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Featured Stock: GENAC

General Accident Insurance Company Jamaica Ltd.

(GENAC): Opening price — \$2.77

Price to book — 1.46 times; P/E — 7.38 times

General Accident Insurance Company Jamaica Limited provides insurance coverage for travel, and motor vehicles. The entity also covers miscellaneous accidents, credit risk, professional liabilities, engineering projects and marine cargo transit.

For the three months ended March 31, 2017, GENAC posted an 18% decline in net profits compared to the prior year. The contraction in net profit was as a result of a 29% and 25% increase in Commission Expenses and Management Expenses respectively. Other Income also contributed to the reduction with a 72% decline year over year. "According to management, "General Accident had a less than favourable start to 2017, despite growing our gross written premiums by 23% to \$1.97 billion in 2017. The Company's net earned premiums grew by \$51.6 million or 20% to \$304.1 million." It should be noted that for the 2017 financial year, the Financial Services Commission has relaxed the Minimum Capital Test requirement from 250% to 150% for general insurance companies.

GENAC (as at Friday June 09, 2017) was trading at 1.46 times its book value with a P/E of 7.38 times.

Our weekly pick features a stock currently held in the Mayberry Managed Equity Portfolio (MMEP). For more information on the MMEP, please contact your investment advisor today.