

PT Asuransi Jiwa Nasional

Financial Strength Rating *ii*BBB/Stable

Rated Issues -

Rating Period
March 1, 2024 – March 1, 2025Rating History
February, 2023 *ii*BBB/Stable
March, 2022 *ii*BBB/Stable

"Insurance Company with *ii*BBB rating have an adequate level of certainty to honor the financial obligations to policyholder. However, this certainty is more likely to diminish in the future than the higher rating categories."

Kredit Rating Indonesia assigns '*ii*BBB' rating to PT Asuransi Jiwa Nasional with "Stable" outlook

Kredit Rating Indonesia (KRI) assigns a Financial Strength Rating of '*ii*BBB' for PT Asuransi Jiwa Nasional (ASJN or the Company) with "Stable" outlook. The rating reflects ASJN's sound capitalization and sufficient liquid assets to cover technical reserves. The rating is constrained by the company's relatively very small market share of GWP.

PT Asuransi Jiwa Nasional (ASJN), established in 2017 and headquartered in Jakarta Pusat, Indonesia, operates as a life insurance company within the Indonesian market. As of December 31, 2023, the company's ownership is predominantly held by PT Nasional Investindo Perkasa, which owns 99% of the shares, with the remaining 1% held by PT Bhakti Artha Global.

ASJN has experienced a notable decline in its Risk-Based Capital (RBC) ratio, decreasing from 910% in FY18 to 193% by December 2023. This reduction in the RBC ratio suggests a more efficient utilization of the company's working capital, demonstrating ASJN's capability to absorb negative risk shocks effectively. Despite this efficiency, ASJN fell short of its internal RBC target in 2023. While the regulatory minimum set by the Otoritas Jasa Keuangan (OJK) is 120%, ASJN had internally set a more stringent minimum threshold of 240%.

KRI sees that as of December 2023, ASJN's liquid assets were 1.84 times greater than its technical reserves. This substantial ratio indicates a strong liquidity position for ASJN, suggesting that the company possesses ample liquid resources to adequately cover any sudden claims. ASJN's liquid assets to technical reserves ratio is higher than its peers as of December 2023.

ASJN has been active in the life insurance sector in Indonesia for around six years. During this time, ASJN has consistently held a small portion of the market share, as indicated by its gross written premium (GWP). Over the last four fiscal years, there has been a noticeable increase in ASJN's market share, growing from 0.027% in FY19 to 0.093% in FY23.

We are of the view that the ratings are constrained by ASJN's small market share, which restricts the company's potential for growth and expansion. Additionally, an increasing loss ratio poses challenges to ASJN's ability to effectively manage risks associated with its underwriting and investment activities.

ASJN Financial Results Highlights

For the year ended	Dec 2023 (Unaudited)	Dec 2022 (Audited)	Dec 2021 (Audited)	Dec 2020 (Audited)
Total Assets (IDR, Bn)	507.78	431.64	374.13	297.98
Total Equity (IDR, Bn)	192.83	187.11	177.83	165.80
Investment exc. Cash (IDR, Bn)	354.64	308.91	257.91	208.86
Net Premium Written (IDR, Bn)	140.28	124.45	64.32	56.92
Net Claims (IDR, Bn)	123.62	101.66	42.15	20.55
Net income After Tax (IDR, Bn)	3.41	10.82	1.28	7.42
ROAA (%)	0.73	2.68	0.38	2.69
Loss Ratio (%)	88.13	81.69	101.10	66.01
Net Premium Written/Equity (x)	0.73	0.67	0.36	0.34
Retention Ratio (%)	96.04	83.26	83.90	75.04
Equity/Total Assets (%)	37.97	43.35	47.53	55.64
Risk Based Capital; RBC (%)	192.78	308.05	387.25	548.60

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