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Featured Stock: GENAC

General Accident Insurance Company Ltd. (GENAC):
Opening price - \$6.35 Price to book - 2.49 times;
P/E - 10.41 times

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

GENAC, for the six months ended June 30, 2020 reported gross premium written of \$6.21 billion, 5% less than the \$6.57 billion recorded for the corresponding period in 2019. Reinsurance ceded close at \$4.84 billion relative to \$5.45 billion booked in 2019, this represents a 11% contraction. Net premiums earned grew by 37% to total \$1.36 billion relative to the \$988.7 million earned in the prior year. Claims expenses saw an increase of 40%, closing the period at \$877.30 million (2019: \$632.83 million) while management expenses climbed by 36% to total \$570.55 million. The substantial increase in both expenses impacted underwriting profit which totalled \$21.22 million, relative to the \$80.97 million booked in the 2019 period. The company however earned other income of \$81.03 million, which was 112% increase in comparison to the \$38.25 million earned for the six months ended June 30 2019. Profit before taxation amounted to \$142.41 million (2019: \$163.57 million). Following taxes of \$29.92 million (2019: \$28.28 million), Net profit totalled \$112.49 million for the period, a decrease of 17% compared to the \$135.28 million reported last year.

The company shared that "management is changing the way it does business in the midst of a pandemic to adjust as needed to changing conditions. Additionally it is looking to maintain momentum in the pandemic by expanding its footprint in the region."

GENAC (as at Friday October 2, 2020) was trading at 2.49 times its book value with a P/E of 10.41 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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