



**Q12021**

**Performance Review**

# Agenda

- Company Strategy
- Financial Performance
- ESG Initiatives
- Update- COVID-19
- Industry Overview



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- **Company Strategy**
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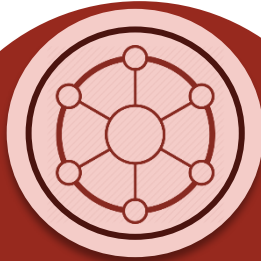


# ICICI General – Pillars of Strength



## Consistent Market Leadership and growth

- Leading private sector non-life insurer in India since FY2004 (GDPI basis)
- 12 years GDPI CAGR: 12.3%
- Market share Q12021 (GDPI basis): 8.4%



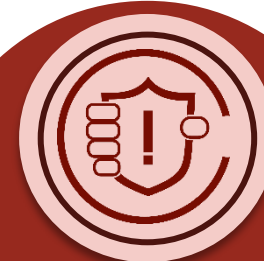
## Diverse products and multi-channel distribution

- Comprehensive and diverse product portfolio
- Individual Agents\* 49,802
- Expanding distribution network to increase penetration in Tier 3 and Tier 4 cities
  - Number of Virtual Offices: 840



## Excellence in Customer service and Technology

- Leveraging on Artificial Intelligence, Machine Learning, IoT etc. throughout the customer life cycle
- Dedicated “digital arm” to improve speed of delivery



## Risk Management

- Profitable growth using risk selection and data analytics
- Maintain robust reserves
- Prudent investment management



## Capital Conservation

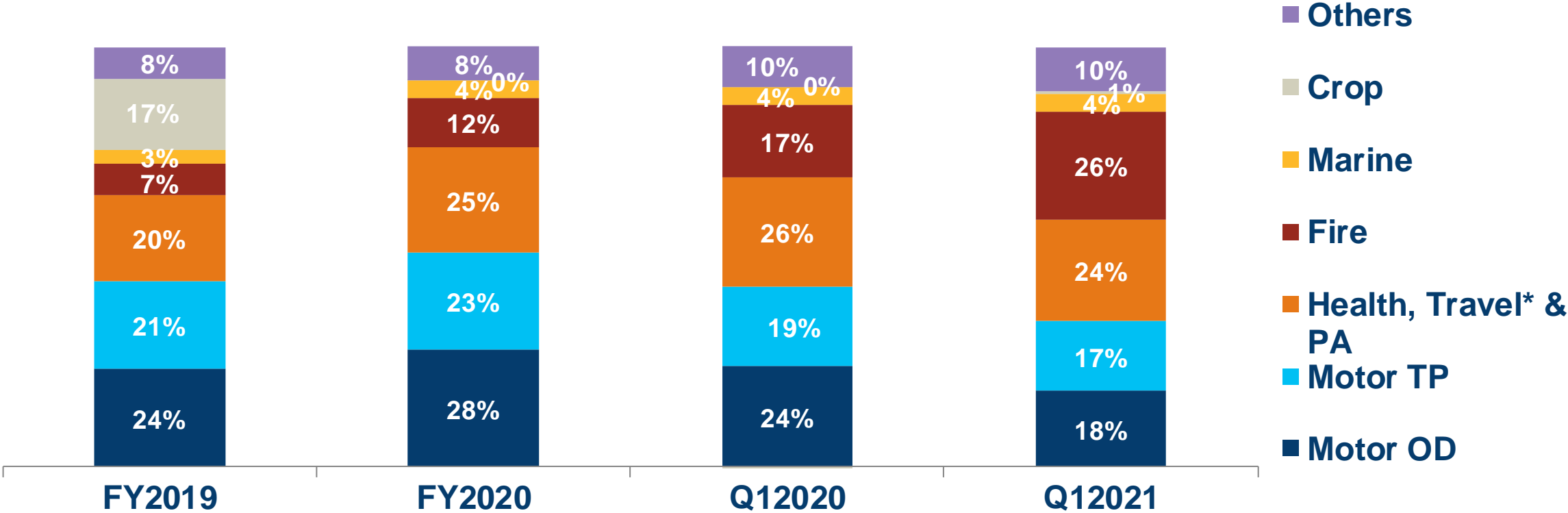
- Maintain high level of Solvency against regulatory minimum requirement of 1.50x
- Solvency 2.50x as at June 30, 2020

# Key Highlights

Particulars (₹ billion)	FY2019 Actual	FY2020 Actual	Q12020 Actual	Q12021 Actual
Gross Written Premium	147.89	135.92	35.61	33.94
Gross Direct Premium Income (GDPI)	144.88	133.13	34.87	33.02
GDPI Growth	17.2%	-8.1%	-7.6%	-5.3%
GDPI Growth (excluding crop)	20.5%	10.5%	17.7%	-6.2%
Combined Ratio*	98.8%	100.4%	100.4%	99.7%
Profit after Tax	10.49	11.94	3.10	3.98
Return on Average Equity	21.3%	20.8%	23.0%	25.1%
Solvency Ratio	2.24x	2.17x	2.20x	2.50x
Book Value per Share	117.11	134.97	119.71	143.74
Basic Earnings per Share	23.11	26.27	6.82	8.76

# Comprehensive Product Portfolio

## Product Mix



- Diversified product mix– motor, health, travel & personal accident, fire, marine and others
- SME business growth was 30.4% for Q12021

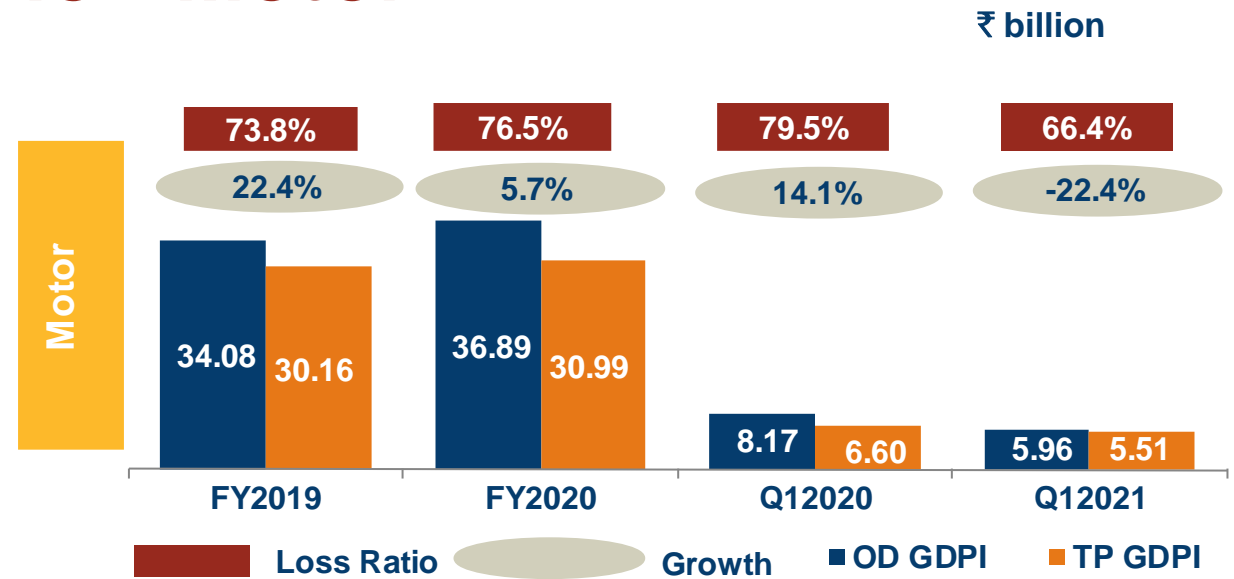
\* Basis IRDAI circular dated May 20, 2019, Travel included as a part of Health

# Comprehensive Product Portfolio - Motor

## Motor GDPI Mix

Type	Q12020	Q12021
Private car	55.4%	59.2%
Two Wheeler	27.3%	26.0%
Commercial Vehicle	17.3%	14.8%

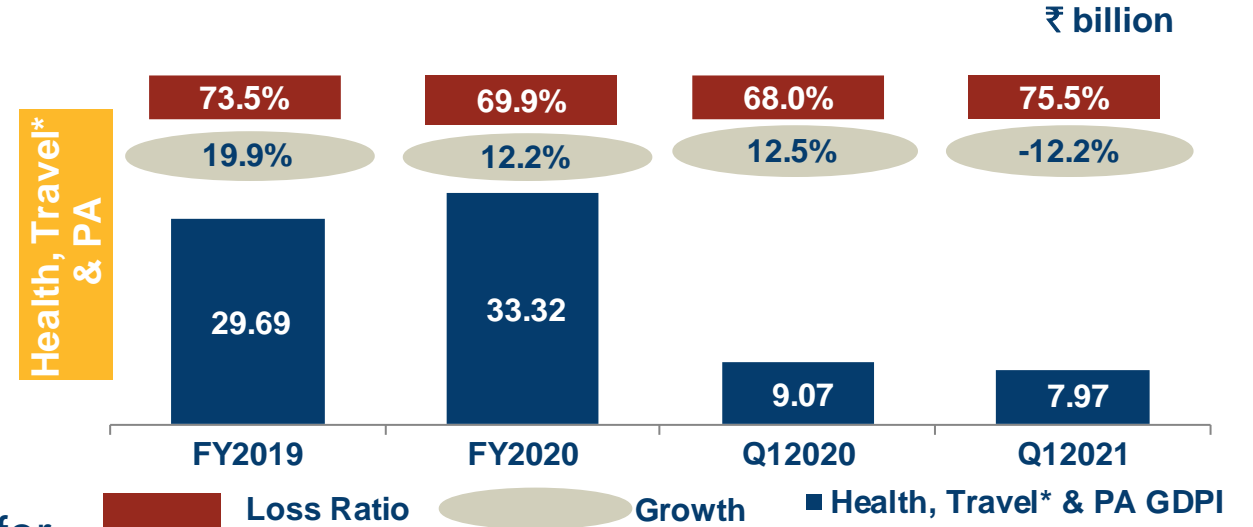
- Loss cost driven micro-segmentation resulting in focus on relatively profitable segment
- Advance premium at June 30, 2020 : ₹ 30.31 billion (₹ 30.25 billion at March 31, 2020)
- **Long Term Motor Policy Penetration** : Private car for Q12021: 19.8% (Q12020: 17.0%)  
Two Wheeler for Q12021: 11.3% (Q12020: 17.5%)
- **Withdrawal of Long Term Motor Package Policy by IRDAI**: Effective August 1, 2020, option to avail long term **Own Damage** covers has been discontinued
- **Motor Vehicle Act** : Reduction in time limit of claim intimation to 6 months
  - Expecting shortening of claims settlement cycle, selective increase in fines for traffic violations
- **Stand-alone OD Regulation**: Effective September 1, 2019 for the 1st renewal of new vehicle sold last year
  - Standalone OD policies are now being issued for Private car & Two Wheeler





# Comprehensive Product Portfolio – Health, Travel & PA

Health, Travel* & PA GDPI Mix		
Type	Q12020	Q12021
Individual	19.5%	20.1%
Group – Others	32.6%	10.8%
Group Employer-Employee	47.9%	69.1%
Mass	0.0%	0.0%



- Retail indemnity new business grew by 25.9% for Q12021 (77.0% in June 2020)
- Muted disbursement by Banks, NBFC's and HFC's led to lower growth in Group – Others business for Q12021
- Cautious approach to underwrite Mass health scheme
- IL Take Care for customer engagement & servicing of health customers
  - More than 130 K+ downloads till Q12021, way forward to be extended to other retail lines
- **Product launched**
  - Covid-19 indemnity
  - Arogya Sanjeevani



# Comprehensive Product Portfolio – P&C

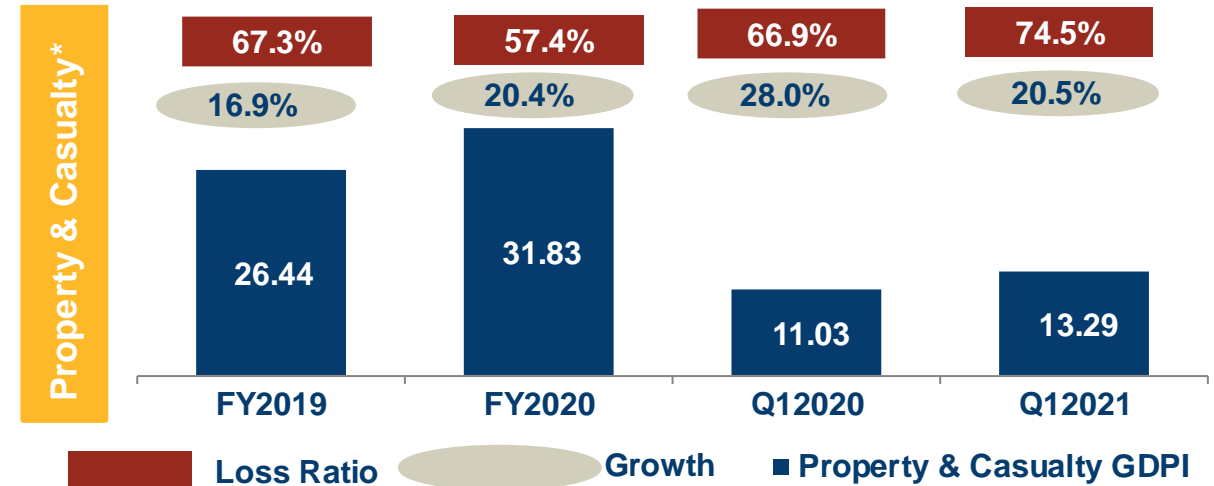
₹ billion

- Accretion of market share in commercial lines

## Property & Casualty (P&C) Market Share

Product	Q12020	Q12021
Fire	11.0%	11.4%
Engineering	13.5%	13.9%
Marine Cargo	14.8%	18.1%
Liability	17.5%	18.6%

- Increase in reinsurance rates for other sectors (rates for 8 sectors increased w.e.f. March 2019) under fire segment w.e.f. January 1, 2020
- Higher retention on account of increase in rates



# Digital Initiatives

## Service Excellence

### Policy Issuance

Policies sourced – 3.6 mn

97.5% issued electronically



### Claims & Servicing

Claims honored – 0.2 mn

56.3%\* Motor OD claims through InstaSpect



### Employee Productivity

12 years CAGR 15.3%

Employee hackathon



## Automation & Scale

### Next Gen Solutions

Cloud deployment

Big Data & Customer experience management



### AI and ML Solutions

36.2%\* cashless authorization through AI for GHI^

43%\* STP\*\* of motor break-in from Self Inspection app through AI



### Work from Home

9.5K+ headcount enabled

Enhanced Data & End point Security



\*exit rate as at June 2020

\*\*STP - Straight through processing

^GHI- Group Health Insurance

# Risk Management

## Underwriting

- Predictive ultimate loss model to improve risk selection
- Diversified exposure across geographies and products
- Historically lower proportion of losses from catastrophic events than overall market share

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## Reinsurance

- Spread of risk across panel of quality re-insurers
- Conservative level of catastrophe (CAT) protection
  - Net impact of catastrophic losses ₹ 0.31 billion for Q12021 (₹ 0.16 billion for Q12020)

## Investments

- Tighter internal exposure norms as against regulatory limits
- Invest high proportion of Debt portfolio 83.0% in sovereign or AAA rated securities\*
  - All Debt securities are rated AA & above
- Zero instance of default in Debt portfolio since inception

## Reserving

- IBNR utilization improving trend indicates robustness of reserves
- Disclosing reserving triangles in Annual report since FY2016

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# Agenda

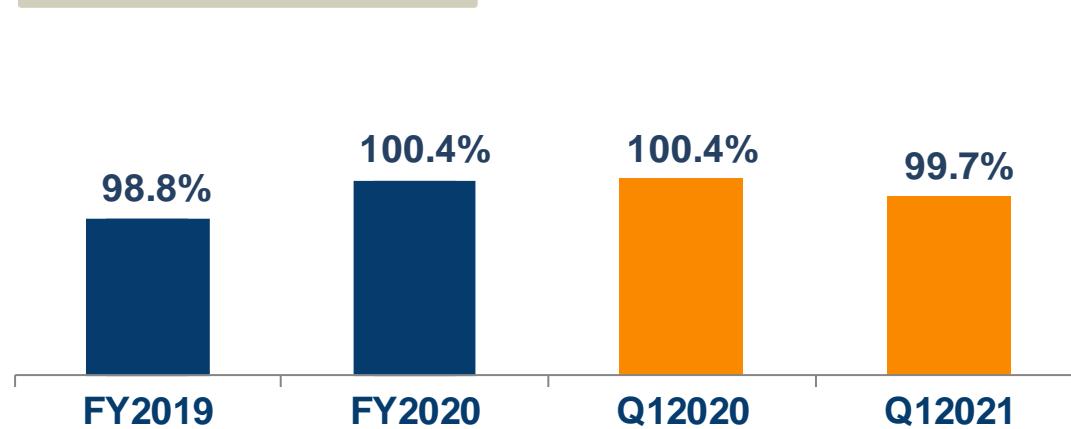
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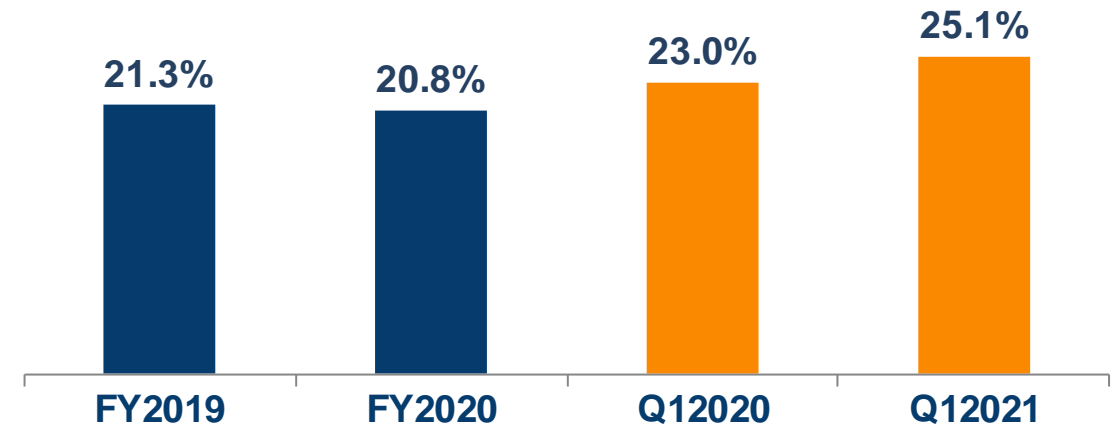
# Financial performance

₹ billion

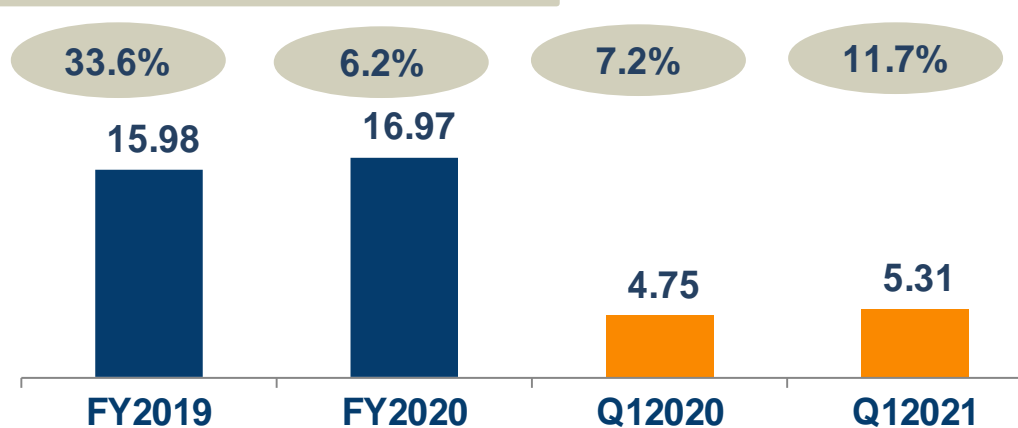
## Combined ratio (%)\*



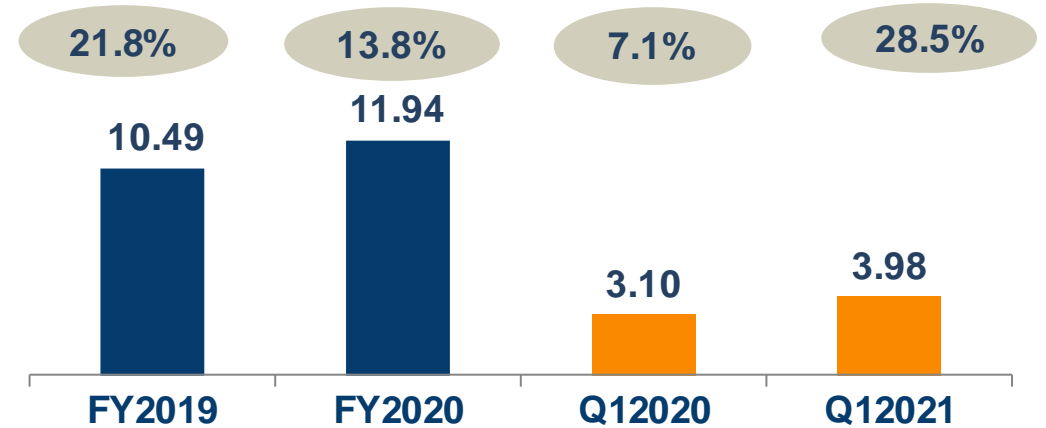
## Return on average Equity (ROAE) (%)



## Profit before Tax (PBT)



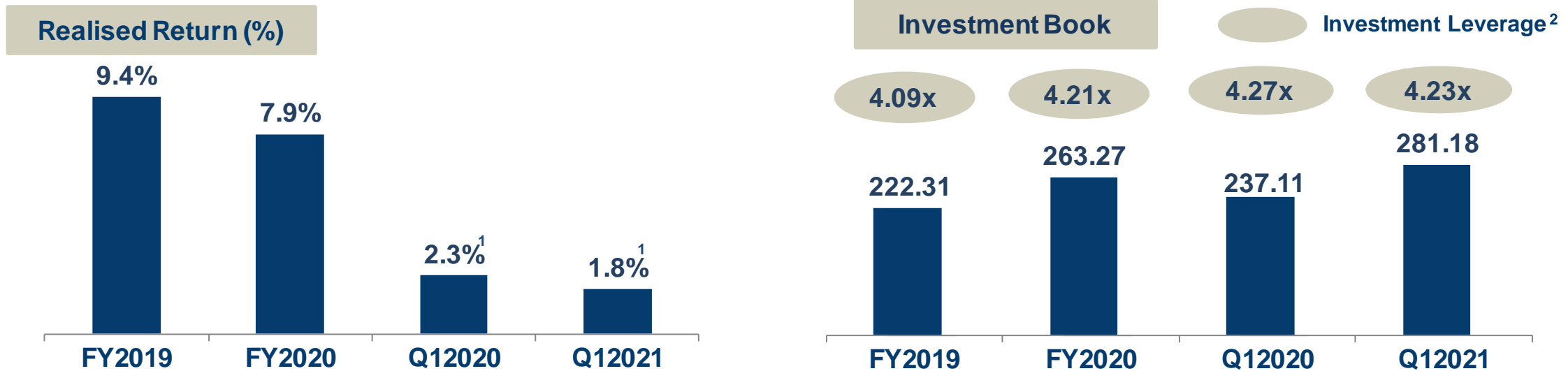
## Profit after Tax (PAT)



- Combined ratio was 98.4% in Q12021 excluding the impact of cyclone Amphan and Nisarga and 99.7% in Q12020 excluding the impact of cyclone Fani
- PAT for Q12021 includes effect of lower effective tax rate. Effective tax rate for Q12021 is 25.0%.

# Robust Investment Performance

₹ billion



- Investment portfolio mix<sup>3</sup> for Q12021 : Corporate bonds 48.7%, G-Sec 33.7% and equity 9.8%
- Strong investment leverage
- Unrealised gain of ₹ 10.66 billion as on June 30, 2020
  - Unrealised loss on equity<sup>4</sup> portfolio at ₹ 0.36 billion
  - Unrealised gain on other than equity<sup>4</sup> portfolio at ₹ 11.02 billion

<sup>1</sup> Absolute Returns

<sup>2</sup> Total investment assets (net of borrowings) / net worth

<sup>3</sup> Investment portfolio mix at cost

<sup>4</sup> Equity includes mutual funds

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# Safeguarding environment



## An overarching Policy on Environment Management



### Becoming energy efficient

- Adapting methods to conserve energy and prevent emissions from time to time
- Installing energy efficient products to reduce energy consumption



### Reduce, Reuse, and Recycle

- Incorporating processes that promote reduction in use of paper
- Reusable glasses and plates
- Promoting recycling



### Saving on water

- Engaging in rainwater harvesting and groundwater recharging
- Implementing drip irrigation for gardens
- Installing sensor based water dispensers



### Protecting the environment

- Switching to bio-degradable alternatives
- Ecofriendly mode to procure water
- Taking green measures for communication
- Reducing carbon footprint by integrating digital tools for sourcing and servicing of customers

# Contributing the Social Way



## Addressing customer needs

- Providing best-in-class experience
- AI-based solutions and digital claim forms for instant renewals/claims
- Usage of cognitive computing to fasten claim processing and reducing overall response time
- Providing end to end digital solutions



## Creating value for employees

- Hiring from diverse skill sets
- Building capabilities in knowledge, skills and competencies
- Building an inclusive culture and an enabling environment to perform and grow
- Driving a performance culture through differentiation and linkage to rewards



## Enabling community awareness and development

- Aiming at community well-being with healthcare, road safety and wellness programs
- “Caring Hands” providing spectacles for children with poor vision
- “Ride to Safety” raising awareness for road safety
- “Niranjali” to educate children on safe drinking water

# Strong Governance



## Robust Structure

- Optimum mix of Executive/Non-Executive Directors as per Policy on Board Diversity
- Performance evaluation of Board, Committees, Chairperson, Individual Directors
- Succession plan in place for senior management positions
- ERM framework for managing key risks



## Code of conduct

- Conducting business with highest standards of compliance and ethics
- Zero tolerance approach towards Fraud
- Policies like Prohibition of Insider Trading, Anti-Money Laundering
- Encouraging to report concerns through Whistle Blower Policy



## Data privacy

- Detecting, preventing, mitigating cyber security issues
- Enforcing leading practices and controls through Cyber security Policy
- Focused approach to cyber security with the triad of Confidentiality, Integrity and Availability (CIA) at the core of the information security framework
- Training employees and distributors in effective data handling

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### Customers

- Continuous communication with customers through emails, tele-calling, SMS and Social Media Platforms undertaken to reassure
  - Renewal of motor & health policies
  - Claims servicing through e-mails, scan documents etc.
- Dedicated product- Covid-19 benefit and indemnity cover
- ILTakeCare with 'tele-consult' feature in our mobile app for harnessing health ecosystem

### Distribution

- Channel partners were already enabled digitally to acquire, retain and service customers. Adoption rates have seen a significant increase
  - Enabled Technological tools- Robo calling and CRM tools for motor dealer partners to enhance retention
  - On-boarding of POS and agents is continuing digitally
- Online webinars, conducted by our senior leaders for corporates
  - Virtual risk inspections (VRA) -customer site inspections undertaken via video streaming.
  - Knowledge support to agents /channel partners

### Employees

- Work from Home enabled to ensure safety and well-being of our employees across the organization, well before the lockdown
- Accelerated our efforts towards upskilling our employees. Leveraged technology to provide e-learning programs, self-consumption videos & virtual live training events
- Employee centric policy for conveyance and mobile / data reimbursements
- Deployed Platforms such as 'Santulan' for online counselling, for employees requiring special assistance

### Community

- Proposed contribution towards 'PM Cares fund" by Company & Employees
- Free Covid-19 testing for the underprivileged in partnership with reputed diagnostic brands
- Provided Personal Protection Equipment or PPE to the medical staff treating Covid-19 patients at government hospitals

### Regulator / Authority

- Insurance as an essential service.
- Announced several measures including relaxations
  - On claims payment - simplified claim procedures, health claim authorization within two hours etc.
  - On premium payment - extended payment date for renewal of Motor TP & Health policies



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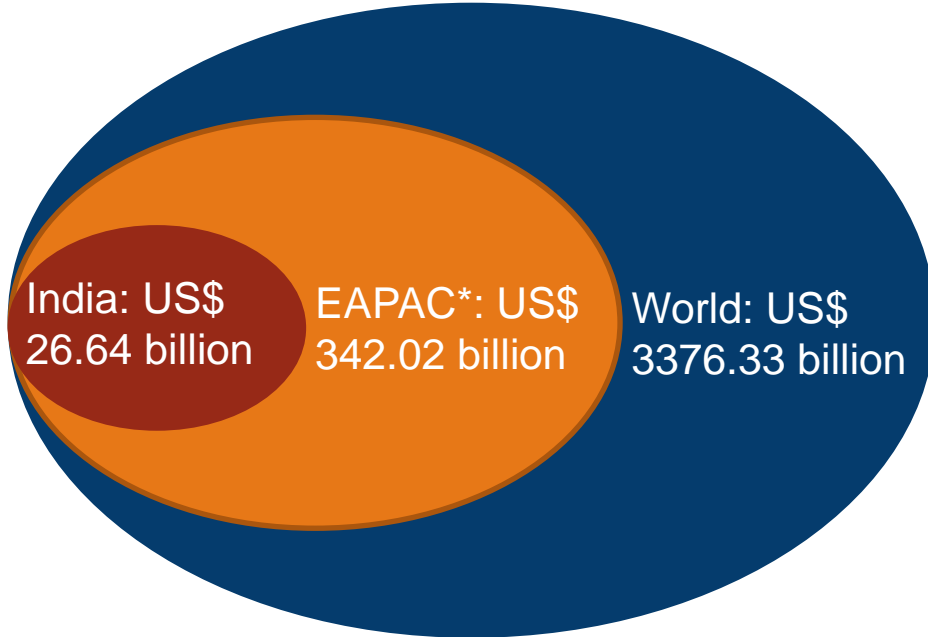
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# India Non - life Insurance Market - Large Addressable Market

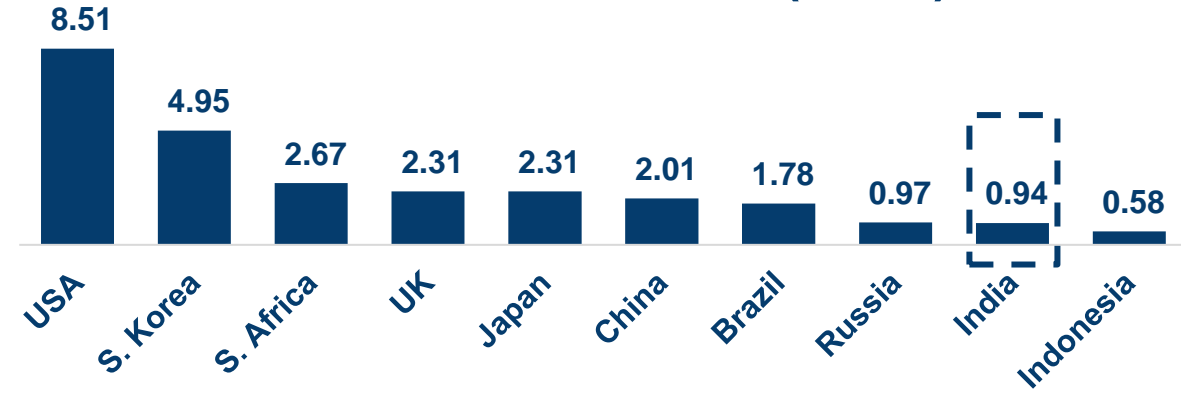
## Massive growth opportunity in non-life premiums



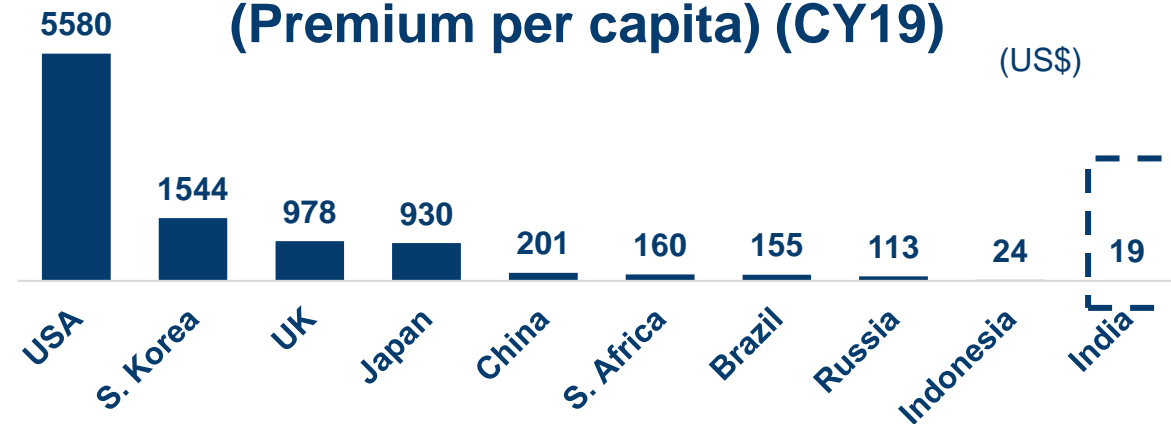
- 4th largest non-life insurance market in Asia and 15th largest globally
- Non-life Insurance penetration in India was around 1/4rd of Global Average in 2019
- Operates under a “cash before cover” model

## Significantly underpenetrated

### Premium as a % of GDP (CY19) (US\$)

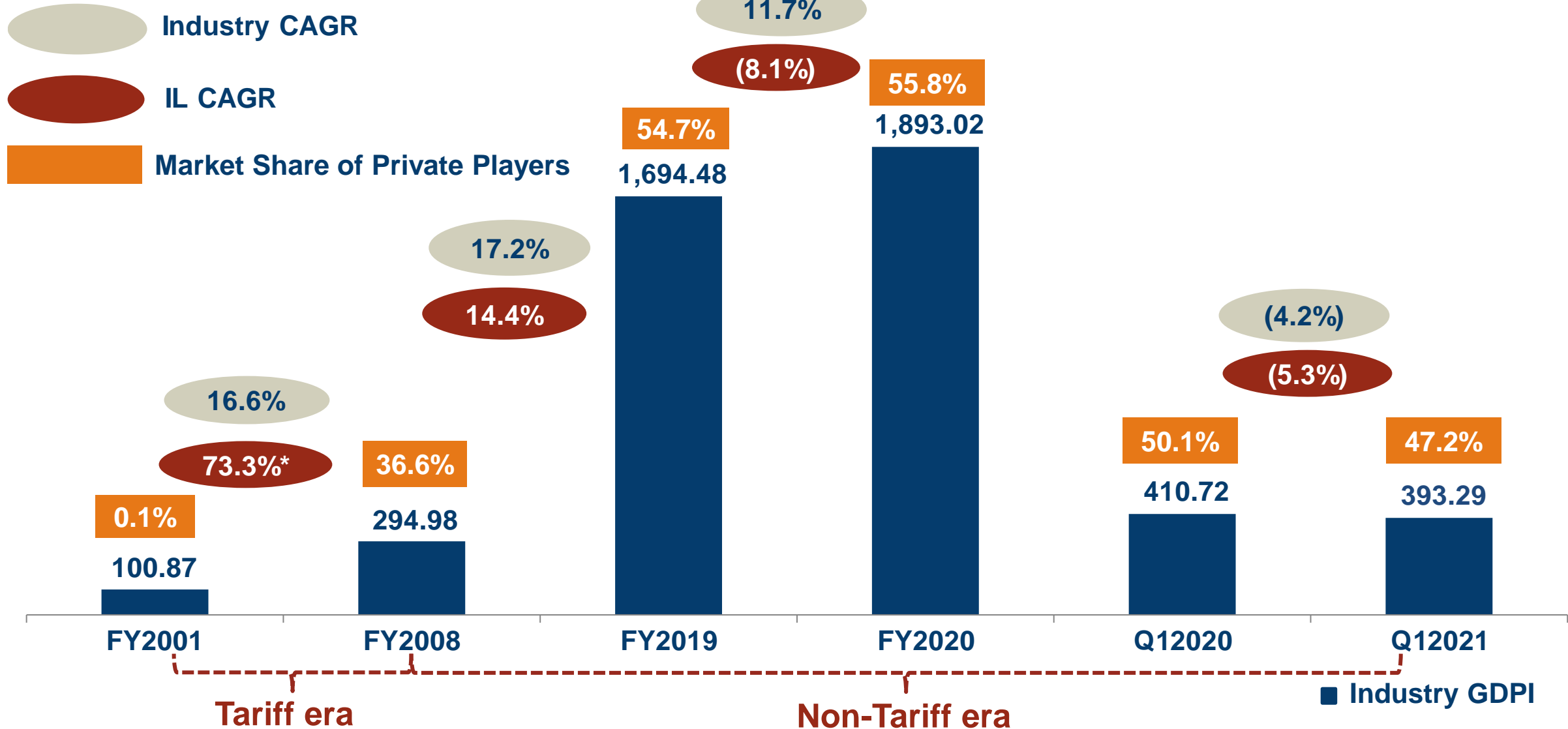


### Non-Life Insurance Density (Premium per capita) (CY19) (US\$)



# Industry has witnessed steady growth

₹ billion





**Thank you**

# Annexure



# Loss Ratio

Particulars	FY2019	FY2020	Q12020	Q12021
Motor OD	59.2%	68.9%	68.2%	62.9%
Motor TP	90.8%	84.4%	90.9%	70.2%
Health, Travel* & PA	73.5%	69.9%	68.0%	75.5%
Fire	83.2%	64.0%	87.6%	94.0%
Marine	84.0%	65.3%	58.8%	83.2%
Engineering	37.1%	40.7%	58.0%	75.1%
Other	55.2%	51.8%	63.5%	49.3%
Crop	106.5%	110.6%	110.7%	111.2%
<b>Total</b>	<b>75.3%</b>	<b>72.9%</b>	<b>75.5%</b>	<b>69.8%</b>

# Abbreviations:

**AI** - Artificial Intelligence

**AY** – Accident Year

**CAGR** – Compounded Annual Growth Rate

**CY** – Calendar Year

**EAPAC** – Emerging Asia Pacific Markets

**FY** – Financial Year

**G-Sec** – Government Securities

**GDP** – Gross Direct Product

**GDPI** – Gross Direct Premium Income

**GHI** – Group Health Insurance

**GIC** – The General Insurance Corporation of India

**GI Council** – General Insurance Council

**GWP** – Gross Written Premium

**HFC**- Housing Finance Company

**IBNR** – Incurred But Not Reported

**IL / ICICI General / Company** – ICICI Lombard

**IMTPIP** – Indian Third Party Insurance Pool

**IoT** – Internet of Things

**IRDAI** – Insurance Regulatory and Development Authority of India

**ML**- Machine Learning

**NBFC**- Non Banking Financial Company

**NEP** – Net Earned Premium

**NWP** – Net Written Premium

**OD** – Own Damage

**PA** – Personal Accident

**PAT** – Profit After Tax

**PBT** – Profit Before Tax

**P&C** – Property & Casualty

**POS** – Point of Sales

**ROAE** – Return on Average Equity

**STP** - Straight through processing

₹ - Indian Rupees

**TP** – Third Party

**US\$** - United State's dollar

**VO** – Virtual Office

# Impact of catastrophic events : Historical snapshot

₹ billion

Catastrophic Event	Year	Economic Losses	Insured losses ***	Our Share of Insured losses
Cyclone Nisarga	2020	^	^	^
Cyclone Amphan***	2020	1,000.00	15.00	6.7%
Maharashtra, Gujarat, Karnataka, Kerala & other states Floods	2019	709.70**	20.00	3.5%
Cyclone Fani	2019	120.00	12.25	2.4%
Kerala floods	2018	300.00	30.00	2.7%
Chennai floods^	2015	150.00	49.40	7.5%
Cyclone Hudhud	2014	715.00	41.60	2.4%
J&K floods	2014	388.05	15.60	2.6%
North-east floods	2014	393.30	15.60	*

^ Data on economic & insured losses are not available, number of claims reported is more than 150 & our share of losses is ₹ 0.20 Bn

\*There was no separate reporting of losses resulting from these floods since this did not rise to the level of a catastrophic event for us

\*\*Aon Global Catastrophe Report

\*\*\* Initial estimates based on market sources

^ Insured losses based on Swiss Re report

Other sources : Google search & estimates



# Reserving Triangle Disclosure – Total<sup>1</sup>

₹ billion

## Incurring Losses and Allocated Expenses (Ultimate Movement)

As at March 31, 2020	Prior	AY 11	AY 12	AY 13	AY 14	AY 15	AY 16	AY 17	AY 18	AY 19	AY 20
End of First Year	54.99	20.66	22.53	27.97	35.96	34.16	39.13	49.49	52.41	65.27	72.72
One year later	55.11	20.44	21.97	27.02	34.63	33.95	38.58	49.20	51.10	64.10	
Two years later	55.88	20.41	21.74	26.52	34.37	33.53	38.07	48.84	50.08		
Three years later	56.70	20.36	21.85	26.40	34.29	32.91	37.78	48.57			
Four years later	56.85	20.47	21.83	26.46	33.85	32.73	37.25				
Five years later	57.53	20.48	21.81	26.21	33.73	32.16					
Six years later	58.02	20.53	21.83	26.18	33.32						
Seven Years later	58.20	20.67	21.83	26.17							
Eight Years later	58.40	20.67	21.75								
Nine Years later	58.48	20.61									
Ten Years later	58.37										
Deficiency/ (Redundancy) (%)	6.2%	-0.2%	-3.5%	-6.5%	-7.3%	-5.9%	-4.8%	-1.9%	-4.4%	-1.8%	0.0%

## Unpaid Losses and Loss Adjusted Expenses

As at March 31, 2020	Prior	AY 11	AY 12	AY 13	AY 14	AY 15	AY 16	AY 17	AY 18	AY 19	AY 20
End of First Year	9.16	7.18	7.98	12.01	17.32	17.10	20.44	26.84	32.58	37.37	37.98
One year later	4.50	2.67	3.33	6.11	9.70	11.58	14.06	16.86	18.03	27.01	
Two years later	3.74	2.00	2.46	4.72	7.92	9.61	11.46	13.04	15.00		
Three years later	3.59	1.58	2.12	3.84	6.73	7.80	9.69	10.67			
Four years later	3.02	1.39	1.76	3.39	5.58	6.77	7.93				
Five years later	3.12	1.13	1.47	2.77	4.82	5.49					
Six years later	2.91	1.00	1.28	2.42	3.94						
Seven Years later	2.65	0.97	1.08	2.12							
Eight Years later	2.43	0.84	0.87								
Nine Years later	2.16	0.68									
Ten Years later	1.75										

# Reserving Triangle Disclosure – IMTPIP

₹ billion

## Incurred Losses and Allocated Expenses (Ultimate Movement)

As at March 31, 2020	AY 08	AY 09	AY 10	AY 11	AY 12	AY 13
End of First Year						2.71
One year later					3.85	2.72
Two years later				4.49	3.85	2.73
Three years later			5.81	4.49	3.98	2.73
Four years later		6.16	5.81	4.63	4.12	2.74
Five years later	2.61	6.16	5.85	4.67	4.41	3.16
Six years later	2.61	6.46	5.96	4.99	5.12	3.17
Seven Years later	2.86	6.55	6.05	5.45	5.12	3.17
Eight Years later	2.95	6.69	6.55	5.45	5.12	
Nine Years later	3.00	6.98	6.55	5.45		
Ten Years later	3.09	6.98	6.55			
Eleven Years later	3.09	6.98				
Twelve Years later	3.09					
Deficiency/ (Redundancy) (%)	18.4%	13.2%	12.9%	21.3%	32.8%	16.8%

## Unpaid Losses and Loss Adjusted Expenses

As at March 31, 2020	AY 08	AY 09	AY 10	AY 11	AY 12	AY 13
End of First Year						2.67
One year later					3.41	2.30
Two years later				3.14	2.57	1.87
Three years later			3.17	2.38	1.98	1.37
Four years later		2.67	2.51	1.84	1.51	0.98
Five years later	0.86	2.05	2.03	1.32	1.22	1.13
Six years later	0.63	1.89	1.56	1.19	1.63	0.91
Seven Years later	0.72	1.50	1.26	1.31	1.29	0.71
Eight Years later	0.65	1.23	1.39	1.03	1.02	
Nine Years later	0.55	1.19	1.07	0.78		
Ten Years later	0.52	0.89	0.78			
Eleven Years later	0.43	0.63				
Twelve Years later	0.32					