General Accident Insurance Company Jamaica Limited

Financial Statements
31 December 2024

General Accident Insurance Company Jamaica Limited

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31 December 2024

I have examined the financial condition and valued the policy and claims liabilities of GAICJL for its balance sheet as at December 31, 2024 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 PWC 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:

Liability for Incurred Claims (J$000)	Carried in Annual Return	Actuary's Estimate
Direct unpaid claims and adjustment expenses:	3,446,921	3,462,873
Assumed unpaid claims and adjustment expenses:	0	0
Gross unpaid claims and adjustment expenses:	3,446,921	3,462,873
Ceded unpaid claims and adjustment expenses:	1,106,246	1,083,863
Other amounts to recover:	0	0
Other net liabilities:	0	0
Net unpaid claims and adjustment expenses:	2,340,675	2,379,010

I certify that:

I am a member in good standing with my governing actuarial body, American Academy of Actuaries and comply with its Code of Professional Conduct.

I meet the qualification standards of the Financial Services Commission to value the actuarial reserves and other policy liabilities of GAICJL; and

The valuation of actuarial reserves and other policy liabilities of GAICJL was conducted in accordance with the Insurance Act, 2001 and its regulations, International Financial Reporting Standards, generally accepted actuarial practice in Jamaica and guidelines issued by the Financial Services Commission.

In my opinion the amount of the actuarial reserves and other policy liabilities of GAICJL reported in its annual financial statements prepared in accordance with International Financial Reporting Standards for the year ended December 31, 2024 is appropriate for this purpose and the annual financial statements presents fairly the results of the valuation.

Josh Worsham, FCAS, MAAA — Name of Appointed Actuary

Josh Worsham — Signature of Appointed Actuary

April 25, 2025 — 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 2024, 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 IFRS Accounting Standards 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 2024;
- 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 2024;
- 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, comprising material accounting policy information 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.

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.

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

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.

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 audits were performed on the Company and the subsidiary located in Trinidad and Tobago, which were considered significant due to risk and/or size. An audit of select financial statement line items was performed for the subsidiary located in Barbados. Total audit procedures covered 99% of total assets and 99% of total revenue of the Group.

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 insurance contract liabilities for general insurance contracts (Group and Company) *Refer to notes 2 (v), 4(a),7 and 32 to the consolidated and stand-alone financial statements for disclosures of related accounting policies, judgements and estimates* As at 31 December 2024, insurance contract liabilities amounted to $7.0 billion for the Group and $5.5 billion for the Company. This represented 87% and 85% of total liabilities for the Group and Company, respectively. IFRS 17 requires the use of complex valuation models and assumptions to measure groups of insurance contracts as the total of fulfilment cash flows plus a risk adjustment for non-financial risk and a discount factor. A range of actuarial methods were used to determine these provisions. Management uses qualified external actuaries to assist in determining the valuation of insurance liabilities. We focused on this area due to the significant management judgement over the liabilities for insurance contracts, being: • discount rates; • claims settlement pattern; • risk adjustment for non-financial risk; and • the appropriateness of methodologies used within actuarially determined balances.	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 claims submissions. • Assessed the independence, experience and objectivity of management's actuarial experts. • Performed a methodology and assumptions assessment of management's determination of discount rates and risk adjustment in the actuarial valuation considering market data and component specific facts and circumstances. • Evaluated the suitability of the methodologies and assumptions used in establishing insurance contract liabilities against established actuarial practices, those commonly used in the insurance industry and underlying claims information. • Obtained an understanding of updates made to the actuarial assumptions impacting the forecast future claims cash flows, and evaluated any changes for reasonableness. This included assumptions on discount rates and payment patterns. • Evaluated and tested the reasonableness of the claims settlement pattern by inspecting historical information and sensitised the outputs to evaluate for reasonableness and management bias.

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 Accounting Standards 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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
25 April 2025
Kingston, Jamaica

General Accident Insurance Company Jamaica Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 $'000	2023 $'000
Insurance revenue		11,426,923	8,575,708
Insurance service expense	10	(6,839,471)	(5,637,217)
Net expenses from reinsurance contracts held		(4,338,601)	(2,242,385)
Insurance service results		248,851	696,106
Net Investment Income	11	411,700	340,797
Finance expense from insurance contracts issued		(105,156)	(118,275)
Finance (expense)/income from reinsurance contracts held		(3,068)	20,804
Net insurance and investment results		552,327	939,432
Other operating expenses	13	(497,085)	(486,504)
Other operating income	12	244,426	287,567
Profit before taxation		299,668	740,495
Taxation	15	(51,344)	(192,227)
Profit after taxation		**248,324**	**548,268**
Other Comprehensive Income, net of tax:			
Items that may be subsequently reclassified to profit or loss			
Changes in fair value of FVOCI investments		119,329	(25,107)
Foreign currency translation adjustments		69,422	23,222
Total Other Comprehensive Income		188,751	(1,885)
TOTAL COMPREHENSIVE INCOME		**437,075**	**546,383**
Net Profit Attributable to:			
Owners of General Accident Insurance Company Jamaica Limited		241,333	540,176
Non-controlling interests		6,991	8,092
		248,324	**548,268**
Total Comprehensive Income Attributable to:			
Owners of General Accident Insurance Company Jamaica Limited		412,469	532,386
Non-controlling interests	36	24,606	13,997
		437,075	**546,383**
Earnings per share	16	$0.23	$0.52

General Accident Insurance Company Jamaica Limited

Consolidated Statement of Financial Position

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 $'000	2023 $'000
ASSETS			
Cash and cash equivalents	18	2,146,378	1,079,591
Insurance contract assets	32	-	25,133
Reinsurance contract assets	19	3,050,900	2,040,658
Other receivables	20	1,573,046	1,357,699
Due from related parties	9	7,442	8,334
Loans receivables	21	401,846	126,477
Lease receivables	22	18,891	44,725
Right of use assets	30	192,866	236,801
Investment securities	23	3,232,049	3,167,287
Investment property	25	463,401	433,578
Real estate investment	26	-	228,750
Property and equipment	27	920,356	896,171
Intangible assets	28	166,107	171,835
Taxation recoverable		5,673	2,900
Total assets		**12,178,955**	**9,819,939**
LIABILITIES			
Insurance contract liabilities	32	6,955,179	5,136,524
Reinsurance contract liabilities	19	-	10,012
Lease liabilities	30	217,070	235,713
Taxation payable		99,075	104,895
Deferred tax liabilities	31	43,133	93,598
Other liabilities	29	644,354	231,130
Total liabilities		7,958,811	5,811,872
SHAREHOLDERS' EQUITY			
Share capital	33	470,358	470,358
Capital reserves	34	161,354	161,354
Fair value reserve	35	110,080	(9,249)
Translation reserve		105,837	54,030
Retained earnings		2,984,124	2,967,789
		3,831,753	3,644,282
Non-Controlling Interest	36	388,391	363,785
Total shareholders' equity		**4,220,144**	**4,008,067**
Total liabilities and shareholders' equity		**12,178,955**	**9,819,939**

Approved by the Board of Directors on 25 April 2025, 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 2024

(expressed in Jamaican dollars unless otherwise stated)

	Note	Share Capital $'000	Capital Reserves $'000	Fair Value Reserve $'000	Translation Reserve $'000	Retained Earnings $'000	Non-Controlling Interest $'000	Total $'000
As at 1 January 2023		470,358	161,354	15,858	36,713	2,630,139	349,788	3,664,210
Comprehensive income:								
Net profit for the year		-	-	-	-	540,176	8,092	548,268
Other comprehensive income		-	-	(25,107)	17,317	-	5,905	(1,885)
Total comprehensive income		-	-	(25,107)	17,317	540,176	13,997	546,383
Transactions with owners								
Dividends	17	-	-	-	-	(202,526)	-	(202,526)
Balance at 31 December 2023,		470,358	161,354	(9,249)	54,030	2,967,789	363,785	4,008,067
Comprehensive income:								
Net profit for the year		-	-	-	-	241,333	6,991	248,324
Other comprehensive income		-	-	119,329	51,807	-	17,615	188,751
Total comprehensive income		-	-	119,329	51,807	241,333	24,606	437,075
Transactions with owners								
Dividends	17	-	-	-	-	(224,998)	-	(224,998)
Balance at 31 December 2024		**470,358**	**161,354**	**110,080**	**105,837**	**2,984,124**	**388,391**	**4,220,144**

General Accident Insurance Company Jamaica Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 $'000	2023 $'000
Cash Flows from Operating Activities			
Profit after taxation		248,324	548,268
Adjustments for items not affecting cash:			
Depreciation	27,30	161,526	172,985
Amortisation of intangible assets	28	6,184	14,100
Amortisation of investment premium		(1,253)	(1,958)
Finance charge		13,375	14,326
Gains on revaluation of real estate investment	11	-	(38,838)
Gains on sale of real estate investment		(2,218)	(24,000)
Gains on revaluation of investment property	11	(21,539)	-
Fair value losses on shares classified as FVTPL	11	(17,828)	2,869
Gains on sale of investments	11	(25,353)	-
Interest income	11	(273,555)	(231,914)
Dividend income	11	(298,691)	(27,267)
Gain on disposal of property and equipment	12	-	(1,165)
ECL on debt investments		-	(533)
Current taxation	15	101,809	172,554
Deferred taxation	15	(50,465)	19,673
Foreign exchange gains		(26,030)	(17,234)
		59,015	601,866
Changes in operating assets and liabilities:			
Insurance contract assets		20,063	6,477
Reinsurance contract assets		(1,037,365)	(54,352)
Insurance contract liabilities		1,823,725	293,719
Reinsurance contract liabilities		17,111	(41,296)
Other receivables		(215,347)	(335,680)
Other liabilities		531,696	(111,967)
Due from related parties		892	(285)
Cash generated from operations		1,199,790	358,482
Tax paid		(110,402)	(87,628)
Net cash provided by operating activities		1,089,388	270,854
Cash Flows from Investing Activities			
Investments, net		130,356	179,319
Loans receivable		(275,369)	9,749
Lease receivables		25,834	21,587
Proceeds from disposal of real estate investment		230,969	-
Acquisition of property and equipment	27	(95,189)	(120,599)
Acquisition of investment property		(5,461)	
Acquisition of intangibles	28	-	(19,173)
Proceeds from disposal of property and equipment		-	1,165
Dividend received		28,826	27,267
Interest received		304,452	250,404
Net cash provided by investing activities		344,418	349,719
Sub-total c/f		1,433,806	620,573

General Accident Insurance Company Jamaica Limited

Consolidated Statement of Cash Flows (Continued)

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise stated)

	Note	2024 $'000	2023 $'000
Sub-total b/f		1,433,806	620,573
Cash Flows from Financing Activities			
Lease payments		(59,031)	(110,547)
Dividends paid	17	(224,998)	(202,526)
Net cash used in financing activities		(284,029)	(313,073)
Increase in cash and cash equivalents		1,149,777	307,500
Effect of exchange rate changes on cash and cash equivalents		(82,990)	(14,213)
Cash and cash equivalents at beginning of year		1,079,591	786,304
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	18	2,146,378	1,079,591

General Accident Insurance Company Jamaica Limited

Company Statement of Comprehensive Income

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise stated)

	Note	2024 $'000	2023 $'000
Insurance revenue		8,693,904	6,752,418
Insurance service expense	10	(4,695,658)	(4,295,720)
Net expenses from reinsurance contracts held		(3,830,379)	(1,871,114)
Insurance service results		167,867	585,584
Net investment income	11	363,558	304,129
Finance expense from insurance contracts issued		(95,040)	(92,205)
Finance income from reinsurance contracts held		1,381	18,504
Net insurance and investment results		437,766	816,012
Other operating expenses		(341,631)	(363,796)
Other operating income	12	196,394	252,965
Profit before taxation		292,529	705,181
Taxation	15	(71,232)	(180,744)
Profit after taxation		**221,297**	**524,437**
Other comprehensive income, net of tax:			
Items that may be subsequently reclassified to profit or loss			
Changes in fair value of FVOCI investments		119,329	(25,107)
Total other comprehensive income		119,329	(25,107)
TOTAL COMPREHENSIVE INCOME		**340,626**	**499,330**

General Accident Insurance Company Jamaica Limited

Company Statement of Financial Position

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 $'000	2023 $'000
ASSETS			
Cash and cash equivalents	18	1,239,999	661,040
Reinsurance contract assets	19	2,945,538	1,946,357
Other receivables	20	1,521,759	1,107,581
Due from related parties	9	654,911	273,475
Loans receivables	21	273,522	-
Lease receivables	22	18,891	44,725
Right of use assets	30	169,939	221,785
Investment securities	23	1,990,205	2,024,300
Investment in subsidiary	24	607,517	607,517
Investment property	25	394,000	367,000
Real estate investment	26	-	228,750
Property and equipment	27	390,713	383,237
Intangible assets	28	6,778	8,927
Total assets		**10,213,772**	**7,874,694**
LIABILITIES			
Insurance contract liabilities	32	5,528,916	3,644,825
Taxation payable		99,075	104,851
Other liabilities	29	687,125	293,159
Lease liabilities	30	190,861	217,959
Deferred tax liabilities	31	22,753	44,486
Total liabilities		**6,528,730**	**4,305,280**
SHAREHOLDERS' EQUITY			
Share capital	33	470,358	470,358
Capital reserves		152,030	152,030
Fair value reserve	35	109,228	(10,101)
Retained earnings		2,953,426	2,957,127
Total shareholders' equity		**3,685,042**	**3,569,414**
Total liabilities and shareholders' equity		**10,213,772**	**7,874,694**

Approved by the Board of Directors on 25 April 2025, 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 2024

(expressed in Jamaican dollars unless otherwise stated)

	Note	Share Capital $'000	Capital Reserves $'000	Fair Value Reserve $'000	Retained Earnings $'000	Total $'000
As at 1 January 2023		470,358	152,030	15,006	2,635,216	3,272,610
Comprehensive income:						
Net profit for the year		-	-	-	524,437	524,437
Other comprehensive income		-	-	(25,107)	-	(25,107)
Total comprehensive income		-	-	(25,107)	524,437	499,330
Transactions with owners						
Dividends	17	-	-	-	(202,526)	(202,526)
Balance at 31 December 2023		470,358	152,030	(10,101)	2,957,127	3,569,414
Comprehensive income:						
Net profit for the year		-	-	-	221,297	221,297
Other comprehensive income		-	-	119,329	-	119,329
Total comprehensive income		-	-	119,329	221,297	340,626
Transactions with owners						
Dividends	17	-	-	-	(224,998)	(224,998)
Balance at 31 December 2024		**470,358**	**152,030**	**109,228**	**2,953,426**	**3,685,042**

General Accident Insurance Company Jamaica Limited

Company Statement of Cash Flows

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2024 $'000	2023 $'000
Cash Flows from Operating Activities			
Profit after taxation		221,297	524,437
Adjustments for items not affecting cash:			
Depreciation	27,30	118,969	122,652
Amortisation of intangible assets	28	2,149	3,267
Amortisation of investment premium		(1,253)	(1,958)
Finance charge		11,051	12,206
Gains on revaluation of real estate investment	11	-	(38,838)
Gains on sale of real estate investment		(2,218)	-
Gains on revaluation of investment property	11	(21,539)	(24,000)
Fair value changes on shares classified as FVTPL	11	(17,828)	2,869
Gains on sale of investments	11	(25,353)	-
Interest income	11	(259,418)	(195,247)
Dividend income	11	(28,826)	(27,267)
ECL on debt investments		-	(533)
Current taxation	15	92,965	158,020
Deferred taxation	15	(21,733)	22,724
Foreign exchange losses		79,473	5,347
		147,736	563,679
Changes in operating assets and liabilities:			
Insurance contract assets		-	23,982
Reinsurance contract assets		(999,181)	(4,532)
Insurance contract liabilities		1,884,091	107,046
Reinsurance contract liabilities		-	(27,421)
Other receivables		(414,178)	(228,714)
Other liabilities		417,301	(52,976)
Due from/to related parties		(381,436)	(185,147)
Cash generated from operations		654,333	195,917
Tax paid and deducted at source		(98,740)	(96,015)
Net cash provided by operating activities		555,593	99,902
Cash Flows from Investing Activities			
Investments, net		189,086	400,387
Loans receivable		(273,522)	-
Leases receivable		25,834	21,587
Acquisition of property and equipment	27	(74,519)	(96,344)
Acquisition of investment property		(5,461)	-
Acquisition of intangibles		-	(9,362)
Proceeds from disposal of investment property		230,969	-
Dividend received		28,826	27,267
Interest received		265,004	165,921
Net cash provided by investing activities		386,217	509,456
Sub-total c/f		941,810	609,358

General Accident Insurance Company Jamaica Limited

Company Statement of Cash Flows (Continued)

Year ended 31 December 2024

(expressed in Jamaican dollars unless otherwise stated)

	Note	2024 $'000	2023 $'000
Sub-total b/f		941,810	609,358
Cash Flows from Financing Activities			
Lease payments		(54,863)	(89,279)
Dividends paid	17	(224,998)	(202,526)
Net cash used in financing activities		(279,861)	(291,805)
Increase in cash and cash equivalents		661,949	317,553
Effect of exchange rate changes on cash and cash equivalents		(82,990)	(14,213)
Cash and cash equivalents at beginning of year		661,040	357,700
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (NOTE 18)		**1,239,999**	**661,040**

1. Identification and Activities

General Accident Insurance Company Jamaica Limited (the Company) is incorporated and domiciled in Jamaica and listed on the Jamaica 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 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 are 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 Material 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 and comply with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB). 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 Accounting Standards 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 the year 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.

- **Amendment to IFRS 16, 'Leases' - Leases on sale and leaseback (effective for annual periods beginning on or after 1 January 2024).**
  These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

- **Amendment to IAS 1 – Non-current liabilities with covenants, (effective for annual periods beginning on or after 1 January 2024).**
  These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions

- **Amendment to IAS 7 and IFRS 7, Supplier finance (effective for annual periods beginning on or after 1 January 2024)**
  These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

2. Summary of Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

Accounting pronouncements effective in the year which are relevant to the Group's operations (continued)

Sustainability disclosure standards effective in the current year

- **IFRS S1, General requirements for disclosure of sustainability related financial information and S2, Climate related disclosures (effective for annual periods beginning on or after 1 January 2024)**
  S1 includes the framework for the disclosure of material information about sustainability related risks and opportunities across an entity's value chain. S2 sets out requirements for entities to disclose information about climate-related risks and opportunities. While the standards are effective for periods beginning on or after 1 January 2024, they are subject to endorsements by our local jurisdiction.

The adoption of the above standards and amendments to existing standards did not have a significant impact on the financial statements.

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 2025 or later periods but were not effective at the statement of financial position date. The Group is still assessing the relevance and impact that will arise from adoption of all such new standards, interpretations and amendments and has determined that the following, as shown below, may be immediately relevant to its operations.

- **Amendments to IAS 21 - Lack of exchangeability (effective for annual periods beginning on or after 1 January 2025).**
  An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

- **Amendment to IFRS 9 and IFRS 7 - Classification and measurement of financial instruments (effective for annual periods beginning on or after 1 January 2026)**

  These amendments:
  - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
  - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

General Accident Insurance Company Jamaica Limited

Notes to the Financial Statements

31 December 2024

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Material Accounting Policies (Continued)

(a) Basis of preparation (continued)

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

- **IFRS 18, 'Presentation and Disclosure in Financial Statements'** (effective for annual periods beginning on or after 1 January 2027).
  This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
  - the structure of the statement of profit or loss;
  - required disclosures in the financial statements for certain profit or loss performance
  - measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
  - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

- **IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'** (effective for annual periods beginning on or after 1 January 2027).
  This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.

  A subsidiary is eligible if:
  - it does not have public accountability; and
  - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

  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

2. Summary of Material Accounting Policies (Continued)

(b) Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. 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.

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.

General Accident Insurance Company Jamaica Limited
Notes to the Financial Statements
31 December 2024
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Material 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	Trinidad and Tobago	General Insurance Services	75	25
General Accident Insurance Company (Barbados) Limited	Barbados	General Insurance Services	80	20

In December 2023, the company increased its shareholding in General Accident Insurance Company (Trinidad) Limited (GENACTT) from 65% to 75%.

(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:

Premium income
The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time.

Investment income
Investment income is accounted for on an accruals basis taking into account the effective yield of the asset or an applicable floating rate and is shown net of direct investment expenses incurred in relation thereto. For financial assets in stage 3, interest income is recognised on a net basis, that is interest income will be calculated based on the gross carrying amount of the financial asset less ECL. Dividend income is recognised when the right to receive payment is established in the financial period.

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

2. Summary of Material 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 short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risks of change in value. These are shown at 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, reinsurance assets, loans and other receivables, cash and short term investments, other liabilities and insurance contract 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

IFRS 9 has three classification categories for debt instruments: amortised cost, fair value through other comprehensive income ('FVOCI') and fair value through profit or loss ('FVPL'). Classification under IFRS 9 for debt instruments is based on the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest ('SPPI'). An entity's business model is how an entity manages its financial assets to generate cash flows and create value for the entity. That is, an entity's business model determines whether the cash flows will result from collecting contractual cash flows, selling financial assets or both. If a debt instrument is held to collect contractual cash flows, it is classified as amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held both to collect contractual cash flows and to sell the assets are classified as FVOCI. Under the new model, FVPL is the residual category. Financial assets should therefore be classified as FVPL if they do not meet the criteria of FVOCI or amortised cost.

2. Summary Material Accounting Policies (Continued)

(h) Financial assets (continued)

(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.

(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.

2. Summary Material Accounting Policies (Continued)

(h.) Financial assets (continued)

(iii) Measurement (Continued)

Debt instruments

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans are recognised initially at fair value and are subsequently carried at amortised cost using the effective interest method, less provision for impairment. (See Note 2.f (iv) for the accounting policy on impairment).

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.

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.

(iv) 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.

At initial recognition, allowance (or provision in the case of some loan commitments) is required for ECL resulting from default events that are possible within the next 12 months (or less, where the remaining life is less than 12 months) ('12-month ECL').

In the event of a significant increase in credit risk (SICR), an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL are recognised are defined as 'stage 1'; financial assets which are 30 days past due are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment are defined as being in default or otherwise credit impaired are in 'stage 3'.

To determine whether the life-time credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is available including information from the past and forward-looking information. Factors such as whether payments of principal and interest are in default, an adverse change in credit rating of the borrower and adverse changes in the borrower's industry and economic environment are considered in determining whether there has been a significant increase in the credit risk of the borrower.

2. Summary Material Accounting Policies (Continued)

(h.) Financial assets (continued)

(iii) Impairment (continued)

The Group determines that a financial instrument is credit-impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for 90 days or more.
- There are other indications that the borrower is unlikely to pay such as that a concession has been granted to the borrower for economic or legal reasons relating to the borrower's financial condition.
- The financial asset is otherwise considered to be in default.

Expected credit losses are calculated by multiplying three main components, being the probability of default ("PD"), loss given default ("LGD") and the exposure at default ("EAD"), discounted at the original effective interest rate. Management has calculated these inputs based on the historical experience of the portfolios adjusted for the current point in time.

(i) 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.

(j) 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), less 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 Material Accounting Policies (Continued)

(j) Leases (continued)

Right-of-use assets are measured 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.

(k) Property and equipment

Land is stated at historical cost. All other property and equipment are stated at historical annual 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 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.

(l) 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.

General Accident Insurance Company Jamaica Limited

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Material Accounting Policies (Continued)

(m) 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 policies 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 of these relationships which is approximately 8 years.

Licences

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

(n) 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.

(o) 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 and appreciation is recorded in the statement of comprehensive income.

(p) Other liabilities

Other liabilities are recognised at fair value and subsequently measured at amortised cost.

(q) 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.

2. Summary of Material Accounting Policies (Continued)

(q) Taxation (continued)

(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.

(r) 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.

(s) Dividend distribution
Dividend distribution to the Group'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.

(t) 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.

2. Summary of Material Accounting Policies (Continued)

(u) Insurance and reinsurance contracts classification

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits if the insured event did not occur. Insurance contracts can also transfer financial risk. The Group issues non-life insurance to individuals and businesses. Non-life insurance products offered include property (engineering, fire and homeowners), personal accident, liability, marine and motor. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of policyholder's accident.

The Group also issues reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities.

(v) Insurance and reinsurance contracts accounting treatment

i. Separating components from insurance and reinsurance contracts

The Group assesses its non-life insurance and reinsurance products to determine whether they contain distinct components, the Group applied IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Company's products do not include any distinct components that require separation.

ii. Level of aggregation

IFRS 17 requires a company to determine the level of aggregation for applying its requirements. The Group previously applied aggregation levels under IFRS 4, which were significantly higher than the level of aggregation required by IFRS 17. The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Group identifies a contract as the smallest 'unit', i.e. the lowest common denominator.

However, the Group makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e. legal or management).

The Group has elected to group together those contracts that would fall into different groups only because law or regulation specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics.

The Group applied a full retrospective approach for transition to IFRS 17. The portfolios are further divided by year of issue and profitability for recognition and measurement purposes. Hence, within each year of issue, portfolios of contracts are divided into three groups, as follows:

a. A group of contracts that are onerous at initial recognition
b. A group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently
c. A group of the remaining contracts in the portfolio

2. Summary of Material Accounting Policies (Continued)

(v) Insurance and reinsurance contracts accounting treatment (continued)

ii. Level of aggregation (continued)

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

a. Pricing information
b. Results of similar contracts it has recognised
c. Environmental factors, e.g. a change in the market experience or regulations

The Group divides portfolios of reinsurance contracts held applying the same principles set out above except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

iii. Recognition

The Group recognises groups of insurance contracts it issues from the earliest of the following:

a. The beginning of the coverage period of the group of contracts
b. The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date
c. For a group of onerous contracts, if facts and circumstances indicate that the group is onerous

The Group recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

a. The beginning of the coverage period of the group of reinsurance contracts held. However, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held; and
b. The date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related reinsurance contract held in the group of reinsurance contracts held at or before the date.

The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

iv. Contract boundary

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

2. Summary of Material Accounting Policies (Continued)

(v) Insurance and reinsurance contracts accounting treatment (continued)

iv. Contract boundary (continued)

a. The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or
b. Both of the following criteria are satisfied:
   - The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
   - The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

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2. Summary of Material Accounting Policies (Continued)

(v) Insurance and reinsurance contracts accounting treatment (continued)

v. Measurement – Premium Allocation Approach

	IFRS 17 Options	Adopted Approach
Premium Allocation Approach (PAA) Eligibility	Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 general model	Coverage period for property insurance and liability reinsurance assumed is one year or less and so qualifies automatically for PAA. Both marine and personal accident insurance include contracts with coverage period greater than one year. However, there is no material difference in the measurement of the liability for remaining coverage between PAA and the general model, therefore, these qualify for PAA.
Insurance acquisition cash flows for insurance contracts issued	Where the coverage period of all contracts within a group is not longer than one year, insurance acquisition cash flows can either be expensed as incurred, or allocated, using a systematic and rational method, to groups of insurance contracts (including future groups containing insurance contracts that are expected to arise from renewals) and then amortised over the coverage period of the related group. For groups containing contracts longer than one year, insurance acquisition cash flows must be allocated to related groups of insurance contracts and amortised over the coverage period of the related group	For all business, insurance acquisition cash flows are allocated to related groups of insurance contracts and amortised over the coverage period of the related group.
Liability for Remaining Coverage (LRC), adjusted for financial risk and time value of money	Where there is no significant financing component in relation to the LRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LRC.	For all business, there is no allowance as the premiums are received within one year of the coverage period.
Liability for Incurred Claims, (LIC) adjusted for time value of money	Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	For some claims within the property product line, the incurred claims are expected to be paid out in less than one year. Hence, no adjustment is made for the time value of money. For all other business, the LFIC is adjusted for the time value of money and financial risk related to these cashflows.
Insurance finance income and expense	There is an option to disaggregate part of the movement in LFIC resulting from changes in discount rates and present this in OCI.	For the personal accident product line, the impact on LIC of changes in discount rates will be captured within OCI, in line with the accounting for assets backing this product line. For all other business, the change in LIC as a result of changes in discount rates will be captured within profit or loss.

2. Summary of Material Accounting Policies (Continued)

(v) Insurance and reinsurance contracts accounting treatment (continued)

v. Measurement – Premium Allocation Approach (continued)

(a) Insurance contracts – initial measurement
The Group applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary; or
- For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

(b) Reinsurance contracts held – initial measurement
The Group measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. The Group uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held.

The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

2. Summary of Material Accounting Policies (Continued)

(v) Insurance and reinsurance contracts accounting treatment (continued)

v. Measurement – Premium Allocation Approach (continued)

(c) Insurance contracts – subsequent measurement
The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period
- Minus insurance acquisition cash flows, with the exception of property insurance product line for which the Group chooses to expense insurance acquisition cash flows as they occur
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group, and include an explicit adjustment for non-financial risk (the risk adjustment). The Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

Insurance acquisition cash flows are allocated on a straight-line basis as a portion of premium to profit or loss (through insurance revenue).

(d) Reinsurance contracts held – subsequent measurement
The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Where the Group has established a loss-recovery component, the Group subsequently reduces the loss- recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

2. Summary of Material Accounting Policies (Continued)

(v) Insurance and reinsurance contracts accounting treatment (continued)

v. Measurement – Premium Allocation Approach (continued)

(e) Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

With the exception of the property insurance product line, for which the Group chooses to expense insurance acquisition cash flows as they occur, the Group uses a systematic and rational method to allocate:

- Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:
  - to that group; and
  - to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.
- Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

The asset for insurance acquisition cash flow is derecognised from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

At the end of each reporting period, the Group revises amounts of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect changes in assumptions related to the method of allocation used.

After any re-allocation, the Group assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Group applies:

- An impairment test at the level of an existing or future group of insurance contracts; and
- An additional impairment test specifically covering the insurance acquisition cash flows allocated to expected future contract renewals.

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss.

The Group recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

2. Summary of Material Accounting Policies (Continued)

(v) Insurance and reinsurance contracts accounting treatment (continued)

v. Measurement – Premium Allocation Approach (continued)

(f) Insurance contracts – modification and derecognition
The Group derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired); or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

vi. Presentation
The Group has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts are allocated to the carrying amount of the portfolios of insurance contracts that they relate to.

The Group disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

The Group separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

(a) Insurance revenue
The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

The Group changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

For the periods presented, all revenue has been recognised on the basis of the passage of time.

2. Summary of Material Accounting Policies (Continued)

(v) Insurance and reinsurance contracts accounting treatment (continued)

vi. Presentation (continued)

(b) Loss components
The Group assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the facts and circumstances indicate that a group of insurance contracts is onerous, the Group establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

(c) Loss-recovery components
As described in section 2.(y)(vii)(b) above, where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the expected recovery of the losses.

A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

(d) Insurance finance income and expense
Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Group disaggregates insurance finance income or expenses on insurance contracts issued for its personal accident product line between profit or loss and OCI. The impact of changes in market interest rates on the value of the insurance assets and liabilities are reflected in OCI in order to minimise accounting mismatches between the accounting for financial assets and insurance assets and liabilities. The Group's financial assets backing the personal accident insurance portfolios are predominantly measured FVOCI. For all other business, the Group does not disaggregate finance income and expenses because the related financial assets are managed on a fair value basis and measured at FVPL.

(e) Net income or expense from reinsurance contracts held
The Group presents separately on the face of the statement of profit or loss and other comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Group treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of comprehensive income.

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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.

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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 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.

The Group principally issues the following types of non-life insurance contracts: Engineering; Fire; General Accident; Liability; Marine; and Motor. The most significant risks arise from climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk.

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4. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

The objective of the Group is to ensure that sufficient reserves are available to cover the liabilities associated with these insurance and reinsurance contracts that it issues. The risk exposure is mitigated by diversification portfolios across the insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance held arrangements. Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and promptly settling claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities and pricing appropriately. The Group also purchases reinsurance as part of its risk mitigation programme.

Amounts recoverable from reinsurers are estimated in a manner consistent with underlying insurance contract liabilities and in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance held, to the extent that any reinsurer is unable to meet its obligations. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

The following table show the concentration of net insurance contract liabilities by type of contract:

	The Group					
$'000	**2024**			**2023**		
	Insurance	**Reinsurance held**	**Net**	**Insurance**	**Reinsurance held**	**Net**
Engineering	186,857	90,068	96,789	124,869	159,076	(34,207)
Fire	1,378,761	926,293	452,468	104,649	337,805	(233,156)
General Accident	107,217	52,184	55,033	89,689	79,316	10,373
Liability	183,497	87,102	96,395	291,518	50,346	241,172
Marine	47,737	22,475	25,262	8,878	11,679	(2,801)
Motor	2,760,795	972,357	1,788,438	2,992,591	864,788	2,127,803
Gross amount	4,664,864	2,150,479	2,514,385	3,612,194	1,503,010	2,109,184

	The Company					
$'000	**2024**			**2023**		
	Insurance	**Reinsurance held**	**Net**	**Insurance**	**Reinsurance held**	**Net**
Engineering	172,038	83,367	88,671	123,383	152,344	(28,961)
Fire	1,276,810	624,544	652,266	80,204	298,665	(218,461)
General Accident	101,702	49,290	52,412	87,855	72,839	15,016
Liability	172,472	83,651	88,821	284,275	49,603	234,672
Marine	45,880	22,220	23,660	5,721	11,238	(5,517)
Motor	1,678,018	854,524	823,494	2,019,236	773,430	1,245,806
Gross amount	3,446,920	1,717,596	1,729,324	2,600,674	1,358,119	1,242,555

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, Trinidad and Tobago and Barbados.

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.

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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:

	2024		2023	
	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$1,600	US$8,000	US$1,600
Personal property	US$8,000	US$800	US$8,000	US$800
Engineering	US$8,000	US$250	U$6,500	U$125
Liability	J$40,000	J$40,000	J$93,000	J$7,500
Marine, aviation and transport	US$2,000	US$125	US$2,000	US$125
Motor	J$10,000	J$10,000	J$10,000	J$10,000
Miscellaneous Accident –				
All Risk	J$48,000	J$3,200	J$30,000	J$2,000
Burglary	J$10,000	J$2,000	J$10,000	J$2,000
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$150,000	J$30,000	J$100,000	J$20,000
Goods in Transit	J$7,500	J$1,500	J$7,500	J$1,500
Personal Accident	J$10,000	J$2,000	J$10,000	J$2,000

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4. Insurance and Financial Risk Management (Continued)

	2024		2023	
	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	TT$50,000	TT$5,000
Personal property	TT$50,000	TT$5,000	TT$50,000	TT$5,000
Engineering	TT$54,400	TT$1,700	TT$44,200	TT$850
Liability	TT$7,000	TT$1,600	TT$11,400	TT$1,600
Motor	TT$11,400	TT$1,600	TT$11,400	TT$1,600
Marine, aviation and transport	US$2,000	US$125	US$2,000	US$125
Miscellaneous Accident –				
All Risk	TT$2,010	TT$134	TT$2,010	TT$134
Burglary	TT$435	TT$87	TT$435	TT$87
Cash/Money	TT$335	TT$67	TT$335	TT$67
Fidelity	TT$335	TT$67	TT$335	TT$67
Bonds	TT$2,500	TT$500	TT$2,500	TT$500
Goods in Transit	TT$335	TT$67	TT$335	TT$67
Personal Accident	TT$670	TT$ 134	TT$670	TT$ 134
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$13,000	BB$250	BB$13,000	BB$250
Liability	BB$22,500	BB$150	BB$22,500	BB$150
Motor	BB$22,500	BB$150	BB$22,500	BB$150
Miscellaneous Accident –				
All Risk	BB$600	BB$40	BB$750	BB$50
Burglary	BB$350	BB$50	BB$350	BB$50
Cash/Money	BB$350	BB$50	BB$350	BB$50
Fidelity	BB$140	BB$20	BB$140	BB$20
Bonds	BB$2,000	BB$400	BB$2,000	BB$400
Goods in Transit	BB$140	BB$20	BB$140	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 to underwriting risk variables

The liability for incurred claims is sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The following table presents information on how reasonably possible changes in assumptions made by the Group with regard to how underwriting risk variables impact insurance liabilities before and after risk mitigation by reinsurance contracts held. These contracts are measured under the PAA and, thus, only the LIC component of insurance liabilities is sensitive to possible changes in underwriting risk variables.

	Group		
	LIC as at 31 December 2024	**Impact on LIC**	**Impact on profit before income tax**
	$'000	**$'000**	**$'000**
Liability for incurred claims	4,664,864	-	-
Increase development by 10%	-	155,001	155,001
Decrease development by 10%	-	(123,996)	(123,996)

	Group		
	LIC as at 31 December 2023	**Impact on LIC**	**Impact on profit before income tax**
	$'000	**$'000**	**$'000**
Liability for incurred claims	3,612,194	-	-
Increase development by 10%	-	127,170	127,170
Decrease development by 10%	-	(101,731)	(101,731)

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4. Insurance and Financial Risk Management (Continued)

(a) Insurance risk (continued)

Sensitivity Analysis of Actuarial Liabilities

	Company		
	LIC as at 31 December 2024	Impact on LIC	Impact on profit before income tax
	$'000	$'000	$'000
Liability for incurred claims	3,446,921	-	-
Increase development by 10%	-	119,622	119,622
Decrease development by 10%	-	(95,699)	(95,699)

	Company		
	LIC as at 31 December 2023	Impact on LIC	Impact on profit before income tax
	$'000	$'000	$'000
Liability for incurred claims	2,600,674	-	-
Increase development by 10%	-	90,254	90,254
Decrease development by 10%	-	(72,203)	(72,203)

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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 estimate the ultimate value of claims. The table below illustrates how the Group's estimate of the ultimate claims liability for accident years 2016 - 2023 has changed at successive year-ends, up to 2023. Updated unpaid claims and adjustment expenses (UCAE) and IBNR estimates in each successive year, as well as amounts paid to date are used to derive the revised amounts for the ultimate claims liability for each accident year, used in the development calculations.

		2017	2017 And Prior	2018	2018 and prior	2019	2019 and prior	2020	2020 and prior	2021	2021 and prior	2022	2022 and prior	2023	2023 and prior	2024	2024 and prior
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2017	Paid during year	407,102	1,328,200														
	UCAE, end of year	658,944	2,761,665														
	IBNR, end of year	426,773	1,522,547														
	Ratio: excess (deficiency)	-	-														
2018	Paid during year	419,091	836,990	704,090	1,541,080												
	UCAE, end of year	403,829	2,117,111	702,263	2,819,374												
	IBNR, end of year	251,701	742,960	361,653	1,104,613												
	Ratio: excess (deficiency)	1.02%	13.70%	-	-												
2019	Paid during year	158,262	1,055,380	495,868	1,551,248	642,092	2,193,340										
	UCAE, end of year	258,251	1,039,200	367,971	1,407,171	724,954	2,132,125										
	IBNR, end of year	172,455	446,604	217,437	664,041	352,877	1,016,918										
	Ratio: excess (deficiency)	7.15%	21.15%	-1.63%	7.68%	-	-										
2020	Paid during year	146,510	593,907	146,478	740,385	621,611	1,361,996	677,161	2,039,157								
	UCAE, end of year	244,074	764,994	498,845	1,263,839	498,791	1,762,630	734,770	2,497,400								
	IBNR, end of year	91,988	165,010	148,783	313,793	159,783	473,576	337,154	810,730								
	Ratio: excess (deficiency)	-2.38%	-20.26%	7.15%	-5.22%	18.77%	9.50%	-	-								
2021	Paid during year	100,762	280,184	74,660	354,844	84,965	439,809	577,580	1,017,389	682,569	1,699,958						
	UCAE, end of year	142,130	472,253	265,274	737,527	266,214	1,003,741	461,939	1,465,680	671,032	2,136,712						
	IBNR, end of year	72,837	257,527	120,474	378,001	57,080	435,081	81,527	516,608	392,469	909,077						
	Ratio: excess (deficiency)	-9.03%	-10.21%	-0.31%	-0.86%	-7.64%	-0.36%	4.58%	1.17%	-	-						
2022	Paid during year	13,051	64,033	50,012	114,045	60,930	174,975	141,872	316,847	698,217	1,015,064	753,449	1,768,513				
	UCAE, end of year	100,151	354,808	151,723	506,531	188,318	694,849	289,280	984,129	82,383	1,066,512	1,158,026	2,224,538				
	IBNR, end of year	12,958	18,815	14,542	33,357	22,691	56,048	67,944	123,992	138,806	262,798	387,741	650,539				
	Ratio: excess (deficiency)	52.12%	46.17%	13.83%	18.23%	1.66%	14.01%	-0.44%	19.50%	19.78%	26.04%	-	-				
2023	Paid during year	16,142	71,838	37,324	109,162	55,988	165,150	67,894	233,044	209,818	442,862	778,947	1,221,809	1,157,821	2,379,630		
	UCAE, end of year	63,680	235,236	94,475	329,711	107,919	437,630	146,738	584,368	205,011	789,379	522,375	1,311,754	585,176	1,896,931		
	IBNR, end of year	1,021	8,232	3,330	11,562	7,758	19,320	13,541	32,862	(23.475)	9,387	(23,829)	(14,442)	480,946	466,505		
	Ratio: excess (deficiency)	-5.94%	-6.38%	-3.17%	-1.08%	7.66%	14.10%	4.36%	4.24%	27.34%	17.28%	43.78%	30.24%	-	-		
2024	Paid during year	22,597	64,484	29,120	93,604	36,801	130,405	43,941	174,345	70,175	244,521	208,718	453,239	1,066,833	1,520,072	1,601,831	3,121,903
	UCAE, end of year	27,915	143,912	53,347	197,259	82,863	280,122	99,600	379,722	127,125	506,847	368,456	875,304	557,813	1,433,117	782,369	2,215,486
	IBNR, end of year	6,483	10,232	6,349	16,581	8,289	24,870	22,519	47,389	29,390	76,779	33,214	109,993	66,179	176,172	694,347	870,519
	Effects of discount, risk adj, other end of year	(130)	1,296	(13,742)	(12,445)	(28,818)	(41,263)	(39,026)	(80,289)	(67,057)	(147,346)	(115,185)	(262,531)	(59,280)	(321,811)	(249,809)	(571,620)
	Ratio: excess (deficiency)	-16.11%	-27.15%	-16.05%	-19.03%	-11.73%	-18.16%	-11.06%	-34.44%	6.70%	-24.94%	-10.12%	-7.47%	58.60%	32.41%	-	-

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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 Company's ability to estimate the ultimate value of claims. The table below illustrates how the Company's estimate of the ultimate claims liability for accident years 2016 - 2023 has changed at successive year-ends, up to 2023. Updated unpaid claims and adjustment expenses (UCAE) and IBNR estimates in each successive year, as well as amounts paid to date are used to derive the revised amounts for the ultimate claims liability for each accident year, used in the development calculations.

		2017	2017 and prior	2018	2018 and prior	2019	2019 and prior	2020	2020 and prior	2021	2021 and prior	2022	2022 and prior	2023	2023 And Prior	2024	2024 And Prior
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2017	Paid during year	376,268	970,743														
	UCAE, end of year	491,870	1,201,062														
	IBNR, end of year	128,131	200,680														
	Ratio: excess (deficiency)	-	-														
2018	Paid during year	357,070	560,130	657,745	1,217,875												
	UCAE, end of year	217,186	658,207	610,706	1,268,913												
	IBNR, end of year	39,187	86,903	112,632	199,535												
	Ratio: excess (deficiency)	-9.96%	-12.36%	-	-												
2019	Paid during year	70,661	198,689	391,239	589,928	593,953	1,183,881										
	UCAE, end of year	122,988	376,489	294,613	671,102	693,840	1,364,942										
	IBNR, end of year	7,542	12,289	24,022	36,311	168,069	204,380										
	Ratio: excess (deficiency)	-10.59%	-6.59%	-27.77%	-22.26%	-	-										
2020	Paid during year	29,570	105,613	89,000	194,613	577,520	772,133	619,746	1,391,879								
	UCAE, end of year	97,345	308,058	217,201	525,259	391,730	916,989	631,504	1,548,493								
	IBNR, end of year	2,581	13,413	11,894	25,307	35,763	61,070	191,432	252,502								
	Ratio: excess (deficiency)	2.84%	1.14%	21.11%	14.27%	1.06%	11.53%	-	-								
2021	Paid during year	25,329	74,222	55,988	130,210	132,087	262,297	508,866	771,163	618,721	1,389,884						
	UCAE, end of year	65,004	227,468	144,380	371,848	222,793	594,641	341,734	936,375	599,123	1,535,498						
	IBNR, end of year	6,780	14,440	5,903	20,343	18,887	39,230	34,819	74,049	184,364	258,413						
	Ratio: excess (deficiency)	0.26%	-3.88%	10.92%	5.17%	-9.96%	6.31%	7.59%	-1.08%	-	-						
2022	Paid during year	19,698	58,337	29,065	87,402	46,664	134,066	121,797	255,863	606,318	862,181	586,448	1,448,629				
	UCAE, end of year	43,986	169,879	79,213	249,092	137,917	387,009	201,030	588,039	348,120	936,159	596,050	1,532,209				
	IBNR, end of year	8,393	24,054	15,127	39,181	10,414	49,595	21,422	71,017	38,522	109,538	292,437	401,975				
	Ratio: excess (deficiency)	68.12%	14.44%	27.19%	12.12%	-4.95%	-2.28%	-3.67%	6.38%	26.74%	-6.30%	-	-				
2023	Paid during year	14,558	55,699	26,324	82,023	49,401	131,424	49,447	180,871	191,478	372,349	602,300	974,649	707,382	1,682,031		
	UCAE, end of year	34,277	120,319	61,700	182,019	95,560	277,580	117,245	394,825	184,454	579,279	367,009	946,288	237,359	1,183,647		
	IBNR, end of year	1,021	8,232	3,330	11,562	7,758	19,321	13,541	32,862	(23,475)	9,387	(23,811)	(14,424)	329,326	314,902		
	Ratio: excess (deficiency)	-10.94%	-15.73%	-9.22%	-12.99%	5.46%	1.75%	-1.46%	-9.18%	22.37%	1.63%	6.42%	-1.43%	-	-		
2024	Paid during year	6,393	23,138	21,645	44,783	33,481	78,264	37,743	116,007	65,463	181,470	167,840	349,310	819,266	1,168,576	840,235	2,008,811
	UCAE, end of year	26,731	92,793	47,660	140,453	64,848	205,301	80,749	286,050	116,008	402,058	281,906	683,964	331,609	1,015,573	414,352	1,429,925
	IBNR, end of year	6,483	10,232	6,349	16,581	8,289	24,870	22,519	47,389	28,096	75,485	32,609	108,094	66,061	174,155	439,871	614,026
	Effects of discount, risk adj, other end of year	(72)	714	(7,564)	(6,850)	(15,862)	(22,712)	(21,481)	(44,192)	(36,909)	(81,101)	(63,399)	(144,501)	(32,628)	(177,129)	(137,498)	(314,627)
	Ratio: excess (deficiency)	-10.24%	-15.90%	-7.75%	-12.43%	5.85%	2.49%	-0.22%	-7.98%	28.57%	5.55%	22.08%	9.40%	114.75%	57.37%	-	-

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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:

	Jamaica		Barbados		Trinidad	
Property & Allied Perils	**Ceded**	**Retention**	**Ceded**	**Retention**	**Ceded**	**Retention**
Homeowners	90%	10%	85%	15%	90%	10%
Other Property	80%	20%	85%	15%	90%	10%

(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$125,000.

(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$150,000,000 for any one catastrophic event as defined.

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	
	2024	**2023**	**2024**	**2023**
R & V Reinsurance	-	-	A+	A+
Scor Reinsurance Company	A+	A+	A	A+
Swiss Reinsurance Company	A+	A+	AA-	AA-

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

	Group		Company	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
Engineering	13,442	81,633	11,747	44,986
Fire	171,658	226,285	117,592	194,810
General Accident	(1,495)	41,704	(6,778)	23,005
Liability	6,276	(7,626)	6,276	(10,845)
Marine	31,650	8,415	31,187	3,725
Motor	732,567	681,429	627,917	633,710
	954,098	**1,031,840**	**787,941**	**889,391**

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 reinsurance assets, investment contracts, lease receivables 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) 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.

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4. Insurance and Financial Risk Management (Continued)

(d) Financial risk (continued)

(i) Credit risk (continued)

Credit review process (continued)

(iii) 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:
- 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.

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

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Government of Jamaica	13,717	13,716	13,716	13,716
Government of Trinidad and Tobago	58,582	298,284	-	-
Other Government	-	30,566	-	30,566
Certificate of deposits	2,239,727	1,714,774	1,060,631	874,404
Corporate	108,922	108,066	108,922	108,066
	2,420,948	2,165,406	1,183,269	1,026,752

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.

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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 2024 reconciles to the opening loss allowance on 1 January 2024 as at 31 December 2024 as follows:

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Opening loss allowance as at 1 January	3,190	3,723	3,147	3,680
Decrease in loss allowance recognised in profit or loss in the statement of comprehensive income during the year	-	(533)	-	(533)
Closing loss allowance as at 31 December	3,190	3,190	3,147	3,147

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4. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(i) Credit risk (continued)

Sensitivity analysis

Set out below are the changes in ECL as at 31 December 2024 that would result from a reasonably possible change in the PDs used by the Group:

			Impact on ECL			
31 December 2024			**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%	638	(638)	629	(629)

			Impact on ECL			
31 December 2023			**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%	638	(638)	629	(629)

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.

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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:

				Group			
	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 2024:							
Cash and cash equivalents	1,640,808	486,235	-	-	-	19,335	2,146,378
Reinsurance contract assets	-	-	47,598	-	-	3,003,302	3,050,900
Other receivables	-	-	1,198,114	-	-	374,932	1,573,046
Due from related parties	-	-	-	-	-	7,442	7,442
Loan receivable	-	61,013	16,251	307,591	16,991	-	401,846
Lease receivable	2,381	4,762	11,748	-	-	-	18,891
Investment securities	246,125	134,324	1,114,571	575,363	411,349	750,317	3,232,049
Total financial assets	1,889,314	686,334	2,388,282	882,954	428,340	4,155,328	10,430,552
Other liabilities	-	-	-	-	-	644,354	644,354
Lease liabilities	4,390	9,815	52,633	136,948	-	13,284	217,070
Insurance contract liabilities	-	-	1,258,170	-	-	5,697,009	6,955,179
Total financial liabilities	4,390	9,815	1,310,803	136,948	-	6,354,647	7,816,603
Net Liquidity Gap	1,884,924	676,519	1,077,479	746,006	428,340	(2,199,319)	2,613,949
Cumulative gap	1,884,924	2,561,443	3,638,922	4,384,928	4,813,268	2,613,949	

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Notes to the Financial Statements
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4. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)`

(ii) Liquidity risk (continued)

Liquidity risk management process)

				Group			
	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 2023:							
Cash and cash equivalents	836,745	242,846	-	-	-	-	1,079,591
Reinsurance contract assets	94,163	587,534	1,358,961	-	-	-	2,040,658
Insurance contract assets	12,246	829	12,058	-	-	-	25,133
Other receivables	38,074	5,036	984,046	-	-	232,867	1,260,023
Due from related parties	-	-	-	-	-	8,334	8,334
Loan receivable	737	1,453	6,193	22,270	95,824	-	126,477
Lease receivable	6,405	6,461	24,827	9,525	-	-	47,218
Real estate investment	-	-	-	-	-	228,750	228,750
Investment securities	206,437	177,591	614,982	975,928	262,280	976,286	3,213,504
Total financial assets	1,194,807	1,021,750	3,001,067	1,007,723	358,104	1,446,237	8,029,688
Other liabilities	-	-	-	-	-	231,130	231,130
Lease liabilities	2,797	4,701	44,183	204,690	-	-	256,371
Insurance contract liabilities	1,126,267	99,265	1,108,954	2,802,038	-	-	5,136,524
Reinsurance contract liabilities	462	2,883	6,667	-	-	-	10,012
Total financial liabilities	1,129,526	106,849	1,159,804	3,006,728	-	231,130	5,634,037
Net Liquidity Gap	65,281	914,901	1,841,263	(1,999,005)	358,104	1,215,107	2,395,651
Cumulative gap	65,281	980,182	2,821,445	822,440	1,180,544	2,395,651	

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(expressed in Jamaican dollars unless otherwise indicated)

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 2024:							
Cash and cash equivalents	753,764	486,235					1,239,999
Reinsurance contract assets	-	-	-	-	-	2,945,538	2,945,538
Other receivables	-	-	1,198,114			323,645	1,521,759
Due from related parties						654,911	654,911
Loans receivable		61,013		212,509			273,522
Lease receivable	2,381	4,762	11,748	-		-	18,891
Investment securities	246,125	134,324	705,934	139,046	14,459	750,317	1,990,205
Total financial assets	1,002,270	686,334	1,915,796	351,555	14,459	4,674,411	8,644,825
Other liabilities	-	-	-	-	-	687,125	687,125
Lease liabilities	4,390	9,815	39,708	136,948	-	-	190,861
Insurance contract liabilities	-	-	-	-	-	5,528,916	5,528,916
Total financial liabilities	4,390	9,815	39,708	136,948	-	6,216,041	6,406,902
Net Liquidity Gap	997,880	676,519	1,876,088	214,607	14,459	(1,541,630)	2,237,923
Cumulative gap	997,880	1,674,399	3,550,487	3,765,094	3,779,553	2,237,923	

General Accident Insurance Company Jamaica Limited

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4. Insurance and Financial Risk Management (Continued)

(d) 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 2023:							
Cash and cash equivalents	513,167	147,873	-	-	-	-	661,040
Reinsurance contract assets	89,812	560,383	1,296,162	-	-	-	1,946,357
Other receivables	8,030	5,036	984,046	-	-	19,362	1,016,474
Due from related parties	-	-	-	-	-	273,475	273,475
Lease receivable	6,405	6,461	24,827	9,525	-	-	47,218
Real estate investment	-	-	-	-	-	228,750	228,750
Investment securities	196,120	157,423	607,743	121,275	16,003	971,953	2,070,517
Total financial assets	813,534	877,176	2,912,778	130,800	16,003	1,493,540	6,243,831
Other liabilities	180,541	14,911	97,707	-	-	-	293,159
Lease liabilities	285	285	34,305	213,682	-	-	248,557
Insurance contract liabilities	799,188	70,437	786,902	1,988,298	-	-	3,644,825
Total financial liabilities	980,014	85,633	918,914	2,201,980	-	-	4,186,541
Net Liquidity Gap	(166,480)	791,543	1,993,864	(2,071,180)	16,003	1,493,540	2,057,290
Cumulative gap	(166,480)	625,063	2,618,927	547,747	563,750	2,057,290	-

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.

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.

General Accident Insurance Company Jamaica Limited

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4. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market 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 2024:					
Financial Assets					
Cash and cash equivalents	774,414	461,673	480,812	429,479	2,146,378
Reinsurance contract assets	-	-	3,050,900	-	3,050,900
Other receivables	1,508,013	2,235	43,073	19,725	1,573,046
Loan receivables	273,522	128,324	-	-	401,846
Lease receivables	18,891	-	-	-	18,891
Due from related parties	7,442	-	-	-	7,442
Investment securities	1,628,987	1,474,207	128,855	-	3,232,049
Total financial assets	4,211,269	2,066,439	3,703,640	449,204	10,430,552
Financial Liabilities					
Other liabilities	551,507	45,347	6,593	40,907	644,354
Lease liabilities	-	12,925	190,861	13,284	217,070
Insurance contract liabilities	5,528,916	1,258,170	-	168,093	6,955,179
Total financial liabilities	6,080,423	1,316,442	197,454	222,284	7,816,603
Net financial position	(1,869,154)	749,997	3,506,186	226,920	2,613,949

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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$'000**	**BBD J$'000**	**Total J$'000**
At 31 December 2023:					
Financial Assets					
Cash and cash equivalents	384,445	230,435	317,055	147,656	1,079,591
Reinsurance contract assets	1,946,357	34,800	-	59,501	2,040,658
Insurance contract assets	-	21,030	-	4,103	25,133
Other receivables	1,176,359	10,168	43,073	30,423	1,260,023
Loan receivables	-	126,477	-	-	126,477
Lease receivables	44,725	-	-	-	44,725
Due from related parties	8,334	-	-	-	8,334
Real estate investment	228,750	-	-	-	228,750
Investment securities	1,557,365	1,219,300	390,622	-	3,167,287
Total financial assets	5,346,335	1,642,210	750,750	241,683	7,980,978
Financial Liabilities					
Reinsurance contract liabilities	-	304	-	9,708	10,012
Other liabilities	153,962	70,658	-	6,510	231,130
Due to related parties	-	-	-	-	-
Lease liabilities	-	13,561	217,959	4,193	235,713
Insurance contract liabilities	3,644,825	1,356,725	-	134,974	5,136,524
Total financial liabilities	3,798,787	1,441,248	217,959	155,385	5,613,379
Net financial position	1,547,548	200,962	532,791	86,298	2,367,599

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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:

	Company				
	Jamaican$ J$'000	**US$ J$'000**	**TT$ J$'000**	**BB$ J$'000**	**Total J$'000**
At 31 December 2024:					
Financial Assets					
Cash and cash equivalents	774,415	-	465,584	-	1,239,999
Reinsurance contract assets	-	-	2,945,538	-	2,945,538
Other receivables	1,478,686	-	43,073	-	1,521,759
Loans receivable	273,522	-	-	-	273,522
Lease receivables	18,891	-	-	-	18,891
Due from related parties	7,443	13,769	383,497	250,202	654,911
Investment securities	1,628,987	232,363	128,855	-	1,990,205
Total financial assets	4,181,944	246,132	3,966,547	250,202	8,644,825
Financial Liabilities					
Other liabilities	680,532	-	6,593	-	687,125
Lease liabilities	-	-	190,861	-	190,861
Insurance contract liabilities	5,528,916	-	-	-	5,528,916
Total financial liabilities	6,209,448	-	197,454	-	6,406,902
Net financial position	(2,027,504)	246,132	3,769,093	250,202	2,237,923

General Accident Insurance Company Jamaica Limited

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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:

	Company				
	Jamaican$ J$'000	**US$ J$'000**	**TT$ J$'000**	**BB$ J$'000**	**Total J$'000**
At 31 December 2023:					
Financial Assets					
Cash and cash equivalents	384,445	276,595	-	-	661,040
Reinsurance contract assets	1,946,357	-	-	-	1,946,357
Other receivables	973,401	43,396	-	-	1,016,797
Lease receivables	44,725	-	-	-	44,725
Due from related parties	8,334	234,376	17,702	13,063	273,475
Real estate investment	228,750	-	-	-	228,750
Investment securities	1,557,365	390,622	76,313	-	2,024,300
Total financial assets	5,143,377	944,989	94,015	13,063	6,195,444
Financial Liabilities					
Other liabilities	293,159	-	-	-	293,159
Lease liabilities	-	217,959	-	-	217,959
Insurance contract liabilities	3,644,825	-	-	-	3,644,825
Total financial liabilities	3,937,984	217,959	-	-	4,155,943
Net financial position	1,205,393	727,030	94,015	13,063	2,039,501

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.

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4. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)

Foreign currency sensitivity

	The Group			
	% Change in Currency Rate 2024	Increase/ (decrease) in Pre-tax Profit 2024 $'000	% Change in Currency Rate 2023	Increase/ (decrease) in Pre-tax Profit 2023 $'000
USD – J$ Revaluation	1%	(35,228)	1%	(5,328)
USD – J$ Devaluation	4%	140,913	4%	21,312
TT – J$ Revaluation	4%	(31,531)	4%	(8,038)
TT – J$ Devaluation	6%	47,296	6%	12,058

	The Company			
	% Change in Currency Rate 2024	Increase/ (decrease) in Pre-tax Profit 2024 $'000	% Change in Currency Rate 2023	Increase/ (decrease) in Pre-tax Profit 2023 $'000
USD – J$ Revaluation	1%	(37,691)	1%	(7,267)
USD – J$ Devaluation	4%	150,764	4%	29,068
TT – J$ Revaluation	4%	(9,861)	4%	(3,761)
TT – J$ Devaluation	6%	14,791	6%	5,641
BB – J$ Devaluation	4%	(10,008)	4%	(523)
BB – J$ Devaluation	6%	15,012	6%	784

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.

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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 2024:							
Cash and cash equivalents	1,561,813	584,565	-	-	-	-	2,146,378
Reinsurance contract assets	-	-	-	-	-	3,050,900	3,050,900
Other receivables	47,129	-	1,156,422	-	-	369,495	1,573,046
Due from related parties	-	-	-	-	-	7,442	7,442
Loan receivables	-	-	-	-	128,324	273,522	401,846
Lease receivable	2,381	4,762	11,748	-	-	-	18,891
Investment securities	239,041	130,453	709,080	898,079	475,635	779,761	3,232,049
Total financial assets	1,850,364	719,780	1,877,250	898,079	603,959	4,481,120	10,430,552
Other liabilities	-	-	-	-	-	644,354	644,354
Lease liabilities	3,694	8,368	53,986	151,022	-	-	217,070
Insurance contract liabilities	-	-	-	-	-	6,955,179	6,955,179
Total financial liabilities	3,694	8,368	53,986	151,022	-	7,599,533	7,816,603
Total interest repricing gap	1,846,670	711,412	1,823,264	747,057	603,959	(3,118,413)	2,613,949
Cumulative gap	1,846,670	2,558,082	4,381,346	5,128,403	5,732,362	2,613,949	

	The Group						
At December 2023							
Cash and cash equivalents	836,745	242,846	-	-	-	-	1,079,591
Reinsurance contract assets	-	-	-	-	-	2,040,658	2,040,658
Insurance contract assets	-	-	-	-	-	25,133	25,133
Other receivables	38,428	5,005	907,609	-	-	308,981	1,260,023
Due from related parties	-	-	-	-	-	8,334	8,334
Loan receivables	737	1453	6,193	22,270	95,824	-	126,477
Lease receivable	6,062	5,860	23,434	9,369	-	-	44,725
Real estate investment	-	-	-	-	-	228,750	228,750
Investment securities	200,047	173,398	596,116	962,163	263,610	971,953	3,167,287
Total financial assets	1,082,019	428,562	1,533,352	993,802	359,434	3,583,809	7,980,978
Reinsurance contract liabilities	-	-	-	-	-	10,012	10,012
Other liabilities	-	-	-	-	-	231,130	231,130
Lease liabilities	2,744	4,610	36,630	191,729	-	-	235,713
Insurance contract liabilities	-	-	-	-	-	5,136,524	5,136,524
Total financial liabilities	2,744	4,610	36,630	191,729	-	5,377,666	5,613,379
Total interest repricing gap	1,079,275	423,952	1,496,722	802,073	359,434	(1,793,857)	2,367,599
Cumulative gap	1,079,225	1,503,227	2,999,949	3,802,022	4,161,456	2,367,599	

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4. Insurance and Financial Risk Management (Continued)

(c) Financial risk (continued)

(iii) Market risk (continued)

Interest rate risk (continued)

	The Company						
	Within 1 Month $'000	**Within 3 Months $'000**	**3 to 12 Months $'000**	**1 to 5 Years $'000**	**Over 5 Years $'000**	**Non-Interest Bearing $'000**	**Total $'000**
At 31 December 2024:							
Cash and cash equivalents	753,764	486,235				-	1,239,999
Reinsurance contract assets	-	-	-	-	-	2,945,538	2,945,538
Other receivables	-	-	1,156,422			365,337	1,521,759
Due from related parties						654,911	654,911
Loan receivables						273,522	273,522
Lease receivables	2,381	4,762	11,748			-	18,891
Investment securities	239,041	130,453	700,268	127,681	13,000	779,762	1,990,205
Total financial assets	995,186	621,450	1,868,438	127,681	13,000	5,019,070	8,644,825
Other liabilities	-	-	-	-	-	687,125	687,125
Lease liabilities	3,694	8,368	38,339	140,460	-	-	190,861
Insurance contract liabilities	-	-	-	-	-	5,528,916	5,528,916
Total financial liabilities	3,694	8,368	38,339	140,460	-	6,216,041	6,406,902
Total interest repricing gap	991,492	613,082	1,830,099	(12,779)	13,000	(1,196,971)	2,237,923
Cumulative gap	991,492	1,604,574	3,434,673	3,421,894	3,434,894	2,237,923	

	The Company						
At 31 December 2023:							
Cash and cash equivalents	513,167	147,873	-	-	-	-	661,040
Reinsurance contract assets	-	-	-	-	-	1,946,357	1,946,357
Other receivables	8,005	5,005	907,932	-	-	95,855	1,016,797
Due from related parties						273,475	273,475
Lease receivables	6,062	5,860	23,434	9,369	-	-	44,725
Real estate investment	-	-	-	-	-	228,750	228,750
Investment securities	189,730	153,230	588,877	107,510	13,000	971,953	2,024,300
Total financial assets	716,964	311,968	1,520,243	116,879	13,000	3,516,390	6,195,444
Other liabilities	-	-	-	-	-	293,159	293,159
Lease liabilities	270	270	26,868	190,551	-	-	217,959
Insurance contract liabilities	-	-	-	-	-	3,644,825	3,644,825
Total financial liabilities	270	270	26,868	190,551	-	3,937,984	4,155,943
Total interest repricing gap	716,694	311,698	1,493,375	(73,672)	13,000	(421,594)	2,039,501
Cumulative gap	716,694	1,028,392	2,521,767	2,448,095	2,461,095	2,039,501	

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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
2024 JMD/USD	2024 $'000	2024 $'000	2023 JMD/USD	2023 $'000	2023 $'000
-25/-25	(301)	-	-25/-25	(110)	-
+25/+25	301	-	+25/+25	110	-

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
2024 JMD/USD	2024 $'000	2024 $'000	2023 JMD/USD	2023 $'000	2023 $'000
-25/-25	-	-	-25/-25	(55)	-
+25/+25	-	-	+25/+25	55	-

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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 fair value through other comprehensive income, fair value through profit or loss.

The table below summarizes 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% (2023 - 10%) with all other variables held constant.

The Group

	Equity Securities				Real estate investment	
Change in index:	Increase/ (decrease) in Profit before Taxation 2024 $'000	Increase/ (decrease) in Profit before Taxation 2023 $'000	Effect on Other Components of Equity: 2024 JMD/USD	Effect on Other Components of Equity 2023 $'000	Effect on Other Components of Equity 2024 $'000	Effect on Other Components of Equity 2023 $'000
-10% (2023 -10%)	(9,534)	(16,751)	(80,555)	(80,445)	-	(22,875)
10% (2023 +10%)	9,534	16,751	80,555	80,445	-	22,875

The Company

	Equity Securities				Real estate investment	
Change in index:	Increase/ (decrease) in Profit before Taxation 2024 $'000	Increase/ (decrease) in Profit before Taxation 2023 $'000	Effect on Other Components of Equity: 2024 JMD/USD	Effect on Other Components of Equity 2023 $'000	Effect on Other Components of Equity 2024 $'000	Effect on Other Components of Equity 2023 $'000
-10% (2023 -10%)	(9,534)	(16,751)	(80,138)	(80,445)	-	(22,875)
10% (2023 + 10%)	9,534	16,751	80,138	80,445	-	22,875

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 business and current 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. A revised calculation of the MCT came into effect on 22 December 2022 as prescribed by the Insurance (Amendment) Regulations, 2023. The revised calculation stipulated a required MCT of 150% for 2023 and 175% for 2022. The Company's ratio was 161% as at 31 December 2023 and 183% at 31 December 2024.

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 2022. Under the Act, the company is required to maintain a Minimum Regulatory Capital Ratio of 110%. As at year end the company was in compliant with its Capital Ratio.

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.

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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 2024	**$'000**	**$'000**	**$'000**	**$'000**
Assets				
Equity securities	786,927	-	-	786,927
Investment property	-	-	463,401	463,401
Total assets measured at fair value	786,927	-	463,401	1,250,328

	Company			
	Level 1	Level 2	Level 3	Total
	$'000	**$'000**	**$'000**	**$'000**
At 31 December 2024				
Assets				
Equity securities	786,927	-	-	786,927
Investment property	-	-	394,000	394,000
Total assets measured at fair value	786,927	-	394,000	1,180,927

6. Fair Value Estimation (Continued)

	The Group			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total balance $'000
At 31 December 2023				
Assets				
Equity securities	976,286	-	-	976,286
Investment property	-	-	433,578	433,578
Real estate investment	-	-	228,750	228,750
Total assets measured at fair value	976,286	-	662,328	1,638,614

	The Company			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total balance $'000
At 31 December 2023				
Assets				
Equity securities	971,953	-	-	971,953
Investment property	-	-	367,000	367,000
Real estate investment	-	-	228,750	228,750
Total assets measured at fair value	971,953	-	595,750	1,567,703

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.

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6. Fair Value Estimation (Continued)

Fair Value of Investment Properties and Real Estate Fund

An independent valuation of the Group's Investment Properties was performed by valuers to determine the fair value as at 31 December 2024. The Real Estate Fund was sold during the year..

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 into 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.

<u>Sensitivity Analysis</u>

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, with all other factors remaining constant, of $4,634,010 (2023 - $6,623,000) 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) ***Measurement of insurance contracts***

In applying IFRS 17 to measure liability for claims incurred, the Group discounts cashflows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk. The areas of judgement and estimate that impact the measurement of insurance contracts are shown below.

(i) *Discount rate*

Discount rates are composed of an observable component, an assumed ultimate discount rate and interpolation between the two.

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

(a) *Measurement of insurance contracts (Continued)*

(i) Discount rate (Continued)

During the observable period, a top down approach was used, where the discount is determined as the yield implicit in the fair value of a reference portfolio adjusted for differences between the reference portfolio of assets and respective liability cash flows. Reference portfolios were selected to reflect the currency of the liabilities, the Group's investment strategies and the characteristics of the liabilities and are comprised of a mix of sovereign and corporate bonds available in the markets. The yields are adjusted from to remove both expected and unexpected credit risk and, where applicable, other asset characteristics that are not related to the insurance contract liabilities. These adjustments are estimated using information from observed historical levels of default for bonds included in the reference portfolio. Observable market information is available for 20 years. The FSC has provided yields at six-month intervals so no interpolation is required. The yield curves that were used to discount the estimates of future cash flows are 1 year (2024: 5.74%; 2023: 5.82%), 5 years (2024: 6.37%; 2023: 6.77%) and 10 years (2024: 7.53%; 2023: 8.80%)

(ii) Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts and covers non-financial risk. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

The Group has estimated the risk adjustment using a margin approach, calibrated to the cost of capital and target confidence levels. The margin approach involves applying shocks to the insurance assumptions used to project expected cash flows so as to produce an increase in the fulfilment cash flows. Shocks are selected using the projected cost of insurance risk capital such that the resulting risk adjustment falls within the Group's target confidence level range. The risk adjustment for insurance and reinsurance contracts corresponds to a confidence level at 70%% (2023 - 70%).

(iii) Liability for incurred claims

The determination of the liability for incurred claims 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.

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.

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

(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 used for residential and commercial 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.

(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) 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.

(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.
- 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.
- *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.

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8. Segment Information (Continued)

The segment information provided to the board of directors for the reportable segments for the year ended 31 December 2024 is as follows:

	Group						
2024	**Engineering $'000**	**Fire $'000**	**Accident $'000**	**Liability $'000**	**Marine $'000**	**Motor $'000**	**Total $'000**
Insurance Revenue	521,032	3,729,176	289,134	502,611	173,110	6,600,289	11,815,352
Insurance service expense	(301,621)	(2,158,537)	(167,567)	(290,678)	(100,540)	(3,820,528)	(6,839,471)
Net expenses from reinsurance contracts held	(208,456)	(1,491,976)	(115,677)	(201,086)	(69,258)	(2,640,577)	(4,727,030)
Insurance service results	10,955	78,663	5,890	10,847	3,312	139,184	248,851

	Group						
2023	**Engineering $'000**	**Fire $'000**	**Accident $'000**	**Liability $'000**	**Marine $'000**	**Motor $'000**	**Total $'000**
Insurance Revenue	435,110	2,500,809	129,240	445,713	130,191	4,934,645	8,575,708
Insurance service expense	(296,605)	(559,027)	(137,389)	(381,837)	(46,963)	(4,215,396)	(5,637,217)
Net expenses from reinsurance contracts held	(160,572)	(1,691,816)	(18,347)	(227,413)	(68,343)	(75,894)	(2,242,385)
Insurance service results	(22,067)	249,966	(26,496)	(163,537)	14,885	643,355	696,106

Total capital expenditure was as follows:

	2024 $'000	**2023 $'000**
Property and equipment	95,189	120,599
Intangible assets	-	19,173
	95,189	139,772

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

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9. Related Party Transactions and Balances

(a) Related party transactions are as follows:

	Group		Company	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
Dividend income				
Affiliated companies	28,826	30,119	28,826	30,119
	28,826	30,119	28,826	30,119
Interest income -				
Fellow subsidiary	23,688	10,946	23,688	10,946
Parent	-	300	-	300
	23,688	11,246	23,688	11,246
Rental and lease payments-				
Affiliated company	38,180	68,605	38,180	68,605
Insurance revenue -				
Key management	2,061	1,450	2,061	1,450
Parent company	331,223	54,712	331,223	54,712
Fellow subsidiaries	644,496	681,228	644,496	681,228
Affiliates	537,224	413,219	477,566	389,058
	1,515,004	1,150,609	1,455,346	1,126,448
Insurance service expense -				
Parent company	18,777	558,189	18,777	558,189
Fellow subsidiaries	2,583	8,550	2,583	8,550
Affiliates	47,973	32,411	47,973	32,411
	69,333	599,150	69,333	599,150
Dividends declared -				
Key management	1,357	1,163	1,357	1,163
Parent company	179,998	162,022	179,998	162,022
	181,355	163,185	181,355	163,185
Key management compensation -				
Salaries and other short-term benefits	280,867	201,211	232,931	151,429
Post employment benefits	21,684	25,801	21,684	25,801
	302,551	227,012	254,615	177,230
Directors emoluments				
Directors' emoluments (included above)	7,233	4,744	3,603	2,430
Directors' fees (included above)	7,233	4,744	3,603	2,430

9. Related Party Transactions and Balances (Continued)

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

	The Group		The Company	
	2024 **$'000**	**2023** **$'000**	**2024** **$'000**	**2023** **$'000**
Due from related parties -				
Subsidiary	-	-	643,650	265,141
Affiliated company	7,442	8,334	11,261	8,334
	7,442	8,334	654,911	273,475
Investment securities -				
Shares in affiliated entities (Note 23)	764,029	950,006	764,029	950,006

Included in the investments of the Group are shares in related parties. At 31 December 2024, these shares represented 6.3% of the total assets (2023 – 9.7%).

No expected credit losses were recognised for receivables from related parties for either year.

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10. Insurance service expenses

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Incurred claims	3,670,639	3,235,122	2,446,332	2,585,416
Commission expense	1,212,351	1,003,438	849,264	708,620
Amortization of insurance acquisition cash flows	1,317,891	836,323	956,314	593,907
Other insurance service expense	638,590	562,334	443,748	407,777
	6,839,471	5,637,217	4,695,658	4,295,720

11. Net investment income

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Interest income				
Lease receivable	2,336	4,824	2,336	4,824
Loan due from fellow subsidiary	21,351	6,122	21,351	6,122
Loan due from parent	-	300	-	300
Cash and deposits and investment securities	275,004	220,668	235,731	184,001
	298,691	231,914	259,418	195,247
Bond premium amortisation	(1,253)	(1,958)	(1,253)	(1,958)
	297,438	229,956	258,165	193,289
Dividend income	28,826	27,267	28,826	27,267
Real estate investment income (Note 26)	-	38,838	-	38,838
Rental income from investment property	20,716	23,604	11,847	23,604
Revaluation gains on investment property (Note 25)	21,539	24,000	21,539	24,000
Unrealised fair value losses on equities	17,828	(2,868)	17,828	(2,869)
Gain on sale of investments	25,353	-	25,353	-
	411,700	340,797	363,558	304,129

12. Other operating income

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Foreign exchange (losses)/gains	(22,975)	70,077	(22,975)	70,077
Gain on disposal of property and equipment	-	1,165	-	1,165
Fronting fee	207,745	160,719	207,745	160,719
Miscellaneous income	59,656	55,606	11,624	21,004
	244,426	287,567	196,394	252,965

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13. Expenses by Nature

Management and other expenses by nature are as follows:

	2024			
The Group	**Expenses attributed to insurance acquisition cash flows**	**Other directly attributable expenses**	**Other operating expenses**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Advertising costs	58,531	87,500	14,762	160,793
Asset tax	-	-	10,064	10,064
Audit fees	-	16,735	17,772	34,507
Bank charges and fees	42,778	7,963	4,629	55,370
Computer expenses	73,357	33,528	13,993	120,878
Directors' fees	-	1,801	5,432	7,233
Depreciation and amortisation (Note (27,28,30)	112,349	31,586	33,366	177,301
ECL allowance	-	-	23,074	23,074
Insurance	16,026	3,242	2,316	21,584
Irrecoverable VAT	14,718	20,820	1,675	37,213
Other operating expenses	47,428	18,332	32,710	98,470
Professional fees	37,985	46,115	17,720	101,820
Printing and stationery	23,347	7,170	4,610	35,127
Registration fees	11,396	9,102	2,278	22,776
Rent	57,811	11,323	10,464	79,598
Repairs and maintenance	34,547	12,572	13,763	60,882
Security	13,746	3,288	2,959	19,993
Staff costs (Note 14)	790,352	304,857	279,991	1,375,200
Transportation expenses	7,730	4,951	3,446	16,127
Utilities	54,186	17,705	2,061	73,952
	1,396,287	638,590	497,085	2,531,962

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13. Expenses by Nature (Continued)

Management and other expenses by nature are as follows:

	2023			
The Group	**Expenses attributed to insurance acquisition cash flows**	**Other directly attributable expenses**	**Other operating expenses**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Advertising costs	58,084	26,062	15,711	99,857
Asset tax	-	-	16,646	16,646
Audit fees	-	13,494	4,586	18,080
Bank charges and fees	27,879	10,203	2,820	40,902
Computer expenses	71,580	32,313	14,275	118,168
Directors' fees	-	2,372	2,372	4,744
Depreciation and amortisation (Note (27,28,30)	97,883	32,467	56,695	187,045
ECL allowance	1,974	277	277	2,528
Insurance	13,789	54,400	1,965	70,154
Irrecoverable VAT	8,330	7,380	3,168	18,878
Other operating expenses	44,719	15,760	74,463	134,942
Professional fees	47,038	68,147	30,179	145,364
Printing and stationery	19,179	9,153	5,451	33,783
Registration fees	17,073	13,029	4,023	34,125
Rent	25,752	7,393	3,497	36,642
Repairs and maintenance	45,247	15,796	17,049	78,092
Security	11,391	3,104	2,520	17,015
Staff costs (Note 14)	743,904	230,063	217,498	1,191,465
Transportation expenses	9,161	3,841	2,157	15,159
Utilities	42,697	17,080	11,152	70,929
	1,285,680	562,334	486,504	2,334,518

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13. Expenses by Nature (Continued)

Management and other expenses by nature are as follows:

	2024			
The Company	**Expenses attributed to insurance acquisition cash flows**	**Other directly attributable expenses**	**Other operating expenses**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Advertising costs	35,796	14,863	10,509	61,168
Asset tax	-	-	10,064	10,064
Audit fees	-	11,166	2,792	13,958
Bank charges and fees	26,670	6,378	-	33,048
Computer expenses	54,311	25,390	10,702	90,403
Directors’ fees	-	1,801	1,801	3,602
Depreciation and amortisation (Note (27,28,30)	75,273	24,435	21,410	121,118
ECL allowance	-	-	21,350	21,350
Insurance	14,175	2,471	1,853	18,499
Other operating expenses	33,632	14,212	(4,597)	43,246
Professional fees	33,230	42,820	6,816	82,866
Printing and stationery	15,194	5,778	3,501	24,473
Registration fees	9,423	7,526	1,883	18,832
Rent	57,811	11,323	7,605	76,739
Repairs and maintenance	33,423	11,833	13,420	58,676
Security	8,175	2,654	2,325	13,154
Staff costs (Note 14)	616,842	240,912	216,018	1,073,772
Transportation expenses	6,798	3,097	1,853	11,748
Right of use asset - interest	6,868	2,229	1,953	11,050
Utilities	37,559	14,860	10,373	62,792
	1,065,180	**443,748**	**341,631**	**1,850,559**

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13. Expenses by Nature (Continued)

Management and other expenses by nature are as follows:

The Company	2023			
	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
	$'000	$'000	$'000	$'000
Advertising costs	41,305	18,490	13,073	72,868
Asset tax	-	-	16,646	16,646
Audit fees	-	8,713	3,267	11,980
Bank charges and fees	18,126	4,457	1,530	24,113
Computer expenses	56,592	27,249	11,921	95,762
Directors' fees	-	1,215	1,215	2,430
Depreciation and amortisation (Note (27,28,30)	77,414	25,133	23,373	125,920
ECL allowance	1,419	-	-	1,419
Insurance	12,479	2,181	1,635	16,295
Other operating expenses	40,382	15,100	61,306	116,788
Professional fees	36,934	47,593	7,576	92,103
Printing and stationery	11,469	4,362	2,642	18,473
Registration fees	15,039	12,012	3,006	30,057
Rent	8,737	1,413	1,021	11,171
Repairs and maintenance	37,272	13,167	15,658	66,097
Security	6,624	2,150	1,884	10,658
Staff costs (Note 14)	538,198	210,193	188,465	936,856
Transportation expenses	7,536	2,940	1,914	12,390
Utilities	27,907	11,409	7,664	46,980
	937,433	407,777	363,796	1,709,006

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14. Staff Costs

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Wages and salaries	1,034,041	893,817	776,398	678,145
Statutory contributions	99,017	83,332	80,448	68,414
Pension costs	25,253	20,538	21,950	20,332
Other	216,889	193,778	194,976	169,965
	1,375,200	1,191,465	1,073,772	936,856

15. Taxation

The company's shares became listed on the Junior Market of the Jamaica Stock Exchange on 21 September 2011.

On September 27, 2023, the company graduated to the Main Market. The remissions to which the company was entitled expired in 2022 and as such, the tax rate for the company now stands at 33.33% for the year 2023.

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

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Current income tax	101,809	172,554	92,965	158,020
Deferred income tax (Note 31)	(50,465)	19,673	(21,733)	22,724
	51,344	192,227	71,232	180,744

(b) 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	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Profit before tax	299,668	740,495	292,529	705,181

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Tax calculated at applicable tax rate	100,003	248,832	97,510	235,060
Adjusted for the effects of:				
Income not subject to tax	(33,752)	(58,387)	(46,954)	(71,687)
Expenses not deductible for tax	(1,601)	12,959	27,824	24,407
Tax losses for which no deferred tax was recognised	(14,500)	(8,468)	-	-
Net effect of other charges and allowances	1,194	(2,709)	(7,148)	(7,036)
	51,344	192,227	71,232	180,744

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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.

	2024	2023
Net profit from continuing operations attributable to owners ($'000)	241,333	540,176
Weighted average number of ordinary shares in issue ('000)	1,031,250	1,031,250
Earnings per share ($)	0.23	0.52

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

Net profit

	2024 $'000	2023 $'000
Company	221,297	524,437
Subsidiaries	27,027	23,831
	248,324	548,268

Retained earnings.

	2024 $'000	2023 $'000
Company	2,953,426	2,957,127
Subsidiaries	30,698	10,662
	2,984,124	2,967,789

17. Dividends per Share

The dividends paid in 2024 and 2023 were as follows:

	2024 $'000	2023 $'000
Interim dividends: -		
21.818 cents per stock unit – December 2024	224,998	-
19.639 cents per stock unit – December 2023	-	202,526
	224,998	202,526

18. Cash and Cash Equivalents

	The Group		The Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Cash and bank balances	1,561,813	836,745	753,764	513,167
Short-term deposits	584,565	242,846	486,235	147,873
	2,146,378	1,079,591	1,239,999	661,040

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18. Cash and Cash Equivalents (Continued)

Short term deposits comprise term deposits and repurchase agreements with an average maturity of 90 days (2023 – 90 days) and include interest receivable of $1,874,203 (2023 – $601,863).

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

	The Group		The Company	
	2024	2023	2024	2023
	%	%	%	%
US$	4.5	4.0	4.5	4.0

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

	The Group		The Company	
	2024	2023	2024	2023
	%	%	%	%
US$	0.5	0.5	0.5	0.5
BB$	0.5	0.5	-	-
J$	1.0	1.0	1.0	1.0

19. Reinsurance contract assets

	The Group									
Reinsurance contracts held	**Remaining coverage**		**Incurred claims**		**Total-2024**	**Remaining coverage**		**Incurred claims**		**Total-2023**
	Excluding loss-recovery comp.	**Loss comp.**	**Present value of future cash flows**	**Risk adj. for non-fin. risk**		**Excluding loss-recovery comp.**	**Loss comp.**	**Present value of future cash flows**	**Risk adj. for non-fin. risk**	
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Reinsurance contract assets as at 1 January	**527,636**	**-**	**1,464,368**	**38,642**	**2,030,646**	**321,752**	**-**	**1,547,325**	**65,921**	1,934,998
Reinsurance expenses	(5,469,476)	-	(5,379)	91,663	**(5,383,192)**	(3,270,478)	-	(3,746)	-	(3,274,224)
Incurred claims recovery	-	-	1,069,601	(25,010)	**1,044,591**	-	-	1,059,118	(27,279)	1,031,839
Finance income/expenses from reinsurance contracts held recognised	-	-	3,068	-	**3,068**	-	-	20,804	-	20,804
Cash flows	-	-	-	-						
Premiums paid net of ceding commissions and other directly attributable expenses paid	5,842,261	-	-	-	**5,842,261**	3,476,362	-	-	-	3,476,362
Recoveries from reinsurance	-	-	(486,474)	-	**(486,474)**	-	-	(1,159,133)	-	(1,159,133)
Reinsurance contract assets as at 31 December	**900,421**	**-**	**2,045,184**	**105,295**	**3,050,900**	**527,636**	**-**	**1,464,368**	**38,642**	**2,030,646**

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19. Reinsurance contract assets (Continued)

	The Company									
Reinsurance contracts held	**Remaining coverage**		**Incurred claims**		**Total-2024**	**Remaining coverage**		**Incurred claims**		**Total-2023**
	Excluding loss-recovery comp.	**Loss comp.**	**Present value of future cash flows**	**Risk adj. for non-fin. risk**		**Excluding loss-recovery comp.**	**Loss comp.**	**Present value of future cash flows**	**Risk adj. for non-fin. risk**	
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Reinsurance contract assets as at 1 January	**588,238**	**-**	**1,323,616**	**34,503**	**1,946,357**	**407,251**	**-**	**1,445,689**	**61,464**	**1,914,404**
Reinsurance expenses	(4,669,529)	-	(5,118)	81,136	**(4,593,511)**	(2,785,021)	-	(3,286)	-	(2,788,307)
Incurred claims recovery	-	-	787,941	(24,810)	**763,131**	-	-	944,154	(26,961)	917,193
Finance income/expenses from reinsurance contracts held recognised	-	-	(1,381)	-	**(1,381)**	-	-	18,504	-	18,504
Cash flows	-	-	-	-						
Premiums paid net of ceding commissions and other directly attributable expenses paid	5,309,233	-	-	-	**5,309,233**	2,966,008	-	-	-	2,966,008
Recoveries from reinsurance	-	-	(478,291)	-	**(478,291)**	-	-	(1,081,445)	-	(1,081,445)
Reinsurance contract assets as at 31 December	**1,227,942**	**-**	**1,626,767**	**90,829**	**2,945,538**	**588,238**	**-**	**1,323,616**	**34,503**	**1,946,357**

20. Other Receivables

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Prepayments	74,493	97,676	69,033	42,784
Bond collateral recoverable	1,156,422	654,322	1,156,422	670,495
Other receivables	342,131	605,701	296,304	394,302
	1,573,046	1,357,699	1,521,759	1,107,581

Included in bond collateral recoverable are amounts due from third parties that are fully collaterised.

21. Loans Receivables

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Mortgage loan	128,324	126,477	-	-
Other loans	273,522	-	273,522	-
	401,846	126,477	273,522	-
Current portion of loan receivable	118,703	8,383	103,515	-
Non-current portion	283,143	118,094	170,007	-
	401,846	126,477	273,522	-

Included within loan receivables are the following secured arrangements:

i. A mortgage loan secured on property located at 120 and 122 Eastern Main Road, Barataria in Trinidad repayable by fixed monthly instalments over a period twelve (12) years, bearing a variable interest rate linked to the average lending rate of commercial banks as published by the Central Bank of Trinidad and Tobago, subject to a minimum floor rate of 5%. The interest rate is adjustable at each anniversary date, with the initial rate set at 7% per annum. The loan is further secured by the assignment of an insurance policy over the mortgaged property.

ii. A loan issued in October 2024, bearing interest at a fixed rate of 12% per annum, repayable in full in June 2025.

iii. A loan issued to a related party in September 2024, with a term of five (5) years, bearing interest at a fixed rate of 10% per annum, repayable in full in September 2029.

22. Lease receivables

	The Group and Company	
	2024	2023
	$'000	$'000
Gross investment in finance leases		
Not later than one year	19,048	37,694
Later than one year and not later than five years	-	9,524
Later than five years	-	-
	19,048	47,218
Less: Unearned income	(157)	(2,493)
	18,891	44,725
Net investment in finance leases may be classified as follows:		
Later than one year and not later than five years	18,891	35,357
Later than five years	-	9,368
	18,891	44,725

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23. Investment Securities

	The Group		The Company	
	2024 $'000	**2023 $'000**	**2024 $'000**	**2023 $'000**
Debt securities -				
At amortised cost:				
Government Jamaica Securities	13,716	13,716	13,716	13,716
Government of Trinidad and Tobago	58,582	298,284	-	-
Certificate of Deposits	2,239,727	1,453,272	1,060,631	612,902
United States Dollar Corporate Bonds	-	-	-	-
United States Dollar Long Term Deposits	108,922	112,622	108,922	112,622
Other Government Securities	-	287,512	-	287,512
	2,420,947	2,165,406	1,183,269	1,026,752
Interest receivable	20,009	25,595	20,009	25,595
Units in Unit Trust Funds at fair value through OCI	4,166	-	-	-
Equity investment at fair value through profit or loss	95,341	167,507	278,044	167,507
Equity investments at fair value through OCI	691,586	808,779	508,883	804,446
	3,232,049	3,167,287	1,990,205	2,024,300

Weighted average effective interest rate:	The Group		The Company	
	2024 %	**2023 %**	**2024 %**	**2023 %**
Government of Jamaica Securities	11.87	6.19	11.87	6.19
Government of Trinidad and Tobago	3	3	1	1
Certificate of Deposits	6.70	7.76	6.70	7.76
United States Long Term Deposits	4.19	4.78	4.19	4.78
United States Dollar Corporate Bonds	8.50	8.50	8.50	8.50
Other Government Securities	-	4.63	-	4.63

Included in investments are Government of Jamaica securities valued at $18,000,000 and a Certificate of Deposit for $31,826,812 (2023 - $30,900,000.00) which have been pledged with the FSC, pursuant to Section 8(1)(b) of the Insurance Regulations, 2001.

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

The Group's holdings in equity investments for 2024 and 2023 includes investment in affiliated companies (Note 9).

24. Investment in Subsidiaries

	The Company	
	2024	2023
	$'000	$'000
General Accident Insurance (Trinidad and Tobago) Limited (75%), 491,910 Ordinary shares)	441,624	441,624
General Accident Insurance (Barbados) Limited (80%) 2,400,000 Ordinary shares	165,893	165,893
	607,517	607,517

25. Investment Property

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
At 1 January	433,578	407,507	367,000	343,000
Additions	5,461	-	5,461	-
Revaluation (credited to profit or loss) (Note 11)	21,539	24,000	21,539	24,000
Translation differences	2,823	2,071	-	-
At 31 December	463,401	433,578	394,000	367,000

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

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Rental income	31,881	31,381	22,999	23,604
Direct costs	(11,152)	(6,152)	(11,152)	(6,152)

The properties of the Group were valued at current market value. The Trinidad properties were valued as at December 2023 by Bhanmati Seecharan in Trinidad. In December 2023, NAI Jamaica Langford and Brown did the valuations for 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 has 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	
	2024	2023
	$'000	$'000
At 1 January	228,750	189,912
Revaluation (credited to profit or loss)	-	38,838
Disposal	(228,750)	-
Closing	-	228,750

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

The property was carried at fair value through the profit or loss statement and was sold during the year.

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

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27. Property and Equipment

	The Group			
	Land and Buildings	**Furniture, Fixtures & Equipment**	**Motor Vehicles**	**Total**
Cost -				
At 1 January 2023	705,474	242,925	16,321	964,720
Additions	22,203	42,997	55,399	120,599
Translation differences	12,947	2,589	202	15,738
At 31 December 2023	740,624	288,511	71,922	1,101,057
Adjustments	-	80	-	80
Additions	23,476	32,694	39,019	95,189
Disposal	-	(522)	-	(522)
Translation differences	17,807	4,680	276	22,763
At 31 December 2024	781,907	325,443	111,217	1,218,567
Depreciation -				
At 1 January 2023	79,742	37,723	7,015	124,480
Charge for the year	24,184	48,493	7,154	79,831
Translation differences	22	464	89	575
At 31 December 2023	103,948	86,680	14,258	204,886
Adjustments	-	(253)	253	-
Charge for the year	25,217	47,803	18,724	91,744
Relieved on Disposal	-	(46)	-	(46)
Translation differences	293	1,173	161	1,627
At 31 December 2024	129,458	135,357	33,396	298,211
Net book value				
31 December 2024	652,449	190,086	77,821	920,356
31 December 2023	636,676	201,831	57,664	896,171

27. Property and Equipment (Continued)

	The Company			
	Land and Buildings	Furniture, Fixtures & Equipment	Motor Vehicles	Total
	$'000	$'000	$'000	$'000
Cost -				
At 1 January 2023	292,086	204,446	8,713	505,245
Additions	22,204	18,742	55,398	96,344
At 31 December 2023	314,290	223,188	64,111	601,589
Adjustments	-	80	-	80
Additions	23,476	21,181	29,862	74,519
At 31 December 2024	337,766	244,449	93,973	676,188
Depreciation -				
At 1 January 2023	67,363	88,917	3,654	159,934
Charge for the year	17,490	34,888	6,040	58,418
At 31 December 2023	84,853	123,805	9,694	218,352
Charge for the year	17,938	31,903	17,282	67,123
At 31 December 2024	102,791	155,708	26,976	285,475
Net Book Value -				
31 December 2024	234,975	88,741	66,997	390,713
31 December 2023	229,437	99,383	54,417	383,237

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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 2023	38,221	12,070	142,826	12,487	13,442	219,046
Additions	-	-	-	-	19,173	19,173
Translation differences	-	-	-	-	411	411
At 31 December 2023	38,221	12,070	142,826	12,487	33,026	238,630
Translation differences	-	-	-	-	652	652
At 31 December 2024	38,221	12,070	142,826	12,487	33,678	239,282
						-
Amortisation -						-
At 1 January 2023	30,577	6,035	-	10,369	5,635	52,616
Charge for the year	7,644	1,509	-	1,927	3,020	14,100
Translation differences	-	-	-	-	79	79
At 31 December 2023	38,221	7,544	-	12,296	8,734	66,795
Charge for the year	-	1,509	-	192	4,483	6,184
Translation differences	-	-	-	-	196	196
At 31 December 2024	38,221	9,053	-	12,488	13,413	73,175
Net Book Value -						-
31 December 2024	-	3,017	142,826	(1)	20,265	166,107
31 December 2023	-	4,526	142,826	191	24,292	171,835

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28. Intangible Assets (Continued)

	The Company		
	Website	Computer Software	Total
	$'000	$'000	$'000
At Cost -			
At 1 January 2023	12,487	5,560	18,047
Additions during year	-	9,362	9,362
Disposals during the year		-	-
At 31 December 2023	12,487	14,922	27,409
Additions during year	-	-	-
Disposals during the year		-	-
At 31 December 2024	12,487	14,922	27,409
Amortisation			-
At 1 January 2023	10,368	4,847	15,215
Charge for the year	1,927	1,340	3,267
Disposals during the year	-	-	-
At 31 December 2023	12,295	6,187	18,482
Charge for the year	189	1,960	2,149
Disposals during the year	-	-	-
At 31 December 2024	12,484	8,147	20,631
Net Book Value -			-
31 December 2024	3	6,775	6,778
31 December 2023	192	8,735	8,927

29. Other Liabilities

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Statutory contributions payable	4,122	5,728	4,122	5,728
Accrued expenses	41,863	30,042	6,727	29,093
Sales and premium tax payable	338,149	194,297	338,149	258,254
Other payables	260,220	1,063	338,127	84
	644,354	231,130	687,125	293,159

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30. 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 2023	287,490	205,750
Additions	280,005	260,390
Disposal	(174,942)	(151,454)
Adjustments including FX	1,821	827
1 January 2024	394,374	315,513
Additions	25,373	-
Disposal (termination)	(33,131)	-
Adjustments incl FX	1,812	-
31 December 2024	388,428	315,513
Accumulated Depreciation		
1 January 2023	237,731	180,715
Charge for the year	93,154	64,234
Disposal(termination)	(174,171)	(151,454)
Translation difference	859	233
1 January 2024	157,573	93,728
Charge for the year	69,782	51,846
Disposal(termination)	(33,131)	-
Translation difference	1,338	-
31 December 2024	195,562	145,574
Net Book Value		
31 December 2024	192,866	169,939
31 December 2023	236,801	221,785

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30. Leases (Continued)

Amounts recognized in the statement of financial position

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Right-of-use assets				
Motor Vehicles	-	-	-	-
Land and buildings	192,866	236,801	169,939	221,785
	192,866	236,801	169,939	221,785
Lease liabilities				
Current	78,311	45,162	27,408	27,408
Non-current	138,759	190,551	163,453	190,551
	217,070	235,713	190,861	217,959

(b) Lease liabilities

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
1 January	235,425	53,921	217,959	28,198
Additions	29,867	269,870	-	260,390
Lease payments	(59,031)	(110,547)	(54,863)	(89,279)
Interest on lease liability	13,375	14,326	11,051	12,196
Foreign exchange and other adjustments	(2,566)	8,143	16,714	6,454
31 December	217,070	235,713	190,861	217,959

(c) Amounts recognized in profit or loss

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

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Depreciation - Land and buildings	69,782	93,154	51,846	64,234
Interest expense	13,375	14,326	11,051	12,196

31. 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%.

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Deferred income tax assets	44,511	7,342	16,282	7,342
Deferred income tax liabilities	(87,644)	(100,940)	(39,035)	(51,828)
Net liabilities	(43,133)	(93,598)	(22,753)	(44,486)

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

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
At the beginning of the year	(93,598)	(73,925)	(44,486)	(21,762)
Profit or loss (Note 15)	50,465	(19,673)	21,733	(22,724)
At end of year	(43,133)	(93,598)	(22,753)	(44,486)

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31. Deferred Income Taxes (Continued)

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

	The Group		The Company	
	2024	2023	2024	2023
Deferred income tax assets	$'000	$'000	$'000	$'000
Accrued vacation	9,422	7,342	9,422	7,342
Accelerated depreciation	3,932	-	6,860	-
Unutilized losses	31,157	-	-	-
	44,511	7,342	16,282	7,342

	The Group		The Company	
	2024	2023	2024	2023
Deferred income tax liabilities	$'000	$'000	$'000	$'000
Accelerated depreciation	-	17,294	-	16,785
Intangible assets	44,852	48,603	(3,757)	-
Interest receivable	42,792	35,043	42,792	35,043
	87,644	100,940	39,035	51,828

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

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Accelerated depreciation	(21,226)	16,049	(23,645)	16,049
Intangible assets	(3,751)	(3,051)	(3,757)	-
Accrued vacation	(2,080)	(2,447)	(2,080)	(2,447)
Interest receivable	7,749	9,122	7,749	9,122
Unutilized tax	(31,157)	-	-	
	(50,465)	19,673	(21,733)	22,724

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32. Insurance contract assets and liabilities

Reconciliation of the insurance contract liabilities and assets

The following tables present reconciliations of insurance contract liabilities and assets.

Group	LRC		LIC		Total-2024	LRC		LIC		Total-2023
	Excluding loss comp.	Loss comp.	Present value of future cash flows	Risk adj. for non-fin. Risk		Excluding loss comp.	Loss comp.	Present value of future cash flows	Risk adj. for non-fin. Risk	
Insurance contract liabilities as at 1 January	**1,499,197**		**3,479,165**	**133,029**	**5,111,391**	**858,758**		**3,783,098**	**169,338**	**4,811,194**
Insurance revenue	**(11,426,923)**	-	-	-	**(11,426,923)**	**(8,575,708)**		**-**	**-**	**(8,575,708)**
Incurred claims and other directly attributable expenses	-	-	5,336,654	184,924	5,521,578	-		4,837,203	(36,309)	4,800,894
Insurance acquisition cash flows amortization	1,317,893	-	-	-	1,317,893	836,323		-	-	836,323
Insurance service expenses	**1,317,893**	**-**	**5,336,654**	**184,924**	**6,839,471**	**836,323**		**4,837,203**	**(36,309)**	**288,074**
Insurance service result	**(10,109,030)**	**-**	**5,336,654**	**184,924**	**(4,587,452)**	**(7,739,385)**		**4,837,203**	**(36,309)**	**(8,405,800)**
Movement on discount	-	-	105,156	-	105,156	-		118,275	-	118,275
Total amounts recognised in comprehensive income	**(10,109,030)**	**-**	**5,441,810**	**184,924**	**(4,482,296)**	**(7,739,385)**		**4,955,478**	**(36,309)**	**(8,405,800)**
Investment components	-	-	-	-	-	-		-	-	-
Insurance acquisition cash flows asset derecognised	-	-	27,592	-	27,592	-		890	-	890
Other pre-recognition cash flows derecognised and other changes	-	-	11,381	-	11,381	-		(4,377)	-	(4,377)
Cash flows	-	-	-	-	-					-
Premiums received	12,261,217	-	-	-	12,261,217	9,286,712		-	-	9,286,712
Claims and other directly attributable expenses paid	-	-	(4,613,037)	-	(4,613,037)	-		(5,255,924)	-	(5,255,924)
Insurance acquisition cash flows	(1,361,069)	-	-	-	(1,361,069)	(906,888)		-	-	(906,888)
Total cash flows	**10,900,148**	-	**(4,574,064)**	-	**6,326,084**	**8,379,824**		**(5,259,411)**	-	**3,120,413**
Insurance contract liabilities as at 31 December	**2,290,315**	-	**4,346,911**	**317,953**	**6,955,179**	**1,499,197**		**3,479,165**	**133,029**	**5,111,391**

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32. Insurance contract assets and liabilities (Continued)

Reconciliation of the insurance contract assets and liabilities (Continued)

Company	LRC		LIC		Total-2024	LRC		LIC		Total-2023
	Excluding loss comp.	Loss comp.	Present value of future cash flows	Risk adj. for non-fin. Risk		Excluding loss comp.	Loss comp.	Present value of future cash flows	Risk adj. for non-fin. Risk	
Insurance contract liabilities as at 1 January	**1,044,151**		**2,507,936**	**92,738**	**3,644,825**	**600,548**		**2,792,109**	**121,140**	**3,513,797**
Insurance revenue	**(8,693,904)**		-	-	**(8,693,904)**	**(6,752,418)**				**(6,752,418)**
Incurred claims and other directly attributable expenses	-		3,578,758	160,586	3,739,344			3,730,215	(28,402)	3,701,813
Changes that relate to past service – changes in the FCF relating to the LIC	-		-	-	-					-
Insurance acquisition cash flows amortization	956,314		-	-	956,314	593,907				593,907
Insurance service expenses	**956,314**		**3,578,758**	**160,586**	**4,695,658**	**593,907**	**-**	**3,730,215**	**(28,402)**	**4,295,720**
Insurance service result	**(7,737,590)**		**3,578,758**	**160,586**	**(3,998,246)**	**(6,158,511)**	**-**	**3,730,215**	**(28,402)**	**(2,456,698)**
Movement on discount	-		95,040	-	95,040			92,205		92,205
Total amounts recognised in comprehensive income	**(7,737,590)**		**3,673,798**	**160,586**	**(3,903,206)**	**(6,158,511)**	**-**	**3,822,420**	**(28,402)**	**(2,364,493)**
Investment components					-					-
Insurance acquisition cash flows asset derecognised	-		30,926	-	30,926			2,950		2,950
Other pre-recognition cash flows derecognised and other changes	-		10,693	-	10,693			(2,177)		(2,177)
Cash flows	-		-	-	-					-
Premiums received	9,795,089		-	-	9,795,089	7,281,900				7,281,900
Claims and other directly attributable expenses paid	-		(3,029,757)	-	(3,029,757)			(4,107,366)		(4,107,366)
Insurance acquisition cash flows	(1,019,654)		-	-	(1,019,654)	(679,786)				(679,786)
Total cash flows	**8,775,435**	**-**	**(2,988,138)**	**-**	**5,787,297**	**6,602,114**	**-**	**(4,106,593)**	**-**	**2,495,521**
Insurance contract liabilities as at 31 December	**2,081,996**	**-**	**3,193,596**	**253,324**	**5,528,916**	**1,044,151**	**-**	**2,507,936**	**92,738**	**3,644,825**

32. Insurance contract assets and liabilities (Continued)

An actuarial valuation was performed to value the policy and claims liabilities of the Group as at 31 December 2024 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 2024 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 25 April 2025 for the Company, the actuary found that the amount of policy and claims liabilities represented in the statement of financial position at 31 December 2024 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.

33. Share Capital

	2024 $'000	2023 $'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

34. Capital Reserves

	The Group		The Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
At beginning of and end of year	161,354	161,354	152,030	152,030

The capital reserves at year end represent realised surpluses.

35. Fair Value Reserve

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

36. Non-Controlling Interest

	2024 $'000	2023 $'000
Beginning of year	363,785	349,788
NCI share of total comprehensive income	24,606	13,997
	388,391	363,785

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.

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

General Accident Insurance Company (Trinidad and Tobago) Limited

(a) Summarised Statement of Financial Position

	2024 $'000	2023 $'000
Assets	2,650,652	2,343,484
Liabilities	(1,665,446)	(1,462,366)
Net Assets	985,206	881,118

(b) Summarised Statement of Comprehensive Income

	2024 $'000	2023 $'000
Revenue	1,977,515	1,305,112
Profit before taxation	8,287	56,637
Taxation	19,385	(14,534)
Profit after tax	27,672	42,103
Other comprehensive income	66,914	25,217
Total Comprehensive Income	94,586	67,320
Total Comprehensive Income attributable to NCI	23,647	16,830

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36. Non-Controlling Interest (Continued)

General Accident Insurance Company (Trinidad) Limited

(c) Summarised Statement of Cash Flows

	2024 $'000	2023 $'000
Cash flows from operating activities		
Cash generated from operations	120,480	201,290
Income taxes	19,385	(14,534)
Net cash provided by operating activities	139,865	186,756
Net cash generated from/(used in) investing activities	49,679	(179,438)
Net cash used in financing activities	(22,356)	(13,951)
Net increase/(decrease) in cash and cash equivalents	167,188	(6,633)
Cash and cash equivalents at beginning of year	270,895	270,266
Exchange gains	25,823	7,262
	463,906	270,895

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

General Accident Insurance Company (Barbados) Limited

(a) Summarised Statement of Financial Position

	2024 $'000	2023 $'000
	$'000	$'000
Assets	638,042	263,702
Liabilities	(555,870)	(186,323)
Net Assets	82,172	77,379

(b) Summarised Statement of Comprehensive Income

	2024 $'000	2023 $'000
Revenue	755,504	565,965
Profit/(Loss) before taxation	361	(12,169)
Taxation	-	-
Profit/(Loss) after tax	361	(12,169)
Other comprehensive income	4,432	(1,994)
Total Comprehensive Income	4,793	(14,163)
Total Comprehensive Income attributable to NCI	959	(2,833)

36. Non-Controlling Interest (Continued)

General Accident Insurance Company (Barbados) Limited

(c) Summarised Statement of Cash Flows

	2024 $'000	2023 $'000
Cash flows from operating activities		
Cash generated from operations	299,379	(21,025)
Income taxes	233	-
Net cash used in operating activities	299,612	(21,025)
Net cash generated from investing activities	1,675	20,338
Net cash used in financing activities	(9,166)	(8,880)
Net increase/(decrease) in cash and cash equivalents	292,121	(9,567)
Cash and cash equivalents at beginning of year	147,657	158,338
Exchange gains on cash and cash equivalents	3,160	(1,114)
	442,938	147,657

37. 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 2020, indicated that the scheme was adequately funded at that date.

Pension contributions for the period totalled $21,950,045.64 (2023 – $20,538,000) and are included in staff costs (Note 14).

38. 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 aggregate, will have a material effect on the Group. No provision has been made as Management and professional advice indicates that it is unlikely that any significant loss will arise.