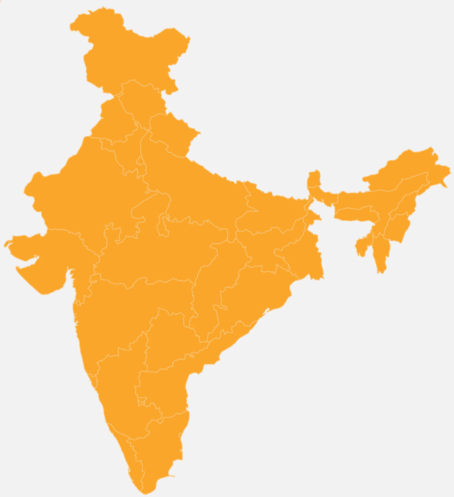
INSURANCE



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January 2018

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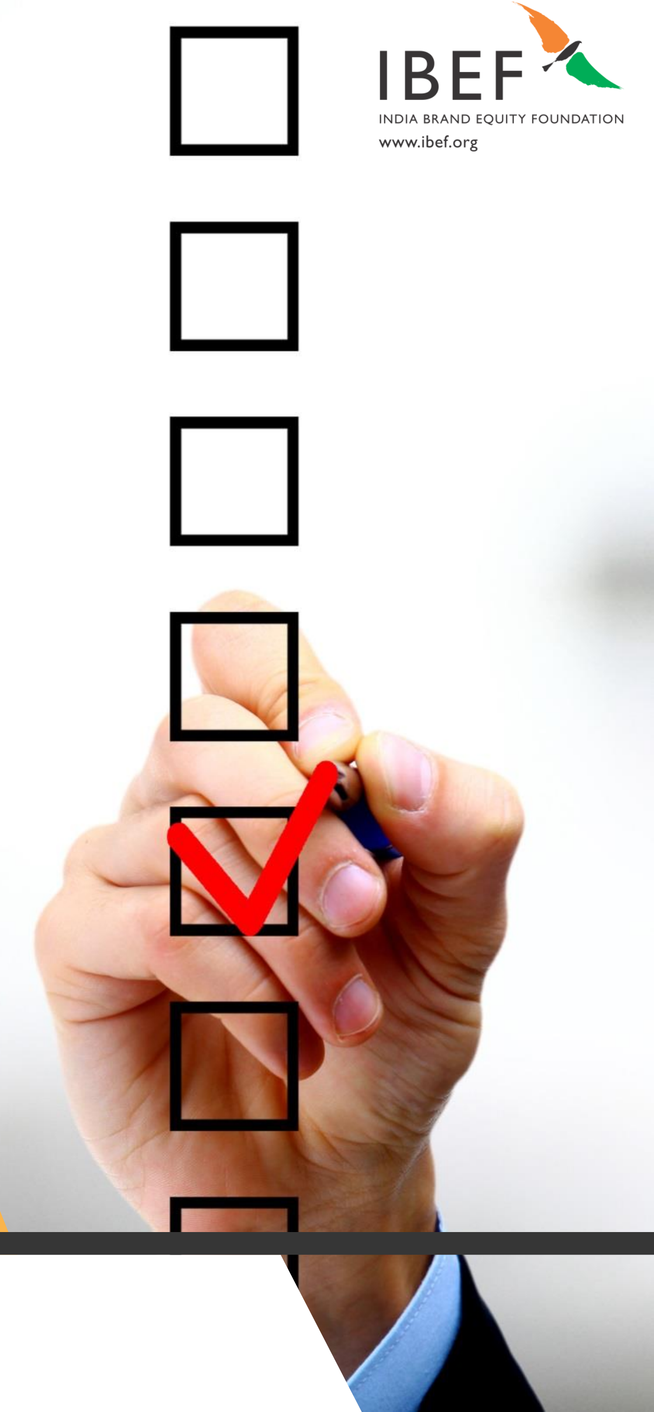


Rapidly growing insurance segments

- The overall insurance industry is expected to reach US$ 280 billion by 2020
- The domestic life insurance industry registered 19.2 per cent y-o-y growth for new business premium in 2017[1], generating a revenue of Rs 1.23 trillion (US$ 20.34 billion) largely due to the high growth in the individual non single premiums policies. Premium income of the life insurance segment had increased 14.04 per cent in FY17 to Rs 4.18 trillion (US$ 64.92 billion).
- Gross direct premiums for general and health insurance segment reached Rs 1.28 trillion (US$ 19.88 billion) in 2016-17. Gross direct premiums for non-life insurance industry increased by 17.55 per cent y-o-y in FY18[1].

Increasing private sector contribution

- The market share of private sector companies in the non-life insurance market rose from 13.12 per cent in FY03 to 48.01 per cent in FY18[1].

Crop, health and motor insurance to drive growth

- Pradhan Mantri Fasal Bima Yojana (PMFBY) covered 50.9 million farmers in India in 2016-17.
- Strong growth in the automotive industry over the next decade to be a key driver of motor insurance.

Notes: *CAGR - Compound Annual Growth Rate, [1]: Up to November 2017,* As of 2015 Figures are as per latest data available*

Source: *Swiss-Re, IRDA Annual Report*

ADVANTAGE INDIA

ADVANTAGE INDIA

Strong demand

- Growing interest in insurance among people; innovative products and distribution channels aiding growth
- Increasing demand for insurance offshoring
- Growing use of internet has started increasing demand

Attractive opportunities

- Life insurance in low-income urban areas
- Health insurance, pension segment
- Strong growth potential for micro insurance, especially from rural areas

Increasing investments

- Insurance companies in India have raised over Rs 35,000 crore (US$ 5.43 billion) through public issues in 2017*.
- Increase in FDI limit to 49 per cent from 26 per cent, approved in 2016, will further fuel investments

Policy support

- Tax incentives on insurance products
- Passing of Insurance Bill gives IRDA flexibility to frame regulations
- Clarity on rules for insurance IPOs would infuse liquidity in the industry
- Repeated attempts to make the sector more lucrative for foreign participants

Notes: *2020E - Expected value for 2020; Estimate according to BCG, IRDA - Insurance Regulatory and Development Authority, * - up to October 2017*
Source: *IRDA*

MARKET OVERVIEW AND TRENDS

EVOLUTION OF THE INDIAN INSURANCE SECTOR

1956-72

- All life insurance companies were nationalised to form LIC in 1956 to increase penetration and protect policy holders from mismanagement
- The non-life insurance business was nationalised to form GIC in 1972

1993-99

- Malhotra Committee recommended opening up the insurance sector to private players
- IRDA, LIC and GIC Acts were passed in 1999, making IRDA the statutory regulatory body for insurance and ending the monopoly of LIC and GIC

2000-14

- Post liberalisation, the insurance industry recorded significant growth; the number of private players increased to 44 in 2012(1)
- The industry has been spurred by product innovation, vibrant distribution channels, coupled with targeted publicity and promotional campaigns by the insurers
- In December 2014, Government approved the ordinance increasing FDI limit in Insurance sector from 26 per cent to 49 per cent. This would likely to attract investment of US$ 7-8 billion

2015

- In 2015, Government introduced Pradhan Mantri Suraksha Bima Yojna and Pradhan Mantri Jeevan Jyoti Bima Yojana
- Government introduced Atal Pension Yojana and Health insurance in 2015

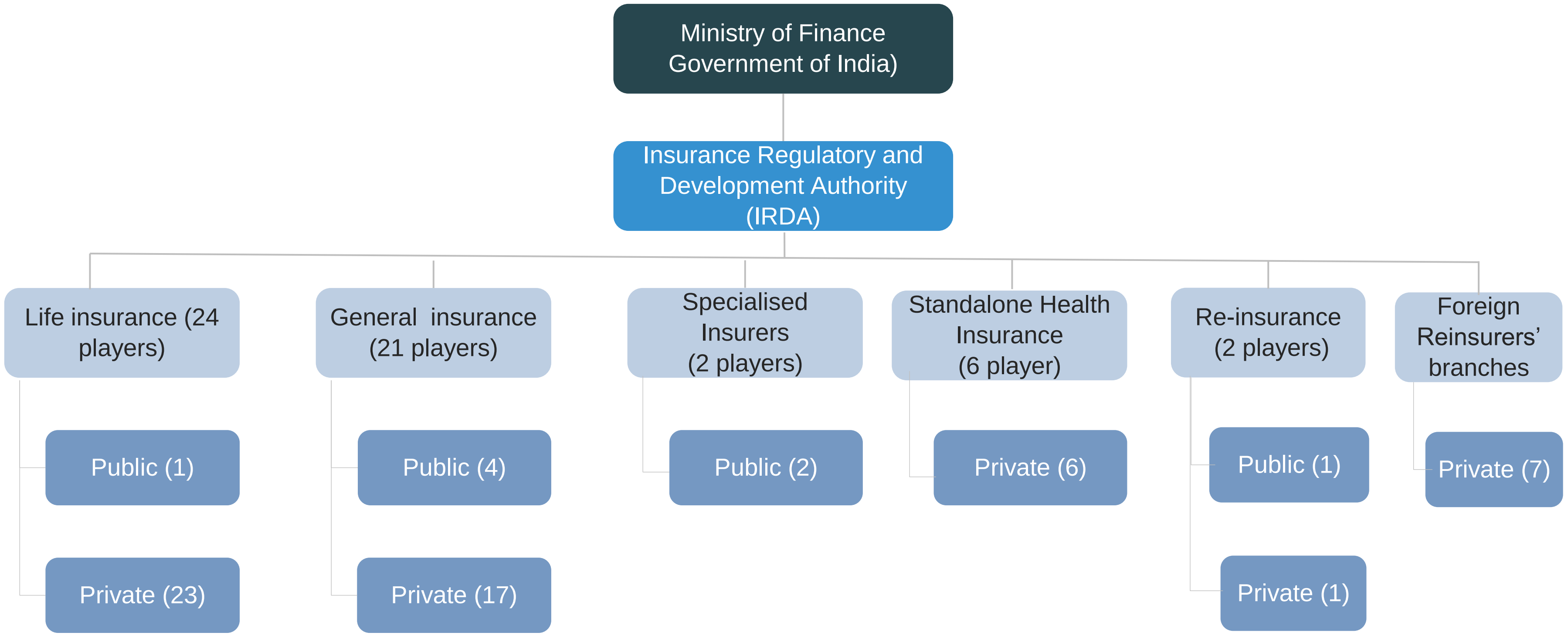
2016-17 onwards

- As per Union Budget 2016-17, new health insurance scheme under the National Health Protection Scheme has been introduced
- In Union Budget 2017, government increased the coverage from 30 per cent to 40 per cent under Pradhan Mantri Fasal Bima Yojna.
- Insurance companies raised more than US$ 5 billion from public issues.

Notes: *[1]As of September 2012, LIC - Life Insurance Corporation of India, GIC - General Insurance Corporation of India, IRDA - Insurance Regulatory and Development Authority*

Source: *IRDA*

- Insurance Regulatory and Development Authority (IRDA)
  - Established in 1999 under the IRDA Act
  - Responsible for regulating, promoting and ensuring orderly growth of the insurance and re-insurance business in India

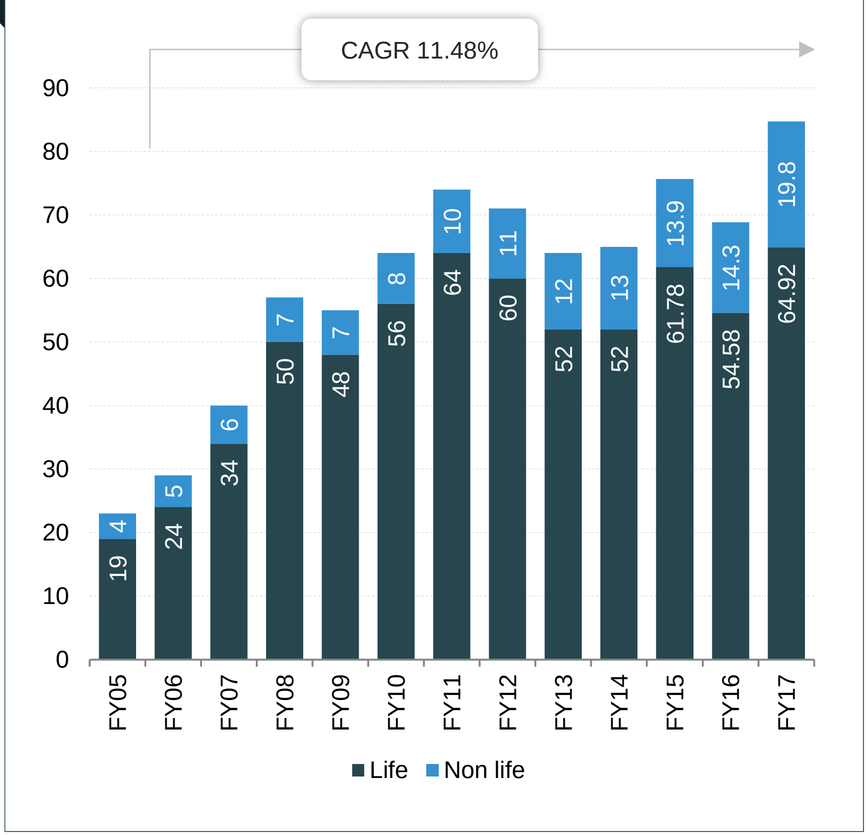


Source: *IRDA,*

PREMIUMS GROWING AT A BRISK PACE

- The total insurance market expanded from US$ 23 billion in FY05 to US$ 84.74 billion in FY17.
- Over FY05–FY17, total premiums increased at a CAGR of 11.48 per cent .
- Life insurance companies in India earned US$ 25.12 billion as first year premiums in FY17.

Gross premiums written in India (US$ billion)

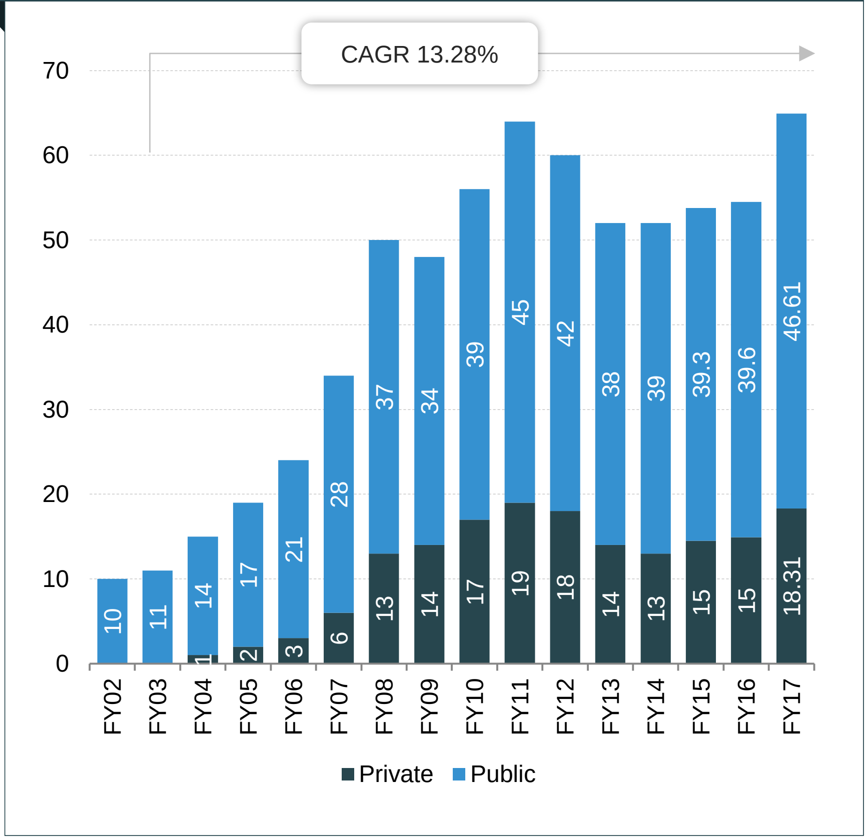


Note: *CAGR - Compound Annual Growth Rate, Figures are as per latest available data*
Source: *Insurance Regulatory and Development Authority, Aranca Research*

LIFE INSURANCE MARKET APPEARS VIBRANT

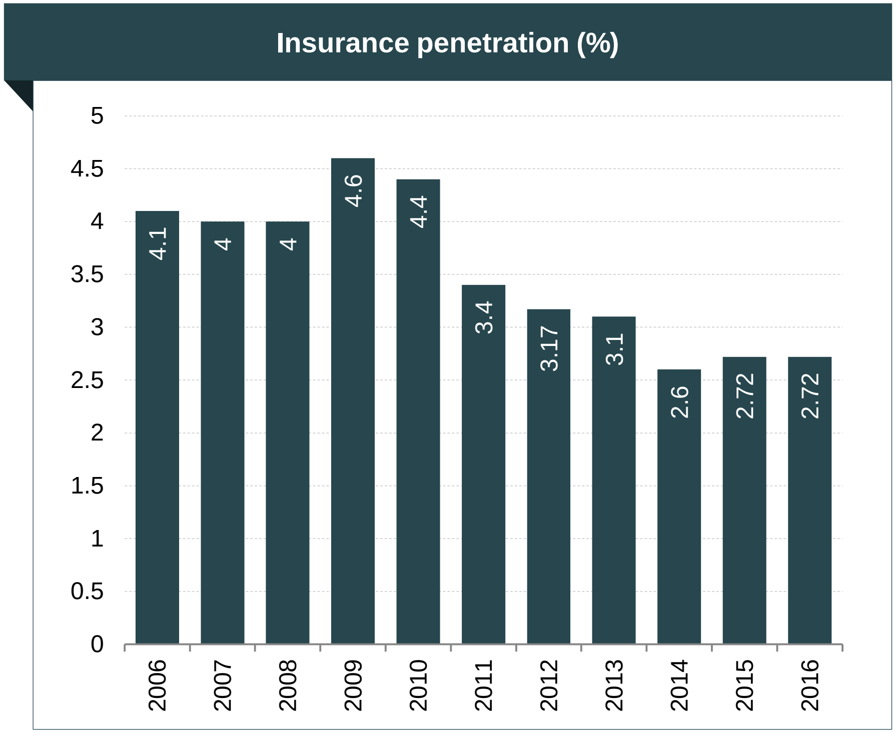
- The life insurance market grew from US$ 10.5 billion in FY02 to US$ 64.92 billion in FY17.
- During 2016-17, private sector life insurers recorded premium of Rs 1.18 trillion (US$ 18.31 billion) while LIC, the only public sector life insurer recorded premium of Rs 3 trillion (US$ 46.61 billion).
- Over FY02–17, life insurance premiums expanded at a CAGR of 13.28 per cent.
- In August 2017, the Life Insurance industry reported a 19 per cent growth in overall annualised premium equivalent with the help of both private players and Life Insurance Corporation .
- The life insurance industry has the potential to grow 2-2.5 times by 2020 in spite of multiple challenges supported by long-term trends and fundamentals underlying household savings.
- Private life insurers in India posted 28 per cent year-on-year increase in its annual premium equivalent (APE) for June 2017.
- Life insurance industry in India is expected to grow at 15-18 per cent on APE basis in FY18.

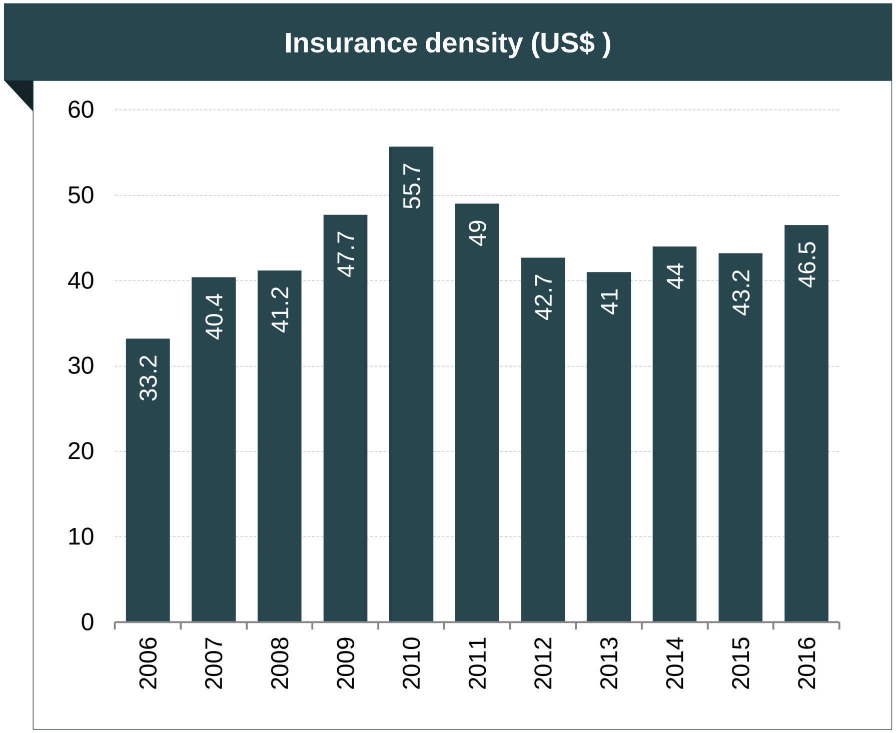
Growth in life insurance premiums (US$ billion)



__Note:__ CAGR - Compounded Annual Growth Rate, Figures are as per latest data available
__Source:__ Insurance Regulatory and Development Authority, Financial Express

INCREASING PENETRATION AND DENSITY OF LIFE INSURANCE OVER THE YEARS



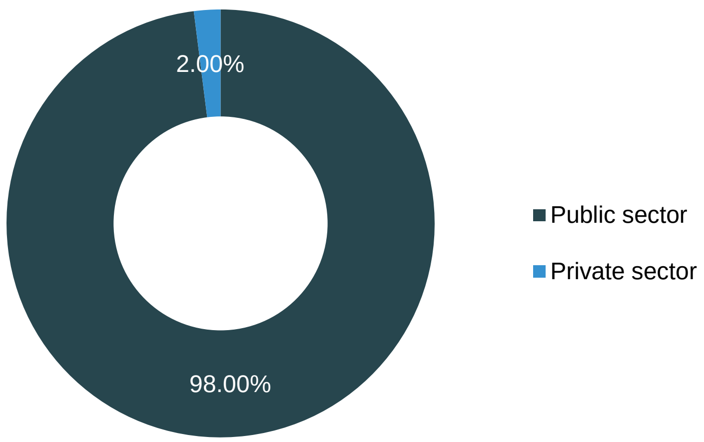


- Life insurance penetration reached 2.72 per cent in 2016.
- Life insurance density in India increased from US$ 33.2 in 2006 to US$ 46.5 in 2016.

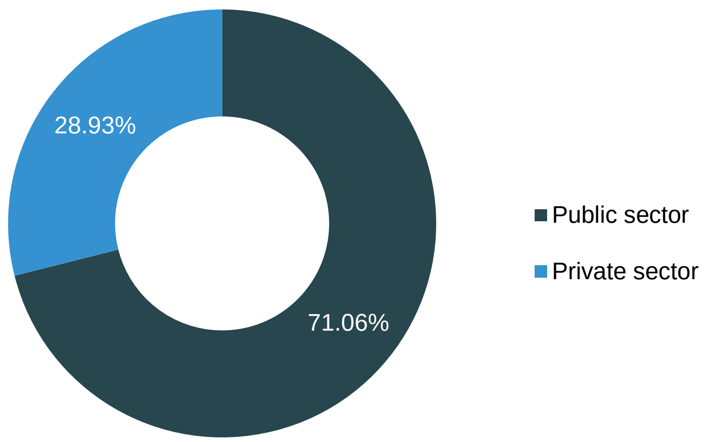
Note: *Life insurance density* is defined as the ratio of premium underwritten to the total population in a given year, Figures as per latest available data*

Source: *Insurance Regulatory and Development Authority (IRDA)*

Share of public and private sector in life insurance segment (%) FY03



Share of public and private sector in life insurance segment (%) FY17E



- Over the years, share of private sector in life insurance segment has grown from around 2 per cent in FY03 to 29.6 per cent in FY16. The share of private life insurers is estimated at 28.93 per cent in FY17.

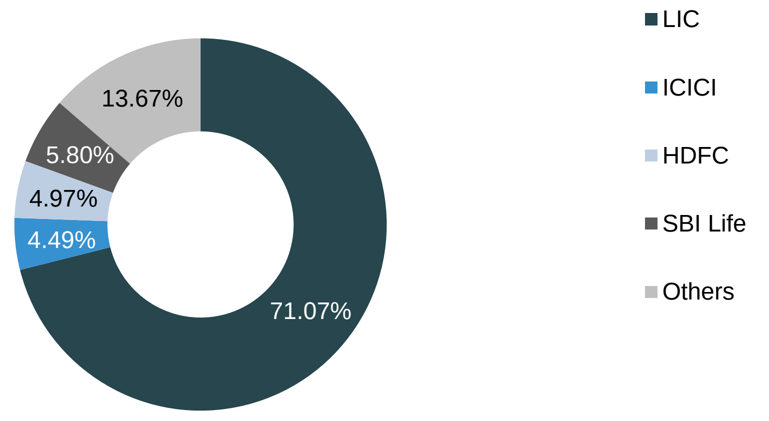
Note: *Figures are as per latest data available, E- estimated, based on first year premium collection*

Source: *IRDA, Aranca Research*

LIC CONTINUES TO DOMINATE LIFE INSURANCE SEGMENT

- As of November 2017, life insurance sector had 23 private players in comparison to only 4 in FY02.
- With 71.07 per cent share market share in FY17, LIC continues to be the market leader, followed by ICICI Prudential.

Market share of major companies in terms of first year life insurance premium collected (FY17)

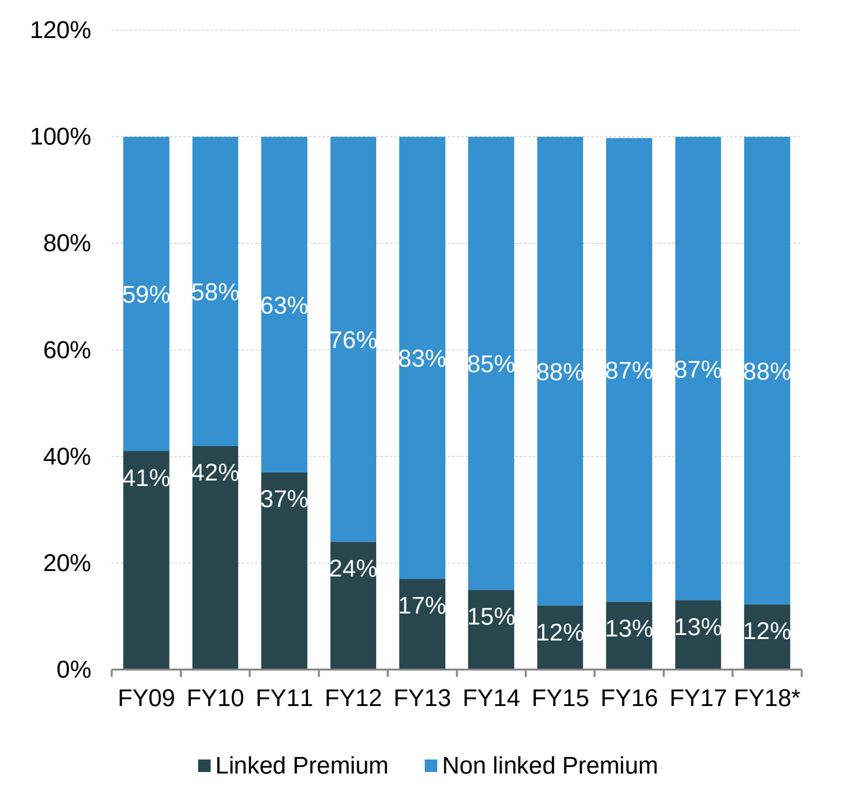


Source: *Aranca Research, IRDA*

SHIFT TOWARDS NON-LINKED INSURANCE PLANS

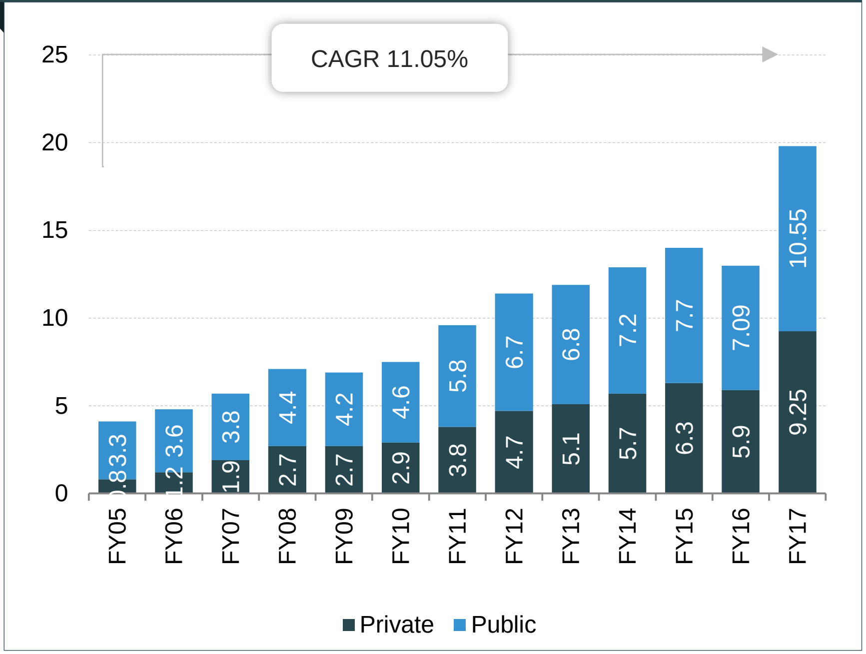
- The industry is witnessing a shift towards the traditional non-linked insurance plans.
- The share of non-linked insurance increased from 59.1 per cent in FY09 to 88 per cent in FY18*

Share of linked and non-linked insurance premium

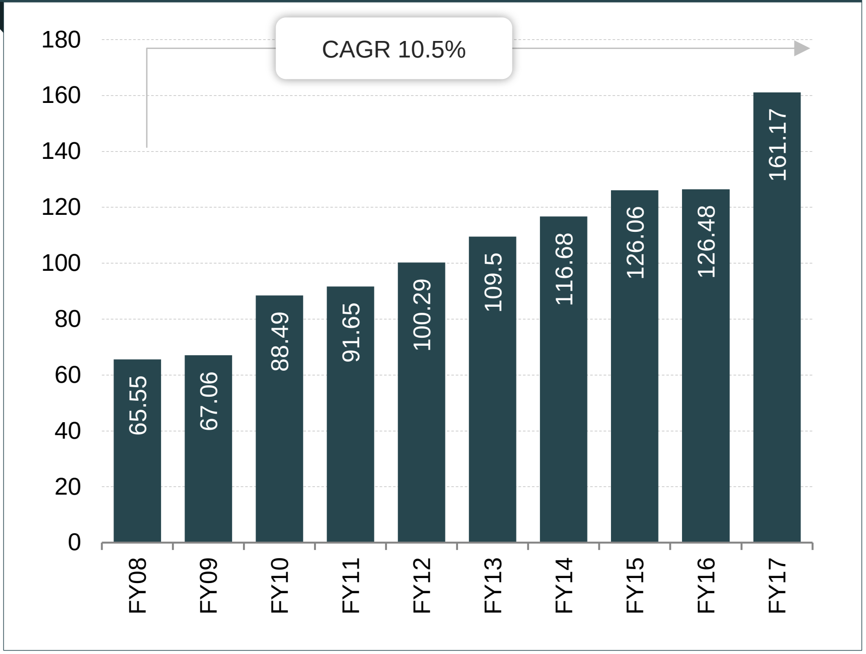


Notes: **Growth rate in INR terms, * As of June 2017*
Source: *IRDA Annual Report, KPMG Analysis*

Growth in non-life insurance premium (US$ billion)



Number of non-life insurance policies (million)

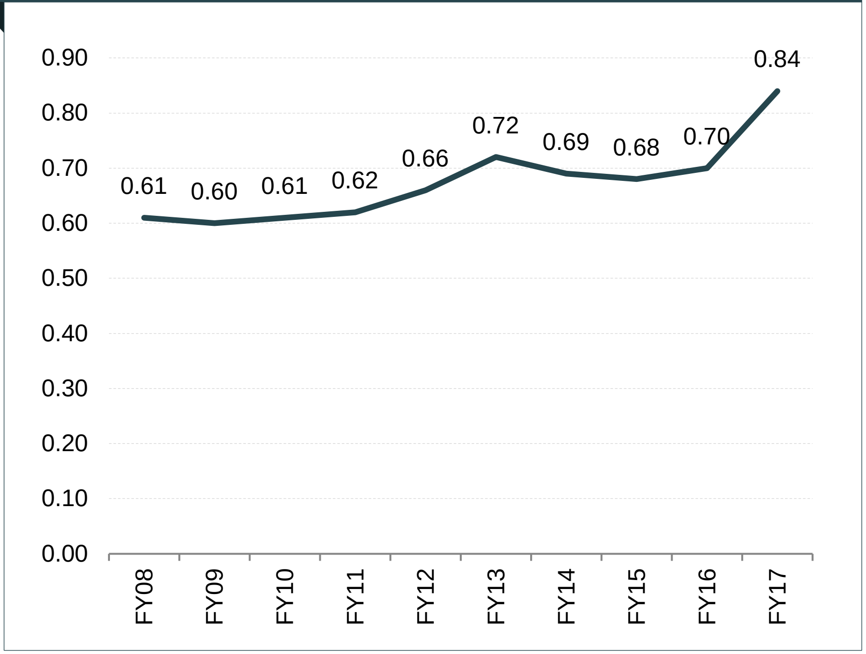


- The non-life insurance market grew from US$ 2.6 billion in FY02 to US$ 19.8 billion in FY17.
- Over FY08-17, non-life insurance premiums increased at a CAGR of 17.7 per cent.
- The number of policies issued increased from 65.55 million in FY08 to 161.17 million in FY17, at a CAGR of 10.5 per cent.

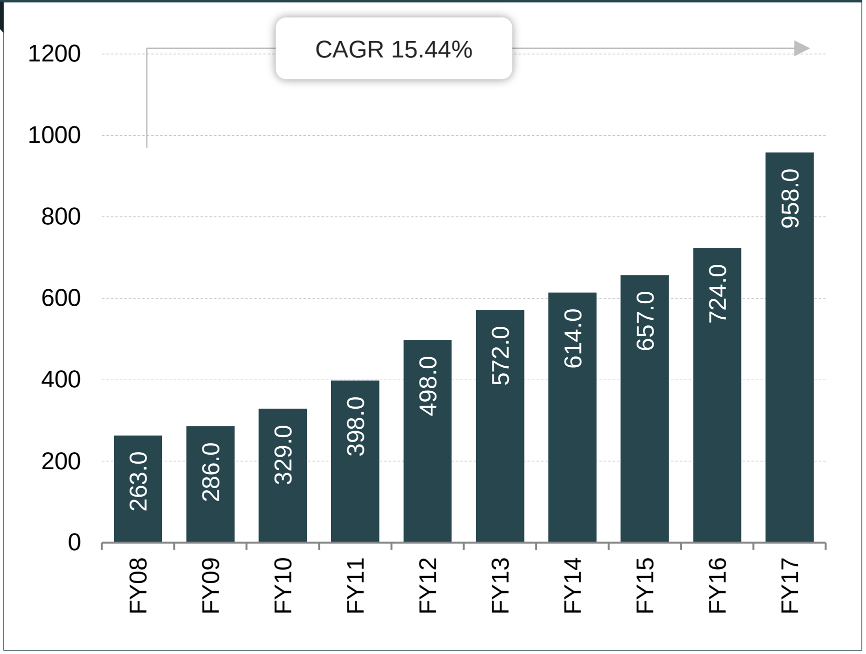
Source: *IRDA*

PENETRATION AND DENSITY LOWER, INDICATING ROOM FOR GROWTH

Non-life insurance penetration at current prices (per cent)



Non-life insurance density (INR) (Gross Direct Premium/ Population)



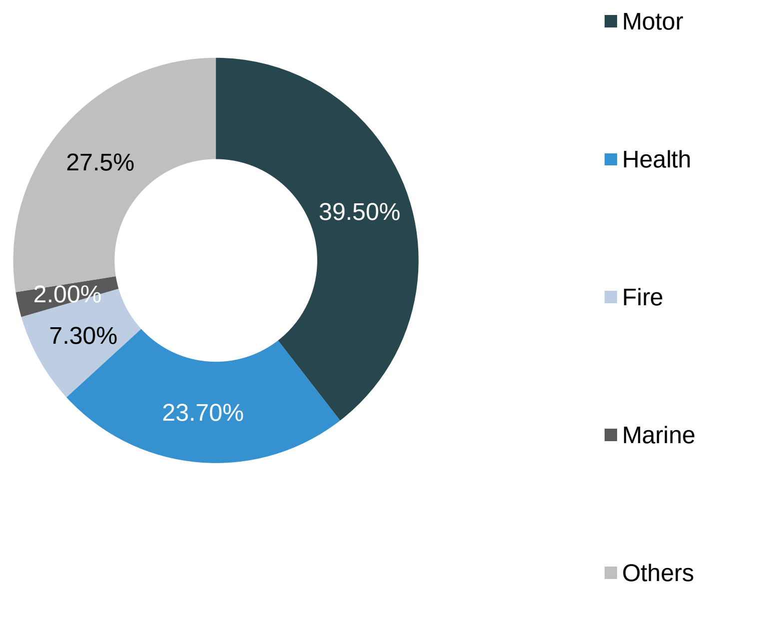
- Non life insurance density increased from Rs 263 (US$ 4.08) in FY08 to Rs 958 (US$ 14.86) in FY17.
- As per IRDA, in order to increase the market penetration in health insurance people are needed to be educated about the benefits of health insurance along with providing incentives and free check-ups.

Source: *General Insurance Council*

SHARES IN NON-LIFE INSURANCE MARKET: MOTOR INSURANCE LEADS

- Non-Life insurers include general insurers, standalone health insurers and specialized insurers.
- Motor insurance accounted for 39.5 per cent of non-life insurance premiums earned in India in FY18*.
- With Gross Direct Premiums at Rs 22,783.84 crore (US$ 3.52 billion) in FY18*, the health segment has a 23.7 per cent share in gross direct premiums earned in the country.
- Private players accounted for a share of around 48.01 per cent in the Gross Direct Premiums generated in non-life insurance sector while public sector companies and specialised garnering around 52 per cent share in October 2017
- Major private players are ICICI Lombard, Bajaj Allianz, IFFCO Tokio, HDFC Ergo, Tata-AIG, Reliance, Cholamandalam, Royal Sundaram and other regional insurers

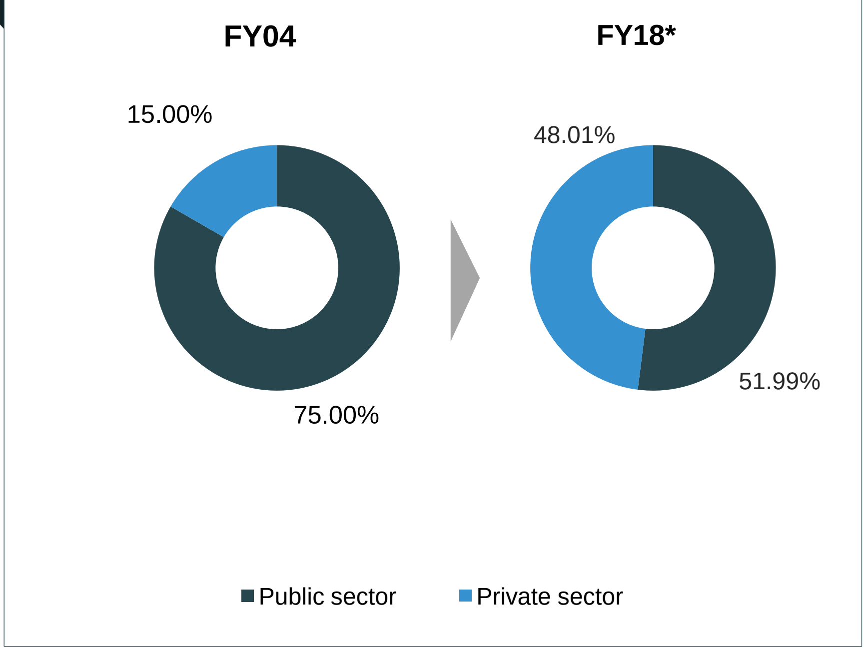
Break-up of non-life insurance market in India (FY18*)



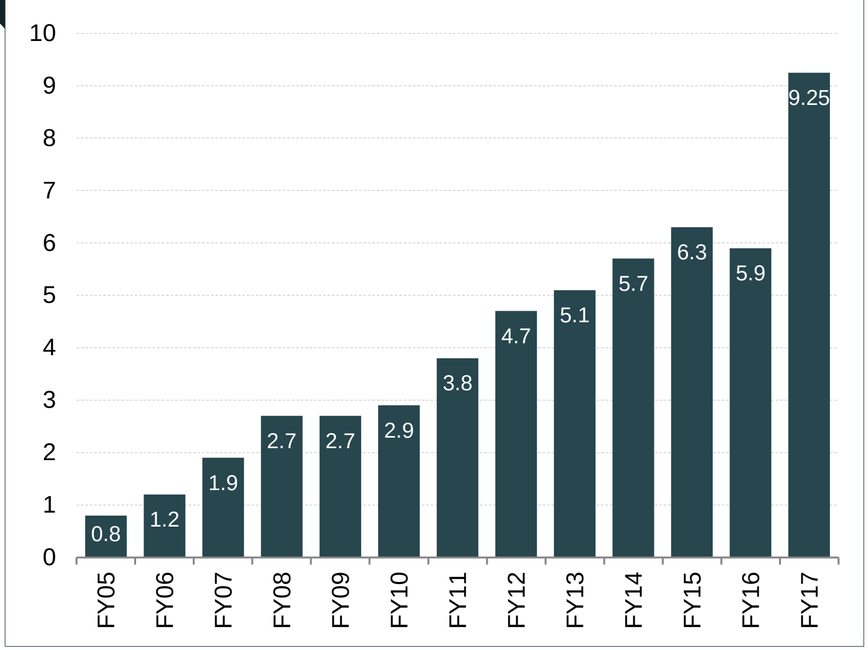
Source: **till November 2017*
Source: *General Insurance Council, Aranca Research*

HIGHER PRIVATE SECTOR PARTICIPATION IN NON-LIFE SEGMENT

Growing share of private sector



Non-life insurance premium of private sector (US$ billion)



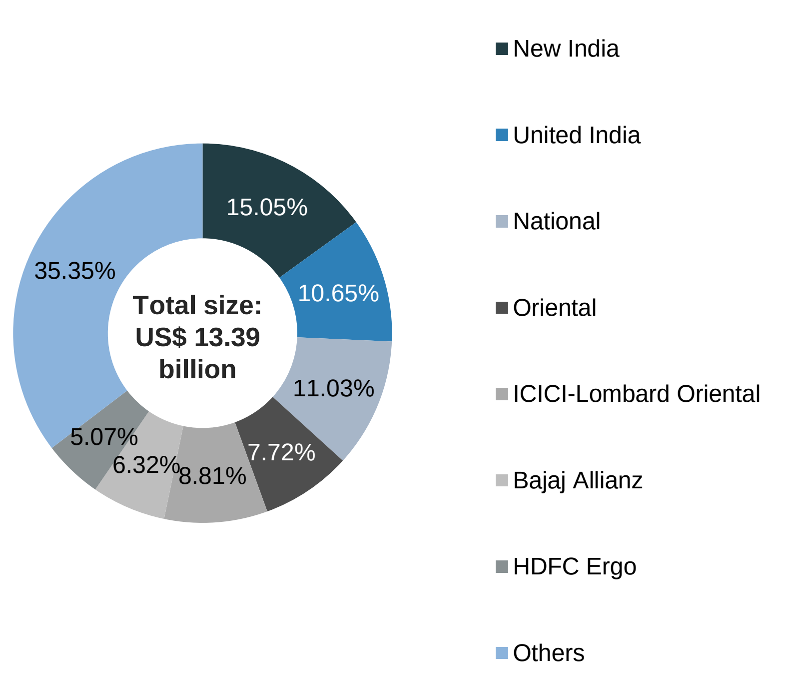
- The market share of private sector companies in non-life insurance segment rose from 15 per cent in FY04 to 48.01 per cent in FY18*.
- The Gross Direct Premium of private companies increased from US$ 0.8 billion in FY05 to Rs 59,601.56 crore (US$ 9.25 billion) in FY17, witnessing growth at a CAGR of 22.6 per cent.

Note: *CAGR - Compound Annual Growth Rate, * up to October 2017*
Source: *General Insurance Council, Aranca Research*

KEY PLAYERS IN THE NON-LIFE INSURANCE SEGMENT

- The number of companies increased from 15 in FY04 to 24 in FY17; six of these companies are in the public sector.
- The public sector companies accounted for a cumulative share of about 51.99 per cent of the total Gross Direct Premium in the non-life insurance segment FY18*.
- New India leads the market with 15.18 per cent share.
- Private players are not far behind and compete better in the non-life insurance segment.

Market share of major companies in terms of Gross Direct Premium collected (FY18*)



Note: ** up to October 2017*
Source: *General Insurance Council*

NOTABLE TRENDS IN THE INSURANCE SECTOR

Emergence of new distribution channels	▪ New distribution channels like bancassurance, online distribution and NBFCs have widened the reach and reduced costs ▪ Firms have tied up with local NGOs to target lucrative rural markets ▪ In April 2017, IRDAI started a web portal – isnp.irda.gov.in – that will allow the insurers to sell and register policies online. This portal is open to intermediaries in insurance business as well. ▪ India Post Payments Bank (IPPB) plans to start selling insurance products and mutual funds of other companies by early 2018, and is to be open only to "non- exclusive" tie-ups. Nearly 100 firms, domestic as well as foreign, have showed keen interest in partnering with the bank
Growing market share of private players	▪ In the life insurance segment, share of private sector in the total premium increased to 29.6 per cent in FY16 from 2.0 per cent in FY03 ▪ In the non-life insurance segment, share of private sector increased to 48.01 per cent in FY18* from 14.5 per cent in FY04
Launch of innovative products	▪ The life insurance sector has witnessed the launch of innovative products such as Unit Linked Insurance Plans (ULIPs) ▪ Other traditional products have also been customised to meet specific needs of Indian consumers
Mounting focus on EV over profitability	▪ Large insurers continue to expand, focusing on cost rationalisation and aligning business models to realise reported Embedded Value (EV), and generate value from future business rather than focus on present profits

Notes: *NBFC - Non Banking Financial Company, NGO - Non-Governmental Organisation, EV - Embedded Value, * up to October 2017*

PORTERS FIVE FORCE ANALYSIS

Porter's Five Forces Framework Analysis

Threat of Substitutes

- Similarity in services makes switchover a potent threat
- Investment oriented customers have switched to other avenues

Bargaining Power of Suppliers

- Supplier being the distributor or agent have high bargaining power because they have customer database and can influence customers in making choices

Competitive Rivalry

- Insurance industry is becoming highly competitive with 52 players operating in the industry
- Companies are competing on price and also using low price and high returns strategy for customers to lure them

Bargaining Power of Buyers

- Bargaining power of customers especially corporate is very high because they pay huge amount of premium

Threat of New Entrants

- Other financial companies can enter the industry
- Overall threat is medium given that entry is subject to license and regulations

Positive Impact

Neutral Impact

Negative Impact

Source: *Aranca Research*

STRATEGIES ADOPTED

STRATEGIES ADOPTED

Cost optimisation	▪ Players in industry are investing in Information Technology to automate various processes and cut costs without affecting service delivery. It is estimated that digitisation will reduce 15-20 per cent of total cost for life insurance and 20-30 per cent for non-life insurance ▪ From October 2016, IRDAI has mandated having an E-insurance (electronic insurance) account to purchase insurance policies
Differentiation	▪ Companies are trying to differentiate themselves by providing wide range of products with unique features. For example, New India Assurance launched Farmers' Package Insurance to covering farmer's house, assets, cattle etc. United India launched Workmen Medicare Policy to cover hospitalisation expenses arising out of accidents during and in the course of employment ▪ In March 2017, HDFC Life in collaboration with Haptik, has announced the launch of the country's 1st life insurance chatbot which will help the customer as a financial guide to aid them to choose the most suitable plans befitting their needs.
Focus	▪ Focus on providing one kind of service help insurance companies in differentiation. For example, SBI is concentrating on individual regular premium products as against single premium and group products

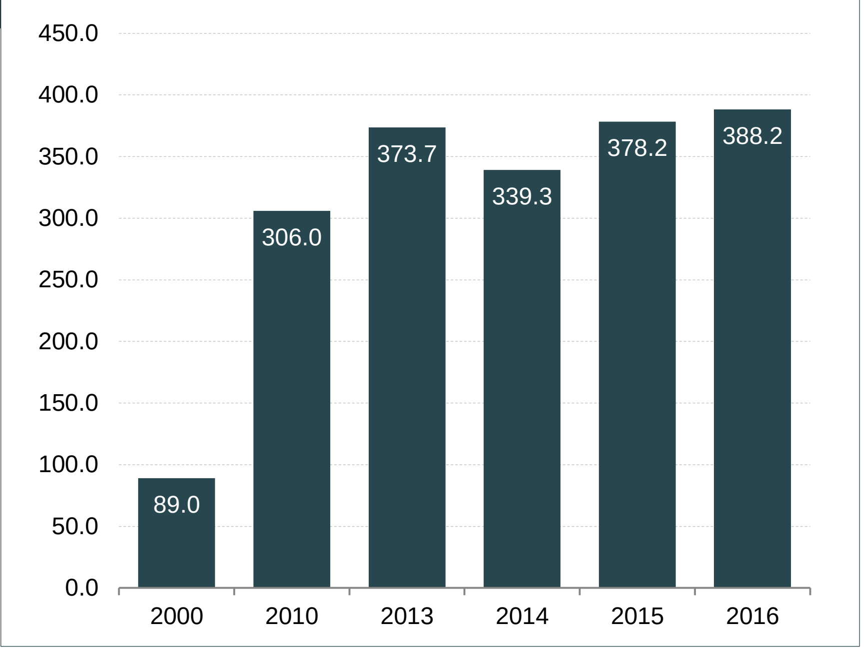
Source: *Aranca Research*

GROWTH DRIVERS

DEMAND GROWTH FOR INSURANCE PRODUCTS SET TO ACCELERATE … (1/2)

- India's robust economy is expected to sustain the growth in insurance premiums written.
- Higher personal disposable incomes would result in higher household savings that will be channelled into different financial savings instruments like insurance and pension policies.
- Household savings reached US$ 388.20 billion in 2016 from US$ 89 billion in 2000.

Household savings (US$ billion)

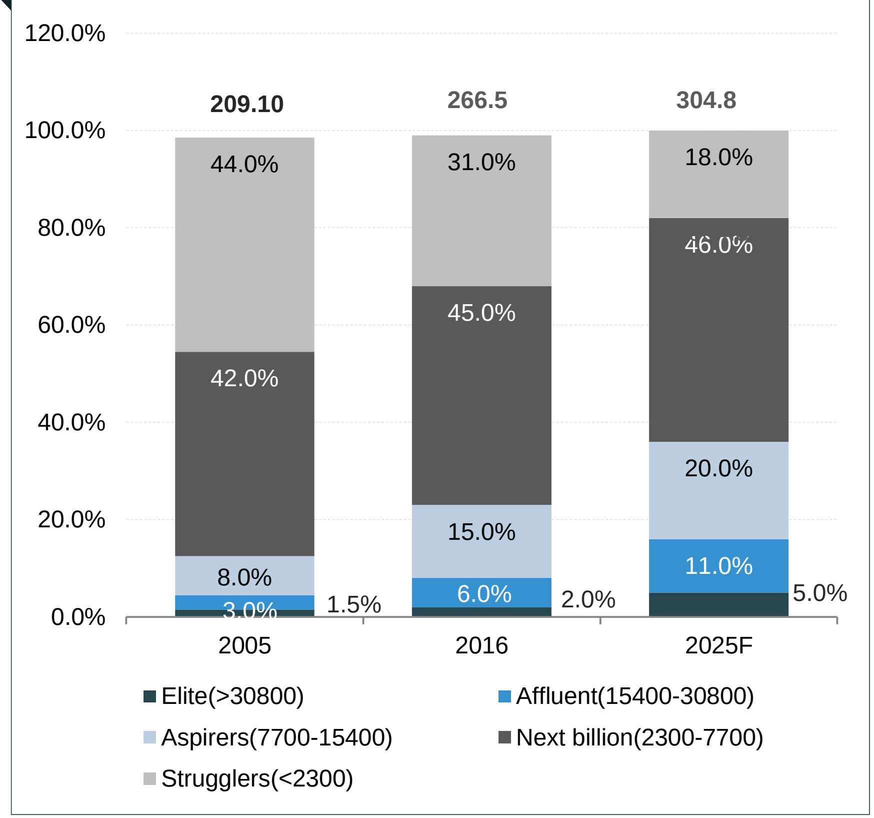


Source: *ICICI, RBI Annual Report,*

DEMAND GROWTH FOR INSURANCE PRODUCTS SET TO ACCELERATE … (2/2)

- Per capita income and rural income are increasing
- The number of middle class households (earning between US$ 2,300 and US$ 30,800 per annum) is estimated to increase more than fourfold to 234 million by 2025 from 113 million in 2005
- Rising per capita income leads to increased spending on medical and healthcare services
- Lifestyle diseases are set to account for a greater part of the healthcare market
- Lifestyle diseases such as cardiac diseases, cancer and diabetes are treated with the help of biotechnology products, thereby boosting revenues of biotech companies

Million household, 100%



Notes: *Income distribution is calculated in constant 2015 dollars; $1=65. Because of rounding, not all percentages add up to 100. F - Forecast*

Source: *Fortis Healthcare Limited, McKinsey Quarterly, NCAER, Aranca Research*

FAVOURABLE POLICY MEASURES AID THE SECTOR

Tax incentives	▪ Insurance products are covered under the exempt, exempt, exempt (EEE) method of taxation. This translates to an effective tax benefit of approximately 30 per cent on select investments (including life insurance premiums) every financial year ▪ In 2015, Tax deduction under Health Insurance Scheme has been increased to US$409.43 from US$245.66 and for senor citizens tax deduction has been increased to US$491.32
Union Budget 2017-18	▪ The government has also extended Rashtriya Swasthya Bima Yojana (RSBY) to cover unorganised sector workers in hazardous mining and associated industries ▪ In Union Budget 2017-18, the government introduced an insurance pension scheme that gives an assured return of 8 per cent for senior citizens through LIC to concentrate on social security.
Life insurance companies allowed to go public	▪ IRDA recently allowed life insurance companies that have completed 10 years of operations to raise capital through Initial Public Offerings (IPOs). Companies will be able to raise capital if they have embedded value of twice the paid up equity capital ▪ SBI Life has already raised funds through its IPO.
Approval of increase in FDI limit and revival package	▪ Revival package by government will help companies get faster product clearances, tax incentives and ease in investment norms. FDI limit for insurance company has been raised from 26 per cent to 49 per cent, providing safeguard and ownership control to Indian owners

RISING PRIVATE SECTOR INVESTMENT IN INSURANCE

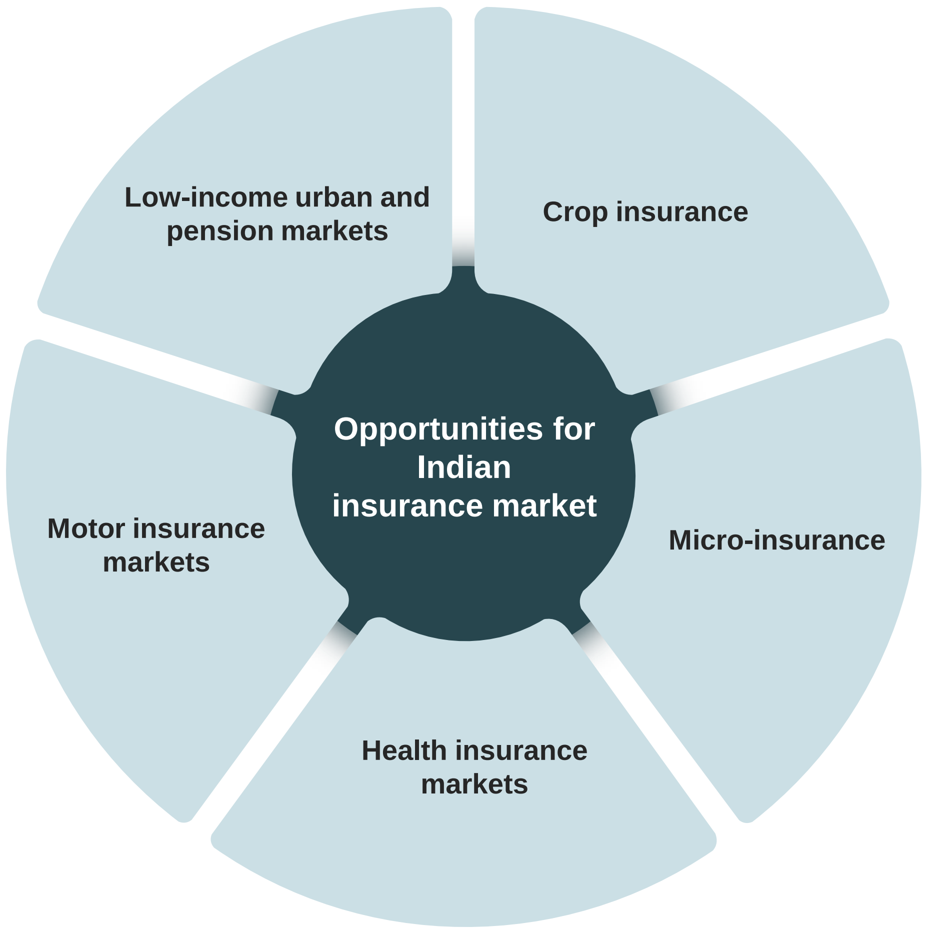
- Most of the existing players are tying up with banks to expand their distribution network
- Few players like HDFC Life are planning to go public; others are selling stakes to generate funds
- In 2015, Insurance Bill was passed that will raise the stake of foreign investors in the insurance sector to 49 per cent, fuelling the participation of private sector investment in the insurance sector in the country
- In February 2017, Bank of Maharashtra partnered with insurance company Cigna TTK Health, to market their insurance products in the bank's branches, across the country.
- Dena Bank and Apollo Munich Health Insurance announced a corporate agency tie up in March 2017. As per the tie-up, Dena Bank would be distributing Apollo's health insurance products.
- In December 2017, the Insurance Regulatory and Development Authority of India (IRDAI) allowed private equity investors to become promoters in unlisted insurance companies. The move is expected to enhance PE investments in the sector.
- As of September 2017, PE investments in listed Indian insurance companies were Rs 10,477 crore (US$ 1.63 billion).

Investments from the private sector are increasing, as they see a huge opportunity in the growing insurance sector of the country

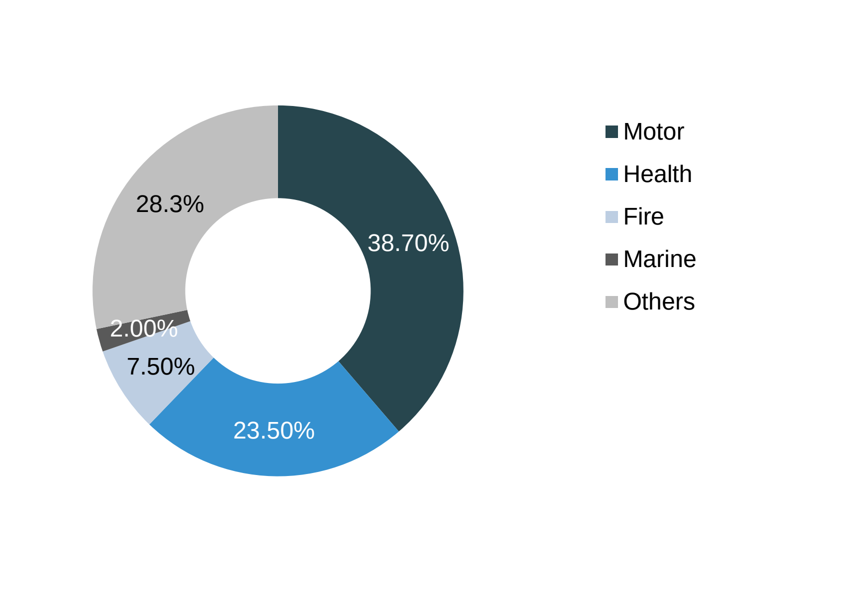
Religare Health Insurance	▪ US$ 110.4 million by 2016
AEGON Religare Life	▪ US$ 71 million in 2010; plans to invest ▪ US$ 445 million through 2016
HDFC Life	▪ Planning to raise US$ 3.9 billion with 10 per cent stake sale. Through IPO which is expected in September 2015 ▪ HDFC Life has enter the micro-insurance segment by launching two schemes named Jeevan Suraksha and Credit Suraksha

Source: *Towers Watson; Assorted news articles*

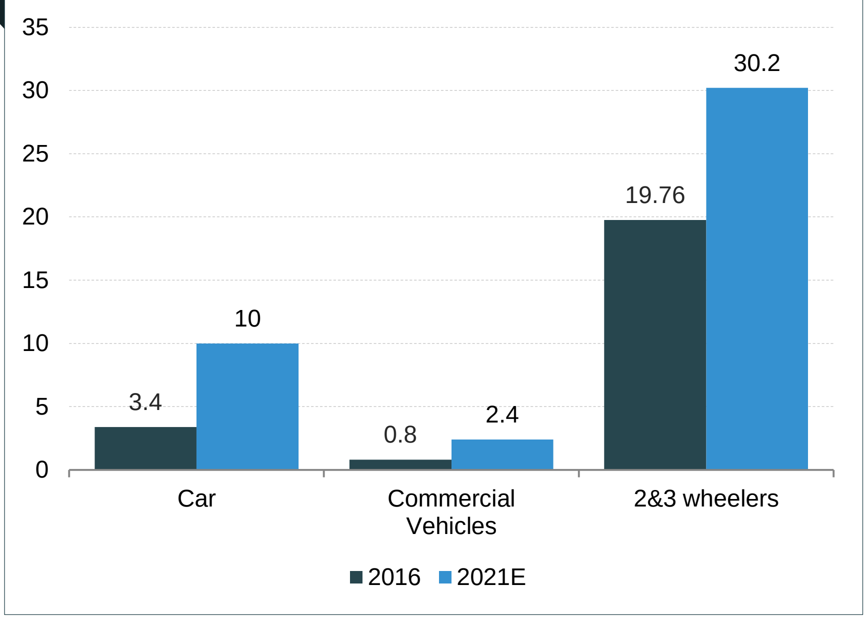
OPPORTUNITIES


Opportunities for Indian insurance market
Low-income urban and pension markets
Crop insurance
Micro-insurance
Health insurance markets
Motor insurance markets

Breakup of non-life insurance market in India FY18*



Vehicle production in India (million units)



- Strong growth in the automotive industry over the next decade will be a key driver of motor insurance
- Proposed IRDA draft envisages a 10–80 per cent rise in premium rates for the erstwhile loss-making 3rd party motor insurance
- In 2016, number of commercial vehicles and passenger vehicles sold in the country were recorded at 0.8 million and 3.4 million respectively, while the number of two and three wheelers sold were 19.76 million
- In FY18*, Motor and Health sector constituted 62.2 per cent of the non-life insurance market

Note: *E -estimates, CAGR - Compound Annual Growth Rate, ACMA - Automotive Component Manufacturers Association of India, *up to October 2017*

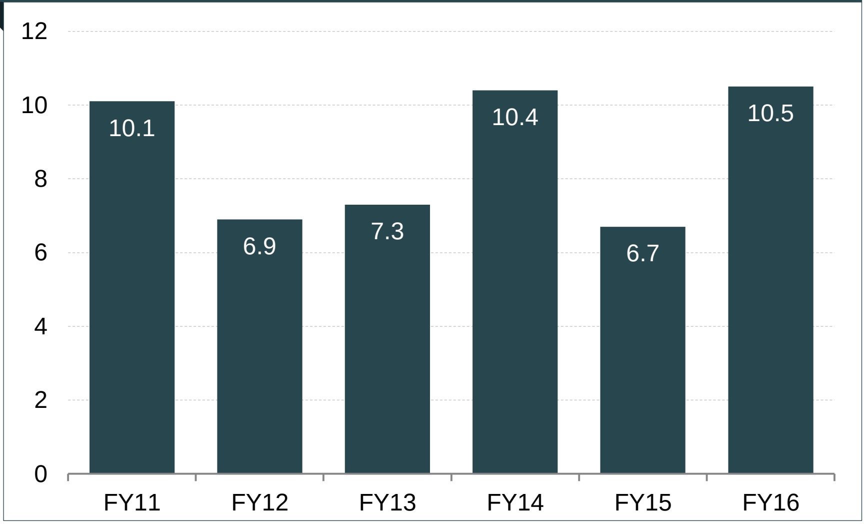
Source: *IRDA, ACMA, SIAM, Aranca Research*

NON-LIFE INSURERS: HEALTH INSURANCE MARKETS

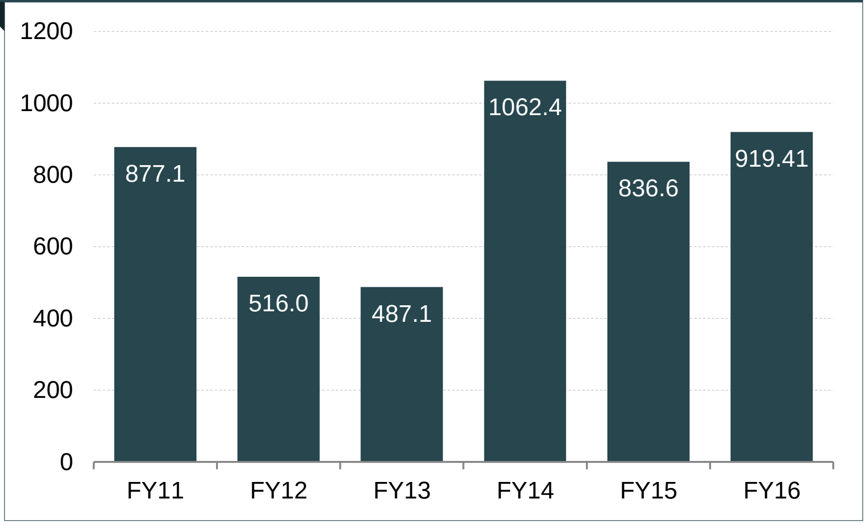
- Only 1.5–2 per cent of total healthcare expenditure in India is currently covered by insurance providers.
- Only 18 per cent of people in urban areas and 14.1 per cent in rural areas are covered under any kind of health insurance scheme
- Total health insurance premiums increased from US$ 733.1 million in FY07 to US$ 4,084.03 million in FY16, witnessing growth at a CAGR of 21.03 per cent. In FY17 gross direct premium income underwritten under health insurance was US$ 4.78 billion. Gross premium underwritten for health insurance was US$ 3.15 billion in FY18*..
- Absence of a government-funded health insurance makes the market attractive for private players
- Introduction of health insurance portability expected to boost the orderly growth of the health insurance sector
- In July 2016, IRDA issued Health Insurance Regulations, 2016. These regulations replace the Health Insurance Regulations, 2013. As per these new norms, companies will provide better data disclosure, pilot products, coverage in younger years, etc.
- Private insurance coverage is estimated to grow by nearly 15per cent annually till 2020
- Government-sponsored programmes expected to provide coverage to nearly 380 million people by 2020, driven by initiatives such as RSBY and ESIC
- RSBY is a centrally sponsored scheme to provide health insurance to Below Poverty Line (BPL) families and eleven other defined categories of unorganised workers, namely building and other construction workers, licensed railway porters, street vendors, MGNREGA workers, etc.

Note: *RSBY - Rashtriya Swasthya Bima Yojana, ESIC – Employees' State Insurance Corporation, MREGA – Mahatma Gandhi National Rural Employment Guarantee Act., NSSO, up to October 2017*

Number of farmers covered under PMFBY (million)



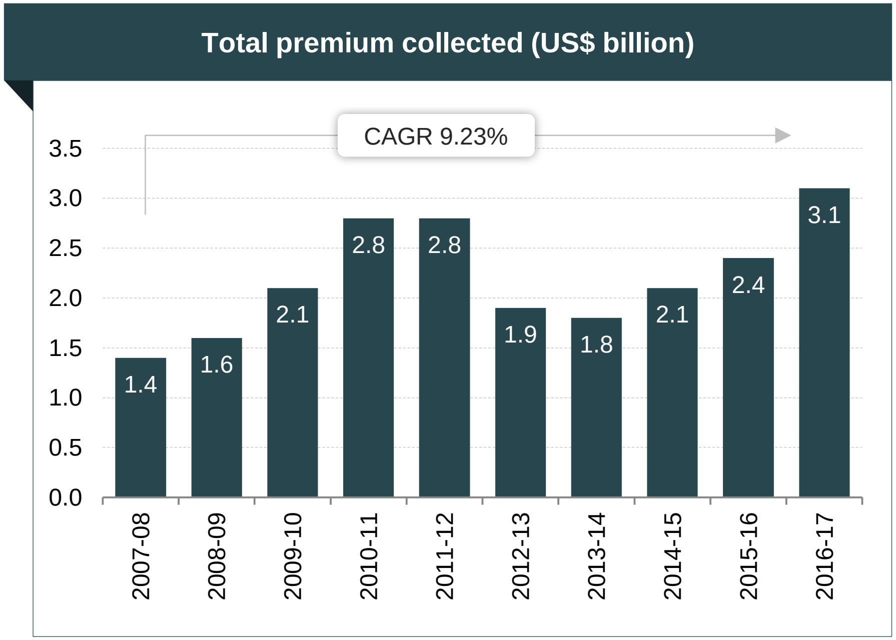
Sum Insured (US$ million)

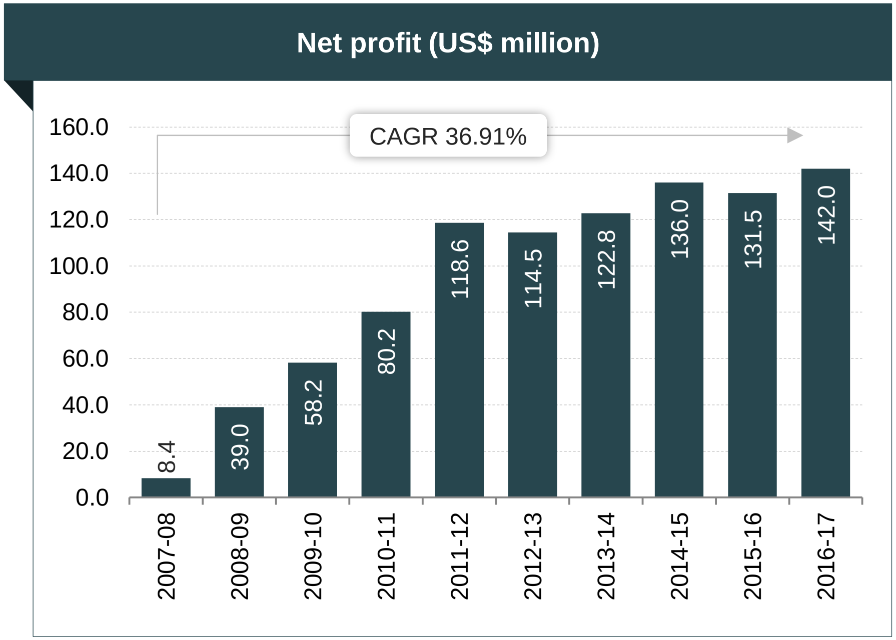


- Awareness about crop insurance in India is 38.8 per cent and still crop insurance market in India is the largest in the world, covering around 30 million farmers. Over 9 million farmers benefited from 'Pradhan Mantri Fasal Bima Yojana' in 2016-17. Government of India released Rs 28386.91 crore (US$ 4.23 billion) in 2016-17 under various crop insurance schemes.
- To provide crop insurance to farmers, Government has launched various schemes like National Agriculture Insurance Scheme (NAIS), Modified National Agriculture Insurance Scheme (MNAIS) and Weather-based Crop Insurance Scheme (WBCIS)
- Total sum insured under crop insurance was US$ 919.41 million in FY16
- As of February 2017, the Central Government aims at enhancing crop insurance cover from 22 per cent of farmers to 50 per cent in the forthcoming 2 years.

Note: *Figures are as per latest available data*
Source: *Agricultural Insurance Company of India Annual Report, Department of Agriculture and Cooperation, IRDA, Livemint, PTI*

CASE STUDIES

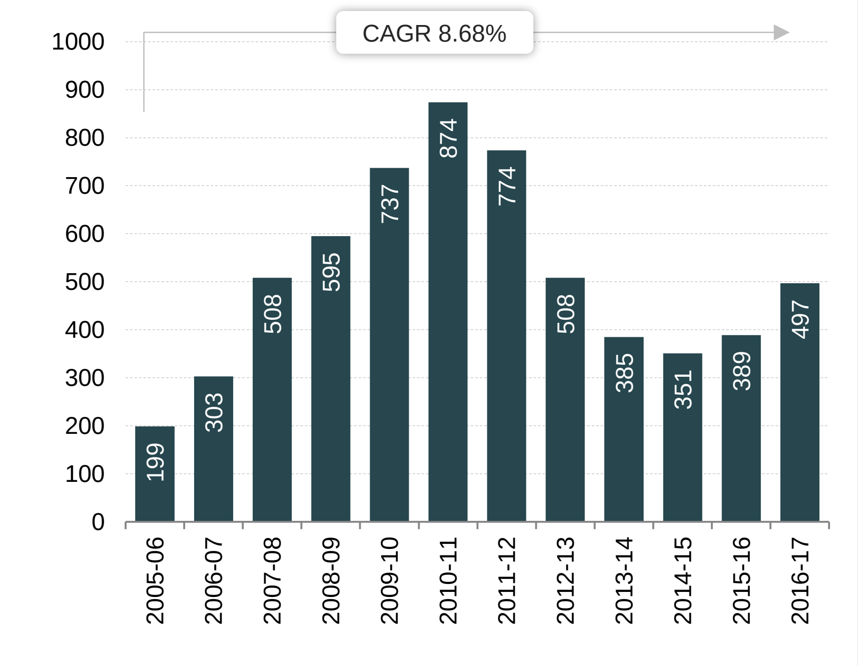




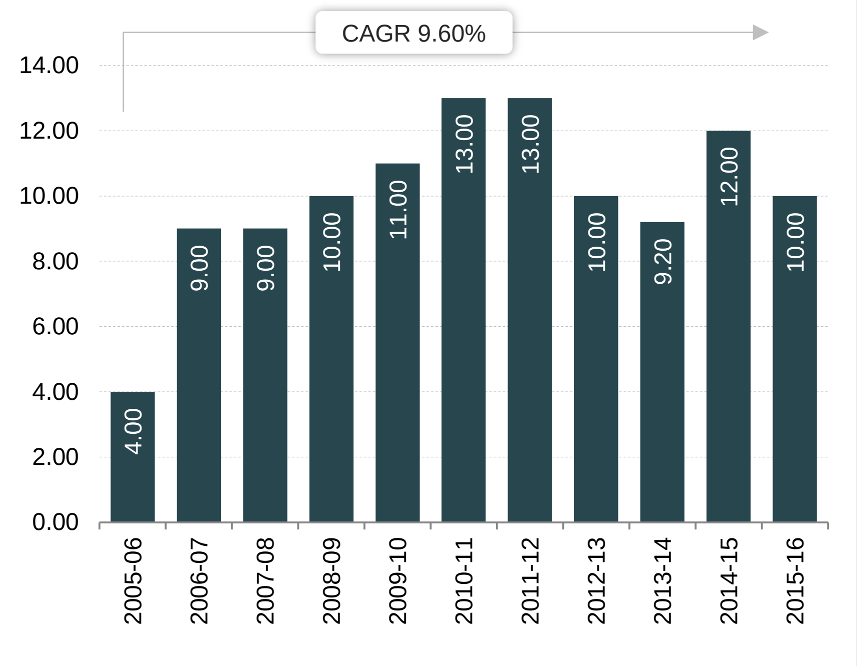
- SBI Life Insurance is a joint venture between Indian banking giant State Bank of India (74 per cent) and France headquartered BNP Paribas Assurance (26 per cent). The company's IPO was in September 2017
- The company primarily deals in life insurance and pension plans with 758 offices across India. In FY16, it issued around 1.274 million insurance policies.
- Between FY08 and FY17, SBI Life's profits increased at a CAGR of 36.91 per cent with its annual profits increasing to US$ 141.99 million by FY17. In FY16, it accounted for a market share of 17.2 per cent among all life insurance companies.
- The company earned US$ 837.5 million as net premium in Q2FY18.

Notes: *CAGR - Compound Annual Growth Rate*
Source: *SBI Life Annual Report, IRDA, Company website, Aranca Research*

Total life insurance premium (US$ million)



Total sum assured (US$ billion)



- Tata AIA Life Insurance Company Limited (Tata AIA Life) is a joint venture between Tata Sons (74 per cent) and AIA Group Limited (26 per cent).
- Overall life insurance premium increased from US$ 198.8 million in FY06 to US$ 497 million in FY 17, witnessing growth at a CAGR of 8.68 per cent over FY06-17.
- The sum assured increased from US$ 4 billion in FY06 to US$ 10 billion in FY16, rising at a CAGR of 9.60 per cent. The company earned US$ 96.98 million as premium in Q1 FY18.

Notes: *CAGR - Compound Annual Growth Rate, (1): As on September 30, 2016*
Source: *Company website, IRDA, Aranca Research*

TATA-AIG LIFE …(2/2)

Objective for establishing micro insurance

- Fulfilment of corporate social responsibility
- Increase brand recognition to boost market entry –today's micro clients maybe tomorrow's high-premium clients
- To target untapped markets and income groups of rural India

Key strategic decisions

- The micro insurance business model must be separated from business model
- Selling micro insurance would require new, alternative distribution mechanisms

The micro insurance business model

New business unit

- A special microinsurance team called the Rural and Social Team is formed

Partnering with NGOs

- Identify and partner with credible NGOs operating in the local community
- NGO suggests good agents for microinsurance policies (micro-agents)

Forming CRIGs

- A group of micro-agents called a Community Rural Insurance Group (CRIG) is formed; it relies on direct marketing of microinsurance policies to local community members

Local operations managed by NGOs

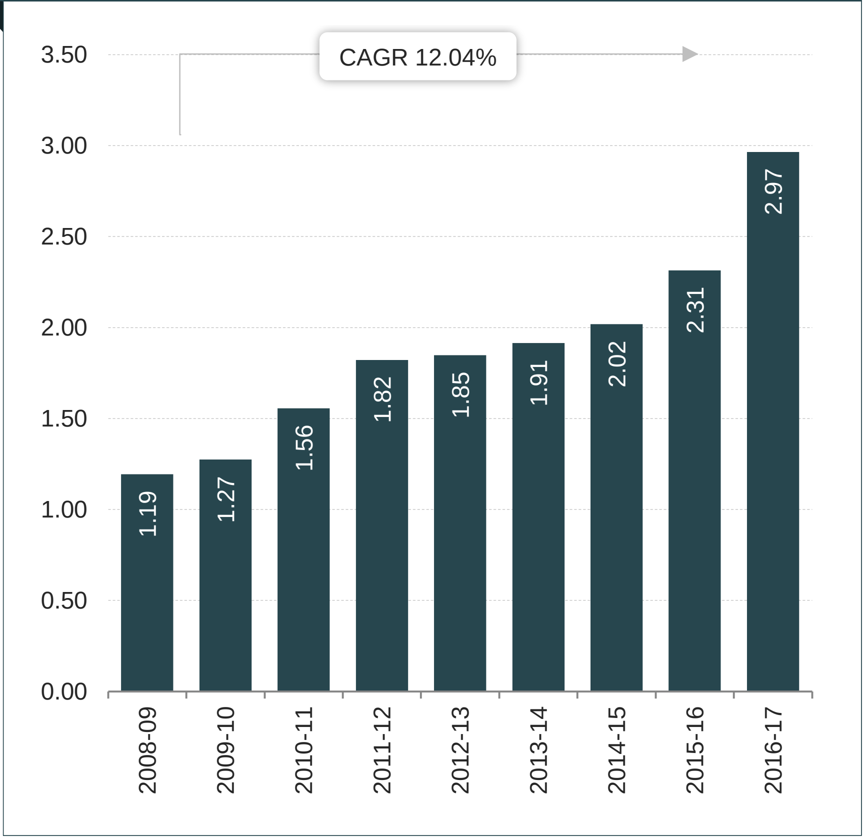
- Local operations like collecting and aggregating the premiums, training micro-agents, and helping to distribute benefits looked after by the NGO; this saves administrative costs for Tata-AIG

Source: *Company website, Aranca Research*

NEW INDIA ASSURANCE

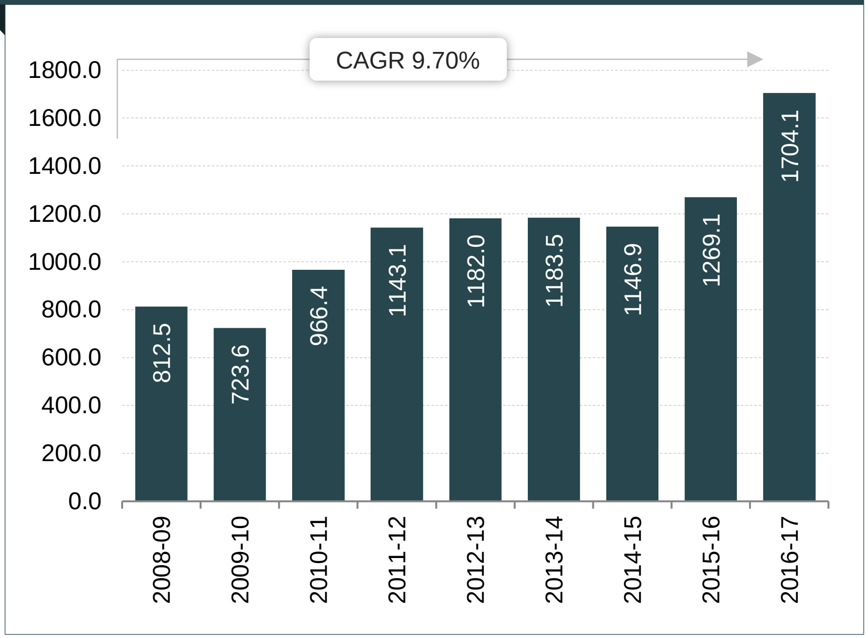
- New India Assurance, a wholly owned subsidiary of Government of India, is the largest non-life insurance company in India with a market share of 16 per cent in FY17 in the non-life insurance segment
- It is the largest non-life insurer in Afro-Asia, excluding Japan
- New India Assurance has been selected as the Best General Insurance Company by IBN Lokmat Channel in association with Maharashtra Chamber of Commerce, Industry and Agriculture (MACCIA)
- The company has overseas presence in 22 countries: Japan, UK, Middle East, Fiji and Australia
- It has been rated as "A-" (Excellent) for six consecutive years, indicating its excellent risk-adjusted capitalisation, prospective improvement in underwriting performance and leading business profile in the direct insurance market in India
- Gross Direct Premium in the country increased from US$ 1.19 billion in FY09 to US$ 2.3 billion in FY16, growing at a CAGR of 9.92 per cent over FY09-16. The figure reached US$ 2.97 billion in FY17.
- The company raised Rs 9,600 crore (US$ 1.49 billion) through its IPO in November 2017.

Gross Direct Premium (US$ billion)

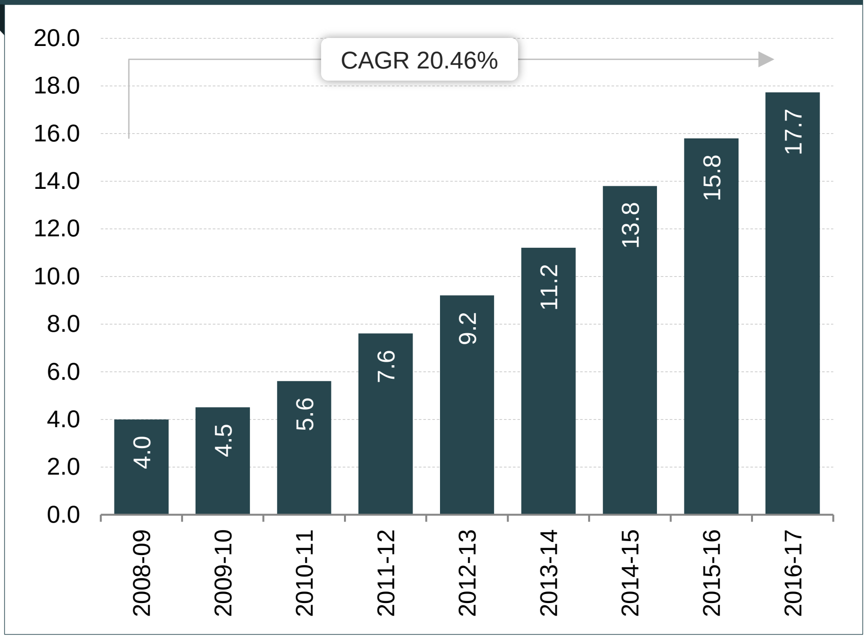


Notes: *CAGR - Compound Annual Growth Rate*
Source: *IRDA, Company website, New India Assurance Annual Report, A.M. Best Europe Ltd, Alfred Magilton Best Company Limited*

Gross Written Premium (US$ million)



Number of policies issued (million)



- ICICI Lombard GIC Ltd is a 74:26 joint venture between ICICI Bank Limited, India's second largest bank, and Fairfax Financial Holdings Limited, a Canada-based diversified financial services company. The company launched its Initial Public Offering in September 2017.
- It has a market share of 8.39 per cent in the non-life insurance sector in FY16
- As of FY16, ICICI Lombard GIC had 257 pan India branches with an employee strength of 7,954
- Company's Gross Direct Premium increased from US$ 812.5 million in FY09 to US$ 1704.1 million in FY17 at a CAGR of 9.7 per cent over FY09-17. The gross written premium reached Rs 3,234 crore (US$ 503 million) in Q2 FY18.

Notes: *CAGR - Compound Annual Growth Rate*
Source: *ICICI Lombard Annual Report, IRDA, Company website, Aranca Research*

USEFUL INFORMATION

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3rd Floor, Parisrama Bhavan, Basheer Bagh, Hyderabad–500 004

Phone: 91-040-23381100

Fax: 91-040-66823334

E-mail: irda@irda.gov.in

General Insurance Council

5th Floor, Royal Insurance Building, 14, Jamshedji TATA Road, Churchgate, Mumbai–400020

Phone: 91-22-22817511, 22817512

Fax: 91-22-22817515

E-mail: gicouncil@gicouncil.in

Life Insurance Council

4th Floor, Jeevan Seva Annexe Bldg. S. V. Road, Santacruz (W),

Mumbai–400054

Phone: 91-22-26103303, 26103306

E-mail: ninad.narwilkar@lifeinscouncil.org

GLOSSARY

- CAGR: Compound Annual Growth Rate
- IRDA: Insurance Regulatory and Development Authority
- IPO: Initial Public Offering
- FDI: Foreign Direct Investment
- LIC: Life Insurance Corporation of India
- GIC: General Insurance Corporation of India
- NBFC: Non-Banking Financial Company
- NGO: Non-Governmental Organisation
- RSBY: Rashtriya Swasthya Bima Yojana
- PFRDA: Pension Fund Regulatory and Development Authority
- GDP: Gross Domestic Product
- ESIC: Employees State Insurance Corporation
- FY: Indian Financial Year (April to March)
- So, FY12 implies April 2011 to March 2012
- GOI: Government of India
- INR: Indian Rupee
- US$: US Dollar
- Where applicable, numbers have been rounded off to the nearest whole number

EXCHANGE RATES

Exchange Rates (Fiscal Year)

Year INR	INR Equivalent of one US$
2004–05	44.81
2005–06	44.14
2006–07	45.14
2007–08	40.27
2008–09	46.14
2009–10	47.42
2010–11	45.62
2011–12	46.88
2012–13	54.31
2013–14	60.28
2014-15	61.06
2015-16	65.46
2016-17	67.09
Q1 2017-18	64.46
Q2 2017-18	64.29
Q3 2017-18	64.74

Exchange Rates (Calendar Year)

Year	INR Equivalent of one US$
2005	43.98
2006	45.18
2007	41.34
2008	43.62
2009	48.42
2010	45.72
2011	46.85
2012	53.46
2013	58.44
2014	61.03
2015	64.15
2016	67.21
2017	65.12

Source: *Reserve bank of India, Average for the year*

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