



# Featured Stock: GENAC

General Accident Insurance Company Ltd. (GENAC):  
Opening price - \$4.00 Price to book - 1.99 times;  
P/E - 13.97 times

This week's stock pick is General Accident Insurance Company (JA) Limited (GENAC). The Company, licensed to operate as a general insurance company under the Insurance Act, 2001, provides commercial and personal property and casualty insurance.

GENAC reported Gross premium written of \$8.74 billion, 23% higher than the \$7.11 billion reported for 2017. According to GENAC, "The development of our premium volume was driven by strong growth in the motor product." Reinsurance ceded rose 21% to close at \$6.75 billion relative to \$5.56 billion booked in 2017. Excess of loss reinsurance trended up by 40% to \$127.75 million (2017: \$91.36 million). As a result, net premium written increased by 28% from \$1.46 billion last year to \$1.86 billion. Net premium written for the fourth quarter amounted to \$543.67 million relative to \$416.04 million booked for the corresponding period in 2017. Investment income closed at \$199.22 million, a 39% decline when compared with last year's \$328.38 million, while other income totaled \$17.22 million, relative to losses of \$25.83 million in 2017. Other operating expenses grew by 42% to \$43.89 million relative to \$30.95 million in 2017. GENAC noted, "Continues investments to recruit and retain talent and a new campaign to promote our motor offerings, accounted for most of the increase." Profit before taxation amounted to \$354.47 million (2017: \$236.08 million). Following taxes of \$59.14 million (2017: \$14.84 million), Net profit totaled \$295.33 million for the period, an increase of 33% compared to the \$221.24 million reported last year. Net profit for the quarter was \$151.22 million, 7% less than the same period of 2017 which had net profits of \$162.04 million.

GENAC (as at Friday February 22, 2019) was trading at 1.99 times its book value with a P/E of 13.97 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.



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