Monthly Report
January, 2025

Interview |Q3 FY2025 Earnings| Gopal Balachandran

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NDTV Profit

ICICI Lombard Hopes A Favourable Market To Yield Higher Profitability, Says CFO Gopal Balachandran

ICICI Lombard is set to see higher profitability in future due to declining combined ratio backed by favourable market conditions, according to the general insurance company's Chief Financial Officer Gopal Balachandran.

ICICI Lombard General Insurance Company' net profit rose 68% year-on-year to Rs 724 crore during the three months ended December from Rs 431 crore in the same quarter a year ago. The combined ratio in the third quarter improved to 102.7% on a year-on-year basis as compared to 103.6% in the same period of a year ago.

The combined ratio is a key performance indicator of profitability and financial conditions of an insurance firm. It is calculated by dividing an insurance firm's total losses and expenses with premium earnings in a financial year. The combined ratio below 100% indicates the company is profitable.

Talking to NDTV Profit, Balachandran said that the combined ratios of ICICI Lombard are on a downward trajectory and there will be a further improvement if the markets remain sensible.

"We are seeing a clearly declining combined ratio trajectory for ICICI Lombard. If you look at the half year, we have seen an adverse change in the overall combined ratio for the market. Assuming the market remains sensible, I think there's no reason why we should not be able to see an improvement in combined from the current numbers as well," he said.

A combined ratio above 100 generally means that a company is paying more claims money than it is receiving in premiums. The reported combined ratio of Q3 has a "slight nuance" in terms of a regulatory change that one must consider, the ICICI Lombard CFO said.

ICICI Lombard Receives Rs 175 Crore Tax Relief From Income Tax Department

Opinion
ICICI Lombard Receives Rs 175 Crore Tax Relief From Income Tax Department
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"Effective Oct. 1, 2024, all long-term products, as per the regulatory stipulations, have moved to recognition of revenue or premiums over the contract period. Similarly, whatever acquisition cost or cost of sourcing that companies incur, they will also be allowed to be amortised over the contract period," he said.

"This is a favourable and enabling regulatory environment change for a longer-term perspective," the top executive said.

The combined ratio that ICICI Lombard reported this quarter is inclusive of this regulatory change, having a 0.4% impact on the number.

"The combined of 102.7% for this quarter includes the effect of that particular change. If I were to take that effect and look at it on a business-as-usual basis, the combined ratio would have been reported at 102.3%. So it has had a 0.4% impact on the overall combined ratio," Balachandran explained.

The CFO highlighted that his company is on track to achieve its targeted combined ratio.

"We have been able to possibly see a downward slope in the overall combined ratios for ICICI Lombard. We are pretty much on track in terms of the thought process or the gliding path that we have spoken about almost four years back in terms of where we want to see the combined ratios for ICICI Lombard play out," he said.

Shares of ICICI Lombard General Insurance Ltd. were trading 0.33% higher at Rs 1,929 apiece on the NSE as of 10:29 a.m., coming from a high of Rs 1,952.90. The benchmark Nifty 50 was 0.81% lower at 23,155.30 after giving up early gains.

Interview | Guillain-Barré Syndrome Cases Rising | Priya Deshmukh

Outlook MONEY

Guillain-Barré Syndrome Cases Rising: Will Your Health Insurance Cover it?

It is important to understand your policy's terms, including waiting periods and coverage limitations, which can help mitigate financial stress in the event of a GBS diagnosis. Here are key takeaways for you

Guillain-Barré Syndrome (GBS) has been making headlines in India amid an outbreak in Maharashtra, particularly after a suspected death in Pune recently. The state has reported over 100 cases to date and the government has been now trying to contain the situation by sending health teams on the ground.

The cases are under investigation by the Indian Council of Medical Research to identify the root cause of this outbreak. But as the numbers climb, one pressing question remains: If you or a loved one were to be diagnosed with GBS, would your health insurance cover the costs?

What is Guillain-Barré Syndrome?

GBS is a rare but serious condition where the patient's immune system starts attacking its own nerves. It usually begins with weakness or tingling in the legs that can spread to the arms and even lead to paralysis.

Some patients may even experience difficulty breathing, speaking, or swallowing. While there is no known cure for this yet, treatments like immunotherapy can help manage the symptoms and improve recovery.

According to some reports, Maharashtra's public health department has reported around 111 suspected cases of GBS till now. The majority of these cases have been identified in Pune, with others in Pimpri Chinchwad and surrounding districts.

Will Your Health Insurance Cover It?

According to health insurance experts, standard health insurance policies typically cover the treatment of Guillain-Barré Syndrome. Here's what you should know;

Says Priya Deshmukh, Head Health Products, Operations & Services, ICICI Lombard, "GBS is an autoimmune neurological disorder which can affect individuals of any age or gender. However, adults and people older than 50 years are more susceptible to this condition. Since it is a condition that is acute in nature, it is covered by a standard and comprehensive health insurance policy."

Adds Ashish Yadav, Head Products and Operations, Product Development, ManipalCigna Health Insurance, "GSB is covered under a standard health insurance coverage without requiring a special critical illness policy. This classification enables patients to receive the medical care they require. Even though GBS is regarded as a serious illness, standard health insurance covers its treatment, including hospital stays and associated costs."

Similarly, Amitabh Jain, Chief Operating Officer, Star Health & Allied Insurance Co. Ltd informs that "As long as a policyholder has a standard health insurance plan, their medical expenses for ICU admissions, and ventilator support as required for your treatment for GBS should be covered, subject to the limits specified under the terms and conditions of your policy."

Let's get you answers to some critical questions regarding coverage of GSB in your health insurance plan;

1) Would any prior neurological or autoimmune conditions affect your claim eligibility (for GBS)?

Yes, it could impact claim eligibility. Says Jain, "If someone had a pre-existing neurological or autoimmune condition before purchasing the health insurance policy and did not disclose it at the time of purchase, the claim for GBS-related treatment could be affected."

"However, if the condition was declared while buying the policy and accepted by the insurer, coverage would be available, though it will be subject to a waiting period as specified in the policy. It's always important to be transparent about your medical history to avoid claim disputes later," Jain adds.

Deshmukh opines that "The causes of GBS are not fully understood. It is mostly caused by infection with a bacteria or virus. Hence it may not be related to any prior neurological or autoimmune conditions." She states that in case there is any definite co-relation with prior neurological or autoimmune conditions, insurers shall cover the basis of the accepted pre-existing disease and the waiting period be completed by the customer for such pre-existing disease.

2) Would a standard health insurance cover long-term rehabilitation (such as physiotherapy) after a GBS diagnosis?

After suffering from muscle weakness or paralysis, rehabilitation is essential in helping individuals restore their strength and movement.

"Coverage for long-term rehabilitation depends on the terms of your health insurance policy," Jain states.

According to Yadav, "For those rehabilitating from GBS, long-term rehabilitation services like physical therapy are essential and are typically covered by regular health insurance plans."

Depending on their illness and recovery requirements, many patients may need extensive physical therapy, which can be provided in a variety of venues, such as outpatient clinics or inpatient rehabilitation facilities. "This clause guarantees people access to necessary therapies that aid in their recuperation and enhance their quality of life after receiving a diagnosis," Yadav adds.

3) Are there any exclusions or waiting periods for neurological disorders like GBS in most health policies?

Most health insurance policies have an initial 30-day waiting period for hospitalisation due to any illness. However, says Deshmukh, "We have not seen any specific exclusion or waiting period for neurological disorders like GBS in most health policies."

Jain notes that, generally, there are no specific exclusions for this illness unless it is categorised as a pre-existing disease in your policy.

Says Yadav, "Before submitting a claim for treatment related to GBS or comparable diseases, people must wait at least 30 days, starting from the date the coverage is purchased. Policyholders must be aware of this waiting period because any treatment received during this time may not be covered."

Press Release | Q3 FY2025 Earnings

THE TIMES OF INDIA

ICICI Lombard profit rises 68% to ₹724cr

Mumbai: ICICI Lombard has reported a net profit of Rs 724 crore for the quarter ended December 2024, an increase of 68% over Rs 431 crore in the corresponding quarter last year. The increase in profits follows an improvement in the claims ratio during the quarter. TNN

Business upturn

ICICI Lombard Q3 FY25: GDPI at Rs 6,214 crore (-0.3% YoY), profit surges 67.9% to Rs 724 crore

ICICI Lombard
Nibhaye Vaade

ICICI Lombard General Insurance Company delivered robust financial results for Q3 FY25, showcasing significant growth in profitability despite a slight dip in GDPI. Here's a breakdown of the performance:

Key Highlights:

1. **Gross Direct Premium Income (GDPI)**:
   - Q3 FY25: ₹6,214 crore, a marginal decline of 0.3% compared to ₹6,230 crore in Q3 FY24.
   - 9M FY25: ₹20,623 crore, a 10.3% YoY increase from ₹18,703 crore.
2. **Profit Metrics**:
   - Profit Before Tax (PBT): ₹960 crore in Q3 FY25, up by **67.3% YoY**.
   - Profit After Tax (PAT): ₹724 crore in Q3 FY25, reflecting an impressive **67.9% YoY growth** from ₹431 crore in Q3 FY24.
   - 9M FY25 PAT: ₹1,999 crore, a **42.9% YoY rise** from ₹1,399 crore in 9M FY24.
3. **Ratios**:
   - **ROAE (Annualized)**:
     - Q3 FY25: 21.5%, a significant improvement from 15.3% in Q3 FY24.
   - **Combined Ratio (CoR)**:
     - Q3 FY25: 102.7%, showing improvement from 103.6% in Q3 FY24.
4. **Exclusions**:
   - No CAT (Catastrophic) losses were reported in Q3 FY25. This contrasts with ₹54 crore CAT losses in Q3 FY24.
   - Adjusted combined ratio excluding CAT losses for Q3 FY25 was 102.3%.

MARKETS MOJO

ICICI Lombard Reports Record Q3 FY24-25 Results with Strong Growth Across Key Metrics

ICICI Lombard General Insurance Company has reported its financial results for the third quarter of FY24-25, with the announcement made on January 17, 2025. The company achieved record net sales of Rs 6,161.11 crore, reflecting consistent growth over the last five quarters. Operating profit reached a notable Rs 962.24 crore, indicating a positive trend in operational efficiency.

The operating profit margin improved to 15.62%, suggesting enhanced efficiency within the company. Profit Before Tax (PBT) was reported at Rs 962.24 crore, showcasing a significant year-on-year growth of 73.45%. Similarly, Profit After Tax (PAT) reached Rs 724.38 crore, with a year-on-year increase of 67.9%.

Earnings per Share (EPS) also demonstrated an upward trend, hitting Rs 14.63, the highest in the last five quarters. Overall, ICICI Lombard's financial metrics reflect a robust performance, with positive trends across key indicators, reinforcing its position in the finance and non-banking financial company (NBFC) sector. The company has undergone evaluation changes, leading to a revision in its score.

FINANCIAL EXPRESS
Read to Lead

ICICI Lombard Q3 net profit surges 68% to ₹724 crore

Net premium income (net of reinsurance) grew by 8% year-on-year to ₹5,084 crore while total expenses (including claims and commission payouts) went up by 13% to ₹5,197 crore.

ICICI Lombard General Insurance on Friday posted a 68% year-on-year increase in its third-quarter net profit at ₹724 crore. The company's net profit for the same quarter previous year stood at ₹431 crore.

The private sector general insurer, however, said the results of the two periods are not comparable since long-term insurance products are accounted for on a 1/n basis, as mandated by Irdai. With effect from October 1, 2024, the insurance regulator has mandated insurers to record only one-year premiums annually even for long-term policies. Excluding the 1/n policy impact, ICICI Lombard's net profit stood at ₹678 crore for the October-December quarter.

Net premium income (net of reinsurance) grew by 8% year-on-year to ₹5,084 crore while total expenses (including claims and commission payouts) went up by 13% to ₹5,197 crore. The combined ratio of the insurer improved to 102.7% in Q3FY25 from 103.6% in Q3FY24. Gross Direct Premium Income of the insurer for 9MFY25 stood at ₹20,623 crore. Of this, motor insurance accounted for 39% followed by health (28%), fire (12%) and other insurances like marine and crop accounted for the remaining. Shares of ICICI Lombard closed 2.47% higher on the NSE at ₹1,955.

NEWS DRUM

ICICI Lombard Q3 net profit rises 68 pc to Rs 724 cr

New Delhi, Jan 17 (PTI) General insurer ICICI Lombard on Friday reported a 68 per cent rise in its net profit at Rs 724 crore in the three months ended December 2024.

The company had earned a net profit of Rs 431 crore in the same period a year ago.

Its gross direct premium income for the quarter declined to Rs 6,214 crore against Rs 6,230 crore in the year-ago period, ICICI Lombard said in a regulatory filing.

The solvency ratio was 2.36x as at December 31, 2024, compared to 2.65x as at September 30, 2024, and higher than the minimum regulatory requirement of 1.50x. PTI DP DP SHW

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Discourse on Development

ICICI Lombard's Profit Surge: A Financial Milestone

ICICI Lombard, a general insurer, reported a significant 68% increase in net profit, amounting to Rs 724 crore for the quarter ending December 2024. This rise comes despite a slight dip in gross direct premium income and a decline in the solvency ratio compared to the previous quarter.

General insurer ICICI Lombard has announced a remarkable 68% increase in net profit, reaching Rs 724 crore for the three-month period ending December 2024, compared to Rs 431 crore in the same timeframe last year.

Despite the profit surge, the company experienced a minor decrease in its gross direct premium income, which fell to Rs 6,214 crore from Rs 6,230 crore in the year-ago period, as revealed in a regulatory filing.

Furthermore, ICICI Lombard's solvency ratio stood at 2.36x as of December 31, 2024, a decline from 2.65x on September 30, 2024, although it remains above the minimum regulatory requirement of 1.50x.

Insurance Sector Braces for Muted Q3 Show Amid Change in Norms

Weakness in health & motor, dip in VNB margins for life cover to weigh

Shilpy Sinha

Earnings Preview

Mumbai: India's insurance companies are expected to report a subdued quarterly performance in the three months to December due to the implementation of new surrender regulations for life insurers, and a slowdown in motor and health cover policies at general insurers.

Life insurers are expected to report a dip in the value of new business (VNB) margins amid product discontinuations and higher surrender payouts, while general insurers will face muted premium growth, higher claims, and elevated combined ratios due to weak demand in motor and health segments.

VNB margins are expected to contract by 50-100 basis points for most players, with impact on quarterly numbers, owing to higher surrender payouts and changing product mixes.

Among life insurers, HDFC Life is likely to report a 20% PAT growth, but VNB margins are expected to decline to 24% from 26.8% year-on-year. ICICI Prudential is set to outperform with a 30% PAT growth and improved VNB margins at around 23% compared to 22.9% YoY.

ICICI Prudential will likely stand out with a diversified portfolio and lower dependency on bancassurance, said Emkay Research in its report.

However, Max Life and SBI Life could see mounting pressure on profitability, with VNB margins dropping to 24% from 27%, and 26% from 27.4%, respectively. LIC is likely to report a VNB margin of 13.6%, with PAT growth of over 5%, given the new surrender regulations and increased ticket sizes impacting policy count and APE growth.

General insurers are expected to report mixed results. ICICI Lombard may see a modest 1.5% gross premium growth, with its combined ratio rising to 103.9% due to higher claims and a muted pricing increase. Star Health is projected to report a 7% growth in gross premiums, but its combined ratio is expected to deteriorate to 100.5% from 97.8% YoY. Similarly, GoDigit may report a 4% premium growth, with its combined ratio worsening to 111%, reflecting increased claims and cost pressures.

THE ECONOMIC TIMES

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DH

ICICI Lombard beats Q3 profit estimates on health, motor insurance boost

India's insurance sector has seen rapid growth in recent years, with a rise in improved awareness following the Covid-19 pandemic and rising medical costs.

India's ICICI Lombard General Insurance beat third-quarter profit estimates on Friday, helped by higher premiums earned in its health and motor insurance segments.

The insurer reported profit after tax of 7.24 billion rupees ($83.6 million) for the quarter ended Dec. 31, up 68 per cent on-year. Analysts, on average, expected a profit of 6.10 billion rupees as per data compiled by LSEG.

India's insurance sector has seen rapid growth in recent years, with a rise in improved awareness following the Covid-19 pandemic and rising medical costs.

The country's general insurance industry is projected to grow to about $57 billion in 2028 from $40 billion in 2024 in terms of gross written premiums, according to data and analytics firm GlobalData.

ICICI Lombard's premiums earned in its retail health insurance and corporate health insurance units grew nearly 25 per cent and 12 per cent, respectively.

Reuters

India's ICICI Lombard beats Q3 profit estimates on health, motor insurance boost

Jan 17 (Reuters) - India's ICICI Lombard General Insurance (ICIL.NS) beat third-quarter profit estimates on Friday, helped by higher premiums earned in its health and motor insurance segments.

The insurer reported profit after tax of 7.24 billion rupees ($83.6 million) for the quarter ended Dec. 31, up 68% on-year. Analysts, on average, expected a profit of 6.10 billion rupees as per data compiled by LSEG.

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ICICI Lombard's premiums earned in its retail health insurance and corporate health insurance units grew nearly 25% and 12%, respectively.

Motor insurance premiums, ICICI's largest segment, grew 17% to 25.60 billion rupees.

While sale of new vehicles were muted in the last few quarters, analysts said that ICICI Lombard's auto segment has seen growth driven by old vehicles' insurance.

The company did not give a breakdown of premium earned from insurance of new and old vehicles.

The company's net premiums earned rose 17% to 50.45 billion rupees, while income from investments rose 23%.

Combined ratio, an insurance company's losses and expenses divided by the premium it earned, eased to 102.7% from 103.6% a year earlier.

A lower ratio indicates the insurer is earning more through premiums in relation to its claims paid and operating expense incurred. ICICI Lombard's claims paid rose 19% year-on-year.

Shares of the company ended 2.1% higher ahead of the results.

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India's premier news agency

ICICI Lombard Q3 net profit rises 68 pc to Rs 724 cr

NEW DELHI: General insurer ICICI Lombard on Friday reported a 68 per cent rise in its net profit at Rs 724 crore in the three months ended December 2024.

The company had earned a net profit of Rs 431 crore in the same period a year ago.

Its gross direct premium income for the quarter declined to Rs 6,214 crore against Rs 6,230 crore in the year-ago period, ICICI Lombard said in a regulatory filing.

Press Release | #GameOfLife Hall of Fame

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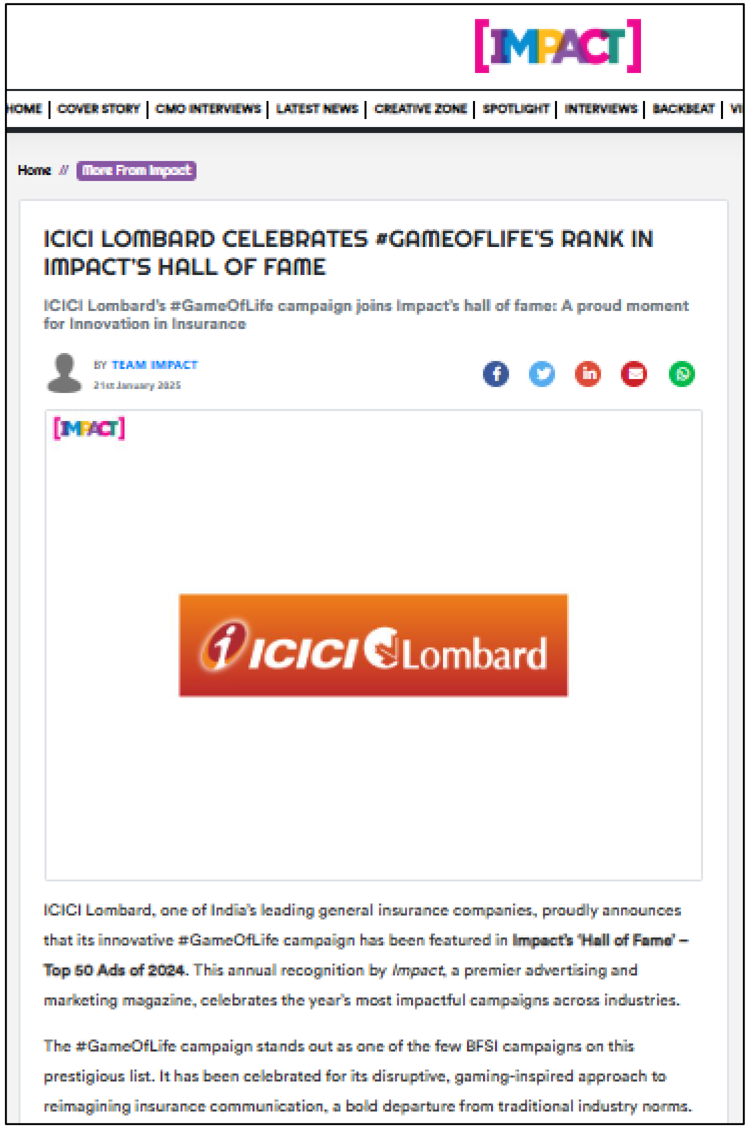
ICICI Lombard's #GameOfLife campaign on Impact's 'Hall of Fame' – Top 50 Ads of 2024

It has been celebrated for its disruptive, gaming-inspired approach to reimagining insurance communication, a bold departure from traditional industry norms

ICICI Lombard has announced that its #GameOfLife campaign has been featured in Impact's 'Hall of Fame' – Top 50 Ads of 2024. This annual recognition by Impact, a premier advertising and marketing magazine, celebrates the year's most impactful campaigns across industries.

The #GameOfLife campaign stands out as one of the few BFSI campaigns on this prestigious list. It has been celebrated for its disruptive, gaming-inspired approach to reimagining insurance communication, a bold departure from traditional industry norms.



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ICICI LOMBARD CELEBRATES #GAMEOFLIFE'S RANK IN IMPACT'S HALL OF FAME

ICICI Lombard's #GameOfLife campaign joins Impact's hall of fame: A proud moment for Innovation in Insurance

BY TEAM IMPACT
21st January 2025

ICICI Lombard, one of India's leading general insurance companies, proudly announces that its innovative #GameOfLife campaign has been featured in **Impact's 'Hall of Fame' – Top 50 Ads of 2024.** This annual recognition by *Impact*, a premier advertising and marketing magazine, celebrates the year's most impactful campaigns across industries.

The #GameOfLife campaign stands out as one of the few BFSI campaigns on this prestigious list. It has been celebrated for its disruptive, gaming-inspired approach to reimagining insurance communication, a bold departure from traditional industry norms.

Industry Story | Union Budget

Business Today

Union Budget 2025: Wish list from the insurance sector

Indai set to broaden insurance penetration in the country by leveraging major policies such as Bima Sugam, Bima Vahak and Bima Vistaar, and take it to 4.5% of GDP by 2024.

Prince Tyagi

The industry is now poised for further growth in 2025, driven by key reforms and increasing consumer awareness.

The Indian insurance sector witnessed a mixed bag of performance in 2024, as reflected by the one-year returns of major companies. Data available with ACE Equity shows that in 2024, General Insurance Corporation of India outperformed with a stellar 44% return, followed by ICICI Lombard General Insurance Company and ICICI Prudential Life Insurance Company, which posted impressive gains of 28% and 22%, respectively. Life Insurance Corporation of India registered modest growth with a 7% return. However, not all companies had a positive year. SBI Life Insurance (-3%), New India Assurance (-4%), and HDFC Life Insurance (-5%) struggled, while Star Health and Allied Insurance Company posted a significant decline of -11%. This disparity highlights differing market dynamics and investor sentiment within the sector.

Industry Story |Best Insurers

FORTUNE INDIA

Thank you