



# Featured Stock: GENAC

General Accident Insurance Company Ltd. (GENAC):  
Opening price - \$6.06 Price to book - 2.86 times;  
P/E - 18.65 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.

General Accident Insurance Company posted 41% higher Gross premium written, for the six months ended June 30, 2019 to \$6.57 billion (2018: \$4.65 billion). Reinsurance ceded for the period rose 45% to close at \$5.45 billion relative to \$3.75 billion booked in 2018. Net changes in unearned premiums totalled \$60.16 million, 17% lower than the \$72.62 million recorded last year. Consequently, net premiums earned for the six months period grew by 29% to a total of \$988.67 million compared to \$767.27 million for the prior year. Investment income closed at \$79.07 million, a 7% decline when compared with last year's corresponding period of \$84.79 million, while other income totalled \$38.25 million for the period, relative to an income of \$58.32 million in 2018. Other operating expenses grew by 66% to \$34.73 million relative to \$20.90 million in 2018. Profit before taxation amounted to \$163.56 million (2018: \$114.53 million). Following taxes of \$28.28 million (2018: \$19.09 million). Net profit totalled \$135.28 million for the period, an increase of 42% compared to the \$95.44 million reported last year.

Management stated that, "we are investing heavily in digital transformation. We now have in place a dedicated unit that is mandated to capture and analyse data that will drive our business strategy and enhance our core business."

GENAC (as at Friday August 30, 2019) was trading at 2.86 times its book value with a P/E of 18.65 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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