Futureproofing tomorrow.

2021 Annual Report

Connecting What Matters

General Accident

INSURANCE COMPANY JAMAICA LTD.

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PROXY FORM

OUR **PURPOSE**

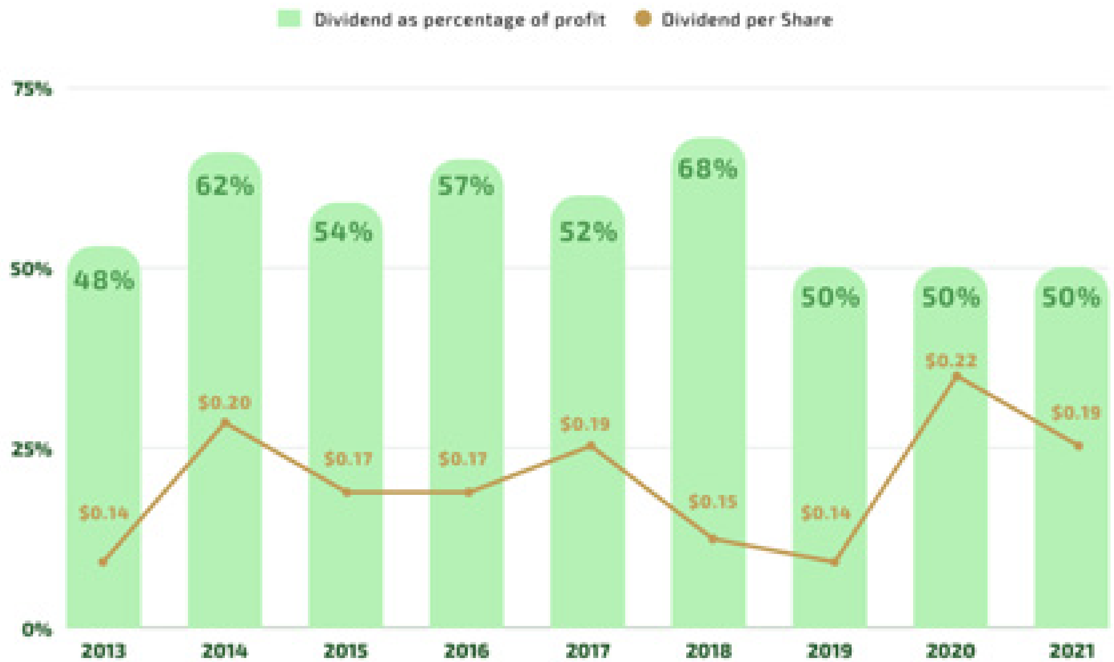
General Accident offers a wide range of innovative, affordable general insurance products to deliver financial protection and peace of mind to individuals, families and businesses, while building a trained and well-compensated staff complement and delivering a fair return on investment to our shareholders.

OUR **VISION**

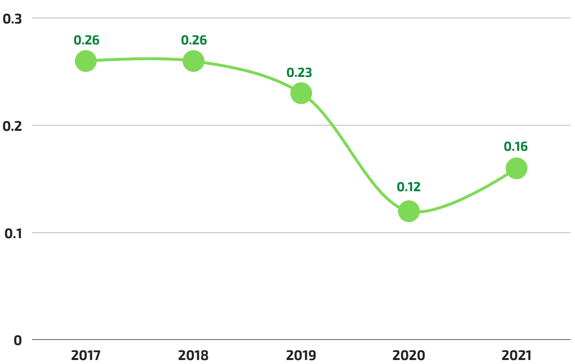
General Accident Insurance Company (GenAc) is a regional market leader in the general insurance sector contributing to Caribbean development through sound risk transfer mechanisms and excellent customer service. We build robust and long-term financial health through profitable, sustainable growth, supported by state-of-the-art digital technology and innovative corporate social responsibility programmes.

CORPORATE **STRUCTURE**

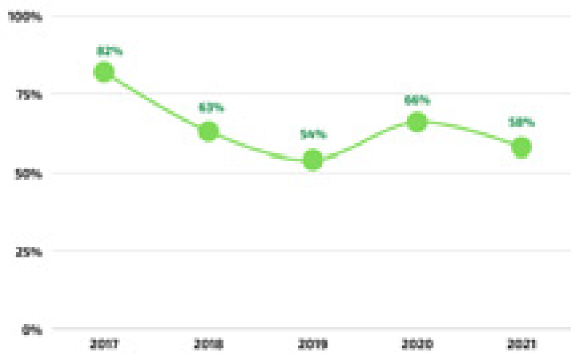
CONSISTENT SHAREHOLDER DIVIDEND



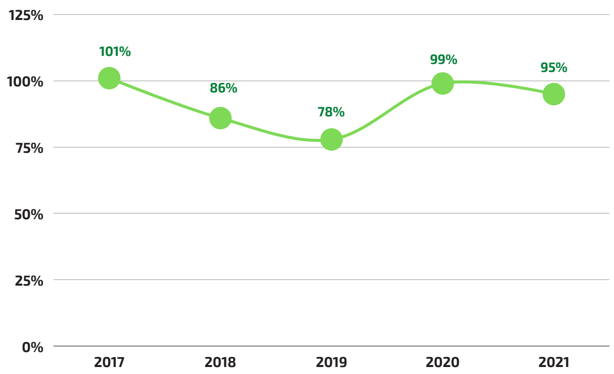
PREMIUM MOVEMENT OVER FIVE YEARS

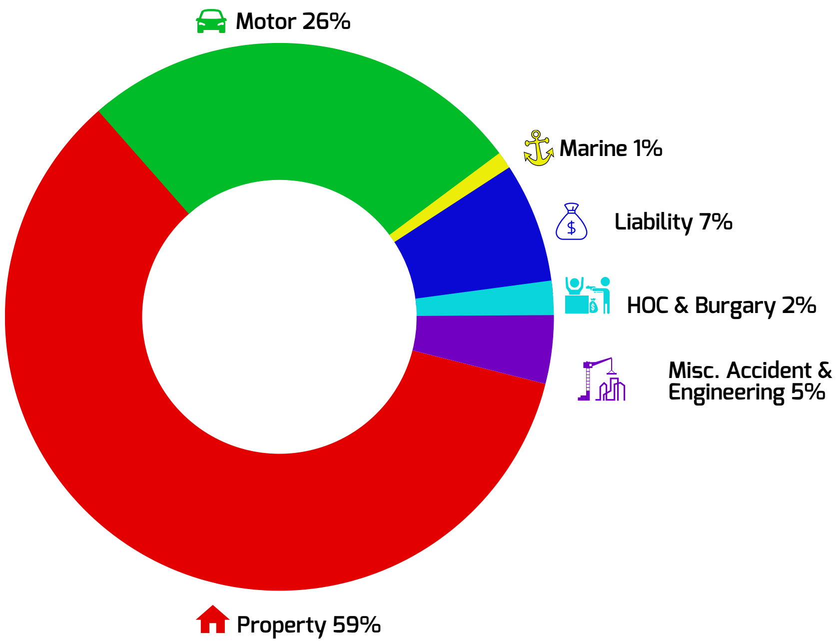


LOSS RATIO OVER FIVE YEARS



COMBINED RATIOS





10 - YEAR **STATISTICAL REVIEW**

	2021	2020	2019	2018
EMPLOYEES	229	205	132	131
GROSS WRITTEN PREMIUMS ($'000)	13,959,807	12,044,990	10,727,828	8,735,797
CLAIMS INCURRED ($'000)	1,751,360	1,816,926	1,205,328	1,023,022
UNDERWRITING PROFIT/(LOSS) ($'000)	80,317	1,445	442,136	174,768
PROFIT BEFORE TAX ($'000)	259,695	259,536	770,154	352,569
PROFIT AFTER TAX ($'000)	149,236	193,812	651,558	285,370
CASH DIVIDENDS ($'000)	196,701	222,668	142,684	150,047
SHAREHOLDER'S EQUITY ($'000)	2,921,964	2,974,866	3,003,565	2,056,612
LOSS RATIO	58%	66%	54%	63%
RETURN ON EQUITY	5%	6%	32%	15%
DIVIDEND YIELD ON AVERAGE EQUITY	7%	7%	6%	8%
P/E RATIO	22.7	25.8	13.1	12.6
CLOSING STOCK PRICE	5.9	6.19	7.1	3.54
DIVIDEND PAYOUT RATIO	50%	50%	50%	68%
MARKET CAPITALIZATION ($'000)	6,084,375	6,383,438	7,321,875	3,650,625

2017	2016	2015	2014	2013	2012
111	91	90	78	83	77
7,106,254	5,649,097	6,112,355	5,072,375	4,479,755	3,788,969
1,087,590	746,073	696,480	678,558	646,791	540,775
-35,532	45,609	114,656	101,941	58,503	117,362
236,077	404,243	303,448	319,965	323,702	285,269
221,236	386,879	304,418	320,078	327,914	290,537
200,001	175,003	172,219	203,878	140,025	100,031
1,937,771	1,964,420	1,775,297	1,579,382	1,456,944	1,288,850
82%	66%	62%	63%	65%	58%
11%	22%	19%	22%	25%	25%
10%	9%	10%	13%	10%	8%
13.3	7.9	6.8	5.6	5.6	6.3
2.8	2.99	2.05	1.75	1.8	1.76
52%	57%	54%	62%	48%	35%
2,887,500	3,083,438	2,114,063	1,804,688	1,856,250	1,815,000

OUR **STRATEGIC FOCUS**

VALUE CREATION AND LONG-TERM SUSTAINABILITY

GenAc provides risk transfer mechanisms to our customers, guided by 40 years of expertise and experience. We facilitate and support commerce by protecting the assets of people and businesses. Using sound investment decisions and a strategy of managed growth, we have built a strong balance sheet to ensure financial stability and strength. We create value for our shareholders, policyholders and employees while meeting all regulatory requirements.

DISTRIBUTION CHANNELS

Our head office is located in Kingston, Jamaica, and we write business through a network of valued insurance professionals islandwide. We have also embarked on a regional expansion programme and now offer our insurance products in Trinidad & Tobago and Barbados. We continue to look at other expansion opportunities within the Caribbean.

FAST, FAIR CLAIMS SETTLEMENT

We are committed to fast, fair claims settlement as a key element of efficient insurance services. We believe that the importance of insurance cover is tested at the time of a claim, and we seek to demonstrate to our clients that we are worthy of their trust and confidence.

ROBUST RISK MANAGEMENT

We have developed a comprehensive risk management framework to ensure risk tolerance limits are assessed and adhered to, particularly with regard to the acquisition of critical reinsurance support.

UTILIZING INFORMATION TECHNOLOGY

We have invested in continuous improvement of information technology to deliver simple, accessible online processes to our customers. We understand that ease of doing business brings a competitive advantage and we seek to ensure our customers receive the same superior level of service whether they contact us in person, by telephone or online. We place high priority on secure systems to handle payments, claims, new business and renewals. We believe our growing facility with data analytics allows us to respond quickly to changing markets for the benefit of our customers.

DEVELOPING THE GENAC TEAM

Insurance is a technical discipline and GenAc has a long history of recruiting, training and retaining expertise, providing all our employees with a culture of excellence and opportunity. We invest in the development of our staff members at every level by providing frequent training and mentorship programmes.

MAXIMIZING OPERATIONAL EARNINGS

Our growth and profitability initiatives remain:

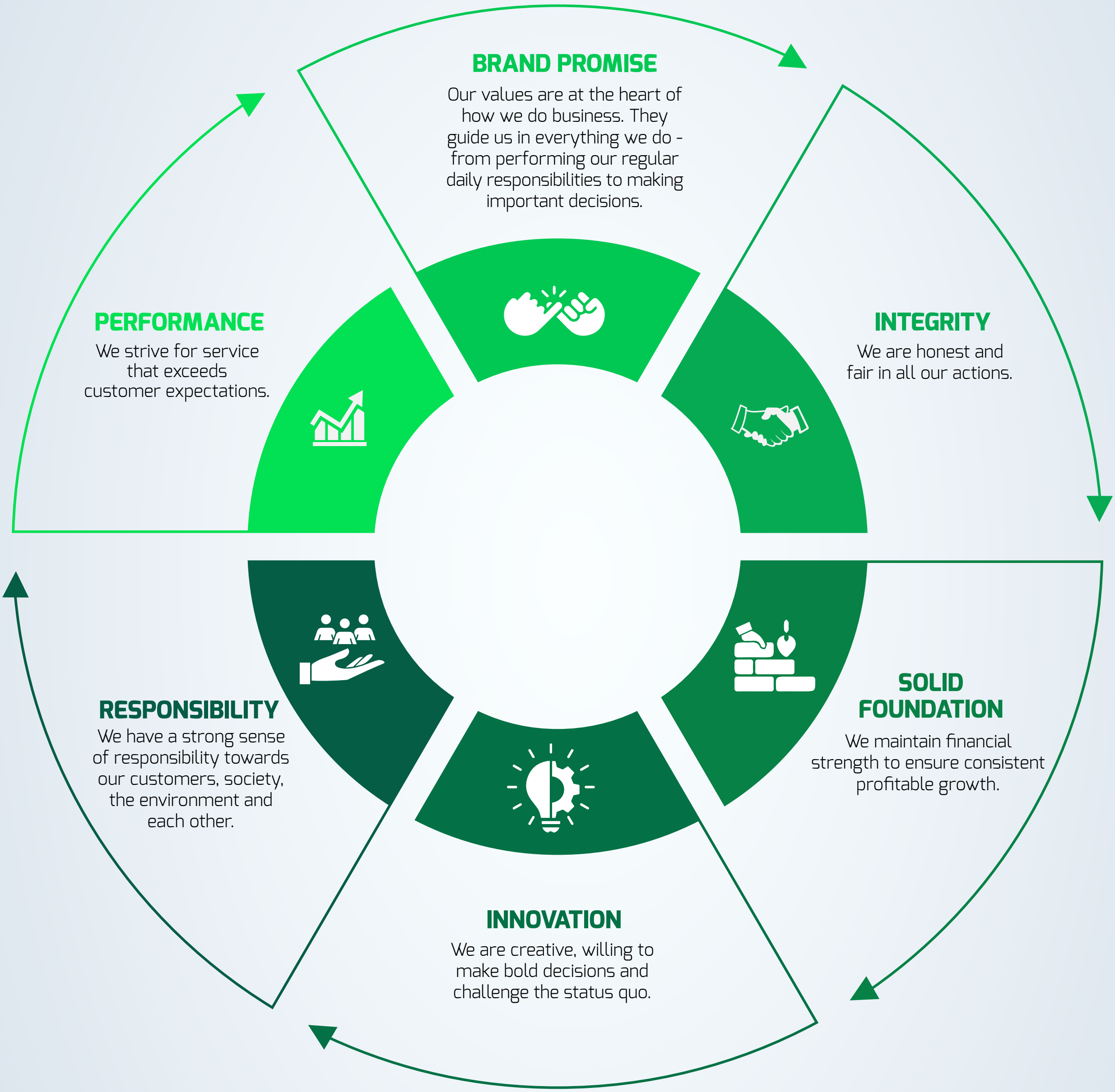
- Growth in value-priced and profitable product lines.
- Payment of dividends to shareholders.
- Steady strengthening of our balance sheet, liquidity base and capital to provide the essential foundation for growth.
- Constant improvements in operational efficiencies to deliver excellent service to our policyholders.

EMBRACING CORPORATE SOCIAL RESPONSIBILITY

GenAc ensures its business model complies with the principles of good corporate citizenship. We are conscious of our impact on all aspects of society and we self-regulate our operations to make certain they benefit the economy, society and the environment.

With the consistent guidance and expertise of our Board of Directors, we seek to:

- Provide a productive, well-compensated and incentive-driven work environment for our employees.
- Involve our staff in outreach efforts to support education, under-served children and the natural environment.
- Ensure all we do is grounded in high standards of integrity and ethical conduct.


BRAND PROMISE
Our values are at the heart of how we do business. They guide us in everything we do - from performing our regular daily responsibilities to making important decisions.
INTEGRITY
We are honest and fair in all our actions.
SOLID FOUNDATION
We maintain financial strength to ensure consistent profitable growth.
INNOVATION
We are creative, willing to make bold decisions and challenge the status quo.
RESPONSIBILITY
We have a strong sense of responsibility towards our customers, society, the environment and each other.
PERFORMANCE
We strive for service that exceeds customer expectations.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF
ANNUAL GENERAL MEETING

GENERAL ACCIDENT INSURANCE COMPANY (JAMAICA) LIMITED

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of General Accident Insurance Company (Jamaica) Limited (the "Company") will be held at 9:00 am on September 14, 2022 at 58 Half Way Tree Road, Kingston 10 for shareholders to consider and, if thought fit, to pass the following resolutions:

ORDINARY RESOLUTIONS

1. To receive the report of the Board of Directors and the Audited Financial Statements for the financial year ended December 31, 2021.

2. To authorize the Board of Directors to reappoint PricewaterhouseCoopers as the auditors of the Company and to fix their remuneration.

3. To re-appoint the following Directors of the Board who have resigned by rotation in accordance with the Article of Incorporation of the Company and, being eligible, have consented to act on reappointment:

   (a) To reappoint Paul B. Scott as a Director of the Board of the Company.
   (b) To reappoint Melanie Subratie as a Director of the Board of the Company.
   (c) To reappoint Christopher Nakash as a Director of the Board of the Company.

4. To authorise the Board of Directors to fix the remuneration of the Directors.

5. To approve the aggregate amount of interim dividends declared by the Board during the financial year ended December 31, 2021 being $196,700,624 or 19.074 cents per ordinary share, as the final dividend for that year.

Dated this the 27th day of June, 2022 by order of the Board

Lesley Miller

Lesley Miller
CORPORATE SECRETARY

GOVERNANCE

CHAIRMAN'S **REPORT**

General Accident successfully navigated the impact of the Covid 19 pandemic in 2021 while continuing to execute our strategy of building a leading regional general insurance company.

Our brand, our people, our relationships, and our technology, allowed General Accident to deliver a record financial performance while executing on our long-term strategy.

General Accident delivered a satisfactory financial result in 2021, recording the highest gross written premiums in our history. We wrote gross premiums of $14.0 billion, an increase of $1.9 billion or 16% over 2020. We achieved profit before tax of $259.7 million, produced a 9.7% return on equity and distributed $196.7 million of dividends to our shareholders.

General Accident's regional programme made significant progress in 2021. In Jamaica, we cemented our position as the largest underwriter of general insurance risks, with gross written premiums of $13.0 billion, an increase of $1.4 billion over 2020. In Trinidad, we grew gross written premiums to $654.9 million, an increase of $259.0 million over 2020, while in Barbados, we grew gross written premiums to $330.6 million, an increase of $271.9 million over 2020.

In 2021, despite the impact of the pandemic and a large fire claim, General Accident's Jamaican property and motor insurance operations had another year of strong premium growth and profitability. This is a testament to our prudent underwriting policies and strong reinsurance network.

General Accident's consolidated profits in 2021 reflect our investments in our emerging subsidiaries in Trinidad and Barbados. While these investments may have a short-term adverse impact on our financial results, over the long run they will create considerable value for the Company. Moreover, investing in organic growth involves considerably less risk than growing our business through large acquisitions.

The increased adoption of technology in the Caribbean region, accelerated by the pandemic, has validated our commitment to a regional strategy. Our presence in all three of the Caribbean's largest insurance markets diversifies our underwriting risk, creates economies of scale, and better enables General Accident to invest, develop and deploy digital insurance solutions.

Going forward, General Accident is focused on strengthening our market leadership in Jamaica, expanding our operations in Trinidad and Barbados, and placing technology at the core of our operations.

Paul B. Scott
CHAIRMAN

DIRECTORS' **REPORT**

The Directors are pleased to present their report for General Accident Insurance Company (Jamaica) Limited for the financial year ended December 31, 2021

FINANCIAL RESULTS

The Statement of Comprehensive Income for the Group shows pre-tax profits for the year of $259.7 million, taxation of $110.5 million and a net profit after tax of $149.2 million. Details of these results, along with a comparison with the previous year's performance and the state of affairs of the Group, are set out in the Management Discussion and Analysis and the Financial Statements, which are included as part of this Annual Report.

DIRECTORS

The Directors of the Company as at December 31, 2021, are: P.B. Scott, Melanie Subratie, Sharon Donaldson, Gregory Foster, Geoffrey Messado, Christopher Nakash, Jennifer Scott, Nicholas Scott, Duncan Stewart, Matthew Lyn and Brian Jardim.

The Directors to retire by rotation in accordance with the Articles of Incorporation are: P.B. Scott, Melanie Subratie and Christopher Nakash but being eligible, will offer themselves for re-election.

AUDITORS

The auditors of the company, PricewaterhouseCoopers of Scotiabank Centre, Duke Street, Kingston, Jamaica, have expressed their willingness to continue in office. The Directors recommend their re-appointment.

DIVIDEND

A dividend of 19.074 cents per share paid on December 30, 2021, is proposed to be the final dividend in respect of the financial year ended December 31, 2021.

BE HOMESMART

YOU UPGRADE THE QUALITY OF YOUR HOME

NOW IT'S TIME TO **SWITCH** AND **UPGRADE** THE QUALITY OF **YOUR INSURANCE**.

We make it easy to save more on your home owner's insurance.
Talk to us about HOMESMART and we'll do the rest for you.

58 Half Way Tree Road, Kingston 10, Jamaica, W.I.
Unit 8, Summit Business Center, Fairview, Montego Bay, St. James
876-929-8451 info@genac.com
www.genac.com

General Accident

DIRECTORS' **PROFILES**

CHAIRMAN
PAUL B. SCOTT
(appointed November 1998)

PB Scott is the Chairman, CEO and principal shareholder of the Musson Group.

He joined the group in 1994, became CEO in 2004, and in 2009 was appointed Chairman of the Board. He is responsible for the strategic direction, performance and overall operations of the Musson Group and all of its subsidiaries, including the Facey Group, PBS Group, Seprod, T. Geddes Grant Distributors Ltd. and General Accident Insurance Company Ltd. among others.

In addition to his responsibilities at Musson he serves on many public boards and commissions. He is a trustee of the American International School of Jamaica and currently is Chairman of the Development Bank of Jamaica. He is a past President of the Private Sector Organization of Jamaica.

MANAGING DIRECTOR
SHARON DONALDSON
(appointed March 2008)

Sharon Donaldson has been the Managing Director of the Company since 2008. She holds a Bachelor of Laws (LL.B.) from the University of London and an MBA from the University of Wales. She is a Chartered Accountant; a fellow member of the Institute of Chartered Accountants of Jamaica and an Attorney-at-Law.

Ms. Donaldson represents the local general insurance industry in discussions with the Financial Services Commission, is treasurer for the Council of the Institute of Chartered Accountants of Jamaica and heads the committee of Professional Accountants in Business.

Ms. Donaldson is also a Director of Musson (Jamaica) Limited, the parent company to General Accident and Eppley Limited. She serves as a Director and mentor of 138 Student Living Limited and Paramount Trading Jamaica Limited. She is also a member of the Jamaica Anti-Doping Commission.

DEPUTY CHAIRMAN
MELANIE SUBRATIE
(appointed March 2002)

Melanie Subratie is a non-executive Director of the Company and holds a B.Sc. (Hons) from the London School of Economics. She is Chairperson of the Investment Committee of the Board.

Mrs. Subratie is Chairperson and CEO of Stanley Motta Ltd. and Vice Chairman of Musson (Ja.) Ltd. She is also the Vice Chair of Eppley Ltd. and sits on the Executive Board of the Seprod Group of Companies and all its subsidiary boards. She chairs the Audit Committee for both Productive Business Solutions Ltd and Seprod Ltd.

She is Chairperson of Seprod Foundation, Musson Foundation, Jamaica Girls Coding and RISE Life Management. Mrs. Subratie is an Angel investor and sits on the Boards of LoanCirrus, Bookfusion, and First Angels. She is fourth Vice President of the Jamaica Chamber of Commerce.

EXECUTIVE DIRECTOR & COMPANY SECRETARY
LESLEY MILLER
(appointed April 2022)

Lesley Miller is the Company Secretary and an executive Director of the Company.

Mrs. Miller is the Group Chief Information Officer of General Accident Insurance. Prior to that Mrs. Miller was the Head of Business Operations at Digicel Jamaica where she spent several years in various senior roles.

Mrs. Miller holds a B.Sc. in Computing & Information Technology (Hons.) from the University of Technology Jamaica and an M.B.A in Banking & Finance (with distinction) from the University of the West Indies. Lesley is certified by the Project Management Institute as a Project Management Professional (PMP®).

NON EXECUTIVE DIRECTOR
JENNIFER SCOTT
(appointed December 2009)

Jennifer Scott is a non-executive Director of the Company. Mrs. Scott holds a B.Sc.(Hons) in Psychology from Newcastle University, United Kingdom, a Graduate Diploma in Legal Studies from Keele University, UK, and Certificate of Legal Practice from the College of Law, London. She was admitted as a Solicitor of Supreme Court of England and Wales.

She attended Norman Manley Law School, and was admitted as an Attorney-at-Law of the Supreme Court of Jamaica in 2003. She is a consultant at Clinton Hart & Co., Attorneys-at-Law, specialising in financial securities and corporate law.

DIRECTORS' **PROFILES**

NON EXECUTIVE DIRECTOR

NICHOLAS A. SCOTT
(appointed July 2011)

Nicholas Scott is a non-executive Director of the Company and the Chief Investment Officer for the Musson Group. He also serves as the Managing Director of Eppley Ltd. and as a Director of many of the Musson subsidiaries and affiliates including Seprod.

He returned to Jamaica in 2009 after working as a private equity investor and investment banker at the Blackstone Group in New York and Brazil.

Mr. Scott holds a BSc. in Economics (Magna Cum Laude) from the Wharton School at the University of Pennsylvania, an MBA (Beta Gamma Sigma) from Columbia Business School and a MPA from the Harvard Kennedy School of Government.

INDEPENDENT NON-EXECUTIVE DIRECTOR

DUNCAN STEWART
(appointed August 2011)

Duncan Stewart is an independent, non-executive Director of the Company. He is one of the family leaders of Stewart's Auto Sales Ltd. and its affiliated companies, Stewart's Auto Paints Ltd., Tropic Island Trading Co. Ltd. and Silver Star Motors Ltd.

He joined his family's business as a 3rd generation member in 1985 after graduating with a B. Eng (Mech) degree from McGill University. He learned the business by working his way through the ranks, learning and following the family's culture of service.

INDEPENDENT NON-EXECUTIVE DIRECTOR

CHRISTOPHER NAKASH
(appointed December 2006)

Christopher Nakash is an independent non-executive Director of the Company. Mr. Nakash brings to the Board his management experience, gained as Chief Executive Officer of Nakash Construction & Equipment Limited.

In the past, Mr. Nakash also served as General Manager of Netstream Global (2003 to 2008), and he was also a founding member and Director of the Riverton Improvement Association and Intelligent Multimedia Limited. Mr. Nakash holds a BBA from University of New Brunswick, Canada.

EXECUTIVE DIRECTOR
GREGORY ST. HUGH FOSTER
(appointed April 2018)

Gregory Foster is an executive Director of the Company and a member of the Audit Committee of the Board. He serves as the Group's Chief Operating Officer.

He obtained his Association of Chartered Certified Accountant (Glasgow, UK) professional qualification in 2006, and is also a member of Institute of Chartered Accountants of Jamaica.

INDEPENDENT NON-EXECUTIVE DIRECTOR
BRIAN JARDIM
(appointed August 2017)

Brian Jardim is an independent non-executive Director of the Company. He is the founder and CEO of Rainforest Seafoods Ltd., the leading seafood harvester, processor and distributor in the Caribbean.

Mr. Jardim currently serves as a director on the Board of the Jamaica Observer, We Care for Cornwall Regional Hospital, and Industrial Chemical Company among others.

He is a Certified Public Accountant (CPA), a graduate of the University of Florida where he obtained a MSc. in Financial Accounting and a BSc. in Business Administration. He also holds a Diploma in Business Administration from Ryerson University.

INDEPENDENT NON-EXECUTIVE DIRECTOR
MATTHEW LYN
(appointed July 2015)

Matthew Lyn is an independent non-executive Director of the Company.

Mr. Lyn is the Chief Operating Officer of the CB Group and its related companies, including CB Foods Ltd., Newport Mills Ltd. and Imagination Farms Ltd.

He holds a B.B.A from the Goizuetta Business School at Emory University.

CORPORATE GOVERNANCE

Our Corporate Governance framework is designed to support the transparency and accountability of the people and processes in the Group as it expands its reach in the region. The framework is documented in our Corporate Governance Policy, wherein, prescribed practices are aligned with the rigor of global best practice, the Private Sector Organization of Jamaica's Code on Corporate Governance and the Jamaica Stock Exchange's Corporate Governance Guidelines.

The Group's corporate governance standards reflect the key tenets of responsibility, integrity, prudence, transparency and fair and equitable decision making. It is the collective responsibility of the Board to supervise and direct the company's affairs in the interest of growth and profitability of the business.

The members of the Board of Directors and those entrusted with administering our Corporate Governance embody diversity, experience, and proven excellence in their fields.

Our Directors and Committees are aligned behind the strategic and corporate objectives set by management and are tasked with monitoring and ensuring that the efforts of all stakeholders support those objectives.
The Board is composed to promote balanced decision making and independence. The Board is comprised of eleven (11) members, a non-executive Chairman, eight (8) non-executive directors and two (2) executive directors.

THE COMPENSATION COMMITTEE

The Compensation Committee is responsible for oversight of executive remuneration packages. These packages are designed to reward performance and incentivize growth and are driven by the core organization objectives and in alignment with necessary risk considerations.

THE CONDUCT REVIEW COMMITTEE

The Committee has responsibility for oversight of the policies and procedures to ensure that the company conducts its affairs responsibly and in keeping with our values and the broad requirements of the Regulators. The Committee is tasked with the prevention, identification and management of conflicts of interest and the disclosures around any such conflicts.

The Conduct Review Committe is comprised of three (3) directors. The committee meets at least three (3) times a year.

THE AUDIT COMMITTEE

The Committee is responsible for providing oversight and advice to the Board on all matters relating to financial reporting, internal controls, and approval of financial reports to be circulated to all regulatory bodies.

The Audit Committee is comprised of three (3) non-executive directors and one (1) executive director.
The Audit Committee meets at least five (5) times for the year.

INVESTMENT AND LOAN COMMITTEE

The Committee is responsible for driving the Group's investment strategy and ensuring that the strategy meets all compliance requirements, inter alia, liquidity, quality, and term of investments. The Committee also ensures that any material financial arrangement meets regulatory standards and fits the credit risk appetite of the Company.

The Investment and Loan Committee is comprised of (3) non-executive directors and one (1) executive director.
The Committee meets at least four (4) times for the year.

BOARD AND COMMITTEE MEETINGS

The Committees and members continued to fulfill their mandate to the Group. In 2021 in person Board meetings reconvened as much as possible.

LEADERSHIP AND OPERATIONS

SENIOR LEADERSHIP **TEAM**

CEO & MANAGING DIRECTOR
SHARON DONALDSON

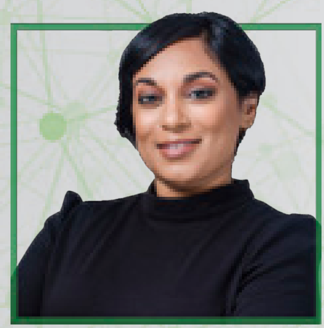
Sharon Donaldson has been with the company for over 30 years, first joining as the Financial Controller in 1989 before becoming the Managing Director and CEO in 2008.

Sharon's primary responsibilities include making major corporate decisions, managing the overall operations and resources of the Group and acting as the main point of communication between the Board of Directors and corporate operations.

CHIEF OPERATING OFFICER
GREGORY FOSTER

Gregory Foster is GenAc's Chief Operating Officer with responsibility for the underwriting, claims and AutoSmart divisions. Mr. Foster joined GenAc in 2014 with a strong background as an audit manager and has held his current position since January 2019.

He has accumulated over seven years of experience in providing audit services to a wide spectrum of clients, including government/public sector, financial services, and manufacturing and distribution.



CEO - TRINIDAD & TOBAGO
NATASHA PETTIER

Natasha Pettier is the Chief Executive Officer of General Accident Insurance Company Trinidad and Tobago Limited. She joined the Company in October 2019 as head of underwriting and insurance operations.

She holds a Bachelor of Laws (LL.B.), an MBA from the Heriot-Watt University, UK, is a Fellow of the Chartered Insurance Institute of London, a qualified Member of the Institute of Risk Management and a Health Insurance Associate. She has over 20 years' experience in the insurance industry and is involved with various committees of both the Association of the Trinidad and Tobago Insurance Companies and the Trinidad and Tobago Insurance Institute.

GENERAL MANAGER - BARBADOS
WANDA MAYERS

Wanda Mayers is the General Manager of General Accident Insurance Company (Barbados) Limited. Her experience in general insurance includes customer service, marketing, reinsurance underwriting and claims. After becoming an Associate of the Chartered Insurance Institute (ACII) in the United Kingdom, she rose in the ranks at the Insurance Corporation of Barbados Limited, from Supervisor of the Reinsurance Department in 1993 to Assistant Vice President of Direct Underwriting and Customer Experience in 2015.

Her managerial experience was strengthened at Sagicor General Insurance Inc., as Vice-President for Underwriting in Barbados, ending in 2018. Myers has tutored various subjects at the Insurance Institute of Barbados and has served as Director of several companies in the public and private sector.

CHIEF INFORMATION OFFICER
LESLEY MILLER

Lesley Miller joined GenAc as Chief Information Officer in January 2018 with responsibility for technology, business intelligence and digital marketing, bringing over 15 years' experience in the insurance and telecommunications industries to the Company.

Mrs. Miller holds a Bachelor of Science degree in Computing & Information Technology from the University of Technology (Jamaica) and an MBA in Banking and Finance from the University of the West Indies. She is a certified Project Management Professional and is a member of the Doctor Bird Chapter of the Project Management Institute.

CHIEF INSURANCE OFFICER
MICHELLE ROBINSON

Michelle Robinson joined General Accident in October 1990. From 1990 to 2011, Michelle served in various roles, including Management Trainee, Claims Manager and Marketing Manager. Michelle's varied experience developed her expertise in underwriting and claims for all lines of business. Michelle left General Accident in 2011, returning in 2021, after gaining invaluable experience in branch network management and regional oversight.

In her current role, Michelle oversees the operations of the Underwriting and Claims Departments and provides technical advice to our regional operations.

Michelle holds the ACII designation as a Chartered Insurer with the Chartered Insurance Institute, London.

BUSINESS DEVELOPMENT OFFICER
JAMALDA STANFORD-BROWN

Jamalda Stanford-Brown joined GenAc as Business Development Officer in January 2018. She has a wealth of experience in auditing, risk assessment and reinsurance.

Mrs. Stanford-Brown holds a Bachelor of Science degree in Economics and Accounting from the University of the West Indies. She is a Certified Public Accountant, a Chartered Property and Casualty Underwriter and holds an Associate Degree in Reinsurance.

GENERAL MANAGER – AUTOSMART
JANILLE JARRETT

Janille Jarrett joined General Accident in May 2005, and has worked in the Customer Service, Underwriting and Broker Services departments. She advanced through the ranks and held the position of Management Trainee up to August 2015, when she migrated.

She re-joined us in July 2016 and was appointed Underwriting Manager -AutoSMART, which is a specialized insurance business unit within General Accident. Janille went on to spend four (4) years as the Motor Underwriting Manager for General Accident, and, under her management we saw a significant growth in our motor portfolio.

In January 2021, Janille was promoted to Senior Portfolio Manager with responsibility for the AutoSMART Unit. She is a Certified Insurance Technician and is currently pursuing The Chartered Insurance Professional (CIP) Designation.

MANAGEMENT **TEAM**

CAREEN NOLAN
Head of Property
& Casualty Division

ANGELLA REYNOLDS
Underwriting Consultant

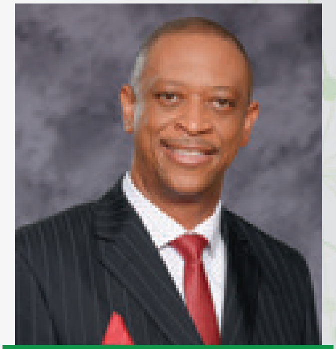
PETAGAYE MCCOOK
Legal Services Manager

CAROL BARNETT
Claims Manager

JANILLE JARRETT
General Manager
AutoSmart

MANAGEMENT **TEAM**

JOAN MCLEGGON
Chief Human Resources Officer



DOUGLAS HAYDEN
Information Technology Manager

CHERYLL HENRY
Operations & Facilities Manager

TANYA OAKLEY
Business Intelligence Manager

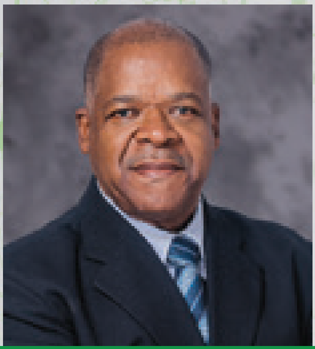
JANETTE COLE-SMITH
Finance & Compliance Manager

REGIONAL MANAGEMENT **TEAM**

NATASHA PETTIER
CEO
Trinidad & Tobago

ASHMIN MAHASE
General Manager
Trinidad & Tobago

JESEANIA GLASGOW-BURNETT
Manager, Underwriting and Business Development - Trinidad & Tobago



DUNSTAN LODGE
Head of Customer Support
Trinidad & Tobago

SHIVANNE RAMADHAR
Accountant
Trinidad & Tobago

RAJIN MATADEEN
Claims Manager
Trinidad & Tobago

WANDA MAYERS
General Manager
Barbados

GAIL GRIFFITH
Underwriter
Barbados

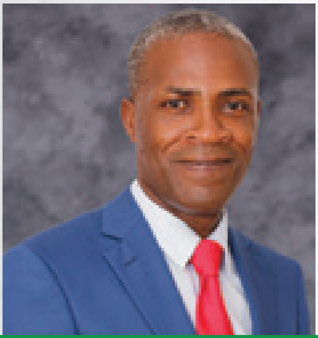
AGENT **NETWORK**

BARBARA SAMUELS
Kingston

CADDINE WILLIAMSON
Mandeville , Manchester

MARLENE DUFFUS
Kingston

DEBRA REID-GIBBS
Portmore, St. Catherine



ORAL MYLES
Sav-la-mar, Westmoreland

CHERRICE BROWN
Ocho Rios, St. Ann

ROCHELLE CLARKE
Sav-la-mar, Westmoreland

MARLON CREARY
Kingston

JONELLE JENKINS
Morant Bay, St. Thomas

MANAGEMENT DISCUSSION **AND ANALYSIS**

PROFITABILITY

In 2021, the General Accident Group successfully navigated the impact of the Covid 19 pandemic and continued to execute our strategy of building a leading regional general insurance company. Indeed, our exceptional people, relationships, technology and brand allowed General Accident to deliver a solid financial performance.

The General Accident Group recorded the highest gross written premiums in our history. We achieved gross written premiums of $14.0 billion, an increase of $1.9 billion or 16% over 2020. We achieved a profit before tax of $259.7 million, produced a 9.7% return on equity and distributed $196.7 million of dividends to our shareholders.

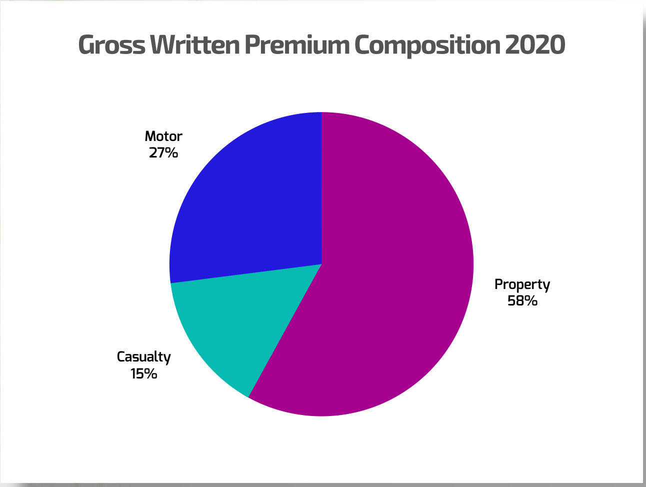
Notwithstanding Covid 19's continued impact on regional economies in 2021, we maintained high levels of customer service, expanded our digital competence, and provided effective communication for our customers and stakeholders. Notably, despite the impact of a large fire claim, General Accident's Jamaican property and motor insurance operations had another year of solid premium growth and profitability. This is a testament to our prudent underwriting policies and strong reinsurance network.

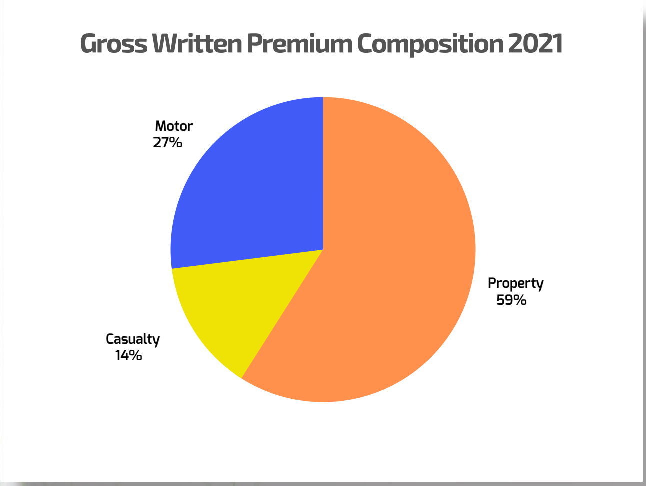
General Accident Jamaica produced revenue of $13.0 billion, up 12% on the prior year of $11.6 billion; underwriting profit of $428.1 million, up 144% on the previous year of $175.5 million; net profit of $501.2 million, up 27% million on prior year of $393.4 million.

General Accident Trinidad and Tobago produced revenue of $654.9 million, an increase of $259.0 million or 67% over 2020, and a net loss of $244.4 million in its second full year of operation. Even though profitability fell below budget, we are incredibly encouraged by the significant increase in revenue. In 2021, GenacTT completed its rebranding exercise and evolved from offering only motor insurance products to offering seventeen (17) new lines of insurance products with solid support from our panel of reinsurers. GenacTT now works with all the

major insurance brokers in the Trinidad and Tobago market and is well-positioned for continued growth.

General Accident Barbados experienced rapid growth in 2021, its first full year of operation. Revenue grew from $60.0 million for the eight (8) months of 2020 to $330.6 million for the 2021 financial year. This growth is primarily attributed to increased broker penetration and the expansion of our agent network. Although Group business continued to support our portfolio, personal lines insurance products, particularly motor insurance products, have exceeded our budgeted expectations. As General Accident Barbados established itself, a modest loss was budgeted. The company performed better than anticipated through careful cost management and a favourable loss ratio. The 2021 net loss was $99.9 million. General Accident Barbados doubled its staff complement and improved its operating efficiency by digitising its processes.


Gross Written Premium Composition 2020
Motor
27%
Property
58%
Casualty
15%

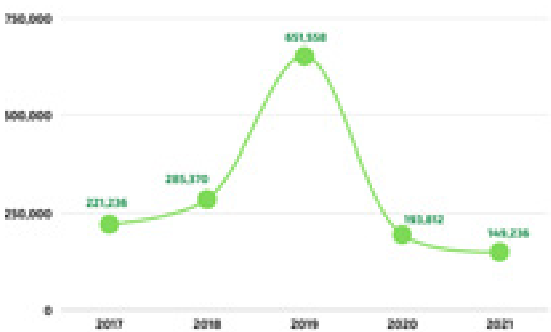

Gross Written Premium Composition 2021
Motor
27%
Property
59%
Casualty
14%

FINANCIAL HIGHLIGHTS

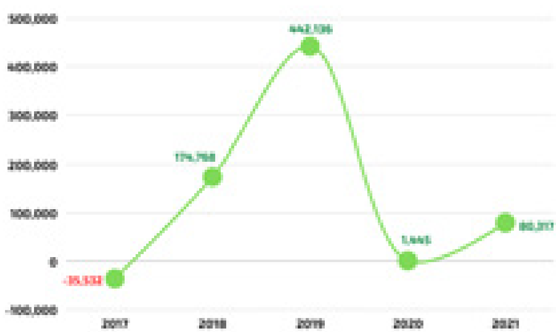
GENERAL ACCIDENT GROUP	GENERAL ACCIDENT JAMAICA
Consistent premium growth	20 years of premium growth
Gross written premiums of $14.0 billion	Gross written premiums of $13.0 billion
Net Profit for the year of $149.2 million	Net Profit for the year of $501.2 million
Shareholders' Equity of $2.92 billion	Shareholders' Equity of $2.87 billion
Total assets of $12.5 billion	Total assets of $10.2 billion
Earnings per share of $0.25	

Profit attributable to shareholders was $254.8 million in 2021. We paid dividends amounting to $196.7 million in the year under review.

NET PROFIT $'000



UNDERWRITING PROFIT $'000



INVESTMENT INCOME

Investment income decreased by 23% to $226.5 million, down from $293.9 million in 2020, with a loss of $7.5 million reported in Other Comprehensive Income.

We are pleased that we could produce a minimum return on investment (ROI) of 5.0%.

FINANCIAL STRENGTH

General Accident Group is well capitalised with an equity book value of $2.9 billion, providing stability to weather any potential economic headwinds of 2022.

Total assets increased by 12% to $12.5 billion, up from $11.2 billion in 2020. Notably, Cash and Cash Equivalents increased by 91% to $1.4 billion, up from $756.5 million in 2020.

CAPITAL MANAGEMENT

General Accident Group allocates capital to maximise long-term shareholder value while maintaining financial strength. We consistently meet required regulatory and solvency ratios. Our policy is to allocate capital to investment opportunities earning the highest risk-adjusted returns as we seek to maintain a balance between higher returns and the security of a prudent capital position.

We are pleased to report that we met the regulatory capital and liquidity requirements for all entities for 2021.

DESCRIPTION	BENCHMARK	ACTUAL
Jamaica MCT	200.80%	209.10%
Trinidad & Tobago Solvency Margin	110%	133%
Barbados Solvency Margin	500,000 BBD	700,000 BBD

LOOKING AHEAD

For much of 2021, Caribbean economies continued to experience the lingering impact of the pandemic. However, at the start of 2022, we have seen positive signals, with many Caribbean governments ending lockdowns and curfews, reopening schools and offices, and removing travel restrictions. We believe these actions bode well for increased economic activity, and as a result, we anticipate that this will lead to greater demand for our insurance products.

General Accident's presence in all three of the Caribbean's most important insurance markets creates economies of scale that enable us to invest in, develop and deploy digital insurance solutions. Consequently, as a new entrant in Trinidad and Barbados, we derive a competitive advantage from our streamlined business processes resulting from our investment in digitisation made in 2020 and 2021. This positions us well for increased operating efficiency in 2022.

In 2022, General Accident remains focused on solidifying our market leadership in Jamaica, growing our business in Trinidad and Barbados, and completing our digital transformation. We will continue to leverage our market reach, digital capabilities, and financial strength to capitalise on opportunities to provide a full suite of insurance products to the Caribbean.

General Accident remains committed to delivering our strategic objectives. We look ahead with confidence and enthusiasm as we believe we have the right approach, culture, and products to compete in a new digitised, customer-focused marketplace. We are well-positioned to achieve robust financial performance and satisfy policyholders.

I would like to sincerely thank the Board of Directors for providing insight, guidance and support to General Accident's management and staff. To the hardworking staff members in Jamaica, Trinidad and Barbados, my heartfelt gratitude and appreciation to you for your continued commitment to the company's success. To our brokers and insureds, thank you for your confidence in us. We take our brand promise of excellence seriously and will continue to deliver value to our customers, employees, business partners and shareholders.

Sharon Donaldson
MANAGING DIRECTOR


Underwritten by
General Accident
DO IT RIGHT FROM THE START,
INSURE WITH AUTOSMART
SMARTER SAVINGS
SMARTER COVERAGE
autosmartja.com
PPV
SCAN ME
AUTO
SMART
INSURANCE

The Group's business practices inherently expose General Accident to the risks associated with insurance contracts. Beyond that exposure, the Group faces regulatory, market and operational risks.

The Group is guided by its Risk Management Policy. Within this framework the Board has established committees to monitor the mitigation and management of these risks. The Board has overall responsibility for the oversight of the Group's risk management framework.

For each class of risk, the Risk Management Framework identifies the Group's risk appetite and the potential outcomes that pose a threat to the achievement of the Group's strategic objectives. Risk governance is supported by an internal Risk Committee.

The risk categories subject to Board oversight are set out below:

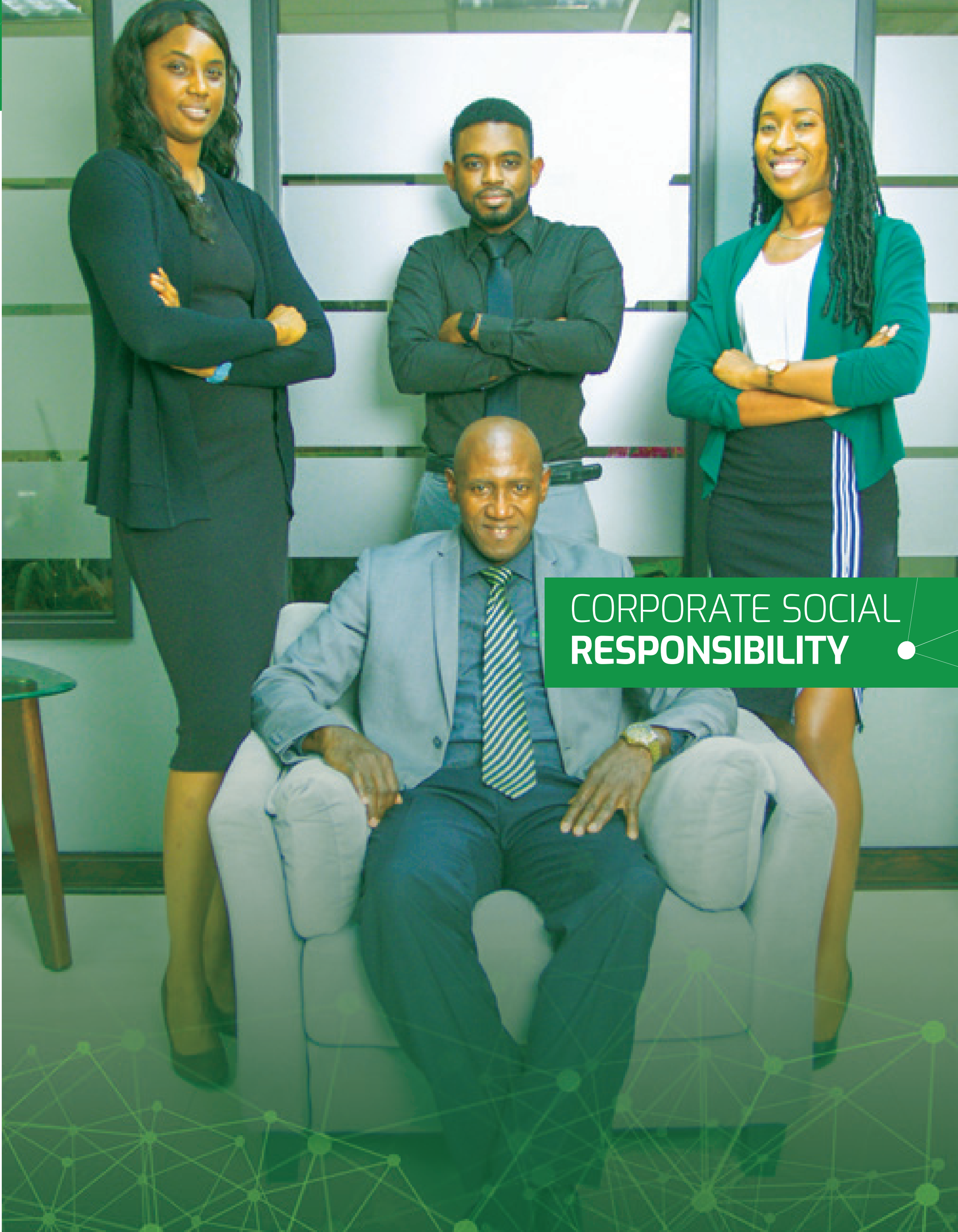
TYPE OF RISK	RISK DETAIL	APPROACH
UNDERWRITING RISK	Adverse claims development. Inadequate premiums.	▪ The Company adopts prudent reserve practices as we maintain reserves equal to our estimated ultimate liability losses and loss adjustment expenses. ▪ We ensure risks are priced appropriately by regular review of underwriting results. ▪ We practice effective diversification of risks.
LIQUIDITY RISK	The risk of insufficient cash flows to meet settlement obligations as they fall due.	▪ We use cash flow forecasting. ▪ We maintain sufficient liquid assets at required levels to meet our obligations at all times.
OPERATIONAL RISK	The risk of failure of internal processes and systems and loss of or inadequate human resources.	▪ We carry out frequent review of internal processes to identify vulnerabilities. ▪ We have in place a structured programme for building our staff members capacity.
REGULATORY CAPITAL	The risk of not meeting regulatory benchmarks.	▪ We carry out frequent modelling of the company's capital components to ensure transaction decisions are made in such a way to avoid a drag on capital ratio.
MARKET RISK	The risk of economic losses on our investment portfolio resulting from price changes in capital markets.	▪ A diversified portfolio lies at the heart of our strategy. Investment duration and currency are managed to avoid any mismatch of assets and liabilities, whilst earning the maximum return at an acceptable level of risk. ▪ We use appropriate limits and early warning ratios in our asset liability management to manage market risk.
CREDIT RISK	The risk arising from the likely default as a result of changes in the financial position of a counterparty.	▪ We manage credit risk by reviewing the balance sheet of counter parties in addition to using available market data to determine default probabilities.

THE RISK **COMMITTEE**

The Risk Committee is responsible for examining major risks faced by the Company for both assets and liabilities, reviewing tools for monitoring and controlling such risks by using outside risk experts when necessary. The Committee examines the main technical and financial underwriting commitments, claims reserving, risk concentration, counterparty limits, liquidity and operational risks, as well as relevant changes in the regulatory environment.

The Risk Committee is comprised of seven members and is chaired by a member of the senior management team. It meets at least four times a year.

CORPORATE SOCIAL **RESPONSIBILITY**



CORPORATE SOCIAL **RESPONSIBILITY**

The Covid 19 pandemic continued into 2021, resulting in another unprecedented year filled with global uncertainty. General Accident remained focused on a vibrant Corporate Social Responsibility programme to play its part in advancing national development and serving the wider community while cushioning the impact on some of Jamaica's most vulnerable people.

Through the collective effort of a dedicated team, we were able to support our long-standing causes as well as new undertakings.

Here are the highlights:

40TH ANNIVERSARY CELEBRATION

To celebrate General Accident Jamaica's 40th anniversary, The Company hosted a series of events. Among the celebrations were giveaways open to staff and customers alike through a Spin the Wheel challenge. For approximately three weeks in November and December, customers visiting any General Accident branch had an opportunity to spin the wheel to win a prize. Staff also took their chances at the wheel as part of the festivities.

General Accident marked the milestone anniversary with gifts of fruit and ornamental trees to selected customers, staff members and organizations. The trees were sourced from the Forestry Department and gifted to those with adequate space and resources to care for them. The Company has long supported environmental initiatives and regards tree planting as an important contribution to a sustainable future. We hope to receive updates on the growing trees from the recipients.

General Accident's Marketing Associate, ShaVaughn Rattigan hands over a Spin the Wheel prize to customer Hyacinth Redley who won herself a 40th anniversary memento during the company's milestone celebration.

EARTH DAY

On Earth Day, April 22nd, General Accident team members planted a garden of lantana flowers on the General Accident property to create a habitat for butterflies and beautify the premises.

Staff members Romario Miller (left) and Monique Jordan (right) transplant lantanas to the company grounds as part of General Accident's celebration of Earth day on April 22.

BLOOD DRIVE

In observance of World Blood Donor Day on June 14, General Accident invited the public to donate blood to the National Blood Transfusion Service (Blood Bank) on June 15. For the blood drive, Blood Bank technicians were stationed at the General Accident offices located at 58 Half-Way-Tree Road.

This initiative was done in partnership with the Musson Foundation, Shop Box and Nupak and aimed to help replenish the Blood Bank's resources. At the end of the drive, 81 registered persons (45 of which were staff members) donated 50 units of blood. From the 50 units collected at the GenAc Blood Drive, the Blood Bank can save up to 150 lives.

General Accident Insurance Company (Jamaica) (GenAc) CEO Sharon Donaldson (standing left) and Musson Foundation Chairperson Melanie Subratie (standing right) watch as National Blood Transfusion Service (Blood Bank) registered nurse Huntley Walker goes through the pre-donation health screening with Orville McGhan of Axia Insurance Brokers.

Brittney Walters rests after her blood donation during GenAc-hosted blood drive on June 15, 2021 observance of World Blood Donor Day (June 14).

Olinda Prescott-Jones posed for a picture after making a successful donation

MAISIE GREEN LEARNING CENTRE

The Company continued its support of the Maisie Green Learning Centre in 2021. For Labour Day, members of staff donated a combination of gently used books from their own children or childhood as well as newly bought books, including leisure and educational books, workbooks, charts, kid-sized puzzles and lesson playing cards. In addition to the over 100 books, General Accident donated two custom built bookshelves, built by Ronald Reid, a Genac member of staff in the facilities department.

The Learning Centre also received assistance with renovations of the kitchen facilities in April 2021, including the provision of an industrial stove.

Lesley Miller (right), Chief Information Officer at General Accident Insurance (Jamaica) company (GenAc) talks about the generosity of the staff from crafting the bookshelves and donating the books with Charmaine Bennett, principal of Maisie Green Learning Centre.

General Accident team members (from left to right) Kevin Morris, Ryan Douglas, Derrick Grant, Harvin Morris, and Colesha Mahoney present an industrial stove to Maise Green Learning Centre principal, Charmaine Bennett (second left).

TENNIS JAMAICA TOURNAMENT

General Accident donated $100,000 to the All-Jamaica Men's and Women's Open Singles Tennis Jamaica tournament as an event sponsor. This was the first sporting event of its kind in over a year and took place in December attracting a record 120 entrants. Roland Phillips emerged the winner in the men's competition and Katherine Dibbs took the trophy for women.

This donation highlights GenAc's continued commitment to promoting health and wellness in Jamaica.

READ ACROSS JAMAICA DAY

For the past two years, the annual Read Across Jamaica Initiative has been held virtually across the parishes of Jamaica. This year, staff members from the General Accident family read to students of Dunrobin Primary School via the video conferencing platform, Zoom. The AutoSmart team was represented by Ramon Campbell and Nishara Senior. General Accident staff members Colesha Mahoney, Kerry-Ann Turnbull and Jamalda Stanford- Brown also read stories and books to children in videos shared on Instagram.

Lisa Hurd (left) and Kerry-Ann Turnbull (right) from General Accident Insurance Jamaica gleefully engage with the students of Dunrobin Primary School during the Read Across Jamaica virtual reading on May 4, 2021.

HONOURABLE MENTIONS

General Accident also supports the following organizations and activities:

Jamaica Environment Trust (JET)
Best Care Foundation
Janet Richards Foundation
The Salvation Army

As the global pandemic progressed into its second year, the General Accident team found innovative ways to engage with each other while observing all relevant Covid-19 protocols.

INTERNATIONAL WOMEN'S DAY

Under the 2021 theme 'Choose to Challenge', General Accident staff members created posters to document their vows to pursue equality in their everyday lives in support of International Women's Day. Both men and women participated and created videos to showcase their support for the cause and the year's theme.

PINK DAY

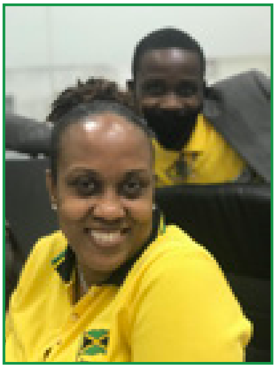
General Accident team members dressed in pink on October 1st as they stood in solidarity with breast cancer survivors and marked the beginning of Breast Cancer Awareness Month. Staffers also created an informative video presentation performed as an altered version of the 'Don't Rush' challenge to further demonstrate their support.

EARTH DAY

PEACE DAY

JAMAICA DAY

To celebrate Jamaica day, General Accident staff members donned their best reggae/ Jamaican outfit for a day filled with fun activities. Team members were treated to a lunch hour concert where they enjoyed reggae music and played Jamaican childhood games.



CHRISTMAS DECOR COMPETITION

Christmas brought a new activity as General Accident departmental teams challenged each other to a Christmas decorating competition. Each department was tasked to encourage holiday cheer by decorating a designated space in keeping with their own chosen theme. The competition was judged by interior decorator, Sherrille Foote, and winners walked away with additional vacation days as the prize.

CONCLUSION

Despite the constraints presented by the global pandemic, General Accident maintained its support of staff activities and awareness campaigns for issues faced by many. The enthusiastic involvement of staff members throughout the year continued to celebrate the values of the Company.

DISCLOSURE OF **SHAREHOLDINGS**

TOP 10 **SHAREHOLDERS**

AS AT DECEMBER 31, 2021

NAME	NO. OF UNITS	PERCENTAGE
Musson Jamaica Ltd.	824,999,989	80.00
Mayberry Jamaican Equities Ltd.	19,642,677	1.90
QWI Investments Ltd.	15,032,119	1.46
JCSD Trustee Services – Barita Unit Trust	14,280,309	1.38
Apex Pharmacy	10,000,000	0.97
PAM – Pooled Equity Fund	9,343,293	0.91
Lancedale Farquharson	7,625,000	0.74
Mayberry Managed Clients Account	6,760,969	0.66
Sagicor Select Funds Ltd	5,066,798	0.49
K. Chandiram Ltd.	4,331,450	0.42

DIRECTORS' **SHAREHOLDINGS**

AS AT DECEMBER 31, 2021

DIRECTORS	COMBINED HOLDING	PERCENTAGE
Musson Jamaica Ltd.	824,999,989	80.000
Paul B. Scott		
Melanie Subratie		
Sharon Donaldson	3,862,431	0.3745
Junior Levine		
Gregory Foster	350,000	0.0340
Geoffrey Messado	1,000,000	0.0970
Duncan Stewart	2,475,190	0.2400
Deborah Stewart		
Diana Stewart		
Christopher Nakash	1,698,020	0.1647
Nicholas Scott	1,980,198	0.1920
Matthew Lyn	96,500	0.0094
Jodi Lyn		

SENIOR LEADERSHIP AND **MANAGEMENT TEAM SHAREHOLDINGS**

AS AT DECEMBER 31, 2021

MANAGER	COMBINED HOLDING	PERCENTAGE
Cheryll Henry	159,445	0.0155
Lesley Miller	321,246	0.0315
Martin Miller et al		
Jamalda Stanford	92,857	0.0090
Janille Jarrett	25,000	0.0024

CORPORATE **DATA**

COMPANY PROFILE

DIRECTORS:

- P.B. Scott, Chairman
- Melanie Subratie, Deputy Chairman
- Sharon Donaldson, Managing Director
- Lesley Miller
- Jennifer Scott
- Nicholas Scott
- Duncan Stewart
- Christopher Nakash
- Matthew Lyn
- Brian Jardim
- Gregory Foster

CORPORATE SECRETARY:

- Lesley Miller

APPOINTED ACTUARY:

- Josh Worsham, FRAS, MAAA

AUDITORS:

- PricewaterhouseCoopers

BANKERS:

- CIBC First Caribbean International Bank
- First Global Bank
- Bank of Nova Scotia Jamaica Ltd.
- National Commercial Bank

ATTORNEYS:

- Nunes Scholefield & DeLeon & Co:
  6A Holborn Road
  Kingston

- DunnCox
  48 Duke Street,
  Kingston

REGISTERED OFFICE:

- 58 Half Way Tree Road, Kingston 10
  Telephone No: (876) 929-8451
  Fax No: (876) 929-1074
  Email: info@genac.com
  Website: www.genac.com

CONTACT
INFORMATION

JAMAICA

- **General Accident Insurance Company Jamaica Limited**
  Kingston & St. Andrew
  58 Half Way Tree Road, Kingston 10
  Telephone : (876) 929-9643
  (876) 929-8451/4
  Email: info@genac.com

  Montego Bay
  Unit 8, Summit Business Center
  Fairview, Montego Bay,
  St. James

TRINIDAD

- **General Accident Insurance Company Trinidad and Tobago Limited**
  Cor. French Street & Ariapita Avenue,
  Woodbrook, Port of Spain
  Trinidad, W.I.
  Telephone: (868) 622-7292
  (868) 622 -5614
  (868) 622-8500
  Email: infott@genac.com

BARBADOS

- **General Accident Insurance Company Barbados Limited**
  Suite 8, Dome Mall,
  Warrens,
  St. Michael BB22026
  Telephone: (246) 257-3392
  Email: infobb@genac.com

GENERAL ACCIDENT INSURANCE COMPANY JAMAICA LIMITED
31 December 2021

FINANCIAL **STATEMENTS**

MID ATLANTIC
ACTUARIAL

3. EXPRESSION OF OPINION

I have examined the financial condition and valued the policy and claims liabilities of GAICJL for its balance sheet as at December 31, 2021 and the corresponding change in the policy and claims liabilities in the statement of operations for the year then ended. I meet the appropriate qualification standards and am familiar with the valuation and solvency requirements applicable to general insurance companies in Jamaica. I have relied upon PriceWaterhouseCoopers for the substantial accuracy of the records and information concerning other liabilities, as certified in the attached statement.

The results of my valuation together with amounts carried in the Annual Return are the following:

Claims Liabilities (J$000)	Carried in Annual Return	Actuary's Estimate
Direct unpaid claims and adjustment expenses:	3,403,453	3,407,607
Assumed unpaid claims and adjustment expenses:	0	0
Gross unpaid claims and adjustment expenses:	3,403,453	3,407,607
Ceded unpaid claims and adjustment expenses:	1,609,543	1,612,765
Other amounts to recover:	0	0
Other net liabilities:	0	0
Net unpaid claims and adjustment expenses:	1,793,910	1,794,841

Policy Liabilities (J$000)	Carried in Annual Return	Actuary's Estimate
Gross policy liabilities in connection with unearned premiums:		1,301,993
Net policy liabilities in connection with unearned premiums:		992,871
Gross unearned premiums:	2,226,796	
Net unearned premiums:	1,289,126	
Premium deficiency:	0	
Other net liabilities:	0	

MID ATLANTIC ACTUARIAL

In my opinion:

(i) The methods and procedures used in the verification of the data are sufficient and reliable and fulfill acceptable standards of care;

(ii) The valuation of policy and claims liabilities has been made in accordance with generally accepted actuarial practice with such changes as determined and directions made by the Commission;

(iii) The methods and assumptions used to calculate the policy and claims liabilities are appropriate to the circumstances of the company and of the said policies and claims;

(iv) The amount of policy and claims liabilities represented in the balance sheet of General Accident Insurance Company Jamaica Limited makes proper provision for the future payments under the company's policies and meet the requirements of the Insurance Act and other appropriate regulations of Jamaica;

(v) A proper charge on account of these liabilities has been made in the statement of comprehensive income;

(vi) There is sufficient capital available to meet the solvency standards as established by the Commission

Josh Worsham, FCAS, MAAA	Josh Worsham	April 5, 2022
Name of Appointed Actuary	Signature of Appointed Actuary	Date

Independent auditor’s report

To the Members of General Accident Insurance Company Jamaica Limited

Report on the audit of the consolidated and stand-alone financial statements

Our opinion

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of General Accident Insurance Company Jamaica Limited (the Company) and its subsidiaries (together ‘the Group’) and the stand-alone financial position of the Company as at 31 December 2021, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Jamaican Companies Act.

What we have audited

The Group’s consolidated and stand-alone financial statements comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company statement of financial position as at 31 December 2021;
- the company statement of comprehensive income for the year then ended;
- the company statement of changes in equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated and stand-alone financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica
T: (876) 922 6230, F: 876) 922 7581, www.pwc.com/jm

L.A. McKnight B.L. Scott B.J. Denning G.A. Reece P.A. Williams R.S. Nathan C.I. Bell-Wisdom G.K. Moore T.N. Smith DaSilva K.D. Powell.

Independence
We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Audit scope
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and stand-alone financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our group audit scope
We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group comprises three components being the Company, and two subsidiaries located in Trinidad and Tobago and Barbados. Full scope audit procedures were performed on two components which were considered individually financially significant. The audit procedures covered 96% of total assets and 98% of total revenue of the Group.

In establishing the overall group audit strategy and plan, we determined the type of work needed to be performed at the component level by the Group engagement team and by the PwC component auditors. We further determined the level of involvement we needed to have in the audit work of the component auditors to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and stand-alone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and stand-alone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of claims liabilities for general insurance contracts *Refer to notes 2 (r), 4(a) and 33 to the consolidated and stand-alone financial statements for disclosures of related accounting policies, judgements and estimates* As at year end, the total reserves set aside in relation to claims liabilities amounted to $4.8 billion for the Group and $3.4 billion for the Company. This represented 51% and 46% of total liabilities for the Group and Company, respectively. We focused on this area as the determination of the value of claims liabilities requires significant judgement in the selection of key assumptions and the application of actuarial methodologies. In particular, judgement arises over the estimation of liabilities for claims reported as well as those that have been incurred but not reported (IBNR) as at 31 December 2021. There is generally less information available in relation to IBNR claims which could lead to greater variability between initial estimates and final settlement. Management engaged an actuarial expert to assist in determining the value of the claims liabilities included in the consolidated and stand-alone statements of financial position.	Our approach to addressing the matter, with the assistance of our actuarial expert, involved the following procedures, amongst others: • Tested the operating effectiveness of certain relevant controls over the claims business process. • Tested the completeness, accuracy and reliability of the underlying data utilized by management, and its external actuarial experts, to support the actuarial valuation by agreeing, on a sample basis, to source documentation, which included signed insurance contracts and claim submissions. • Assessed the independence, experience and objectivity of management's actuarial expert. • Evaluated the suitability of the methodologies and assumptions used in establishing claims liabilities against established actuarial practices, those commonly used in the insurance industry and underlying claims information. The results of our procedures indicated that the methodologies and assumptions used by management in establishing the valuation of claims liabilities for general insurance contracts were consistently applied and appropriate in the circumstances.

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated and stand-alone financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and stand-alone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and stand-alone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and stand-alone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated and stand-alone financial statements

Management is responsible for the preparation of the consolidated and stand-alone financial statements that give a true and fair view in accordance with IFRS and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of consolidated and stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and stand-alone financial statements, management is responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and stand-alone financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and stand-alone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and stand-alone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and stand-alone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying consolidated and stand-alone financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

The engagement partner on the audit resulting in this independent auditor's report is Kevin Powell.

PricewaterhouseCoopers

Chartered Accountants
27 June 2022
Kingston, Jamaica

General Accident Insurance Company Jamaica Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Gross Premiums Written		13,959,807	12,044,990
Reinsurance ceded		(10,488,851)	(9,066,069)
Excess of loss reinsurance cost		(216,992)	(167,314)
Net premiums written		3,253,964	2,811,607
Changes in unearned premiums, net		(221,205)	(71,047)
Net Premiums Earned		3,032,759	2,740,560
Commission income		892,857	771,217
Commission expense		(511,026)	(465,634)
Claims expense	10	(1,751,360)	(1,816,926)
Management expenses	13	(1,582,913)	(1,227,772)
Underwriting Profit		80,317	1,445
Investment income	11	226,526	293,886
Finance charge		(7,076)	(14,642)
Other income	12	124,591	95,591
Other operating expenses	13	(164,663)	(116,744)
Profit before Taxation		259,695	259,536
Taxation	15	(110,459)	(65,724)
Net Profit for the Year		149,236	193,812
Net Profit Attributable to:			
Owners of General Accident Insurance Company Jamaica Limited		254,750	242,503
Non-controlling interests	38	(105,514)	(48,691)
		149,236	193,812
EARNINGS PER SHARE	16	$0.25	$0.24
Other Comprehensive Income, net of tax:			
Items that may not be subsequently reclassified to profit or loss			
Unrealised gains/(losses) on FVOCI investments		14,880	(45,835)
Unrealised(losses)/ gains on revaluation of real estate investment		(22,417)	18,696
Foreign currency translation adjustments		2,100	88,863
Total Other Comprehensive Income		(5,437)	61,724
TOTAL COMPREHENSIVE INCOME		143,799	255,536
Total Comprehensive Income Attributable to:			
Owners of General Accident Insurance Company Jamaica Limited		249,807	274,673
Non-controlling interests	38	(106,008)	(19,137)
		143,799	255,536

General Accident Insurance Company Jamaica Limited
Consolidated Statement of Financial Position
31 December 2021
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
ASSETS			
Cash and short-term investments	18	1,444,183	756,548
Taxation recoverable		2,859	40,401
Due from policyholders, brokers and agents		1,415,334	1,252,837
Due from reinsurers and coinsurers	19	3,280,908	2,302,249
Deferred policy acquisition cost		562,600	496,512
Other receivables	20	858,033	243,575
Due from related parties	9	5,383	22,710
Loans receivables	21	244,188	251,464
Lease receivables	22	67,320	79,157
Right of use assets	31	82,164	148,202
Investment securities	23	3,101,667	4,210,786
Investment property	25	328,149	315,048
Real estate investment	26	189,912	212,329
Property, plant and equipment	27	740,908	644,924
Intangible assets	28	180,014	193,605
Total assets		12,503,622	11,170,347
LIABILITIES			
Taxation payable		1,038	4,779
Due to reinsurers and coinsurers	29	1,065,509	954,618
Other liabilities	30	549,644	410,784
Lease liabilities	31	103,207	162,521
Deferred tax liabilities	32	50,652	38,050
Insurance reserves	33	7,811,608	6,624,729
Total liabilities		9,581,658	8,195,481
SHAREHOLDERS' EQUITY			
Share capital	34	470,358	470,358
Capital reserves	35	146,384	146,384
Property revaluation reserve	36	49,017	77,508
Fair value reserve	37	48,171	33,320
Translation reserve		45,926	37,229
Retained earnings		1,869,627	1,811,578
		2,629,483	2,576,377
Non-Controlling Interest	38	292,481	398,489
Total shareholders' equity		2,921,964	2,974,866
Total liabilities and shareholders' equity		12,503,622	11,170,347

Approved by the Board of Directors on 24 June 2022 and signed on its behalf by:

Paul B. Scott — Chairman

Sharon Donaldson-Levine — Director

General Accident Insurance Company Jamaica Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2021

(expressed in Jamaican dollars unless otherwise stated)

	Note	Share Capital $'000	Capital Reserves $'000	Property Revaluation Reserve $'000	Fair Value Reserve $'000	Translation Reserve $'000	Retained Earnings $'000	Non-Controlling Interest $'000	Total $'000
As at 1 January 2020		470,358	152,030	58,812	79,112	(22,037)	1,791,743	473,547	3,003,565
Comprehensive income:									
Net profit for the year		-	-	-	-	-	242,503	(48,691)	193,812
Other comprehensive income		-	-	18,696	(45,792)	59,266		29,554	61,724
Total comprehensive income		-	-	18,696	(45,792)	59,266	242,503	(19,137)	255,536
Transaction with non-controlling interest	38	-	(5,646)	-	-	-	-	(41,030)	(46,676)
Capital contribution by non-controlling interest	38	-	-	-	-	-	-	40,874	40,874
Dividends paid by subsidiary to non-controlling interest		-	-	-	-	-	-	(55,765)	(55,765)
Transactions with owners									
Dividends	17	-	-	-	-	-	(222,668)	-	(222,668)
Balance at 31 December 2020		470,358	146,384	77,508	33,320	37,229	1,811,578	398,489	2,974,866
Comprehensive income:									
Net profit for the year		-	-	-	-	-	254,750	(105,514)	149,236
Other comprehensive income		-		(28,491)	14,851	8,697	-	(494)	(5,437)
Total comprehensive income				(28,491)	14,851	8,697	254,750	(106,008)	143,799
Transactions with owners									
Dividends	17	-	-	-	-	-	(196,701)	-	(196,701)
Balance at 31 December 2021		470,358	146,384	49,017	48,171	45,926	1,869,627	292,481	2,921,964

General Accident Insurance Company Jamaica Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Cash Flows from Operating Activities			
Net profit		149,236	193,812
Adjustments for items not affecting cash:			
Depreciation	27,31	142,215	106,312
Amortisation of intangible assets	28	14,506	14,139
Amortisation of investment premium		(1,202)	(3,392)
Gains on revaluation of investment property	11	(6,803)	(21,811)
Gain on disposal of investment property	11	-	(33,969)
ECL on debt investments		-	(6,872)
Gain on disposal of property, plant and equipment and adjustment	12	(6,271)	(2,490)
Finance charge		7,402	8,428
Interest income	11	(167,984)	(173,233)
Dividend income	11	(18,822)	(14,299)
Current taxation	15	97,857	72,607
Deferred taxation	15	12,602	(6,883)
Foreign exchange gains		(33,753)	(58,639)
Increase in deferred policy acquisition cost		(66,088)	(23,268)
Increase in insurance reserves		1,186,879	120,461
		1,309,774	170,903
Changes in operating assets and liabilities:			
Due from policyholders, brokers and agents		(162,497)	(135,865)
Other receivables		(614,458)	(76,167)
Other liabilities		138,860	4,580
Due from related parties		17,327	(28,184)
Due from reinsurers and coinsurers, net		(867,768)	(89,023)
		(178,762)	(153,756)
Tax deducted at source		(76,658)	(27,765)
Net cash used in operating activities		(255,420)	(181,521)
Cash Flows from Investing Activities			
Investments, net		1,090,207	550,680
Loans receivable		7,276	(251,464)
Lease receivables		11,837	(79,157)
Net cash outflow from acquisition of subsidiary		-	(46,676)
Acquisition of investment property		(2,259)	(6,123)
Acquisition of property, plant and equipment	27	(127,134)	(151,679)
Acquisition of intangible asset	28	(479)	(7,006)
Proceeds from disposal of property, plant and equipment		6,239	52,643
Proceeds from disposal and investment property			298,758
Dividend received		18,822	14,299
Interest received		187,839	176,628
Net cash provided by investing activities		1,192,348	550,903
Sub-total c/f		936,928	369,382

General Accident Insurance Company Jamaica Limited

Consolidated Statement of Cash Flows (Continued)

Year ended 31 December 2021

(expressed in Jamaican dollars unless otherwise stated)

	Note	2021 $'000	2020 $'000
Sub-total b/f		936,928	369,382
Cash Flows from Financing Activities			
Investment made by non-controlling interest		-	42,000
Lease payments		(82,921)	(59,787)
Dividends paid	17	(196,701)	(278,433)
Net cash used in by financing activities		(279,622)	(296,220)
Decrease in cash and cash equivalents		657,306	73,162
Effect of exchange rate changes on cash and cash equivalents		30,329	41,057
Cash and cash equivalents at beginning of year		756,548	642,329
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (NOTE 18)		1,444,183	756,548

General Accident Insurance Company Jamaica Limited

Company Statement of Comprehensive Income

Year ended 31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Gross Premiums Written		12,974,308	11,592,313
Reinsurance ceded		(10,327,323)	(9,037,477)
Excess of loss reinsurance cost		(129,519)	(118,083)
Net premiums written		2,517,466	2,436,753
Changes in unearned premiums, net		(24,197)	(46,853)
Net Premiums Earned		2,493,269	2,389,900
Commission income		855,070	765,404
Commission expense		(451,199)	(450,338)
Claims expense	10	(1,328,741)	(1,562,480)
Management expenses		(1,140,317)	(966,938)
Underwriting Profit		428,082	175,548
Investment income	11	185,855	278,956
Finance charge		(7,076)	(6,214)
Other income	12	98,298	90,030
Other operating expenses		(98,573)	(83,833)
Profit before Taxation		606,586	454,487
Taxation	15	(105,433)	(61,083)
Net Profit for the Year		501,153	393,404
Other Comprehensive Income, net of tax:			
Items that may not be subsequently reclassified to profit or loss			
Unrealised gains on FVOCI investments		14,796	(45,711)
Unrealised gains on revaluation of real estate investment		(22,417)	18,696
Total Other Comprehensive Income		(7,621)	(27,015)
TOTAL COMPREHENSIVE INCOME		493,532	366,389

General Accident Insurance Company Jamaica Limited
Company Statement of Financial Position
31 December 2021
(expressed in Jamaican dollars unless otherwise stated)

	Note	2021 $'000	2020 $'000
ASSETS			
Cash and short-term investments	18	684,622	452,964
Taxation recoverable		2,859	40,401
Due from policyholders, brokers and agents		1,254,118	1,202,804
Due from reinsurers and coinsurers	19	3,129,095	2,248,000
Deferred policy acquisition cost		521,534	487,003
Other receivables	20	816,220	230,694
Due from related parties	9	86,532	52,253
Lease receivable	22	67,320	79,157
Right of use assets	30	66,256	112,779
Investment securities	23	2,343,371	2,839,310
Investment in subsidrary	24	558,905	558,905
Investment property	25	265,000	255,938
Real estate investment	26	189,912	212,329
Property, plant and equipment	27	235,800	207,549
Intangible assets	28	6,623	10,795
Total assets		10,228,167	8,990,881
LIABILITIES			
Due to reinsurers and coinsurers	29	983,335	933,541
Other liabilities	30	409,964	333,643
Lease liabilities	31	85,286	126,779
Deferred tax liabilities	32	23,045	8,918
Insurance reserves	33	5,856,219	5,014,513
Total liabilities		7,357,849	6,417,394
SHAREHOLDERS' EQUITY			
Share capital	34	470,358	470,358
Capital reserves	35	152,030	152,030
Property revaluation reserve	36	46,363	68,780
Fair value reserve	37	48,055	33,259
Retained earnings		2,153,512	1,849,060
Total shareholders' equity		2,870,318	2,573,487
Total liabilities and shareholders' equity		10,228,167	8,990,881

Approved by the Board of Directors on 24 June 2022 and signed on its behalf by:

Paul B. Scott Chairman

Sharon Donaldson-Levine Director

General Accident Insurance Company Jamaica Limited

Company Statement of Changes in Equity

Year ended 31 December 2021

(expressed in Jamaican dollars unless otherwise stated)

	Note	Share Capital $'000	Capital Reserves $'000	Property Revaluation Reserve $'000	Fair Value Reserve $'000	Retained Earnings $'000	Total $'000
As at 1 January 2020		470,358	152,030	50,084	78,970	1,678,324	2,429,766
Comprehensive income:							
Net profit for the year		-	-	-	-	393,404	393,404
Other comprehensive income		-	-	18,696	(45,711)	-	(27,015)
Total comprehensive income		-	-	18,696	(45,711)	393,404	366,389
Transactions with owners							
Dividends	17	-	-	-	-	(222,668)	(222,668)
Balance at 31 December 2020		470,358	152,030	68,780	33,259	1,849,060	2,573,487
Comprehensive income:							
Net profit for the year						501,153	501,153
Other comprehensive income				(22,417)	14,796	-	(7,621)
Total comprehensive income				(22,417)	14,796	501,153	493,532
Transactions with owners							
Dividends	17	-	-	-	-	(196,701)	(196,701)
Balance at 31 December 2021		470,358	152,030	46,363	48,055	2,153,512	2,870,318

General Accident Insurance Company Jamaica Limited

Company Statement of Cash Flows

Year ended 31 December 2021

(expressed in Jamaican dollars unless otherwise stated)

	Note	2021 $'000	2020 $'000
Cash Flows from Operating Activities			
Net profit		501,153	393,404
Adjustments for items not affecting cash:			
Depreciation	27,31	94,401	79,431
Interest expense		7,076	6,214
Amortisation of intangible assets	28	4,173	4,440
Amortisation of investment premium		-	187
Gains on revaluation of investment property	11	(6,803)	(20,015)
ECL on debt investments			-
Adjustment to property, plant and equipment	27	1,990	(2,933)
Gain on disposal of property, plant and equipment	12	(5,633)	(2,490)
Interest income	11	(131,042)	(111,170)
Dividend income	11	(18,822)	(117,825)
Current taxation	15	91,306	66,441
Deferred taxation	15	14,127	(5,357)
Foreign exchange gains		(43,215)	(40,092)
Increase in deferred policy acquisition cost		(34,531)	(18,352)
Increase in insurance reserves		841,706	281,269
		1,315,886	513,152
Changes in operating assets and liabilities:			
Due from policyholders, brokers and agents		(51,314)	(87,326)
Other receivables		(585,526)	(64,621)
Other liabilities		76,321	(16,631)
Due from related parties		(34,279)	(29,847)
Due from reinsurers and coinsurers, net		(831,301)	(60,834)
		(110,213)	253,893
Tax deducted at source		(53,764)	(26,374)
Net cash (used in)/ provided by operating activities		(163,977)	227,519
Cash Flows from Investing Activities			
Investments, net		464,117	118,416
Loans receivable		11,837	(79,157)
Acquisition of investment property		(2,259)	(6,124)
Acquisition of property, plant and equipment	27	(70,115)	(71,219)
Acquisition of intangible assets		-	(3,026)
Investment in subsidiary	24	-	(210,170)
Proceeds from disposal of property, plant and equipment		6,240	52,638
Dividend received		18,822	117,825
Interest received		150,590	102,535
Net cash used in investing activities		579,232	21,718
Sub-total c/f		415,255	249,237

General Accident Insurance Company Jamaica Limited

Company Statement of Cash Flows (Continued)

Year ended 31 December 2021

(expressed in Jamaican dollars unless otherwise stated)

	Note	2021 $'000	2020 $'000
Sub-total b/f		415,255	249,237
Cash Flows from Financing Activities			
Lease payments		(62,600)	(40,741)
Dividends paid	17	(196,701)	(222,668)
Net cash used in by financing activities		(259,301)	(263,409)
Decrease in cash and cash equivalents		155,954	(14,172)
Effect of exchange rate changes on cash and cash equivalents		75,704	63,930
Cash and cash equivalents at beginning of year		452,964	403,206
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (NOTE 18)		684,622	452,964

1. Identification and Activities

General Accident Insurance Company Jamaica Limited (the company) is incorporated and domiciled in Jamaica. The company is a public listed company with its listing on the Jamaica Junior Stock Exchange. The company is an 80% subsidiary of Musson (Jamaica) Limited (Musson). The registered office of the company is located at 58 Half-Way-Tree Road, Kingston 10. The company's ultimate parent company, Musson, is incorporated and domiciled in Jamaica.

The company is licensed to operate as a general insurance company under the Insurance Act, 2001. Its principal activity is the underwriting of commercial and personal property and casualty insurance.

The company has two subsidiaries whose principal activities is also to provide property and casualty insurance (Note 2(b)). The company together with its subsidiaries are referred to as 'the Group'.

2. Summary of Significant Accounting Policies

The principal financial accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial instruments carried at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

Accounting pronouncements effective in 2021 which are relevant to the Group's operations.

Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial year and are relevant to the Group's operations. The adoption of these new pronouncements has impacted the Group as discussed below.

Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest rate benchmark reform – Phase 2 (effective for annual periods beginning on or after 1 January 2021). The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform. There was no impact from the adoption of these amendments.

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective
At the date of authorisation of these financial statements, certain new standards, interpretations and amendments to existing standards have been issued which are mandatory for the group's accounting periods beginning on or after 1 January 2022 or later periods but were not effective at the statement of financial position date. The Group has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following, as shown below, may be immediately relevant to its operations.

- **IFRS 17, 'Insurance contracts'**, (effective for annual periods beginning on or after 1 January 2021). IFRS 17 replaces IFRS 4 which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. The standard requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of discount probability – weighted cash flows, an explicit risk adjustment, and a contract service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. This IFRS provides a common global insurance accounting standard leading to consistency in recognition, measurement, presentation and disclosure. The Group is currently assessing the impact of this standard.

- Amendment to IFRS 16, 'Leases' – COVID-19 related rent concessions Extension of the practical expedient (effective for annual periods beginning on or after 1 January 2022). As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can select to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. The Group is currently assessing the impact of this amendment.

- Amendments to IAS 1, 'Presentation of financial statements' (effective for annual periods beginning on or after 1 January 2022). These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The Group is currently assessing the impact of this amendment.
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- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 (effective for annual periods beginning on or after 1 January 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The Group is currently assessing the impact of this amendment.

- Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction (effective for annual periods beginning on or after 1 January 2023). These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences. The Group is currently assessing the impact of this amendment.

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective

- Amendments to IFRS 3, 'Business combinations' (effective for annual periods beginning on or after 1 January 2022). Minor amendments were made to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date. The Group will apply this amendment to future transactions.

- Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' (effective for annual periods beginning on or after 1 January 2022). This amendment specifies which costs a company includes when assessing whether a contract will be loss making. It clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. The Group is currently assessing the impact of this amendment.

- Annual improvements to IFRSs 2019 – 2021 cycles (effective for annual periods beginning on or after 1 January 2022). These amendments include minor changes to the following standards: - IFRS 9, 'Financial instruments' - IFRS 16, 'Leases' - IFRS 1, 'First-time adoption of International Financial Reporting Standards - IAS 41, 'Agriculture. The Group is currently assessing the impact of these improvements.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

(b) Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

2. Summary of Significant Accounting Policies (Continued)

(b) Basis of consolidation (continued)

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest over the fair value of the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Basis of consolidation (continued)

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

The company's subsidiaries are listed below, which together with the company are referred to as 'the Group'

Entity	Country of Incorporation and place of business	Nature of business	Proportion of ordinary shares held by the Group %	Proportion of ordinary shares held by non-controlling interests%
General Accident Insurance Company (Trinidad) Limited (formerly Motor One Insurance Limited) (i)	Trinidad and Tobago	General Insurance Services	65	35
General Accident Insurance Company (Barbados) Limited (ii)	Barbados	General Insurance Services	80	20

(i) In June 2020, the company increased its shareholding in Motor One Insurance Company Limited from 55% to 65%. In October 2020, it was re-named General Accident Insurance Company (Trinidad) Limited (GENACTT).

(ii) General Accident Insurance Company (Barbados) Limited (GENACBB) was incorporated in 2019 but was not capitalised until February 2020. The company commenced trading in March 2020.

(c) Revenue and income recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Group's activities. Revenue is shown net of General Consumption Tax and is recognised as follows:

Insurance services

Gross premiums written are recognised on a pro-rated basis over the life of the policies written. The portion of premiums written in the current year which relates to coverage in subsequent years is deferred as unearned premiums (Note 2(s)(i)).

Commissions payable on premium income and commissions receivable on reinsurance of risks are charged and credited to profit or loss, respectively, over the life of the policies.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

Dividend

Dividend income for equities is recognised when the right to receive payment is established.

2. **Summary of Significant Accounting Policies (Continued)**

(c) Revenue and income recognition (continued)

Rental income
Rental income is recognised on an accrual basis.

(d) Cash and cash equivalents
Cash and cash equivalents are stated at amortised cost. For purposes of the cash flow statement, cash and cash equivalents comprise balances with maturity dates of less than 90 days from the dates of acquisition including cash and bank balances and deposits held on call with banks.

(e) Foreign currency translation
(i) Functional and presentation currency
Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which it operates (the functional currency). The financial statements are presented in Jamaican dollars which is also the Group's functional currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Changes in the fair value of monetary assets denominated in foreign currencies and classified at amortised cost are analysed between translation differences resulting from changes in the amortised cost of the asset and other changes. Translation differences resulting from the changes in amortised cost are recognised in the profit or loss, and other changes are recognised in other comprehensive income (OCI).

(f) Financial instruments
Financial instruments carried on the statement of financial position include investments, due to and from related parties, due to and from reinsurers and coinsurers, due from policyholders, brokers and agents, loans and other receivables, cash and short term investments, other liabilities and claims liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. The fair values of the Group's financial instruments are discussed in Note 6.

(g) Financial assets

(i) Classification
The Group classifies its financial assets in the following measurement categories:
- At fair value (either through OCI or through profit or loss); and
- At amortised cost.

The classification is based on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are recorded in profit or loss or OCI.

The Group will reclassify debt investments when and only when its business model for managing those assets changes.

2. Summary of Significant Accounting Policies (Continued)

(g) Financial assets (continued)

(ii) Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus transaction cost directly attributable to the acquisition of the financial asset in the case of a financial asset not at fair value through profit or loss (FVPL). Transaction costs that are directly attributable to the acquisition of the financial asset carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments is based on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets are included in investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in gains/(losses). Impairment losses are presented as separate line item in profit or loss.

- FVOCI – Financial assets that are held for collection of contractual cash flows and for selling, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in investment income using the effective interest rate method. Foreign exchange gains and losses are presented in gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL - Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. Gains or losses on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payment is established.

2.Summary of Significant Accounting Policies (Continued)

(g) Financial Assets (continued)

Changes in the fair value of financial assets at FVPL are recognised in gains/(losses) in profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment
The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost (include cash and cash equivalent, excluding bank balances) and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 4 for further details.

(h) Receivables and payables related to insurance contracts
Receivables and payables related to insurance contracts are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders.

(i) Leases
The Group's leases originate from the rental agreements for various office buildings.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leases asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:
- i) Fixed payments (including in-substance fixed payments), les any lease incentives receivables
- ii) Variable lease payments that are based on an index or a rate
- iii) Amounts expected to be payable by the lessee under residual value guarantees
- iv) The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- v) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. To determine the incremental borrowing rate, the Group uses existing borrowing rates from our existing banks, as no entity within the Group have existing borrowings.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or a rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2. Summary of Significant Accounting Policies (Continued)

(i) Leases (continued)

Right-of-use assets are measures at cost comprising the following:

- The amount of initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease term is determined as the non-cancellable period of the lease and takes account of extension and termination options if it is reasonably certain to be exercised. Majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

(j) Insurance contracts

Insurance contracts are those contracts that transfer significant insurance risk. The Group's insurance contracts are classified as short-term insurance contracts which include casualty and property insurance contracts.

Casualty insurance contracts protect the Group's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employer's liability) and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

Premiums are recognised as revenue (earned premiums) proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risk at the date of the statement of financial position is reported as unearned premium in Insurance Reserves. Premiums are shown before deductible commission.

Claims and loss adjustments expenses are charged to profit or loss as incurred based on estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the date of the statement of financial position even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group. Statistical analysis is used to estimate claims incurred but not reported, as well as the expected ultimate cost of more complex claims that may be affected by external factors.

2. Summary of Significant Accounting Policies (Continued)

(k) Deferred policy acquisition costs

The cost of acquiring and renewing insurance contracts, including commissions, underwriting and policy issue expenses, which vary with and are directly related to the contracts, are deferred over the unexpired period of risk carried. Deferred policy acquisition costs are subject to recoverability testing at the time of policy issue and at the end of each accounting period.

(l) Reinsurance ceded

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group are classified as reinsurance contracts.

The benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short–term balances due from reinsurers as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

Estimated amounts of reinsurance recoverable, which represent the portion of unearned premiums ceded to the reinsurers, are included in recoverable from reinsurers on the statement of financial position.

The Group relies upon reinsurance agreements to limit the potential for losses and to increase its capacity to write insurance. Reinsurance arrangements are effected under reinsurance treaties and by negotiation on individual risks. Reinsurance does not relieve the Group from liability to its policyholders. To the extent that a reinsurer may be unable to pay losses for which it is liable under the terms of the reinsurance agreement, the Group is exposed to the risk of continued liability for such losses. However, in an effort to reduce the risk of non-payment, the Group requires all of its reinsurers to have A.M. Best or Standard & Poors or equivalent rating of A- or better.

If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in profit or loss.

(m) Property, plant and equipment

Land is stated at historical cost. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Depreciation is computed on the straight-line method at rates estimated to write off the assets over their expected useful lives as follows:

Buildings	5% and 2.5%
Furniture, fixtures and equipment	10%
Motor vehicles	20%

Property, plant and equipment are reviewed periodically for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

Repairs and maintenance expenses are charged to profit or loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

2. Summary of Significant Accounting Policies (Continued)

(n) Intangible assets

Computer software
Acquired software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of the expected useful life, which is between three to five years.

Renewal rights
Renewal rights are recorded at cost and represent the value of consideration paid to acquire polices in force with high renewal probability. These costs are amortised over the estimated useful life of the rights, which ranges from 4- 5 years.

Distribution relationships
Distribution relationships are recorded at cost and represent the value of consideration paid to acquire existing intermediary distribution channels. These costs are amortised over the estimated useful life these relationships which is approximately 8 years.

Licence
Licence are recorded at cost and represent the value of consideration paid to acquire regulatory licence to operate in a regulatory environment. Licence have an indefinite useful live and is assessed annually for impairment and are carried at cost less accumulated impairment losses.

(o) Impairment of long-lived assets
Long-lived assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset’s net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(p) Investment properties
Investment property comprise significant portions of freehold residential buildings that are held for long-term rental yield and/or for capital appreciation.

Investment properties are treated as a long-term investment, initially recognized at cost and subsequently carried at fair value, based on fair market valuation exercise conducted annually by independent qualified values. Changes in fair values are recorded in the income statement.

(q) Real estate investment
Real estate investment represents the Group's beneficial interest in properties which are leased to third parties and held in trust for a group of investors under a Trust Deed. The Group shares in the rental income from the lease of properties as well as fair value appreciation on the properties based on valuations carried out by independent valuators from time to time. The Group's share of lease income is recorded in the statement of comprehensive income. The appreciation is recorded in OCI.

2. Summary of Significant Accounting Policies (Continued)

(r) Insurance reserves

Under the Jamaican Insurance Regulations, 2001, the Group is required to actuarially value its insurance reserves annually. Consequently, provision for claims incurred but not reported (IBNR) has been independently actuarially determined. The remaining components of the reserves are also reviewed by the actuary in determining the overall adequacy of the provision for the Group's insurance liabilities.

A statutory reserve is maintained in accordance with the provisions of Section 171 of the Insurance Act, 1980 of Trinidad and Tobago whereby companies are required to appropriate towards statutory reserve at least 25% of the profit of the preceding year until the excess of assets over liabilities equals or exceeds the reserve in respect of its unearned premiums.

(i) Provision for unearned premium

The provision for unearned premium represents that proportion of premiums written in respect of risks to be borne subsequent to the year end, under contracts entered into on or before the date of the statement of financial position and is computed by applying the "365th" method to gross written premiums for the period, except for marine where the unearned premium reserve is calculated as 20% of the year's gross written premiums.

(ii) Unearned commission

The unearned commission represents the actual commission income on premium ceded on proportional reinsurance contracts relating to the unexpired period of risk carried. The income is deferred as unearned commission reserves, and amortised over the period in which the commissions are expected to be earned. These reserves are calculated on the 365th method.

(iii) Claims outstanding

A provision is made to cover the estimated cost of settling claims arising out of events which occurred by the year end, including claims incurred but not reported (IBNR), less amounts already paid in respect of those claims. This provision is estimated by management (insurance case reserves) and the appointed actuary (IBNR) on the basis of claims admitted and intimated.

(iv) Claims incurred but not reported

The reserve for IBNR claims has been calculated by an independent actuary using the Paid Loss Development method, the Incurred Loss Development method, the Bornhuetter-Ferguson Paid Loss method, the Bornhuetter-Ferguson Incurred Loss method, the Expected Loss Ratio method and the Frequency-Severity method (Note 32). This calculation is done in accordance with the Insurance Act 2001.

(v) The provision for unexpired period of risks is determined by the appointed actuary and represents the expected future costs associated with the unexpired portion of policies in force as of the reporting date, in excess of the net unearned premium minus deferred policy acquisition costs

(vi) At the end of each reporting period, liability adequacy tests are performed to ensure the adequacy of the policy liabilities, net of related deferred policy acquisition costs. In performing these tests, current best estimates of future contractual cashflows are compared to the carrying amount of policy liabilities and any deficiency is immediately recognised in profit or loss as unexpired risk provision.

2. Summary of Significant Accounting Policies (Continued)

(s) Accounts payable
Payables are recognised at fair value and subsequently measured at amortised cost.

(t) Taxation
Taxation on the profit or loss for the year comprises current and deferred tax. Current and deferred taxes are recognised as income tax expense or benefit in net profit or loss in the statement of comprehensive income except where they relate to items recorded in other comprehensive income or equity, in which case they are also charged or credited to other comprehensive income or equity.

(i) Current taxation
Current tax is the expected taxation payable on the taxable income for the year, using tax rates enacted at date of the statement of financial position, and any adjustment to tax payable and tax losses in respect of the previous years.

(ii) Deferred income taxes
Deferred tax liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities and their amounts as measured for tax purposes, which will result in taxable amounts in future periods. Deferred tax assets are recognised for temporary differences which will result in deductible amounts in future periods, but only to the extent it is probable that sufficient taxable profits will be available against which these differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realised or the liability will be settled based on enacted rates.

(u) Employee benefits

(i) Pension obligations
The Group participates in the defined contribution pension plan of a related company, T. Geddes Grant (Distributors) Limited. A defined contribution pension plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions paid by the Group are recorded as an expense in profit or loss.

(ii) Accrued vacation
Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the date of the statement of financial position.

(iii) Termination benefits
Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(iv) Profit-sharing and bonus plan
The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Group's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2. Summary of Significant Accounting Policies (Continued)

(v) Dividend distribution

Dividend distribution to the company's shareholders is recognised as an appropriation in the Group's financial statements in the period in which the dividends are approved by the Board of Directors.

(w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

3. Responsibilities of the Appointed Actuary and External Auditors

The Board of Directors, pursuant to the Insurance Act, appoints the Actuary. His responsibility is to carry out an annual valuation of the Group's claims liabilities and insurance reserves in accordance with accepted actuarial practice and regulatory requirements and report thereon to the shareholders. In performing the valuation, the Actuary analyses past experience with respect to number of claims, claims payment and changes in estimates of outstanding liabilities.

The shareholders, pursuant to the Companies Act, appoint the external auditors. Their responsibility is to conduct an independent and objective audit of the financial statements in accordance with International Standards on Auditing and report thereon to the shareholders. In carrying out their audit, the auditors also make use of the work of the appointed Actuary and his report on claims liabilities and insurance reserves.

4. Insurance and Financial Risk Management

(a) Insurance risk

The Group's activities expose it to a variety of insurance and financial risks and those activities necessitate the analysis, evaluation, control and/or acceptance of some degree of risk or combination of risks. Taking various types of risk is core to the financial services business and operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Board of Directors is ultimately responsible for the establishment and oversight of the risk management framework. The Board of Directors has established committees and departments for managing and monitoring risks, as follows:

(i) Investment and Loan Committee
The Investment and Loan Committee is responsible for monitoring and approving investment strategies for the Group.

(ii) Finance Department
The Finance Department is responsible for managing the Group's assets and liabilities and the overall financial structure. It is also primarily responsible for managing the funding and liquidity risks of the Group.

(iii) Conduct Review Committee
The Conduct Review Committee is responsible for monitoring the Group's adherence to regulatory and statutory requirements.

(iv) Audit Committee
The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(v) Remuneration Committee
The remuneration committee is responsible for reviewing and recommending for approval, the remuneration arrangements of the directors and senior officers.

The most important types of risk are insurance risk, reinsurance risk, credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk, interest rate and other price risk.

The Group issues contracts that transfer insurance risk. This section summarises these risks and the way the Group manages them.

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

The principal risk that the Group faces under its insurance contracts is that the actual claim payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques

4. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the types of insurance risks accepted to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that increase insurance risk include lack of risk diversification in terms of type and amount of risk and geographical location.

Management maintains an appropriate balance between commercial and personal policies and type of policies based on guidelines set by the Board of Directors. Insurance risk arising from the Group's insurance contracts are, however, concentrated within Jamaica and Trinidad and Tobago.

The Group has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. Where applicable, contracts are underwritten by reference to the commercial replacement value of the properties or other assets and contents insured. Claims payment limits are always included to cap the amount payable on occurrence of the insured event. The cost of rebuilding properties, of replacement or indemnity for other assets and contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies.

Claims on insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. This is however subject to the policy limit. Liability claims are settled over a long period of time and a portion of the claims provision relates to incurred but not reported (IBNR) claims. There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered by employees (for employer's liability covers) or members of the public (for public liability covers). Such awards are lump-sum payments that are calculated as the present value of the lost earnings and rehabilitation expenses that the injured party will incur as a result of the accident.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing the claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid and a provision for unexpired risks at the date of financial position. The amount of casualty claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. Casualty contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the date of the statement of financial position.

In calculating the estimated cost of unpaid claims (both reported and not), the Group uses estimation techniques that are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

4. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

The initial loss-ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and historical claims inflation. The initial estimate of the loss ratios used for the current year (before reinsurance) is analysed by type of risk for current and prior year premiums earned.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims. For casualty contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities.

In estimating the liability for the cost of reported claims not yet paid, the Group considers any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

Management sets policy and retention limits based on guidelines set by the Board of Directors. The policy limit and maximum net retention of any one risk for each class of insurance for the year are as follows:

	2021		2020	
	Policy Limit '000	Maximum Net Retention '000	Policy Limit '000	Maximum Net Retention '000
Jamaica				
Commercial property –				
Fire and consequential loss	US$8,000	US$800	US$8,000	US$800
Personal property	US$8,000	US$800	US$8,000	US$800
Engineering	US$5,000	US$125	US$5,000	US$125
Liability	J$93,000	J$5,000	J$93,000	J$5,000
Marine, aviation and transport	US$2,000	US$125	US$2,000	US$125
Motor	J$10,000	J$5,000	J$10,000	J$5,000
Miscellaneous Accident –				
All Risk	J$30,000	J$2,000	J$30,000	J$2,000
Burglary	J$6,250	J$1,250	J$6,250	J$1,250
Cash/Money	J$5,000	J$1,000	J$5,000	J$1,000
Fidelity	J$5,000	J$1,000	J$5,000	J$1,000
Bonds	J$100,000	J$20,000	J$100,000	J$20,000
Goods in Transit	J$5,000	J$1,000	J$5,000	J$1,000
Personal Accident	J$10,000	J$2,000	J$10,000	J$2,000

4. Insurance and Financial Risk Management (Continued)

	2021		2020	
	Policy Limit ’000	Maximum Net Retention ’000	Policy Limit ’000	Maximum Net Retention ’000
Trinidad and Tobago				
Commercial property –				
Fire and consequential loss	TT$50,000	TT$5,000	-	-
Personal property	TT$50,000	TT$5,000	-	-
Liability	TT$5,200	TT$800	-	-
Motor	TT$5,200	TT$800	TT$5,200	TT$800
Miscellaneous Accident –				
All Risk	TT$2,010	TT$134	-	-
Burglary	TT$435	TT$87	-	-
Cash/Money	TT$335	TT$67	-	-
Fidelity	TT$335	TT$67	-	-
Bonds	TT$2,500	TT$500	-	-
Goods in Transit	TT$670	TT$134	-	-
Personal Accident	TT$335	TT$67	-	-
Barbados				
Commercial property –				
Fire and consequential loss	BB$16,000	BB$1,600	BB$16,000	BB$1,600
Personal property	BB$16,000	BB$1,600	BB$16,000	BB$1,600
Engineering	BB$16,000	BB$1,600	BB$16,000	BB$1,600
Liability	BB$22,500	BB$150	BB$22,500	BB$150
Marine, aviation and transport	BB$400	BB$400	BB$400	BB$400
Motor	BB$16,000	BB$1,600	BB$16,000	BB$1,600
Miscellaneous Accident –				
All Risk	BB$600	BB$40	BB$600	BB$40
Burglary	BB$130	BB$26	BB$130	BB$26
Cash/Money	BB$100	BB$20	BB$100	BB$20
Fidelity	BB$100	BB$20	BB$100	BB$20
Bonds	BB$2,000	BB$400	BB$2,000	BB$400
Goods in Transit	BB$100	BB$20	BB$100	BB$20
Personal Accident	BB$200	BB$40	BB$200	BB$40

4. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

Sensitivity Analysis of Actuarial Liabilities
The determination of actuarial liabilities is sensitive to a number of assumptions, and changes in those assumptions could have a significant effect on the valuation results.

In applying the noted methodologies, the following assumptions were made:

(i) Claims inflation has remained relatively constant and there have been no material legislative changes in the Jamaican civil justice system that would cause claim inflation to increase dramatically.

(ii) There is no latent environmental or asbestos exposure embedded in the Group’s loss history.

(iii) The Group’s case reserving and claim payments rates have remained, and will remain, relatively constant.

(iv) The overall development of claims costs gross of reinsurance is not materially different from the development of claims costs net of reinsurance. This assumption is supported by the following:

- The majority of the Group’s reinsurance program consists of proportional reinsurance agreements; and
- The Group’s non-proportional reinsurance agreements consist primarily of high attachment points.

(v) Claims are expressed at their estimated ultimate undiscounted value, in accordance with the requirement of the Insurance Act, 2001.

Scenario Testing:

The two major assumptions that determine reserve levels are:
- The selection of a-priori loss ratios within the Bornhuetter-Ferguson methods
- The selection of loss development factors.

These factors have been stochastically modeled using various confidence intervals to determine the impact on the net reserves. The net reserves of $4,187,987,000 for the Group and $1,793,911,000 for th Company (Note 33) were determined at the 50% confidence interval. Had the confidence interval increased/(decreased) by 10%, the net reserves would increase/(decrease) by $106,877,000/($136,095,000) for the Group and $70,946,000/($88,682,000) for the Company.

Provision for adverse deviation assumptions
The basic assumptions made in establishing insurance reserves are best estimates for a range of possible outcomes. To recognise the uncertainty in establishing these best estimates, to allow for possible deterioration in experience and to provide greater comfort that the reserves are adequate to pay future benefits, the appointed actuary is required to include a margin for adverse deviation in each assumption.

4. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

Development Claim Liabilities

In addition to sensitivity analysis, the development of insurance liabilities provides a measure of the Group's ability to e
claims liability for accident years 2013 - 2021 has changed at successive year-ends, up to 2021. Updated unpaid claim
date are used to derive the revised amounts for the ultimate claims liability for each accident year, used in the develop

		2014	2014 and prior	2015	2015 And Prior	2016	2016 and prior	2017	201 an pric
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'00
2014	Paid during year	314,016	1,265,108						
	UCAE, end of year	514,158	1,569,903						
	IBNR, end of year	432,663	1,525,849						
	Ratio: excess (deficiency)								
2015	Paid during year	303,654	1,139,749	346,094	1,485,852				
	UCAE, end of year	350,290	1,903,341	515,330	2,418,670				
	IBNR, end of year	156,241	1,239,328	241,648	1,480,976				
	Ratio: excess (deficiency)	14.43%	-38.33%						
2016	Paid during year	97,621	582,261	295,468	877,729	379,721	1,257,450		
	UCAE, end of year	403,168	1,502,479	456,157	1,958,636	550,051	2,508,687		
	IBNR, end of year	195,802	815,504	218,220	1,033,724	200,066	1,233,790		
	Ratio: excess (deficiency)	-5.64%	-30.50%	-28.12%	0.76%				
2017	Paid during year	107,645	376,174	132,979	509,153	411,945	921,097	407,102	1,328,19
	UCAE, end of year	399,848	1,247,817	430,798	1,678,615	424,106	2,102,720	658,944	2,761,66
	IBNR, end of year	214,595	388,041	322,845	710,885	384,889	1,095,774	426,773	1,522,54
	Ratio: excess (deficiency)	-18.65%	-20.62%	-56.16%	3.16%	-62.77%	-10.08%		
2018	Paid during year	76,584	267,793	65,710	333,503	84,396	417,899	419,091	836,99
	UCAE, end of year	301,702	933,857	414,858	1,348,714	364,568	1,713,283	403,829	2,117,11
	IBNR, end of year	73,834	149,877	140,974	290,851	200,408	491,259	251,701	742,96
	Ratio: excess (deficiency)	-1.50%	11.43%	-38.71%	13.84%	-41.49%	5.32%	1.02%	13.70
		194,470	499,086	249,011	748,097	149,021	897,118	158,262	1,055,38
2019	Paid during year								
		102,272	349,416	220,240	569,656	211,293	780,949	258,251	1,039,20
	UCAE, end of year								
	IBNR, end of year	35,327	51,272	84,726	135,999	138,151	274,150	172,455	446,60
	Ratio: excess (deficiency)	3.09%	-5.49%	-38.46%	18.60%	-32.62%	12.06%	7.15%	21.15
2020	Paid during year	69,505	199,438	127,829	327,267	120,131	447,397	146,510	593,90
	UCAE, end of year	45,593	199,014	142,321	341,335	179,586	520,920	244,074	764,994
	IBNR, end of year	(1,057)	(22,771)	25,142	2,371	70,651	73,022	91,988	165,01
	Ratio: excess (deficiency)	-5.58%	4.68%	37.18%	-19.49%	35.41%	-12.43%	-2.38%	-20.26
2021	Paid during year	9,622	76,048	33,826	109,874	69,548	179,422	100,762	280,18
	UCAE, end of year	36,832	62,350	48,318	162,386	167,737	330,123	142,130	472,25
	IBNR, end of year	44,739	91,800	41,178	132,978	51,722	184,700	72,827	257,52
	Ratio: excess (deficiency)	24.81%	(32.65%)	1.41%	(24.31%)	(23.58%)	(25.43%)	(9.03%)	(10.21

estimate the ultimate value of claims. The table below illustrates how the Group's estimate of the ultimate
ns and adjustment expenses (UCAE) and IBNR estimates in each successive year, as well as amounts paid to
ment calculations.

17 nd or	2018	2018 and prior	2019	2019 and prior	2020	2020 and prior	2021	2021 and prior
00	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
99								
64								
47								
90	704,090	1,541,080						
11	702,263	2,819,374						
60	361653	1,104,613						
%								
30	495868	1,551,248		2,193,341				
			642,092					
00	367971	1,407,171		2,132,124				
			724,954					
04	217,437	664,041	352,877	1,016,918				
%	-1.63%	7.68%	-					
			20.19%					
08	146478	740,385	621,611	1,361,996	677,161	2,039,157		
4	498,845	1,113,839	498,791	1,612,630	734,770	2,347,401		
10	148,783	313,793	159,783	473,577	337,154	810,773		
%	7.15%	-5.22%	18.77%	9.50%	-	-		
34	74,660	354,844	84,965	539,809	577,580	1,112,715	682,569	1,795,284
53	265,274	737,527	266,214	1,003,741	461,939	1,465,681	671,032	2,136,712
27	120,474	378,001	57,080	535,081	81,527	616,608	392,469	1,009,077
%)	(0.31%)	(0.86%)	(7.64%)	(0.36%)	4.58%	1.17%	-	-

4. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

Development Claim Liabilities

In addition to sensitivity analysis, the development of insurance liabilities provides a measure of the Group's ability to e
claims liability for accident years 2013 - 2021 has changed at successive year-ends, up to 2021. Updated unpaid claim
date are used to derive the revised amounts for the ultimate claims liability for each accident year, used in the developr

		2014	2014 and prior	2015	2015 and prior	2016	2016 and prior	2017	2017 and prior	20
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'0
2014	Paid during year	222,509	503,277							
	UCAE, end of year	322,488	827,396							
	IBNR, end of year	76,216	145,014							
	Ratio: excess (deficiency)									
2015	Paid during year	185,354	344,291	269,589	613,880					
	UCAE, end of year	207,194	564,367	334,705	899,072					
	IBNR, end of year	31,594	72,982	84,310	157,292					
	Ratio: excess (deficiency)	(6.38%)	(4.37%)	-	-	-	-			
2016	Paid during year	65,100	158,442	211,295	369,737	316,867	686,604			
	UCAE, end of year	148,774	391,961	190,777	582,738	395,079	977,817			
	IBNR, end of year	15,338	27,716	29,963	57,679	90,131	147,810			
	Ratio: excess (deficiency)	(9.00%)	(4.22%)	(9.96%)	(12.36%)	-	-			
2017	Paid during year	60,515	137,835	102,601	240,436	354,039	594,475	376,268	970,743	
	UCAE, end of year	119,584	345,874	132,225	478,099	231,093	709,192	491,870	1,201,062	
	IBNR, end of year	4,937	20,484	17,247	37,731	34,818	72,549	128,131	200,680	
	Ratio: excess (deficiency)	(9.23%)	(3.55%)	(10.59%)	(6.59%)	(27.77%)	(22.26%)	-	-	
2018	Paid during year	31,282	104,932	33,231	138,163	64,897	203,060	357,070	560,130	657,7
	UCAE, end of year	77,816	212,081	77,148	289,229	151,792	441,021	217,186	658,207	610,7
	IBNR, end of year	6,979	24,172	6,642	30,814	16,902	47,716	39,187	86,903	112,6
	Ratio: excess (deficiency)	(6.47%)	(0.96%)	(2.84%)	(1.14%)	(21.11%)	(14.27%)	1.06%	6.88%	
2019	Paid during year	42,867	74,820	22,270	97,090	30,938	128,028	70,661	198,689	391,2
	UCAE, end of year	32,278	111,834	52,473	164,307	89,194	253,501	122,988	376,489	294,6
	IBNR, end of year	607	4,739	871	5,610	(863)	4,747	7,542	12,289	24,0
	Ratio: excess (deficiency)	4.22%	-3.64%	0.26%	-3.88%	10.92%	5.17%	-9.96%	-18.13%	-1.86
2020	Paid during year	7,632	40,856	11,446	52,302	23,741	76,043	29,570	105,613	89,0
	UCAE, end of year	27,545	88,478	44,459	132,937	77,776	210,713	97,345	308,058	217,2
	IBNR, end of year	2,937	6,010	2,341	8,351	2,481	10,832	2,581	13,413	11,8
	Ratio: excess (deficiency)	6.15%	(1.72%)	2.06%	(1.64%)	14.15%	8.66%	(10.12%)	(15.40%)	(1.94
2021	Paid during year	4,348	17,431	6,931	24,362	24,531	48,893	25,329	74,222	55,9
	UCAE, end of year	19,997	62,350	36,425	98,775	63,689	162,464	65,004	227,468	144,3
	IBNR, end of year	1,855	2,821	2,468	5,289	2,371	7,660	6,780	14,440	5,9
	Ratio: excess (deficiency)	4.44%	(2.94%)	1.83%	(2.86%)	16.28%	8.44%	(10.58%)	(15.78%)	(5.0

estimate the ultimate value of claims. The table below illustrates how the Group's estimate of the ultimate ns and adjustment expenses (UCAE) and IBNR estimates in each successive year, as well as amounts paid to ment calculations.

18	2018 and prior	2019	2019 and prior	2020	2020 and prior	2021	2021 And Prior
00	$'000	$'000	$'000	$'000	$'000	$'000	$'000
45	1,217,875						
06	1,268,913						
32	199,535						
-	-						
39	589,928	593,953	1,183,881				
13	671,102	693,840	1,364,942				
22	36,311	168,069	204,380				
6%	-11.65%						
00	194,613	577,520	772,133	619,746	1,391,879		
01	525,259	391,730	916,989	631,504	1,548,493		
94	25,307	35,763	61,070	191,432	252,502		
4%)	(9.08%)	16.60%	11.53%	-	-		
88	130,210	132,087	262,297	508,866	771,163	618,721	1,389,884
80	371,848	222,793	594,641	341,734	936,375	599123	1,535,498
03	20,343	18,887	39,230	34,819	74,049	184,364	258,413
9%)	(11.00%)	10.37%	6.31%	7.59%	(1.08%)	-	-

4. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

The concentration of insurance risk before and after reinsurance in relation to the type of insurance risk accepted is summarized below, with reference to the carrying amount of the insurance liabilities (gross and net of reinsurance) arising from insurance contract.

The Group

31 December 2021

	Motor	Property	Other types of risk	Total
	$Millions	$Millions	$Millions	$Millions
Gross	57,448	246,145	116,499	420,092
Net	49,094	18,905	40,291	108,290

The Group

31 December 2020

	Motor	Property	Other types of risk	Total
	$Millions	$Millions	$Millions	$Millions
Gross	60,724	193,910	710,082	964,716
Net	52,222	14,440	55,454	121,589

The Company

31 December 2021

	Motor	Property	Other types of risk	Total
	$Millions	$Millions	$Millions	$Millions
Gross	52,796	213,975	99,696	366,467
Net	44,509	15,896	25,612	86,017

31 December 2020

	Motor	Property	Other types of risk	Total
	$Millions	$Millions	$Millions	$Millions
Gross	60,188	152,901	116,705	329,794
Net	52,045	14,098	45,938	74,681

4. Insurance and Financial Risk Management (Continued)

(b) Reinsurance risk

To limit its exposure of potential loss on an insurance policy, the insurer may cede certain levels of risk to a reinsurer. The Group selects reinsurers which have established capability to meet their contractual obligations and which generally have high credit ratings. The credit ratings of reinsurers are monitored.

Retention limits represent the level of risk retained by the cedant insurer. Coverage in excess of these limits is ceded to reinsurers up to the treaty limit or as agreed. The retention programs used by the Group are summarised below:

(a) Facultative reinsurance treaties are accepted on a per risk basis.
(b) The group has treaty arrangements as follows:

(i) Property and allied perils 90%:10% Quota Share of premiums i.e. 90% ceded premiums and 10% retention.
(ii) Motor 60%:40% Quota Share of premiums i.e 60% ceded premiums and 40% retained
(iii) Excess of loss treaty for motor and third-party liability, which covers losses in excess of J$7,500,000 for any one loss or event.
(iv) Excess of loss treaty for motor and third-party liability, which covers losses in excess of TT$800,000 for any one loss or event.
(v) First surplus and a quota share treaty for engineering business with retention of US$75,000.
(vi) First surplus treaty for miscellaneous accident, losses covered in excess of J$2,000,000.
(vii) Catastrophe excess of loss treaty which covers losses in excess of J$125,000,000 for any one catastrophic event as defined.

(c) The Group reinsures with several reinsurers. Of significance are Munich Reinsurance, R & V Reinsurance, Scor Reinsurance and Swiss Reinsurance Company. All other reinsurers carry lines under 10%. The Group’s business model supports the placement of specialty risk directly in the overseas market on a per risk basis. In keeping with the Group’s risk policy, placement of these risks are with several reinsurers. A.M Best (Best) and Standard & Poor’s (S & P) ratings for the major reinsurers are as follows:

	A.M Best		**S & P**	
	2021	**2020**	**2021**	**2020**
Munich Reinsurance Company	A+	A+	AA-	AA-
R & V Reinsurance	A	A	AA-	AA-
Scor Reinsurance Company	A+	A+	AA-	AA-
Swiss Reinsurance Company	A+	A+	AA-	AA-

(d) The amount of reinsurance recoveries recognised during the period is as follows:

	Group		**Company**	
	2021 $’000	**2020 $’000**	**2021 $’000**	**2020 $’000**
Property	936,986	41,186	936,986	43,512
Motor	349,629	366,243	276,567	357,388
Marine	2,348	1,442	2,348	1,442
Liability	956	17,623	956	17,623
Engineering	10,849	1,958	10,849	1,958
Miscellaneous Accidents	9,919	10,027	9,919	10,027
	1,310,687	438,479	1,237,625	431,950

4. Insurance and Financial Risk Management (Continued)

(c) Financial risk

The Group is exposed to financial risk through its financial assets, reinsurance assets and insurance liabilities. In particular the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts. The most important components of this financial risk are interest rate risk, market risk, cash flow risk, currency risk, price risk and credit risk.

These risks arise from open positions in interest rates, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Group primarily faces due to the nature of its investments and liabilities are credit risk, interest rate risk and market risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of the Group's financial performance.

(i) Credit risk

The Group takes on exposure to credit risk, which is the risk that its reinsurers, brokers, customers, clients or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit risk is an important risk for the Group's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the amounts due from reinsurers, amounts due from insurance contract holders and insurance brokers and investment contracts and loans receivable.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties.

Credit review process

The Group's senior management meets on a monthly basis to discuss the ability of customers and other counterparties to meet repayment obligations.

(i) Reinsurance

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract. The Group's senior management assesses the creditworthiness of all reinsurers and intermediaries by reviewing credit grades provided by rating agencies and other publicly available financial information.

(ii) Premium receivables

The Group's senior management examines the payment history for significant contract holders with whom they conduct regular business. Management information reported to the Group includes details of provisions for impairment on premium receivables and subsequent write-offs. Exposures to individual policyholders and groups of policyholders are collected within the ongoing monitoring of the controls associated with regulatory solvency. Where significant exposure to individual policyholders or homogenous groups of policyholders exists, a financial analysis is carried out by senior management and where necessary cancellation of policies is effected for amounts deemed uncollectible.

(iii) Loans and leases receivable

The Group's management of exposure to loans and leases receivable is influenced mainly by the individual characteristics of each customer. Management has established a credit policy under which each customer is analysed individually for creditworthiness prior to the Group offering credit facilities. Customers are required to provide a letter of guarantee and proof of collateral to be held as security.

4. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)
Credit review process (continued)

(iv) Investments
The Group limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality and Government securities. Accordingly, management does not expect any counterparty to fail to meet its obligations.

Impairment of Financial Assets
The following financial assets that are subject to expected credit loss model:
- Premium receivables
- Debt investments carried at amortised cost.
- Lease receivables

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, all bank balances are assessed to have low credit risk at each reporting date as they are held with reputable banking institutions and the identified impairment loss was immaterial.

As loans receivables is also fully collateralised and the debtors are not experiencing any financial difficulty, the Group does not expect any financial losses on these amounts.

Premium receivables
The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for these assets.

To measure the expected credit losses, premium receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of premium over a period of 24 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of Jamaica to be most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors

For unemployment rate, we anticipate a decline in unemployment resulting in better payment patterns from our broker partners.

In determining the classification of our brokers, we considered the payment pattern for the past 24 months.

Maximum exposure to credit risk
The following table contains an analysis of the credit risk exposure of premium receivables for which an ECL is recognized. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Gross carrying amount	1,431,458	1,267,130	1,270,242	1,217,097
Loss allowance	(16,124)	(14,293)	(16,124)	(14,293)
Carrying amount	1,415,334	1,252,837	1,254,118	1,202,804

4. Insurance and Financial Risk Management (Continued)
(c) Financial risk (continued)

Loss allowance

The movement on the loss allowance for insurance receivables was as follows:

	The Group and Company	
	2021	**2020**
	$'000	**$'000**
Opening loss allowance as at 1 January	14,293	6,960
Increase in allowance recognised in profit or loss during the period	1,831	7,333
Closing loss allowance as at 31 December 2021	16,124	14,293

The loss allowance as at 31 December 2021 and 31 December 2020 was determined as follows for premium receivables:

	The Group					
	2021 $'000	**Loss Allowance**	**Expected loss rate**	**2020 $'000**	**Loss Allowance**	**Expected loss rate**
Less than 45 days	599,692	100	0.02%	625,955	87	0.013%
Within 45 days to 3 months	309,812	436	0.15%	200,033	100	0.050%
Over 3 months	521,954	15,588	3.20%	441,142	14,106	3.197%
Gross amount	1,431,458	16,124		1,267,130	14,293	

	The Company					
	2021 $'000	**Loss Allowance**	**Expected loss rate**	**2020 $'000**	**Loss Allowance**	**Expected loss rate**
Less than 45 days	494,758	100	0.02%	575,922	86	0.015%
Within 45 days to 3 months	287,912	436	0.15%	200,033	100	0.050%
Over 3 months	487,572	15,588	3.20%	441,142	14,107	3.197%
Gross amount	1,270,242	16,124		1,217,097	14,293	

Loss allowance for receivables have not been accounted for within the subsidiary as the entity operates primarily on a cash basis.

4. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Premium receivables

The following table summarises the Group's credit exposure for premium receivables at their carrying amounts, as categorised by brokers and direct business:

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Brokers and insurance companies	1,073,638	922,313	912,422	893,414
Direct	341,696	330,524	341,696	309,390
	1,415,334	1,252,837	1,254,118	1,202,804

All premium receivables are receivable from policyholders, brokers and agents in Jamaica.

Debt securities

The following table summarises the Group's credit exposure for debt securities at their carrying amounts, as categorised by issuer:

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Government of Jamaica	31,717	31,717	31,717	31,717
Government of Trinidad and Tobago	308,669	1,105,016	-	-
Other government	302,681	122,401	306,786	122,401
Certificate of deposits	1,746,653	2,370,477	1,424,017	2,112,509
Corporate	230,061	98,538	106,926	98,538
	2,619,781	3,728,148	1,869,446	2,365,165

Significant increase in credit risk

- Qualitative assessment – Credit ratings are associated with ranges of default probabilities based on historical information. Rating outlooks, which are inherently forward-looking, are used to determine the probability of default to be applied to a specific security within its respective range. Issuer-specific default risk estimates incorporate forward-looking information directly. In calculating the probability of default, the Group uses credit ratings along with rating outlooks from recognised rating agencies, as well as issuer-specific default risk estimates where available and appropriate. The ratings and risk estimates are mapped to an internal credit risk grading model in order to standardise across different rating systems and to clearly demarcate significant changes in credit risk over time.

  A qualitative assessment is done at initial recognition and subsequently at each statement of financial position date and where it is determined that there is a significant increase in the probability of default the security is categorise as stage 2 for the purpose of calculating the ECL. If the financial instrument is credit impaired, the financial instrument is then moved to 'Stage 3. Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

- Quantitative assessment - Investment securities considered to have experienced a significant increase in credit risk if it is more than 30 days past due on its contractual payments.

4. Insurance and Financial Risk Management (Continued)
(c) Financial risk (continued)

(i) Credit risk (continued)

Expected credit loss measurement
The Group assesses on a forward-looking basis the ECL associated with debt investments. The ECL recognised by the Group reflects an unbiased and probability weighted amounts that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information that is available without undue cost at the reporting date. The ECL is the product of the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

The PD presents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months or over the remaining lifetime of the obligation.

EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.

LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD is calculated on a 12 month or a lifetime basis, where 12 month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and lifetime LGD is a percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

All of the Group's debt investments at amortised cost is considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses (Stage 1). Management considers 'low credit risk' for bonds to be those with an investment grade or high credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. There were no transfers between stages from the date of adoption to the reporting date.

The loss allowance for debt investments at amortised cost as at 31 December 2021 reconciles to the opening loss allowance on 1 January 2021 as at 31 December 2021 as follows:

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Opening loss allowance as at 1 January	12,326	12,326	7,679	7,679
Decrease in loss allowance recognised in profit or loss in the statement of comprehensive income during the year	(1,803)	-	(1,803)	-
Closing loss allowance as at 31 December	10,523	12,326	5,876	7,679

4. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Total loss allowance on financial assets at 31 December 2021 total $26,647,000 (investment securities, $10,523,000 and trade receivable, $16,124,000).

Sensitivity analysis
Set out below are the changes in ECL as at 31 December 2021 that would result from a reasonably possible change in the PDs used by the Group:

			Impact on ECL			
31 December 2021			**The Group**		**The Company**	
	Actual PD ranges applied	**% Change in PD**	**Higher threshold**	**Lower threshold**	**Higher threshold**	**Lower threshold**
					$'000	**$'000**
Debt instruments at amortised cost	1% - 4%	+/- 20%	1,843	(1,843)	1,843	(1,843)
Trade receivables and other receivables	0.1% -3%	+/- 20%	3,224	(3,224)	3,224	(3,224)
Total			5,067	(5,067)	5,067	(5,067)

			Impact on ECL			
31 December 2020			**The Group**		**The Company**	
Financial Assets	**Actual PD ranges applied**	**% Change in PD**	**Higher threshold**	**Lower threshold**	**Higher threshold**	**Lower threshold**
					$'000	**$'000**
Debt instruments at amortised cost	1% - 4%	+/- 20%	3,302	(3,302)	2,742	(2,742)
Trade receivables and other receivables	0.1% -3%	+/- 20%	2,456	(2,456)	2,456	(2,456)
Total			5,758	(5,758)	5,198	(5,198)

4. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to fulfil claims and other liabilities incurred.

Liquidity risk management process

The Group's liquidity management process, as carried out within the Group and monitored by the Board of Directors, includes:

(i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required;

(ii) Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruptions to cash flow;

(iii) Optimising cash returns on investments;

(iv) Monitoring statement of financial position liquidity ratios against internal and regulatory requirements; and

(v) Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

4. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)`

(ii) Liquidity risk (continued)

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for companies ever to be completely matched since business transacted is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of loss.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

Financial assets and financial liabilities cash flows
The tables below present the undiscounted cash flows of the Group's financial assets and liabilities based on contractual repayment obligations:

Liquidity risk management process (continued)

	Group						
	Within 1 Month $'000	Within 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	No Specific Maturity $'000	Total $'000
At 31 December 2021:							
Cash and short-term investments	1,312,639	131,590		-	-	-	1,444,229
Due from policyholders, brokers and agents	469,465	945,869	-	-	-	-	1,415,334
Due from reinsurers and coinsurers	857,080	1,095,183	1,328,645	-	-	-	3,280,908
Deferred policy acquisition cost	-	-	-	-	-	562,600	562,600
Other receivables	7,242	59,620	-	-	-	691,562	758,424
Loan receivable	2,770	5,540	24,930	265,924	-	-	299,164
Lease receivable	2,243	4,487	20,191	74,034	-	-	100,955
Due from related parties	-	-	-	-	-	5,383	5,383
Real estate investment	-	-	-	189,912	-	-	189,912
Investment securities	398,744	514,790	1,005,032	786,059	64,132	447,709	3,216,466
Total financial assets	3,050,183	2,757,079	2,378,798	1,315,929	64,132	1,707,254	11,273,375
Due to reinsurers and coinsurers	604,433	461,076	-	-	-	-	1,065,509
Other liabilities	359,193	14,318	143,825	7,064	-	25,244	549,644
Lease liabilities	7,545	13,604	56,763	26,388	-	-	104,300
Claims liabilities	1,757,365	952,026	1,238,969	3,863,248	-	-	7,811,608
Total financial liabilities	2,728,536	1,441,024	1,439,557	3,896,700	-	25,244	9,531,061
Net Liquidity Gap	321,647	1,316,055	939,241	-2,580,771	64,132	1,682,010	1,742,314
Cumulative gap	321,647	1,637,702	2,576,943	(3,828)	60,304	1,742,314	-

4. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)`

(ii) Liqudity risk (continued)

Liquidity risk management process (continued)

	Group						
	Within 1 Month $'000	**Within 3 Months $'000**	**3 to 12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**No Specific Maturity $'000**	**Total $'000**
At 31 December 2020:							
Cash and short-term investments	620,664	135,884	-	-	-	-	756,548
Due from policyholders, brokers and agents	341,319	911,518	-	-	-	-	1,252,837
Due from reinsurers and coinsurers	562,000	689,634	1,050,615				2,302,249
Deferred policy acquisition cost	-	-	-	-	-	496,512	496,512
Other receivables	7,636	40,453	-	-	-	112,961	161,050
Loan receivable	2,920	5,839	26,277	140,146	175,183	-	350,365
Lease receivable	2,243	4,487	20,191	100,955	-		127,876
Due from related parties	-	-	-	-	-	22,710	22,710
Real estate investment	-	-	-	212,329	-	-	212,329
Investment securities	181,508	437,841	1,879,999	1,220,251	79,730	436,567	4,235,896
Total financial assets	1,718,290	2,225,656	2,977,082	1,673,681	254,913	1,068,750	9,918,372
Due to reinsurers and coinsurers	535,398	419,220	-	-	-	-	954,618
Other liabilities	190,195	11,958	124,425	7,064	-	77,142	410,784
Lease liabilities	7,220	14,115	61,908	93,601	-	-	176,844
Claims liabilities	1,499,603	1,552,907	1,273,540	2,298,679	-	-	6,624,729
Total financial liabilities	2,232,416	1,998,200	1,459,873	2,399,344		77,142	8,166,975
Net Liquidity Gap	(514,126)	227,456	1,517,209	-725,663	254,913	991,608	1,751,397
Cumulative gap	(514,126)	(286,670)	1,230,539	504,876	759,789	1,751,397	-

4. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)
(ii) Liquidity risk (continued)
Liquidity risk management process (continued)

	Company						
	Within 1 Month	**Within 3 Months**	**3 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**No Specific Maturity**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 31 December 2021:							
Cash and short-term investments	675,772	8,877	-	-	-	-	684,649
Due from policyholders, brokers and agents	308,249	945,869	-	-	-	-	1,254,118
Due from reinsurers and coinsurers	480,494	979,531	1,025,255	643,815	-	-	3,129,095
Deferred policy acquisition cost	-	-	-	-	-	521,534	521,534
Other receivables	7,216	59,620	-	-	-	656,240	723,076
Due from related parties	-	-	-	-	-	86,532	86,532
Lease receivables	2,243	4,486	20,191	74,033	-	-	100,953
Real estate investment	-	-	-	189,912	-	-	189,912
Investment securities	309,545	355,956	941,882	340,610	20,638	447,709	2,416,340
Total financial assets	1,783,519	2,354,339	1,987,328	1,248,370	20,638	1,712,015	9,106,209
Due to reinsurers and coinsurers	522,259	461,076	-	-	-	-	983,335
Other liabilities	244,757	14,318	143,825	7,064	-	-	409,964
Lease liabilities	5,681	10,982	49,612	24,294	-	-	90,569
Insurance reserves	1,464,057	878,434	1,171,245	2,342,483	-	-	5,856,219
Total financial liabilities	2,236,754	1,364,810	1,364,682	2,373,841	-	-	7,340,087
Net Liquidity Gap	(453,235)	989,529	622,646	-1,125,471	20,638	1,712,015	1,766,122
Cumulative gap	(453,235)	536,294	1,158,940	33,469	54,107	1,766,122	-

4. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)
(ii) Liquidity risk (continued)
Liquidity risk management process (continued)

	Company						
	Within 1 Month	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	No Specific Maturity	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 31 December 2020:							
Cash and short-term investments	317,080	135,884	-	-	-		452,964
Due from policyholders, brokers and agents	575,922	626,882	-	-	-	-	1,202,804
Due from reinsurers and coinsurers	562,000	786,800	899,200	-	-	-	2,248,000
Deferred policy acquisition cost	-	-	-	-	-	487,003	487,003
Other receivables	2,246	24,937	-	-	-	75,356	102,539
Due from related parties	-	-	-	-	-	52,253	52,253
Lease receivables	2,243	4,487	20,191	100,955	-	-	127,876
Real estate investment	-	-	-	212,329	-	-	212,329
Investment securities	116,448	435,841	1,635,575	197,895	20,638	432,913	2,839,310
Total financial assets	1,575,939	2,014,831	2,554,966	511,179	20,638	1,047,525	7,725,078
Due to reinsurers and coinsurers	452,779	480,762	-	-	-	-	933,541
Other liabilities	190,195	11,958	124,425	7,065	-	-	333,643
Lease liabilities	4,925	9,764	44,175	79,111	-	-	137,975
Insurance reserves	1,253,628	1,504,354	1,253,628	1,002,903	-	-	5,014,513
Total financial liabilities	1,901,527	2,006,838	1,422,228	1,089,079	-	-	6,419,672
Net Liquidity Gap	(325,588)	7,993	1,132,738	(577,900)	20,638	1,047,525	1,305,406
Cumulative gap	(325,588)	(317,595)	815,143	237,243	257,881	1,305,406	

Assets available to meet all of the liabilities and to cover financial liabilities include cash and bank balances and investment securities. The Group is also able to meet unexpected net cash outflows by selling securities and accessing additional funding sources from its parent company and other financial institutions.

4. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates, interest rates and prices of quoted equities. Market risk is monitored by the finance department which carries out research and monitors the price movement of financial assets on the local and international markets.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group also has transactional currency exposure. Such exposure arises from having financial assets in currencies other than those in which financial liabilities are expected to settle. The Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign assets to address short term imbalances.

Concentrations of currency risk

The tables below summarise the Group's exposure to foreign currency exchange rate risk at 31 December:

	The Group				
	Jamaican$ J$'000	**TTD J$'000**	**US$ J$'000**	**BBD J$'000**	**Total J$'000**
At 31 December 2021:					
Financial Assets					
Cash and short term investments	316,517	484,995	471,666	171,005	1,444,183
Due from policyholders, brokers	1,056,249	46,826	197,869	114,390	1,415,334
Due from reinsurers and coinsurers	2,913,270	83,054	209,778	74,806	3,280,908
Deferred policy acquisition cost	521,534	31,726	-	9,340	562,600
Other receivables	639,160	77,599	-	41,665	758,424
Loan receivables		244,188		-	244,188
Lease receivables	67,320	-	-	-	67,320
Due from related parties	1,144	-	4,239		5,383
Real estate investment	189,912	-	-		189,912
Investment securities	1,877,855	758,296	465,516	-	3,101,667
Total financial assets	7,582,961	1,726,684	1,349,068	411,206	11,069,919
Financial Liabilities					
Due to reinsurers and coinsurers	760,604	23,713	222,731	58,461	1,065,509
Other liabilities	403,883	116,753	6,081	22,927	549,644
Lease liabilities	32,119	13,730	53,167	4,191	103,207
Insurance reserves	4,917,394	1,723,269	938,825	232,120	7,811,608
Total financial liabilities	6,114,000	1,877,465	1,220,804	317,699	9,529,968
Net financial position	1,468,961	(150,781)	128,264	93,507	1,539,951

4. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)

Currency risk (continued)

The tables below summarise the Group's exposure to foreign currency exchange rate risk at 31 December:

	The Group					
	Jamaican$ J$'000	**TTD J$'000**	**US$ J$'000**	**BBD $'000**	**GBP J$'000**	**Total J$'000**
At 31 December 2020:						
Financial Assets						
Cash and short term investments	195,278	93,033	317,106	151,018	113	756,548
Due from policyholders, brokers	979,035	3,388	223,769	46,644	-	1,252,836
Due from reinsurers and coinsurers	2,077,933	33,870	170,067	20,379	-	2,302,249
Deferred policy acquisition cost	496,512	-	-	-		496,512
Other receivables	150,257	4,915	-	5,878	-	161,050
Loan receivables	-	251,464	-	-	-	251,464
Lease receivables	79,157	-	-	-	-	79,157
Due from related parties	22,710	-	-	-	-	22,710
Real estate investment	212,329	-	-	-	-	212,329
Investment securities	2,446,169	1,353,671	393,139	17,807	-	4,210,786
Total financial assets	6,659,380	1,740,341	1,104,081	241,726	113	9,745,641
Financial Liabilities						
Due to reinsurers and coinsurers	758,407	-	175,134	21,077	-	954,618
Other liabilities	328,156	71,549	5,571	5,508	-	410,784
Lease liabilities	48,873	24,374	77,906	11,368	-	162,521
Insurance reserves	4,934,789	1,565,818	79,748	44,374	-	6,624,729
Total financial liabilities	6,070,225	1,661,741	338,359	82,327	-	8,152,652
Net financial position	589,155	78,600	765,722	159,399	113	1,592,989

4. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)

Currency risk (continued)

The tables below summarise the Company's exposure to foreign currency exchange rate risk at 31 December:

	Jamaican$ J$'000	US$ J$'000	TT$ J$'000	BB$ J$'000	Total J$'000
At 31 December 2021:					
Financial Assets					
Cash and short-term investments	316,517	368,105	-	-	684,622
Due from policyholders, brokers and agents	1,056,249	197,869	-	-	1,254,118
Due from reinsurers and coinsurers	3,051,865	77,230	-	-	3,129,094
Deferred policy acquisition cost	521,534	-	-	-	521,534
Other receivables	723,075	-	-	-	723,075
Due from related parties	6,082	64,584	12,252	3,614	86,532
Lease receivables	67,230	-	-	-	67,230
Real estate investment	189,912				189,912
Investment securities	1,881,152	462,219	-	-	2,343,371
Total financial assets	7,813,615	1,170,007	12,252	3,614	8,999,489
Financial Liabilities					
Due to reinsurers and coinsurers	760,604	222,731	-	-	983,335
Lease liabilities	32,119	53,167	-	-	85,286
Other liabilities	403,883	6,081	-	-	409,964
Insurance reserves	4,917,394	938,825	-	-	5,856,219
Total financial liabilities	6,114,000	1,220,804	-	-	7,334,804
Net financial position	1,699,616	(50,797)	12,252	3,614	1,664,685

4. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)

Currency risk (continued)

The tables below summarise the Company's exposure to foreign currency exchange rate risk at 31 December:

	The Company					
	Jamaican$ J$'000	US$ J$'000	TT$ J$'000	BB$ J$'000	GBP J$'000	Total J$'000
At 31 December 2020:						
Financial Assets						
Cash and short-term investments	194,572	258,279	-	-	113	452,964
Due from policyholders, brokers and agents	981,117	221,686	-	-	-	1,202,803
Due from reinsurers and coinsurers	2,077,933	170,067	-	-	-	2,248,000
Deferred policy acquisition cost	487,003	-	-	-	-	487,003
Other receivables	150,257	-	-		-	150,257
Due from related parties	22,710		17,037	12,506	-	52,253
Lease receivables	79,157	-	-		-	79,157
Real estate investment	212,329	-	-	-	-	212,329
Investment securities	2,533,275	306,035	-	-	-	2,839,310
Total financial assets	6,738,353	956,067	17,037	12,506	113	7,724,076
Financial Liabilities						
Due to reinsurers and coinsurers	758,407	175,134	-	-	-	933,541
Lease liabilities	328,072	5,571	-	-	-	333,643
Other liabilities	48,873	77,906	-	-	-	126,779
Insurance reserves	4,934,765	79,748	-	-	-	5,014,513
Total financial liabilities	6,070,117	338,359	-	-	-	6,408,476
Net financial position	668,236	617,708	17,037	12,506	113	1,315,600

The following tables indicate the currencies to which the Company had significant exposure on its monetary assets and liabilities and its forecast cash flows. The change in currency rates below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis shows the impact of translating outstanding foreign currency denominated monetary items, assuming changes in currency rates shown in the table below. The sensitivity analysis includes cash and short-term deposits, investment securities, premium and other receivables and claims liabilities. The percentage change in the currency rate will impact each financial asset/liability included in the sensitivity analysis differently. Consequently, individual sensitivity analyses were performed. The effect on pre-tax profit below is the total of the individual sensitivities done for each of the assets/liabilities. There was no impact on the other components of equity.

4. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)
Foreign currency sensitivity

	The Group			
	% Change in Currency Rate 2021	Increase/ (decrease) in Pre-tax Profit 2021 $'000	% Change in Currency Rate 2020	Increase/ (decrease) in Pre-tax Profit 2020 $'000
USD – J$ Revaluation	2%	(2,565)	2%	(16,367)
USD – J$ Devaluation	6%	7,965	6%	24,551
TT – J$ Revaluation	4%	-	4%	-
TT – J$ Devaluation	6%	-	6%	-

	The Company			
	% Change in Currency Rate 2021	Increase/ (decrease) in Pre-tax Profit 2021 $'000	% Change in Currency Rate 2020	Increase/ (decrease) in Pre-tax Profit 2020 $'000
USD – J$ Revaluation	4%	(2,032)	2%	(10,853)
USD – J$ Devaluation	6%	3,048	6%	32,560

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The Group's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities.

The following tables summarise the Group's exposure to interest rate risk. It includes the Group's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

4. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)

Interest rate risk (continued)

	The Group						
	Within 1 Month	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 31 December 2021:							
Cash and short term investments	1,312,639	131,544	-	-	-	-	1,444,183
Due from policyholders and brokers	-	-	-		-	1,415,334	1,415,334
Due from reinsurers and coinsurers	-	-	-	-	-	3,280,908	3,280,908
Deferred policy acquisition costs	-	-	-			562,600	562,600
Other receivables	7,242	59,620	-	-	-	691,562	758,424
Loan receivables	1,772	3,545	15,951	222,920	-	-	244,188
Lease receivable	1,626	2,271	10,950	52,473	-	-	67,320
Due from related parties	-	-	-	-	-	5,383	5,383
Real estate investment	-	-	-	-	-	189,912	189,912
Investment securities	397,576	499,773	967,315	734,287	55,007	447,709	3,101,667
Total financial assets	1,720,855	696,753	994,216	1,009,680	55,007	6,593,408	11,069,919
Due to reinsurers and coinsurers	-	-	-	-	-	1,065,509	1,065,509
Other liabilities	-	-	-	-	-	549,644	549,644
Lease liabilities	6,983	12,808	56,509	26,907	-	-	103,207
Insurance reserves	-	-	-	-	-	7,811,608	7,811,608
Total financial liabilities	6,983	12,808	56,509	26,907	-	9,426,761	9,529,968
Total interest repricing gap	1,713,872	683,945	937,707	982,773	55,007	(2,833,353)	1,539,951
Cumulative gap	1,713,872	2,397,817	3,335,524	4,318,297	4,373,304	1,539,951	

	The Group						
At December 2020							
Cash and short-term investments	620,664	135,884	-	-	-	-	756,548
Due from policyholders and brokers	-	-	-	-	-	1,252,837	1,252,837
Due from reinsurers and coinsurers	-	-	-	-	-	2,302,249	2,302,249
Deferred policy acquisition costs	-	-	-	-	-	496,512	496,512
Other receivables	7,636	40,452	-		-	112,962	161,050
Loan receivables	1,453	2,932	13,620	86,008	147,451	-	251,464
Lease receivables	960	1,956	9,432	66,809	-	-	79,157
Due from related parties	-	-	-	-	-	22,710	22,710
Real estate investment	-	-	-	-	-	212,329	212,329
Investment securities	234,977	757,557	1,197,855	1,232,476	58,262	729,659	4,210,786
Total financial assets	865,690	938,781	1,220,907	1,385,293	205,713	5,129,258	9,745,642
Due to reinsurers and coinsurers	-	-	-	-	-	954,618	954,618
Lease liabilities	6,543	12,761	55,815	87,402	-	-	162,521
Other liabilities					-	410,784	410,784
Insurance reserves						6,624,729	6,624,729
Total financial liabilities	6,543	12,761	55,815	87,402	-	7,990,131	8,152,652
Total interest repricing gap	859,147	926,020	1,165,092	1,297,891	205,713	(2,860,873)	1,592,990
Cumulative gap	859,147	1,785,167	2,950,259	4,248,150	4,453,863	1,592,990	-

4. Insurance and Financial Risk Management (Continued)
(c) Financial risk (continued)
(iii) Market risk (continued)
Interest rate risk (continued)

	The Company						
	Within 1 Month	**Within 3 Months**	**3 to 12 Months**	**1 to 5 Years**	**Over 5 Years**	**Non-Interest Bearing**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 31 December 2021:							
Cash and short-term investments	675,772	8,850	-	-	-	-	684,622
Due from policyholders and brokers	-	-	-	-	-	1,254,118	1,254,118
Due from reinsurers and coinsurers	-	-	-	-	-	3,129,095	3,129,095
Deferred policy acquisition costs	-	-	-	-	-	521,534	521,534
Other receivables	7,216	59,620	-	-		656,240	723,076
Due from related parties	-	-	-	-	-	86,532	86,532
Lease receivables	1,626	2,271	10,950	52,473	-	-	67,320
Real estate investment	-	-	-	-	-	189,912	189,912
Investment securities	308,815	343,574	907,054	323,219	13,000	447,709	2,343,371
Total financial assets	993,429	414,315	918,004	375,692	13,000	6,285,140	8,999,580
Due to reinsurers and coinsurers	-	-	-	-	-	983,335	983,335
Lease liabilities	5,119	10,186	46,564	23,417	-	-	85,286
Other liabilities				-	-	409,964	409,964
Insurance reserves	-	-	-	-	-	5,856,219	5,856,219
Total financial liabilities	5,119	10,186	46,564	23,417	-	7,249,518	7,334,804
Total interest repricing gap	988,310	404,129	871,440	352,275	13,000	(964,378)	1,664,776
Cumulative gap	988,310	1,392,439	2,263,879	2,616,154	2,629,154	1,664,776	
	The Company						
At 31 December 2020:							
Cash and short term investments	317,080	135,884	-	-	-	-	452,964
Due from policyholders and brokers	-	-	-	-	-	1,202,804	1,202,804
Due from reinsurers and coinsurers	-	-	-	-	-	2,248,000	2,248,000
Deferred policy acquisition costs						487,003	487,003
Other receivables	2,243	4,487	20,191		-	123,336	150,257
Due from related parties	-	-	-	-	-	52,253	52,253
Lease receivables	960	1,956	9,432	66,809	-	-	79,157
Real estate investment						212,329	212,329
Investment securities	234,977	757,557	1,119,976	245,756	13,000	468,044	2,839,310
Total financial assets	555,260	899,884	1,149,599	312,565	13,000	4,793,769	7,724,077
Due to reinsurers and coinsurers	-	-	-	-	-	933,541	933,541
Lease liabilities	4,199	8,599	39,387	74,593	-	-	126,778
Other liabilities	-	-	-	-	-	333,643	333,643
Insurance reserves	-	-	-	-	-	5,014,513	5,014,513
Total financial liabilities	4,199	8,599	39,387	74,593	-	6,281,697	6,408,475
Total interest repricing gap	551,061	891,285	1,110,212	237,972	13,000	(1,487,928)	1,315,602
Cumulative gap	551,061	1,442,346	2,552,558	2,790,530	2,803,530	1,315,602	

4. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)
Interest rate risk (continued)

Interest rate sensitivity
The following table indicates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Group's profit or loss and shareholders' equity.

The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on income based on the floating rate non-trading financial assets and financial liabilities. The sensitivity of other components of equity is calculated by revaluing fixed rate financial assets and liabilities for the effects of the assumed changes in interest rates. The change in the interest rates will impact the financial assets and liabilities differently. Consequently, individual analyses were performed. The effect on pre-tax profit and other components of equity below is the total of the individual sensitivities done for each of the assets and liabilities. It should be noted that the changes in the pre-tax profit and other components of equity as shown in the analysis are non-linear.

The Group

Change in Basis points:	Increase/(decrease) in Profit before Taxation	Increase/(decrease) in Other Components of Equity	Change in Basis points:	Increase/(decrease) in Profit before Taxation	Increase/(decrease) in Other Components of Equity
2021 JMD/USD	2021 $'000	2021 $'000	2020 JMD/USD	2020 $'000	2020 $'000
-50/-100	(1,488)	-	-100/-100	(5,415)	-
300/100	1,938	-	100/100	5,415	-

The Company

Change in Basis points:	Increase/(decrease) in Profit before Taxation	Increase/(decrease) in Other Components of Equity	Change in Basis points:	Increase/(decrease) in Profit before Taxation	Increase/(decrease) in Other Components of Equity
2021 JMD/USD	2021 $'000	2021 $'000	2020 JMD/USD	2020 $'000	2020 $'000
-50/-100	(90)	-	-100/-100	(180)	-
300/100	540	-	100/100	180	-

4. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

Price risk
The Group is exposed to equity securities and real estate price risk because of investments held by the Group. These investments are classified on the statement of financial position as available-for-sale, fair value through profit or loss.

The table below summarises the impact of increases/(decreases) on the Group's pre-tax profit for the year and on equity. The analysis is based on the assumption that the equity prices had increased/decreased by 10% (2020 - 10%) with all other variables held constant.

The Group

	Equity Securities				Real estate investment	
Change in index:	Increase/ (decrease) in Profit before Taxation 2021 $'000	Increase/ (decrease) in Profit before Taxation 2019 $'000	Effect on Other Components of Equity: 2021 JMD/USD	Effect on Other Components of Equity 2020 $'000	Effect on Other Components of Equity 2021 $'000	Effect on Other Components of Equity 2020 $'000
-10% (2021 – 10%)	-	-	(44,771)	(43,643)	(18,991)	(21,232)
+10% (2021– 10%)	-	-	44,771	43,643	18,991	21,232

The Company

	Equity Securities				Real estate investment	
Change in index:	Increase/ (decrease) in Profit before Taxation 2021 $'000	Increase/ (decrease) in Profit before Taxation 2020 $'000	Effect on Other Components of Equity: 2021 JMD/USD	Effect on Other Components of Equity 2020 $'000	Effect on Other Components of Equity 2021 $'000	Effect on Other Components of Equity 2020 $'000
-10% (2020 – 10%)	-	-	(44,771)	(43,291)	(18,991)	(21,232)
+10% (2020 – 10%)	-	-	44,771	43,291	18,991	21,232

(expressed in Jamaican dollars unless otherwise indicated)

5. Capital Management

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of statement of financial position, are:

(a) To comply with the capital requirements set by the regulators of the insurance markets where the Group operates;

(b) To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for stockholders and benefits for other stakeholders; and

(c) To maintain a strong capital base to support the development of its business.

Regulations in Jamaica
To assist in evaluating the current business and strategies, a risk-based capital approach is used in the form of the Minimum Capital Test (MCT) as stipulated by the Jamaican regulator, the Financial Services Commission (FSC). The MCT is calculated by management. This information is required to be filed with the FSC on a monthly, quarterly and annual basis. The required MCT ratio is 250%.

In January 2020, the FSC announced a measure to allow for the relaxation of the MCT ratio of 250% to 150% for a period of two years. The measure will reduce the amount of capital that he general insurance industry would need to hold for the purpose of meeting capital adequacy requirements. During this period of regulatory forbearance, the FSC will carry out a Quantitative Impact Study (QIS) to determine the optimal position for the MCT that balances growth and stability of the insurance industry. In this period, the amount of dividends paid to shareholders of the company should not exceed 50% of profit that was achieved for the previous year.

To qualify for the special provisions for relaxed MCT ratio, investment proposals must be approved by the FSC and commence within the 2-year window provided for in the January 2020 advisory. The company took advantage of this relaxation through a strategic investment, and as such, the FSC has granted forbearance on the MCT ratio requirement allowing the company to maintain a minimum MCT ratio of 200.8%.

The MCT ratio for the company for the years ended 31 December 2021 and 2020 are as follows:

	2021	2020
Actual MCT ratio	209.1%	240.4%
Minimum Required MCT ratio	200.8%	200.8%

Regulations in Trinidad and Tobago

General Accident Insurance (Trinidad and Tobago) Limited (formerly Motor One Limited) is regulated by The Central Bank of Trinidad and Tobago under the Insurance Act 2018 which became effective 1 January 2021. Under the Act the transitional ratios applicable in year one (1) is a Minimum Regulatory Capital Ratio of 110%.As at year end the company' solvency ratio was 133%.

Regulations in Barbados
General Accident Insurance (Barbados) Limited is regulated by The Financial Services Commission with legislative guidance from the Financial Services Act, the Insurance Act and the Exempt Insurance Act. The company is required to have a margin of solvency determined as the greater of BB$500,000 or 20% of its net written premium for the financial year. Based on the net admissible assets as at the financial year end, the company is deemed solvent by a margin of BB$0.7m.

6. Fair Value Estimation

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

In accordance with IFRS 13, the Group discloses fair value measurements for items carried on the statement of financial position at fair value, by level of the following fair value measurement hierarchy:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities are disclosed as Level 1.
(b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) are disclosed as Level 2.
(c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) are disclosed as Level 3.

The following table presents the Group's assets that are measured at fair value. There are no liabilities that are measured at fair value at the year end, and the Group had no transfers between levels during the year.

	Group			
	Level 1	Level 2	Level 3	Total balance
At 31 December 2021	**$'000**	**$'000**	**$'000**	**$'000**
Assets				
Equity securities	451,567	-	-	451,567
Investment property	-	-	328,149	328,149
Real estate investment	-		189,912	189,912
Total assets measured at fair value	451,567	-	518,061	969,628

	Company			
	Level 1	Level 2	Level 3	Total
	$'000	**$'000**	**$'000**	**$'000**
At 31 December 2021				
Assets				
Equity securities	447,709	-	-	447,709
Investment property	-	-	265,000	265,000
Real estate investment	-	-	189,911	189,911
Total assets measured at fair value	447,709	-	454,911	902,620

6. Fair Value Estimation (Continued)

	The Group			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total balance $'000
At 31 December 2020				
Assets				
Equity securities	436,567	-	-	436,567
Investment property	-	-	315,048	315,048
Real estate investment	-	-	212,329	212,329
Total assets measured at fair value	436,567	-	527,377	963,944

	The Company			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total balance $'000
At 31 December 2020				
Assets				
Equity securities	432,913	-	-	432,913
Investment property	-	-	255,938	255,938
Real estate investment	-	-	212,329	212,329
Total assets measured at fair value	432,913	-	468,267	901,180

Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

However, market prices are not available for all financial assets held by the Group. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The following methods have been used to value financial instruments:

(a) Investment securities classified as fair value through other comprehensive income and fair value through profit or loss are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or other recognised valuation techniques;

(b) The fair value of short-term assets and liabilities maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities;

(c) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts, as these instruments are expected to reprice at the prevailing market rates;

(d) Financial assets at amortised cost are assumed to approximate fair value as these are issued at terms and conditions available in the market for similar transactions.

6. Fair Value Estimation (Continued)

Fair Value of Investment Properties and Real Estate Fund
An independent valuation of the Group's Investment Properties and Real Estate Fund was performed by valuers to determine the fair value as at 31 December 2021. The revaluation surplus has been credited to other comprehensive income.

Valuation process of the Group On an annual basis the Group engages external, independent and qualified valuers to determine the fair value of its Investment Properties and Real Estate Fund.

Sales Comparison Approach
The comparison method of valuation was taken in account by examining values of similar properties in and around surrounding areas. This approach incorporates unobservable inputs which in the valuer's judgement reflects suitable adjustments regarding size, age, condition, time of sale, quality of land and buildings and improvements. The higher the price per square foot the higher the fair value.

Income Approach
The projected net income of the subject properties are discounted using an appropriate capitalisation rate. The most significant input to this valuation is the rental rate per square foot and the capitalisation rate. Rental rates of the subject properties are adjusted to reflect the market rent for properties of similar size, location and condition. The higher rental rate per square foot the higher the fair value. The higher the capitalisation rate the lower the fair value. The average rent per square foot ranges between $US8 - $US14.

Sensitivity Analysis

Some of the investment properties and real estate investments held by the Group are measured using an income approach which considers rental rates and a capitalization rate. The capitalization factor is largely an unobservable input that have the greatest potential for volatility and have resulted in the classification of the investments in level 3. The capitalization rates used in the valuations range from 4% to 7%.

Should the capitalization factors increase/decrease by 1 percentage point, it would result in decrease/increase in the carrying value of investment properties and real estate investments, with all other factors remaining constant, of $33,333,,000 (2020 - $49,865,000) for the Group and company.

7. Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities in the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that will have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(a) Liabilities arising from claims made under insurance contracts
The determination of the liabilities under insurance contracts represents the liability for future claims payable by the Group based on contracts for the insurance business in force at the date of the statement of financial position using several methods, including the Paid Loss Development method, the Incurred Loss Development method, the Bornhuetter-Ferguson Paid Loss method, the Bornhuetter-Ferguson Incurred Loss method and the Frequency-Severity method. These liabilities represent the amounts that will, in the opinion of the actuary, be sufficient to pay future claims relating to contracts of insurance in force, as well as meet the other expenses incurred in connection with such contracts. A margin for risk or uncertainty (adverse deviations) in these assumptions is added to the liability. The assumptions are examined each year in order to determine their validity in light of current best estimates or to reflect emerging trends in the Group's experience.

7. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(a) Liabilities arising from claims made under insurance contracts (continued)

Claims are analysed separately between those arising from damage to insured property and consequential losses. Claims arising from damage to insured property can be estimated with greater reliability, and the Group's estimation processes reflect all the factors that influence the amount and timing of cash flows from these contracts. The shorter settlement period for these claims, allows the Group to achieve a higher degree of certainty about the estimated cost of claims, and relatively little IBNR is held at year-end. However, the longer time needed to assess the emergence of claims arising from consequential losses makes the estimation process more uncertain for these claims.

(b) Income taxes

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(c) Fair value of financial assets determined using valuation techniques

As described in Note 6, where the fair values of financial assets recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of discounted cash flows model and/or mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values.

For discounted cash flow analysis, estimated future cash flows and discount rates are based on current market information and rates applicable to financial instruments with similar yields, credit quality and maturity characteristics. Estimated future cash flows are influenced by factors such as economic conditions, types of instruments or currencies, market liquidity and financial conditions of counterparties. Discount rates are influenced by risk free interest rates and credit risk.

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(d) Measurement of expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI requires that use of complex models and significant assumptions about future economic conditions and credit behaviour such as the likelihood of customers defaulting and the resulting losses.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as

i) Determining criteria for significant increase in credit risk
ii) Choosing appropriate models and assumptions for the measurement of ECL
iii) Establishing the number and relative weightings of forward-looking scenarios

Further details about judgements and estimates by the Group are set out in 4 (c)

8. Segment Information

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. All operating segments used by management meet the definition of a reportable segment under IFRS 8.

The Group is organised into six operating segments. These segments represent the different types of risks that are written by the entity through various forms of brokers, agents and direct marketing programs, which are located in Jamaica, Trinidad and Barbados. Management identifies its reportable operating segments by product line consistent with the reports used by the board of directors. These segments and their respective operations are as follows:

(a) Motor - Losses involving motor vehicles, this includes liabilities to third parties.

(b) Fire and allied perils - Loss, damage or destruction to insured property as specified on the policy schedule.

(c) Marine - Loss or damage to goods from the perils of the seas and other perils whilst in transit from destination to destination by sea, air or land and from warehouse to warehouse.

(d) Liability - Legal liability of the insured to third parties for accidental bodily injury, death and/or loss of or damage to property occurring in connection with the insured's business, subject to a limit of indemnity. In the case of an employee liability this is legal liability of the insured to pay compensation to its employees in respect of death, injury or disease sustained during and in the course of their employment, subject to a limit of indemnity.

(e) Homeowners and Burglary-
Homeowners - Loss, damage or destruction to insured property used for residential purposes as specified on the policy schedule, resulting from fire and allied perils, burglary, theft, or accidental damage. This includes liability to third parties and domestic employees.

Burglary - Loss of or damage to the insured's property involving forcible and/or violent entry into or exit from the building including damage to the premises.

Management has aggregated homeowners' and burglary for the purpose of segment reporting given that burglary coverage is usually covered under homeowners' policy.

(f) Miscellaneous Accidents - This operating segment covers the following policies:

- Fidelity Guarantee - Loss of money or goods owned by the insured (or for which the insured is responsible) as a result of fraud or dishonesty by an employee.
- Goods in Transit - Loss, destruction or damage to insured goods by fire and allied perils, including loss or damage from accidental collision or overturning and whilst in, on or being loaded or unloaded from any road vehicle or whilst temporarily housed overnight during the ordinary course of transit.
- Engineering and machinery breakdown - Loss or damage by fire and allied perils including burglary, theft and accidental damage to specified equipment, including loss or damage resulting from electrical and mechanical breakdown subject to maintenance.
- Loss of money - Loss, damage or destruction of money including hold-up on premises during and out of business hours and in transit.
- Plate glass - Accident breakage to plate glass windows and doors of buildings.
- Personal accident - Compensation for bodily injury caused by violent, visible, external and accidental means, which injury shall solely and independently of any other cause result in death or dismemberment within 12 months of such injury. Subject to the limits specified on the policy schedule.

8. Segment Information (Continued)

The segment information provided to the board of directors for the reportable segments for the year ended 31 December 2021 is as follows:

	Group						
2021	**Fire** **$'000**	**Motor** **$'000**	**Marine** **$'000**	**Liability** **$'000**	**Homeowners & Burglary** **$'000**	**Engineering & Miscellaneous Accident** **$'000**	**Total** **$'000**
Gross Premiums Written	8,276,049	3,680,643	179,350	993,732	292,897	537,136	13,959,807
Reinsurance ceded	(8,198,043)	(604,441)	(165,276)	(824,582)	(254,074)	(442,435)	(10,488,851)
Excess of loss reinsurance cost	(98,653)	(92,797)	-	(5,184)	(20,358)	-	(216,992)
Net premiums written	(20,647)	2,983,405	14,074	163,966	18,465	94,701	3,253,964
Changes in unearned premiums, net	(4,817)	(220,196)	198	3,087	(2,338)	2,861	(221,205)
Net Premiums Earned	(25,464)	2,763,209	14,272	167,053	16,127	97,562	3,032,759
Commission income	396,940	309,450	19,566	43,208	35,214	88,479	892,857
Commission expense	(110,792)	(307,770)	(2,597)	(21,975)	(33,802)	(34,090)	(511,026)
Claims expense	(74,450)	(1,661,828)	(160)	(2)	(1,299)	(13,621)	(1,751,360)
Management expenses	(20,207)	(1,461,699)	(546)	(71,743)	(10,591)	(18,127)	(1,582,913)
Segment results	166,027	(358,638)	30,535	116,541	5,649	120,203	80,317
Unallocated income -							
Investment income							226,526
Finance charge							(7,076)
Other Income							124,591
							424,358
Depreciation and amortisation							(164,663)
Profit before tax							259,695
Taxation							(110,459)
Net profit							149,236

8. Segment Information (Continued)

	Group						
2020	**Fire $'000**	**Motor $'000**	**Marine $'000**	**Liability $'000**	**Homeowners & Burglary $'000**	**Engineering & Miscellaneous Accident $'000**	**Total $'000**
Gross Premiums Written	7,027,919	3,224,116	202,416	772,467	211,559	606,513	12,044,990
Reinsurance ceded	(6,955,216)	(618,116)	(186,170)	(605,809)	(191,738)	(509,020)	(9,066,069)
Excess of loss reinsurance cost	(71,296)	(78,929)	-	(2,512)	(14,577)	-	(167,314)
Net premiums written	1,407	2,527,071	16,246	164,146	5,244	97,493	2,811,607
Changes in unearned premiums, net	(409)	(85,547)	118	9,831	(934)	5,894	(71,047)
Net Premiums Earned	998	2,441,524	16,364	173,977	4,310	103,387	2,740,560
Commission income	352,238	200,487	20,981	34,194	64,056	99,261	771,217
Commission expense	(95,141)	(282,664)	(2,767)	(21,089)	(25,742)	(38,231)	(465,634)
Claims expense	6,996	(1,724,288)	(114)	(80,327)	(542)	(18,651)	(1,816,926)
Management expenses	(17,084)	(1,114,359)	(318)	(61,256)	(5,801)	(28,954)	(1,227,772)
Segment results	248,007	(479,300)	34,146	45,499	36,281	116,812	1,445
Unallocated income -							
Investment income							293,886
Finance charge							(14,642)
Other income							95,536
							376,280
Depreciation and amortisation-							(116,744)
Profit before tax							259,536
Taxation							(65,724)
Net profit							193,812

Total capital expenditure was as follows:

	2021 $'000	**2020 $'000**
Property, plant and equipment	127,134	151,819
Intangible assets	536	7,006
	127,670	158,825

Assets, liabilities and capital expenditure are not reported by segment to the Board of Directors.

9. Related Party Transactions and Balances

(a) Related party transactions are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Dividend income				
Subsidiary	-	-	-	103,563
Affliliated companies	18,822	14,261	18,822	14,262
	18,822	14,261	18,822	117,825
Interest income -				
Fellow subsidiary	10,609	6,484	10,609	6,484
Parent	6,232	5,245	6,232	5,245
	16,841	11,729	16,841	11,729
Rental and lease payments-				
Affiliated company	38,803	35,458	38,803	35,458
Premium income -				
Key management	2,042	2,269	2,042	2,269
Parent company	22,053	32,199	22,053	32,199
Fellow subsidiaries	547,207	466,615	547,207	466,615
Affiliates	69,188	20,853	69,188	20,853
	640,490	521,936	640,490	521,936
Claims expense -				
Parent company	650	736	650	736
Fellow subsidiaries	21,992	11,892	21,992	11,892
Affiliates	3,098	2,056	3,098	2,056
	28,710	14,684	28,710	14,684
Dividends declared -				
Key management	2,217	2,586	2,217	2,586
Parent company	157,360	178,134	157,360	178,134
	159,577	180,720	159,577	180,720
Key management compensation -				
Salaries and other short-term benefits	305,374	252,220	257,534	208,002
Post employment benefits	12,153	11,316	12,153	11,316
Directors emoluments				
Directors' emoluments (included above)	107,768	73,013	104,729	70,915
Directors' fees (included above)	4,069	3,128	1,030	1,030

9. Related Party Transactions and Balances (Continued)

(b) The statement of financial position includes the following balances with group companies:

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Due from related parties -				
Subsidiary	-	-	80,449	29,543
Affiliated company	6,083	22,288	6,083	22,710
	6,083	22,288	86,532	52,253
Due from policyholders, brokers and agents -				
Fellow subsidiary	44,865	19,797	44,865	19,797
Parent company	-	7	-	7
Affiliated company	37,018	32,449	37,018	32,449
	81,883	52,253	81,883	52,253
Investment securities -				
Shares in affiliated entities (Note 23)	433,591	392,235	433,591	392,235
Claims liabilities				
Parent company	8,292	15,867	8,292	15,867
Affiliated company	11,337	549	11,337	549
Fellow subsidiary	892,355	54,167	892,355	54,167
	911,984	70,583	911,984	70,583

Included in the investments of the Group are shares in related parties. At 31 December 2021, these shares represented 3.47% of the total assets (2020 – 4.64%).

Affiliates represent companies that are associated with the parent company, which are not subsidiaries of the parent company and also entities over which the directors have significant influence.

No provisions made for receivables from related parties for either year.

10. Claims Expense

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Gross claims expense	3,033,569	2,255,405	2,566,366	1,994,430
Reinsurance share of claims (Note 4(b) (d))	(1,282,209)	(438,479)	(1,237,625)	(431,950)
Net claims expense	1,751,360	1,816,926	1,328,741	1,562,480

Included in Gross claims expense is $1.1 billion paid to related parties most of which have been recovered from reinsurers.

11. Investment Income

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Interest income				
Lease receivable	11,062	4,880	11,062	4,880
Loan due from fellow subsidiary	10,609	6,484	10,609	6,484
Loan due from parent	6,233	5,245	6,233	5,245
Cash and deposits and investment securities	140,080	156,624	103,138	94,561
	167,984	173,233	131,042	111,170
Bond premium amortisation	(965)	(3,381)	(976)	(3,370)
	167,019	169,852	130,066	107,800
Dividend income	18,822	14,299	18,822	117,825
Gain on disposal of investment property	-	33,969	-	
Real estate investment income	11,119	13,628	11,119	13,628
Rental income from investment property	19,981	38,117	19,045	19,688
Revaluation gains on investment property	6,803	21,811	6,803	20,015
Loss allowance reversed on investments	2,782	2,210	-	-
	226,526	293,886	185,855	278,956

12. Other Income

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Foreign exchange gains	102,094	80,841	102,094	82,607
Gain on disposal of property, plant and equipment	6,271	2,490	5,633	2,490
Roadside assistance	36	6,454	-	-
Miscellaneous income	16,190	5,806	(9,429)	4,933
	124,591	95,591	98,298	90,030

13. Expenses by Nature

Management and other expenses by nature are as follows:

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Advertising costs	113,289	80,596	75,429	75,550
Asset tax	13,546	14,564	13,546	14,564
Audit fees	19,957	17,255	10,800	9,800
Bank charges and fees	17,269	12,930	14,399	11,762
Computer expenses	82,038	62,763	70,182	62,071
Directors fees	5,437	3,124	2,430	1,030
Depreciation and amortisation (Note (27,28,31)	157,030	120,451	98,573	83,871
ECL allowance	3,447	7,333	1,831	7,333
Insurance	7,006	6,370	5,104	4,583
Irrecoverable VAT	16,066	10,011	1,215	615
Other operating expenses	85,362	38,691	45,801	34,930
Professional fees	79,335	45,480	45,890	31,681
Printing and stationery	21,478	19,463	13,559	13,848
Registration fees	36,224	24,848	30,054	19,843
Rent	1,414	709	2,316	444
Repairs and maintenance	61,189	49,903	57,972	47,674
Roadside assistance	28,155	23,384	-	-
Security	12,222	8,649	4,667	6,056
Staff costs (Note 14)	927,913	752,010	709,040	590,758
Transportation expenses	4,753	8,059	4,754	4,175
Utilities	54,446	37,923	31,328	30,183
	1,747,576	1,344,516	1,238,890	1,050,771

14. Staff Costs

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Wages and salaries	726,755	600,949	555,826	457,313
Statutory contributions	59,420	50,340	50,390	43,004
Pension costs	14,980	13,699	14,620	13,164
Other	126,758	87,022	88,204	77,277
	927,913	752,010	709,040	590,758

15. Taxation

(a) The company's shares were listed on the Junior Market of the Jamaica Stock Exchange, effective 21 September 2011. Consequently, the company is entitled to a remission of tax for ten (10) years in the proportions set out below, provided the shares remain listed for at least 15 years:

Years 1 to 5	100%
Years 6 to 10	50%

The financial statements have been prepared on the basis that the company will have the full benefit of the tax remissions. Subject to agreement with the Minister of Finance and Planning, the income tax payable for which remission has been granted is $102,978,000 (2020 - $66,441,000,000).

As a result of the above, the tax rate for the company up to the 21 September 2022 was 16.67% and 33.33% for the rest of the year.

(b) Taxation is based on the profit for the year adjusted for taxation purposes and represents income tax at 16.67% - 33 ⅓%:

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Current income tax	97,857	72,607	91,306	66,440
Deferred income tax (Note 32)	12,602	(6,883)	14,127	(5,357)
	110,459	65,724	105,433	61,083

(c) The tax charge on the Group's profit differs from the theoretical amount that would arise using the statutory tax rate as follows:

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Profit before tax	259,695	259,536	606,586	454,487

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Tax calculated at applicable tax rate	130,847	114,575	202,195	151,492
Adjusted for the effects of:				
Income tax remission	(102,978)	(66,441)	(102,978)	(66,441)
Income not subject to tax	(19,573)	(54,551)	-	(41,193)
Expenses not deductible for tax	11,391	19,075	7,231	12,295
Unutilised tax losses	86,762	43,499	-	-
Net effect of other charges and allowances	4,010	9,567	1,015	(4,930)
	110,459	65,724	105,433	61,083

16. Earnings Per Share

The calculation of earnings per share is based on the net profit for the year and 1,031,250,000 ordinary shares in issue.

	2021	2020
Net profit from continuing operations attributable to owners ($'000)	254,750	242,503
Weighted average number of ordinary shares in issue ('000)	1,031,250	1,031,250
Earnings per share ($)	0.25	0.24

The net profit and retained earnings of the Group are reflected in the accounts of the company and its subsidiaries as follows:

Net profit

	2021 $'000	2020 $'000
Company	501,153	393,404
Subsidiaries	(351,917)	(199,592)
	149,236	193,812

Retained earnings.

	2021 $'000	2020 $'000
Company	2,153,512	1,849,060
Subsidiaries	(283,885)	(37,482)
	1,869,627	1,811,578

17. Dividends per Share

The dividends paid in 2021 and 2020 were as follows:

	2021 $'000	2020 $'000
Interim dividends: -		
19.07 cents per stock unit – December 2021	196,701	-
21.59cents per stock unit – December 2020	-	222,668
	196,701	222,668

18. Cash and Cash Equivalents

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Cash and bank balances	1,312,639	500,162	675,772	317,080
Short-term deposits	131,544	256,386	8,850	135,884
	1,444,183	756,548	684,622	452,964

18. Cash and Cash Equivalents (Continued)

Short term deposits comprise term deposits and repurchase agreements with an average maturity of 90 days (2020 – 90 days) and include interest receivable of $245,000 (2020 – $644,000).

The weighted average effective interest rate on short term investments and deposits were as follows:

	The Group		The Company	
	2021	2020	2021	2020
	%	%	%	%
US$	2.20	2.20	2.20	2.20

The weighted average effective interest rates on cash balances for the year were as follows:

	The Group		The Company	
	2021	2020	2021	2020
	%	%	%	%
BB$	0.5	0.5	0.5	0.5
J$	1.0	1.0	1.0	1.0

19. Due from Reinsurers and Coinsurers

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Reinsurers' portion of unearned premium	996,977	925,356	937,670	907,621
Reinsurers' portion of claims liabilities	1,693,201	960,838	1,609,542	829,802
Other amounts recoverable from reinsurers and coinsurers	590,730	416,055	581,883	510,577
	3,280,908	2,302,249	3,129,095	2,248,000

20. Other Receivables

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Prepayments	99,609	82,523	93,144	80,437
Other receivables	758,424	161,052	723,076	150,257
	858,033	243,575	816,220	230,694

Included in other receivables are amounts due from third parties that are fully collaterised.

21. Loans receivables

	The Group	
	2021	**2020**
	$'000	**$'000**
Mortgage loan	244,188	251,464
Current portion of loan receivable	62,550	18,004
Non-current portion.	181,638	233,460
	244,188	251,464

This is a mortgage loan secured on property located at 120 and 122 Eastern Main Road, Barataria and repayable by fixed monthly instalments over a period twelve (12) years with the following terms and conditions:

(i) Variable interest rate based on commercial banks' average lending rate as published by the Central Bank of Trinidad and Tobago with a floor of 5% adjustable at each anniversary date. The initial interest rate is 7%.

(ii) Balloon repayment of capital from the assignment of monies due and payable under the share purchase agreement on the acquisition of subsidiary.

(iii) Assignment of insurance policy on property.

22. Lease receivables

	The Group and Company	
	2021	2020
	$'000	$'000
Gross investment in finance leases		
Not later than one year	23,410	23,410
Later than one year and not later than five year	64,888	87,787
	88,298	111,197
Less: Unearned income	(20,978)	(32,040)
	67,320	79,157
Net investment in finance leases may be classified as follows:		
Note later than one year	14,336	12,348
Later than one year and not later than five years	52,984	66,809
	67,320	79,157

23. Investment Securities

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Debt securities -				
At amortised cost:				
Government Jamaica Securities	31,717	31,717	31,717	31,717
Government of Trinidad and Tobago	308,669	1,105,016	-	-
Certificate of Deposits	1,639,725	2,209,595	1,193,956	1,951,628
United States Dollar Long Term Deposits	106,926	160,882	106,926	160,882
United States Dollar Corporate Bonds	230,061	98,538	230,061	98,538
Other Government Securities	302,683	122,400	306,786	122,400
	2,619,781	3,728,148	1,869,446	2,365,165
Interest receivable	30,319	46,071	26,216	41,232
Equity investments at fair-value through OCI	451,567	436,567	447,709	432,913
	3,101,667	4,210,786	2,343,371	2,839,310

23. Investment Securities (Continued)

Weighted average effective interest rate:	The Group		The Company	
	2021	2020	2021	2020
	%	%	%	%
Government of Jamaica Securities	4.11	4.11	4.11	4.11
Government of Trinidad and Tobago	5.25	5.25	-	-
Certificate of Deposits	3.45	3.45	4.05	3.45
United States Long Term Deposits	3.11	3.11	3.33	3.11
United States Dollar Corporate Bonds	7.00	7.00	7.0	7.00
Other Government Securities	4.43	4.43	4.38	4.43

Included in investments are Government of Jamaica securities valued at $18,000,000 and a Certificate of Deposit for $30,000,000.00 (2020 - $48,000,000) which have been pledged with the FSC, pursuant to Section 8(1)(b) of the Insurance Regulations, 2001.

Bonds, securities, and other investments are pledged with the Inspector of Financial Institutions amounted to TT$60,076,997 (2020 - TT$89,422,848)

Investments pledged with the Barbados FSC, pursuant to Exempt Insurance Act amounted to BBD $250,0000.

The Group's holdings in equity investments for 2021 and 2020 includes investment in affiliated companies (Note 9).

24. Investment in Subsidiaries

	The Company	
	2021	2020
	$'000	$'000
General Accident Insurance (Trinidad and Tobago) Limited (formerly Motor One Insurance Company Limited) – (65% - 2020 (55%) 426,322 – (2020 - 360,374 Ordinary shares)	393,012	393,012
General Accident Insurance (Barbados) Limited 2,400,000 Ordinary shares	165,893	165,893
	558,905	558,905

25. Investment Property

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
At 1 January	315,048	519,216	255,938	229,800
Additions	2,259	6,123	2,259	6,123
Disposal	-	(264,789)		-
Revaluation (credited to profit or loss) (Note 11)	6,803	21,811	6,803	20,015
Translation differences	4,039	32,687	-	-
At 31 December	328,149	315,048	265,000	255,938

Property income and direct expenses including repairs and maintenance in relation to investment properties are as follows:

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Rental income	19,976	38,117	19,045	19,688
Direct costs	(11,732)	(9,021)	(11,732)	(9,021)

The properties of the Group were valued at current market value as at November 2020 by Bhanmati Seecharan in Trinidad and in December 2021 by NAI Jamaica Langford and Brown in Jamaica. Both parties are independent qualified property appraisers and valuators. The values for the properties have been established using the sales comparison method, which considers the values of similar properties in and around surrounding areas.

The valuation of investment property have been classified as Level 3 of the fair value hierarchy under IFRS 13, *Fair Value Measurement*. The valuations have been performed using a comparable sales approach but, as there have been a limited number of similar sales in the location, unobservable inputs determined based on the valuators' judgement regarding size, age, condition were utilised.

26. Real Estate Investment

	The Group and Company	
	2021	2020
	$'000	$'000
At 1 January	212,329	193,633
Revaluation (charged to other comprehensive income)	(22,417)	18,696
Closing	189,912	212,329

This represents the Group's beneficial interest in a property which is leased to third parties and held in trust for a group of investors under a Trust Deed managed by Scotia Investments Jamaica Limited.

Rental income from the real estate investment for the year was $11,119,000 (2020 - $13,628,000).

The property was last valued at current market value in December 2020 by NAI Jamaica Langford and Brown, independent qualified property appraisers and valuators.

The fair value of the investment is at level 3 in the fair value hierarchy, as is consistent with the requirements of IFRS 13 (Note 6).

27. Property, Plant and Equipment

	The Group				
	Land and Buildings	Furniture, Fixtures & Equipment	Motor Vehicles	Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000
Cost -					
At 1 January 2020	472,787	188,898	128,882	2,367	792,934
Transfer to intangible assets		(16,353)	- -	-	(16,353)
Transfers work-in-progress	2,367	-	-	(2,367)	-
Additions	19,493	89,879	23,264	19,043	151,679
Write-off	(1,430)	(66,798)	(17,777)	-	(86,005)
Disposals	-	(203)	(106,134)	-	(106,337)
Adjustment	48	(20)	-	-	28
Translation differences	25,428	5,594	170	-	31,192
At 31 December 2020	518,693	200,997	28,405	19,043	767,138
Transfers	33,531		-	(33,531)	-
Additions	24,414	80,136	9,155	13,429	127,134
Disposals	-	(3,318)	(4,165)	-	(7,483)
Translation differences	25,334	8,783	2,130	1,059	37,306
At 31 December 2021	601,972	286,598	35,525	-	924,095
Depreciation -					
At 1 January 2020	29,163	112,580	76,757	-	218,500
Transfer to intangible asset	-	(12,287)	-	-	(12,287)
Charge for the year	14,849	21,073	17,083	-	53,005
Write-off	(1,430)	(66,798)	(17,777)	-	(86,005)
Relieved on disposal		(203)	(55,981)	-	(56,184)
Translation differences	422	4,593	170		5,185
At 31 December 2020	43,004	58,958	20,252	-	122,214
Charge for the year	21,201	35,072	3,764	-	60,037
Relieved on disposal	-	-	(3,560)	-	(3,560)
Translation differences	337	2,028	2,131	-	4,496
At 31 December 2021	64,542	96,058	22,587	-	183,187
Net Book Value -					
31 December 2021	537,430	190,540	12,938	-	740,908
31 December 2020	475,689	142,039	8,153	19,043	644,924

27. Property, Plant and Equipment (Continued)

	The Company				
	Land and Buildings	Furniture, Fixtures & Equipment	Motor Vehicles	Work in Progress	Total
	$'000	$'000	$'000	$'000	$'000
Cost -					
At 1 January 2020	141,470	183,901	128,951	2,367	456,689
Additions	11,187	36,768	23,264	-	71,219
Disposal	-	(203)	(106,129)	-	(106,332)
Transfers/Reclassification (Note 28)	2,367	-		(2,367)	-
Write-off	(1,430)	(66,798)	(17,777)	-	(86,005)
Adjustments	48	(20)	-	-	28
At 31 December 2020	153,642	153,648	28,309	-	335,599
Additions	24,391	42,111	3,613	-	70,115
Disposal	-	(3,317)	(4,166)	-	(7,483)
At 31 December 2021	178,033	192,442	27,756	-	398,231
Depreciation -					
At 1 January 2020	37,483	114,784	76,826	-	229,093
Charge for the year	8,304	18,664	17,083	-	44,051
Relieved on disposal	-	(203)	(55,981)	-	(56,184)
Write-off	(1,430)	(66,798)	(17,777)	-	(86,005)
Adjustment	16	(2,921)	-	-	(2,905)
At 31 December 2020	44,373	63,526	20,151	-	128,050
Charge for the year	9,172	26,424	3,672	-	39,268
Disposals	-	(1,327)	(3,560)	-	(4,887)
At 31 December 2021	53,545	88,623	20,263	-	162,431
Net Book Value -					
31 December 2021	124,488	103,819	7,493	-	235,800
31 December 2020	109,269	90,122	8,158	-	207,549

28. Intangible Assets

	The Group					
	Renewal Rights	**Distribution Relationships**	**Licence**	**Website**	**Computer Software**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At Cost -						
At 1 January 2020	38,221	12,070	142,826	9,462	86,373	288,952
Transfers	-	-	-	-	16,353	16,353
Additions	-	-	-	-	7,006	7,006
Translation differences					1,612	1,612
At 31 December 2020	38,221	12,070	142,826	9,462	111,344	313,923
Addition	-	-	-	-	479	479
Translation differences	-	-	-	-	1,255	1,255
At 31 December 2021	38,221	12,070	142,826	9,462	113,078	315,657
Amortisation -						
At 1 January 2020	7,644	1,509	-	1,192	82,433	92,778
Transfers	-	-	-	-	12,287	12,287
Charge for the year	7,644	1,509		2,933	2,053	14,139
Translation differences	-	-		-	1,114	1,114
At 31 December 2020	15,288	3,018	-	4,125	97,887	120,318
Charge for the year	7,644	1,509		3,122	2,231	14,506
Translation differences	-	-	-	-	819	819
At 31 December 2021	22,932	4,527	-	7,247	100,937	135,643
Net Book Value -						
31 December 2021	15,289	7,543	142,826	2,215	12,141	180,014
31 December 2020	22,933	9,052	142,826	5,337	13,458	193,605

28. Intangible Assets (Continued)

	The Company		
	Website	Computer Software	Total
	$'000	$'000	$'000
At Cost -			
At 1 January 2020	9,462	86,373	95,835
Additions	-	3,025	3,025
At 31 December 2020	9,462	89,398	98,860
Additions	-	-	-
At 31 December 2021	9,462	89,398	98,860
Amortisation -			
At 1 January 2019	1,192	82,433	83,625
Charge for the year	2,933	1,507	4,440
At 31 December 2019	4,125	83,939	88,065
Charge for the year	3,123	1,050	4,173
At 31 December 2021	7,248	84,989	92,238
Net Book Value -			
31 December 2021	2,214	4,409	6,623
31 December 2020	5,337	5,458	10,795

29. Due to Reinsurers and Coinsurers

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Local reinsurers	208,215	128,429	140,947	107,353
Overseas reinsurers	857,294	826,189	842,388	826,188
	1,065,509	954,618	983,335	933,541

30. Other Liabilities

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Statutory contributions payable	15,957	11,074	9,399	8,561
Accrued expenses	124,184	185,466	95,799	126,973
Sales and premium tax payable	211,692	124,900	203,649	126,549
Other payables	190,747	82,280	94,053	64,496
Deferred consideration	7,064	7,064	7,064	7,064
	549,644	410,784	409,964	333,643

31. Leases

This note provides information for leases where the Group is a lessee.

(a) Right of use assets

	Right of Use-Asset	
	The Group	**The Company**
	$'000	**$'000**
Cost		
1 January 2020	158,827	140,845
Adjustment	-	(228)
Disposal (termination)	(5,148)	(5,148)
Additions	109,352	61,888
1 January 2021	263,031	197,357
Disposal (termination)	(1,382)	(1,382)
Additions	15,023	9,685
Translation	3,125	-
31 December 2021	279,797	205,660
Accumulated Depreciation		
1 January 2020	66,670	54,346
Charge for the year	53,307	35,380
Disposal(termination)	(5,148)	(5,148)
1 January 2021	114,829	84,578
Charge for the year	82,178	55,133
Disposal(termination)	(307)	(307)
Translation difference	933	-
31 December 2021	197,633	139,404
Net Book Value		
31 December 2020	148,202	112,779
31 December 2021	82,164	66,256

31. Leases (Continued)

Amounts recognised in the statement of financial position

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Right-of-use assets				
Motor Vehicles	31,159	48,760	31,159	48,760
Land and buildings	51,005	99,442	35,097	64,019
	82,164	148,202	66,256	112,779
Lease liabilities				
Current	54,040	55,888	60,546	52,185
Non-current	49,167	106,633	24,740	74,594
	103,207	162,521	85,286	126,779

(b) Lease liabilities

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
1 January	162,521	98,015	126,779	92,148
Additions	8,590	109,583	9,685	62,426
Lease payments	(82,921)	(59,788)	(62,600)	(40,741)
Interest on lease liability	7,402	8,428	7,076	6,214
Termination	-	-	(1,095)	-
Foreign exchange translation	7,615	6,283	5,441	6,732
31 December	103,207	162,521	85,286	126,779

(c) Amounts recognised in profit or loss

The statement of profit or loss shows the following amounts relating to right-of-use assets:

	The Group		The Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Depreciation charge of right-of-use assets				
Motor Vehicle	16,526	1,393	16,526	1,393
Land and buildings	65,652	51,914	38,606	33,987
	82,178	53,307	55,132	35,380
Interest expense	7,401	8,428	7,076	6,214

32. Deferred Income Taxes

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 33.33%% (16.67⅓% restricted to 50% based on remission year 5 to 10).

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Deferred income tax assets	3,772	3,166	3,772	3,166
Deferred income tax liabilities	(54,424)	(41,216)	(26,817)	(12,084)
Net liabilities	(50,652)	(38,050)	(23,045)	(8,918)

The net movement on the deferred income tax account is as follows:

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
At the beginning of the year	(38,050)	(44,933)	(8,918)	(14,275)
Profit or loss (Note 15)	(12,602)	6,883	(14,127)	5,357
At end of year	(50,652)	(38,050)	(23,045)	(8,918)

32. Deferred Income Taxes (Continued)

Deferred income tax assets and liabilities are attributable to the following items:

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
Deferred income tax assets	**$'000**	**$'000**	**$'000**	**$'000**
Accelerated depreciation	-	1,878	-	1,878
Accrued vacation	3,772	3,167	3,772	3,167
	3,772	5,045	3,772	5,045

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
Deferred income tax liabilities	**$'000**	**$'000**	**$'000**	**$'000**
Unrealised foreign exchange gains	3,885	3,779	3,885	3,779
Accelerated depreciation	12,794	-	12,794	-
Intangible assets	27,607	29,132	-	-
Interest receivable	10,138	10,184	10,138	10,184
	54,424	43,095	26,817	13,963

The deferred tax movement in the profit or loss comprises the following temporary differences

	The Group		The Company	
	2021	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**
Accelerated depreciation	14,672	9,202	14,672	9,202
Unrealised foreign exchange gains	106	(3,779)	106	(3,779)
Intangible assets	(1,525)	1,526	-	-
Accrued vacation	(605)	1,807	(605)	1,807
Interest receivable	(46)	(1,873)	(46)	(1,873)
	(12,602)	6,883	14,127	5,357

33. Insurance Reserves

(a) These reserves are as follows:

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Gross -				
Unearned premiums	2,705,681	2,402,954	2,226,796	2,172,550
Claims liabilities	4,838,990	3,996,178	3,403,453	2,638,999
Unexpired risk reserve	31,662	18,966	-	-
Unearned commission	235,275	206,631	225,970	202,964
	7,811,608	6,624,729	5,856,219	5,014,513
Recoverable from reinsurers -				
Reinsurers' portion of unearned premiums	(996,977)	(925,356)	(937,670)	(907,621)
Reinsurers' portion of claims liabilities	(1,693,201)	(960,838)	(1,609,542)	(829,802)
	(2,690,178)	(1,886,194)	(2,547,212)	(1,737,423)
Net -				
Unearned premiums	1,708,704	1,477,590	1,289,126	1,264,929
Claims liabilities	3,145,789	3,035,349	1,793,911	1,809,197
Unexpired risk reserve	31,662	18,976	-	-
Unearned commission	235,270	206,597	225,970	202,964
	5,121,425	4,738,512	3,309,007	3,277,090

(b) Claims liabilities comprise:

	The Group		The Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Gross -				
Outstanding claims	3,442,824	2,865,813	2,767,597	2,066,896
IBNR	1,375,793	1,110,043	615,483	551,772
Unallocated loss adjustment expense	20,373	20,331	20,373	20,331
	4,838,990	3,996,187	3,403,453	2,638,999
Recoverable from reinsurers -				
Outstanding claims	1,326,485	661,568	1,252,472	530,532
IBNR	366,716	299,270	357,070	299,270
	1,693,201	960,838	1,609,542	829,802
Net -				
Outstanding claims	2,116,339	2,204,244	1,515,125	1,536,364
IBNR	1,009,077	810,773	258,413	252,502
Unallocated loss adjustment expense	20,373	20,331	20,373	20,331
	3,145,789	3,035,349	1,793,911	1,809,197

33. Insurance Reserves (Continued)

An actuarial valuation was performed to value the policy and claims liabilities of the Group as at 31 December 2021 in accordance with the Insurance Act of Jamaica by the appointed actuary, Josh Worsham, FCAS, MAAA of Mid Atlantic Actuarial. The Insurance Act requires that the valuation be in accordance with accepted actuarial principles. The actuary has stated that his report conforms to the standards of practice as established by the Canadian Institute of Actuaries, with such changes as directed by the Financial Services Commission, specifically, that the valuation of some policy and claims liabilities not reflect the time value of money.

For consistency, the management also performed a valuation for the policy and claim liabilities of the subsidiaries as at 31 December 2021 using the same appointed actuary.

In arriving at his valuation, the actuary employed the Paid Loss Development method, the Incurred Loss Development method, the Bornhuetter-Ferguson Paid Loss method, the Bornhuetter-Ferguson Incurred Loss method and the Frequency-Severity method.

In using the Paid/Incurred Loss Development methods, ultimate losses are estimated by calculating past paid/incurred loss development factors and applying them to exposure periods with further expected paid/incurred loss development. The Bornhuetter-Ferguson Paid/Incurred Loss methods is a combination of the Paid/Incurred Loss Development methods and a loss ratio method; however, these expected losses are modified to the extent paid/incurred losses to date differ from what would have been expected based on the selected paid/incurred loss development pattern. Finally, the Frequency-Severity method is calculated by multiplying an estimate of ultimate claims with an estimate of the ultimate severity per reported claim.

In his opinion dated 5 April 2022 for the Company, the actuary found that the amount of policy and claims liabilities represented in the statement of financial position at 31 December 2021 makes proper provision for the future payments under the Group's policies and meets the requirements of the Insurance Act and other appropriate regulations of Jamaica; that a proper charge on account of these liabilities has been made in profit or loss; and that there is sufficient capital available to meet the solvency standards as established by the Financial Services Commission.

The movement in claims outstanding was as follows:

	The Group		The Company	
	2021 $'000	**2020 $'000**	**2021 $'000**	**2020 $'000**
Net reserves for claims outstanding at beginning of year –				
Gross reserves for claims outstanding	3,996,187	3,841,286	2,638,999	2,260,567
Reinsurance ceded	(960,838)	(692,238)	(829,802)	(692,238)
	3,035,349	3,149,048	1,809,197	1,568,329
Movement during the year –				
Acquisition of outstanding claims		-		
Claims incurred, including IBNR	1,895,641	1,851,057	1,313,454	1,803,348
Claims paid	(3,113,029)	(2,407,858)	(2,566,366)	(1,994,430)
Recovery from reinsurers	1,310,687	438,479	1,237,625	431,950
Translation differences on foreign currency claims	17,141	4,623	-	-
	110,440	(113,699)	(15,287)	240,868
Net reserves for claims outstanding at end of year	3,145,789	3,035,349	1,793,910	1,809,197
Reinsurance ceded	1,693,201	960,838	1,609,543	829,802
Gross reserves for claims outstanding at end of year	4,838,990	3,996,187	3,403,453	2,638,999

33. Insurance Reserves (Continued)

Significant delays occur in the notification of claims and a substantial measure of experience and judgement is involved in assessing outstanding liabilities, the ultimate cost of which cannot be known with certainty as at the reporting date. The reserve for claims outstanding is determined on the basis of information currently available; however, it is inherent in the nature of the business written that the ultimate liabilities may vary as a result of subsequent developments.

(c) The movement in unearned premiums for the group and company are as follows:

The Group

	2021			2020		
	Gross	**Reinsurance**	**Net**	**Gross**	**Reinsuranc**	**Net**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 January	2,402,954	(925,356)	1,477,598	2,431,720	(1,040,631)	1,391,089
Premiums written during the year	13,959,807	(10,488,851)	3,470,956	12,044,990	(9,066,069)	2,978,921
Premiums earned during the year	(13,657,080)	10,417,230	(3,239,850)	(12,073,764)	9,181,344	(2,892,420)
	302,727	(71,621)	231,106	(28,774)	115,275	86,501
Balance at 31 December	2,705,681	(996,977)	1,708,704	2,402,946	(925,356)	1,477,590

The movement in unearned premiums for the company is as follows:

The Company

	2021			2020		
	Gross	**Reinsurance**	**Net**	**Gross**	**Reinsurance**	**Net**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 January	2,172,550	(907,621)	1,264,929	2,258,707	(1,040,631)	1,218,076
Premiums written during the year	12,974,308	(10,327,323)	2,646,985	11,592,313	(9,037,477)	2,554,836
Premiums earned during the year	12,920,062	(10,297,274)	2,622,788	11,678,470	(9,170,487)	2,507,983
	54,246	(30,049)	24,197	(86,157)	133,010	46,853
Balance at 31 December	2,226,796	(937,670)	1,289,126	2,172,550	(907,621)	1,264,929

33. Insurance Reserves (Continued)

The gross unearned premium reserve by class of business is as follows:

	The Group		The Company	
	2021 **$'000**	**2020** **$'000**	**2021** **$'000**	**2020** **$'000**
Fire, consequential loss and liability	678,534	622,962	638,324	605,199
Motor	1,857,681	1,611,075	1,429,033	1,400,497
Other	169,471	168,909	159,439	166,854
	2,705,686	2,402,946	2,226,796	2,172,550

34. Share Capital

	2021 **$'000**	**2020** **$'000**
Authorised -		
1,100,000,000 Ordinary shares of no par value		
Issued and fully paid -		
1,031,250,000 Ordinary shares of no par value	470,358	470,358

35. Capital Reserves

	2021 **$'000**	**2020** **$'000**
At beginning of and end of year	152,030	152,030

The capital reserves at year end represent realised surpluses.

36. Property Revaluation Reserve

This represents the unrealised surplus on the revaluation of real estate investment.

37. Fair Value Reserve

This represents the unrealised surplus on the revaluation of investments classified as Fair Value through Other Comprehensive Income (FVOCI).

38. Non-Controlling Interest

	2021 $'000	2020 $'000
Beginning of year	398,489	473,547
Net transactions with NCI		
Purchase of additional shares GENACTT (ii)	-	(41,030)
Investment in GENACBB (iii)	-	40,874
	-	(156)
Dividend	-	(55,765)
NCI share of total comprehensive income	(106,008)	(19,137)
	292,481	398,489

(i) All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.
(ii) In June 2020, the Group acquired an additional 10% of the issued shares of GENACTT for $46,676,000. Immediately prior to the purchase, the carrying value amount of the existing non-controlling interest in GENACTT was $41,030,000. The Group recognised a decrease in NCI of $41,030,000 and a decrease in equity attributable to owners of the parent of $5,646,000.
(iii) This represented the NCI's capital contribution of 20% in GENACBB.

Summarised financial information on subsidiary with material non-controlling interests.

General Accident Insurance Company(Trinidad) Limited (formerly Motor One Limited)

(a) Summarised Statement of Financial Position

	2021 $'000	2020 $'000
Assets	2,297,978	2,507,000
Liabilities	(1,910,513)	(1,725,000)
Net Assets	387,465	782,000

(b) Summarised Statement of Comprehensive Income

	2021 $'000	2020 $'000
Revenue	687,882	477,023
Loss before taxation	(237,829)	(121,424)
Taxation	(6,550)	(4,297)
Loss after tax	(244,379)	(125,721)
Other comprehensive income	(6,206)	78,707
Total Comprehensive Income	(250,585)	(47,014)
Total comprehensive income allocated to non-controlling interest	(87,704)	(14,307)

38. Non-Controlling Interest (Continued)

General Accident Insurance Company (Trinidad) Limited (formerly Motor One Limited)

(c) Summarised Statement of Cash Flows

	2021 $'000	2020 $'000
Cash flows from operating activities		
Cash generated from operations	(190,931)	(774,569)
Income taxes	(10,694)	28,101
Net cash used in operating activities	(201,625)	(746,468)
Net cash generated from investing activities	790,787	957,695
Net cash used in financing activites	**(164,935)**	**(1,215)**
Net increase in cash and cash equivalents	424,227	210,012
Cash and cash equivalents at acquisition date	152,566	39,344
Exchange gains on cash and cash equivalents	2,623	(10,233)
	579,416	239,123

Summarised financial information on subsidiary with material non-controlling interests.

General Accident Insurance Company (Barbados) Limited

(a) Summarised Statement of Financial Position

	2021 $'000	2020 $'000
	$'000	$'000
Assets	444,439	275,091
Liabilities	(355,738)	(94,873)
Net Assets	88,701	180,218

(b) Summarised Statement of Comprehensive Income

	2021 $'000	2020 $'000
Revenue	361.396	65.405
Loss before taxation	(99.909)	(32.311)
Taxation	-	(1,870)
Loss after tax	(99.909)	(34.181)
Other comprehensive income	8.390	10.032
Total Comprehensive Income	**(91.519)**	**(24.149)**
Total comprehensive income allocated to non-controlling interest	(18,304)	(4,830)

38. Non-Controlling Interest (Continued)

General Accident Insurance Company (Barbados) Limited

(c) Summarised Statement of Cash Flows

	2021 $'000	2021 $'000
Cash flows from operating activities		
Cash generated from operations	55,577	(7,908)
Income taxes	-	(1,845)
Net cash generated from operating activities	55,577	(9,753)
Net cash generated from investing activities	(44,669)	(54,009)
Net cash generated by financing activities	(8,842)	205,251
Net increase in cash and cash equivalents	2,066	141,489
Cash and cash equivalents at acquisition date	150,032	-
Exchange gains on cash and cash equivalents	28,047	8,543
	180,145	150,032

39. Pension Scheme

Employees participate in a defined contribution pension scheme operated by a related company, T. Geddes Grant (Distributors) Limited. The scheme is open to all permanent employees, as well as the employees of certain related companies. The scheme is funded by employees' compulsory contribution of 5% of earnings and voluntary contributions up to a further 5%, as well as employer's contribution of 5% of employees' earnings. The scheme is valued triennially by independent actuaries. The results of the most recent actuarial valuation, as at 31 December 2018, indicated that the scheme was adequately funded at that date.

Pension contributions for the period totalled $14,980,000 (2020 – $13,699,000) and are included in staff costs (Note 14).

40. Contingency

The Group is involved in certain legal proceedings incidental to the normal conduct of business. Management believes that none of these legal proceedings, individually or in the aggregate, will have a material effect on the Group.

41. Impact of COVID-19

The outbreak of the novel Coronavirus (COVID-19) became a pandemic in March 2021 and has adversely affected the global economy and way of life. The continuous impact of COVID-19 on the company's operations and future financial performance are reviewed periodically by the Board and Management with mitigating strategies implemented to reduce any negative effects. The pandemic and the measures to control its human impact have resulted in disruptions to the Jamaican economic activities, business operations and to the insurance industry. The company continues to review its credit and financial risks while continuing to contain costs and manage cash flows. Management has considered the consequences of COVID-19 pandemic as well as other events and conditions, and it has determined that they do not create additional material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

FORM OF **PROXY**

I/We ____

of ____

being a shareholder(s) of the above-named Company, hereby appoint:

____

of ____

or failing him ____

of ____

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at ***9 am on September 14, 2022, at 58 Half Way Tree Road*** and at any adjournment thereof. I desire this form to be used for/against the resolutions as follows (unless directed the proxy will vote as he sees fit):

No.	Resolution details (tick as appropriate) **ORDINARY RESOLUTIONS**	Vote for or against
1.	To receive the report of the Board of Directors and the audited accounts of the Company for the year ended December 31, 2021.	**For** ☐ **Against** ☐
2.	To authorize the Board of Directors to re-appoint PwC as the Auditors of the Company and to fix their remuneration.	**For** ☐ **Against** ☐

To re-appoint the following Directors of the Board, who have resigned by rotation in accordance with the Articles of Incorporation of the Company and, being eligible, have consented to act on re-appointment.

3. (a)	To re-appoint P. B. Scott as a Director of the Board of the Company.	**For** ☐ **Against** ☐
3. (b)	To re-appoint Melanie Subratie as a Director of the Board of the Company.	**For** ☐ **Against** ☐
3. (c)	To re-appoint Christopher Nakash as a Director of the Board of the company.	**For** ☐ **Against** ☐
4. (a)	To Authorise the Board of Directors to fix the remuneration of the Directors.	**For** ☐ **Against** ☐
5.	To approve the amount of interim dividends declared by the Board during the financial year ended 31st December 2021, being $196,700,624 or 19.074 cent per ordinary share, as the final dividend for the year..	**For** ☐ **Against** ☐

Signed this ____________________ **day of** ____________________ **2022:**

Signed: ____________________________________ **(signature of primary shareholder)**

Signed: ____________________________________ **(signature of joint shareholder, if any)**

Name: ____________________________________ **(print name of primary shareholder)**

Name: ____________________________________ **(print name of joint shareholder, if any)**

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