

Ref. No.: MUM/SEC/139-10/2025-26

October 20, 2025

To,  
The Manager  
Listing Department  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 001

The Manager  
Listing Department  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5<sup>th</sup> Floor, Plot C/1  
G Block, Bandra Kurla Complex,  
Mumbai – 400 051

**Scrip code: Equity (BSE: 540716/ NSE: ICICIGI)**

Dear Sir/Madam,

**Subject: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcript of earnings conference call for the quarter and half-year ended September 30, 2025**

This is further to our letter dated October 9, 2025 and October 14, 2025, please note that the Company had hosted an earnings conference call with investor(s) and analyst(s) on Tuesday, October 14, 2025 to discuss the financial performance of the Company for the quarter and half-year ended September 30, 2025.

In this regard, please find attached transcript of the earnings conference call with investor(s) and analyst(s) for the quarter and half-year ended September 30, 2025.

The above information will also be made available on the Company's website at [www.icicilombard.com](http://www.icicilombard.com).

You are requested to kindly take the same on your records.

Thanking you.

Yours Sincerely,

**For ICICI Lombard General Insurance Company Limited**

**Vikas Mehra**  
**Company Secretary**

**Encl. As above**

**ICICI Lombard General Insurance Company Limited**

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**ICICI Lombard General Insurance Company Limited**  
**Q2 & H1 FY2026 Earnings Conference Call**  
**October 14, 2025**

Management:

MR. SANJEEV MANTRI – MD & CEO

MR. GOPAL BALACHANDRAN – CFO

MR. ANAND SINGHI – CHIEF – RETAIL AND GOVERNMENT

MR. GIRISH NAYAK – CHIEF – TECHNOLOGY AND HEALTH UNDERWRITING &  
CLAIMS

MR. SANDEEP GORADIA – CHIEF – CORPORATE SOLUTIONS, INTERNATIONAL  
& BANCASSURANCE

MR. GAURAV ARORA – CHIEF – REINSURANCE, UNDERWRITING & CLAIMS  
FOR PROPERTY & CASUALTY

**ICICI Lombard General Insurance Company Limited**  
**Q2 & H1 FY2026 Earnings Conference Call**  
**October 14, 2025**

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**Moderator:** Good evening, ladies and gentlemen, a very warm welcome to the ICICI Lombard General Insurance Company Limited's Q2 & H1 FY2026 Earnings Conference Call.

From the senior management, we have with us today, Mr. Sanjeev Mantri – MD & CEO of the Company; Mr. Gopal Balachandran – CFO; Mr. Anand Singhi – Chief – Retail and Government; Mr. Girish Nayak – Chief – Technology and Health Underwriting & Claims; Mr. Sandeep Goradia – Chief – Corporate Solutions, International & Bancassurance and Mr. Gaurav Arora – Chief – Reinsurance, Underwriting & Claims for Property & Casualty.

Please note that any statements or comments are made in today's call that may look like forward-looking statements are based on information presently available to the management and do not constitute an indication of any future performance as future involves risks and uncertainties which could cause results to differ materially from the current views being expressed.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing \* and then 0 on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sanjeev Mantri – MD & CEO, ICICI Lombard General Insurance Limited. Thank you and over to you, sir.

**Sanjeev Mantri:** Good evening to each one of you. Thank you for joining the earnings conference call of ICICI Lombard General Insurance Company Limited for Q2 & H1 FY2026.

I would like to commence with a brief overview of the recent economic and industry trends which have shaped the operating environment over the past few months. Following that, our Chief Financial Officer Mr. Gopal Balachandran, will take you through the Company's financial performance for the half-year ended September 30, 2025.

During the quarter ended June 2025, the Indian economy sustained its robust growth trajectory, registering a Gross Domestic Product (GDP) growth of 7.8% marking a 5-quarter high and surpassing expectations despite global uncertainties. The sovereign credit rating upgrade by S&P Global, coming after 18 years reflects enhanced confidence in India's economic fundamentals, fiscal prudence and related policies.

Following on the heels of the 100-bps repo rate cut and targeted income tax incentives, the Government has now unveiled a landmark overhaul of the GST framework which is expected to turbocharge the consumer sentiment. By rationalizing rates and simplifying compliance, the reforms are expected to make essential goods and services more accessible and affordable. This is expected to unlock stronger, broad-based private consumption and accelerate economic activity. Collectively, these three policy actions are projected to inject nearly ₹2,200–₹3,100 billion into the economy.

More importantly, these path breaking reforms are expected to provide a significant boost to the non-life insurance sector. The exemption of GST from individual health insurance premiums will make healthcare protection more affordable for households and is expected to increase the lives covered. In addition, the rationalization of GST rates in the automobile sector has lowered the overall cost of vehicle ownership. We truly believe that this will increase private mobility, enabling more Indians to own vehicles and encouraging upgrades to premium models. In line with our customer-first philosophy, we are committed to passing the complete benefits of lower GST rates to our policyholders.

In conjunction with the above reforms, I would like to update on the Q2 FY2026 numbers and dwell on the trends observed, along with their impact on the general insurance industry.

- The health segment, continues to remain the largest contributor to the Industry, and accounts for almost 40%\* of the GDPI mix in H1 FY2026. While the market continues to be moderated due to the 1/n accounting norm, post September 22, 2025 we have witnessed a significant uptick in the retail indemnity segment of business. We remain confident that more individuals and families will continue to enter the health insurance fold and also expand their coverage.
- Now coming to the auto sector. In Q2 FY2026, basis the data published by FADA<sup>1</sup>, auto industry has grown by 1.3%. The Private Car segment grew by 2.9% and the Two-wheeler segment has seen a modest growth of 0.5%. However, for the month of September 2025, private car sales grew at 5.8% and two wheelers at 6.5% compared to September 2024.

Notably, for the first nine days of the Navratri festival period, the private car and two wheelers growth stood at 34.9% and 36.0% respectively, when compared to the Navratri period in FY 2025, which is significantly positive even after adjusting for pent up demand. These trends coupled with our dominant presence in the OEM space, give us confidence for a positive momentum in the second half of the year.

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\* Source :- GI Council and Internal Estimates

<sup>1</sup> FADA - Federation of Automobile Dealers Association

While the global economic environment remains volatile and uncertain, India's strong macroeconomic fundamentals, supported by a pro-consumption policy stance, are expected to act as a buffer and continue to drive domestic economic momentum.

Given the supportive regulatory environment, we expect the General Insurance industry to sustain its growth trajectory over the medium to long term.

Now coming to the Industry performance for the period ended September 30, 2025.

The General Insurance Industry reported a Gross Direct Premium Income (GDPI) growth of 7.3% for this period. Excluding Crop and Mass Health segments, the Gross Direct Premium Income (GDPI) growth stood at 10.5%\* for the referred period H1 FY2026.

Speaking of specific segments within the industry:

- The Commercial segment reported a growth of 14.2% for the period ending H1 FY2026. The growth was majorly driven by the Fire line of business, which witnessed a robust increase of 20.5% during the referred period and the same contributes to more than 50% of the commercial business.
- The Motor segment growth for the industry stood at 7.6% for the period H1 FY2026. This segment continues to face significant pricing pressure, as reflected by higher industry combined ratio for Motor line of business. However as mentioned with the current momentum we expect H2 FY2026 to reflect improved growth levels vis-à-vis the first half of the financial year.
- The Health segment, including Mass Health, grew by 7.8%\* for the period ending H1 FY2026. Within this, the Group Health line of business grew by 8.9%\* for H1 FY2026 whereas the Retail Health growth stood at 9.3%\* for H1 FY2026, impacted by the 1/n accounting norm.

Speaking on the Underwriting performance of the Industry:

Overall, the CoR (Combined ratio) for the industry, deteriorated from 113.9% in Q1 FY2025 to 115.0% in Q1 FY2026. The overall CoR for private players remained flat

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\* Source:- GI Council & Internal Estimates

at 110.8% for the period Q1 FY2025 vis-à-vis 110.7% for Q1 FY2026. Combined Ratio for the Motor Line of Business continues to remain elevated at 125.0% for Q1 FY2026.

Our continued emphasis on profitable growth delivered a lower Combined Ratio of 102.9% in Q1 FY2026, over 12 percentage points better than the industry average.

I will now proceed to present our Company's performance across key business segments for the period H1 FY2026.

The Company reported a de-growth of 0.5% in Gross Direct Premium Income (GDPI), compared to the industry growth of 7.3% for the period H1 FY2026. However, excluding the Crop and Mass Health segments, the Company recorded a growth of 3.5%, while the industry grew at 10.5%\* for the period H1 FY2026.

- In the Commercial lines segment, our growth stood at 6.5% for H1 FY2026 as compared to the industry growth of 14.2% for the period H1 FY2026.

We continue to drive profitable growth through prudent underwriting, judicious risk selection and through our multi-channel distribution. While growth in the fire segment in Q1 FY2026 stood at 10.3%, we have been able to steadily increase growth in Q2 FY2026 to 27.3%. Specifically, in the month of September 2025, we grew at 36.4% in the fire segment.

We retained our leadership position in the Engineering, Liability and Marine Cargo lines of business for the period ended H1 FY2026. Furthermore, we continue to play the role of a risk solutions partner to our corporate customers, through providing them best-in-class Value Added Services which helps them mitigate risks with holistic risk management solutions.

- In the Motor segment, our growth stood at 2.2% for H1 FY2026 as against the industry growth of 7.6% for the period H1 FY2026. While our growth in the first 5 months of the financial year stood at 1.3%, the month of September 2025 witnessed a sharp uptick due to the festive demand and moderation of vehicle prices attributable to the GST rate cut, taking our motor insurance growth to 6.5%. In an increasingly competitive market environment, witnessed over the

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\* Source:- GI Council & Internal Estimates

recent quarters, we expect to maintain the growth momentum that kicked off in September while remaining focused on our journey of **profitable growth**, underpinned by continuous distribution expansion and granular portfolio segmentation. Importantly, we continue to maintain our leadership position in this segment with a market share of 10.4% in H1 FY2026.

We remain agile and are constantly taking conscious calls to optimise the portfolio profitability and as a result of these efforts, our portfolio mix for Private Car, Two-wheeler and Commercial Vehicle which stood at 52.9%, 25.3% and 21.8% respectively for H1 FY2025 has moved to a mix of 54.3%, 25.8% and 19.9% respectively, for H1 FY2026.

- In Health segment we grew by 4.2% for H1 FY2026 as against the industry growth of 7.8%\* for the period H1 FY2026, on a 1/n basis:
  - Our Retail Health business demonstrated strong growth of 25.2% for H1 FY2026, significantly outpacing the industry growth of 9.3%\* as of H1 FY2026. Consequently, our market share has improved from 3.2%\* in H1 FY2025 to 3.7%\* as of H1 FY2026. For the month of September 2025, company has crossed 4%\* market share in retail health. This performance has been driven by ongoing product innovation and sustained investment in strengthening our retail health distribution capabilities. This segment is expected to see an upward trajectory due to the GST reforms.
  - The Group Health segment recorded a de-growth of 0.6% for H1 FY2026 over H1 FY2025, with our market share being 8.7%\* as of H1 FY2026. The observed de-growth is attributable to a decline in business generated from the health benefit product on account of muted disbursements in the unsecured and microfinance sectors. However, on the overall Group Health Portfolio we continue to maintain a disciplined approach and in the month of September 2025 we grew at 10.5% as compared to industry de-growth of 1.8%\*.

I would now like to apprise you of certain strategic initiatives that continue to drive operational excellence and customer-centricity across the organization:

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\* Source:- GI Council & Internal Estimates



- IL Sahayak has further strengthened on-ground claims support for our Health customers. In H1 FY2026, the initiative touched over 58,000 customers, up from over 34,000 in the same period last year. We received feedback from over 22,000 customers in H1 FY2026. 94.4% rated their experience as exemplary ( $\geq 4.5/5$ ) highlighting the support during claims processing and assistance with hospital coordination. This reaffirms our focus on best-in-class service to our customer during the moments that truly matter. Our retail health claim settlement ratio within 30 days stood at 99.6% for H1 FY2026, placing us among the industry's top performers and underscoring our commitment to prompt, efficient claim servicing.
- The Company launched Differentiated Service Desks in June 2025. These desks provide tailored servicing for two priority customer segments: senior citizens and high product density customers. By identifying these profiles at the point of contact and routing them to specialized customer relationship managers, we ensure conversations are empathetic, personalized and value driven. Over 96,000 calls were handled between June to September 2025 under this initiative, generating therein 3,000 cross sell opportunities. Our belief is that differentiated care simultaneously builds loyalty and long-term value.
- Our '**IL TakeCare**' app, a one-stop solution for insurance and wellness needs, has now crossed **18.4 million downloads**, reflecting growing customer engagement and digital adoption. The gross written premium earned from the IL take care app during the period H1 FY2026 was ₹ 2,088.2 Mn vis-à-vis the premium earnings for H1 FY2025 which stood at ₹ 888.1 Mn.
- We have continually enhanced our efficiency levels in Motor claims. Our Preferred Partner Network (PPN) serviced 75.1% of our non-OEM claims for Q2 FY2026, up from 72.8% in Q2 FY2025. Furthermore, in the Motor Insurance Own Damage segment, 96.4% of our total claims were paid within 30 days for H1 FY2026. If we look at the industry number for the period Q1 FY2026, the same stood at 82.4%, clearly highlighting ICICI Lombard's superior claims settlement practice.
- Our unwavering focus on putting the customer first continues to reflect in our Net Promoter Scores. For Q1 FY2026, we recorded an NPS of 72 for

Health claims and 66 for Motor claims, demonstrating strong satisfaction levels and reinforcing our position as a customer-centric organization.

We continue to demonstrate strong resilience in the face of rapidly evolving industry dynamics, underscoring our unwavering focus on delivering sustainable and long-term profitability. Our strategic direction is firmly rooted in our 'One IL, One Team' philosophy, which promotes collaboration, operational excellence and a unified approach across the organization.

In conclusion, GST 2.0 & other regulatory reforms being positive for the general insurance sector, we are well positioned to ride this momentum, responsibly scaling our reach, sharpening our value propositions and converting a more supportive demand environment into sustained, high-quality performance.

I will now request Gopal to take you through the financial numbers for the recently concluded quarter and half year.

**Gopal Balachandran:** Thanks Sanjeev and Good Evening to each one of you. I will now give you a brief overview of the financial performance of the recently concluded quarter and half year. We have uploaded the 'Results Presentation' on our website. You can access it as we walk you through the performance numbers.

With effect from October 1, 2024, Long-term Products are accounted on a 1/n basis, as mandated by IRDAI. Hence, H1 FY2026 numbers are not comparable with prior periods. Please refer our investor presentation for further details.

Gross Written Premium (GWP) of the Company was at ₹ 151.11 billion in H1 FY2026 as against ₹ 148.79 billion in H1 FY2025, a growth of 1.6%.

Gross Direct Premium Income (GDPI) of the Company was at ₹ 143.31 billion in H1 FY2026 as against ₹ 144.09 billion in H1 FY2025, a de-growth of 0.5% against the industry growth of 7.3%. Excluding Crop and Mass Health, GDPI growth of the Company was at 3.5%, as against the industry growth of 10.5%\* in H1 FY2026.

Gross Direct Premium Income (GDPI) of the Company was at ₹ 65.96 billion in Q2 FY2026 as against ₹ 67.21 billion in Q2 FY2025, a de-growth of 1.9% against the industry growth of 5.9% for the same period. Excluding Crop and Mass Health,

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\* Source:- GI Council and Internal Estimates

GDPI growth of the Company was at 3.5%, as against the industry growth of 9.8%\* in Q2 FY2026

Our GDPI during the quarter was mainly driven by growth in the preferred lines of business. The overall GDPI of our Commercial lines segment grew by 6.1% to ₹ 15.84 billion in Q2 FY2026 as against ₹ 14.93 billion in Q2 FY2025.

On the retail side of business, GDPI of the Motor segment was at ₹ 25.11 billion in Q2 FY2026 as against ₹ 24.82 billion in Q2 FY2025, registering a growth of 1.2%.

- The advance premium was ₹ 39.13 billion as at September 30, 2025, as against ₹ 38.07 billion as at June 30, 2025.

GDPI of the Health segment was at ₹ 16.49 billion in Q2 FY2026 as against ₹ 15.29 billion in Q2 FY2025, registering a growth of 7.8%.

- Our agents (including Point of sale or POS) count, was 1,47,408 as on September 30, 2025, from 1,43,675 as at June 30, 2025.

During the quarter the industry witnessed multiple CAT events, namely floods in various states of the country, thereby impacting our Combined ratio which was 104.0% for H1 FY2026 as against 103.2% for H1 FY2025. Excluding the impact of CAT losses of ₹ 0.73 billion in H1 FY2026 and ₹ 0.94 billion in H1 FY2025, the Combined ratio was 103.3% and 102.2% respectively.

- Combined ratio was 105.1% in Q2 FY2026 as against 104.5% in Q2 FY2025. Excluding the impact of CAT losses of ₹ 0.73 billion in Q2 FY2026 and ₹ 0.94 billion in Q2 FY2025, the Combined ratio was 103.8% and 102.6% respectively.

Our investment assets during the quarter rose to ₹ 562.00 billion as at September 30, 2025, from ₹ 554.53 billion as at June 30, 2025. Our investment leverage (net of borrowings) was 3.57x as at September 30, 2025, as against 3.74x as at June 30, 2025.

Investment income was at ₹ 25.38 billion in H1 FY2026 as against ₹ 22.52 billion in H1 FY2025. On a quarterly basis investment income was at ₹ 12.49 billion in Q2 FY2026 as against ₹ 11.24 billion in Q2 FY2025.

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\* Source:- GI Council & Internal Estimates

Our capital gains (net of impairment on investment assets) stood at ₹ 6.16 billion in H1 FY2026 as compared to ₹ 5.21 billion in H1 FY2025. Capital gains (net of impairment on investment assets) stood at ₹ 2.36 billion in Q2 FY2026 as compared to ₹ 2.37 billion in Q2 FY2025.

Our Profit before tax (PBT), grew by 22.3% and stood at ₹ 20.71 billion in H1 FY2026 as against ₹ 16.93 billion in H1 FY2025, whereas PBT grew by 17.2% at ₹ 10.77 billion in Q2 FY2026 as against ₹ 9.19 billion in Q2 FY2025.

Consequently, Profit after tax (PAT), grew by 22.9% and stood at ₹ 15.67 billion in H1 FY2026 as against ₹ 12.74 billion in H1 FY2025. PAT grew by 18.1% at ₹ 8.20 billion in Q2 FY2026 from ₹ 6.94 billion in Q2 FY2025.

Return on Average Equity i.e., ROAE was 20.8% in H1 FY2026 as against 20.3% in H1 FY2025. The ROAE for Q2 FY2026 was 21.4% as against 21.8% in Q2 FY2025.

Solvency ratio was at 2.73x as at September 30, 2025, as against 2.70x as at June 30, 2025, continued to be higher than the minimum regulatory requirement of 1.50x. Solvency Ratio was at 2.69x as at March 31, 2025.

The Board of Directors of the company has declared interim dividend of ₹ 6.50 per share for H1 FY2026 as against ₹ 5.50 per share for H1 FY2025.

As I conclude, I would like to reaffirm that we continue to stay focused on driving profitable growth and sustainable value creation while protecting the interest of our stakeholders and customers at all times.

**Moderator:** Thank you very much. We will now begin with the question-and-answer session. Our first question comes from the line of Prayesh Jain from Motilal Oswal. Please go ahead.

**Prayesh Jain:** Hi, everyone. Congrats on a good set of numbers. Firstly, just on this GST impact, the input tax credit will not be available for the Health insurance piece and so what was the impact of that in whatever the sales would have happened in 2Q? And secondly, going ahead, how are you trying to offset this

whether through commission cuts or balancing it across the other products that you have?

**Gopal Balachandran:** So Prayesh, I think September is just about 9 days and therefore to that extent, it is honestly too premature to call out in terms of what has been the impact. The key thing to look out is what we kind of spelt out as a part of the opening script. I think what we are seeing on ground, I think the demand momentum seems to be very promising and to that extent is what we have kind of clearly got reflected as a part of, clearly increased volume of Retail Health policies getting sourced. I think the key to look for is, how do we see, let say, things playing out over the next couple of quarters. We are optimistic in terms of how this particular reform is likely to kind of play out. And in that context is how we have kind of looked at even, let say, possibly the eventual impact of any input tax credit on sourcing. I think obviously to that extent, we have communicated that it will be a part of the overall distribution cost in terms of how do we kind of manage the cost of sourcing. So in that context even any related input credit will be a part and parcel of that. That is the way how we are looking at it. But more importantly, as I said, what we are quite excited and optimistic is the relative scale up that one expects consequent to this reform that has got announced.

**Sanjeev Mantri:** Absolutely, Gopal. Prayesh, just to put across, we have been always discussing, debating in terms of what the sweet spot can be, can it be 12%? can it be this? Eventually, this stimulus which has come has been the biggest marketing in terms of letting the customer, every Indian know that Health insurance is important. And this move is very significant in terms of

managing a cost structure something which, there was always a need. I think the industry is working to make it more reasonable and it is also a win-win because the volumes that will come on account of that will also see that our partners have enhanced income. So there is a clear play which is evident and for us as a multiline Company more so, it puts us in a very comfortable spot because we have got other lines also. This is one component of the whole thing and we are seeing tremendous tailwinds. You can see our own growth numbers on Retail Indemnity which have been way ahead of the industry and this further stimulus that comes in also gives us an ability to scale at a much faster speed with a responsible underwriting. So the guardrails which will continue to guide us is that we underwrite in a responsible manner and then the rest should flow out and get evened out with the volumes that will come through it.

**Prayesh Jain:**

Sure. But just further on that, Gopal, any impact that you would have seen in, I understand it is just for 9 days, but would that have elevated the cost ratios in this quarter in 2Q for the Health segment? And also, are you looking to increase the distributor, are you looking to cut the distributor commissions, any communications or any negotiations that would have been started in that regard?

**Gopal Balachandran:** So one, I think as we keep saying Prayesh, I think when you look at the sourcing objective, particularly in the context of Retail Health, we have always kind of looked at in the context of the Combined ratio of the book that we are kind of wanting to write at. And there, I think clearly if you see even on the loss experiences, pretty much even if you look at quarter two or

even for the matter of fact half year, the loss experience have pretty much played out in line with our expectations. So hence to that extent, the portfolio is kind of doing well. And linked to that is our cost of sourcing, which is obviously a part and parcel of the overall Combined numbers, which is what I called out. At this point of time, the way we are looking at is, whatever cost that we would incur as a part of sourcing will pretty much factor in also the related possible loss that one is expected to see consequent to any loss of input tax credit that we will see in the context of Retail Health. But having said that, what is more relevant is what even Sanjeev was kind of articulating. I think we will be kind of pretty much kind of pleased to look at how things will play out for quarter three and this is something that even the distributors will start kind of seeing the impact and the benefits. The increased volumes automatically translates into a better revenue stream for them. And therefore, when they look at their overall distribution income, they would kind of clearly realize that they are clearly far better off in terms of where they are. And at this point of time, no significant changes to let say, whatever our overall cost of sourcing has been. I think anything that we would incur as a part of sourcing would also include the elements of input tax credit disallowance that we will see on the Retail Health book.

**Prayesh Jain:**

Got that. Gopal, the other question was if I look at the NWP to GWP, that ratio has inched up or any change in reinsurance strategy which has kind of moved that or it is just a product mix kind of a change?

**Gopal Balachandran:** You have the answer, Prayesh. And so therefore, to that extent is what we keep saying. I think our businesses is obviously kind

of cyclical on different lines of businesses. As you would have seen, in quarter two last year, we did have a relatively higher proportion of Crop mix, which obviously has relatively lower retention. Compared to that, if you would have seen quarter two of this year, our proportion of Crop is definitely much lower, and therefore to that extent and the fact that Retail Health for us has kind of done very well. It was Q2 of last year is when we had kind of largely launched Elevate as a solution. And through the next 12 months as we speak is where we have been able to kind of witness an improvement in sourcing, . Also our retail health market share in the month of September is exceeding more than 4%, basis our internal estimates. So given the fact that has also kind of done well, where predominantly retain a large part of the risk on the net. So hence, short answer, no material change to the thought process in terms of core reinsurance philosophy. The outcome on the net premium to gross premium is purely a function of the change in the business mix that one has seen between quarters.

**Moderator:** Thank you. Our next question comes from the line of Madhukar Ladha from Nuvama Wealth Management. Please go ahead.

**Madhukar Ladha:** Hi. So a couple of questions on my side. First, if I look at the commission ratio that's inched up significantly in Q2, so probably more product mix and is it also because of longer-term products that we are writing, is it because of that? Second, on Motor OD, we see an inch up in the loss ratio and very high competitive intensity, and we are losing sort of market share also in that line of business. So with the GST cut, what would you expect from here? Should we expect sort of the competitive intensity to come down and some market



share recovery happening out there? And why are our loss ratios going up despite we being sort of more conservative in this line of business?

**Gopal Balachandran:** So Madhukar, on the first part, again, as we keep saying, one is what you rightly answered and what I kind of talked about, there is always an element of change in the business mix in terms of what you look at in quarter two versus, let's say, quarter one or even for the matter of fact, when you look at a comparable quarter last year. But the larger way that we have always looked at is in the context of the overall expense of management, which as a Company, as we keep saying, is something that we are very conscious of and even if you look at it for on a half yearly basis, our expense of management numbers are well within the limits of the 30% threshold that one has put out. So hence in that context, we are pretty much on course in terms of what we want to achieve. Again, at the end of the day, commission ratios, whichever way you look at it, will also be a function of what mix of business do you end up underwriting more in terms of the new vs renewal business underwritten. In the context of Retail Health which we spoke about, the same is doing well in terms of the overall loss experience, a large part of the book that we have sourced also comes in the context of a new growth and that would entail some amount of cost of sourcing. So a lot of factors. But if you ask us, what we are quite comfortable with is the fact that we stay within the 30% limit on overall expense of management.

**Madhukar Ladha:** Sorry, is there any impact of GST, ITC in order to meet this?

**Gopal Balachandran:** Which is what I called out. At least so far as quarter two is concerned, which is why I kind of also responded to Prayesh's question. At this point of time, honestly, the commission ratio does not have any significant impact, at least so far as the essential material impact of GST is concerned. To the second point on the Motor Own Damage loss ratios, I think this is something that I keep talking about every quarter, for we should keep looking at one is, of course, is quarter to quarter a right comparison, honestly, as we keep saying, there are various factors or nuances that go into the loss ratio numbers. Secondly, as we have always mentioned in the past, the better way to look at is more in terms of Motor as a category and that to more on ideally on a year to date basis. If you recollect, just to refresh, the overall Motor loss ratio range that we have spoken about to the streets have been in the range of 65%-67%. Even if you look at the first half numbers for overall motor, the overall loss ratio stands at, if I remember the numbers correctly, it is about 66.6%. So it is well within that range of 65%-67% in terms of what we want to operate. Hence, but yes, between periods, there can always be, let's say, some bit of volatility to the overall loss numbers. But honestly, what we are again, comfortable with is within the range that one is operating at.

**Sanjeev Mantri:** Also Madhukar, just to add to this for you and everybody else who are on the call is also the configuration of business. If you see relatively, if the new business is on the higher side, the loss ratios do tend to get lower while the old one, the loss ratios are high. So there is a mix that comes in and you know that the growth, if we leave aside what happened prior to September

22<sup>nd</sup>, was very muted. So we were seeing a lot more growth coming from the old vehicle where loss ratio can be a bit more elevated. So that element also gets played out and there is also quarter two, wherein little bit of CAT part that comes in to play which makes the loss ratios look elevated. So there is a combination which we don't see any challenge, as we continue to maintain our discipline. Also we are excited about the fact that the industry may probably see record numbers in the coming quarter.

**Moderator:** Thank you. Our next question comes from the line of Sanket Godha from Avendus Spark. Please go ahead.

**Sanket Godha:** Thank you for the opportunity. Gopal, given GST cut IDV will come down, so is it fair to assume that your Motor OD loss ratios invariably will go up because of the vehicle GST cuts. And do you think the ROE depletion which could happen because of the higher loss ratios in Motor OD, can it be more than compensated or at least compensated by the extra float either in the form of advanced premium or the premium you will collect because of the new sales? Will it be good enough to see the positive rub-off on profitability? Also related to that, on TP side, given GST on CV has been reduced and you have input credit benefit, so indirectly it is kind of a price hike to you guys. So just wondering that given we were never such a strong player in CV segment, given we are seeing a bit of uptake in CV segment in 2nd quarter compared to 1Q, whether you will change a bit of strategy on CV going ahead or not. So that is largely the question I have on Motor piece?

**Gopal Balachandran:** Yes, I think possibly Sanket, you have actually answered what you wanted to ask. So therefore, to that extent, pretty much what you kind of asked. One, on the Motor Own Damage side, again, let us look at it in the context of what is happening on ground. There seems to be clearly a lot of festive cheer. There clearly is an element of pent-up demand and therefore pretty much similar to what I spoke in the context of Health. This is there to witness in terms of the data that was released by FADA, which is what we kind of put out as a part of the opening transcript. Clearly, there seems to be renewed momentum on ground in terms of increased volume of vehicle sales. That is an area from an ICICI Lombard standpoint where we clearly have an edge. That is the reason why we are specifically also called out to say that relative to what one had experienced in the first 5 months, when you particularly look at the month of September, we have been able to kind of get back a lot of our lost momentum. And hence, to that extent, we believe we are positively placed in so far as the opportunity for the future is concerned. On the impact on the possible reduction, of course, as we have again articulated as a responsible institution, we will obviously make sure that whatever is required to be passed on to the consumers in the form of the reform that has been entailed pretty much on course to make sure that all of those things will be passed on and that is what we have done. Also of course, as you rightly said, there are those various factors, depending on what volumes or what type of vehicles our customers are wanting to buy which will be a factor to determine how some part of the impact will get played out. Our own efficiencies that we can bring about in the context of the business mix that we write will

also be an element that will kind of to some extent take care of some of the possible impact that one would see on the book, assuming we don't do anything on the drop in the value of the vehicle. Thirdly it is obviously, again, a function of the claim efficiencies. As an organization, again, we have time and again spoken about the various claim intervention initiatives that we have kind of worked on. So all of this, which is why we called out even at the time when these announcements were made, we had said that all said and done, from an ICICI Lombard standpoint, we should be able to kind of take some of these impacts within the overall scale of operations. The key thing to look out for will be how things play out over the next couple of quarters, which is where we are kind of very positive and optimistic in terms of how do we see things playing out on ground. On the impact side, we think this is something that we should be able to kind of manage within the overall scale of operations.

**Sanket Godha:** Got it, Gopal. And lastly, on data keeping, with reinsurance accepted business ₹ 462 crores what we did in current quarter or even a much bigger number in first half, it is largely related to which line of business and this number will continue even in second half?

**Gopal Balachandran:** So again, Sanket, this question does keep coming to us at different time points. What we have clearly maintained is pretty much similar to what we have kind of talked about in the context of Crop. These are opportunistic calls that we take purely from an underwriting standpoint. Whatever fits within our underwriting acceptances criteria is what we end up writing, whether it is for direct or even for the matter of fact as

reinsurance acceptances. But each of this, even if you look at it on a full year basis, for example, last year, our overall proportion of reinsurance acceptances to the total volume of gross premium that we would have underwritten as a Company has been clearly a single digit number. So when you start looking at some of these numbers, particularly vis-à-vis a quarter, there can always be aberrations when you start looking at it in the context of percentages. But if you ask us from a thought process or lets say, from a philosophy standpoint, purely guided by the underwriting filters that we kind of put in terms of risk acceptance, and do we expect each of these to suddenly become a very large proportion of our overall gross premium, the short answer is no. It will be well within the defined limit that we have as an institution.

**Sanket Godha:** Got it, Gopal. Thanks for the answers.

**Gopal Balachandran:** Thanks, Sanket.

**Moderator:** Thank you. Our next question comes from the line of Nidhesh from Investec. Please go ahead.

**Nidhesh:** Thanks for the opportunity. My question is on Retail Health insurance. So can you share loss ratios in the Retail Health insurance and Group Health insurance for the quarter? And second is, what is the share of agency and non-agency channel in the Retail Health insurance? I am trying to understand how we have been able to show pretty strong growth in Retail Health insurance over the last one year?

**Gopal Balachandran:** I was just waiting for this question to be asked in the context of the split between loss ratios on Retail Indemnity and let us

say the Corporate Health. So I will just first give the numbers for quarter two last year and first, I will give the Group Health or let us say, the Employer-Employee Health numbers. Q2 last year, Employer-Employee or Group Health numbers was 98% on the loss ratio. This number for quarter two of the current year stands at about 93.7%. And on a half yearly basis, again Employer-Employee loss ratio H1 last year, that number was 98%. This number for H1 of the current year is at 94.6%. That is Employer-Employee Health. On Retail Indemnity, again in the same order, quarter two last year, the loss ratio was 70.3% and H1 of last year was 71.4%. And if you look at quarter two of the current year, the loss ratio on Retail Indemnity stands at 65.4%. And on a half yearly basis, it stands at about 69.7%. Now, just to kind of again refresh, on the Retail Indemnity book, pretty much similar to what I spoke about on overall Motor, where to the streets we have been generally talking about a loss ratio range that we are comfortable at 65%-67%. Even on Retail Health Indemnity, the range that we have been speaking about is to maintain the loss ratio in the range of 65%-70%. And if you see on a half yearly basis, on the Retail Health Indemnity book, the loss ratio is within that range of 65%-70%. So that is where we are in terms of the split of the loss ratio numbers. On the split of the business between agency and other than agency, generally the proportion of the book that we do through agency is about two-thirds roughly and the rest of the book will be the balance one-third.

**Nidhesh:** And both channels are growing at a similar pace?

**Sanjeev Mantri:** Agency has been relatively faster at this point of time. But it is, both of them are in very relatively high zone because the

overall growth itself of the book is in the 50s range if you look at n basis. So there is a significant traction that we see and we are excited about both the opportunities whether agency or non-agency.

**Nidhesh:** Sure. Thank you. That is it from my side.

**Gopal Balachandran:** Thanks, Nidhesh.

**Moderator:** Thank you. Our next question comes from the line of Avinash Singh from Emkay Global. Please go ahead.

**Avinash Singh:** Hi. Good evening. Thanks for the opportunity. Two questions. First, can you please sort of provide some color on your market share in Motor in terms of new and renewal? I am asking because if I understand correctly, your pricing is reasonably higher than aggressive competitors and you have a kind of a strong acceptance at the dealer points. So in that context, I wanted to understand if there is wide divergence in market share in the new or vis-à-vis renewal market in Motor? That is one. Second, now with this GST thing in action, in terms of growth driver at the industry level, do you think industry at the aggregate level going to return to a strong growth phase probably in the next year or so? Because in the recent year, Motor vehicle sales have been one kind of a pinpoint, then you also had some of these schemes fading out, of course, does not matter for you much, but like the Crop insurance and all that have been seeing a bit of a decline. So at the aggregate level, what could we do in terms of the value terms premium driver for the industry, probably in FY2027? Thanks.



**Gopal Balachandran:** So Avinash, honestly, what we can talk about is more at an aggregate level in terms of Motor as a category. In terms of market share, which is there, if you look at the first half of last year, we had a market share of roughly about 10.9% and if you look at the first half of the current year, we have a market share of roughly about 10.4%. This is both half year to half year. Within that, we keep kind of toggling between new and renewal. So honestly, I think it's too difficult to kind of call out specifically what could be the market share, because that could keep changing depending on what kind of a mix of the portfolio that one wants to kind of underwrite. So that is the reason why we are not specifically calling out in terms of what would be market share between new and what would be market share between the renewal book. To your second point on do we expect the demand on ground to sustain even for the next year? Honestly, we will obviously play through the quarters in terms of how one sees demand playing out, which is what we called out even on the opening transcript. The good part is, the pace of reform that has been exhibited across the various regulatory authorities, has clearly set the tone on ground. And that is also kind of reflective in terms of the outcomes that one has seen in the initial few days of, let say, the quarter ended September. And the good news is, I think I am sure all of you are equally tracking in terms of what is happening on ground, particularly with respect to the volume of vehicle sales that is playing out. At the initial indications, even if one was to see in the months of October, I think the demand definitely is kind of continuing. And therefore, there is a clear expectation with some of these action/reforms that has been exhibited, as I said, across the various regulatory authorities, looks to be very kind

of conducive for the momentum to sustain over the next few quarters. But honestly, we will keep coming back to all of you in terms of what do we see on ground across various quarters. But at least clearly, as what one said, the tone that has been set clearly looks quite promising when you look at the road ahead and Sanjeev in case you would like to add something.

**Sanjeev Mantri:** No, absolutely right. Even if you look at in a bit of, you get to the second layer of number, the total incremental accretion in Motor has been on ₹ 3,300 crore. And you see the distribution of that pie, you realize that one PSU itself has picked up more than ₹ 1,000 crore. So it has been a very skewed one where things have moved not in a distributed manner and whenever something like this is there, we will have to be very picky. We still continue to be number one player as far as Motor category is concerned. We do acknowledge the fact that the loss of half a percent is more tactical where we do believe if it is not making sense, we will let it pass. But we also are aware that no one can keep doing something like this over sustained quarter/s after quarter/s. So we need to be patient. And just to add on to the fact, clearly, yes, new is our strength that we do see tremendous tailwind and we spoke about it very categorically. Will that lead to Motor industry per se showing a better growth? The belief and the answer is clearly we do believe so, but it has to pan out on a more consistent basis. The only element that we want to adjust at this point of time is there was a pent-up demand, which also was there because post August 15, there wasn't much happening in the market. Our maths says even adjusted to that, the excitement in the market is very high and we will stay connected. I am sure those

numbers which you all are very well aware of, but we see a significant opportunity in quarter three and probably even H2 of this financial year. And this should augur well for the industry, even for next financial year if that is what your question is.

**Avinash Singh:** Thanks. And Any view on Motor TP tariffs?

**Sanjeev Mantri:** Well, your guess will be as good as ours. We keep hearing that something is on the anvil and the industry's demand per se on seeing some bit of a hike or adjustment or realignment of Motor TP is there in every single forum. And we do expect and believe that we will hear a positive news on that sooner than later.

**Avinash Singh:** Thank you. Thank you very much.

**Gopal Balachandran:** Thanks, Avinash.

**Moderator:** Thank you. Our next question comes from Shreya Shivani from Nomura. Please go ahead.

**Shreya Shivani:** Yes, hi. Thank you for the opportunity. I just have one question. This is on the Commercial segment. I mean..there have been many media articles, whether it be Fire, Marine, Crop, there is increased competition in the segment. Now, I understand that you guys are still growing quite well. However, if I look at your underwriting profit in the Fire book, 1H over 1H, it is down. The underwriting profit in the Miscellaneous Corporate book, it has turned loss making in this 1H versus previous 1H. So is it fair to assess that there has been some impact on our book because of the competition or the price war that is going on in the

segment in spite of the growth that we have been delivering?  
That is the only question I have?

**Gopal Balachandran:** So Shreya, I think again particularly on Commercial lines, the portfolio inherently is subject to an element of volatility when you look at it purely from an absolute underwriting outcome. The reason why we are saying this is, increasingly you are getting to experience a lot many more catastrophic events play out or as a matter of fact, even if you possibly experience any large risk event, then to that extent, you may possibly see the outcome of the underwriting book kind of reflecting an outcome which for a particular given period could be adverse compared to any other relative reference quarters. But having said that, I think from our standpoint, which is what we have been talking through, consistently our approach or thought process to writing risk has been to kind of keep looking for prudent/profitable risk selection portfolio. That is not just across Commercial lines, even across other lines of businesses. That is the reason why I think at an aggregate level, in the initial few months, we actually have been kind of losing again some market. But the good news is again, things seem to be kind of looking up quite positively for us when you see the month of September. Hence, to that extent, we continue to stay looking for profitable risk selection opportunities. Outcomes or underwriting, whether you take Fire, whether you take Miscellaneous Corporate, or for the matter of fact, anything from an absolute basis will be purely a reflection of some of the loss events that could have got played out in that particular quarter. The real reflection is, as what we keep saying, on the overall Commercial lines book, that is a book that has

inherently generated us good cash flows. It has also enabled us to kind of generate better ROE. And overall, the book that we have been writing has seen decent Combined ratio outcome. So that is something from a philosophy standpoint that we stand committed. But as I said, in a given quarter or so from an absolute outcome will be purely a function of some of the loss events.

**Shreya Shivani:** So ideally, what time period should I look if I want to understand the Fire performance?

**Sanjeev Mantri:** So Shreya, time period, I think submission of quarters, which is there in the past 3 years or so, if you look at where the average is, can give you a very decent indication in terms of where the loss ratio resides. A quarter-to-quarter movement, as Gopal explained, can be very dangerous to take a call. The long and short, which we can put across very confidently is there was a CAT event, there was one or two large losses, which is kind of reflected, but it can play out over a couple of quarters, and you will see moderation in the loss ratio overall in time to come. But the best way to look at it is digging the past and seeing submission. If you look at last 10 quarters, 12 quarters, how does the loss ratio move, you will get a very clear indication that this is what broadly the range is. In our mind, this is absolutely nothing. In fact, I can share with you that the rate, which is there on the risk basis, we realized more than 20% than what we used to. And I would also put across the fact that this was a lower base. Last year, if you see the commentary that we had on Fire, the industry was not pricing it appropriately. Some bit of semblance has come and that has helped each of the industry players, including ourselves, but

what we tried is not on the incremental risk, but the selection of risk that we want to ride. And that is what can be a big differentiator over submission of quarters.

**Shreya Shivani:** Got it. This is very useful. Thank you and all the best.

**Gopal Balachandran:** Thanks, Shreya.

**Moderator:** Thank you. Our next question comes from the line of Neeraj Toshniwal from UBS Securities. Please go ahead.

**Neeraj Toshniwal:** Hi, everyone. I think a lot of debate has already happened on this. But still, to get more sense on how should one think about second half in terms of growth and Combined both, any color will be more helpful because definitely 9 days have been positive. But to get a sense, because it will be obvious also in terms of  $1/n$  impact, which started from last 1st October, which will also be a positive thing to support growth. How should one think about growth and then obviously in terms of underwriting profits and then overall profits?

**Gopal Balachandran:** Thanks, Neeraj. Finally, hopefully from next quarter onwards, we don't have to really kind of talk about this  $n$  and  $1/n$ . Therefore, to that extent, All of us, there will be one set of numbers that we will kind of start looking at it collectively. But having said that, if you look at the narrative that we have largely spoken Neeraj, to all of you is that on ground, which is what we kind of have been calling out. We are very excited and pleased with how some of the regulatory actions are getting translated in terms of reforms on ground. And hence, to that extent, from an ICICI Lombard standpoint, we are very well poised to capitalize this opportunity of growth across streams

of businesses. So hence, to that extent, possibly the extent of market share loss that one had seen, particularly over the last couple of few quarters, one definitely expects that particular trend line to start getting reversed. And hence, to that extent, in line with what we have been saying, we should logically start getting incremental market share vis-à-vis the industry overall growth numbers. That is more from an overall growth standpoint. But when it comes to more Combined ratio/ ROEs, both Sanjeev and all of us, in general, what we have been talking about is to try and sustain that ROE in that range of 18%-20%. And even if you look at it, whether you look at quarter two or even for the matter of fact, if you look at half year, we have largely been able to kind of stay around the range of 18%-20% from an ROE standpoint. And therefore, even as we head into the second half, we will be extremely mindful of making sure that we are able to sustain this. But all of this, we will obviously keep a very close watch in terms of how the industry is also kind of declaring their numbers. We do understand that some companies have started declaring results for quarter two and we will see the directional trend on how it plays out from our standpoint. Sanjeev, if you want to add anything.

**Sanjeev Mantri:** No. I think you have spoken and this is well spoken. I think nothing more to add to this.

**Neeraj Toshniwal:** Got it. And just one bookkeeping, what is the yield right now and the duration of the book and the long-term portfolio now versus last year?

**Gopal Balachandran:** So the duration of the book is about 4.74 years and yield on the book, YTM is about 7.39%.

**Neeraj Toshniwal:** And on the long-term portfolio, if we have that data handy?

**Gopal Balachandran:** Long-term portfolio, are you referring in the context of on the business side?

**Neeraj Toshniwal:** Yes.

**Gopal Balachandran:** So on N to 1/N, that is the number that we have called out separately, Neeraj, in our investor deck. If you look at the total long-term premium that could have got recognized as premium on a half yearly basis is roughly about ₹ 6.2 billion. And for the quarter, that number stands at roughly about ₹ 3.6 billion.

**Neeraj Toshniwal:** Thank you.

**Gopal Balachandran:** Thanks, Neeraj. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, we will take this as the last question for today. I now hand the conference over to the management for closing comments.

**Sanjeev Mantri:** Thank you so much for joining in. We run into festivities going forward. So we would wish each one of you and your family members a great, safe, Happy Diwali. These are exciting times for us as an industry. While there are some questions in terms of how it will evolve, we truly believe that directionally H2 would see far more tailwinds. We will stay connected. We look forward to meeting with each one of you as and when you are back with your respective holidays. Have a great time with your families and be safe, be happy. Thank you so much.



**Gopal Balachandran:** Thank you.

**Moderator:** Thank you. On behalf of ICICI Lombard General Insurance Company Limited, that concludes this conference. Thank you all for joining us and you may now disconnect your lines.

**Safe Harbor:** Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will' , 'would' , 'indicating' , 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion in business, the impact of any acquisitions, technological implementation and changes, the actual growth in demand for insurance products and services, investment income, cash flow projections, our exposure to market risks, policies and actions of regulatory authorities; impact of competition; the impact of changes in capital, solvency or accounting standards, tax and other legislations and regulations in the jurisdictions as well as other risks detailed in the reports filed by ICICI Bank Limited, our holding company with the United States Securities and Exchange Commission. ICICI Bank and we undertake no obligation to update forward-looking statements to reflect events or circumstances after the date there.