on a net basis, the combined ratio slightly improved from 137.2% in 2023 to 110.2% in 2024 driven by the increased recoveries during the year.

Catastrophic Risk

2.25. 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.

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

2.27. 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

2.28. Whereas as a going concern, MBA is expected to receive 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

2.29. 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.

2.30. 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

2.31. 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 currencies.

2.32. 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.

Expense Risk

2.33. MBA has experienced a significant rise in insurance service expenses during the period, driven by inflationary pressures and currency fluctuations. Notably, expenses have grown faster than premiums, leading to a decline in insurance service results. This trend highlights potential inefficiencies in cost management and a misalignment between pricing strategies and actual cost structures, underscoring the need for more effective expense control measures.

Inflation Risk

2.34. MBA has been significantly impacted by rising inflation, driving up claims, operational expenses, and insurance liabilities. With inflation outpacing premium adjustments, underwriting margins have deteriorated, highlighting potential gaps in pricing strategies and the risk of underpricing policies.

Actuary's Opinions

Recent Experience and Profitability

2.35. 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.

2.36. We recommend that MBA consider implementing management actions aimed at reducing and stabilizing claims experience. This may include enhancements to the underwriting process and ensuring that the reinsurance structure is optimally designed to support more consistent claims patterns.

2.37. We recommend that MBA establishes a clear expense target, such as an expense ratio or a variance-from-budget metric, which can be reviewed and updated on a quarterly basis to support ongoing financial monitoring and control.

Insurance Liability Valuation

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

2.39. 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

2.40. Based on the IBNR Sufficiency assessment, overutilization of the undiscounted best estimate liabilities held as at 31 December 2023 was noted. For classes where overutilization was observed, the reserves were strengthened.

Reinsurance Arrangements

2.41. We recommend that MBA develops metrics to be adopted for the performance review of the reinsurance contracts held.

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	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 – MBA should continue to 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

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:

- IFRS 17 financial statements as at 31 December 2024
- Insurance Liability Valuation as at 31 December 2024 (prepared by Zamara);
- Various documents relating to company governance structure and business plans for MBA, including MBA's:
    - Investment Policy Document;
    - Solvency Calculations;
    - Budget for the 2024 Financial Year;
    - Risk Management Framework;
    - Summary of Treaty Cover Notes for 2024; and
    - Peak Exposures for 2024.

Reliances and Limitations

3.2. This FCR is based on the audited financial statements of MBA as at 31 December 2024 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 2024.

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

3.5. 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 2024 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 - 2023	% Shareholding - 2024
Charles Enterprises LLC	42.27%	42.27%
Arubiewe Farms Ltd	21.97%	21.97%
Ogunbiyi Akinade Akanmu	5.48%	5.48%
Others (less than 5% shareholding)	30.28%	30.28%

4.5. There were no changes in the shareholding structure during the year from the position as at December 2023.

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 last two years and provide associated commentary on the performance of the insurer.

Statement of Profit or Loss Amounts in NGN '000	31 December 2024	31 December 2023
Insurance Contract Revenue		
Premium reserve release	**37,577,109**	**20,109,492**
Insurance Service Expenses		
Incurred claims and attributable expenses	39,909,299	13,517,365
Changes that relate to past service	(4,904,808)	297,416
Losses on onerous contracts and reversal of the losses	142,545	(374,241)
Insurance acquisition cash flows amortisation	5,975,841	2,937,225
Total	**41,122,878**	**16,377,766**
Insurance service result before reinsurance (A)	(3,545,769)	3,731,726
Reinsurance Expenses		
PAA premium reserve release*	**(8,428,152)**	(4,496,668)
Reinsurance Recoveries	**10,984,452**	1,769,074
Reinsurance Service Result (B)	2,556,299	(2,727,982)
Insurance Service Result (C) = (A) + (B)	(989,470)	1,004,133
Net Investment income	7,493,650	3,307,495
Insurance finance expense	(668,094)	(568,737)
Insurance finance income	244,850	247,872
Net Investment Result (D)	7,070,406	2,986,630
Other (Expenses)/Income	(423,871)	(983,367)
Profit Before Tax	5,656,195	3,007,396

**Reinsurance expenses include changes in deferred commission income;*

(i) Insurance Service Result

5.2. There was a significant increase in insurance service revenue in 2024, indicating a strong growth in the volume of insurance business written. Despite the increase in revenue, the insurance service result declined significantly. This was driven by a substantial increase in insurance service expenses from NGN 16.4 billion in 2023 to NGN 41.1 billion in 2024. The steep rise in expenses, due to higher claims and other directly attributable costs, led to a reversal of the positive result seen in 2023 into a loss in 2024.

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 losses on onerous contacts and reversal of the losses.

5.4. The reinsurance expenses, which represent the reinsurance costs or reinsurance share of earned premiums (including changes in the deferred commission income) increased from NGN 4.5 billion in 2023 to NGN 8.4 billion in 2024, representing a 86.7% increase. Similarly, the reinsurance recoveries increased over the period from NGN 1.8 billion in 2023 to NGN 10.9 billion in 2024.

5.5. The increase in claims expenses and reinsurance recoveries was mainly attributable to large losses reported during the year.

5.6. Overall, the reinsurance service result improved significantly, shifting from a loss of NGN 2.7 billion in 2023 to a gain of NGN 2.6 billion in 2024. This improvement mitigated the overall negative impact, reducing the net insurance service result loss to NGN 0.99 million in 2024.

(ii) Net Investment Result

5.7. The net investment result position improved from NGN 3.0 billion in 2023 to NGN 7.1 billion in 2024. This was mainly attributable to the increase in investment income from the government securities and foreign exchange gains.

5.8. Overall, the profit before tax increased by NGN 2.6 billion in 2024. This growth was mainly attributable to fair value gains on financial assets and improved reinsurance recoveries during the year.

Business Plan

5.9. MBA have not presented their budgets and business projections in the IFRS 17 format. We have therefore not commented on the performance of the business over the year or the forecast.

Actuary's Opinion

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

5.11. We recommend that MBA considers implementing management actions aimed at reducing and stabilizing claims experience. This may include enhancements to the underwriting process and ensuring that the reinsurance structure is optimally designed to support more consistent claims patterns.

5.12. We recommend that MBA establishes a clear expense target, such as an expense ratio or a variance-from-budget metric, which can be reviewed and updated on a quarterly basis to support ongoing financial monitoring and control.

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) less the Deferred Acquisition Cost (DAC) asset 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 (LRC)

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 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) Loss Component (LC)	**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 2024 were calculated in line with the financial reporting standard for Insurance Contracts, IFRS 17 ("the Standard").

6.17. Zamara computed the undiscounted Best Estimate Liabilities which informed 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 2024 (NGN '000)	
	Insurance Liabilities	Reinsurance Assets
Liability for Incurred Claims		
Discounted Best Estimate Liabilities (BEL)	12,249,329	6,642,240
Risk Adjustment	1,583,374	831,349
LRC Excl. Loss Component	11,243,446	2,049,181
Loss Component	251,911	67,519
Total Liabilities/Assets	25,328,061	9,590,288

6.19. Overall, the total insurance liabilities were NGN 25.3 billion while the reinsurance assets were NGN 9.6 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 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

6.21. The total insurance liabilities were NGN 13.6 billion while the reinsurance assets were NGN 2.9 billion.

6.22. Overall, both the insurance liabilities and reinsurance assets in 2024 increased from those held in 2023.

Actuary's Opinion

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

6.24. 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 2023

7.1. The adequacy of the IBNR estimate held as at 31 December 2023, in respect of accident years 2023 and prior, has been assessed as follows. The assessment has been based on the reporting classes adopted by MBA:

Class of Business	Reserves Adequacy Amounts in NGN '000				
	Gross IBNR as at 31 December 2023	Pure IBNR	Emerging IBNER	Utilisation	% Utilised
Fire	516,545	886,849	(36,844)	850,005	164.6%
General Accident	730,443	1,195,373	(102,515)	1,092,858	149.6%
Marine	412,870	493,572	593,599	1,087,171	263.3%
Motor	352,077	292,738	(40,978)	251,760	71.5%
Oil and Gas	636,778	1,189,180	133,924	1,323,105	207.8%
Total	2,648,713	4,057,712	547,187	4,604,898	173.9%

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 2023 was sufficient at an overall level with an utilization of 173.9% as at the Valuation Date.

7.4. Overutilization was noted in all classes except the Motor class of business. The reserves recommended as at the Valuation Date were adjusted to allow for the high utilization in these classes.

Actuary's Opinion

7.5. The utilization of the undiscounted best estimate liabilities held as at 31 December 2023 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 MBA as at 31 December 2024. The solvency position for 2023 is also displayed for comparative purposes.

Capital Item Amounts in NGN'000	2024	2023
Total Admissible Assets	52,495,790	34,032,582
Total Admissible Liabilities	30,260,816	18,318,439
Solvency Margin	22,234,974	15,714,143
Minimum Regulatory Capital	3,000,000	3,000,000
15% of Net Premium	4,372,343	2,341,924
Regulatory Capital	4,372,343	3,000,000
Statutory CAR Cover	5.09	5.24

8.2. As at 31 December 2024, MBA is required to hold minimum capital of NGN 4.4 billion i.e. the higher of NGN 3.0 billion and approximately NGN 4.4 billion representing 15% of the net premium income during the preceding financial year.

8.3. Despite the company's capital exceeding the minimum regulatory requirement, the SCAR was observed to be following a decreasing trend over the period. This follows from the accelerated growth in the minimum capital (46%) relative to the increase in the solvency margin (41%). The increase in the solvency margin over the two years (2023 and 2024) was due to a higher increase in the total admissible assets relative to the increase in the liabilities.

8.4. Management should, therefore, 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, we note that MBA recorded a loss in the insurance service result before reinsurance at an overall level in the financial year 2024. This implies that the premiums charged on a gross basis were insufficient at an overall level.

Statement of Profit or Loss Amounts in NGN '000	2024	2023
Insurance Service		
Insurance Service Revenue	37,577,109	20,109,492
Insurance Service Expense	(41,122,878)	(16,377,766)
Insurance Service Result Before Reinsurance (A)	(3,545,769)	3,731,726
Reinsurance		
Reinsurance Costs	(8,428,152)	(4,496,668)
Reinsurance Recoveries	10,984,452	1,769,074
Reinsurance Service Result (B)	2,556,299	(2,727,594)
Insurance Service Result (C) = (A) + (B)	(989,470)	1,004,133

9.2. The table below indicates the values of key gross financial ratios for MBA for the financial year ended 31 December 2024. The corresponding statistics from the previous year have been included for comparative purposes.

Key Financial Ratios	31 December 2024	31 December 2023
Gross loss ratio	65.0%	35.4%
Expense ratio*	54.6%	34.7%
Gross combined ratio	119.6%	70.1%

**includes net commission incurred and underwriting expenses*

9.3. The above statistics indicate that the overall exposure for MBA resulted in a gross combined ratio of 119.6% as at 2024. The combined ratio worsened largely driven by the increase in both the gross loss ratio and expense ratio in 2024.

9.4. 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.

9.5. 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 2022 to 31 December 2024.

9.6. A summary of the key ratios as at 31 December 2024 is provided in the table below.

Class of Business	31 December 2024		
	Gross Loss Ratio	Gross Expense Ratio*	Gross Combined ratio
Fire	38.8%	56.4%	95.2%
General Accident	47.1%	35.7%	82.8%
Marine	27.1%	50.6%	77.7%
Motor	25.5%	55.9%	81.4%
Oil and Gas	238.1%	77.6%	315.6%
Total	65.0%	54.6%	119.6%

**includes net commission incurred and underwriting expenses*

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 & Energy	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. The overall loss ratio deteriorated over the 2023 to 2024 financial year from 70.1% to 119.6%. With Oil and Gas having recorded high claims ratio and expense ratio.

Actuary's Opinion

9.10. We recommend that MBA should continue to monitor the adequacy of its premiums for its portfolios.

9.11. We recommend that MBA monitors its combined ratio per portfolio, and for classes where the combined ratio is above 100% the Company should consider carrying out a repricing exercise.

10. Asset and Liability Management

10.1. Below we provide a summary of the balance sheet based on the IFRS 17 accounts produced by MBA as at 31 December 2024 and 31 December 2023:

Asset/Liability Class (NGN '000)	31 December 2024	31 December 2023
Fixed Interest Instruments	14,323,020	12,792,276
Investment Property	100,000	100,000
Equities	800,004	554,192
Cash and Bank Balances	19,781,495	9,796,235
Invested Assets	35,004,519	23,242,703
Reinsurance Assets	9,590,288	2,878,481
Other balance sheet assets	10,204,847	9,984,589
Total Assets	54,799,654	36,105,773
Insurance Liabilities	25,328,061	13,650,538
Other Liabilities	5,585,666	5,296,547
Total Liabilities	30,913,727	18,947,085
Net Assets	23,885,927	17,158,688

**Fixed interest assets include deposits with financial institutions*

Assets

Valuation of Assets

10.2. 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 54.8 billion as at 31 December 2024.

10.3. The total assets of MBA have grown by 51.8% in the period between 31 December 2023 and 31 December 2024.

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	12,986,081	-	-	-	-
Equities	800,004	-	-	-	-
Cash and Cash Equivalents	19,781,495	-	-	-	-
Total Income from Assets	33,567,580	-	-	-	-
Liabilities	0	1	2	3	4+
Net OCR and IBNR	6,069,958	1,316,464	585,009	297,515	53,167
Net UPR less DAC	4,881,430	3,187,256	625,287	301,391	198,901
Other	5,585,666				
Total liabilities outgo	16,537,054	4,503,720	1,210,296	598,906	252,068
Gap	17,030,527	(4,503,720)	(1,210,296)	(598,906)	(252,068)

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.

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 2024 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 2024	31 December 2023
Insurance Service		
Insurance Service Revenue	37,577,109	20,109,492
Insurance Service Expense	(41,122,878)	(16,377,766)
Insurance service result before reinsurance (A)	(3,545,769)	3,731,726
Reinsurance		
Reinsurance Costs	(8,428,152)	(4,496,668)
Reinsurance Recoveries	10,984,452	1,769,074
Reinsurance Service result (B)	2,556,299	(2,727,594)
Insurance Service Result (C) = (A) - (B)	(989,470)	1,004,133
Ratios		
Reinsurance Cost/Insurance Service Revenue	22.4%	22.4%
Reinsurance Recoveries/Insurance Service Expense	26.7%	10.8%

11.6. At an aggregate level, we note that MBA's reinsurance impact on the insurance service result was a profit for the 2023 , whereas a loss was recorded in 2024.

11.7. Based on the 2024 results, the proportion of reinsurance cost incurred to the insurance service revenue remained stable at 22.4% in both 2023 and 2024. while the recoveries increased from 10.8% in 2023 to 26.7% as at 2024. The recoveries in 2024 were aligned with the reinsurance costs incurred, indicating a strong correlation between recoveries relative and 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 worsened as observed in the movement from 70.1% in 2023 to 119.6% in 2024 mainly occasioned by an increase in gross incurred claims ratio from 35.4% in 2023 to 65.0% in 2024 which is unfavorable.

12.6. However, on a net basis, the combined ratio slightly improved from 137.2% in 2023 to 110.2% in 2024 driven by the increased recoveries during the year.

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 catastrophic 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 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

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 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 currencies.

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.

Expense Risk

12.15. MBA has experienced a significant rise in insurance service expenses during the period, driven by inflationary pressures and currency fluctuations. Notably, expenses have grown faster than premiums, leading to a decline in insurance service results. This trend highlights potential inefficiencies in cost management and a misalignment between pricing strategies and actual cost structures, underscoring the need for more effective expense control measures.

Inflation Risk

12.16. MBA has been significantly impacted by rising inflation, driving up claims, operational expenses, and insurance liabilities. With inflation outpacing premium adjustments, underwriting margins have deteriorated, highlighting potential gaps in pricing strategies and the risk of underpricing policies.

Appendix 1: Yield Curve

Yield Curve as at 31 December 2024

Year	Discount Rate
1	30.09%
2	11.29%
3	20.91%
4	25.77%
5	27.05%
6	27.82%
7	-8.97%
8	34.51%
9	8.47%
10	-5.49%
11	25.15%
12	37.29%
13	25.86%
14	8.49%
15	0.14%

Appendix 2: Risk Adjustment Factors

Risk Adjustment Factors

IFRS 17 Portfolio	2024
Aviation	10.0%
Bond	10.0%
Engineering	21.7%
Fire	15.6%
General Accident	11.3%
Marine	16.0%
Motor	18.0%
Oil And Gas	10.0%

Appendix 3: Peak Exposures

Fire

Policy Number	Sum Insured	EML	Annual Premium	Retention	Surplus TTY	Fac Reins	P/N	Lead Reins	P/N
CBP/01/1/00250/18	1,500,000,000	100%	3,498,471	500,000,000	1,000,000,000	-	0%	African Re	50%
FSP/01/1/01096/23	1,500,000,000	100%	1,071,000	500,000,000	1,000,000,000	-	0%	African Re	50%
CBP/01/1/00613/23	1,820,160,000	100%	3,508,101	500,000,000	1,320,160,000	-	0%	African Re	50%
IAR/01/1/00195/19	3,958,157,826	100%	6,658,219	500,000,000	3,458,157,826	-	0%	African Re	50%
IAR/01/1/00062/18	7,270,314,064	100%	17,940,860	500,000,000	6,770,314,064	-	0%	African Re	50%
FSP/01/1/00226/24	11,616,338,760	100%	18,498,854	500,000,000	11,116,338,760	-	0%	African Re	50%
IAR/01/1/00207/20	21,161,000,000	100%	48,772,917	500,000,000	15,000,000,000	5,661,000,000	27%	African Re	50%
IAR/01/1/00027/12	33,902,000,000	100%	124,064,987	500,000,000	15,000,000,000	18,402,000,000	54%	African Re	50%
IAR/01/1/00033/24	47,693,177,920	100%	31,120,825	500,000,000	15,000,000,000	32,193,177,920	68%	African Re	50%

General Accident

Policy Number	Sum Insured	EML	Annual Premium	MBA Retention	Surplus TTY	Fac Reins	P/N	Lead Reins	P/N
PRI/01/2/00135/24	2,102,862,500	100%	3,890,296	30,000,000	900,000,000	1,172,862,500	56%	African Re	50%
CBP/01/1/00495/24	3,750,000,000	100%	1,885,479	100,000,000	3,000,000,000	650,000,000	17%	African Re	50%
GPA/01/2/00017/24	6,957,544,406	100%	1,847,758	45,000,000	1,350,000,000	5,562,544,406	80%	African Re	50%
IAR/01/1/00038/14	7,000,000,000	100%	1,237,664	20,000,000	600,000,000	6,380,000,000	91%	African Re	50%
GIT/01/2/00159/23	7,783,493,200	100%	22,679,153	30,000,000	900,000,000	6,853,493,200	88%	African Re	50%
ALR/01/2/00021/23	7,870,164,557	100%	72,799,022	30,000,000	900,000,000	6,940,164,557	88%	African Re	50%

Engineering

Policy Number	Sum Insured	EML	Annual Premium	MBA Retention	Surplus TTY	Fac Reins	P/N	Lead Reins	P/N
PAR/6B/6/00003/24	1,511,706,890	100%	11,337,802	200,000,000	1,311,706,890	-	0%	African Re	50%
PAR/01/6/00012/24	1,100,000,000	100%	5,596,250	150,000,000	950,000,000	-	0%	African Re	50%
CAR/03/6/00005/24	1,129,711,089	100%	2,612,456	250,000,000	879,711,089	-	0%	African Re	50%
PAR/6B/6/00044/23	1,143,891,375	100%	1,894,767	200,000,000	943,891,375	-	0%	African Re	50%
PAR/01/6/00033/24	1,146,735,568	100%	14,102,909	200,000,000	946,735,568	-	0%	African Re	50%
CAR/01/2/00043/23	17,330,948,000	100%	14,029,779	250,000,000	9,000,000,000	8,080,948,000	47%	African Re	50%
CAR/01/6/00129/24	19,895,543,775	100%	16,883,658	250,000,000	9,000,000,000	10,645,543,775	54%	African Re	50%
CAR/01/2/00043/21	21,442,815,057	100%	32,964,223	200,000,000	9,000,000,000	12,242,815,057	57%	African Re	50%
CAR/01/2/00018/23	22,951,560,638	100%	765,102	250,000,000	9,000,000,000	13,701,560,638	60%	African Re	50%

Marine Hull

Policy Number	Sum Insured	EML	Annual Premium	MBA Retention	Surplus TTY	Fac Reins	P/N	Lead Reins	P/N
MAH/26/3/00013/20	3,000,000,000	100%	4,273,352	150,000,000	2,850,000,000	-	0%	African Re	50%
MAH/26/3/00026/21	3,940,000,000	100%	11,069,180	150,000,000	3,790,000,000	-	0%	African Re	50%
MAH/6B/3/00002/18	4,457,425,500	100%	3,236,213	150,000,000	4,307,425,500	-	0%	African Re	50%
MAH/10/3/00004/20	5,428,005,000	100%	3,097,294	150,000,000	4,500,000,000	778,005,000	14%	African Re	50%
MAH/26/3/00008/18	5,482,551,040	100%	9,686,139	150,000,000	4,500,000,000	832,551,040	15%	African Re	50%

Marine Cargo

Policy Number	Sum Insured	EML	Annual Premium	MBA Retention	Surplus TTY	Fac Reins	P/N	Lead Reins	P/N
MAC/24/3/00020/21	263,490,631	100%	79,048	150,000,000	113,490,631	-	0%	African Re	50%
MAC/01/3/04252/Z	7,936,306,125	100%	3,968,153	150,000,000	4,500,000,000	3,286,306,125	41%	African Re	50%
MAC/1A/4/00158/22	7,963,466,033	100%	7,963,466	150,000,000	4,500,000,000	3,313,466,033	42%	African Re	50%
MAC/01/3/00201/24	9,084,611,795	100%	4,542,306	150,000,000	4,500,000,000	4,434,611,795	49%	African Re	50%
MOC/01/3/00031/22	9,353,676,372	100%	10,946,801	150,000,000	4,500,000,000	4,703,676,372	50%	African Re	50%

Bond

Policy Number	Sum Insured	EML	Annual Premium	MBA Retention	Surplus TTY	Fac Reins	P/N	Lead Reins	P/N
PRB/01/5/00001/24	50,000,000	100%	500,000	20,000,000	30,000,000	-	0%	African Re	50%
APB/01/5/00005/24	51,919,957	100%	519,200	20,767,983	31,151,974	-	0%	African Re	50%
APB/01/5/00004/24	60,000,000	100%	600,000	24,000,000	36,000,000	-	0%	African Re	50%

Aviation

Policy Number	Sum Insured	EML	Annual Premium	MBA Retention	Surplus TTY	Fac Reins	P/N	Lead Reins	P/N
AVN/26/3/00011/19	19,337,500,000	100%	4,708,681	500,000	-	-	-	Swiss Re	50%
AVN/26/3/00003/13	12,065,475,000	100%	15,570,254	500,000	-	-	-	Swiss Re	50%
AVN/26/3/00007/20	12,065,475,000	100%	15,636,856	500,000	-	-	-	Swiss Re	50%
AVN/01/7/00001/23	40,218,250,000	100%	20,605,515	500,000	-	-	-	Swiss Re	50%
AVN/26/3/00003/13	8,974,012,181	100%	10,579,234	500,000	-	-	-	Swiss Re	50%
AVN/26/3/00021/13	16,087,300,000	100%	2,957,200	500,000	-	-	-	Swiss Re	50%

Oil and Gas

Policy Number	Sum Insured	EML	Annual Premium	MBA Retention	Surplus TTY	Fac Reins	P/N	Lead Reins	P/N
OIL/26/2/00002/22	83,653,960,000	100%	39,433,994	500,000				Thomas Miller	25%
OIL/26/2/00017/15	9,970,386,288	100%	27,915,566	500,000				Thomas Miller	25%
OIL/26/2/00007/12	4,249,710,000	100%	13,050,165	500,000				Thomas Miller	25%
OIL/26/2/00004/12	2,943,267,415	100%	2,711,514	500,000				Thomas Miller	25%
OIL/26/2/00007/12	3,619,642,500	100%	14,820,441	500,000				Thomas Miller	25%
OIL/01/2/00023/G	37,931,083,300	100%	32,562,207	500,000				Thomas Miller	25%

Motor

Policy Number	Sum Insured	EML	Annual Premium	MBA Retention	Surplus TTY	Fac Reins	P/N	Lead Reins	P/N
PRM/01/4/01475/23	120,000,000	100%	6,000,000	10,000,000	10,000,000	100,000,000	83%	African Re	50%
PRM/01/4/01498/23	50,000,000	100%	2,500,000	10,000,000	10,000,000	30,000,000	60%	African Re	50%
PRM/01/4/01725/21	45,593,840	100%	2,279,692	10,000,000	10,000,000	25,593,840	56%	African Re	50%

Agriculture

Policy Number	Sum Insured	EML	Annual Premium	MBA Retention	Surplus TTY	Fac Reins	P/N	Lead Reins	P/N
POU/18/MISC/00001/23	201,000,000	100%	5,979,750	80,400,000	120,600,000	-	0%	African Re	50%
MPC/18/9/00002/24	207,637,200	100%	6,229,116	83,054,880	124,582,320	-	0%	African Re	50%
MPC/18/9/00002/24A	253,778,800	100%	7,613,364	101,511,520	152,267,280	-	0%	African Re	50%

Appendix 4: Summary of Treaty Cover notes

CLASS OF BUSINESS	TYPE OF TREATY	NET RETENTION	NO. OF LINES	TREATY LIMIT	GROSS CAPACITY	COMM.	FAC%	FAC ACCEPTANCE LIMIT
PROPORTIONAL								
Fire/Con Loss	Surplus	500,000,000.00	30	15,000,000,000.00	15,500,000,000.00	27.50%	25%	3,875,000,000.00
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
ENGINEERING								
CAR	Surplus	250,000,000.00	36	9,000,000,000.00	9,250,000,000.00	30.00%	25%	2,312,500,000.00
EAR	Surplus	250,000,000.00	36	9,000,000,000.00	9,250,000,000.00	30.00%	25%	2,312,500,000.00
MB	Surplus	200,000,000.00	36	7,200,000,000.00	7,400,000,000.00	30.00%	25%	1,850,000,000.00
PAR	Surplus	200,000,000.00	36	7,200,000,000.00	7,400,000,000.00	30.00%	25%	1,850,000,000.00
Electronic Equipment	Surplus	200,000,000.00	36	7,200,000,000.00	7,400,000,000.00	30.00%	25%	1,850,000,000.00
Boiler & Pressure Vessels	Surplus	200,000,000.00	36	7,200,000,000.00	7,400,000,000.00	30.00%	25%	1,850,000,000.00
Power Plants	Surplus	200,000,000.00	36	7,200,000,000.00	7,400,000,000.00	30.00%	25%	1,850,000,000.00
Third Party Liability Limit	Surplus	-	0	600,000,000.00	600,000,000.00	30.00%	25%	150,000,000.00
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

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	250,000,000.00	xs	250,000,000.00	500,000,000.00			

Motor		10,000,000.00	xs	10,000,000.00	20,000,000.00			