

## ICICI Lombard to grow health biz despite pandemic

INDIA BUSINESS

MAYUR SHETTY • UPDATED ON MAY 03, 2020, 07:09 AM

ICICI Lombard General Insurance - the largest private non-life company said that the company would continue to grow its health insurance portfolio amid the Covid-19 pandemic stating that in India penetration of private Medici claim was very low.

Speaking to newsmen following declaration of the company's financial results for FY20, Bhargav Dasgupta, MD & CEO said that the final impact would depend on several factors including the R0 which tracks how many people will be infected. He said that although health insurance business is largely retained by insurers-- that is it is not backed by international reinsurance - domestic companies will continue to have the capacity to continue providing cover even if cases cross a lakh because of the low level of insurance penetration.

He said that while the losses caused by a pandemic are not covered, the hospitalization claims under individual health insurance policies will be paid. "Basic concept of insurance is risk pooling. We charge in paise from many insured to pay claims in rupees to few. When pandemic event impossible to have an insurance solution," he said.

According to Dasgupta, none of the companies in India have covered loss of profits for companies arising without material damage. "In India as of now there is no non-damage business interruption cover. As of now all loss of profits policies cover losses arising out of material damage," he said.

Dasgupta, said that the company had received a large number of claims in travel insurance on account of cancellations. He said that although pandemic was an excluded risk under travel policies, the company has decided to honour claims.

For the previous financial year ended March 2020, the company reported a 23.8% increase in net profit compared to Rs 282 crore in March 2019. This was despite the company's total premium income shrinking 8% to Rs 13,313 crore following its decision to exit the loss-making crop insurance. If the previous year's crop business were to be excluded, the growth in topline would have been 10%

## ICICI Lombard Q4 results: Net profit rises 23.8%, premium income drops

By Ashwin Manikandan • ET Bureau | May 2, 2020, 07:35 PM IST



The underwriting loss reduced to Rs 29.42 crore in Q4FY20 as compared to Rs 49.70 crore in the year-ago period.

Mumbai: ICICI Lombard has posted a 23.8 percent rise in its March quarter profits at Rs 281.93 crore due to a reduction in underwriting losses even as the private insurer's premium income dropped both for the quarter and full financial year.

The underwriting loss reduced to Rs 29.42 crore in Q4FY20 as compared to Rs 49.70 crore in the year-ago period. Gross premium income of the company for the quarter stood at Rs.3181 crore as against Rs.3485 crore in the same period last year mainly on account of loss of crop insurance business. Excluding crop insurance, GDPI rose

Reduction in underwriting losses was due to a conscious call to not write crop business and also due to pricing improvements in segments like fire insurance, said Bhargav Dasgupta, CEO, ICICI Lombard.

The company's MTM investment losses came at Rs.550 crore in the quarter mostly on account of financial market meltdown. The overall investment book at the end of the financial year 2019-20 stood at Rs.26300 crore, the company said. Lombard has subsequently made a provision of Rs.120 crore against diminution in the value of investments.

The general insurer's solvency ratio was 217 percent at FY20 as against the minimum regulatory requirement of 150 percent, down from 224% at the end of FY19. The company is not planning on raising any capital in near term even as it had "sufficient headroom" to raise tier 2 capital when required, Dasgupta told reporters at the earnings call.

"We are operating in unprecedented times with pandemic spreading across the world and impacting economies and lives," said Dasgupta. "Over these weeks we have had to rearrange our processes - from claim settlement to channel operators," adding that the pandemic would likely bring disruptions in the businesses of all general insurers in the ongoing quarter.

However, he stopped short of giving an assessment on the extent of losses expected given the uncertain nature of the pandemic. "It will require a brave person to predict that (losses to industry), given how things are changing every second day," Dasgupta said.

## In Q4, ICICI Lombard's PBT rises 7%

SUBRATA PANDA  
Mumbai, 2 May

Private sector non-life insurer ICICI Lombard reported a 7.27 per cent growth in pre-tax profit in the March quarter (Q4FY20), helped by no losses in the crop insurance business and an improvement in loss ratio across some corporate segments like fire insurance. At ₹371 crore, its pre-tax profit was up from ₹345 crore in the same period last financial year (Q4FY19).

The insurer reported a net profit of ₹282 crore in Q4FY20 compared to ₹228 crore, registering a growth of 23.8 per cent on account of lower tax outgo at ₹88.7 crore compared to ₹118 crore in the same period previous financial year. However, the company reported an underwriting loss of ₹29.42 crore in Q4FY20 — an improvement over Q4FY19's figure of ₹49.70 cr

It also reported lower underwriting losses for the full year (FY20) at ₹105.15 crore compared to ₹169.65 crore in FY19. The combined ratio of the company, a measure of profitability for non-life insurers, for the quarter stood at 100.1 per cent compared to 99 per cent in Q4FY19. A combined ratio below 100 means the insurer is making underwriting profits.

The gross premium earned by the company declined 8 per cent in Q4FY20 at ₹3,181 crore, from ₹3,485 crore, mainly because of a decline in crop insurance business.

The company generally

shied away from the crop insurance segment and the management said they will be cautious with the business in FY21 as well. In FY20, the premium earned by the firm saw a decline of 8 per cent to ₹13,313 crore from ₹14,488 crore in FY19.

The company made underwriting profits in segments like fire, marine, and group health, while it booked underwriting losses in the motor segment and the retail health segment.

Given that the third-party hikes for FY21 have been put on hold by the insurance regulator because of the covid-19 disruption, the loss ratios in the segment may shoot up in the future if insurers resort to heavy discounting in the own-damage segment.

Also, with social distancing being the new norm, use of private vehicles may see an increase which might result in higher accidents and more claims for the insurers.

In light of the covid-19 situation, the company has provided for impairment of ₹119 crore for the quarter and ₹120 crore for the full year on investment assets, in line with its policy.

The company has maintained a healthy solvency ratio at 2.17x as of March 31, 2020, as against 2.18x at December 31, 2019. It's higher than the minimum regulatory requirement of 1.50x. Solvency ratio was 2.24x at March 31, 2019.

It did not declare any dividend as the regulator had instructed the companies to take a conscious call on the payout to conserve capital in light of the current situation.



## The Hitavada

### ICICI Lombard Q4 net rises 24% to Rs 282 crore

NEW DELHI, May 2 (PTI)

ICICI Lombard General Insurance Company on Saturday reported a 23.8 per cent rise in net profit at Rs 282 crore for the March quarter. The non-life insurer had posted a net profit of Rs 228 crore in the corresponding period of 2018-19. The gross direct premium income (GDPI) of the company stood at Rs 3,181 crore in Q4 FY20, compared to Rs 3,485 crore in Q4 FY19, ICICI Lombard said in a regulatory filing.

For the full year 2019-20, the profit after tax or net profit increased 13.8 per cent to Rs 1,194 crore from Rs 1,049 crore in the preceding fiscal.

GDPI of the company stood at Rs 13,313 crore in FY20 compared to Rs 14,488 crore in FY19, a de-growth of 8.1 per cent, it said.

## The Pioneer

### ICICI Lombard Q4 net rises 24 pc

PNS ■ NEW DELHI

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Excluding crop segment, GDPI increased to Rs 13,302 crore during the year compared to Rs 12,036 crore in FY19, up

10.5 per cent.

This was in line with the industry growth (excluding crop segment), ICICI Lombard added.

Combined ratio -- a measure of profitability -- stood at 100.4 per cent in 2019-20 compared to 98.8 per cent a year ago, primarily on account of long-term motor policies, change in product-mix and losses from catastrophic events, the company said.

For the March quarter, the combined ratio stood at 100.1 per cent compared to 99 per cent in the same period last year.

## The Indian Express

### ICICI Lombard Q4 net rises 24% to ₹282 cr

New Delhi: ICICI Lombard General Insurance Company on Saturday reported a 23.8 per cent rise in net profit at Rs 282 crore for the March quarter.

## Divya Bhaskar

### ICICI લોમ્બાર્ડનો Q4 નફો 13.8 ટકા સુધી વધ્યો

આઈસીઆઈસીઆઈ લોમ્બાર્ડનો વાર્ષિક નફો માર્ચ-20ના અંતે પુરા થયેલા Q4 માટે 13.8 ટકા વધી રૂ. 1194 કરોડ (રૂ. 10.49 કરોડ) અને કરવેરા પૂર્વે નફો 6.2 ટકા વધી રૂ. 1697 કરોડ (રૂ. 1598 કરોડ) થયો છે. ચોથા ક્વાર્ટર માટે ચોખ્ખો નફો 228 કરોડ સામે રૂ. 282 કરોડ થયો છે. કંપનીની ગ્રોસ ડાયરેક્ટ પ્રિમિયમ ઇન્કમ ઘટી રૂ. 13313 કરોડ (રૂ. 14488 કરોડ) થઈ છે. આગામી ક્વાર્ટર નિર્ણાયક સાબીત થશે.

## Navodaya Times

### आई.सी.आई.सी.आई. लोम्बार्ड का मुनाफा 23.8 प्रतिशत बढ़

नई दिल्ली, 2 मई (एजेंसी): आई.सी.आई.सी.आई. लोम्बार्ड जनरल इंश्योरेंस कम्पनी ने बताया कि मार्च तिमाही के दौरान उसका शुद्ध लाभ 23.8 प्रतिशत बढ़कर 282 करोड़ रुपए हो गया। सामान्य बीमा कम्पनी ने 2018-19 की इसी अवधि में 228 करोड़ रुपए का शुद्ध लाभ हासिल किया था। आई.सी.आई.सी.आई. लोम्बार्ड ने कहा कि वित्त वर्ष 2019-20 की चौथी तिमाही में कम्पनी की सकल प्रत्यक्ष प्रीमियम आय (जी.डी.पी.आई.) 3,181 करोड़ रुपए रही, जो वित्त वर्ष 2018-19 की समान अवधि में 3,485 करोड़ रुपए थी।

## Andhraprabha

**సమీక్ష**

చెల్లింపులపై మూడు నెలల  
నాడూ సమీక్షించారు. మార్చి 27  
నాడు అందరికీ మూడు నెలల

**వనీవనీవ**  
లంబార్డు లాభం  
రూ. 282 కోట్లు

దేశీంచాలని  
కాంట్

న్యూఢిల్లీ: వనీవనీవ లంబార్డ్ నాలుగో  
త్రైమాసికంలో లాభాలతో అదరగొట్టింది. క్యూ4లో  
24 శాతం వృద్ధితో రూ. 282 కోట్ల నికర నష్టాలను  
ప్రకటించింది. స్టాక్ ధర 30 శాతం క్షీణించింది, అదే సమయంలో  
మోటార్ క్లయిమ్స్ తక్కువగా ఉన్నప్పటికీ లాభాలు భారీగా పెరిగాయి.  
ఓ-బర్నింగ్ డ్రాప్ ఇన్సూరెన్స్ రాజీనామాతో ఈ లాభాలు  
మర్యాదను తెలిపింది. దేశవ్యాప్తంగా కరోనా లాక్డౌన్ కారణంగా  
శాల ఇన్సూరెన్సులు తగ్గాయని బీఎస్ఈ ఫ్లేలింగ్లో కంపెనీ పేర్కొంది.  
మార్చి ఏడాదిని పరిగణించి కంపెనీ నికర ఆదాయం 13.8 శాతం మేర  
పెంది రూ. 1,194 కోట్లకు  
డి. స్థూల ప్రత్యక్ష ప్రీమియం  
పంలో 8.1 శాతం క్షీణతతో  
1,313 కోట్లకు తగ్గింది. డ్రాప్  
ట్లో సంతుష్టి కరంగా  
కంపెనీ ప్రకటించింది.

**ICICI Lombard**  
— GENERAL INSURANCE

Sun, 03 May 2020  
<https://epaper.prabhanews.com>