



INTEGRATED ANNUAL REPORT

31 December 2020

MAYFAIR INSURANCE COMPANY RWANDA LTD



You are in safe hands



-  RWANDA
-  ZAMBIA
-  TANZANIA
-  KENYA
-  UGANDA

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ABBREVIATION

MICR: Mayfair Insurance Company
Rwanda Ltd

NBR: National Bank of Rwanda

GWP: Gross Written Premium

NEP: Net Earned Premium

HR: Human Resources

RDB: Rwanda Development Board

PAR: Plant All Risks

CRI: Collateral Indemnity Insurance

OCR: Outstanding Claims Reserve.

UPR: Unearned Premium Reserve.

BCL: Basic Chain-Ladder Method.

BF: Bornhuetter-Ferguson Method

IBNR: Incurred but Not Reported

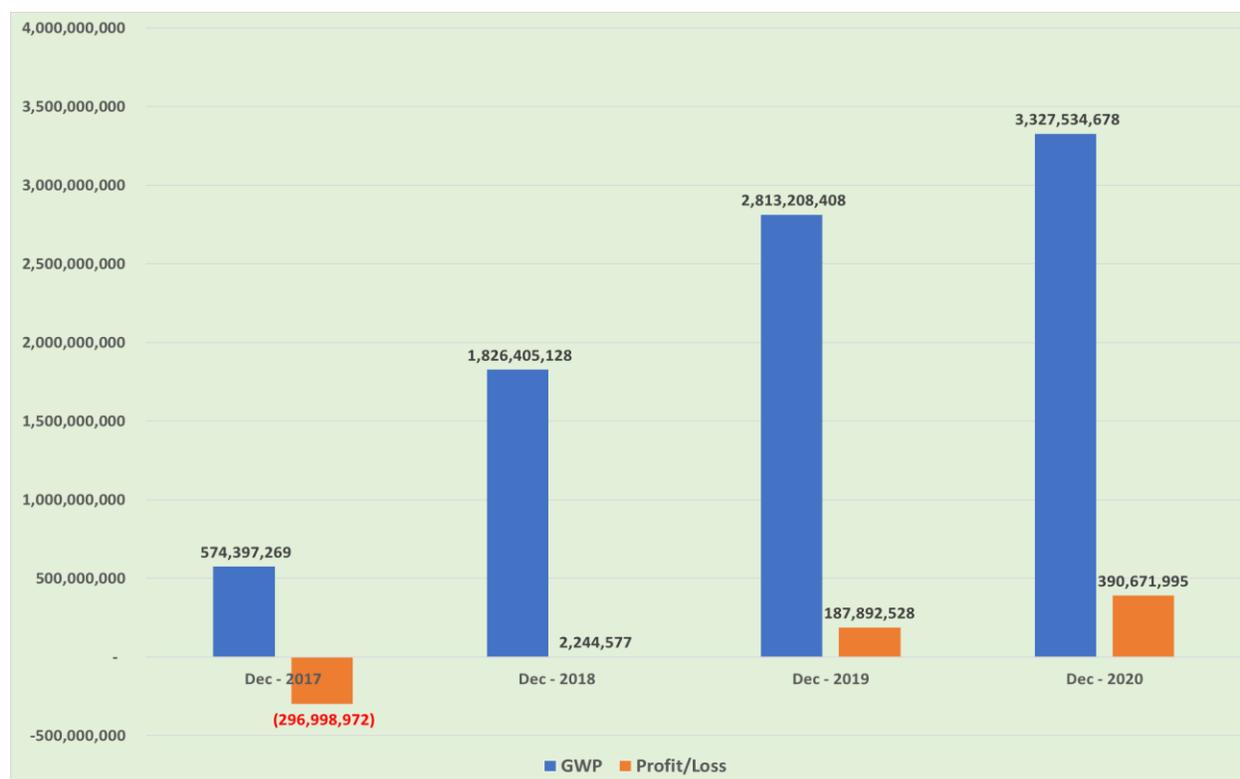
IEUR: Initial Expected Ultimate Loss Ratio.

REPORTS HIGHLIGHTS

Key Figures for 2020

66.89% increase in Net Profit compared to 2019	Net Profit: Frw 314 M
88.3% increase in Underwritten Policies	6,314 Accumulated Underwritten Policies in 2020 against 3,352 in 2019
Gross Written Premiums: Frw 3.33 Bln	Gross Earned Premiums: Frw 3.18 Bln
Net Earned Premium: Frw 1.24 Bln	Net Claims Incurred: Frw 306.6 M
Total Asset: Frw 5.72 Bln	Net Asset: Frw 2.49 Bln

Growth of GWP and Profit /Loss before taxes 2017 -2020 (Frw)



CHAIRMAN'S STATEMENT

FOREWORD

I take pleasure in presenting to you the consolidated annual report and financial statements of Mayfair Insurance Company Rwanda Ltd for the year ended 31st December, 2020.

I am especially pleased to note that the results highlight an extremely successful year. A key driver behind the financial success was our strategy. These results demonstrate that we are in the right market, with the right strategy, a right leadership in place to deliver consistent value to our stakeholders.

BUSINESS ENVIRONMENT

The year under review was a very challenging year given the COVID-19 Pandemic that greatly affected the business environment. This resulted in reduced spending due to decreasing income levels and restrained investing as a result of the great uncertainty into the future. According to our regulator, our industry remained resilient; the general insurance business which is the line of our business, remained the largest business line accounting for 80 % of the total industry premiums while life insurance represented 20% of the total industry premiums. This signifies the importance of our business in driving the economy of Rwanda. The Insurance Industry stability greatly improved in the year with total assets as reported by NBR increasing by 14%.

FINANCIAL RESULTS

2020 is the third consecutive year, the company has recorded growth of income and profitability. Despite the COVID-19 global pandemic and stiff competition in our market, the Company achieved Frw 3.327 Bln in GWP, a growth of 18% from the previous year 2019, a Profit Before Tax of Frw 390 M. The Profit after Tax was Frw 314 M, a positive position after completely clearing the accumulated losses within only three years of full operations.

The steady improvement of underwriting profits in the year reflects the impact of accelerated growth in premiums, effective claims management and cost efficiency driven by our strong management team.

OUTLOOK AND STRATEGY

We remain confident that the Company will sustain the growth momentum even despite a very challenging global crisis of COVID-19 Pandemic. We remain focused to the implementation of our five years strategic plan 2020-2024 and to continue innovating our products and re-engineering our processes so as to remain competitive in the market place. Our leadership, team remain the critical driver of our Strategy and Mayfair

Insurance Company Rwanda Limited will endeavour to recruit highly qualified and professional staff, who are continually trained to acquire appropriate skills in order to cope with the dynamic business environment.

APPRECIATION

On behalf of the Board of Directors, I acknowledge with appreciation the support and cooperation of our shareholders. I appreciate each and every Board Director for their devoted leadership which has steered Mayfair Insurance Company Rwanda in the desired direction. We are deeply touched and indebted to our esteemed clients who have continued to patronise and support us in this journey.

I would also like to extend board's appreciation to the management and staff for their loyalty, dedication and commitment to our company's vision to remain a '*reliable and innovative Pan-African financial services leader*'.

Long life to our company.

BYUSA HANGU Alphonse

Chairman of the Board of Director

MANAGING DIRECTOR'S STATEMENT

PERFORMANCE

2020 has been another successful year for Mayfair Insurance Company Rwanda Ltd. The Company has achieved impressive performance in all facets of its operations. The premiums written, cash flow, investments, profitability and asset base, among other indicators registered commendable growth in the year. This good performance was driven by many factors among them focused marketing aligned to the select distribution channels, better intermediary relationships, maintenance of an optimal business mix, proactive investments portfolio management and improved service delivery to our customers.

FINANCIAL RESULTS

Amidst a very challenging business environment following the outbreak of COVID 19 pandemic in March 2020 the global and national economies were almost at their knees, experiencing big businesses disruption, job losses, lack of liquidity and drastic drop of purchasing power of insurance customers. I am pleased to report that Mayfair Insurance company Rwanda Ltd achieved a good performance with a Gross written premium (GWP) of Frw 3.327 Bln and Net Earned Premium (NEP) of Frw 1.2 Bln. Our GWP increased by 18% and underwriting income by 28% in 2020. Our assets grew by 30% in 2020 and the company realized positive retained earnings of Frw 71 million, making the break even in less than 4 years of operation.

HUMAN CAPITAL, PROCESSES & TECHNOLOGY

An organization is only as good as its human resource. We have maintained our strength and continue to invest in our people and emerging technology to make insurance simpler and more accessible by our customers. We also continued to inspire strong confidence among our customers, intermediaries and investors as the most reliable general insurance company in Rwanda. Transformation of both our internal processes and staff attitude have remained our key strength over the last year as we sought new ways to serve a new generation of customers whose expectations and life styles are being influenced by market trends.

With our emphasis on human resources development and open workspace, we have been able to instill collaboration and connection which encourages experimentation, teamwork and self-initiative. We believe such a work culture will help us nurture a ready workforce that is agile and adaptive, with the right skills set and mindsets to meet the increased and changing demands of our customers today and tomorrow.

FUTURE OUTLOOK

The Company takes cognizance of increased competitive environment and continues to implement appropriate strategies to enhance its growth and profitability.

We believe we have the right strategy to navigate through the inevitable challenges that lie ahead. Aggressive marketing in the selected markets, enhanced stakeholder relationships, improved customer service, innovations in products and processes to meet the changing customer needs and enhanced quality of service will remain our hallmark. As we move forward, we will continue to invest in digital solutions that will make it easier for our customers to understand and to buy insurance, and for our intermediaries to identify needs and to make the right recommendations.

Finally, I would like to extend my heartfelt gratitude to our customers, shareholders, Board of Directors and staff for having committed to and supported our initiative to become customer-centered. I look forward to working with our people, intermediaries, regulators and other partners, in an onward journey to take Mayfair Insurance Company Rwanda Ltd to greater heights.

Thanks.

Daniel Mugisha MUHIMUZI

Managing Director

CORPORATE GOVERNANCE STRUCTURE.

a) Board of Directors

Mayfair Insurance Company Rwanda Limited as a regulated financial institution has to adhere to the best practices of corporate governance. The shareholders nominate skilled and experienced directors of good calibre to oversee the management of the company. MICR board of directors performs annual self – assessment as per the requirement of the corporate governance regulation.

Below are MICR Board Members in 2020:



BYUSA HANGU Alphonse
Chairman of the Board of Director



Amb. Dr. Benjamin RUGANGAZI
Director and Chairperson of Executive committee



Anjay V. PATEL
Director



Richard RWIHANDAGAZA
Director and Chairperson of Risk, compliance, strategy committee



Jessica IGOMA
Director and Chairperson of Audit and HR committee



Dr. Shivon BYAMUKAMA
Director and Chairperson of Underwriting and Claims committee



Symphorien KAMANZI
Director

b) Board committees

In line with best practices, MICR Board has in place various committees; and below are committees and their members:

COMMITTEES	MEMBERS
Underwriting and Claims	Dr. Shivon Byamukama, Chairperson Mr. Richard Rwihandagaza, Member Mr. Symphorien Kamanzi, Member
Audit and Human Resources	Mrs. Jessica Igoma, Chairperson Mr. Anjay Patel, Member Amb. Ben Rugangazi, Member
Risk, Compliance and Strategy	Mr. Richard Rwihandagaza, Chairperson Mrs. Jessica Igoma, Member Mr. Symphorien Kamanzi, Member

c) Senior Management

The senior Management is guided by the Managing Director and is responsible for the daily management and implementation of the board approved policies and strategic decisions.

Below are senior Management of MICR:



Daniel Mugisha MUHIMUZI

Managing Director



Benjamin Muendo MWANGANGI
General Manager



Joel NKEZABERA
Finance and Administration Manager



Ferdinand Rwirangira NGANJI
Underwriting and Reinsurance Manager



Emmanuel MBANJIMBERE
Risk and Compliance Manager



Boris TWAHIRWA
Head of IT and IT senior Engineer



Reverien NDIKUMUKIZA
Head of Claims

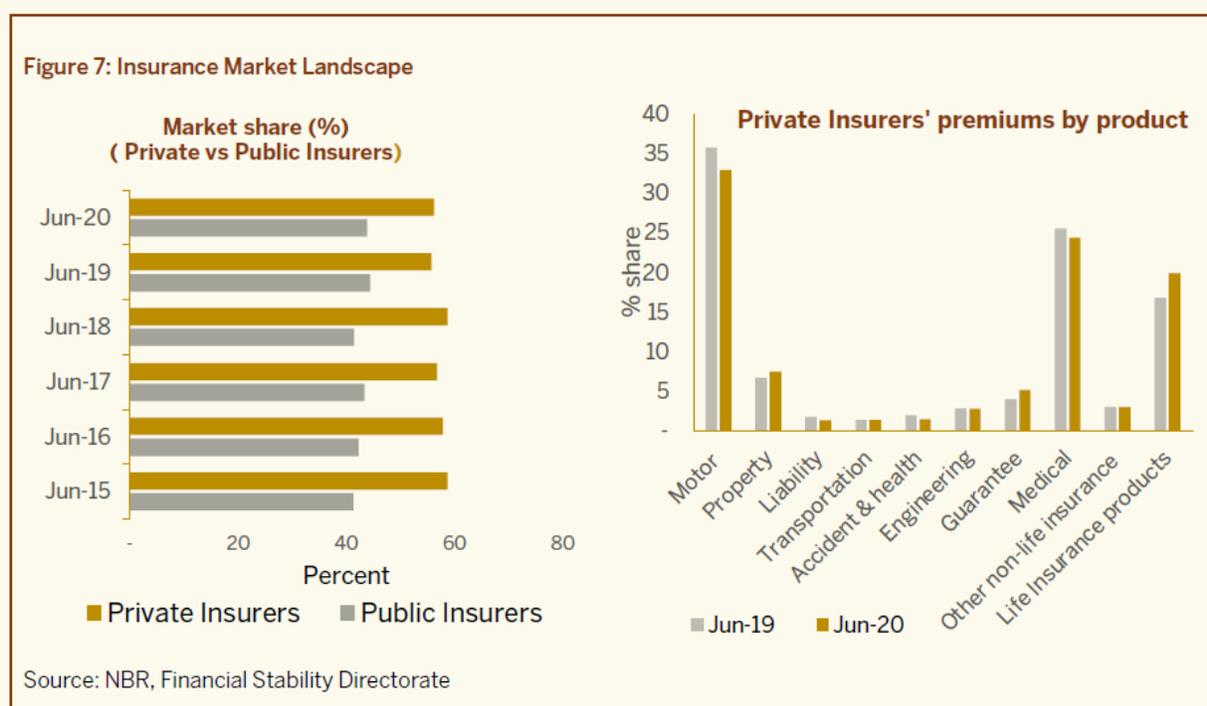


James NGIRUMWE
Legal and Company Secretary

INSURANCE SECTOR OUTLOOK

According to NBR, the structure and composition of the sector remains the same. The sector consisted of 14 insurance companies. This include 12 Private insurers (9 non-life and 3 life insurers) with combined market share of 56 percent of the insurance industry and 2 public health insurers (RSSB Medical and MMI). Insurance intermediaries consisted of 776 agents, 14 brokers, and 19 loss adjusters as at June 2020 from 707 agents, 17 brokers and 19 loss adjusters at June 2019. The NBR licenses insurance brokers and loss adjusters, while insurance companies were authorized to license their agents since 2018.

Private insurance business is composed of life insurance and non-life insurance business line. Non-life insurance is the largest insurance business line, with around 80% percent of the total premium, while life insurance accounted 20%. The non-life insurance consists largely of Motor and Medical insurance products with a combined share of 57.4 percent of the total private insurers premiums, reflecting the product concentration risks. The remaining 42.6 percent of private insurers' premium come from life insurance (20 percent), Property (7.5 percent), Guarantees (5.1 percent), Engineering (2.8 Percent), Accident and health (1.5 Percent), Transportation (1.4 Percent), Liabilities (1.3 percent), other non-life insurance products (3 percent).



Overall, there has been limited impact of the COVID-19 outbreak on the insurance sector due to the three reasons:

- (1) Insurers' investment is largely concentrated in low /fixed income assets – deposits in Banks and government securities account for 73.8 percent of the insurance sector total investments.
- (2) Mandatory insurance products (motor& medical) account for 60% of total premiums; and
- (3) Insurance policies offered by our insurers don't cover pandemic risks (e.g. COVID-19). Due to these factors, assets of insurance sectors continued to grow; and insurance companies continued to meet the prudential solvency and liquidity requirements.

Financial soundness of the insurance sector.

Insurers continued to meet the minimum regulatory capital requirement and remained solvent during the period. As at end of December 2020, Private insurer's aggregated solvency ratio stood at 114%, with a big decrease from 170% solvency Margin in 2019.

Private insurers liquidity buffers remained satisfactory to cover short-term liabilities. The liquidity ratio which indicates the proportion of Insurers' Liquid assets enough to cover their liabilities, increased from 130% in December 2019 to 134% in December 2020, and above 120% of prudential requirements. Insurance sector liquidity risk to be closely monitored going forward related to premium receivables in private insurers.



COMPANY PROFILE



MAYFAIR INSURANCE COMPANY RWANDA LTD

MAYFAIR INSURANCE COMPANY RWANDA LTD PROFILE

Overview:

Mayfair Insurance Company Rwanda Limited (MICRL) is an insurance company incorporated under the company code no 105307941 by Rwanda Development Board (RDB) on 2nd February 2016 and was licensed to operate general insurance business in Rwanda by the National Bank of Rwanda (NBR) on 5th May 2017.

The shareholding structure is as below:

SHAREHOLDER	Percentage of shareholding
Mayfair Insurance Company Ltd	43%
Andrea Ltd	19%
Gorajia Ravindra Hargovind	9%
Amb.Benjamin Rugangazi	11%
Anjay vithalbhai Patel	8%
Vishal Rajinderkumar Patel	8%
Daniel Mugisha Muhimuzi	2%
Total	100%

Vision

To be distinguished as a reliable and innovative Pan-African financial services leader.

Mission

To provide financial security through reliable and innovative insurance solutions.

Core Values

- Integrity
- Professionalism
- Reliability
- Respect

A photograph of a construction site under a clear blue sky. Two large yellow tower cranes are visible on the left. In the center and right, a multi-story building is under construction, completely encased in a complex network of silver metal scaffolding. The building's facade is partially visible through the scaffolding. The bottom of the image features a graphic design with overlapping green and grey geometric shapes.

COMPANY PRODUCTS



MAYFAIR INSURANCE COMPANY RWANDA LTD

MAYFAIR INSURANCE COMPANY RWANDA LTD PRODUCTS

1. Motor Insurance (Private & Commercial)

By law, all motor vehicles on public roads should have at least a third party insurance cover for injuries or death caused to third parties (this is commonly known as Act only). Beyond the statute provision, Mayfair Insurance company Rwanda ltd offer the following covers for motor vehicle owners: Comprehensive, motor Third party, theft, fire, & material damages.

2. Fire & allied perils

a) Fire & Special Perils Insurance

This policy covers Fire, Lighting and Explosion. Also, the policy is usually extended to cover the extra perils of earthquake and volcanic eruption, storm, tempest and flood, escape of water from any water tank, apparatus or pipes, impact by road vehicle or annual, riot, strike and civil commotion.

b) Industrial All Risks

This policy covers accidental physical loss or damage to the property insured. Including buildings, plant, Machinery, and other contents, equipment's and stock.

3. Engineering

a) Contractors all risks

These policies provide comprehensive and adequate protection against loss or damage in respect of contract works, construction plant and equipment or contractual machinery as well as for Third Party Liabilities in respect of property damage or bodily injury arising in connection with the execution of a Project.

b) Contractors Plant and Machinery Insurance

Covers fire, theft and external accidental damages to the insured plant excluding machinery breakdown. The Plant all Risks (PAR) insurance covers fire, theft and accidental external damages to the insured plants or machinery, excluding damage due to machinery breakdown.

c) Erection All Risks

Covers any unforeseen and sudden physical loss or damage from any cause, other than those specifically excluded, in a manner necessitating repair or replacement. The Company will indemnify the Insured in respect of such loss or damage as hereinafter provided. The policy also covers accidental death or injury to third parties and third party property damage.

d) **Machinery Breakdown Insurance**

This insurance is in respect of unforeseen or sudden damage to any machinery described in the schedule from any accidental cause:

- While in operation or at rest,
- Being dismantled for the purpose of cleaning inspection,
- Removal to another working position.

e) **Deterioration of stock**

Covers damage/deterioration of stock resulting from breakdown of cold room and other refrigerating equipment.

f) **Computer and Electronic Equipment All Risks**

This insurance is arranged on All Risks basis covering sudden and unforeseen losses resulting in material damage to the computers and electronic equipment.

4. Bond Insurance

This is a surety issued to a Principal in respect of another, usually a Contractor guaranteeing the proper performance of that contractor in accordance with the terms of the contract agreement.

Some of the bonds available are:

Performance Bond

Advance Payment Bond

Bid/Proposal/tender Bond

Government Bond

Temporary Importation Bond

Custom Bond

Collateral Indemnity Insurance (CRI)

5. Money Insurance

This policy provides cover on “ALL RISKS” basis, and operates whilst money is in transit or in securely locked safe or strong room or in the personal custody of some top management staff. The safe itself may also be insured under this Policy.

6. Travel Insurance

Travel insurance is insurance that is intended to cover medical expenses, trip cancellation, lost luggage, flight accident and other losses incurred while traveling, either internationally or domestically.

7. Aviation

This is the insurance of aircrafts. The major items usually covered by the insurance policy are:

- **Hull and machinery**
Spare parts
- **Passenger and public liabilities**
Crew members.

8. Marine

a) Marine cargo

The marine cargo insurance provides cover for the goods being shipped from one country to the other against maritime and other extraneous perils as usually spelt out in the policy.

b) Marine Hull Insurance

The marine hull insurance policy covers the vessel (ship) and her machinery against maritime and other extraneous perils clearly stated/defined in the policy.

c) Goods in Transit

This policy provides cover for loss, destruction or damages to goods whilst in transit to any part of the country by land, rail or inland water transport.

The policy also covers damage to the goods during:

Loading and unloading

While temporarily housed

d) Carrier’s Legal Liability

Covers legal liability for accidental loss or damage to goods in custody or control of the insured whilst in transit by road or any other specified mode.

9. Group Personal Accident

The Group/Personal Accident Insurance cover is flexible and can be tailor-made to suit the insured's requirements. It is a 24 hours' worldwide cover arranged to provide compensation for Death, Permanent or Temporary Disablement, as well as medical, surgical and hospital expenses incurred as a result of accident.

10. Public/Product Liability Insurance

The public liability policy is designed to cover the insured against legal liability to third parties for death, bodily injury or property damage arising out of the negligence of the insured's company or employees whilst engaged in the company's business.

11. Workmen's Compensation

The workmen's compensation insurance is designed to provide compensation to employees for injury, death or disease arising out of or in the cause of their employment.

12. Employers Liability/Common Law

Covers Legal liability under common law for damages and claimants' costs and expenses of litigation. In addition, it pays all expenses incurred by the insured with the company's written consent.

13. Domestic Package

This insurance is issued in respect of private dwelling house and household contents to cover wide range of perils and liabilities.

14. Theft

Burglary and Housebreaking

This policy covers burglary/house-breaking following forcible and violent entry into and out from a building.

All Risks for mobile property

This policy covers portable items like mobile phones, laptops against all risks of accidental nature except for those excluded by the policy

Fidelity Guarantee Insurance

This policy covers the insured against the infidelity of their employees. Cover may be on named basis or blanket.

15. Consequential Loss

15. Consequential Loss

This policy covers loss following interruption of or interference with the business in consequence of damage due to damage occurring during the period of insurance in respect of the insured perils.

16. Crop Insurance

This covers the shortfall of the yield in the unit area of Insurance of the Insured Crop caused by the Insured Perils. The Perils Insured include drought, excessive rainfall, pests and diseases, earthquake, volcanic eruption, fire, animals, insects, floods and any other peril not specifically excluded that may cause reduction in yield / quantity of the Insured crop.

17. Political Terrorism and Violence

Covers physical loss of physical damage occurring during the period of insurance directly caused by act of terrorism and sabotage, malicious damage, political riots and strikes, civil commotion, invasion or act of foreign enemy, coup d'Etat, insurrection and war.



MARKETING & PROMOTION



MAYFAIR INSURANCE COMPANY RWANDA LTD

MARKETING AND PROMOTION

Mayfair Insurance Company Rwanda Ltd is three years old in the Rwandan market but is anchored on the strong brand of the Parent Company based in Kenya. The parent Company has sustained a strong global financial credit rating issued by Global Credit Rating (GCR) of A+ (ke). Through the Marketing and Business Development function, we have developed strong relationship with Brokers and Direct Clients, and rolled out brand awareness campaigns and initiatives such as Radio Advertising, TV scripts, featuring in key magazines and bill boards. We have increased prominence in the social media space and website where we advertise our various products and create an avenue for our customers to engage with us. The Company also shares various branding merchandise with our customers, intermediaries and other key stakeholders.

To increase our nationwide outlook and visibility, we co-branded our agency offices in Nyabugogo, Remera, Magerwa, Rusizi and Musanze. We shall continue to roll out various brand awareness initiatives in line with our marketing strategy in order to make the company more competitive on the Rwandan Insurance market.



CORPORATE SOCIAL RESPONSIBILITY



MAYFAIR INSURANCE COMPANY RWANDA LTD

CORPORATE SOCIAL RESPONSIBILITY.

We conducted our business in 2020 as responsible citizens in line with our governance framework. Due to COVID-19 outbreak, a greater part of the year was lost on lockdowns, and we did not have an opportunity to roll out corporate social responsibility (CSR) activity performed. However, the Company has continued to create opportunities for students to undertake internships despite the COVID-19 pandemic situation. The company has planned several CSR activities which will be undertaken in the year 2021.



**FINANCIAL STRENGTH &
PROVISIONING POLICY**



MAYFAIR INSURANCE COMPANY RWANDA LTD

FINANCIAL STRENGTH AND PROVISIONING POLICY

Capital Adequacy

The company capital adequacy is a sign that the Company is in a position to settle its liabilities as at and when required by the stakeholders and is capable of paying claims as quick as possible. Since the inception of the company in 2017, the capital adequacy has continued to grow in line with the growing top line. The audited accounts for 2020 indicate a solvency margin ratio of 199.7% against the minimum 100% required by the regulator. In year 2019, the company recorded a solvency margin of 137.6%. The increase of 62% is the result of the company policy and strategies of ensuring that the premium collected is invested in quality assets such as term deposit in banks and government bonds.

To maintain this trend, the company will continue to monitor inherent risks that may erode the capital adequacy and proactively manage the Insurance, Credit and Market risks.

Investment status

Mayfair Insurance Company Rwanda td has in place an Investment's Policy approved by the board of directors. The main objective of the Policy is to ensure that the rate of return on the invested assets are at least within or above the industry average rate of return and the risk of credit is minimised.

The table below is a representation of the Investment Portfolio as at 31st December 2020.

Category	Class	Amount in Frw "000"
Government bonds	Fixed Interest	487,178
Terms Deposit	Fixed Interest	2,312,890
Investment in properties	Non- fixed income	540,000
Total		3,340,068

Technical Provisions

Technical provisions are the reserves an insurance company has to make to ensure the fulfilment of future obligations. Technical provisions are mainly made of outstanding claims reserve (OCR) and Unearned Premium Reserve (UPR).

To ensure the adequacy of reporting and in compliance with regulatory requirement, the company hired an independent external actuary (Zamara actuarial) to review and confirm the technical provision of the company.

Outstanding claims reserve.

Outstanding claims reserve comprises the claims reported but not yet paid, claims incurred but not yet reported and claims related expenses.

In calculating the claims outstanding current estimate, an insurer shall take into account all future payments related to claims incurred as at the valuation date which are not limited to:

- Claims reported but not yet paid
- Claims incurred but not reported
- Claims related expenses

Normally, the prescribed methodologies in the determination of the outstanding claims reserve (OCR) are as follows:

- Case Estimated method –Using the sum of case estimate as at the valuation date.
- Average cost per claims method- using the average cost of claims incurred.
- Other methods recognised by the best practice.

We selected the most appropriate methodology depending on the volume of data in each class of business and in line with the best practice.

The method we used for the projection of claims for the valuation were: the basic Chain-Ladder Method (BCL), The Bornhuetter- Ferguson Method (BF) and the loss ratio method dependent on the class of business projected.

With BCL, development factors were calculated using the last seven years of data by accident period. Ultimate development factor was calculated for each of the development period. Link ratios were excluded if they were deemed to be outliers.

Ultimate development factors were applied to the paid data per accident period and an ultimate claims amount for each accident period was calculated. The future incurred but not reported claims were allocated to future payment periods in line with the development patterns calculated above. The outstanding claims reported to date were then subtracted from the total future claims to give the resulting IBNR figures per accident period.

The BF method is an extension of the BCL Method as the incremental and ultimate development factors calculated (in accordance with the BCL method) form a critical component of a reserve estimate determined using the BF method.

The BF method is used on more recent accident years (depending on the volume of data available) since the estimates produced using the BCL for these accident years cannot necessarily be relied upon with a sufficient degree of confidence. The BF method is a weighted average approach that uses an assumed loss ratio, termed the Initial Expected Ultimate Loss Ratio (IEUR) in combination with the original BCL Projection.

Premium Liabilities.

The Gross UPR was calculated using a time apportionment basis, in particular, the 365th days method. This implicitly assumes that the risk profile of the business is spread evenly over the year.



FINANCIAL REPORT



MAYFAIR INSURANCE COMPANY RWANDA LTD

FINANCIAL REPORT FOR 2020.

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2020.

AUDITED (FIGURES IN FRW "000")

	Dec-20	Dec-19
Gross Premium	3,327,535	2,813,208
Change in unearned premium	(145,196)	(78,248)
Gross earned premium	3,182,338	2,734,960
Less: Premium ceded to reinsurers	(1,947,200)	(1,877,050)
Net premium revenue	1,235,138	857,910
Add: commission earned	378,386	450,505
Less : commission paid	(342,350)	(281,715)
Net Earned Premium revenue	1,271,175	1,026,700
Gross claims paid	436,345	507,592
Less: Amount recoverable from reinsurers	(208,938)	(306,601)
Change in outstanding claims	21,461	14,272
Change in reserve for Incurred but not reported claims (IBNR)	57,751	54,992
Net claims incurred	306,619	270,255
Management expenses	(862,585)	(760,906)
Net underwriting profit /(loss)	101,971	(4,462)
Investment income	252,341	159,849
Other income	36,360	32,505
Profit before income tax	390,672	187,893
Income tax expenses	77,163	-
Net Profit for the period	313,509	187,893

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020.

AUDITED (FIGURES IN FRW "000")

	Dec-20	Dec-19
Non -current assets:		
Property and equipment	23,839	33,432
Intangible assets- WIP	234,216	152,768
Right of use asset	12,099	48,398
Investment in Properties	540,000	261,325
Financial assets- at amortized cost	487,178	260,626
Total non -current assets	1,297,333	756,548
Current assets:		
Premium Receivables	369,495	119,203
Reinsurance Receivables	1,087,650	923,134
Other receivables	66,080	45,126
Deferred tax assets	21,566	-
Deferred acquisition costs	127,507	147,782
Financial assets- Term deposits	2,312,890	2,061,686
Cash and Bank balances	434,430	357,622
Total Currents assets	4,419,618	3,654,554
TOTAL ASSETS	5,716,950	4,411,103
EQUITY AND LIABILITIES		
EQUITY		
Share capital	2,418,355	2,041,175
Retained earnings/accumulated losses	(242,478)	(430,371)
Profit/Loss for the year	313,509	187,893
Total Equity	2,489,386	1,798,696
Liabilities		
Technical Provisions:		

Outstanding Claims/Claims Payable	377,498	138,988
Provision for Incurred but not Reported claims (IBNR)	123,799	66,048
Provision for Unearned premium	1,456,247	1,363,084
Total of Technical Provision	1,957,544	1,568,120
Other Liabilities		
Reinsurance Payable	674,134	763,587
Commission Payable	164,113	64,813
Due to Related parties	24,835	23,297
Lease Liability	13,259	53,121
Other payables and Accruals	393,679	139,469
Total Liabilities	3,227,565	2,612,406
Total Equity and Liabilities	5,716,950	4,411,103

STATEMENT OF CHANGE IN EQUITY AS AT 31 DECEMBER 2020

AUDITED (FIGURES IN FRW "000")

	Share capital FRW '000	Accumulated losses FRW '000	Total FRW '000
Year ended 31 December 2019			
At start of year	1,668,640	(430,371)	1,238,269
Total comprehensive income for the year	-	187,893	187,893
Transaction with owners;			
Capital contribution	372,535	-	372,535
At end of year	2,041,175	(242,478)	1,798,697
Period ended 31 December 2020			
At start of year	2,041,175	(242,478)	1,798,697
Total comprehensive income for the period	-	313,509	313,509
Transaction with owners;			
Capital contribution	377,180	-	377,180
At end of the period	2,418,355	71,030	2,489,386

STATEMENT OF CASHFLOW AS AT 31 DECEMBER 2020.

AUDITED (FIGURES IN FRW "000")

	Dec-20	Dec-19
Profit before income tax	390,672	187,893
Adjustments		
Depreciation charge on equipment	30,655	28,896
Depreciation of right of use an asset	36,298	-
Interest income on term deposits	(207,393)	(159,849)
Expected credit loss on receivables	-	(2,781)
Impairment of deposit in financial institutions	755	6,947
Interest on lease liability	6,333	-
Unrealized foreign exchange gain	(1,719)	-
Gain on disposal of fixed asset	-	(900)
Adjusted profit before income tax	255,601	60,206
Working capital changes:		
Receivables arising out of direct insurance arrangements	(250,292)	395,371
Deferred acquisition costs	20,276	(42,171)
Reinsurance asset	(164,516)	(353,889)
Other assets	(57,921)	(4,950)
Unearned premium reserve	93,163	418,468
Insurance contract liabilities	296,261	82,934
Deferred commission income	169,068	-
Other payables	185,981	28,837
Creditors arising from reinsurance arrangements	(89,453)	356,593
Cash outflows from operating activities	458,168	941,399
Interest income received	133,100	149,185

Interest paid on lease liabilities	(6,333)	-
Net cash outflows from operating activities	584,935	1,090,584
Cash flows from investing activities		
Deposits placed with financial institutions	(239,427)	(660,206)
Investment in held to Maturity Financial assets	(226,552)	(260,626)
Investment in Property	(278,675)	(261,325)
Purchase of fixed assets	(21,062)	(28,364)
Intangible additions	(81,449)	(77,119)
Disposal of fixed asset	-	4,500
Net cash outflows from investing activities	(847,165)	(1,283,140)
Financing activities:		
Increase in share capital	377,180	372,535
Payment of principal portion of lease liability	(39,861)	-
Net cash inflows from financing activities	337,319	372,535
Net cash inflows for the period	75,089	179,979
Unrealized foreign exchange gain	1,719	-
Cash and cash equivalent opening	357,622	177,643
Cash and cash equivalent closing	434,430	357,622

OTHER DISCLOSURES

AUDITED (FIGURES IN FRW "000")

ITEM	Amount/Ratio	
	Dec-20	Dec-19
A. Solvency Coverage		
A. Solvency Required	500,000	500,000
B. Admitted Assets	4,421,576	3,458,331
C. Admitted Liabilities	3,423,319	2,769,218
D. Solvency Available	998,256	689,113
E. Solvency Surplus	498,256	189,113
F. Solvency Coverage ratio	199.7%	137.8%
B. Capital strength		
A. TAC (Total Available Capital)	2,119,484	1,417,131
B. RCR (Risk Based Capital Required)	1,117,126	602,649
C. CAR (Capital Adequacy ratio)	190%	235%
C. Earnings Risks		
A. Claims Ratio	25%	32%
B. Management expenses ratio	70%	89%
C. Underwriting Expenses Ratio	28%	33%
D. Combined ratio	122%	153%
D. INVESTMENT EXPOSURE		
A. Investment exposure	None	None
B. Earning assets ratio	58%	59%
C. Investment Property ratio	9%	0%

D. Equity assets ratio	None	None
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E. Liquidity risk		
A. Liquidity ratio (LCL)	136%	140%

F. Exposure to related parties		
A. Loans to Directors and Senior Management	None	None
B. Loans to employees /staff	100	-
C. Loans to subsidiaries and affiliates	None	None
D. Loan to shareholders/holding company	None	None
E. Investment in related Parties	None	None

G. Operational risk		
Number and types of fraud and their corresponding amount	None	None

H. Business Composition		
A. Number of policyholders per branch	2,948	2,446
B. Number of policies in force per branch	6,312	3,352

I. Management and board composition		
A. Number of Board members (independent and non-independent)	7	7
Independent	4	4
Non-independent	3	3
B. Number of Board committees	3	3
C. Number of senior management staff by gender		
Male	5	3
Female	-	-

J. staff		
A. Total number of non-managerial staff by gender		

Male	7	4
Female	5	5

K. Insurance intermediaries		
A. Number of insurance agents	31	17
B. Number of loss adjusters/assessors	5	5

L. Branches		
A. Number of braches by Province including Kigali		
Kigali	1	1

PRODUCT PERFORMANCE

AUDITED (FIGURES IN FRW "000")

Product type	Gross premium written (1)	Ceded Premium (2)	Net premium written (3)	Change in unearned premium (4)	Net earned premium (5) (3-4)	Net commission income or expenses (6)	Net claims incurred (7)	Management expenses (8)	Technical profit/loss (9) (5-6-7-8)
Engineering Insurance	341,198	238,290	102,908	33,988	68,920	(14,047)	(4,310)	54,492	32,785
Marine Insurance	203,149	84,271	118,878	(2,498)	121,376	(7,313)	62,310	59,622	6,758
Liability Insurance	186,675	76,225	110,450	33,923	76,527	12,406	2,264	41,365	20,493
Motor Insurance	940,067	146,736	793,331	55,930	737,400	87,158	192,563	457,148	532
Personal Accident	141,094	84,981	56,113	13,395	42,717	(3,278)	381	18,653	26,961
Workmen's Compensation	19,790	3,296	16,495	(2,569)	19,063	2,262	-	6,454	10,347
Theft Insurance	254,129	211,013	43,116	1,739	41,377	(18,220)	1,106	25,463	33,028
Fire Insurance	792,864	702,835	90,029	12,761	77,268	(20,026)	54,157	109,933	(66,797)
Agricultural Insurance	222,282	200,325	21,958	5,656	16,302	(28,773)	1,039	13,948	30,088
Bond (Miscellaneous) Insurance	224,437	197,564	26,873	(6,999)	33,872	(45,895)	(2,891)	75,393	7,265
Aviation Insurance	1,848	1,664	185	(130)	315	(310)	-	114	511
Total	3,327,535	1,947,200	1,380,335	145,196	1,235,138	(36,036)	306,619	862,585	101,971

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Personal Accident
 Burglary

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 Travel Insurance
 Plate Glass
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 Employer's Liability Cover
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