



## H1FY19 Investor Presentation



# Overview

Largest general insurance company in India with an established brand, expansive multi-channel distribution network and strong international presence

**#1 in India**  
in terms of net worth, domestic gross direct premium, profit after tax and number of branches

**c.100 years of operations**  
Incorporated in 1919  
**A- rating by AM Best and AAA by CRISIL**

**~28 million policies**  
issued in FY2018 across all product segments

**14.4% market share in H1FY19**  
Leadership in all lines of business other than crop insurance

**2,400+ offices in India**  
across 29 states and 7 union territories

**Presence in 28 countries**  
through international branches, agency offices and subsidiaries, including a box at Lloyd's, London



# Future Strategy

## Increasing Return on Equity

Improve underwriting profitability by reducing the incurred claim ratio

Maintain/Increase market share and leverage benefits of economies of scale driven by growth

Leverage technology to drive customer satisfaction, profitability and growth

# Improve Underwriting Profitability

- Optimize risk adjusted returns in each product segment
- Minimize errors by refining underwriting process and internal controls
- Develop differentiated and accurate underwriting models
- Obtain better commercial arrangements from reinsurers
- Stringent inspection of claim documentation, active monitoring and increased audits of claims to minimize claim fraud
- Replace loss-making schemes and channels with profitable options

Segment Specific Strategies	
Health	<ul style="list-style-type: none"> <li>■ Medical doctors employed for product design and efficient health insurance claims management</li> <li>■ Co-promoted a TPA for better customer service and efficient claims management</li> <li>■ Price revisions in retail and group health schemes</li> </ul>
Motor Own Damage	<ul style="list-style-type: none"> <li>■ Recruited automobile engineers and has an in-house surveyors team for efficient claims management</li> <li>■ Controlling NIL-DEP policies</li> <li>■ Favorable MISP guidelines</li> </ul>
Motor Third Party	<ul style="list-style-type: none"> <li>■ Motor Vehicle (Amendment) Bill, 2016 could improve the profitability</li> <li>■ Regular price increases by IRDAI helps control ICR</li> </ul>
Crop	<ul style="list-style-type: none"> <li>■ Adequate reinsurance for higher risk crop insurance</li> </ul>
Fire	<ul style="list-style-type: none"> <li>■ Focus on risk selection with a list of declined risks already prepared</li> <li>■ Forensic audit of large claims being performed</li> </ul>

# Maintain/Increase Market Share

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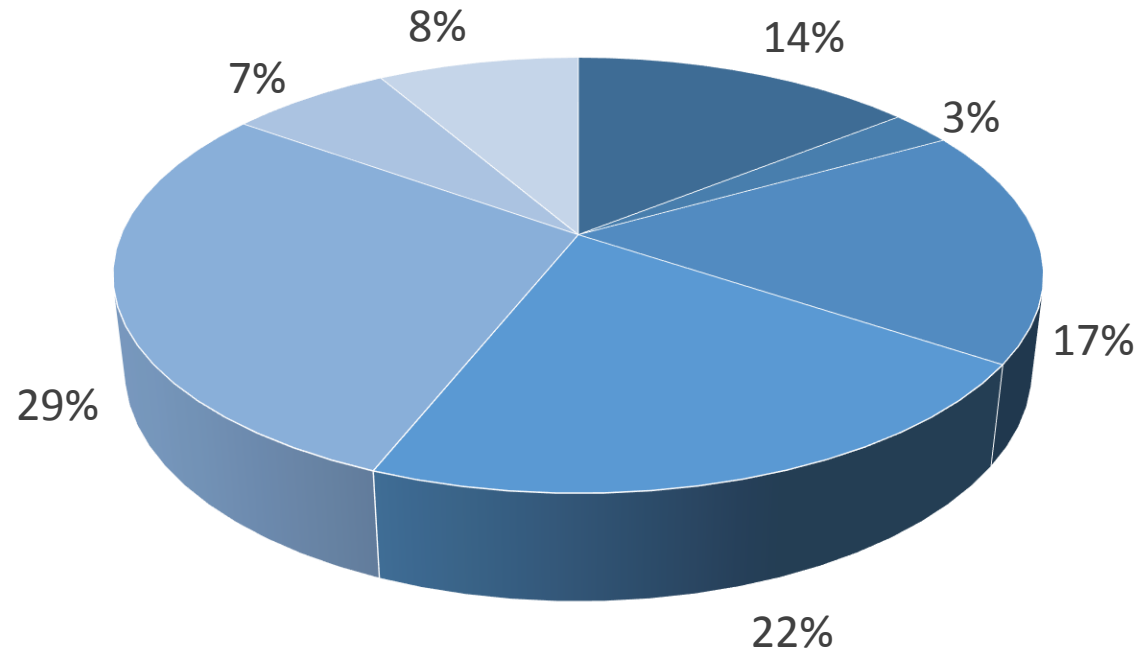
- Capitalize on the low density and penetration of Indian insurance sector
- Focus on growth primarily driven by profitable retail business with lower emphasis on lines like corporate health
  - Launching innovative new products
  - Large scale recruitment/training of agents
  - Increased use of technology – direct to customer, agent portal etc.
  - Increasing geographic reach through micro office model – profitable model due to low cost and competition
  - Focus on Bancassurance channel with emphasis on profitable miscellaneous lines of business
    - Recently tied up with Punjab National Bank, Canara Bank, Bandhan Bank, Bank of India, South Indian Bank
    - Further growing current tie ups with Union Bank and Corporation Bank

# Leverage Technology

Target	Strategy
Customers	<ul style="list-style-type: none"> <li>■ Simplify customer interfaces and processes</li> <li>■ Adopt chat bot technology to increase engagement</li> <li>■ Formal root cause analysis to reduce grievances</li> <li>■ Digital marketing to garner real-time customer feedback</li> </ul>
Sales	<ul style="list-style-type: none"> <li>■ Structured, cost-efficient and automated sales process</li> <li>■ Leverage data analytics for cross sales opportunities</li> </ul>
Claims	<ul style="list-style-type: none"> <li>■ Update IT infrastructure for efficient claims processing</li> <li>■ Reduce the turnaround time for claim settlement</li> </ul>
Under-writing	<ul style="list-style-type: none"> <li>■ Data driven models to improve underwriting functions, risk management, monitoring and reduction of fraud</li> </ul>
Online Channel	<ul style="list-style-type: none"> <li>■ Introduce additional standard term products for direct distribution through online channels</li> <li>■ Introduce mobile applications for new product launches and enable functional ease for agents and customers</li> </ul>
Business Processes	<ul style="list-style-type: none"> <li>■ Refine IT infrastructure based on feedback from customers, employees and distribution intermediaries</li> </ul>

# Business Mix – Global GWP FY18

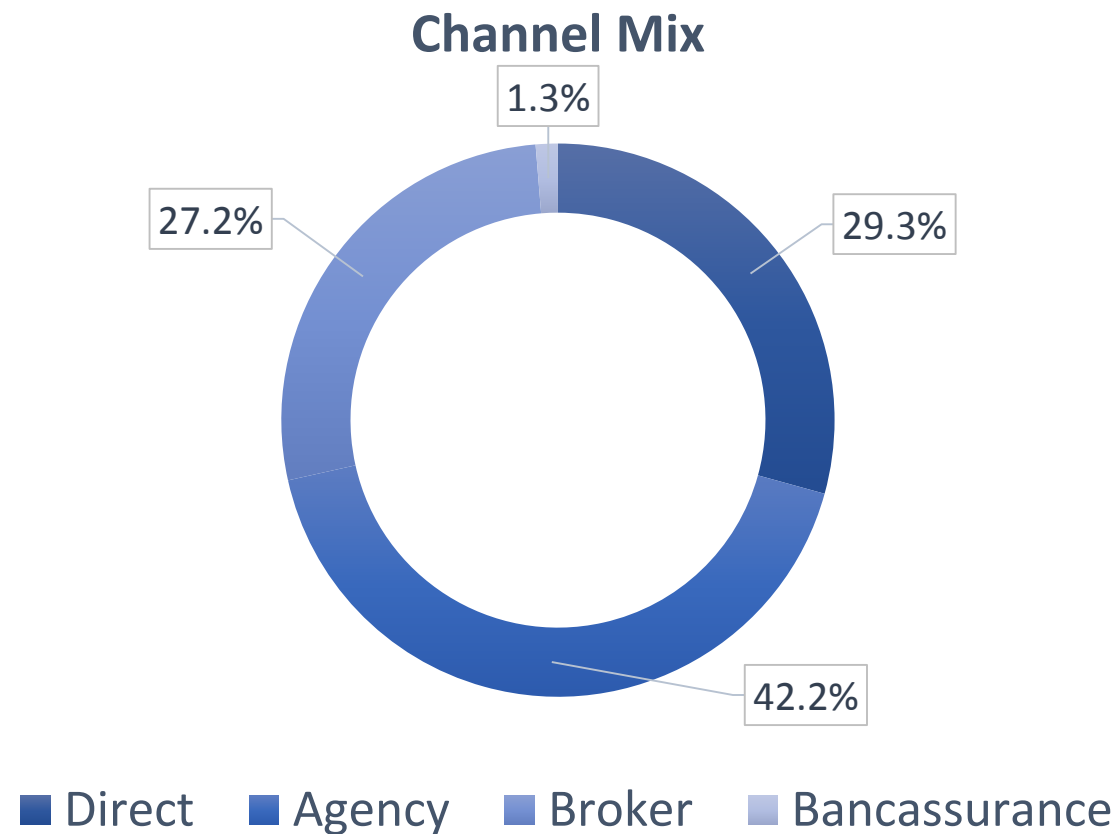
Gross Written Premium 26,554 Cr



■ Fire  
 ■ Marine  
 ■ Motor OD  
 ■ Motor TP  
 ■ Health & PA  
 ■ Crop  
 ■ Others

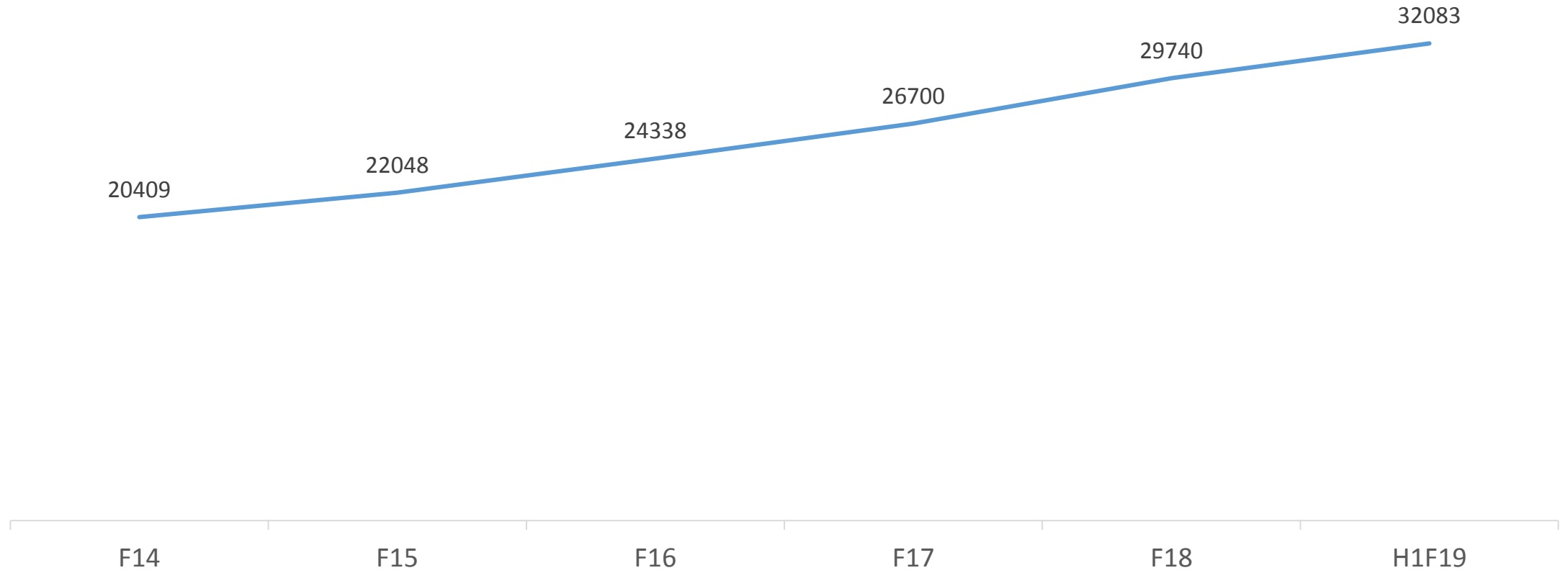


# Distribution Mix – Indian Business FY18



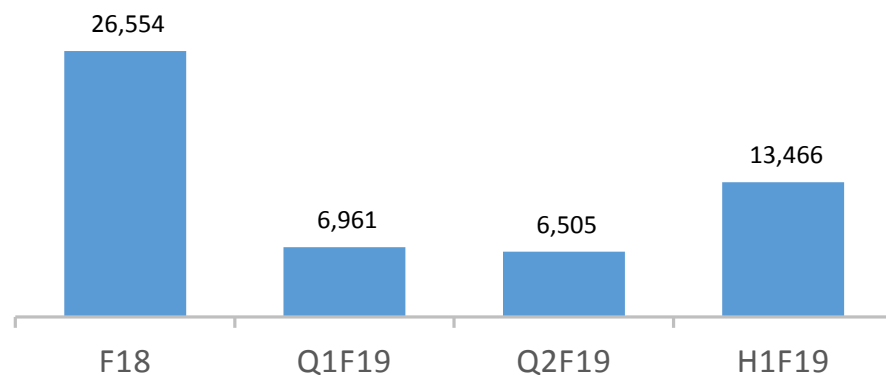


# Movement in Technical Reserves (Cr)

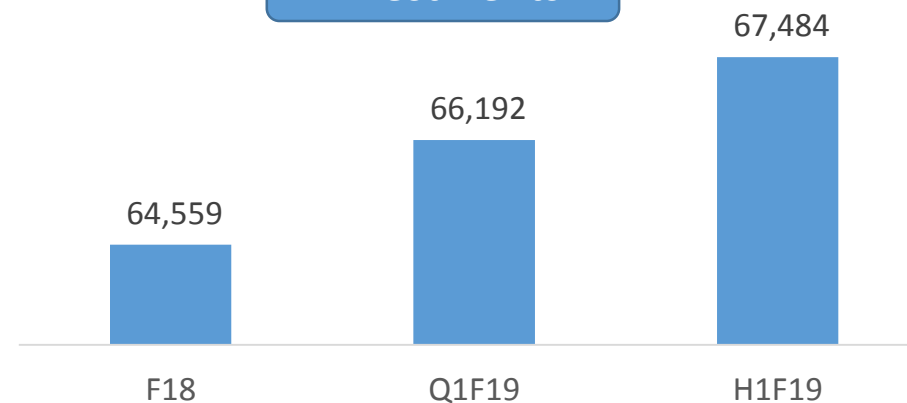


# Financial Snapshot

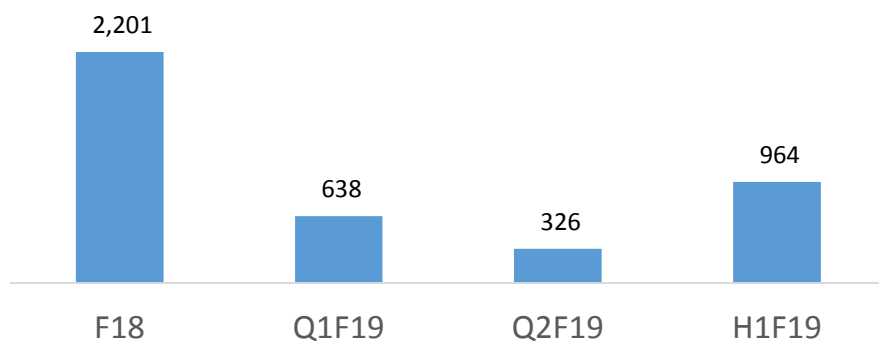
GWP



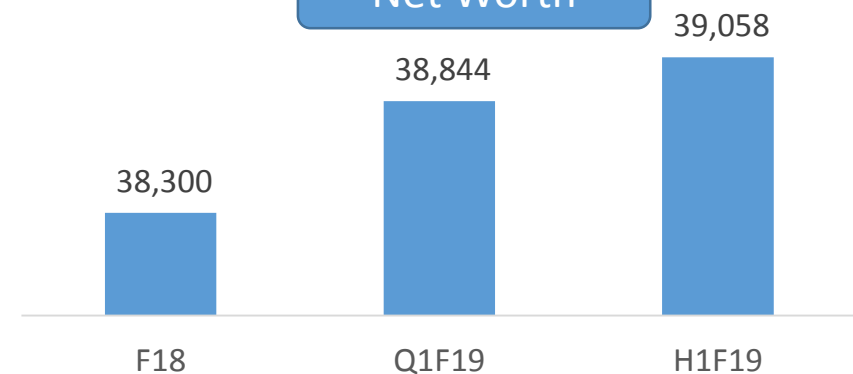
Investments



PAT

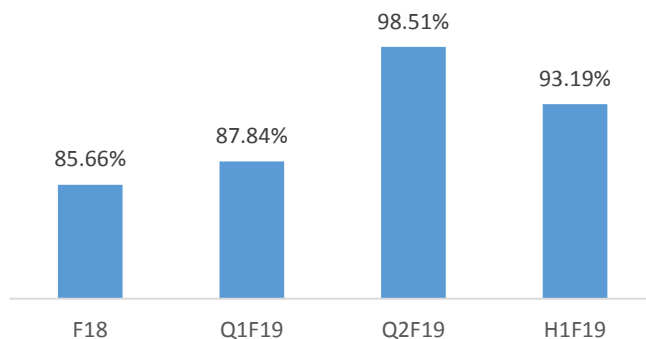


Net Worth

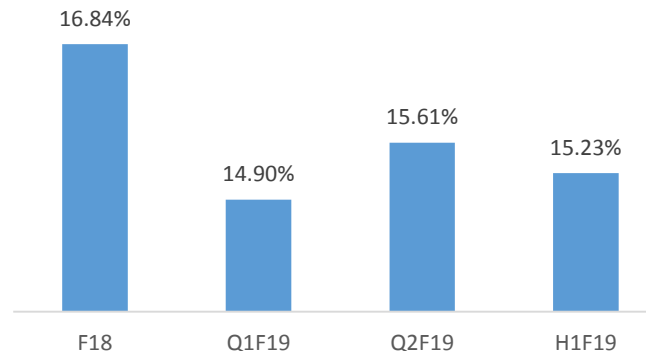


# Key Ratios

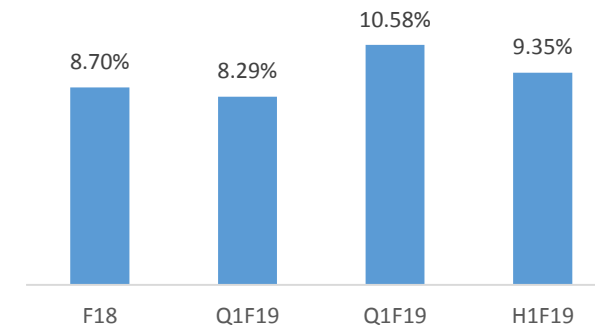
Incrded Claims Ratio



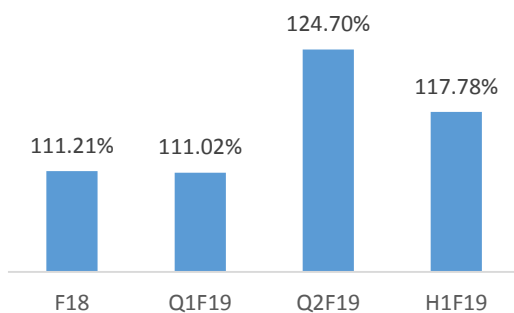
Expense Ratio



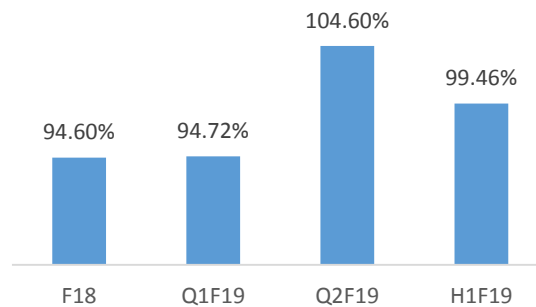
Commission Ratio



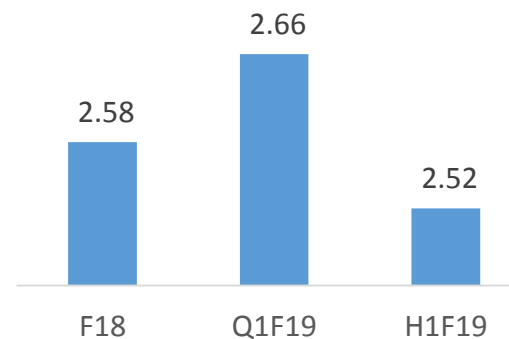
Combined Ratio



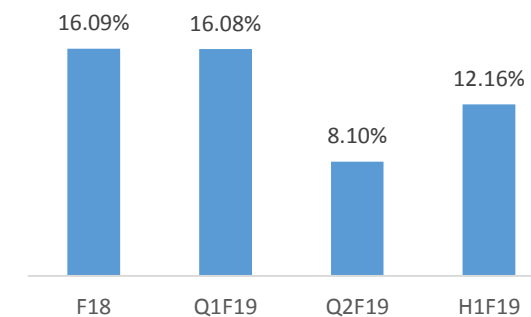
Adj. Combined Ratio



Solvency Ratio



ROE



# Segmental Information

GWP	H1F19	H1F18	YoY %
Fire	1,889	1776	6.36%
Marine	354	333	6.21%
Motor OD	2,149	2136	0.60%
Motor TP	2,716	2553	6.41%
Health & PA	4,544	3696	22.95%
Others	1,814	2330	-22.14%
<b>Total</b>	<b>13,466</b>	<b>12,823</b>	<b>5.01%</b>

ICR %	H1F19	H1F18
Fire	118%	91%
Marine	75%	49%
Motor OD	78%	75%
Motor TP	89%	90%
Health & PA	104%	102%
Others	78%	67%
<b>Total</b>	<b>93%</b>	<b>88%</b>

# About Us

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The New India Assurance Company Ltd, founded by Sir Dorabji Tata in 1919, a Multinational General Insurance Company, today operates in 28 countries and headquartered at Mumbai, India. The Company has been market leaders in India in Non – Life business for more than 40 years.

New India Assurance has been leading the market, apart from premium, in reserves & net worth for many years.

## **For further information please contact:**

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