

Ref. No.: GIC-HO/BOARD/SE-Q2-IMP/206/2023-24

Date: November 10, 2023

To,  
The Manager  
Listing Department  
BSE Limited  
Phiroze Jeejeebhoy Tower  
Dalal Street  
Mumbai – 400001

The Manager  
Listing Department  
The National Stock Exchange of India Ltd.  
Exchange Plaza, 5<sup>th</sup> Floor, Plot C/1,  
G Block, Bandra Kurla Complex  
Mumbai - 400051

**Scrip Code: (BSE – 540755/ NSE – GICRE)**

**Sub: Investor Presentation – Q2 FY 2024 Financial Results Presentation**

Dear Sir/Madam,

With reference to the above captioned subject, please find attached herewith Investor Presentation – Q2 FY 2024 Financial Results Presentation.

The same is also available on the website of the Corporation at [www.gicre.in](http://www.gicre.in) .

Kindly take the above information on record.

Thanking You

Yours sincerely

**For General Insurance Corporation of India**

**(Satheesh Kumar)**  
**CS & Compliance Officer**

**Encl.: A/A**

# Q2 FY 2024

## Financial Results Presentation

Mumbai, November 2023



भारतीय साधारण बीमा निगम  
General Insurance Corporation of India



# Safe Harbour

*Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", seek to", "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "forward-looking statements". Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. GIC Re will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*

# Agenda

① Market Review

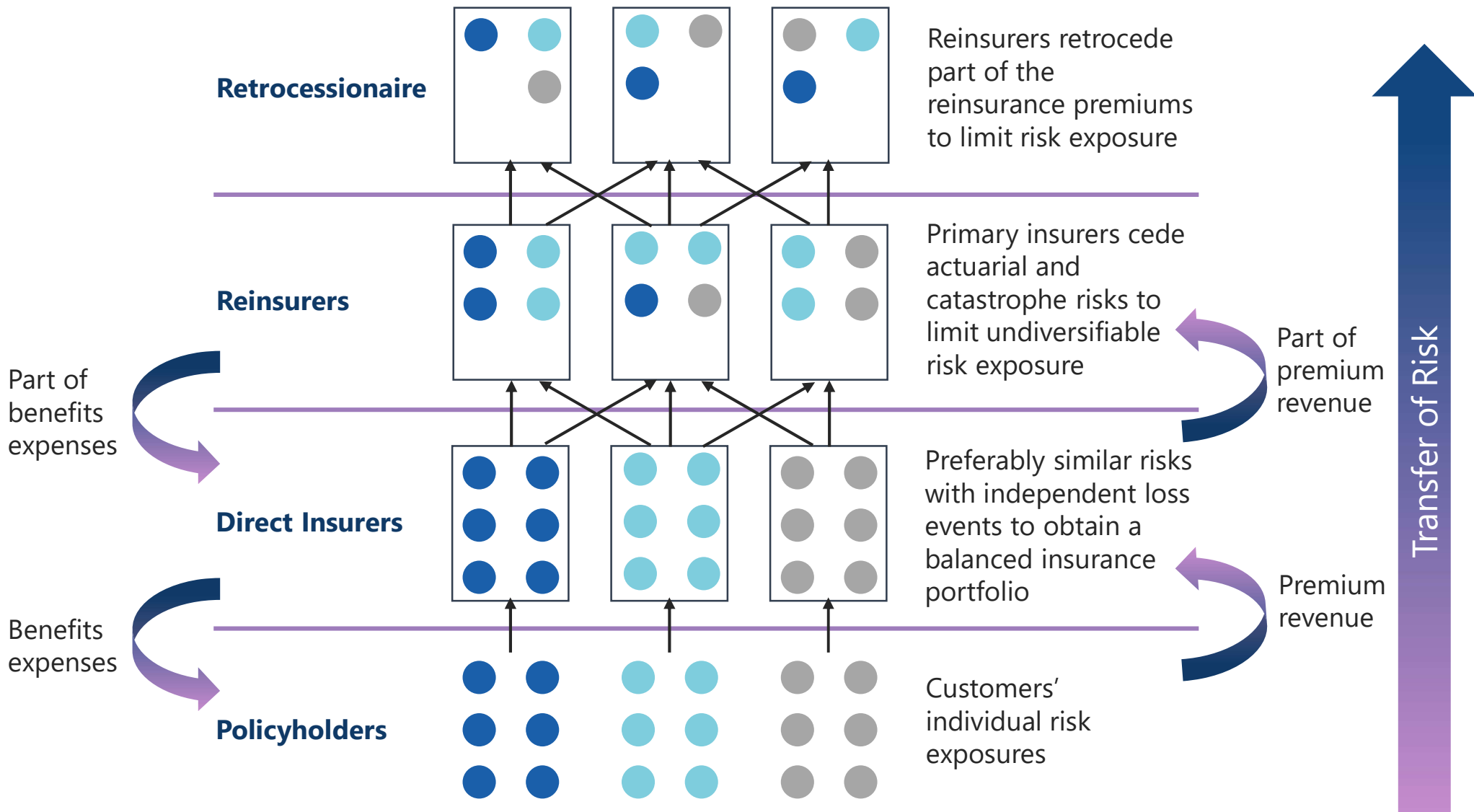
② Strategic Overview

③ Financial Performance

# Market Review

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# How Reinsurance Works?



Source: Torben, Juul & Andersen, "Managing Economic Exposures of Catastrophe and Terrorism Risk: International Financing Solutions", Conference on Catastrophic Risks & Insurance, November 2004

# Reinsurance Industry - Role

**GIC Re has been playing a key role in the Indian reinsurance market and able to maintain about 60% share in the Indian reinsurance market.**

1 Reinsurance is the foundation for economic growth through risk transfer mechanism

2 The risks flow through insurers to reinsurers

3 Insurance is written on the strength of reinsurance support

4 Reinsurer insulates himself from the insurer's adverse financial performance

5 Reinsurers have devices to guard against anti-selection

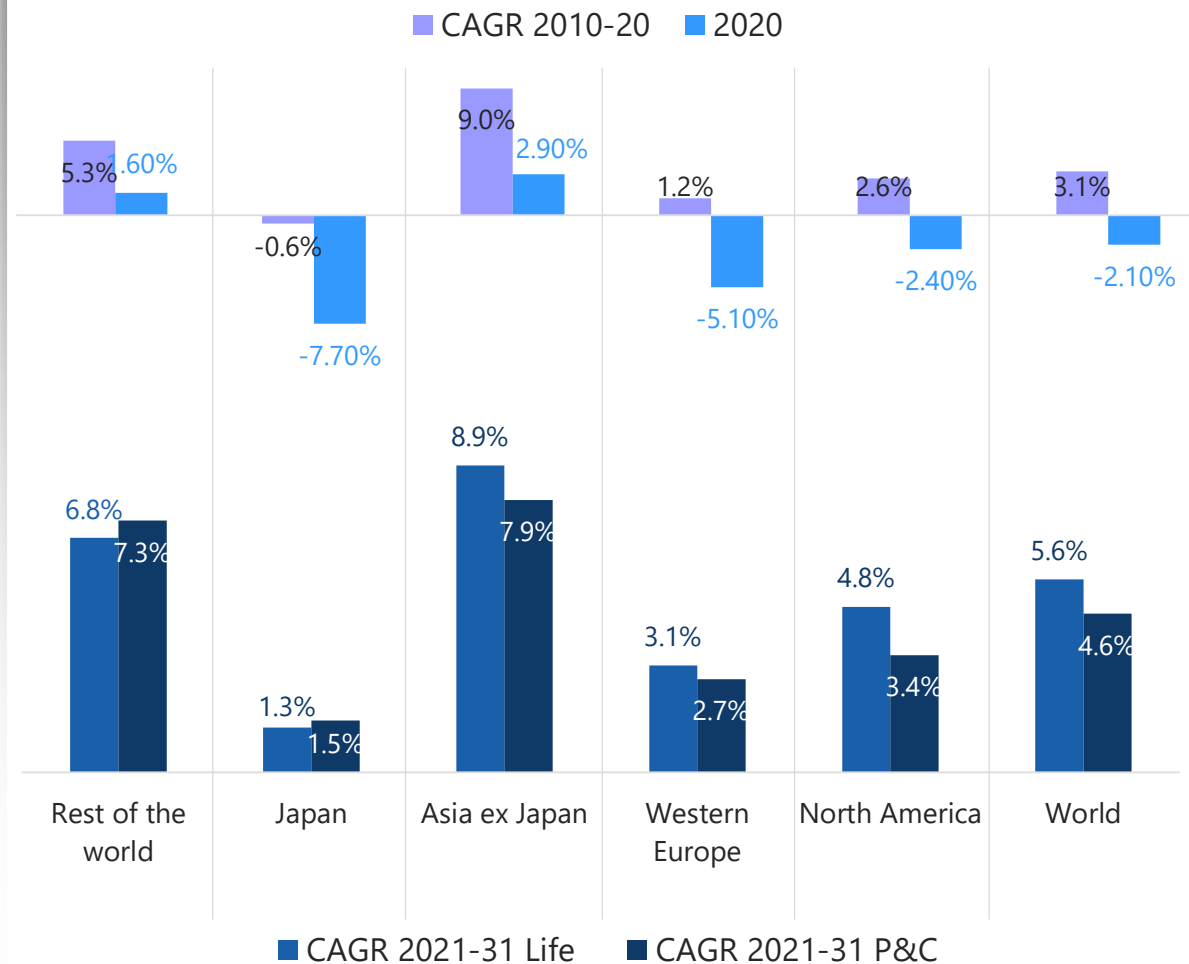
## Reinsurance support aims at

- 1 Providing insurers capacity to write more: **proportional**
- 2 Providing insurers protection against bottom line volatility: **non-proportional – major risks**
- 3 Providing insurers protection against balance sheet protection: **non-proportional - catastrophe**

# Global Scenario

- The global reinsurance market size is expected to grow from \$574.27 billion in 2022 to \$895.40 billion in 2027 at a CAGR of 9.1%.
- Reinsurance rates rose sharply in the January 2023 renewals in response to losses due to the war, high inflation and increasing natural catastrophe claims.
- A.M. Best has maintained its stable outlook for the global reinsurance sector on the back of positive rate momentum across a broad range of non-life classes of business
- In the current environment, marked by years of accumulating catastrophic losses, investment market losses, and significant losses expected as a result of the pandemic, there is potential for further price increases

Gross Written Premium\* growth, by region



\* The conversion into EUR is based on 2020 exchange rates.

Source: A.M. Best; National financial supervisory authorities, insurance associations and statistical offices, Thomson Reuters, Allianz Research; Valuates Report; The Business Research Company ;Precision reports



# Reinsurance industry in India



GIC Re is the largest player in India and leads most of the domestic companies' treaty programmes and facultative placements



Gross written premiums of general insurance industry in 2022-23: ₹2,56,912.14 crore



Net retention of general insurers increased from 70.82% in 2020-21 to 71.85% in 2021-22



Insurance penetration remained unchanged at 4.20% in 2021-22



Crop insurance has become the third largest line of non-life business, after health and motor insurance

# Domestic Operating Environment

India's general insurance market is estimated to grow at a compound annual growth rate (CAGR) of 9.9% during 2021-2026.

Reinsurance premiums in India is expected to touch Rs 989.75 billion by 2025

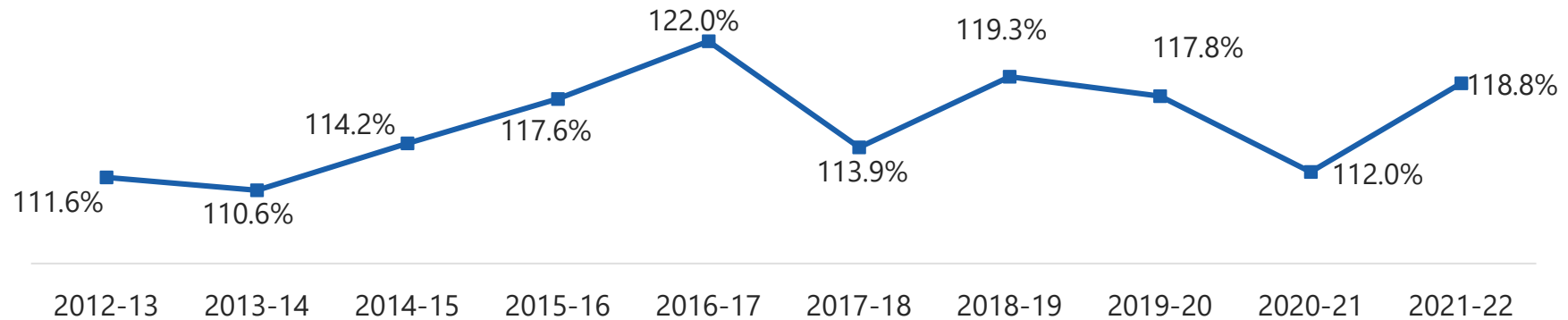
GIC Re expected to maintain market leadership going forward on strong financials, adequate capacity and expertise

## Budget 2023

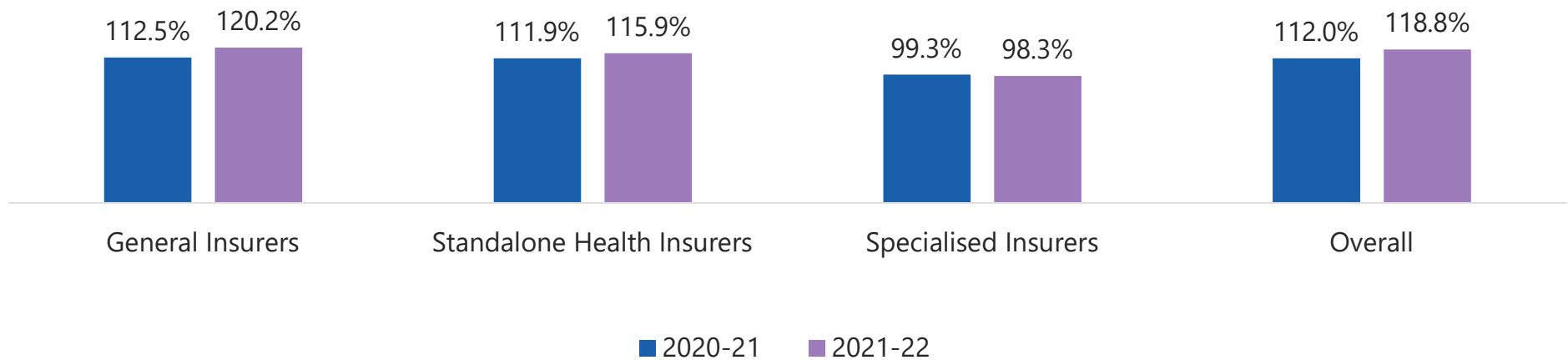
- The cabinet has increased allocation towards Ayushman Bharat by 12% to Rs 7,200 crores in the recently concluded budget session which is likely to boost the healthcare sector.

# Combined Ratio – Indian non-life insurance

**Combined Ratio - Overall**



**Combined Ratio (Split by Type of Insurer)**



# Strategic Overview

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# Competitive Strategy Pillars

## Prudent Underwriting

- Geographical Diversification
- Lines of Business Diversification
- Continued focus on Risk Selection
- Deployment of Modelling and Pricing Techniques and Tools

## Exposure Management

- Modelling accumulation of exposures
- Rebalancing the risk portfolio
- Well-rated retrocession counterparties

## Talent Management

- Recruitment of Experts
- Low attrition rate

## Efficient Asset Management

- Healthy Investment Income
- Diversified Investment Portfolio
- Effective Asset Liability Management

## Effective Risk Management

- Conservative Claim Reserving
- Following best practices such as conducting stress test to assess resilience

## Dominant Indian market position

- Continued Obligatory cessions & Order of Preference
- Long term relationship with the market
- Well-positioned to exploit all opportunities

# Strategic Approach

- GIC Re to leverage its position of 16<sup>th</sup> rank based on the scale it affords and excellent credit rating domestically.
- The Company stands to benefit from price hardening in select segments / geographies.
- Indian market with its unprecedented growth, particularly in agriculture and health affords an opportunity to leverage GIC Re balance sheet.
- Solvency pressures on Indian insurance market players could lead to higher reinsurance cessions, growing the reinsurance market size which would provide GIC Re an opportunity to sustain its market share.
- Phased adoption of modelling capabilities to ensure better exposure management and deriving value extraction from it.
- Greater volatility countered through conservative reserving.
- Continued focus on underwriting profitability through
  - Class-specific evaluation
  - Weeding out the contracts with inadequate pricing
  - Incentivisation based on individual company / contract performance
- Industry Performance
  - Adoption of IIB rates and resultant increase in price as a factor.
  - Listing of insurers will lead to greater bottom line focus.
  - Leverage Lloyd's platform to expand GIC Re presence in international markets.

# Financial Performance

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General Insurance Corporation of India

# Financials at a glance

₹ crore

Particulars	Q2 FY24	Q2 FY23	H1 FY24	H1 FY23
<b>Gross Premium</b>	10,762.14	8,100.62	19,679.85	19,122.45
<b>Profit After Tax</b>	1,605.09	1,859.92	2,336.87	2,549.65
<b>Incurred Claims Ratio</b>	98.4%	97.5%	96.8%	96.0%
<b>Combined ratio</b>	115.83%	117.89%	116.98%	113.92%
<b>Solvency Ratio (times)</b>	2.82	2.25	2.82	2.25



# Key Financials



₹ crore

Particulars	Q2 FY24	Q1 FY24	Q2 FY23	FY23
<b>Gross Premium</b>	10,762.14	8,917.71	8,100.62	36,591.59
<b>Net Premium</b>	9,966.81	8,231.17	7,355.04	33,644.43
<b>Earned Premium</b>	9,958.11	8,632.56	8,763.98	35,808.01
<b>Incurred Claims</b>	9,795.04	8,205.39	8,543.35	32,739.38
<b>Incurred claims ratio (on earned premium)</b>	98.4%	95.1%	97.5%	91.4%
<b>Net Commission</b>	1,653.69	1,840.94	1,425.41	5,610.51
<b>Net Commission Percentage (on Net Premium)</b>	16.6%	22.4%	19.4%	16.7%
<b>Expenses of Management</b>	87.33	86.28	75.51	404.44
<b>Expenses of Management ratio (on net premium)</b>	0.9%	1.0%	1.0%	1.2%
<b>Profit/(Loss) on Exchange</b>	115.81	(59.13)	352.10	596.40
<b>Underwriting Profit/(Loss)</b>	(1,471.61)	(1,557.44)	(919.79)	(2,341.37)
<b>Investment Income</b>	3,100.97	2,454.94	3,206.32	10,594.00
<b>Other Income less Outgo</b>	218.23	37.68	174.83	9.37
<b>Profit Before Tax</b>	1,847.60	935.18	2,461.36	7,749.44
<b>Provision for Taxation</b>	242.51	203.40	601.44	1,436.94
<b>Profit After Tax</b>	1,605.09	731.79	1,859.92	6,312.50
<b>Combined Ratio %</b>	<b>115.83%</b>	<b>118.47%</b>	<b>117.89%</b>	<b>109.31%</b>

# Break-up of Gross Premium

₹ crore

Gross Premium	H1 FY24	H1 FY23	Growth %
<b>A) Fire</b>	<b>6,505.75</b>	<b>6,827.90</b>	<b>-4.7%</b>
<b>B) Miscellaneous - Total</b>	<b>11,424.83</b>	<b>10,908.99</b>	<b>4.7%</b>
Misc - Motor	4,426.08	3,302.82	34.0%
Misc - Health	2,164.31	1,951.62	10.9%
Misc - Agriculture	2,543.51	2,980.16	-14.7%
Misc - Other LOBs	2,290.93	2,674.39	-14.3%
<b>C) Marine</b>	<b>1,035.63</b>	<b>674.90</b>	<b>53.4%</b>
Marine - Cargo	773.76	350.53	120.7%
Marine - Hull	261.87	324.37	-19.3%
<b>D) Life</b>	<b>713.63</b>	<b>710.65</b>	<b>0.4%</b>
<b>Total – A+B+C+D</b>	<b>19,679.85</b>	<b>19,122.45</b>	<b>2.9%</b>

₹ crore

	Gross Premium Breakup					Incurred Claims		Combined Ratio (%)	
	H1 FY24	Share (%)	H1 FY23	Share (%)	Growth (%)	H1 FY24	H1 FY23	H1 FY24	H1 FY23
<b>Domestic</b>	13,087.98	67%	13,422.96	70%	-2%	11,458.55	12,194.53	106.17%	105.40%
<b>International</b>	6,591.86	33%	5,699.49	30%	16%	6,541.88	6,517.73	139.44%	133.34%
<b>Total</b>	<b>19,679.85</b>	<b>100%</b>	<b>19,122.45</b>	<b>100%</b>	<b>3%</b>	<b>18,000.43</b>	<b>18,712.26</b>	<b>116.98%</b>	<b>113.92%</b>

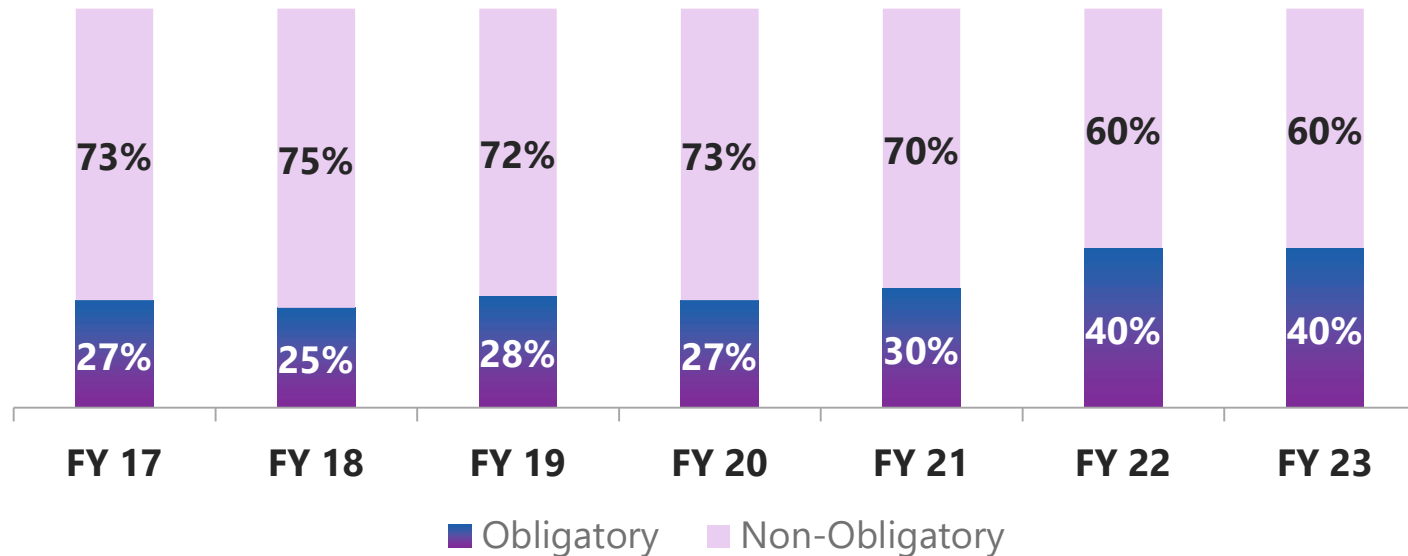
# Segment Wise Combined & Loss Ratio – H1 FY24



₹ crore

	Fire	Motor	Health	Agri	Cargo	Hull	Life
<b>Gross Premium</b>							
Domestic	3,716.36	2,084.73	2,160.12	2,501.52	267.44	113.53	688.72
International	2,789.39	2,341.35	4.19	41.99	506.32	148.34	24.91
<b>Total</b>	<b>6,505.75</b>	<b>4,426.08</b>	<b>2,164.31</b>	<b>2,543.51</b>	<b>773.76</b>	<b>261.87</b>	<b>713.63</b>
<b>Incurred Claims</b>							
Domestic	2,939.55	1,936.71	1,655.76	2,954.94	214.95	115.16	518.31
International	2,134.36	1,883.87	15.17	8.68	1,543.84	392.61	67.06
<b>Total</b>	<b>5,073.91</b>	<b>3,820.58</b>	<b>1,670.93</b>	<b>2,963.62</b>	<b>1,758.79</b>	<b>507.77</b>	<b>585.37</b>
<b>Combined Ratio (%)</b>							
Domestic	108.16	111.17	112.63	104.22	99.59	110.64	78.63
International	100.54	130.56	315.38	44.59	592.48	255.33	194.89
<b>Total</b>	<b>104.65</b>	<b>121.01</b>	<b>113.16</b>	<b>103.61</b>	<b>367.88</b>	<b>196.23</b>	<b>84.48</b>

# Domestic Business Mix

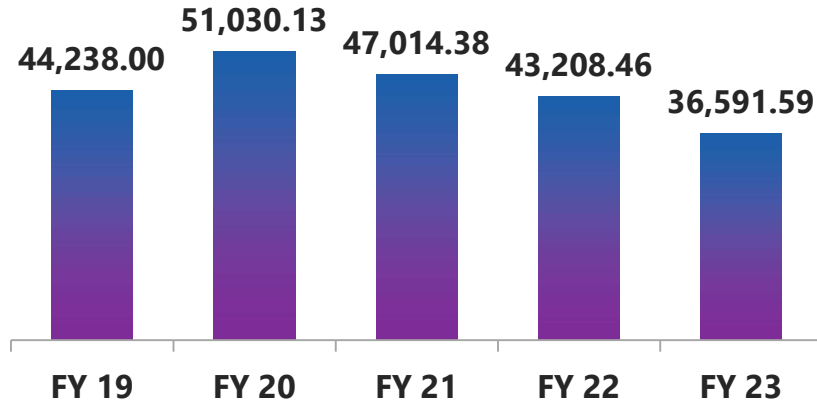


- Obligatory cessions reduced to 4% from 5%, with no monetary limits on cessions.
- GIC Re Health portfolio comprises mostly of Obligatory cessions, some selective domestic treaties and selective Pradhan Mantri Jan Arogya Yojana Abhiyan Schemes besides business written by the Foreign branches.

# Key Financials (1/2)

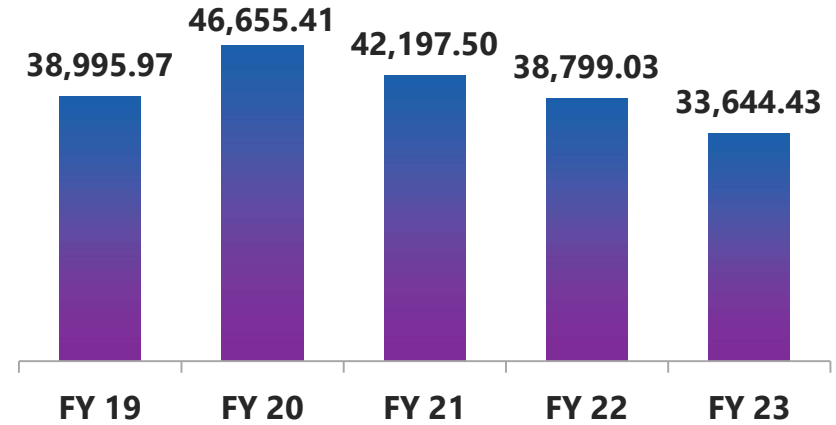
## Gross Premium

₹ crore

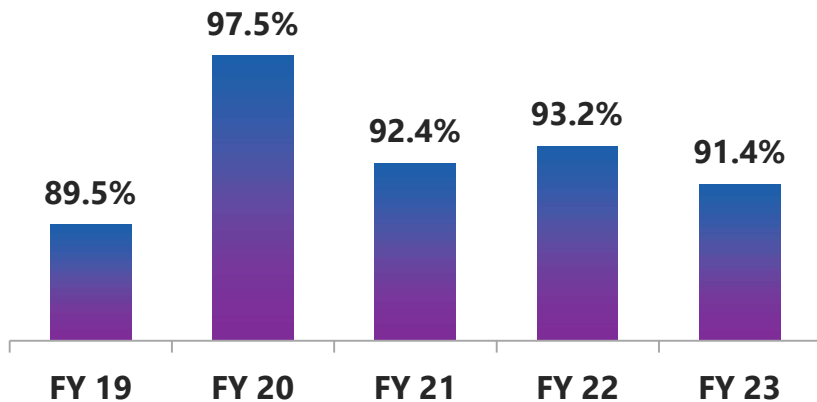


## Net Premium

₹ crore

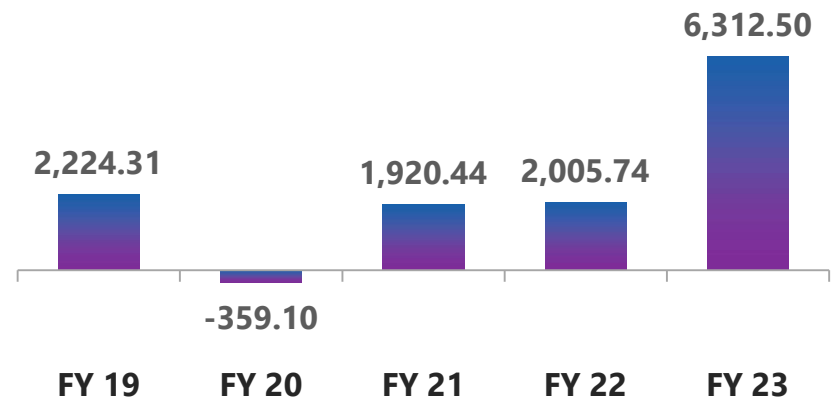


## Incurred Claims Ratio



## Profit After Tax

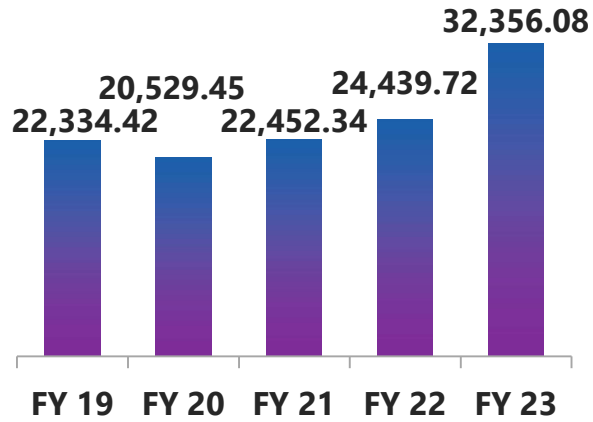
₹ crore



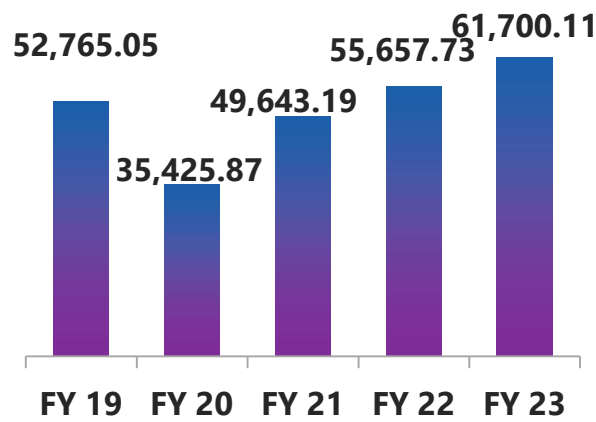
# Key Financials (2/2)



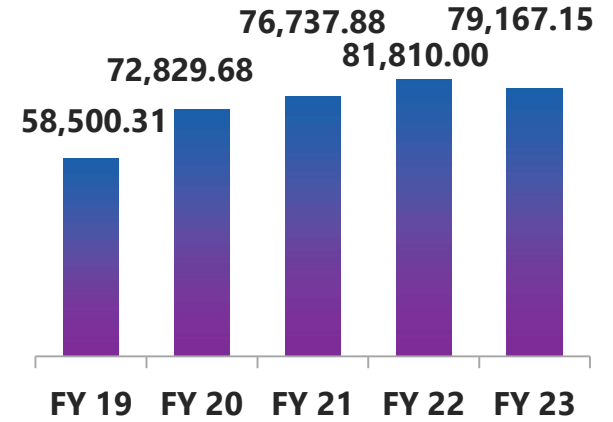
**Net Worth Excl. FVC** ₹ crore



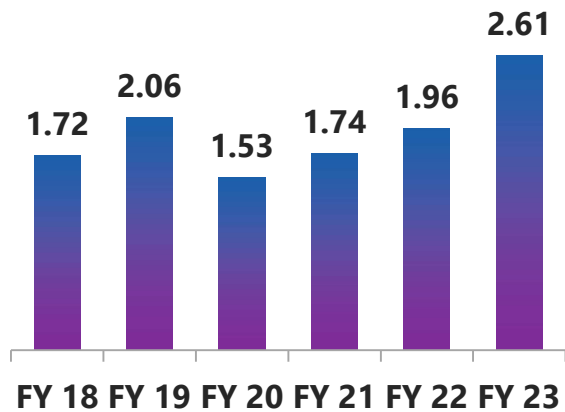
**Net Worth Incl. FVC** ₹ crore



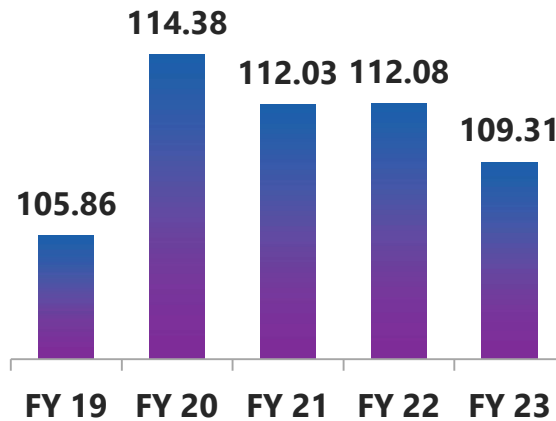
**Policyholders' Funds** ₹ crore



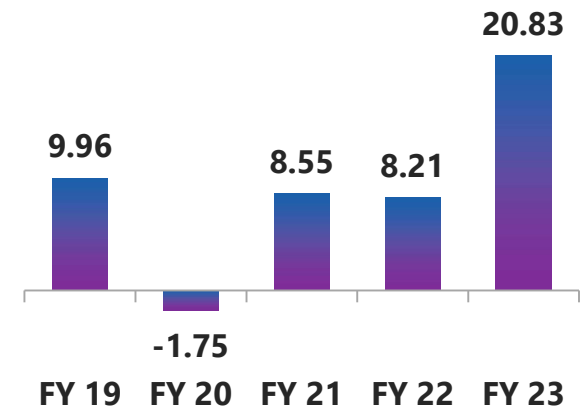
**Solvency Ratio**



**Combined Ratio %**



**Return on Equity %**



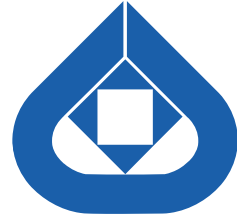
# Appendix

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# Glossary

<b>Ceding Company (Cedant)</b>	The company that transfers its risk to a reinsurer
<b>Combined Ratio</b>	The sum of the loss ratio and the expense ratio
<b>Earned Premiums</b>	The portion of the premium for which protection has been provided
<b>Excess of Loss Reinsurance</b>	A form of reinsurance, which, subject to a specified limit, indemnifies the ceding company for the amount of loss in excess of a specified retention
<b>Expense Ratio</b>	Sum of acquisition costs and other operating expenses, in relation to premiums earned
<b>Facultative Reinsurance</b>	Reinsurance of individual risks by offer and acceptance wherein the reinsurer retains the ability to accept or reject and individually price each risk offered by the ceding company
<b>Incurred but not reported losses (IBNR)</b>	An actuarial estimate of amounts required to pay ultimate net losses that refers to losses that have occurred but have not yet been fully and finally settled/paid
<b>Loss Ratio</b>	Ratio of total losses incurred (paid and reserved) in claims plus adjustment expenses divided by the total premiums earned
<b>Obligatory Treaty</b>	A reinsurance contract under which the subject business must be ceded by the insurer in accordance with contract terms and must be accepted by the reinsurer
<b>Retrocession</b>	A transaction in which a reinsurer transfers risks it has reinsured to another reinsurer
<b>Treaty Reinsurance</b>	The ceding company transfers all risks within a book of business to the reinsurer





आपत्काले रक्षिष्यामि  
GIC Re

भारतीय साधारण बीमा निगम  
General Insurance Corporation of India

# Thank You

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