Ref. No.: MUM/SEC/14-04/2023

April 26, 2022

To,

The Manager	The Manager
Listing Department	Listing Department
BSE Limited	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers	Exchange Plaza, 5th Floor, Plot C/1
Dalal Street	G Block, Bandra Kurla Complex,
Mumbai – 400 001	Mumbai – 400 051

Scrip code: Equity (BSE: 540716/ NSE: ICICIGI); Debt (NSE: ILGI29)

Dear Sir/Madam,

Subject: Transcript of earnings conference call for quarter and financial year ended March 31, 2022

This is further to our letter dated April 6, 2022 and April 21, 2022. The Company had hosted an earnings conference call with investor(s) and analyst(s) on Thursday, April 21, 2022 to discuss the financial performance of the Company for the quarter and financial year ended March 31, 2022.

In this regard, please find attached the transcript of the earnings conference call.

The same is also made available on the Company's website at www.icicilombard.com

You are requested to kindly take the same on your records.

Thanking you.

Yours faithfully,

For ICICI Lombard General Insurance Company Limited

Vikas Mehra

Digitally signed by Vikas Mehra
Date: 2022.04.26 18:44:09 +05'30'

Vikas Mehra
Company Secretary

Encl. As above

ICICI Lombard General Insurance Company Limited
Q4 & FY2022 Earnings Conference Call
April 21, 2022

Management:

MR. BHARGAV DASGUPTA – MANAGING DIRECTOR & CEO

MR. GOPAL BALACHANDRAN – CHIEF FINANCIAL OFFICER & CHIEF RISK OFFICER

MR. SANJEEV MANTRI – EXECUTIVE DIRECTOR – RETAIL

MR. ALOK AGARWAL – EXECUTIVE DIRECTOR - WHOLESALE

Moderator: Ladies and gentlemen, a very warm welcome to ICICI Lombard General Insurance Company Limited Q4 and FY2022 Earnings Conference Call. From the senior management, we have with us today Mr. Bhargav Dasgupta - MD and CEO of the Company; Mr. Gopal Balachandran - CFO and CRO; Mr. Sanjeev Mantri - Executive Director, Retail; and Mr. Alok Agarwal - Executive Director, Wholesale. Please note that any statements or comments are made in today's call that may look like forward looking statements are based on information presently available to the management and do not constitute an indication of any future performance as future involved risks and uncertainties which could cause results to differ materially from the current views being expressed.

As a reminder, all participants' lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * then 0 on your touchtone phone. I now hand the conference over to Mr. Bhargav Dasgupta - MD and CEO, ICICI Lombard General Insurance Limited. Thank you and over to you, sir.

Bhargav Dasgupta: Thank you Neerav, good evening to each one of you. Thank you for joining the earnings conference call of ICICI Lombard General Insurance Company Limited for Q4FY22 and for the full year 2022, I will give you a brief overview of the industry trends and developments that we have witnessed in the last few months. Post this our CFO, Mr. Gopal Balachandran will share the financial performance of the Company for the quarter, and the year ended March 31, 2022.

The industry registered a GDPI growth of 11.1% for FY22. As for public disclosure, the combined ratio of the industry was 119.2% for 9MFY22 as compared 110.4% for 9MFY21 and the industry reported a loss of ₹ 4.05 billion as against profit after tax of ₹ 55.6 billion for 9MFY21. Further the overall combined ratio for the private multiline general insurance was 112.0% in 9MFY22 as compared 104.6% in 9MFY21. The industry solvency at 9MFY22 worsen to 1.71 times as against 2.07 times at 9MFY21.

Moving to the quarter under review, the industry delivered a mixed performance. As per the data published by SIAM, the new vehicle sales witnessed tepid growth in private car segment on the back of supply chain challenges. The two wheeler segment remained far from recovery while the commercial vehicle segment has shown growth supported by underlying demand. Health insurance on the other hand, contributed significantly to the overall industry growth in line with the expectation and is now the largest contributing segment to the GDPI of the industry. The commercial lines witnessed robust growth in sync with current market environment.

Coming to the business impact for us -

The company has grown in line with the market growth of 12.7% (excluding crop and Mass Health), as against the lower growth that we witnessed till 9MFY22. Within the quarter, the growth momentum has increased each month and the company has significantly outgrown the market in the month of March 2022.

Coming to the growth for key segments during the quarter-

For motor, the Company has grown faster than the industry and we have now attained market leadership in this segment for the year.

Our investment on the retail health side has started to show results, with our agency channel premium growth of 29.5% for the quarter. As indicated in our previous calls of the 1,000 retail health agency managers to be added to our employee base we have now on-boarded 750 of them during this fiscal and the balance 250 offers have been made. We expect growth to accelerate in the next few quarters as the salesforce starts to get productive.

The corporate agency channels including Bancassurance is back in the black with overall growth of 19.4%. Within this, ICICI Bank distribution grew by 24.9% primarily driven by health indemnity, SME and motor business and other distribution partners acquired through the integration grew 15.9% during the same period.

Our business sourced through our website grew by 20%, within this our health business grew by 23%, travel grew by 130% and motor grew by 10%. Business sourced through strategic alliance partners in the digital ecosystem grew by 98.2%.

Overall, our digital solutions has enabled us to increase our digital revenues to ₹ 7.74 billion for the current year, which accounts to 4.3% of our overall GDPI.

As for the commercial lines are concerned, we experienced robust growth driven by 17.8% growth in the SME segment.

Let me now give you an update on some of our other key initiatives.

On the integration, I am very happy to share that as we speak, ICICI Lombard stands as the second largest non-life insurer in

India exactly as envisioned while evaluating the scheme as a potential transaction, the integration enabled us to strengthen our market leadership, augment and further strengthened our diverse distribution channels. The revenue and operational synergy plans are on track and Gopal would talk about this in detail in his segment.

Our IL TakeCare app has surpassed 1.3 million downloads with successful submission of over 130,000 claims and over 70,000 teleconsultation requests. The recently added feature "Face Scan" helps users to keep a track of vitals such as blood pressure, heart rate, respiration rate, etc. all without any additional devices, and from the comfort and safety of one's home. IL TakeCare is built to be user friendly and a continuous engagement platform which is increasing our ability to cross sell.

We are also pleased to share with you that we are the first large insurer to move our entire 'core systems' on to the cloud this year. In our data center, we had about 110 applications across 600 servers and around 1,000 terabyte of data. Moving our complete setup onto cloud has given us some immediate benefits, including stability, availability and scalability.

As such some of the investments that we have made during the year in distribution and technology is bearing fruit, and we expect to see momentum and growth as we head into the next financial year. We intend to continue with our expansion across distribution, digital technology and claim services. Towards this, we have planned additional investments in the range of ₹ 1 billion to ₹ 1.5 billion during the coming year.

I will now request Gopal to take you through the financial numbers for the recently concluded quarter.

Gopal Balachandran: Thanks Bhargav and good evening to each one of you. I will now give you a brief overview of the financial performance of the Company for Q4 and FY2022. We have put up the results presentation on our website, you can access it as we walk you through the performance numbers.

The effects of the demerged financials have been incorporated in the form of opening net worth as on April 1, 2021. Further the financials for the current year represent numbers of the merged entity and the comparative numbers for the previous year of the financials pertaining to standalone ICICI Lombard and hence are not comparable.

The Company has enhanced disclosure requirement or reserving triangles by giving separate reserving triangles for motor third party and non-motor third party lines of businesses. This is in accordance with the regulatory guidelines and public disclosures which is applicable to all the players in the market. You may refer to slide number 29 and 30 of the investor presentation on the reserving triangle disclosures.

Our gross direct premium income of the Company was at ₹ 179.77 billion in FY2022 as against ₹ 140.03 billion in FY2021. The industry reported a double-digit growth of 11.1% on a lower base for a similar period.

Our GDPI growth was primarily driven by growth in preferred segments, given that our approach has always been growing business sustainably. The fire segment GDPI was ₹ 27.50 billion in FY22 as against ₹ 21.58 billion in FY21.

As indicated in our results presentation, the overall GDPI of our property and casualty segment was ₹ 50.24 billion in FY22 as against ₹ 39.29 billion in FY21. On the retail side of business

GDPI of the motor segment was at ₹ 82.80 billion in FY22 as against ₹ 70.20 billion in FY2021. To harness the potential of these segments, we have been expanding our distribution network to increase penetration in Tier-3 and Tier-4 cities. Our agents which include the point of sale has increased to 88,539 as on March 31, 2022, from 81,969 as on December 31, 2021. The advanced premium numbers was ₹ 33.68 billion as at March 31, 2022 as against ₹ 34.59 billion as at December 31, 2021. Resultantly combined ratio was 108.8% in FY22 as against 99.8% in FY21 and 111.0% in 9MFY22. Combined ratio was 103.2% in Q4FY22 as against 101.8% in Q4FY21 and 104.5% in Q3FY22.

Our investment assets rose to ₹ 387.86 billion at March 31, 2022, from ₹ 374.54 billion at December 31, 2021. Our investment leverage net of borrowings was 4.23x at March 31, 2022 compared to 4.23x at December 31, 2021. Investment income was to be ₹ 30.00 billion in FY22 as against ₹ 21.96 billion in FY21.

On a quarterly basis, investment income was ₹ 7.06 billion in Q4FY22 as against ₹ 5.37 billion in Q4FY21. Our capital gains was at ₹ 7.38 billion in FY2022 as against ₹ 3.59 billion in FY2021. Capital gains for Q4FY22 was at ₹ 1.36 billion as against ₹ 0.66 billion in Q4FY21. The successful integration of the demerged business of Bharti AXA in to the company has led to optimization of our organizational structure, rationalization of offices, efficiencies in Claims Settlement Practices and Technology applications. This will result in an annualized synergy benefits of ₹ 2 billion, of which ₹ 0.7 billion has been realized in FY2022. Our profit before tax was ₹ 16.84 billion in FY22 as against ₹ 19.54 billion in FY21 whereas PBT was to ₹ 4.10 billion in Q4FY22 as against ₹ 4.50 billion in Q4FY2021. As explained about the Company has seen higher growth momentum in Q4FY22 and within that in the month of March 2022. Due to the current accounting norms this results in up-fronting of sourcing costs, whereas the benefit of earned premium will be realized over the policy period. Consequently, profit after tax was ₹ 12.71 billion in FY22 as against ₹ 14.73 billion in FY21. Whereas profit after tax stood at ₹ 3.13 billion in Q4FY22 as against ₹ 3.46 billion in Q4FY21.

The board of directors of the Company has proposed a final dividend of ₹ 5.00 per share for FY22. The payment is however, subject to approval of shareholders in the ensuing annual general meeting of the company. The overall dividend for FY22 including the proposed final dividend is ₹ 9.00 per share.

Return on average equity was 14.7% in FY22 as against 21.7% in FY21. The return on equity for Q4FY22 was 14.0% as against 18.8% in Q4FY21. Solvency ratio was at 2.46x at March 31, 2022, as against 2.45x at December 31, 2021, which continue to be higher than the minimum regulatory requirement of 1.5x. As I conclude, I would like to reiterate that we continue to stay focused on profitable growth, sustainable value creation and safeguarding interest of policyholders at all times.

I would like to thank you all for attending this earnings call and we will be happy to take any specific questions that you may have. Thank you.

Moderator: Thank you very much, we will now begin the question-and-answer session.

The first question is from the line of Shreya Shivani from CLSA. Please go ahead.

Shreya Shivani: Thank you for the opportunity. So, couple of questions I had. First one is on the Motor TP hike rate that was announced and what is your feedback on how comfortable are you with the hike that the regulator has proposed? And if you could help us get to an idea in spite of the rate hike given that underlying car sales is still weak, can you help us understand how much proportion of your Motor TP book is private cars? That will be the first question. Second is , looking at your March 2022 monthly data, the trend in your Motor TP book which was stronger than the industry? and also how has the loss ratio on fire come down quite dramatically during this quarter?

Bhargav Dasgupta: Thanks Shivani. So, let me give the answers in the same sequence. So, if you look at the Motor TP rate hike. It's different across different segments, but the long term Motor TP rate hike is a bit higher overall at a portfolio level. For the industry weighted average increase comes to roughly about 3%. Honestly speaking, given the general inflation that we see, we would have liked to see slightly higher rates in certain categories. In certain categories, we are fine with rate hike that has been given. So, in aggregate maybe a little bit higher would have been appropriate is our view on this**.** When is it expected? As of now, the understanding is that it will come around May. So, that's where we are on the Motor TP hike. In terms of the mix, I will ask Gopal to answer the mix.

Gopal Balachandran: Yeah, we have given on slides, the split of Motor OD and TP, which is roughly about ₹40.68 billion is Own Damage, and about ₹ 42.12 billion is third party. Within that ₹ 42.12 billion, private car third party will be about ₹13.49 billion.

Bhargav Dasgupta: Coming back to your question on growth, on what’s happened as we've been explaining for the last few quarters is that we took some calibrated call on readjusting our portfolios away from certain private car segments, given the pricing competition that we saw on the private car own damage side, and increasing on the CV side, again, very calibrated very selective calls, based on ground level insights, plus some experimentation that we've been doing for the last three years to figure out if some of these books are going to be better risk for us. Now, in retail, when you cut down the number goes away immediately, but to build up it takes some time. So, I think on the commercial side, the growth momentum has now picked up and what we have been indicating is that, if you look at our overall portfolio mix, unlike the market, where out of the total motor book, roughly 45% will be commercial vehicle that was for us in the teens, maybe 15% to 17%. That, as we've been saying should go to roughly in the mid-20s. So, that journey has now started, we will have to see if we can maintain the momentum of both of March, but clearly the increase in the market share of CV is something that we expect going ahead.

Gopal Balachandran: And your last question on fire loss ratio Shreya again, I think that's one segment where we keep talking about that a quarterly loss ratio may not necessarily be reflective of the underlying outcome of the performance, a better number to look at would be the financial year numbers. In fact, within that, there could be years where because of let's say various large losses or catastrophic years, in fact, the loss ratio of that particular risk segment could get impacted. So, hence, quarterly numbers may not necessarily kind of reflect the underlying outcome, look at more the annual numbers for the fire part of the business.

Moderator: Thank you. The next question is from the line of Abhishek Saraf from Jefferies. Please go ahead.

Abhishek Saraf: Thanks for the opportunity. So I just had some follow on questions asked. So, you mentioned that in the CVs we are looking at a higher mix, so what is giving us confidence of maintaining or containing the loss ratios in that if you can just give us a few more details in the kind of experiments that you have done and where are we deriving this confidence from? Secondly, if you can help me understand, I believe that we have taken hikes in Motor OD segment, what would be the average quantum of hike that we would have taken, which car segment and is it across the board for new cars or it is across for new or old cars?

Bhargav Dasgupta: Thanks, Abhishek. So, in terms of increasing our CV mix I think we have been talking about the way we handle this. Again to reiterate the point it is not as in we believe the whole CV portfolio is suddenly turned viable or sustainable or profitable. If you look at the overall industry mix, CV will be 45% to 50%. We are not talking about going anywhere near that number. Now what we've been doing for the last few years, again we have various times talked about this is that based on ground level insights, based on some changes that we're seeing both at in certain micro segments, certain markets, based on certain usage patterns or accident patterns that are changing in certain states or even some amount of the regulatory and the compliance standards in some of these markets, we have been identifying some segments that we believe are viable today than what they were in the in the past and what we've been doing as a company is that we've been taking small bets to see writing small amounts of business, reserving at a level where we believe it is very very conservative, but allowing the team to write some of those businesses to see what is the experience that we have over the next two to three years. Some of the experiments have proved to be in line with our expectations. So, those are areas where we are scaling up businesses. So, that's the confidence that we're getting in terms of the segments of business. Now in terms of the approach that we are taking is not just looking at loss ratio. We look at the combined ratio in terms of sourcing costs and loss ratio together and wherever there is, viability, that’s where we're taking those calls. In terms of private car, the increases reasonably across board there are one or two OEMs, which haven't agreed, we are discussing, but most of the areas we've taken price increases.

Abhishek Saraf: Thanks for that answer Bhargav. Just if you can help and share to understand the quantum of hikes on an average that we would have taken.

Bhargav Dasgupta: It would be single digit, it's not as if you've taken a huge hike, it will be a single digit hike.

Abhishek Saraf: Okay, that's pretty helpful. Secondly, I just noticed that in the calamity losses, our share of losses have actually gone up in this year. So, is it only because of integration with Bharti AXA or is there more to it? Is our share of premium gone up proportionately, in line with the losses as well?

Bhargav Dasgupta: Yeah, so this was largely the cyclone Tauktae that you're talking about. If you look at the last 10 to 12 catastrophic events, our share of losses have been significantly lower than our normal market share. In Tauktae, we had two of our corporate exposures that got hit. So, it was an unfortunate event, not as if there was a large impact across board. So, that's why we have an impact in Tauktae. Because in those cases, we're in the western market where we have a slightly higher share than our natural market share. So, when you look at loss share that we've got relative to the market share in these market it is again lower.

Moderator: Thank you. The next question is from the line of Madhukar Ladha from Elara Capital. Please go ahead.

Madhukar Ladha: Thanks for the opportunity. Your loss ratios for Motor OD and Motor TP and especially Motor TP actually, for Q4FY22 have risen quite materially and if you look at the quarter-by-quarter trend, there is quite a bit of volatility. Now, you know when we look into the future, how should we be thinking about it? Should we look at the exit rate more appropriate for next year or the full year rate as a base and so how do you project these things or how do you look at it?

Gopal Balachandran: So If you look at on the motor own damage segment, the exit rates for Q4 will be largely reflective of the trend line that one could potentially see so far as the way forward is concerned and the reason why we are saying is in line with what we had discussed in our earlier calls. The thought process is to try and see how we can get significantly into writing businesses, which will be relatively driven more on high loss ratios and relatively lower cost of sourcing. That's the thought process that we have in terms of increasingly building the book and that's the reason why I would say Q4FY22 on the motor own damage is largely reflective of what one could experience at least in so far as the trend line for the future is concerned. Having said that, obviously we continue to kind of micro segment the portfolio to see which are the segments which we want to risk select and underwrite in terms of building the overall book, but the thought process is in line with, as I said, build a book, which is relatively high LR and low expense in so far as cost of sourcing is concerned. On the third-party portfolio, I think the full year numbers are largely representative of what one could experience in so far as the way forward is concerned, Q4FY22, specifically, is in line with what we had done in Q4 of last year, if you recollect, there were supreme court judgments which had come through this is where we had to revisit all the outstanding cases that we had as of the previous year, and we had to strengthen the reserving requirements, assuming the fact that we could expect an increase in average claim payout consequent to those judgments on the outstanding cases as well. On the similar lines, what we've experienced over the last couple of years, which is for understandable reasons that the courts in India, which is predominantly where you get bulk of the motor third party orders being received, that has not been functioning at full force. While we have started to see particularly in Q4FY22 things coming back but over the last 3 to 6 quarters, courts have not necessarily been functioning at full swing. This obviously starts to have an impact on trend line in settlements or closures of cases of third party that would have been done relative to the historical past, which would mean given the fact that there has been some lag in the extent of closures that we would have normally seen, which could happen in the future period, we obviously have to factor in for or maybe build an element of further inflation assumption as a part of our reserving books, particularly the element of interest that we'll have to add, in so far as our reserving requirements are concerned and hence the trend line for full year on the third party book will be more representative of what one could expect so far as future is concerned. One should also be mindful Madhukar is that given the fact that we strengthened the reserving book of the motor third party pool, as you would have seen in terms of the enhanced disclosures, this element of increased interest, or increased inflation that we have built in as a part of the reserve however, on an aggregate basis, we have the motor third party book, which is actually reflecting a small amount of reserve release.

Bhargav Dasgupta: Just to add to what Gopal said, effectively, what we are looking at is combined rather than loss ratio. When we are selecting business and the attempt is to bring the combined more under control, not just look at the loss ratio.

Madhukar Ladha: Right. I'm guessing the competitive intensity is driving us in this direction and that's why we see lower commission ratios and expense ratios in Q4FY22 is that right to say? And what would be the trend for FY23.

Bhargav Dasgupta: So more than the competitive intensity, the competitive intensity is driving up the overall combined for motor, but if you look from a pure ROE perspective, businesses which are high loss ratio, but low expense ratios are better businesses, because the expenses is upfront. Loss ratio comes over a period.

Madhukar Ladha: And our expectation on integration with Bharti Axa and what should be our expense ratios we expect in FY22-23, any guidance on that?

Bhargav Dasgupta: Synergy numbers as Gopal had explained.

Gopal Balachandran: So, very difficult to put out a number Madhukar because I think on the one side, we have put out what will be the annualized synergy numbers as part of the opening remarks, having said that let's say for the year FY23, or maybe the year thereafter, we will want to continue to stay invested in building some of our expansion plans, particularly what we have spoken about on the health agency distribution side. We want to continue to stay invested on building our digital opportunities that we see, including the investments in technology and claim service. So, we are pretty much largely on track in order to realize the benefits of synergy, but at the same time, we would want to use some of these synergies to increase in the opportunity on account of the renewed growth momentum that we have seen for ourselves.

Bhargav Dasgupta: If you remember what we had discussed, when we did the transaction, we had said that for a couple of years, our combined ratio will be elevated and then it will start coming down. If you see our combined ratio for this quarter relative to the last few quarters, it's already trending down. So, that is an ongoing effort that you will make to keep the combined ratio under control. Now, we also said that as a strategy rather than bring combined down to 100% and delivering a 20% ROE, we want to keep on investing and grow the book a bit faster. Consequently, the ROE may have come down to the high teen. But improvement in combined ratio, should continue.

Madhukar Ladha: I was reading the notes to accounts there is a ₹ 65 crore payment of GST under protest and an additional agreement to pay **₹ 40** crore, can you explain that?

Gopal Balachandran: So, these are couple of matters that we put out as a part of that disclosure on the notes to accounts. As an insurance company, we are entitled to claim input credit in settlement of motor claims both with respect to the arrangement that we have either on a cashless or whether on a reimbursement basis. In so far as, the GST department is concerned, they seem to allege that possibly we are not entitled to claim certain inputs with respect to some of those motor claims. So, that's one. The second aspect is in respect of realization as a part of claims settlement, in the context of motor portfolio, we do end up having certain element of salvage, the view of the department is that on that particular amount of salvage, there should be an element of GST applicability. We have taken expert opinions and consulted senior counsels on this in terms of the stand that the company on both matters with respect to the eligibility of input credit or motor claim, as well as whether there will be any element of applicability of GST insofar as salvage is concerned. The stand of the company is pretty much well found and it is legally correct. So, at this point of time, that's the reason why the amount of ₹ 65 crore is paid under protest and another ₹ 40 crore is something that we are committed to pay. In due course, we will be filing the refund for getting this amounts back, but at this point of time these amounts are largely paid under protest. What we clearly understand is that, this is something which is applicable more at an industry level and hence to that extent we will work collectively at an industry level and ensure that we are able to get the rightful amount that is due back to us.

Madhukar Ladha: Understood. So, this is an industry phenomenon.

Gopal Balachandran: Absolutely. So, the tax issues is not specific to ICICI Lombard, both the issues are applicable at an industry level.

Madhukar Ladha: Got it. Thanks. That's very helpful.

Moderator: The next question is from the line of Prayesh Jain from Motilal Oswal Financial Service. Please go ahead.

Prayesh Jain: Good evening everyone. Firstly, could you talk about the health claim ratios on the retail side in particular on the group health, how are they fared in Q4FY22 and are they back to pre-COVID levels or there are certain elements which are still ahead with respect to COVID and how do you see this going ahead?

Gopal Balachandran: So, if you look at the health loss ratios, which has been given in the aggregate on the presentation deck, the breakup of that in terms of the employer employee portfolio, or let's say the corporate book, that number for Q3FY22 was 93.1%. That number for Q4FY22 is 95.3% and on the retail indemnity book, the loss ratios in Q3FY22 was about 65.7% and for Q4FY22 that number stands at about 57.6%.

Prayesh Jain: The retail definitely has come up and this is more of a normalized level now, and we can presume it to be in a similar trajectory going on, right?

Gopal Balachandran: So, when you look at, on the corporate, employer-employee book, we've always been saying, particularly the large corporates tends to kind of operate at a loss ratio, which could be ranging anywhere between 95% -100%, and in so far as relatively small and mid-corporate book is concerned, they generally tend to operate on again the employer employee part at anywhere between 90% - 95%, which is why on a blended basis, one generally gets to see the loss ratios which are relatively around those mid-nineties threshold. However, the cost of acquisition with respect to these businesses, particularly the large corporates tends to be more direct and hence to that extent on aggregate basis on a combined ratio book, it becomes viable for us to underwrite. Having said that, I think over the last three quarters we have been talking through particularly on the employer-employee book, given the fact that we have seen particularly this year, the impact of COVID losses playing out, we have been effecting clearly price increases. Insofar as the renewal of the portfolio is concerned, while we had indicated a price increase in the range of 15% - 20%, during our Q1 earnings call, but subsequently, as in when the actual renewals have happened, we have been able to sight realizations which have been slightly higher than that and even with the increased price realization, we have been able to clearly hold on to, more than 90% of the renewals in so far as the employer-employee on the corporate book is concerned. On the retail side, again, the thought process is pretty much similar. We continue to keep looking at the portfolio outcome in terms of what is the desired loss ratio of the book. In general, I think particularly an indemnity book, depending on the book that you write, the loss ratios could range anywhere between, 60% to 70% on a steady state, whereas the relative cost of acquisition in the initial period would tend to be relatively higher given the investments that we're making on building distribution. So, that's what I would say in steady state loss experiences are concerned both on the corporate health on the retail indemnity book.

Prayesh Jain: If we look at another efforts that players like you all have taken with regards to tech enabled claims settlement processes on the health side or on the motor side, there are several initiatives that have been taken. So, do you see these benefits of these efforts, will get more reflected in the pricing coming down or it will translate into more combined ratio improvement? So, what was the strategy that ILOM will be adopting, in order to take benefits of these measures?

Bhargav Dasgupta: So, in terms of our long term thought process, just what you're talking about is definitely correct. But it's only one element of what we are, how we are building this. So, for example, on our claims, on the health side, we have launched the AI driven authorization ML Engine for settling claims for corporates that's currently running at shade lower than 60%. We believe that number will keep increasing as we go along, but this ofcourse is at multiple levels. So, if you think about it the entire approach with IL TakeCare was to look at an engagement and a continuum of care approach with corporates. And we believe there are multiple advantages of that beyond, cross sell, upsell, engagement, renewals, etc. Even at the time of claims, we believe in the longer term, we will see some benefits. So, we are already beginning to see that on more than 40% of our corporate clients claims are coming even reimbursement cases are coming through the app. What we've seen in the past is when we moved the entire claim service in house back in 2008-09, we were able to run the complete data and do a lot of analytics around it, at that point in time control frauds better. On top of it, we've built a lot of capability again, using artificial intelligence to identify fraudulent claims better. Now, as we digitize the entire journey, the ability to run those engines are even better. So, we are already beginning to see some benefits in terms of fraudulent claims being managed better. Lastly, we believe if you can drive the video consultation / teleconsultation as a model to even control unnecessary hospitalizations that could be additional benefit. So, overall there is a very comprehensive thought process in terms of using technology to both, give better convenience of service to customers and in the process improve our relative loss costs for the health claims.

Moderator: The next question is from the line of Sanketh Godha from Spark Capital Advisors. Please go ahead.

Sanketh Godha: Thank you for the opportunity. The price hike which we have taken in Motor OD which we have said is largely limited to new business or we have taken price hike in the renewal premium too. And just wanted to check whether it is just limited to cars?

Bhargav Dasgupta: Largely to New private car Sanket.

Sanketh Godha: Okay, so, that means the price hikes we have taken will help in improving the loss ratios, which are currently stating FY22 and 73% in four quarters. So, expect improvement in the loss ratio because of this current price hike.

Bhargav Dasgupta: We will have to see a few things. You know one of the things that we are watching very closely is the claim inflation because the input costs are going up for everyone. So, there is a risk that there will be claim inflation though till now in spite of the inflation the team has managed it really well in terms of controlling the ACS or average claim size inflation. We are also as you know driving a lot of our non-OEM source policies through our PPN network, that number is really gone up this year. So we are trying multiple strategies to prevent that from going up. But fact of the matter is that we've seen significant increase in input costs. So, there is a risk that there will be an inflation because of that. If that happens, then we will not be able to see that benefit. But our sense is that at this point in time where the private car Motor OD loss ratios are, it needs a price increase ipso facto whether we factor in inflation or not. So difficult to predict whether we see improvement in loss ratio, if the ACS inflation doesn't happen, the answer is yes, but we would have to guard against that.

Sanketh Godha: But is this an industry phenomenon? Will the price hike like you're seeing happen across the place. The reason I'm asking is that is a potential risk for our market share loss, if we are the only guys who have taken prices?

Bhargav Dasgupta: We do not think so because if you see the market share recalibration that we had to do we've effectively done this year. If you see our Motor OD market share this year has gone down largely for that reason, right, because we felt that the pricing was not adequate, there we are focusing on the effort that we are building in terms of our digital agency channels maybe some of the slightly older segment, we remain reasonably confident about holding on to a market share in the Motor OD side and something that we've been saying that during these two years have been unusual, because people have benefited from lockdowns at different times on the motor portfolio right. Traditionally, wherever we see pricing, aggression, it lasts for 12 to 18 months and then things correct back, we were talking about a pricing correction requirement even before pandemic. So, market was in our opinion ready for that and then because of pandemic there was people felt no need because of frequency came down. We believe the market will have to rebalance and correct this year and we are seeing the trends, we are seeing trends even with price increase price correction that we are doing we are holding on to a market share, you've seen our March numbers and the trend line remains that way.

Sanketh Godha: Got it, and on the Motor TP business, you said that mid-teens of contribution of CV to the entire Motor TP business will reach to mid-20s. So, just wondering that have you identified a particular product segment where you can increase the test market or contribution to 10% whether it is like a SCVs or auto rickshaws or kaali-peeli, which are the segments which you have identified which will drive this increasing the contribution and so the loss ratios.

Bhargav Dasgupta: So, it's not just at that level of segmentation is significantly more granular, which obviously I don't want to get into, but we've looked at down to RTO level parameter take those calls, not just in terms of product at an overarching level, but we've done a lot more deep analysis on the ground in terms of various sectors beyond categories and on that basis, we've taken this call. If you see our market share, it's not a 10% shift that we'll talk about as we speak in the Q3FY22 number also came too close to 20%. So, we are talking about that number going to mid-20s is not that bigger stretch and as I said when we started doing those experiments about 3 years back, and we watch the data for the last three years, almost 80% to 85% of the experiments have worked out well for us. That's where we are kind of expanding. So, yes, a lot more micro segmentation than those this type of vehicle that you're talking about.

Moderator: The next question is from the line of Neeraj Toshniwal from UBS Securities. Please go ahead.

Neeraj Toshniwal: Wanted to understand what will be the Motor TP hike on aggregate levels?

Bhargav Dasgupta: Roughly about 3%.

Neeraj Toshniwal: How much is that due to the change in mix within the Motor TP with higher CV? Would that be material with the pockets that we identified? We have grown substantially higher in March, 2022 in Motor TP. Wanted to get more sense how more sustainable it is and what kind of run-rate we can expect going forward, with increasing losses?

Bhargav Dasgupta: Neeraj your voice is still not clear. But if you're asking because of the Motor TP price hike and the run rate of growth that we've seen in March, 2022 and if it is linked.

So if you look at the increase that is being proposed, we will have to wait for the final increases, the increases for the long term Motor TP policy is a bit higher. So, there our new business should benefit. The approach on the CV business is what we explained earlier that we are picking up segments on a combined ratio basis, maybe the expense ratio is a bit low, but the loss ratio could be a bit high, but in aggregate, our combined ratio is what we are focusing on in terms of building in a more disciplined manner.

Neeraj Toshniwal: On Motor OD. How are we looking at price intensity if it doesn't go down? So, do we have any strategy in mind?

Bhargav Dasgupta: I think that It should be, because as we are explaining normally we've seen over the last several year since de-tariffication, we've seen these episodes aggression in the private car and Motor OD segment but it does not sustain beyond 18 months or 24 months, this time, it's been close to three and a half years. So, two of those years have been pandemic, so we believe it was also driven by the fact that during pandemic people saved on claims cost. So, if you look at the industry, we don't believe people can sustain these kind of pricing aggression for too long, but we'll have to see and as I said, when we are doing price increases, we are sensing that market will also expecting something like this.

Neeraj Toshniwal: And one last question, on the retail indemnity with the agents onboarding, how much delta we can expect in terms of growth coming in and what timelines if at all?

Bhargav Dasgupta: See you have seen the delta in the month of March itself. We are reasonably confident of sustaining that way going ahead. In fact, as we explained that when you hire agency managers, they come on board, which takes about 2 to 3 months for them to even build their channels of agents, and then the agent start getting productive. So, as of now, we've only hired about 750, the balance 250 are expected to come in and the initial signs in terms of the hiring of agents that they've done, if you look at this quarter we've added almost 8,000 agents plus for this quarter, so it's picking up the faction is high. So, there's no reason to think that this gap in our performance vis-a-vis the industry should drop. In fact, we should be able to build momentum, we are actually very optimistic about that that channel that we are building. If you see, just the last quarter our agency channel has grown by about 29.5%. So, I don't see a reason why it should be lower than that for the next year.

Moderator: Thank you. The next question is from the line of Chetan Thacker from ASK Investment Manager. Please go ahead.

Chetan Thacker: Good evening, sir. So, two questions. One is on the health side, just wanted to understand how should we view combined over a longer term, both for group and retail put together and the mix that you're targeting. The second would be on the ₹775 crore expense that is there in the shareholder account, which does not pertain to the insurance business. So, what does that exactly pertain to?

Gopal Balachandran: Let me explain the second one Chetan, it's not that those are expenses not related to the insurance business. That's more classification requirement in accordance with the regulatory prescription. The regulator has laid down limits for all players in the market to comply with limits on expenses of management for the company as a whole. For ICICI Lombard we are in compliance with those limits at an aggregate level. Having said that, what the regulator has also stipulated is individual limits for some of the sub segments of businesses within the aggregate portfolio. And in case if in any of those sub segments of businesses within the aggregate portfolio and based on the allocation of expenses that have happened to those individual sub segments in case we exceed, then to that extent, from a classification standpoint, those amounts are separately required to be given on the face of the profit and loss statement, which is why you find a large amount being reflected there, but equally you would possibly see the revenue account statement a contra for the same.

Chetan Thacker: There is a counter entry which is moving from shareholder to policyholder

Gopal Balachandran: Exactly so it's more a classification requirement that is stipulated as far as regulatory guidelines are concerned. But as I said, for ICICI Lombard it is at an aggregate level, in accordance with the requirement of regulation, we are in compliance with those limits.

Bhargav Dasgupta: So, coming back to first question on health, look at the stage as Gopal explained as in the corporate book, it is a high loss ratio business in the 90's (%). But the cost of sourcing is low. So, it stays in the just shade above 100% and 105%. We want to continue to write that business because the entire volume also helps us in terms of the network and all the other aspects, that's corporate relationships plus, we are doing a lot of work with the IL TakeCare app with corporates to see what we can do in terms of cross-sell and upsell. So, that's something that we want to stay invested. But that's the range that we expect going ahead. On the retail we are investing and that's why when I in my opening remarks, I talked about the overall investment that we are making in distribution and technology. So, retail indemnity, the health agency team that we are scaling up, obviously at this point in time is these will be high combined ratio. Our sense is that you have to take a couple of years for us to see that coming in line with our numbers, because we want to keep on investing you know in that segment for some time, at least for the next couple of years

Chetan Thacker: Sir next five years out would 95% combined for health be a number that we can work with. So, I understand it will be a buildup and then things will scale up, so just wanted a longer term picture.

Bhargav Dasgupta: I am worried about five year numbers because none of us can predict five-year numbers my sense is that of course, the combined will obviously come under much better control. I do not believe that the number can be a low 90's (%) that some people articulate, we don't believe that can sustain in the Indian market. So, you have to bring down your combined ratios, which may be closer to 100% not closer to 90%.

Moderator: Thank you. The next question is from the line of Prateek Poddar from the Nippon India Mutual Fund. Please go ahead.

Prateek Poddar: Sir just one small clarification, have you diluted your ROE aspirations for growth and hence, the journey toward 100% combined ratio might not be something which we would look for.

Bhargav Dasgupta: Yes, what we've been saying is that we want to invest in some of these segments of business largely digital and health agency and we have said that while we on the integrated bases on a pro forma basis, we were about 104%. If you look at 2020 pro forma, we had said that we would want to bring it down closer to our normal target number of 100% but we do want to invest a bit in terms of gearing up these businesses towards that if the ROE comes down below 20%, we are okay it will be in the high teens may not be 20%.

Prateek Poddar: But sir is it because of competitive pressures that or it is just a more of a strategy. I remember earlier in our conversations, always the focus was on ROE and not diluting combined ratio, like there has been some change in this?

Bhargav Dasgupta: So, a bit of both honestly, if you see the on the health side is more strategic because of the investment if you remember some of the conversations that we've had, that the health indemnity side, we were building up some of the capabilities, both in the outpatient OPD product and the IL TakeCare app, now that we've done that we want to scale up the business. So, that's a strategic call. The rest, of course, given the current context in the market, the market remains very aggressive, then we don't want to kind of loose market share beyond a level. If, however, market corrects there will be an opportunity to bring combined ratio into our comfort zone, but at this point in time, it's a bit of both, investment both in the agency and also in digital to scale up the business for the future.

Moderator: Thank you. The next question is from the line of Hitesh Gulati from Haitong. Please go ahead.

Hitesh Gulati: Thank you for giving me the opportunity. Out of the ~88,000 agents that we have mentioned how many would be selling health for us, and also in continuation with health. ICICI Bank has started selling indemnity, how much of this can be kind of like go up or what can be the growth path here and also, is there any update on HDFC Bank and Axis selling health for us or after Bharti AXA partnership?

Bhargav Dasgupta: So, let me take it in the reverse order. So, in terms of the key banca partners that we got through the acquisition, we are very happy with the way those partnerships are developing. As of now, they are primarily focusing on SME and Motor Products. But I'm sure there'll be opportunities to distribute health in due course and if you see the growth of that channel, while the aggregate banca partners of BAGIC, as we said, is growing at about 15.9%. I think these two partners have grown even faster. So, we are quite happy with the way that that those channels are shaping up. Coming to your question on the I-bank business. I think we've been talking about the fact that we had a base effect because of the decision of the bank not to sell benefit policies from Q3FY22 of the previous year and that had an impact on this year number for nine months we've been saying that the base effect will fade out in this quarter. What the bank has decided to do is rather than selling benefit they're keen to sell indemnity, so we have structured suitable products for the bank and we've launched it. I don't want to give any guidance on whether the number will go up or down because at this point in time, we just started selling some of these products. We'll see how it goes along and then we will see what numbers we see, but at least the negative base that we had of the benefit book being there in the previous year and you know that business being stopped this year, that effect has now gone.

Gopal Balachandran: And your last question on the number of health agents, that number will be about 6,000.

Hitesh Gulati: Okay, so this last quarter we've added about 8,000 to 10,000 agents, so not all of them are health.

Bhargav Dasgupta: We have separate channels one is motor, one is health, one in SME. Of course you know we work across the channels and try to cross sell, but we have dedicated channels for the three segments.

Hitesh Gulati: Our advance premium number for March, 2022 is lower than December, 2021. So, that means Motor TP growth is more towards CV, is that understanding correct or it is towards a renewal premiums?

Gopal Balachandran: The combination of both relatively you're right to some extent given the fact that the contribution of CV in the overall motor growth is also higher in FY22 compared to FY21. So, that's obviously one contributor. Having said that, I think equally if you recollect what we had said even at the time when these long-term policy guidelines had come in we had said between the third and the fourth year this number of advance premium will pretty much start to peak because you will see the incremental numbers for advanced premium be more reflective of growth that we have, that we will achieve on the motor portfolio, which is what we have seen in FY2021-22. This is the year where it's been almost about three years since the time the new long-term guidelines had come. So, hence the reason why you see a small dip in the advance premium numbers in March, 2022.

Bhargav Dasgupta: The other thing that we've been saying that new vehicle sales, both of private car and two wheelers have been quite low that is also happening.

Moderator: The next question is from the line of Nidhesh Jain from Investec. Please go ahead.

Nidhesh Jain: Two questions. Firstly, a lot of Insurtech companies are scaling their agency business. So, how do we view this business? Do we see it as a threat or opportunity for us? Secondly, in the new private car segment have we lost market share or gained market share last year and just in the new private car segment?

Bhargav Dasgupta: Nidhesh let me answer the second question first. In the nine months we lost market share. That's why you know if you see our motor numbers were quite low relatively lower in the first nine months. This, quarter we have not lost as much we have lost a little bit in the private car side, but made up in the two wheeler and the CV side for the quarter. And our sense is that even on private cars, the recalibration of the portfolio and just alignment that we wanted to do given the pricing integration, they are largely behind us. So, we hope to see market share, even in private car segment being held on. Coming back to your first question on Insurtech, look, at this point in time, we are partnering with almost all of them in terms of whether it is the long term, it's positive or negative there's one positive in terms of them potentially expanding as of now, they're not expanding the market really because they're more bringing the aggregating existing agents under their umbrella, but we hope that in due course, they will expand the market and grow and we are at this point in time working with all of them. On the web aggregator side, we are not with the digital aggregator, but on this segment we are working with them

Moderator: Thank you. The next question is from the line of Nischint Chawathe from Kotak Securities, please go ahead.

Nischint Chawathe: My question actually pertains to the last two slides of the presentation. And I think what you mentioned is that, based on the revised disclosures, you have split the reserving triangle disclosures between Motor TP and the others. Now, I think what we can see over here is that the reserves in the other segment is higher than Motor TP, if I look at it over the years So, how should one really be reading it? What is the interpretation of it? Is it something that you're reserving a little more conservative in the other segments?

Gopal Balachandran: So far as approach to reserving is concerned, fundamentally, there is no change in terms of the process that we follow for the current year relative to, what approach we have been following over the last several years and the approach is to kind of reserve conservatively at source and as and when each of this portfolio starts to develop in terms of loss experiences, you will possibly see whether the reserve estimates that we made at source was adequate or not so adequate. In some of these lines, the conservatism of reserving will start to play out faster. However, in certain long tail lines of businesses, that will obviously take a relatively longer time for you to reflect whether the reserves that we carried at source were adequate or not. Slide 29 and 30, indicate that businesses which have a relatively shorter tail, in so far as claim settlements is concerned, play out of the actual loss experience faster and you are able to see relative to the amount of reserves that we carry, you are able to see small amount of reserves releases, however, as far as the third party book is concerned, as I said, that's a book which is long tail and obviously it takes a longer horizon before which one can say whether the amount of reserves that we have kind of built in is appropriate or not. Having said that if you look at the information that gets put out, whether it is for motor third party or whether it is for the other lines of businesses other than third party, the information is given for the last 10 years and you can see over the last 10 year cycles, even after 10 years of development, both with respect to the motor third party triangle that you see as well as the other than motor third party triangles, our approach to reserving has played out to be conservative at source and both of them reflect small amount of reserve releases in the portfolio

Bhargav Dasgupta: We are actually very happy that this disclosure has been mandated by the regulatory. We've been asking for this disclosure for a long time. We are the first Company to disclose and now we are seeing more disclosures. It's not just Motor pool and aggregate triangles, there are further disclosures in Motor TP business for the running book, and the non TP business, which is a very good development.

Moderator: Thank you very much. Ladies and gentlemen. We'll take that as the last question. I'll hand the conference to Mr. Bhargav Dasgupta for closing comments.

Bhargav Dasgupta: Thank you, everyone for joining. If you have any other separate questions, feel free to reach out. We will be happy to take them separately. Thank you again. Take care and good night.

Moderator: Thank you. Ladies and gentlemen, on behalf of ICICI Lombard General Insurance Company Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

Safe Harbor:

Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will' , 'would' , ‘indicating’ , ‘expected to’ etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion in business, the *impact of any acquisitions, technological implementation and changes, the actual growth in demand for insurance products and services, investment income, cash flow projections, our exposure to market risks, policies and actions of regulatory authorities; impact of competition; the impact of changes in capital, solvency or accounting standards, tax and other legislations and regulations in the jurisdictions as well as other risks detailed in the reports filed by ICICI Bank Limited, our Promoter company with the United States Securities and Exchange Commission. ICICI Bank and we undertake no obligation to update forward-looking statements to reflect events or circumstances after the date there*