

Ref. No.: GIC Re/SE/2021-22/Q4-T

Date: June 02, 2022

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, 5th Floor, Plot C/1,
G Block, Bandra Kurla Complex
Mumbai - 400051

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

Dear Sir/Madam,

Sub: Transcript of conference call held with Investors and Analysts to discuss the financial results for the quarter/year ended 31st March 2022

In compliance with Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Transcript of the conference call held with Investors and Analysts on Monday, May 30, 2022, to discuss financial results for the quarter/year ended March 31, 2022.

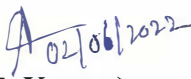
The same is also available on the website of the Corporation at www.gicofindia.com.

Kindly take the above on record.

Thanking You

Yours sincerely

For General Insurance Corporation of India


(Satheesh Kumar)
CS & Compliance Officer

Encl.: A/A

भारतीय साधारण बीमा निगम
(भारत सरकार की कंपनी)

General Insurance Corporation of India
(Government of India Company)
CIN NO.: L67200MH1972GOI016133 IRDA REGN No.: 112

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“General Insurance Corporation of India Limited Q4 FY-22 Earnings Conference Call”

May 30, 2022

**MANAGEMENT: MR. DEVESH SRIVASTAVA – CHAIRMAN & MANAGING
DIRECTOR, GIC RE.
MS. JAYASHREE RANADE – CHIEF FINANCIAL
OFFICER, GIC RE.
MR. SATEESH BHAT – APPOINTED ACTUARY, NON-
LIFE, GIC RE.
MR. HITESH JOSHI – GENERAL MANAGER, GIC RE.**



Moderator: Ladies and gentlemen, good day and welcome to the General Insurance Corporation of India Earnings Conference Call. As a reminder, all participant 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. Please note that this conference is being recorded. I now hand the conference over to Mr. Binay Sarada from Ernst & Young. Thank you and over to you, sir.

Binay Sarada: Thanks, Vivian. Good afternoon to all the participants on the call. And thanks for joining this Q4 FY2022 Earnings Call for General Insurance Corporation of India. Please note that we have mailed out the press release to everyone and you can also see the results on our website and as well as it has been uploaded on the stock exchanges. In case you have not received the same, please write to us and we’ll be happy to send the same over to you.

Before we proceed with the call. Let me remind you that the discussion may contain forward-looking statements which may involve known or unknown risks, uncertainties and other factors. It must be viewed in conjunction with our businesses that would cause future results performance or achievements to differ significantly from what is expressed or implied by such forward looking statements. To take us through the results of this quarter and answer our queries. We have with us the management of GIC represented by Mr. Devesh Srivastava – Chairman and Managing Director and other top members of the management. We will be starting the call with a brief overview of the quarter gone past and then we’ll begin with the Q&A session.

With that said, I’ll now hand over the call to Mr. Devesh Srivastava. Over to you sir.

Devesh Srivastava: Thank you. Thank you, Mr. Sarada. Good afternoon, everyone. I’m pleased to announce the financial performance for the quarter and full year ended March 31st, 2022. We are pleased to have turned profitable when it comes to underwriting performance during the quarter on the back of our ongoing focus on reducing claims ratio and bringing down the combined ratio. We continue to be selective with the sole focus on underwriting profitability.

Let me now take you through some of the key highlights of the financial performance:

The gross premium income of the company was Rs.10,303 crores for Q4 FY22 as compared to Rs.8812 crore for the Q4 FY21. The investment income stood at Rs.2826 crores for Q4 FY22 as compared to Rs.2286 crores in Q4 FY21. Incurred claims ratio decreased to 50% in Q4 FY22 as compared to 82% in Q4 FY21. Combined ratio in Q4 FY22 decreased to 74.3% versus 103.47% for Q4 FY21. The adjusted combined ratio by taking into consideration the policyholders investment income works out to 93.11% for FY22 as compared to 95.85% in FY21.

The company recorded profit before tax of Rs.3614 crores in Q4 FY22 as against profit before tax of Rs.2045 crores in Q4 FY21 and profit after tax of Rs.1795 crores in Q4 FY22 as against profit after tax of Rs.1260 crores in Q4 FY21. Solvency ratio stood at 1.96 as on 31/3/2022 as compared to 1.74 as on 31/3/2021. Net worth of the company without fair value change account



stood at Rs.24,439 crores as on 31/3/2022 as against 22,452 crores as on 31/3/2021. Net worth of the company including fair value change account stood at Rs.55,657 crores on 31/3/2022 as against Rs.49,643 crores as on 31/3/2021.

On the premium breakup, domestic premium for full year FY22 is Rs.28,018 crores, and the international is Rs.15,189 crores, the percentage split is domestic 65% and international 35%. So, there is a de-growth in the domestic premium by around 7% while the international book has decreased by 11%. We expect the positive momentum in terms of performance to continue along with sustained improvement in underwriting performance.

Having given the highlights now, we will open the floor for questions from the interested parties. Thank you.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. We have the first question from the line of Anirudh Agarwal from AAA Investments. Kindly proceed.

Anirudh Agarwal: First, I had a couple of questions on the Q4 numbers. So could you explain this 1500 odd crores adjustment that we need in other income. I understand it's the mark to market in the equity portfolio, but could you give us some more color on this?

Devsh Srivastava: Yes, sure Mr. Agarwal, I will request our CFO ma'am Ms. Jayashree Ranade to explain it to you in great detail.

Jayashree Ranade: Good afternoon, Mr. Agarwal. This is a provision which we have made in this year relating to equity investments, although the equity shares which we were holding for more than three years, and we find that these investments which we are holding at a book value of x particular amount is not showing any increase in the price but consistently at every year end the price has gone down for these investments, we have made a provision in the books of accounts. This amount is approximately 1508 crores which we have taken it into the P&L account this year. Is it?

Anirudh Agarwal: Yes, so ma'am that's like a onetime hit that we have taken right?

Jayashree Ranade: This is one time, the first time we can say going forward in every quarter there will be an adjustment to this provision something like reserved for doubtful debts. This provision will keep on increasing marginally or decreasing marginally with a change in the quantum of it, where we evaluate all those equities which we hold for more than three years. And the price movement for the three consecutive balance sheet date, three years' next consecutive balance sheet dates.

Anirudh Agarwal: So, this 1500 crores ma'am is the difference between the book value or the price at which we bought and the current market price right approximately?

Jayashree Ranade: Exactly this amount we used to record it under our fair value change account till the last quarter 31st December also we made this adjustment in our fair value change account. So, investments

which we declare is always at market value. So, this is kind of a depreciation which we were recording under fair value now we have taken it into the profit and loss account.

Jayashree Ranade: Got it. And going forward, my sense would be that this would not be anything major going ahead right just whatever up and down to the extent the market price is changed?

Jayashree Ranade: Correct, that will be a marginal change up and down and then accordingly it will change, supposing something goes up. It will go out of this ambit of this particular provision, something goes down or additionally required to provide will be provided.

Anirudh Agarwal: Understood. Second question ma'am was on the commission adjustment of 1240 crore, so could you explain that as well?

Jayashree Ranade: Yes, this commission is on account of our one of the ART, which we call it a structure solution arrangement. In this structure solution arrangement, we create an account called fund withheld experience account, which means the amount actually pertains to the reinsurer. A premium has to be given to the reinsurer of which a particular percentage is set aside into this fund withheld experience account. So once the contract gets over, and the profitability of that entire contract is ascertained whatever has to be removed from that funds withheld experience account some kitties accumulated into that account. From there whatever has to be removed in the form of outstanding losses or any other deductions is removed, the balance amount is taken or given back by the reinsurers to the ceding company that is GIC as profit commission. The concept I think it's clear. So, this commission came back to GIC after concurrence from all the reinsurer on the structure solution completion of the contract. So, this is that.

Anirudh Agarwal: There is a one off gain of 1240 crores you are seeing in this quarter?

Jayashree Ranade: Correct, this is one of the gains.

Anirudh Agarwal: Okay. So, this will not recur going ahead. So, next in the underwriting profit 1200 crores is a one off. Is that the right way to think about it?

Jayashree Ranade: Yes, so it is underwriting loss this year. But yes, you're right. One of that amount is 1241 crore which is reduced from the commission outgo, next commission is whatever we are showing is including this income of 1241 crore.

Anirudh Agarwal: Correct ma'am so it is basically a profit for us right if the commission

Jayashree Ranade: Yes, you're right.

Anirudh Agarwal: Okay, understood. And ma'am why are the employee expenses higher in Q4 materially versus the previous quarter anyone offs over here?

- Devesh Srivastava:** Mr. Agarwal this is largely for we are expecting a wage revision. So we have provided a small amount for that. But the expenses, as you would see are pretty minimal when you compare us to any other reinsurer.
- Anirudh Agarwal:** Right. No, my sense is, is this run rate now the new run rate that we should consider or how do you look at it for next year?
- Devesh Srivastava:** The new what Mr. Agarwal?
- Anirudh Agarwal:** The employee expenses that we've incurred in Q4 going to be the new run rate going ahead.
- Devesh Srivastava:** No, see this is because the wage revision is due and then when you have a wage revision, typically you also end up paying some arrears for the previous earlier five years. So this is that
- Anirudh Agarwal:** What is the quantum of the arrears if you can help off?
- Devesh Srivastava:** It's about 73 or 74 crores around that. So we'll take it a ballpark 75.
- Anirudh Agarwal:** The next question sir, was the combined ratio, I appreciate that we've been taking a lot of steps over the past few quarters to get this in control, but the international book is obviously not being supportive. So why are we still targeting that 60:40 in terms of domestic international and domestic ex COVID seems to have come below 100% on a combined ratio basis?
- Devesh Srivastava:** See Mr. Agarwal one of the basic tenets of reinsurance is spread and you write only one territory for example, India. Now in India, as you know we have a right of first refusal. By that logic, we can write pretty much 100% of the Indian market. Why is it that we are not doing the Indian market 100%? For the same reason that as a reinsurer you have to have spread. If you don't have spread, then your portfolio becomes extremely volatile. And a reinsurer is not worth is sort if his portfolio is volatile. That's why you want to spread your business across the globe as much as possible. Today, we are dealing with over 160 countries. Now that is not a bad bet when you consider a total number of 195 odd countries. That's a good bet, so we want to continue our dominance in the Indian market. That's why we have a long term strategy of 50:50. But it's also important to have an equal amount of spread so that we have losses from one area being offset by the premium from the other. So that is something that is typical of the trade of reinsurer, if you take that away, you make it volatile that's what you end up with.
- Anirudh Agarwal:** No, I understand that tenet sir but the point is that international fire is a portfolio that we've really been struggling with for a long time, I've been following GIC for the last four, five years and since I can remember we've been struggling with this portfolio. So is there something that structurally needs to be changed, the pricing materially need to go up for us to make money. How are you thinking about that?

- Devesh Srivastava:** See Mr. Agarwal if you also notice, over a longer period of time of let's say two decades of sorts. This is the first time that the market is hardened, the reinsurance market has hardened for the simple reason that there have been so many catastrophic losses that capacity has shrunk. So there have been losses, but now we are getting much better rates for the same amount of risk that we assume on our books, which is a good bet. So this hard market condition is expecting to continue for a couple of years at least, because of capital having been trapped in these losses. Therefore, the capital is now not available. It's a typical demand supply curve that's operating. Because of that it's a good time to be in the foreign book, in any case you haven't paid losses, you really wouldn't want to come out at a time when you're in a position to recoup them.
- Anirudh Agarwal:** Sir, how much price hardening have been seen in the April renewals, international groups separately and domestic separately?
- Devesh Srivastava:** International renews largely on the 1st of January, domestic is the one that renews on the 1st of April. So, there have been price corrections and both, I request Mr. Hitesh Joshi who looks after our reinsurance portfolio to step in here please.
- Hitesh Joshi:** Pricing trend tends to be geography based and class based but we can probably put the hardening in high single digit and loss double digit something like say 5% to 15% of course, there are exceptions where there are a loss making account, where the price reloading can be much higher, but that is where we would like to pick the hardening of the price.
- Anirudh Agarwal:** You are saying for domestic or international?
- Hitesh Joshi:** I'm talking about international that's 1st January.
- Anirudh Agarwal:** So, weighted average for our portfolio would be close to 10% is the debt?
- Hitesh Joshi:** Yes, that could be a correct conclusion.
- Anirudh Agarwal:** Okay. And domestic sir?
- Hitesh Joshi:** Domestic as far as fire is concerned, maybe you can put at mid-single digit maybe something like 5% but we did a price correction in other classes like marine, motor and liability. That is where we did a quite a bit of a price correction, it will depend on individual account as to how much price correction was appropriate. So it would vary.
- Anirudh Agarwal:** Average would be?
- Hitesh Joshi:** Average could be easily around 10%. Again, there is a difference between say proportional and non-proportional I'm essentially talking about non-proportional, proportional is an again altogether a different thing.

- Anirudh Agarwal:** Understood. So, with all of this sir what do we expect the combined ratio going forward to be, I understand too many moving parts and variables, but still what is our sense of FY23 combined ratio?
- Devesh Srivastava:** See Mr. Agarwal for a reinsurer the trends are more indicated than anything else. Now, if you see our trend, we have been trying to make it a much healthier portfolio than before. And that trend line is very evident to us now, which is an indication that we are on the right path. So to give a number possibly is an impossibility you can't, you really can't predict it. But yes, going with a trend, we should be doing much better in 23 than what we did in 22.
- Anirudh Agarwal:** Understood. And do we have any exposure in Russia, Ukraine, or the parts of Europe that are suffering right now. Any expected losses over there?
- Devesh Srivastava:** Yes, see exposure is definitely there because they are territories that we do write. But Ukraine the exposures are not much. So Ukraine, the total is less than a million dollars a premium. Similarly, if you look at Russia, also the total from Russia was around \$15 million dollars, but after the erosion there it's now closer to \$10, \$11 million. So they are small part of our entire operations.
- Anirudh Agarwal:** And in Q1 till now in the first two months any major losses that we've seen in terms of cat or otherwise?
- Devesh Srivastava:** No, Mr. Agarwal we haven't, only what I can think of right now is that Nepal crash where we have a small 10% share, but that's small, very small. But no as far as the track goes, we haven't heard of any that.
- Anirudh Agarwal:** Understood, thanks that's good to hear. Also one more point on the tax rates, they seem abnormally high if you could explain why we are paying such a high tax rate?
- Jayashree Ranade:** Actually, the GST has got some MAT credit in the books if you have seen 814 crore last year. So we have still not opted for the reduced tax rate till we complete. We will finish our tax bad credit into that. Next year onwards, we will opt for the reduced tax rate.
- Anirudh Agarwal:** FY24 you mean?
- Jayashree Ranade:** No, 23.
- Anirudh Agarwal:** Okay, so this year itself FY23 should be reduced.
- Jayashree Ranade:** Yes.
- Anirudh Agarwal:** And so what is the tax rate guidance that we can take for FY23 ma'am?
- Jayashree Ranade:** 22% plus all those additional things.

- Anirudh Agarwal:** So, around 25% because this year on the PBT, it is closer to 40%, 45% right.
- Jayashree Ranade:** Yes, because certain incomes or certain expenses are kind of a disallowances, et cetera that is why it is appearing to be like that but going forward it will be around after 22% of tax rate it will be much lesser nearly what we are showing now, supposing the similar PBT comes it will be nearly 8% to 10% lesser than what presently is.
- Anirudh Agarwal:** Okay, ma'am. So, assuming that we make a PBT of say 3500 crores you're saying instead of the 1550 crores tax it will be 10% lower of the amount or more than that?
- Jayashree Ranade:** Yes, the reason being it is 1800 crores is our tax and then there is a 200 crores credit due to previous years provision this is what the breakup of that tax is. So, 1800 basically will come down to roughly.
- Rajesh Laheri:** 1/3 will go down basically so 22% will be the rates plus surcharge whatever surcharge will be there so that will be payable next year onwards,
- Anirudh Agarwal:** Correct. then on 3500 crores of PBT that translates to close 2900 crores of tax payout right?
- Rajesh Laheri:** Yes, even during this year if you see the balance rate this 800 crore MAT credit was there. So, we will not be paying this all 1800 crores we will be making payments of only 1000 crore. So, that 800 crore is the total tax payments and now it's MAT balance is zero in the current year.
- Anirudh Agarwal:** Understood, thanks. My final few questions on the investment portfolio. So, given the current interest rate scenario where interest rates are going up globally, how have we positioned our debt portfolio one and do we expect any mark to market rates on the debt portfolio?
- Jayashree Ranade:** Anirudh your second question whether we will be doing mark to market for debt, no our accounting policy doesn't permit us, only HTM. So, that is ruled out. About the debt investments mostly IRDA guidelines give us a broad roadmap how should we invest correct. So, in that case, we have to have minimum 30% in government securities and 15% housing and infra. So, these are guidelines where how we invest. So those will continue. Going forward our corporation will definitely think of more in the government securities because interest rates are increased there, the yields have increased in government security. So that of course the location will be marginally more and we are always secured kind of investors of AAA that rating parameter remains same. So, the picture will be slightly skewed towards the government securities till next year, kind of 2% to 3% more or less say 5% more allocation to government security.
- Anirudh Agarwal:** Understood ma'am. And what would be the modified duration of the portfolio broadly, the debt portfolio?
- Jayashree Ranade:** It is in the range of five to six years, I suppose, around six years.

- Anirudh Agarwal:** Okay. And ma'am how the investment book breakup that we have shared between policyholders and shareholders so could you explain how this is done like is there some ratio that we apply or maybe be accounting for that?
- Jayashree Ranade:** Actually, yes you're right it is always a ratio which we apply to our total investment book. Investment is done at a total level. As per our accounting policy, we work out the policyholders funds which includes our IBNR, unexpired risk reserve and premium deficiency. And also shareholders' funds with share capital and free reserves. So, this ratio in the current year it is approximately 75% to 25%. So, investment book is like shareholders' funds and policyholders funds is based on this bifurcation. Exception is of course foreign investments which we take it to our shareholders funds. These are few exceptions which are small number actually.
- Anirudh Agarwal:** Got it. So, broadly 75:25 is the.
- Jayashree Ranade:** Correct.
- Anirudh Agarwal:** Okay. And any equity allocation increases or decrease, viewpoints given what is happening in the markets currently?
- Jayashree Ranade:** We try to limit our equity investments up to 20% or less than 20% of the total investment. That is our first fundamental principal. Now, amongst that whenever market goes down substantially or with our parameter or indications, we take the advantage of market going down to blue chips and NIFTY 50 stocks. When the market goes up, of course we realize the profit out of those so based on the market movement, the purchases and sales are done. In this year, since the market was down in the fourth quarter we made a good purchases, and to third quarter there was a kind of a small purchase, but since our equity is less than 20% even this year, it's about 18% now.
- Anirudh Agarwal:** 18% allocation. So, with all of this ma'am, what do you expect the investment income to kind of look like, are we going to be able to retain this investment income that we have generated last year or do you see any risk over there?
- Jayashree Ranade:** Interest income definitely will be persistently we will definitely be able to make it because our investment strategies are like that, and we have a profit on sale of investment it depends on the market conditions, but we will definitely try to endeavor it to be at this level if not a little more marginally more than this.
- Anirudh Agarwal:** Got it ma'am, so my final question is on the alternate capital which had really driven down the reinsurance prices or was preventing a hardening since quite some time. So, given all the challenges in the market, are we seeing that alternative capital has started moving out of this space?
- Hitesh Joshi:** Most of the capital is kind of locked because of the earlier events and there was a kind of reassessment from the capital deployers. At the same time, this inflation and hardening of rates

will be a disincentive for them to deploy this side. But again given the last pull the impact may not be so very significant, it is something to watch out for.

Moderator: Thank you. The next question is from the line of Avinash Singh from Emkay Global. Kindly proceed.

Avinash Singh: A couple of questions. First on particularly on the life reinsurance side, in overall scheme of things you have been a little bit guarded player in the life insurance market and particularly large part of life insurance exposure remains in India. But in that context, the timing of growth particularly in the last two years perhaps was I would say miss time that of course will reflect in your life underwriting reasons. Now, what kind of pricing changes you have, pricing or term changes you have seen in the life insurance for the renewals happening now. So that's the first question and second is more to again do with a bit of quarterly numbers. So, the 1241 crore profit commissions that is going into a case of, am I right if I say that okay the 50% claim ratio for the quarter if I were to adjust for this 1241, broadly take to 64. So, that's my question is my understanding correct? And even if that 64% kind of a claim ratio looks too low, for a re-insurance business with a diversified portfolio that too, with a kind of some quota share, and target profit. So what had gone so much into your favor to bring down the claim ration this quarter, are you satisfied with your --? Second question, first on the life reinsurance and the second one on this quarter.

Devesh Srivastava: Thank you Mr. Singh. Mr. Singh I'll first take the light question of yours first. So see life portfolio for a reinsurer brings in stability and the diversification that it seeks. Now, in our case, our live portfolio is still very small, it's just about 2%, 3% of our total book. Yet yes because of COVID there have been heavy losses in reported in the life portfolio. Which has also again immediately lead to a price correction as well. So, the payback that we are expecting in the life portfolio would be about two, three years. So, in any case, the growth is always cautious and never very swift so to say. So, we will grow that book over a period of time and cautiously at that and making sure that we get risk return, our price risk returns which is good and satisfies our appetite. So, that is the strategy for life going forward.

Now, about the other two parts that you asked about first is about that, you asked about the profit commission, so I'll request Jayashree ma'am to comment there and then for the losses I'll just request our appointed actuary, to just put in a few words there.

Jayashree Ranade: This profit commission is actually out of the funds which we withhold on behalf of the reinsurers as I explained in earlier question also, out of the reinsurers premium, we have a contract called structure solution where insurers are protecting us up to a particular level and after a particular level, et cetera. So, some proportion of this premium is retained into this account funds withheld actually. From there when the contract gets over or completed then all the outstanding losses are reduced, the final balance is arrived at and this final balance is considered as profit commission in that account for the year. Now, this account, profit commission is netted out from the net

commission which we see in the final balance sheet. This is where it is, it is 1241 crores which is a onetime kind of an adjustment to occur.

Avinash Singh: Ma'am, this is adjusted in commission, because if it is adjusted in commission then, the commission cost is still pretty normal for this quarter. So that is why I am getting a bit confused that okay because the commission cost is like around Rs.2000 crore, so that roughly translates to close to 19.5% even after this 1200. So that's what I wanted to know. Is your net this profit commission of 1241 adjusted from the commission cost or it's going into your claims cost?

Jayashree Ranade: Yes. Actually, this profit commission was adjusted in our third quarter, if you see our third quarter result this was adjusted in the third quarter.

Avinash Singh: Okay.

Devesh Srivastava: And, yes now, coming to the 50% claims ratio that looks, I know its more the annual number that should be looked rather than quarter, but yes for 50% claims ratio it looks exorbitantly low. So, it is giving some impression that either or the Q3 IBNR reserve for too prudent or there is some kind of aggressive assumption going into Q4. So can you just help us understand that what is sort of, which lines have led to this kind of a strong reduction in claims ratio and from where have you sort of released the reserves or reduced IBNR?

Sateesh Bhat: Good afternoon Mr. Singh, see I'm Sateesh Bhat appointed actuary. When you see this quarter wise loss ratios for a reinsurance company, you have to understand that the dynamics are slightly different, see what happens for a direct insurance company is that they keep on getting their premiums every day as well as they keep on getting their claims every day. So it is more of a smoother transition from one quarter to another quarter. But in case of a reinsurer what happens is that our quarterly statements we call it a statement of account SOA those arrive on a quarterly basis that to within one quarter delay. So, what happens is, if you see the GICs loss ratios for the last maybe five or six or 10 years or so, it would have remained in the range some somewhere around, this would have hovered around 90%. Even if you see the last year's loss ratio that is 92 point something which has come to about 93 point something for this quarter, it would have remained there but in quarter wise if you see, those will definitely vary based on the booking, it's not because we are releasing IBNR or we are adding IBNR, it is because basically what happens is that we estimate the claims and the claims arrived at a later time maybe slightly different from what the estimation is done. So if you see the December loss ratio along with the 50% that you see here for the quarter ended December 31st, 2021 was 121%. So that is the dynamics of the business, so if you take the average of these two, that will come to about 80 odd percentage of so. So, the point to be noted is that, for a reinsurance company like GIC the quarterly there is going to be, there will be volatility there was volatility and there will be volatility based on the receipt of the statement of accounts as well as booking up these numbers into our system.



Then to your specific question on which classes of business is contributed. See agriculture for the underwriting year 2021 was good something we got after almost four years or so, we have been incurring losses on the PMFBY or the agriculture portfolio, this has been better for this year. Similarly, our fire portfolio has been consistently performing well, domestic fire has been consistently performing well. Only, like portfolio that is giving us loss is the foreign fire that also not because of the business that we derive because of the catastrophic claims that we happen to see. And those have considerably increased over the last three, four years. So what I would say is that the numbers are comparable, if you were to take it on a yearly basis, but the numbers are likely to be volatile if you take it on a quarterly basis. I hope I have answered your question.

Avinash Singh:

Yes, thank you sir. So now again if I can ask some follow ups. So, you are right that we started saying that it's better to look at the yearly. Now, even if I look at year-on-year, the fact to be considered here is that FY22 has been one of the most challenging years and particularly for a multi-line reinsurer like you. Where you had a lot of losses in life, of course its all because of the COVID and also on the health side, yet you match previous years claims, there seems to be something which according to of course and now related to that on the clock you say that you had better experience. But if I'm not wrong, Rabi will be booked particularly in your Q4 numbers. Now, in Rabi also towards the end of the harvest year, because of the abnormal temperature heat, they're having meaningful yield loss, particularly the wheat. Now, are you comfortable with the reserves that you were holding in crop because the Rabi just gone by, we settle over coming months. So are you comfortable with your reserve particularly on the crop, because crop underwriting normally or too good to be true so that's the thing. So, that's my question, that year-on-year you matched kind of or rather bettered or excellence of flat even when there was so much of losses in the health and life. And are you comfortable with your crop reserve right now because crop particularly, wheat has seen a loss of yield towards the end of the quarter.

Sateesh Bhat:

Sir, again coming to the same point, one is that since the June 2020, there have been a lot of efforts that GIC has been taking to reduce the underwriting loss ratio. So, that has actually, if you just bifurcate these numbers into life and non-life, the non-life numbers because of all the efforts put in by the management, it has actually improved by about 3% to 4%. So, but even though the life portfolio is quite small, that has given about 200% odd of loss ratio, so whatever reduction or whatever improvement we have seen in the loss ratio in the non-life side has been washed away by the life loss ratio. So, what we expect is that, going forward the live loss ratios or maybe in the three to four quarters in the next three to four quarters, it should come to back to the 2020 level or so, but maybe there could be another one or two percentage improvement, we expect to come in the non-life loss ratio. So, there should be a considerable improvement. So, this is not something magic because we have been all working together to reduce the loss ratios, pruning the treaties and looking at performance of the treaties and doing lots of efforts. So, those are gone.

Then your next question on agri, what I told is the agri underwriting year 2021 So, the year which completed on 31st, March 2021. So, that is almost done now. So, where we are seeing a



good improvement but we have adequate reserves kept for this 2022 the current Rabi as well as current Kharif season, we are adequately reserved. So those are yet to maybe it may take another one year for the whole losses to run off.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing comments.

Devesh Srivastava: Thank you. Thank you, everyone, for your time today afternoon. As this is fairly evident, we have been working on a set strategy and that has started to show that trend lines that we are on the right track possibly, and we will continue the strategies trying to give a much healthier portfolio to the corporation so that we are into a long term sustainable business and that is what the endeavor shall always be. Thanks again for your time in the afternoon today. Goodbye and good luck.

Moderator: Thank you. On behalf of General Insurance Corporation of India that concludes this conference. Thank you for joining us, you may now disconnect your lines.