



Board of Directors' Report

Dear Shareholders,

On behalf of the Board of Directors of Union Insurance Company P.J.S.C. we have the pleasure in presenting our Report on the performance of the Company along with the Audited Financial Statements for the year ended 31st December 2020.

The Company registered another successful year of Underwriting performance during 2020 despite continued challenges faced by the local insurers and global economy due to the pandemic COVID19. The Company took several timely measures to mitigate the effects of the pandemic which resulted in successfully sustaining the business and improving the underwriting profitability during the year.

Notable events/achievements during the year were:

- The Company registered a Gross Premium of AED 868 million as against the 2019 Premium of AED 927 million. The marginal reduction in gross premium is due to COVID 19 pandemic.
- The Company posted Underwriting Profit of AED 39.8 million compared to AED 21.1 million for the last year.
- The Company continues to carry technical provisions as recommended by the Actuary in compliance with the Insurance Authority regulations.
- The Company's Financial Strength Rating of B++ (Good) and Issuer Credit Rating of 'bbb' was affirmed by the International Credit Rating Agency A. M. Best. According to AM Best's Press Release on 22nd October 2020 – "these ratings reflect Union's Balance Sheet strength, which A.M. Best categorises as strong, as well as its adequate operating performance, limited business profile and appropriate enterprise risk management".
- The company is in compliance with the Financial and Solvency regulations with a positive solvency ratio of 113% in 2020. This reflects an improvement in solvency ratio as compared to 111% solvency ratio in 2019.

2020 Financial results

- The Underwriting Profit for 2020 amounted to AED 39.8 million (2019: AED 21.1 million).
- The company reported investment loss of AED (5) million compared to gain of AED 14.5 million for the year 2019.



- The Net Loss for the year 2020 amounted to AED (6.8) million as against the Net Profit of AED 21.5 million for the year 2019.
- Total Equity of the Company decreased from AED 325.8 million in 2019 to AED 317 million at the end of the 2020 .
- Total Assets of the Company as at 31.12.2020 is AED 1.77 billion compared to AED 1.81 billion as at 31.12.2019.

The Management take this opportunity to thank all the shareholders and customers for their continued support and also express their sincere appreciation to Company managers and staff for their dedication and hard work.



For and on behalf of Union Insurance Co. P.J.S.C.

Abdul Muttaleb M. H. Al Jaedi

Chief Executive Officer