



NATIONAL INSURANCE COMMISSION, NAICOM

INSURANCE SECTOR' LIFE ANNUITY FUND PORTFOLIO GROWS TO N323 BILLION

The insurance industry life annuity fund portfolio now stands at ₦322,918,475,660.72 as at the end of Q2, 2019. This represents a growth of 17.46% from ₦274,918,556,624.90 as at end of Q4, 2018. Within the same period under focus, the cumulative total RLA payouts stands at ₦122,094,395,111.31 as at end of Q2, 2019.

The RLA market has been in existence since the advent of the Contributory Pension Scheme (CPS). The RLA portfolio so far has recorded 73,554 contracts purchased for a total premium of ₦341,615,154,821.14 as at end of Q2, 2019. This depicts 13.02% and 6.21% growth in count and volume, respectively in 2019 from end of Q4, 2018.

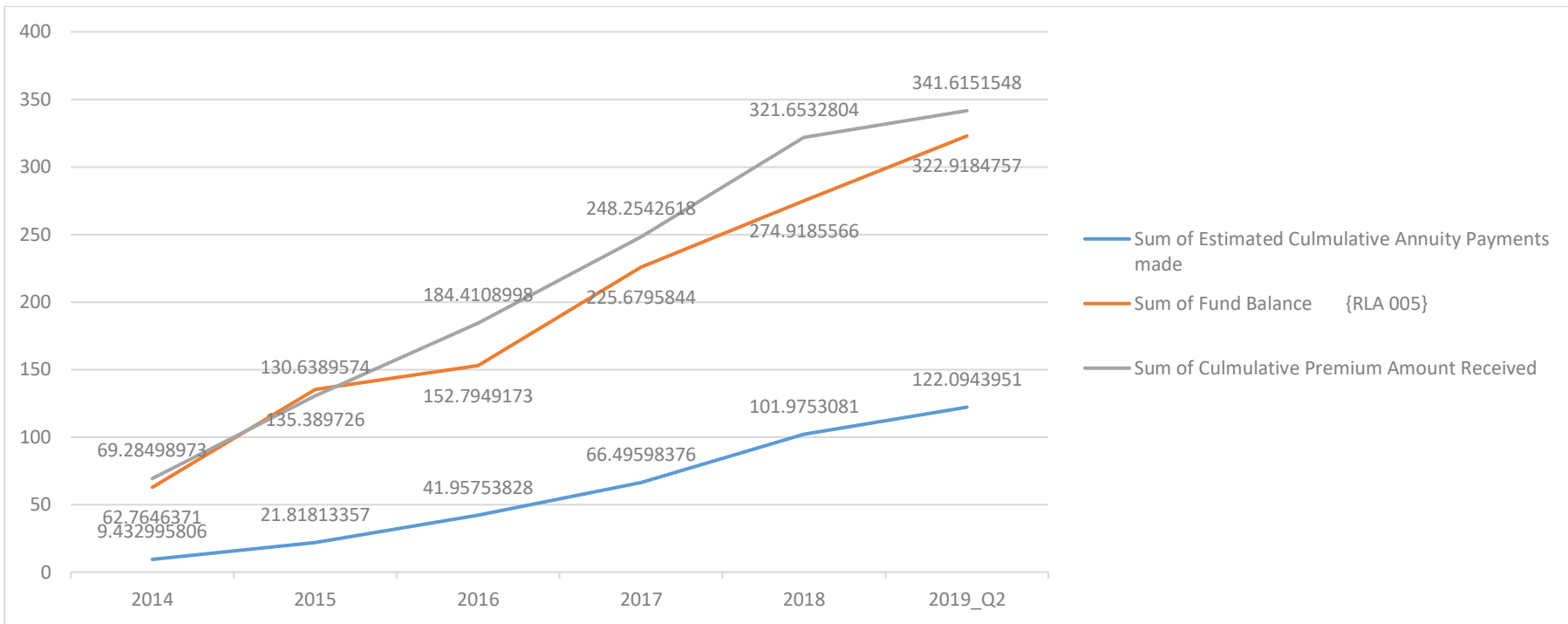
RETIREE LIFE ANNUITY STATISTICS AS AT 30TH JUNE, 2019

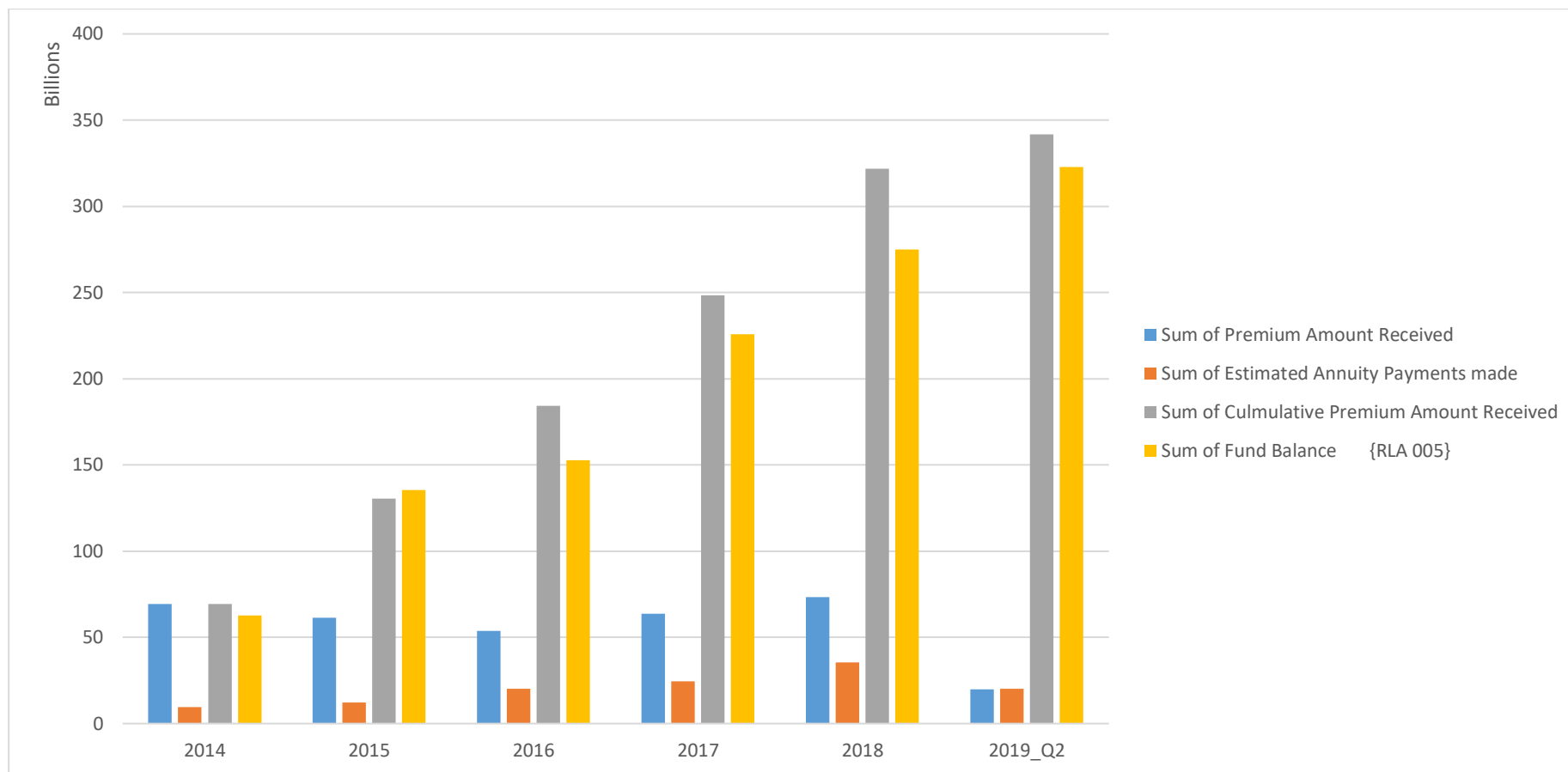
S/N	Period	A	B		C		D		E		F	G	
		No of Contracts	Premium Amount Received	Estimated Annuity Payments made	Cumulative No of Contracts	% Increment (Decrement)	Cumulative Premium Amount Received	% YoY Growth Rate (Decline)	Estimated Cumulative Annuity Payments made	% YoY Growth Rate (Decline)	Net Premium Balance {F = D - E}	Fund Balance {RLA 005}	% YoY Growth Rate (Decline)
			(₦'000)	(₦'000)			(₦'000)		(₦'000)		(₦'000)	(₦'000)	
1	2014	13,264	69,284,989.73	9,432,995.81	13,264	N/A	69,284,989.73	N/A	9,432,995.81	N/A	59,851,993.93	62,764,637.10	N/A

2	2015	13,743	61,353,967.63	12,385,137.76	27,007	103.61%	130,638,957.36	88.55%	21,818,133.57	131.30%	108,820,823.79	135,389,726.03	115.71%
3	2016	12,080	53,771,942.47	20,139,404.71	39,087	44.73%	184,410,899.84	41.16%	41,957,538.28	92.31%	142,453,361.56	152,794,917.32	12.86%
4	2017	12,366	63,843,361.92	24,538,445.48	51,453	31.64%	248,254,261.75	34.62%	66,495,983.76	58.48%	181,758,277.99	225,679,584.35	47.70%
5	2018	13,625	73,399,018.64	35,479,324.38	65,078	26.48%	321,653,280.39	29.57%	101,975,308.14	53.36%	219,677,972.26	274,918,556.62	21.82%
6	2019_Q2	8,476	19,961,874.43	20,119,086.97	73,554	13.02%	341,615,154.82	6.21%	122,094,395.11	19.73%	219,520,759.71	322,918,475.66	17.46%

The growth (i.e. YoY) during the last three years for RLA business has averaged 34.28% and 35.12% in count and volume respectively, while RLA fund portfolio growth has averaged 27.46% notwithstanding the RLA payouts made (i.e. cumulative total payments of ₱122,094,395,111.31 as at end of Q2, 2019).

The graph of the annuity payouts, premium receipts and portfolio fund balance depicts a clear representation as the difference between the cumulative premium amounts received and fund balance is small (i.e. ₱18,696,679,160.42) compared to the cumulative annuity payouts earlier stated.





The above indicates growth in the RLA business and a positive future outlook for the business in Nigeria.

Retiree Life Annuity is an insurance product and one of the available retirement benefit options for retirees which can be purchased from a Life Insurance Company licensed by the National Insurance Commission (NAICOM) and authorized to sell RLA under the regulation on retiree life annuity.

'Rasaq 'Salami

Head, Commissioner for Insurance' Directorate,
Abuja.

October 04, 2019