

INDIAN NON-LIFE INSURANCE INDUSTRY
YEARBOOK
2012-13



General Insurance Council

Industry Association of General Insurance Companies

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Message from the Chairman, IRDA

The insurance industry has transformed considerably since the establishment of Insurance Regulatory and Development Authority (IRDA) in 1999. Post the opening up of insurance industry for private participation; the Non-life insurance industry has witnessed steady growth in the number of insurers. Today the Non-life insurance industry in India comprises 27 Insurance companies and one Reinsurer (4 Public Sector General Insurance companies, 17 Private Sector General Insurance companies, 4 Standalone Health Insurance companies and 2 specialized Public Sector companies and an Indian Reinsurer).

Between FY02 and FY13, the Non-life insurance industry has seen a CAGR of 17.4%. As of FY13, the Gross Direct Premium for the Non-life insurance industry exceeded ₹ 69,000 Crores. Along with the growth in the number of insurers, the industry has also seen a deepening of products, distribution and service architecture over the past decade. As of FY13 end, there are more than 8,000 offices of general insurance companies, which are engaged in distribution of Insurance products.

In terms of intermediaries, currently more than 5 Lakh Individual Agents, 50 plus Corporate Agents and more than 330 Brokers operate in the market. Web aggregators have also been licensed to operate in the past few years. Equally encouraging has been the development of the service network of surveyors and loss assessors, motor repair garages, hospitals and nursing homes for assisting the policy holders in the event of a claim. Currently, more than 20,000 hospitals and 7,000 garages are empanelled with insurance companies for claims servicing. The 14 Third Party Administrators and in-house customer service departments at insurance companies play a key role in expanding the service network and ensuring delivery of quality service to customers.

Despite all these efforts, the penetration levels of non-life insurance are still very low. The Non-life insurance industry is required to grow in a customer-focused manner. In this context, the General Insurance Council has been engaged in pursuing its core function of aiding and assisting its Member companies in setting up standards of Conduct and Sound practice in the matter of rendering efficient service to holders of policies of Non-life insurance. The General Insurance Council has been providing active leadership and a collective voice for the non-life insurance industry in India.

One of the recent General Insurance Council – IRDA joint initiative has been the launch of “**Kar lo Insurance – Kar lo Rewind**” a pan-India insurance awareness campaign through advertisements in TV, Radio and Print media to propagate the essence of insurance i.e. to restore the unfortunate insured to the same position before the accident/calamity/disaster. The first phase of the campaign has been well received and the second phase is due to be launched during the ensuing festive season.

The General Insurance Council is in the process of implementing a pilot project of Highway Emergency Relief and Accident mitigation including ambulance services to ferry highway accident victims to hospitals within the neighbourhood. The pilot project has proposed to provide gadgets/equipment/vehicles to police in the state of Andhra Pradesh to identify and prevent potential highway accident situations / behaviour of users of the highway.

The launch of the General Insurance Council's Yearbook is yet another initiative well timed to present the facts about the industry to all stakeholders. I find that a special section has been devoted to analysing the state-wise spread and depth of insurance, with a view to aid various industry stakeholders in pursuing growth in business in an inclusive manner.

I wish the Non-life insurance companies all success in their efforts and congratulate the Council for yet another initiative in the cause of the Non-life insurance industry.

T.S. Vijayan
Chairman, IRDA



Message from the Chairman, General Insurance Council

The General Insurance Council ('Council') represents the interests of its Member companies. The Council endeavours to add value to Members by facilitating industry discussions and meetings, technical services and analytics.

Given the nature of General Insurance as a data intensive discipline, an imperative need for presenting the authentic data in a user friendly manner has been felt for some time. Towards fulfilling this need, the Council has put together a Year Book. Data has been taken from Member companies and other authentic sources.

The Indian Non-Life Insurance Industry Year Book 2012-13 ('Year Book') is the maiden effort of the Council. The Year Book is intended to be positioned as a guide, a chronicler of key economic and industry facts, year on year. The Year Book further intends to bring out long term patterns and trends on key industry parameters. The Year Book is also aimed at presenting a full and fair state of the Industry business performance and its contribution to the society and economy.

A few contributory articles on major segments with high business potential, such as Motor, Health as well as Liability have been included. We thank the contributors for sharing their views. This feature would continue to highlight topical issues in future volumes of the Yearbook.

We would like to get feedback on the 'Year Book' from every stakeholder. Each and every suggestion, comment, review or criticism will surely help the 'Year Book' to evolve into an authentic source of information of the Indian non-life insurance industry. The Yearbook will continue to improve based on final data and up to date data provided by member companies.

On behalf of the Council, I would thank all the Member companies and their nominated representatives on the Year Book Committee for their suggestions in the formative stages of the Year Book and for providing relevant data. I would like to make special mention of the efforts put in by the Core Research Team headed by Secretary General of the Council as well as the excellent support by Mr. Gaurav Kohli and his team in the design, lay out and printing of this maiden Year Book.

M. Ramaprasad
Chairman, General Insurance Council



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INSURANCE
COMPANIES

01
REINSURER

The Indian Non-Life Insurance Industry



List of Members of the Executive Committee of the General Insurance Council

Sr. No.	Company Name	Address & Contact	Chief Executive	Website
REINSURER				
01	General Insurance Corporation of India	Suraksha, 170, J. Tata Road, Churchgate, MUMBAI 400 020. Tel.No.: 022-2283 4372 / 2285 2041 Fax:022-2288 4010	Shri A.K.Roy Chairman-cum-Managing Director	www.gicofindia.com
NON-LIFE INSURERS				
02	Agriculture Insurance Company of India Ltd.	13th Floor, Ambadeep Building 14, Kasturba Gandhi Marg, Connaught Place, NEW DELHI 110 001. Tel.No.: 011-4686 9822 (D) / 9812 / 9800 Fax: 011-4686 9813	Shri P J Joseph Chairman-cum-Managing Director	www.aicofindia.com
03	Apollo Munich Health Insurance Co. Ltd.	10th Floor, Tower-B, Bldg.No.10, DLF Cyber City, DLF City Phase II, GURGAON 122 002. Tel.No.: 0124-4584101 / 4548333 Fax No.: 0124-4584111	Shri Antony Jacob Chief Executive Officer	www.apollomunichinsurance.com
04	Bajaj Allianz General Insurance Co. Ltd.	GE Plaza, 1st Floor Airport Road, Yerawada, PUNE 411 006. Tel. No. Office: +91 20 66026615 Fax: 020-3051 2300	Shri Tapan Singhel Managing Director & Chief Executive Officer	www.bajajallianz.com
05	Bharti AXA General Insurance Co. Ltd.	1st Floor, The Ferns Icon Survey No.28, Next to Akme Ballet Doddanekundi Off Outer Ring Road, BANGALORE 560 037. Tel.No.: 080-4026 0111 Fax : 080-4026 0101	Dr. Amarnath Ananthanarayanan Managing Director & Chief Executive Officer	www.bharti-axagi.co.in
06	Cholamandalam MS General Insurance Co. Ltd.	DARE HOUSE, 2nd Floor 234, NSC Bose Road, CHENNAI 600 001. Tel. No.: 044-4216 6012 (D) / 3044 5406 Fax: 044-4216 6014 / 4216 0301	Shri S.S. Gopalarathnam Managing Director & Chief Executive Officer	www.cholainsurance.com
07	Export Credit Guarantee Corporation of India Ltd.	Express Towers, 10th Floor Nariman Point, MUMBAI 400 021. Tel. No.: 022-6659 0511 Fax: 022-6659 0517	Shri N.Shankar Chairman-cum-Managing Director	www.ecgc.in
08	Future Generali India Insurance Co.Ltd.	India Bulls Finance Centre,Tower 3, 6th Floor, Senapati Bapat Marg, Elphinstone Road (West), MUMBAI 400 013. Tel.No.: 022-4097 6901 (D) Fax: 022-4097 6667.	Shri K.G. Krishnamoorthy Rao Managing Director & Chief Executive Officer	www.futuregenerali.in
09	HDFC ERGO General Insce. Co. Ltd.	1st floor, 165-166 Backbay Reclamation, H.T. Parekh Marg, Churchgate, Mumbai 400 020. Tel. No.: 022-6638 3666 (D) / 3600 (B) Fax: 022-6658 3700 (D) / 66383699 (B)	Shri Ritesh Kumar Managing Director & Chief Executive Officer	www.hdfcergo.com
10	ICICI Lombard General Insurance Co.Ltd.	414, Veer Savarkar Marg, Near Siddhi Vinayak Temple, Prabhadevi, MUMBAI 400 025 Tel. No.: 022-6196 1112 / 6196 1100 Fax : 022-6196 1110	Shri Bhargav Dasgupta Managing Director & Chief Executive Officer	www.icicilombard.com
11	IFFCO-TOKIO General Insurance Co.Ltd.	4th & 5th Floors, IFFCO Tower Plot No 3, Sector 29, GURGAON 122001(Haryana) Tel.No.: 0124-2577900 (D) 2850100 Fax: 0124-2577955, 2577923, 924	Shri Yogesh Lohiya Managing Director & Chief Executive Officer	www.iffcotokio.co.in
12	L&T General Insurance Co. Ltd.	6th Floor, City 2, Plot No. 177, C.S.T. Road, Kalina, Santa Cruz (East), MUMBAI 400 098. Tel.No. +91-22-61230001 Fax: +91-22-61230145	Shri. Joydeep Roy Wholtime Director & Chief Executive Officer	www.ltinsurance.com
13	Liberty Videocon General Insurance Co.Ltd	10th Floor, Tower A, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, MUMBAI 400 013. Tel.No.: 6700 1313 Fax: 6700 1606	Shri Roopam Asthana Chief Executive Officer & Director	www.libertyvideocon.com
14	Magma HDI General Insurance Co. Ltd.	Magma House, 24, Park Street, KOLKATA 700 016. Tel.No.: 033-4401 7409 / 200 / 350 Fax:- 033 44017471	Shri Swaraj Krishnan Managing Director & Chief Executive Officer	www.magma.co.in
15	Max Bupa Health Insurance Co.Ltd.	2nd Floor, Salcon Rasvillas D-1, District Center, Saket, NEW DELHI 110 017 Tel.No.: 011-3090 2000 Fax: 011-3090 2010	Shri Manasije Mishra Chief Executive Officer	www.maxbupa.com
16	National Insurance Company Ltd.	3, Middleton Street P.B. No.: 9229, KOLKATA 700 071. Tel.No.: 033-2283 1704 / 15 Fax: 033-2283 1712	Shri N.S.R. Chandraprasad Chairman-cum-Managing Director	www.nationalinsuranceindia.com
17	Raheja QBE General Insurance Co. Ltd.	Windsor House, 5th floor, CST Road, Kalina Santacruz(E), Mumbai - 400 098 Tel.No: 022-4231 3600 (D) / 4231 3888 Fax : 022-4231 3777	Shri Praveen Gupta Managing Director & Chief Executive Officer	www.rahejaqbe.com
18	Reliance General Insurance Co. Ltd.	1st Floor, 570 Rectifier House Naigaum Cross Road, Next to Royal Ind. Estate,Wadala, MUMBAI 400 031 Tel.No.: 022-3047 9602 / 79604 / 3047 9600 (B) Fax: 022-3047 9650	Shri Rakesh Jain Executive Director & Chief Executive Officer	www.reliancegeneral.co.in
19	Religare Health Insurance Co. Ltd.	D-3, District Centre, Saket, NEW DELHI -110017. Tel.No.: 011-3911 1188 / 1111 Fax : 011-3911 1194	Shri Anuj Gulati Managing Director & Chief Executive Officer	www.religare.com
20	Royal Sundaram Alliance Insurance Co. Ltd.	"Sundaram Towers" 45 & 46, Whites Road, Royapetah CHENNAI 600 014 Tel. No.: 044-2851 7394, 2851 7387 Fax: 044-2851 0596	Shri Ajay Bimbhet Managing Director & Chief Executive Officer	www.royalsundaram.in
21	SBI General Insurance Co. Ltd.	Natraj, 1st, 2nd & 3rd floor, Junction of Western Express Highway & Andheri-Kurla Road, Andheri(E), Mumbai - 400 099. Tel.No. 42412100 (D)42412106 Fax: 42412101/2071/2075	Shri Bhaskar Jyoti Sarma Managing Director & Chief Executive Officer	www.sbigeneral.in
22	Shriram General Insurance Co. Ltd.	E-8, Ricco Industrial Area, Sitapura, Jaipur 302 022 (Rajasthan) Tel.No.: 0141-3928443 (D) / 0141-3220898 / 9/ 10 Fax : 0141 - 2770693	Shri Jasmit S. Gujral Managing Director & Chief Executive Officer	www.shriramgi.com
23	Star Health & Allied Insurance Co. Ltd.	1, New Tank Street, Valluvar Kottam High Road Nungambakkam CHENNAI 600 034 Tel.No.: 044-2828 8802 (D) Telefax: 044-2826 0062 / Fax:044-2828 8888	Shri V. Jagannathan Chairman-cum-Managing Director	www.starhealth.in
24	Tata AIG General Insurance Co. Ltd.	15th Floor, Tower- A, Peninsula Corporate Park, Senapati Bapat Marg Lower Parel, MUMBAI - 400 013 Tel. No.: 022-6693 3701 (D) Fax : 022-6776 2270	Shri Kaushal K. Mishra Managing Director & Chief Executive Officer	www.tata-aig.com
25	The New India Assurance Co. Ltd.	New India Assurance Bldg., 87, M.G. Road, Fort, MUMBAI 400 001. Tel.No.: 022-2262 4987 (D) / 2270 8220 / 2270 8240 Fax: 022-2265 2811	Shri G. Srinivasan Chairman-cum-Managing Director	www.newindia.co.in
26	The Oriental Insurance Co. Ltd.	Oriental House, A-25/27, Asaf Ali Road, NEW DELHI 110 002. Tel. No.: 011-23265024, 23279221 Fax: 011-2326 3175	Dr. A.K. Saxena Chairman-cum-Managing Director	www.orientalinsurance.org.in
27	United India Insurance Co.Ltd.	24, Whites Road, CHENNAI 600 014. Tel.No.: 044-2852 5275 (D) / 2852 0958 Fax: 044-2852 5280	Shri Milind A. Kharat Chairman-cum-Managing Director	www.uiic.co.in
28	Universal Sampo General Insurance Co. Ltd.	401, 4th Floor, Sangam Complex, 127, Andheri Kurla Road, Andheri (East), Mumbai - 400 069. Tel: 022-29211800	Shri O.N. Singh Executive Chairman	www.universalsampo.com

Executive Summary

The Year Book has been organized in sections with a view to focus on a different aspect of Non-Life Insurance via each Section. There are Sections covering Macro-economic and Insurance Indicators, Statewise Penetration and Density, Industry Business Highlights, Segmentwise Business Highlights, Large Losses, Reinsurance and Customer Service. The Year Book includes data tables and information on offices of Non-Life insurance companies in the Annexures.

The Year Book has been developed with sources of data available within the Non-life insurance industry domain and those on the Economy available from Planning Commission. The Non-Life insurance data has been sourced via the IRDA Handbook of various years, Insurance Company Annual Reports and Public Disclosure data and data reported to the General Insurance Council.

Although the focus of analysis has been Industry performance in FY13, being the maiden Year Book, effort has been made to put the numbers in context by also reflecting long term trend for major industry performance parameters. Further, to highlight the current status of Non-Life Insurance distribution in the country, a detailed state-wise analysis has been incorporated as part of the Year Book. An attempt has been made to present geographical spread and depth of insurance in States and Union territories with literacy, demographic and economic data.

Comparison of key parameters between 2003-04 and 2012-13

The following parameters bring out the salient features on Non-Life Insurance industry over the last 10 years.

Macro-economic And Insurance Indicators

- Insurance Penetration % has increased from 0.62 to 0.73
- Insurance Density has increased from ₹ 158 to ₹ 571

Industry Growth And Capital Employed

- Gross Direct Premium Income (GDPI) has grown from ₹ 17,357 Crores to ₹ 69,070 Crores
- Capital Employed has increased from ₹ 13,371 Crores to ₹ 42,630 Crores while Investments have increased from ₹ 34,075 Crores to ₹ 127,782 Crores

Operational

- Number of Offices has increased from 4,573 to 8,031
- Number of Employees has grown from 77,028 to 99,143
- Number of Policies issued has increased from 4.77 Crores to 10.95 Crores

Class Mix

- Motor Insurance business accounts for the largest share at 46% of GDPI followed by Health Insurance business at 26% and Property Insurance business at 14%.

Service

- During the 4 year period ending 2012-13 Customer complaints decreased by 58% from 186,615 to 78,927.

Large Losses

- Approximately 95% of the number of Large Losses reported in the year 2012-13 did not exceed ₹ 5 Crores (100% Gross Loss) each in value.

PART 01

Indian Non-Life Insurance Industry Analysis (2012-13)

Section 1

Macro-economic and Insurance Indicators

Section 2

Statewise Penetration and Density

Section 3

Industry Business Highlights

Section 4

Segmentwise Business Highlights

Section 5

Large Losses

Section 6

Reinsurance

Section 7

Customer Service



01

Macro-economic and Insurance Indicators

- Indian Economy indicators ●
- Insurance Penetration ●
- Insurance Density ●

Macro-Economic Indicators

The last 10 years have witnessed expansion of Financial Services sector in India. Along with major Financial Services sectors such as Banking, Capital Markets, Life Insurance and Mutual Funds, the Indian Non-Life Insurance industry has evolved at a rapid pace. Reproduced below are a select few economic indicators having a bearing on the Insurance Industry.

Table 1.1 Indian Economy Indicators (10 Year Trend)

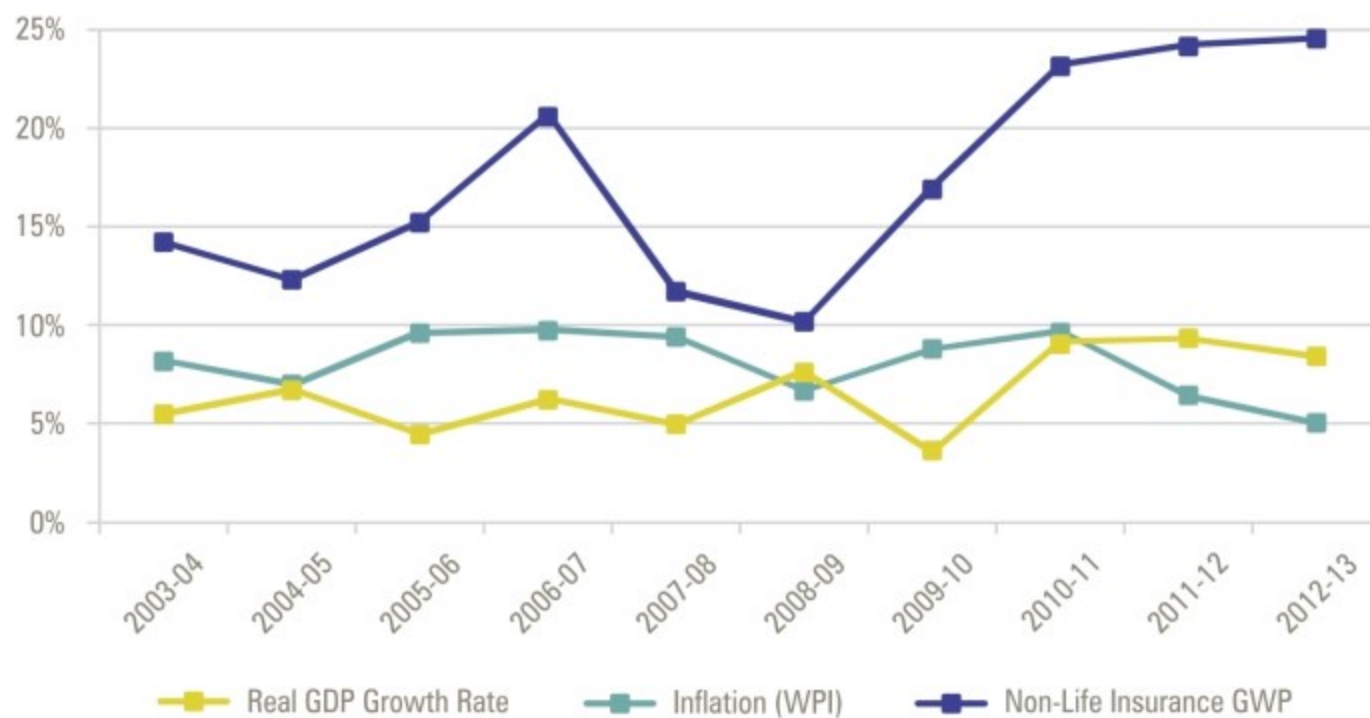
Indicators	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Real GDP at Factor cost 2004-05 (₹ in Crores)	27,77,813	29,71,464	32,53,073	35,64,364	38,96,636	41,58,676	45,16,071	49,37,006	52,43,582	55,03,476
Real GDP Growth Rate (%)	8.06	6.97	9.48	9.57	9.32	6.72	8.59	9.32	6.21	4.96
Overall Industrial growth (%)	7.32	9.81	9.72	12.17	9.67	4.44	9.16	9.16	3.49	3.12
Services growth (%)	8.06	8.13	10.91	10.06	10.27	9.98	10.50	9.75	8.20	6.59
Exports growth (%)	23.30	28.50	23.40	22.60	28.90	13.70	-3.50	40.40	20.90	-6.00
Imports growth (%)	24.10	48.60	32.10	21.40	35.10	19.80	-2.60	27.60	30.30	-4.00
Bank Credit Growth (%)	15.30	30.90	37.00	28.10	22.30	17.50	16.90	21.50	17.00	17.00
Bank Deposit Growth (%)	17.50	13.00	24.00	23.80	22.40	19.90	17.00	16.00	16.00	16.00
Gross Domestic Savings (% GDP)	29.10	32.41	33.44	34.60	36.82	32.02	33.69	34.02	30.81	31.80
Inflation (WPI) (%)	5.50	6.50	4.40	6.50	4.80	8.00	3.60	8.60	8.80	7.80
Average Exchange Rate (₹ /US\$)	45.00	44.30	45.20	40.20	46.00	47.40	45.60	48.10	54.00	54.50
Non-Life Insurance Industry GWP (₹ in Crores)	17,357	19,522	22,470	27,135	30,480	33,565	39,226	48,213	59,820	74,329
GWP Growth (%)	13.85	12.47	15.10	20.76	12.33	10.12	16.87	22.91	24.07	24.25

Source : Planning Commission Data Book as at 2nd May 2013, IRDA Handbook 2011-12 and IRDA Segmentwise data 2012-13

Real GDP CAGR

While the economy has registered a Compounded Annual Growth Rate (CAGR) of Real GDP Growth rate of 7.9% during the 10 year period from 2003-04 to 2012-13, the Non-Life Insurance Gross Written Premium (GWP) has grown at a CAGR of 17.2%.

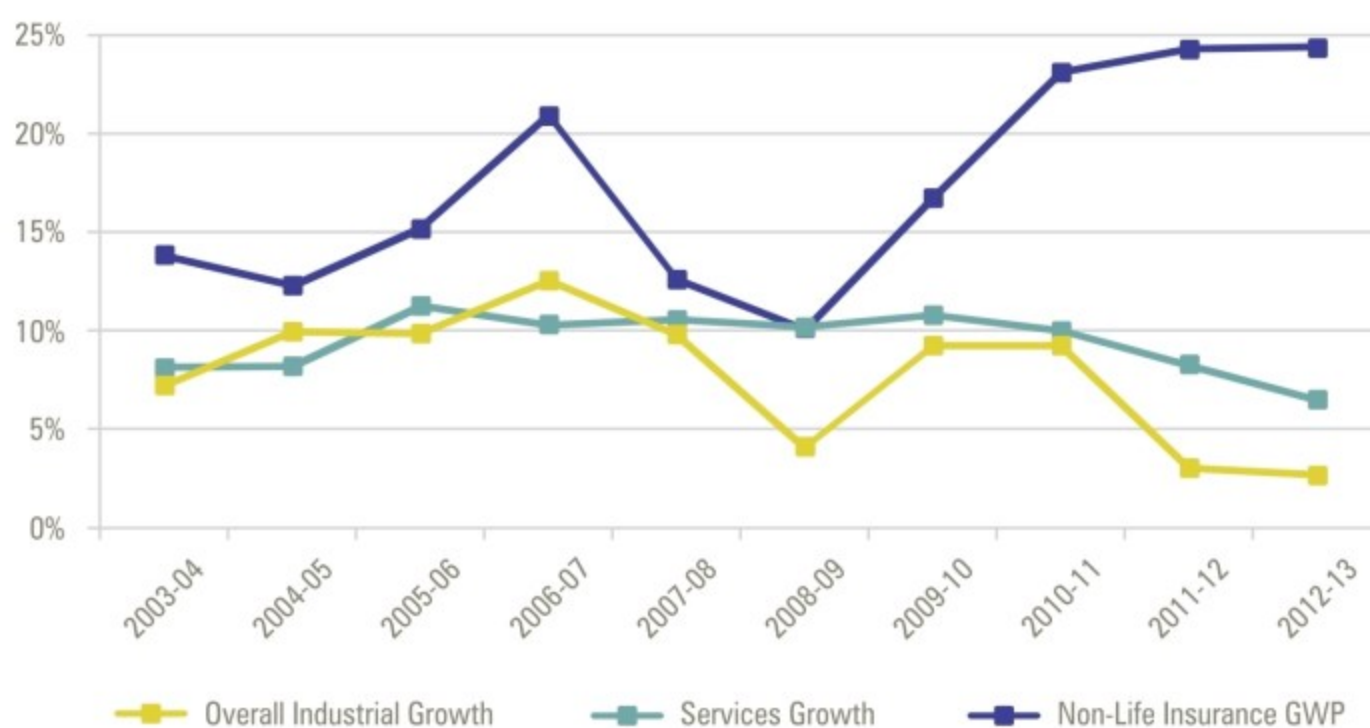
Chart 1.1 Non-Life Insurance Premium v/s GDP Growth



Source : Planning Commission Data Book as at 2nd May 2013, IRDA Handbook 2011-12 and IRDA Segmentwise data 2012-13

Non-Life Insurance Industry growth during the period 2003-04 to 2012-13 has been consistently outperforming the Indian Industry and Services Sectors growth.

Chart 1.2 Insurance v/s Overall Industrial And Services Growth



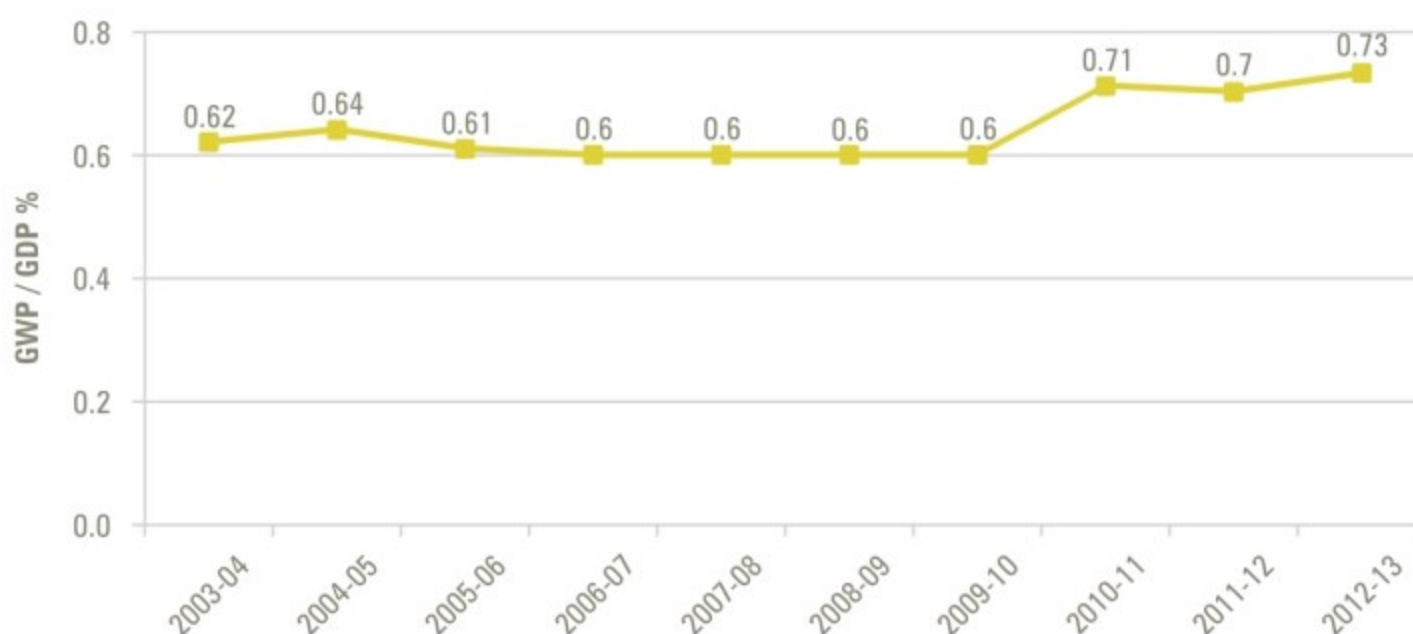
Source : Planning Commission Data Book as at 2nd May 2013, IRDA Handbook 2011-12 and IRDA Segmentwise data 2012-13

Insurance Indicators

Insurance Penetration

Insurance Penetration expressed as a percentage of GDP has moved up significantly from 2010-11 onwards from a near stagnant position of 0.60.

Chart 1.3 Insurance Penetration

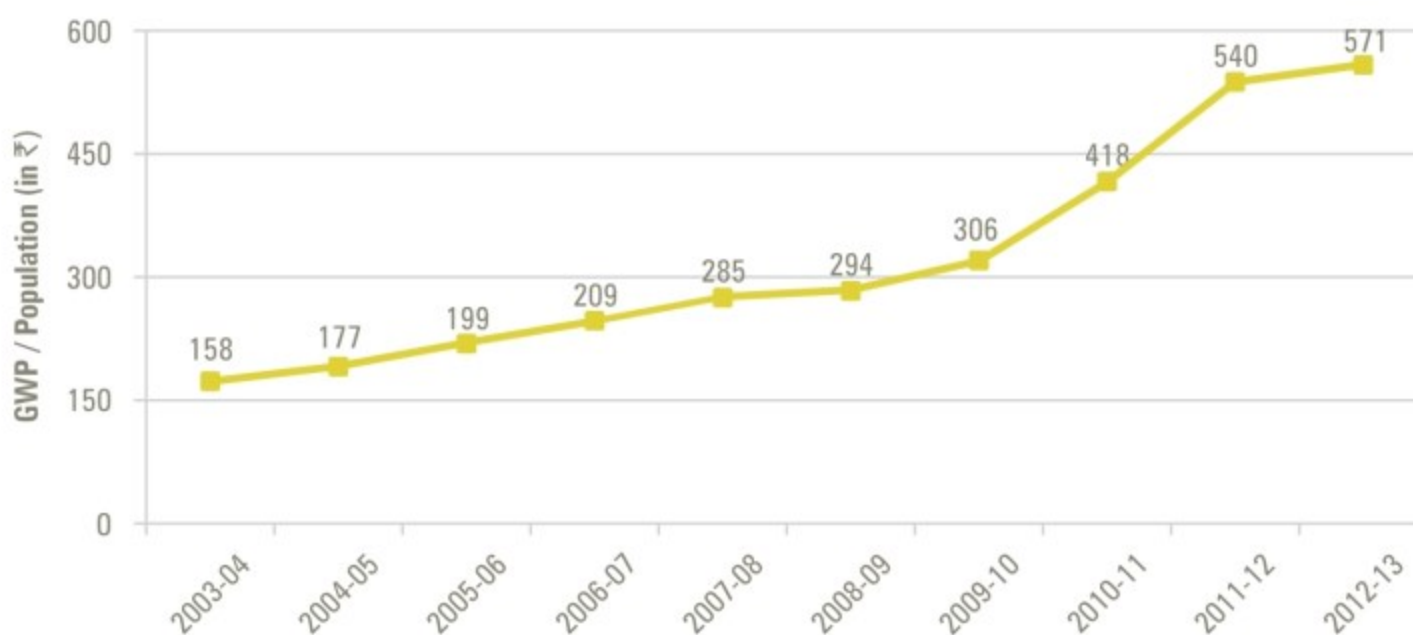


Source : IRDA Handbook on Indian Insurance Statistics 2011-12 and Planning Commission Data Book as at 2nd May 2013. Insurance Penetration for 2012-13 is based on data collated by the Council.

Insurance Density in ₹ (Gross Written Premium / Population)

Insurance Density representing the Per Capita spend on Non-Life Insurance has moved up nearly 4 times since 2003-04.

Chart 1.4 Insurance Density



Source : IRDA Handbook on Indian Insurance Statistics 2011-12 and Planning Commission Data Book as at 2nd May 2013. Insurance Density for 2012-13 is based on data collated by the Council.

Note: Average Yearly Exchange Rate of ₹/US\$ of the respective years has been used to convert the Insurance Density US\$ amounts to ₹.

02

Statewise Penetration and Density

Statewise Snapshot ●

Property, Motor, Health & Other Classes - Premium Heatmaps ●

Gross Direct Premium in India (GDPI), Offices - Transformation
Heatmaps (2009-10 to 2012-13) ●

An attempt has been made to place GDPI, Penetration of Non-life insurance, Density of Non-life insurance, Population & Literacy of each state in focus. States with a GDPI exceeding ₹ 500 Crores are shown separately. The figures for remaining States and Union territories are aggregated.

Statewise Snapshot

Table 2.1

Statewise Summary of Selected Macro-economic, Demographic and Insurance Data

Sl.No.	GDPI 2012-13 Rank	States / Union Territories	Offices 2010-11	Offices 2011-12	Offices 2012-13	GDPI 2010-11 ₹ In Crores	GDPI 2011-12 ₹ In Crores	GDPI 2012-13 ₹ In Crores
1	34	Andaman & Nicobar Islands	3	3	3	10	101	14
2	6	Andhra Pradesh	542	603	671	3,643	4,327	4,795
3	33	Arunachal Pradesh	5	5	6	8	129	19
4	17	Assam	154	163	188	378	489	690
5	13	Bihar	144	158	159	915	1,242	1,769
6	20	Chandigarh	58	59	53	417	349	466
7	16	Chhattisgarh	85	83	119	465	625	797
8	31	Dadra & Nagar Haveli	2	2	2	8	192	23
9	32	Daman & Diu	2	2	2	9	23	23
10	4	Delhi	300	306	300	4,052	4,380	5,016
11	19	Goa	39	41	47	205	477	576
12	3	Gujarat	401	456	574	3,302	4,068	5,017
13	11	Haryana	209	229	243	1,714	2,159	2,666
14	23	Himachal Pradesh	61	74	65	206	279	399
15	22	Jammu & Kashmir	64	74	85	217	478	402
16	18	Jharkhand	110	112	129	332	405	606
17	5	Karnataka	438	469	492	3,165	4,099	4,897
18	10	Kerala	375	389	455	1,628	2,207	2,724
19	35	Lakshadweep	1	1	1	0	23	1
20	12	Madhya Pradesh	274	279	332	1,323	1,625	1,991
21	1	Maharashtra	784	811	895	11,554	13,371	15,794
22	30	Manipur	4	4	8	10	39	25
23	26	Meghalaya	15	14	18	32	251	57
24	27	Mizoram	4	4	4	13	128	37
25	29	Nagaland	6	8	7	13	26	28
26	15	Orissa	195	199	246	665	1,060	1,149
27	24	Puducherry	24	21	25	77	260	112
28	14	Punjab	359	400	334	1,033	1,637	1,630
29	9	Rajasthan	329	327	370	1,885	2,389	2,771
30	28	Sikkim	5	5	6	15	25	34
31	2	Tamil Nadu	693	722	857	4,660	5,126	6,714
32	25	Tripura	12	17	24	41	69	89
33	7	Uttar Pradesh	534	557	693	2,490	2,928	3,647
34	21	Uttarakhand	88	110	104	373	330	435
35	8	West Bengal	341	343	337	2,243	2,663	3,305
		TOTAL	6,660	7,050	7,854	47,101	57,975	68,719

Source: Offices & GDPI data - IRDA, Population & Literacy data - Office of Registrar General of India, SDP data - MOSPI/SDP at Current Prices

* Penetration % is based on 2011-12 figures

@ Included as part of States with GDPI < ₹ 500 Cr. each

& Included as part of Union Territories with GDPI < ₹ 500 Cr. each

Population 2011	Population Growth % 2011 vs 2001	Literacy % 2011	SDP 2010-11 ₹ In Crores	SDP 2011-12 ₹ In Crores	SDP 2012-13 ₹ In Crores	Penetration %		Density in ₹
3,79,944	7%	86%	4,553	5,026	NA	2.00%	₹	358
8,46,65,533	11%	68%	5,70,992	6,55,181	NA	0.66%	*	566
13,82,611	26%	67%	8,732	11,136	12,702	0.15%	@	140
3,11,69,272	17%	73%	1,12,466	1,26,544	1,43,567	0.48%		221
10,38,04,637	25%	64%	1,98,135	2,46,487	2,94,388	0.60%		170
10,54,686	17%	86%	20,493	23,368	NA	1.49%	₹	4,420
2,55,40,196	23%	71%	1,17,978	1,39,515	1,60,188	0.50%		312
3,42,853	55%	78%	NA	NA	NA	NA	₹	684
2,42,911	54%	87%	NA	NA	NA	NA	₹	961
1,67,53,235	21%	86%	2,64,496	3,13,934	NA	1.40%	*	2,994
14,57,723	8%	87%	33,562	35,932	NA	1.33%	*	3,952
6,03,83,628	19%	79%	5,30,430	6,11,767	NA	0.66%	*	831
2,53,53,081	20%	77%	2,65,034	3,07,606	NA	0.70%	*	1,052
68,56,509	13%	84%	56,355	63,812	72,076	0.55%	@	582
1,25,48,926	24%	69%	56,976	65,979	76,115	0.53%	@	320
3,29,66,238	22%	68%	1,15,535	1,30,505	1,47,841	0.41%		184
6,11,30,704	16%	76%	4,06,470	4,63,243	5,27,492	0.93%		801
3,33,87,677	5%	94%	2,69,474	3,15,206	NA	0.70%	*	816
64,429	6%	92%	NA	NA	NA	NA	₹	201
7,25,97,565	20%	71%	2,60,198	3,09,687	3,61,874	0.55%		274
11,23,72,972	16%	83%	10,68,327	12,48,453	NA	1.07%	*	1,406
27,21,756	19%	80%	9,108	10,410	11,713	0.21%	@	91
29,64,007	28%	75%	14,528	16,173	18,363	0.31%	@	191
10,91,014	23%	92%	6,058	6,991	NA	1.82%	@	341
19,80,602	0%	80%	11,315	12,272	13,322	0.21%	@	143
4,19,47,358	14%	73%	1,94,465	2,15,899	2,58,744	0.44%		274
12,44,464	28%	87%	13,667	14,081	16,532	0.68%	₹	898
2,77,04,236	14%	77%	2,26,867	2,59,223	2,96,007	0.55%		588
6,86,21,012	21%	67%	3,41,865	4,16,755	NA	0.57%	*	404
6,07,688	12%	82%	7,145	8,400	NA	0.29%	@	553
7,21,38,958	16%	80%	5,66,422	6,39,025	7,23,106	0.93%		931
36,71,032	15%	88%	17,545	19,910	22,139	0.40%	@	242
19,95,81,477	20%	70%	6,00,917	6,84,173	7,76,433	0.47%		183
1,01,16,752	19%	80%	82,918	93,162	1,07,548	0.40%	@	430
9,13,47,736	14%	77%	4,75,146	5,44,282	6,30,384	0.52%		362
1,21,01,93,422	18%	74%	72,66,967	83,53,495	94,61,979	0.73%		568

Zone : West | Share of National FY13 GDPI : 23.0%

Table 2.2 GDPI & Offices

	2010-11	2011-12	2012-13
GDPI (₹ in Crores)	11,554	13,371	15,794
No. of Offices	784	811	895

Source: IRDA Data

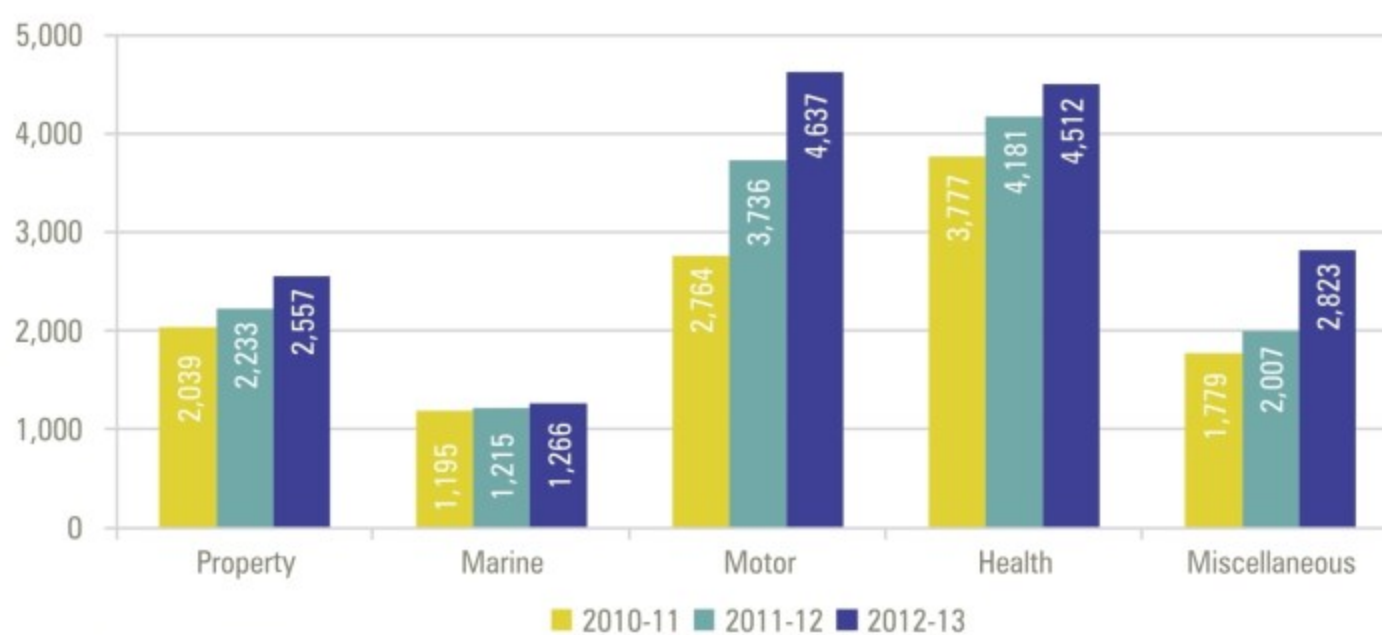
Table 2.3 Economy & Insurance

Population (2011)	11,23,72,972
SDP (₹ in Crores)*	12,48,453
Penetration %	1.07%
Density (₹)	1,405
Literacy (2011)	83%

Source: Office of Registrar General of India; Ministry of Statistics and Programme Implementation (MOSPI)
State Domestic Product (SDP) at Current Prices

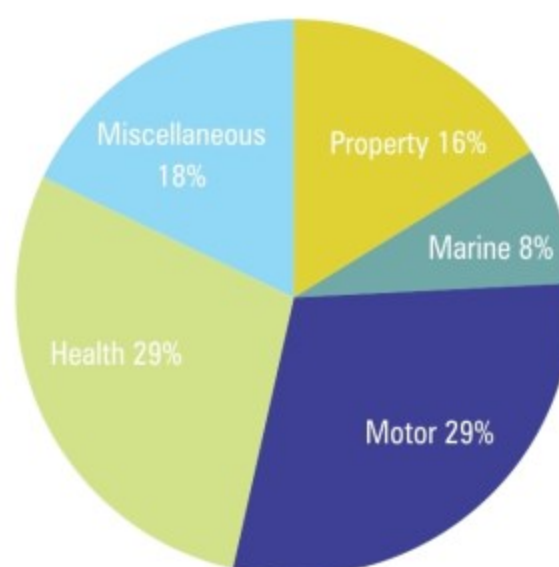
* 2011-12 SDP latest available

Chart 2.1 GDPI (₹ in Crores)



Source: IRDA Data

Chart 2.2 2012-13 GDPI - Classwise Split



Source: IRDA Data

Tamilnadu

Rank by FY13 GDPI : 2

Zone : South | Share of National FY13 GDPI : 9.8%

Table 2.4 GDPI & Offices

	2010-11	2011-12	2012-13
GDPI (₹ in Crores)	4,660	5,126	6,714
No. of Offices	693	722	857

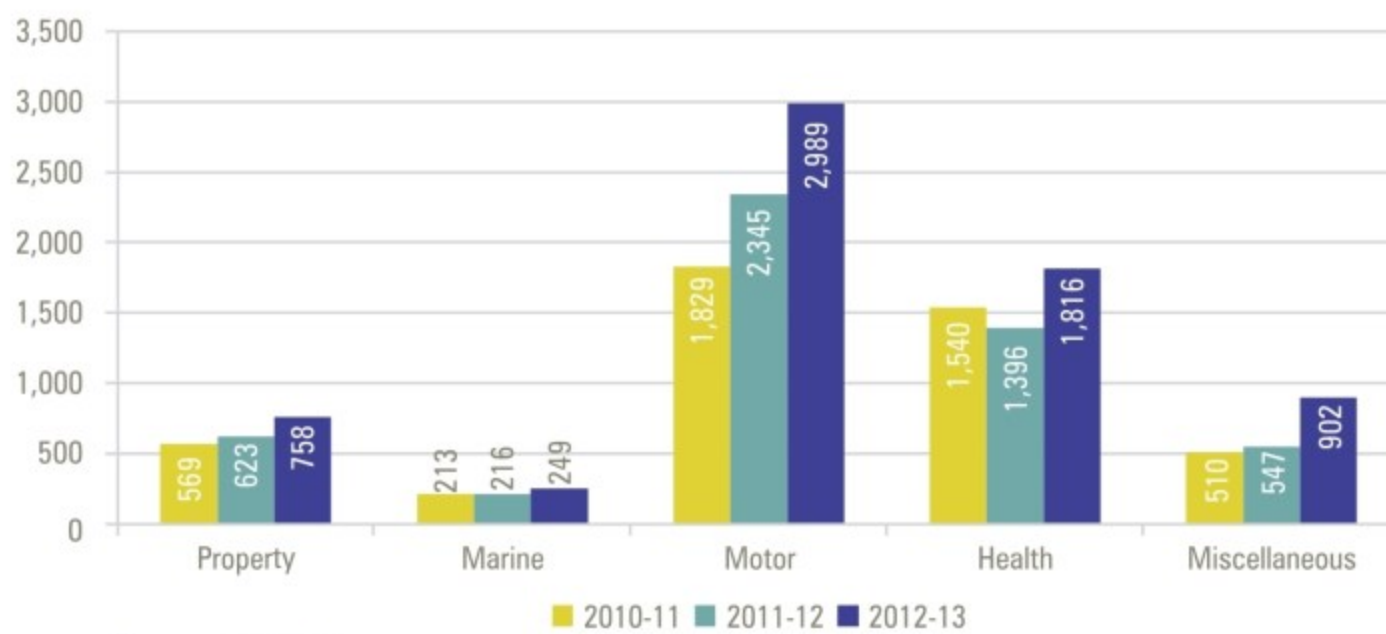
Source: IRDA Data

Table 2.5 Economy & Insurance

Population (2011)	7,21,38,958
SDP (₹ in Crores)	7,23,106
Penetration %	0.93%
Density (₹)	931
Literacy (2011)	80%

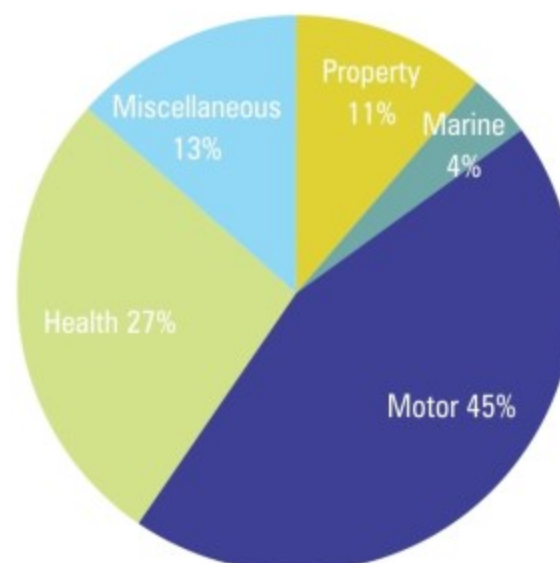
Source: Office of Registrar General of India; MOSPI
State Domestic Product (SDP) at Current Prices

Chart 2.3 GDPI (₹ in Crores)



Source: IRDA Data

Chart 2.4 2012-13 GDPI - Classwise Split



Source: IRDA Data

Zone : West | Share of National FY13 GDPI : 7.3%

Table 2.6 GDPI & Offices

	2010-11	2011-12	2012-13
GDPI (₹ in Crores)	3,302	4,068	5,017
No. of Offices	401	456	574

Source: IRDA Data

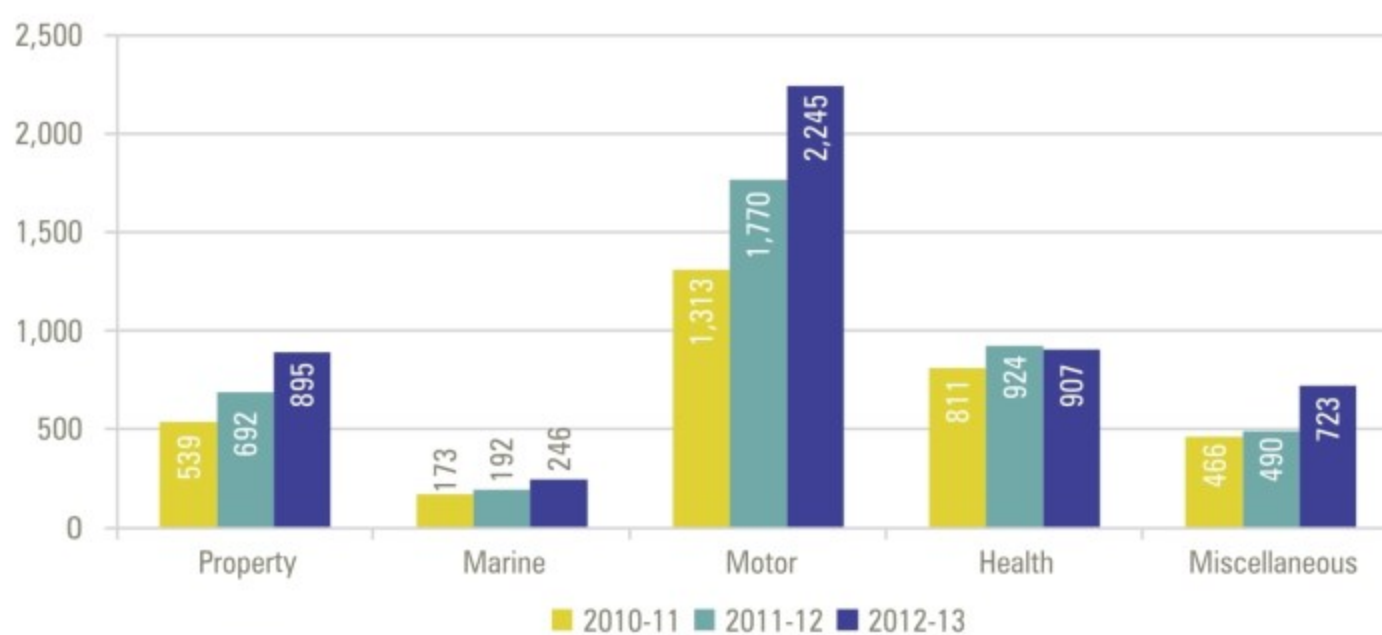
Table 2.7 Economy & Insurance

Population (2011)	6,03,83,628
SDP (₹ in Crores)*	6,11,767
Penetration %*	0.66%
Density (₹)	831
Literacy (2011)	79%

Source: Office of Registrar General of India; MOSPI State Domestic Product (SDP) at Current Prices

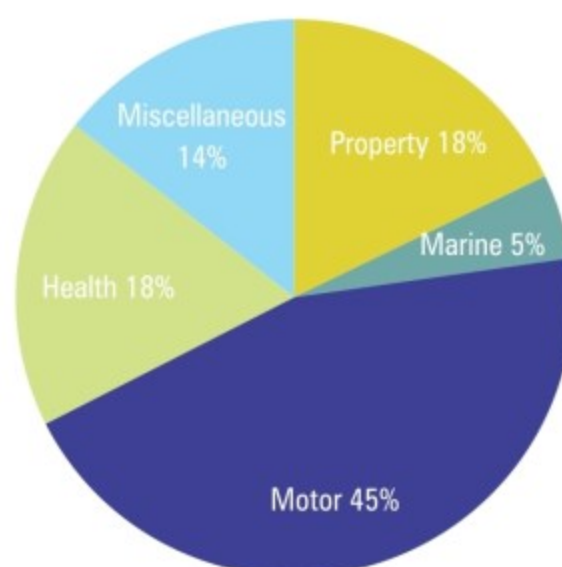
* 2011-12 SDP latest available

Chart 2.5 GDPI (₹ in Crores)



Source: IRDA Data

Chart 2.6 2012-13 GDPI - Classwise Split



Source: IRDA Data

Delhi

Rank by FY13 GDPI : 4

Zone : North | Share of National FY13 GDPI : 7.3%

Table 2.8 GDPI & Offices

	2010-11	2011-12	2012-13
GDPI (₹ in Crores)	4,052	4,380	5,016
No. of Offices	300	306	300

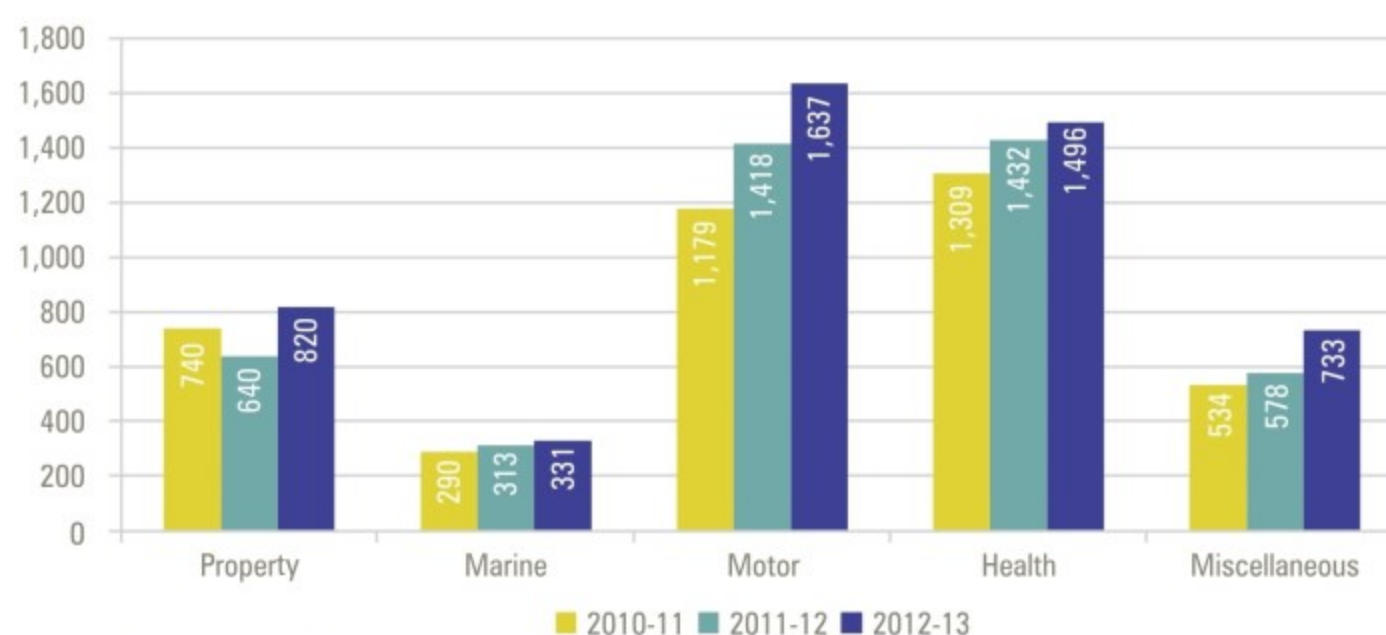
Source: IRDA Data

Table 2.9 Economy & Insurance

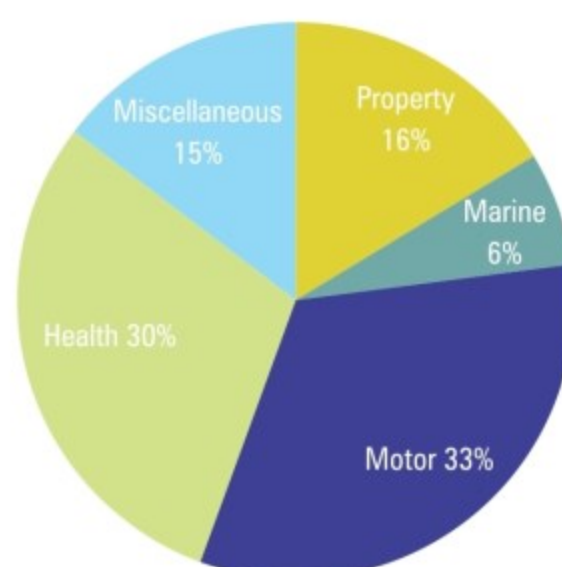
Population (2011)	1,67,53,235
SDP (₹ in Crores)*	3,13,934
Penetration %*	1.40%
Density (₹)	2,994
Literacy (2011)	86%

Source: Office of Registrar General of India; MOSPI
State Domestic Product (SDP) at Current Prices

* 2011-12 SDP latest available

Chart 2.7 GDPI (₹ in Crores)

Source: IRDA Data

Chart 2.8 2012-13 GDPI - Classwise Split

Source: IRDA Data

Zone : South | Share of National FY13 GDPI : 7.1%

Table 2.10 GDPI & Offices

	2010-11	2011-12	2012-13
GDPI (₹ in Crores)	3,165	4,099	4,897
No. of Offices	438	469	492

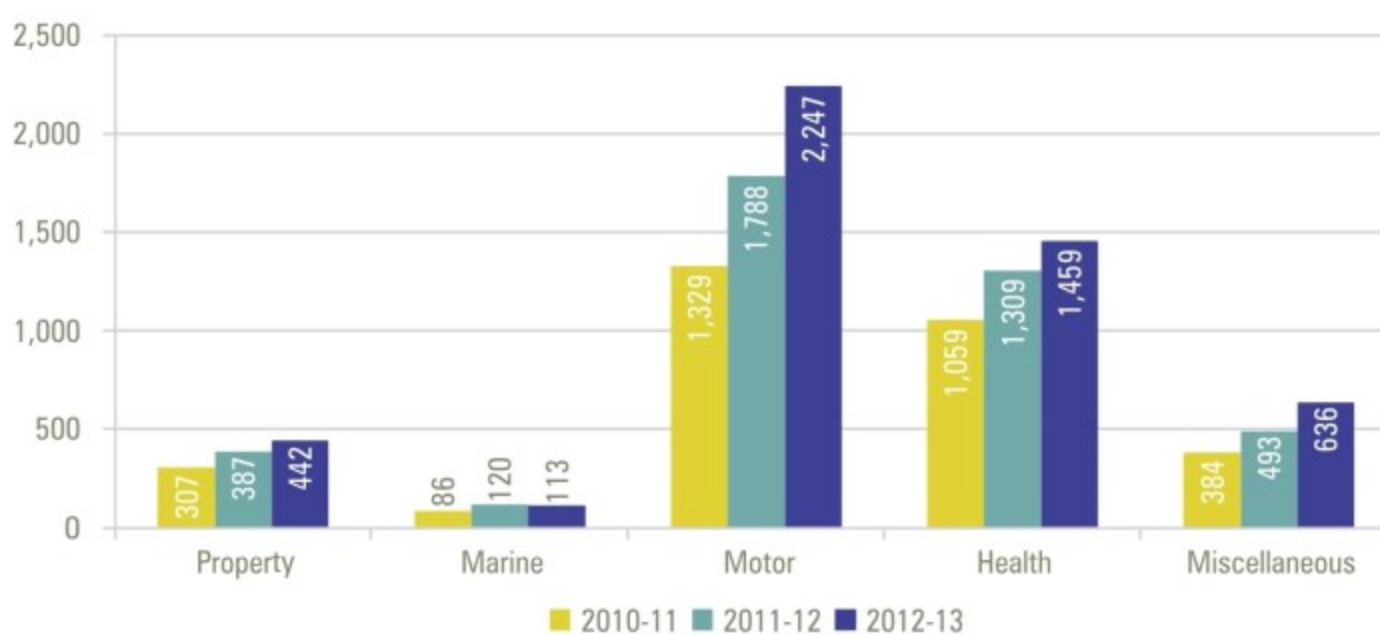
Source: IRDA Data

Table 2.11 Economy & Insurance

Population (2011)	6,11,30,704
SDP (₹ in Crores)	5,27,492
Penetration %	0.93%
Density (₹)	801
Literacy (2011)	76%

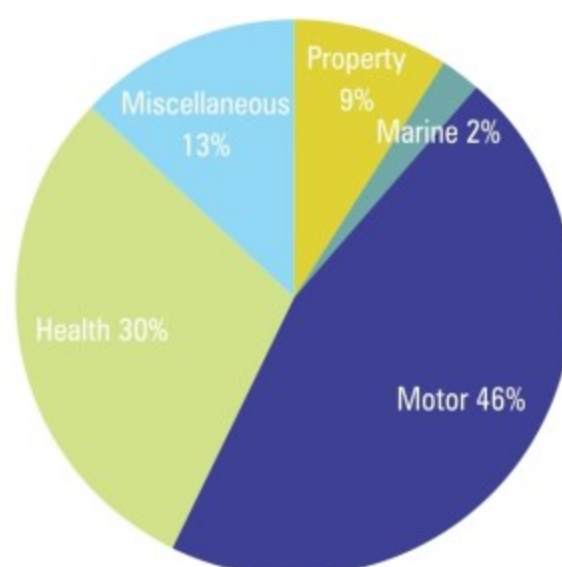
Source: Office of Registrar General of India; MOSPI
State Domestic Product (SDP) at Current Prices

Chart 2.9 GDPI (₹ in Crores)



Source: IRDA Data

Chart 2.10 2012-13 GDPI - Classwise Split



Source: IRDA Data

Andhra Pradesh

Rank by FY13 GDPI : 6

Zone : South | Share of National FY13 GDPI : 7.0%

Table 2.12 GDPI & Offices

	2010-11	2011-12	2012-13
GDPI (₹ in Crores)	3,643	4,327	4,795
No. of Offices	542	603	671

Source: IRDA Data

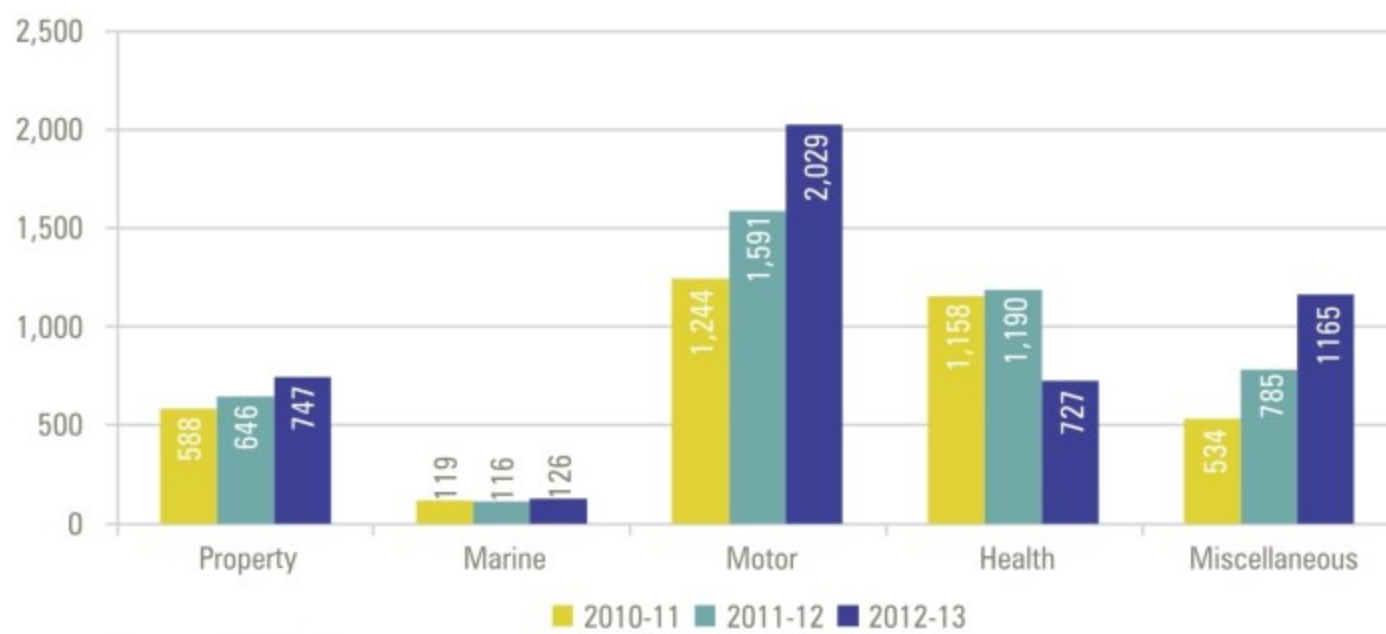
Table 2.13 Economy & Insurance

Population (2011)	8,46,65,533
SDP (₹ in Crores)*	6,55,181
Penetration %*	0.66%
Density (₹)	566
Literacy (2011)	68%

Source: Office of Registrar General of India; MOSPI
State Domestic Product (SDP) at Current Prices

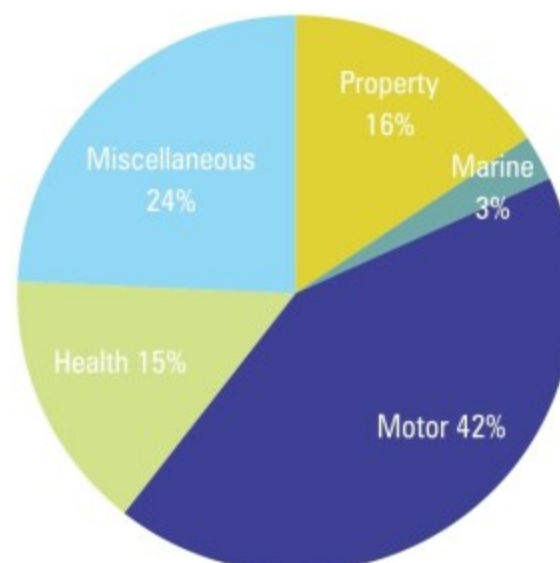
* 2011-12 SDP latest available

Chart 2.11 GDPI (₹ in Crores)



Source: IRDA Data

Chart 2.12 2012-13 GDPI - Classwise Split



Source: IRDA Data

Uttar Pradesh

Rank by FY13 GDPI : 7

Zone : North Central | Share of National FY13 GDPI : 5.3%

Table 2.14 GDPI & Offices

	2010-11	2011-12	2012-13
GDPI (₹ in Crores)	2,490	2,928	3,647
No. of Offices	534	557	693

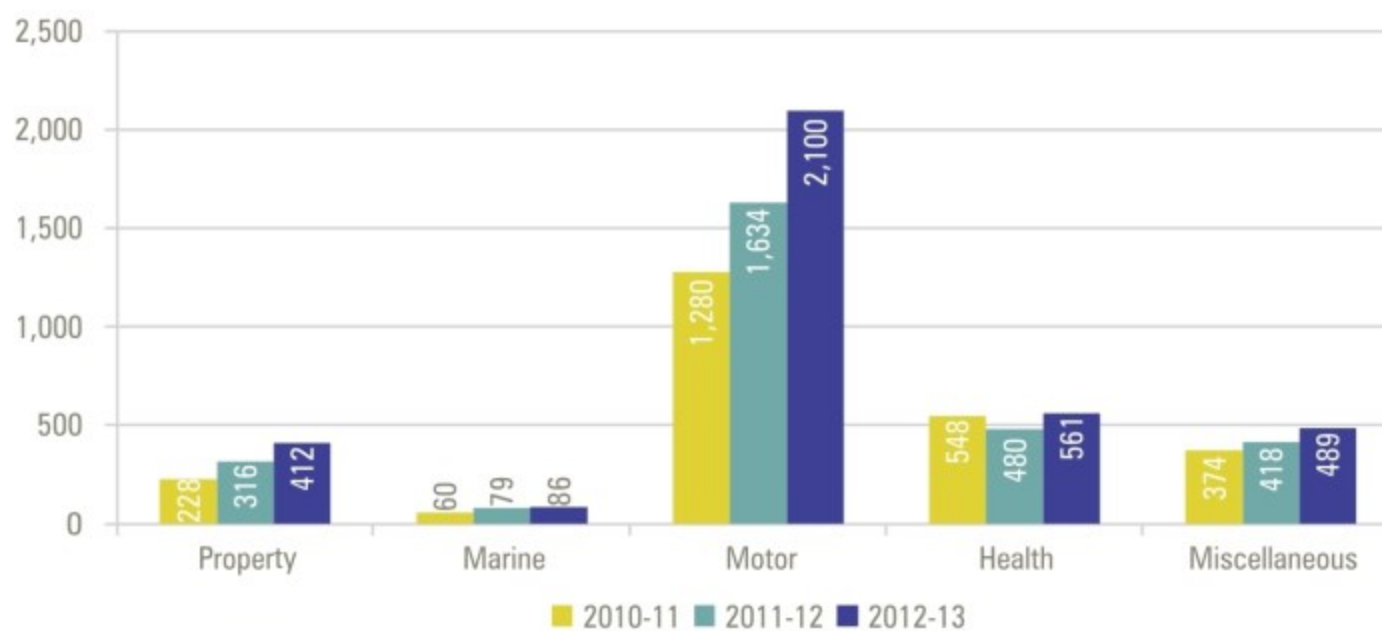
Source: IRDA Data

Table 2.15 Economy & Insurance

Population (2011)	19,95,81,477
SDP (₹ in Crores)	7,76,433
Penetration %	0.47%
Density (₹)	183
Literacy (2011)	70%

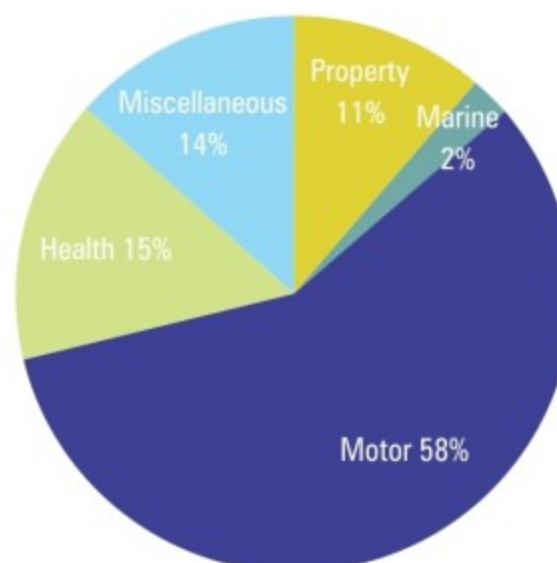
Source: Office of Registrar General of India; MOSPI
State Domestic Product (SDP) at Current Prices

Chart 2.13 GDPI (₹ in Crores)



Source: IRDA Data

Chart 2.14 2012-13 GDPI - Classwise Split



Source: IRDA Data

West Bengal

Rank by FY13 GDPI : 8

Zone : East | Share of National FY13 GDPI : 4.8%

Table 2.16 GDPI & Offices

	2010-11	2011-12	2012-13
GDPI (₹ in Crores)	2,243	2,663	3,305
No. of Offices	341	343	337

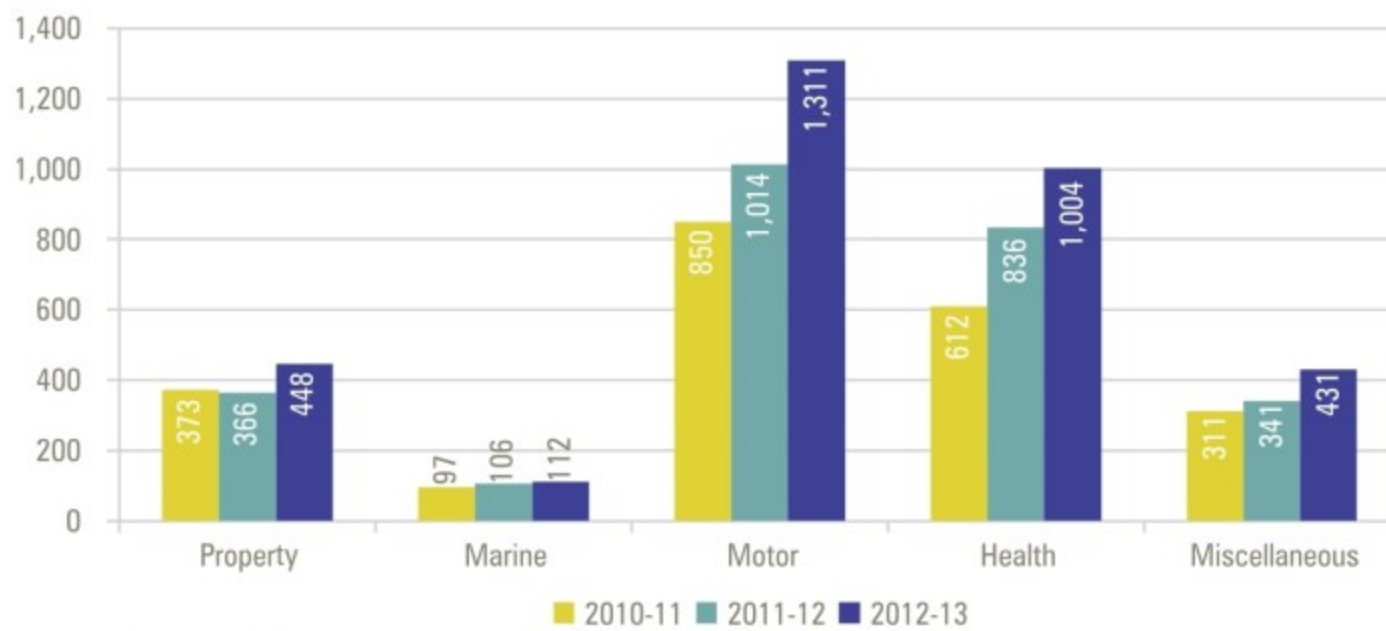
Source: IRDA Data

Table 2.17 Economy & Insurance

Population (2011)	9,13,47,736
SDP (₹ in Crores)	6,30,384
Penetration %	0.52%
Density (₹)	362
Literacy (2011)	77%

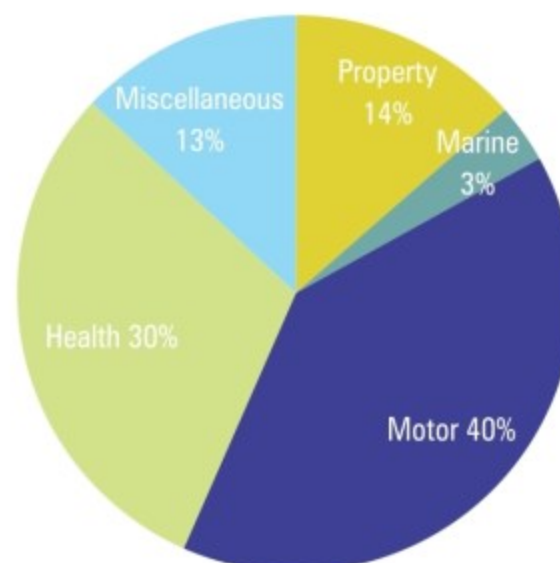
Source: Office of Registrar General of India; MOSPI
State Domestic Product (SDP) at Current Prices

Chart 2.15 GDPI (₹ in Crores)



Source: IRDA Data

Chart 2.16 2012-13 GDPI - Classwise Split



Source: IRDA Data

Zone : North | Share of National FY13 GDPI : 4.0%

Table 2.18 GDPI & Offices

	2010-11	2011-12	2012-13
GDPI (₹ in Crores)	1,885	2,389	2,771
No. of Offices	329	327	370

Source: IRDA Data

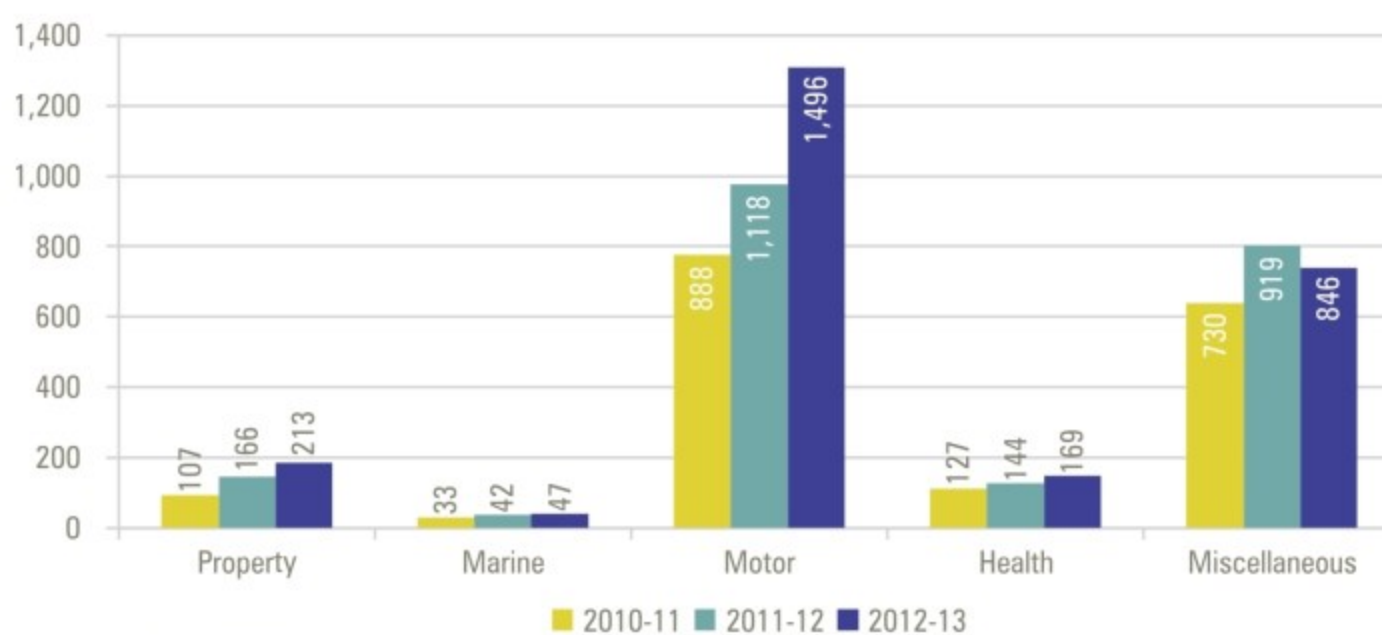
Table 2.19 Economy & Insurance

Population (2011)	6,86,21,012
SDP (₹ in Crores)*	4,16,755
Penetration %	0.57%
Density (₹)	404
Literacy (2011)	67%

Source: Office of Registrar General of India; MOSPI State Domestic Product (SDP) at Current Prices

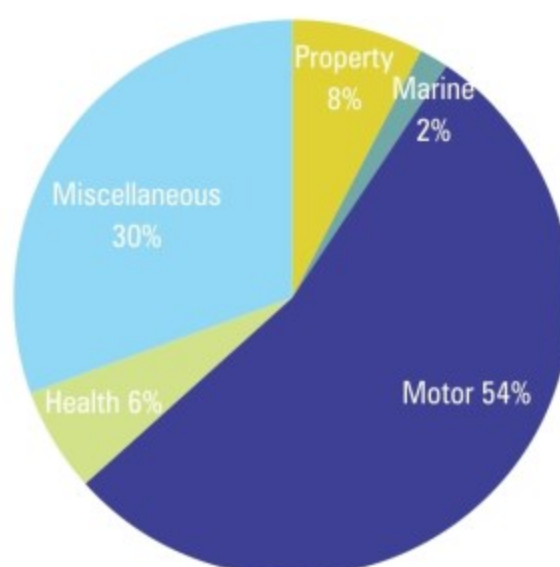
* 2011-12 SDP latest available

Chart 2.17 GDPI (₹ in Crores)



Source: IRDA Data

Chart 2.18 2012-13 GDPI - Classwise Split



Source: IRDA Data

Kerala

Rank by FY13 GDPI : 10

Zone : South | Share of National FY13 GDPI : 4.0%

Table 2.20 GDPI & Offices

	2010-11	2011-12	2012-13
GDPI (₹ in Crores)	1,628	2,207	2,724
No. of Offices	375	389	455

Source: IRDA Data

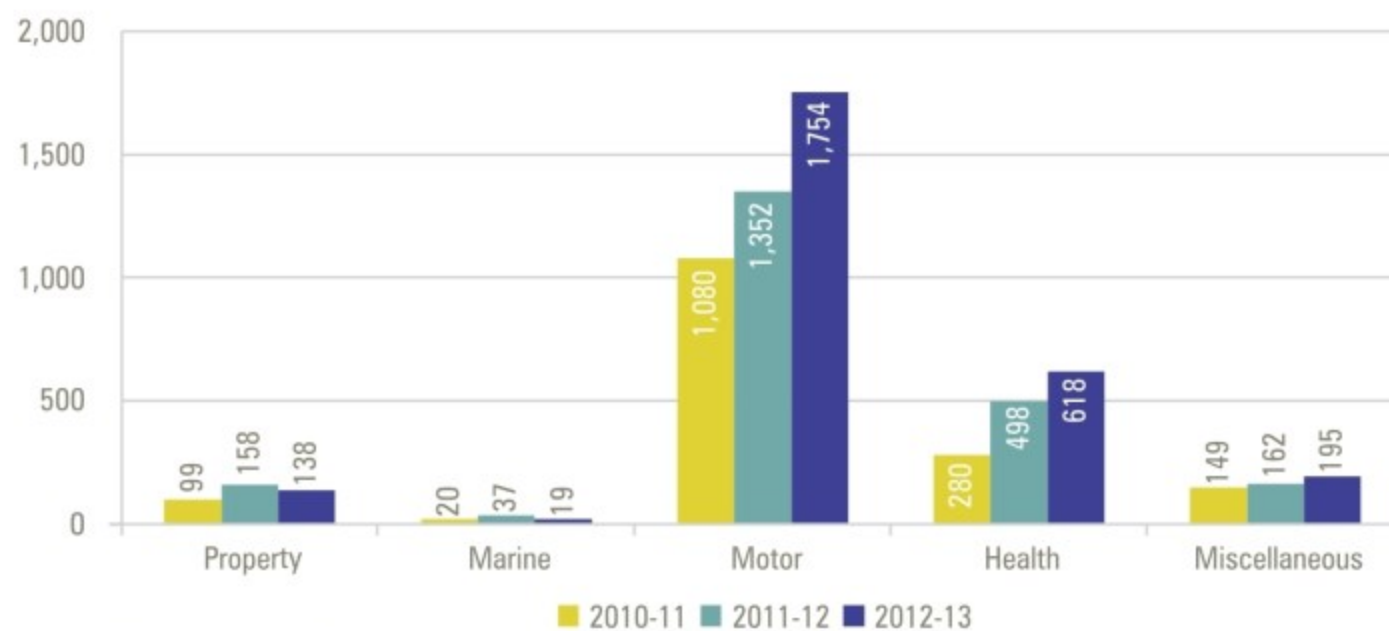
Table 2.21 Economy & Insurance

Population (2011)	3,33,87,677
SDP (₹ in Crores)*	3,15,206
Penetration %	0.70%
Density (₹)	816
Literacy (2011)	94%

Source: Office of Registrar General of India; MOSPI
State Domestic Product (SDP) at Current Prices

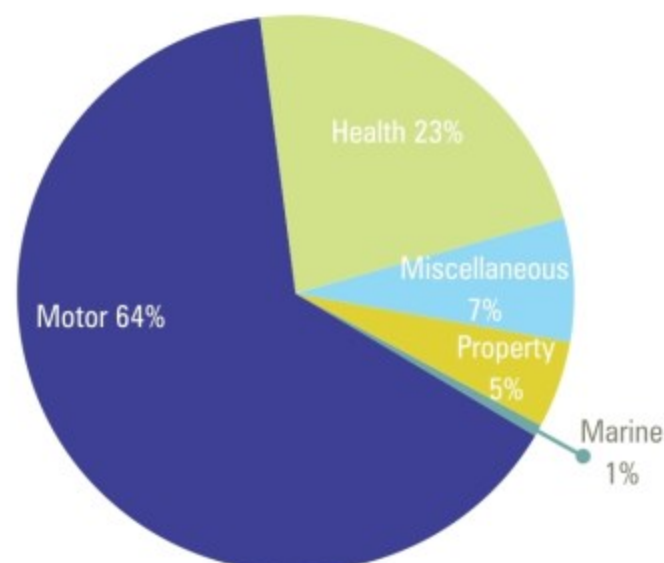
* 2011-12 SDP latest available

Chart 2.19 GDPI (₹ in Crores)



Source: IRDA Data

Chart 2.20 2012-13 GDPI - Classwise Split



Source: IRDA Data

Zone : North | Share of National FY13 GDPI : 3.9%

Table 2.22 GDPI & Offices

	2010-11	2011-12	2012-13
GDPI (₹ in Crores)	1,714	2,159	2,666
No. of Offices	209	229	243

Source: IRDA Data

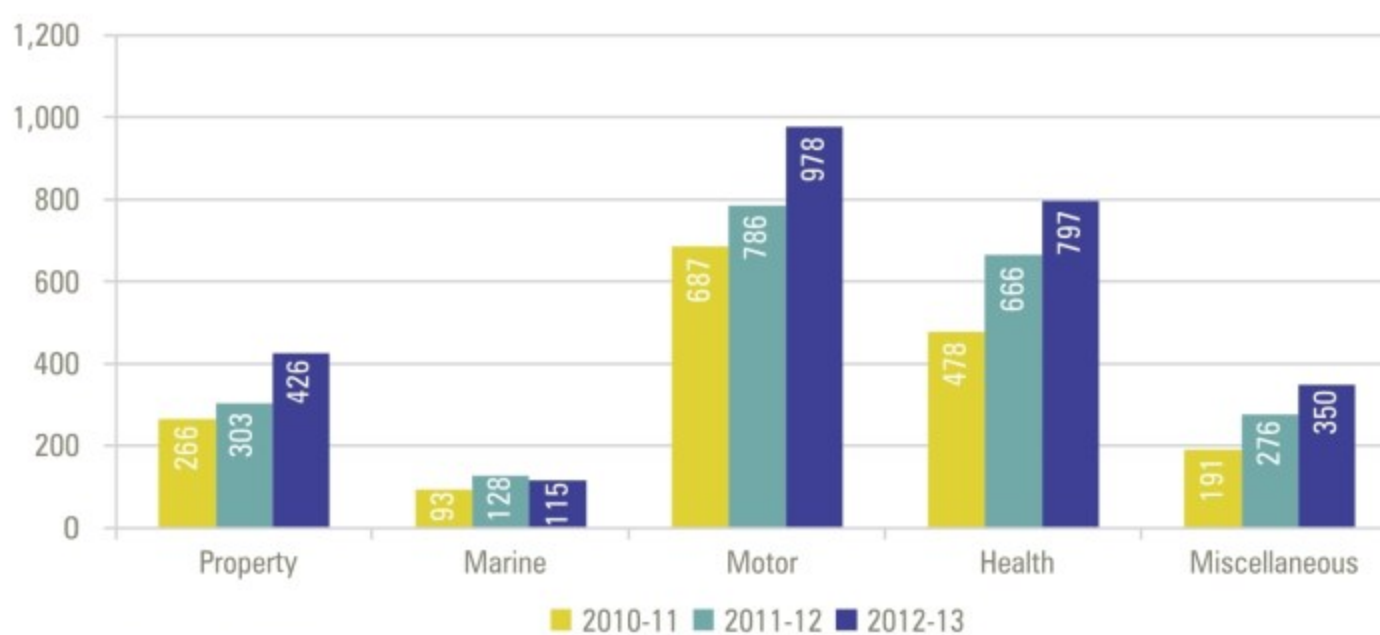
Table 2.23 Economy & Insurance

Population (2011)	2,53,53,081
SDP (₹ in Crores)*	3,07,606
Penetration %	0.70%
Density (₹)	1,052
Literacy (2011)	77%

Source: Office of Registrar General of India; MOSPI State Domestic Product (SDP) at Current Prices

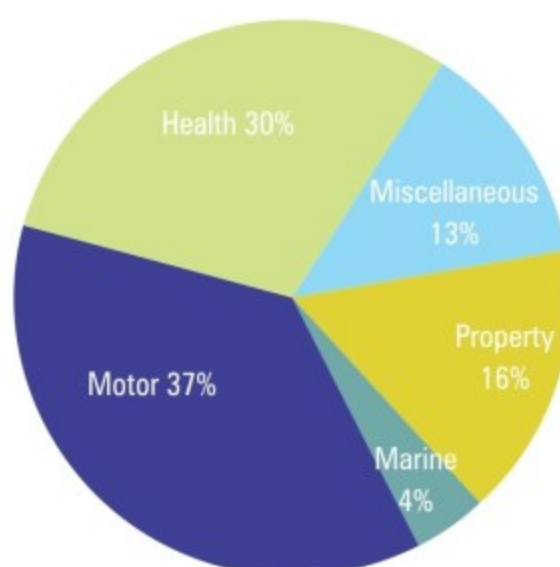
* 2011-12 SDP latest available

Chart 2.21 GDPI (₹ in Crores)



Source: IRDA Data

Chart 2.22 2012-13 GDPI - Classwise Split



Source: IRDA Data

Madhya Pradesh

Rank by FY13 GDPI : 12

Zone : North Central | Share of National FY13 GDPI : 2.9%

Table 2.24 GDPI & Offices

	2010-11	2011-12	2012-13
GDPI (₹ in Crores)	1,323	1,625	1,991
No. of Offices	274	279	332

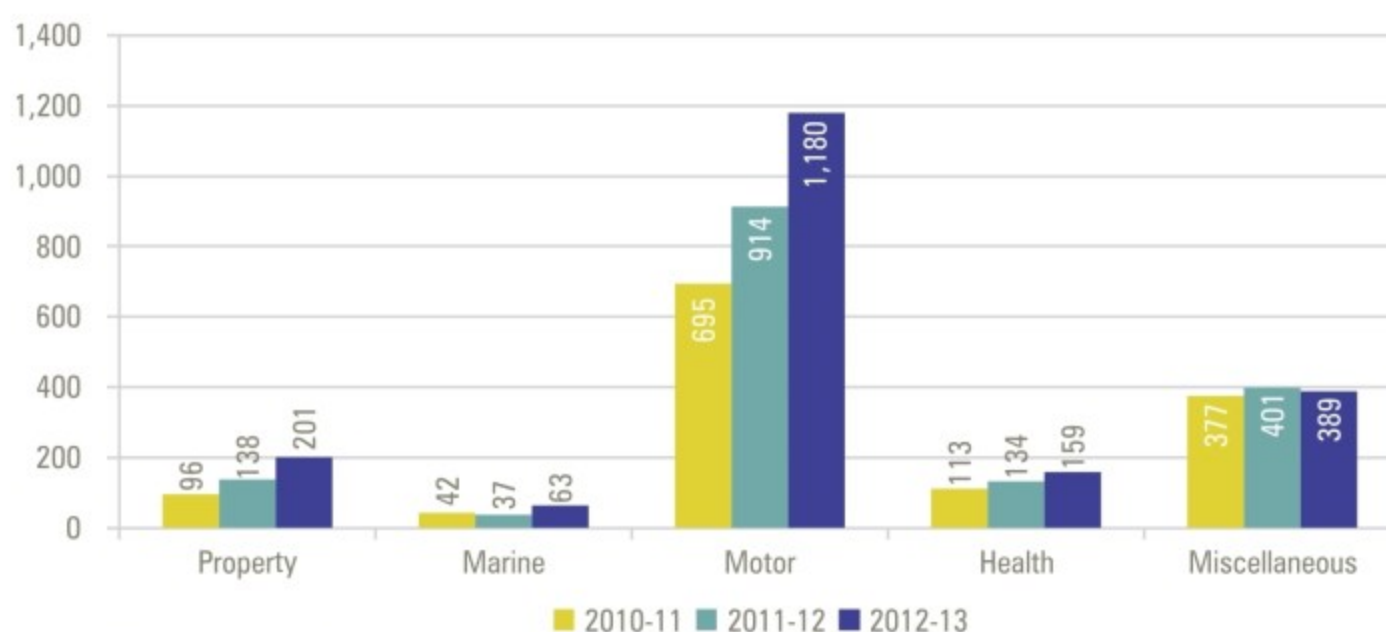
Source: IRDA Data

Table 2.25 Economy & Insurance

Population (2011)	7,25,97,565
SDP (₹ in Crores)	3,61,874
Penetration %	0.55%
Density (₹)	274
Literacy (2011)	71%

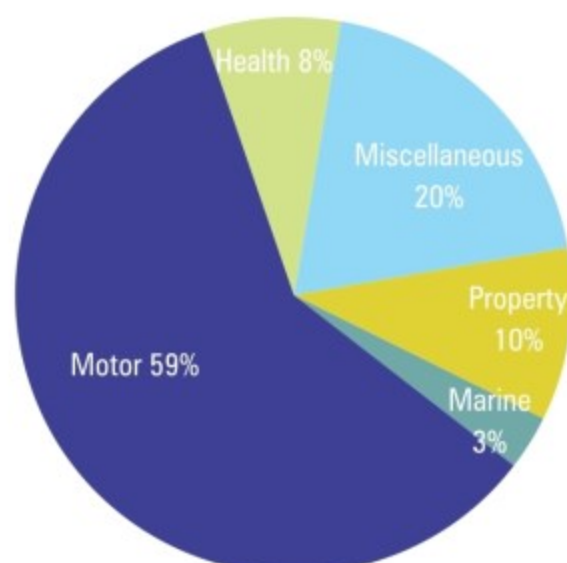
Source: Office of Registrar General of India; MOSPI
State Domestic Product (SDP) at Current Prices

Chart 2.23 GDPI (₹ in Crores)



Source: IRDA Data

Chart 2.24 2012-13 GDPI - Classwise Split



Source: IRDA Data

Zone : North Central | Share of National FY13 GDPI : 2.6%

Table 2.26 GDPI & Offices

	2010-11	2011-12	2012-13
GDPI (₹ in Crores)	915	1,242	1,769
No. of Offices	144	158	159

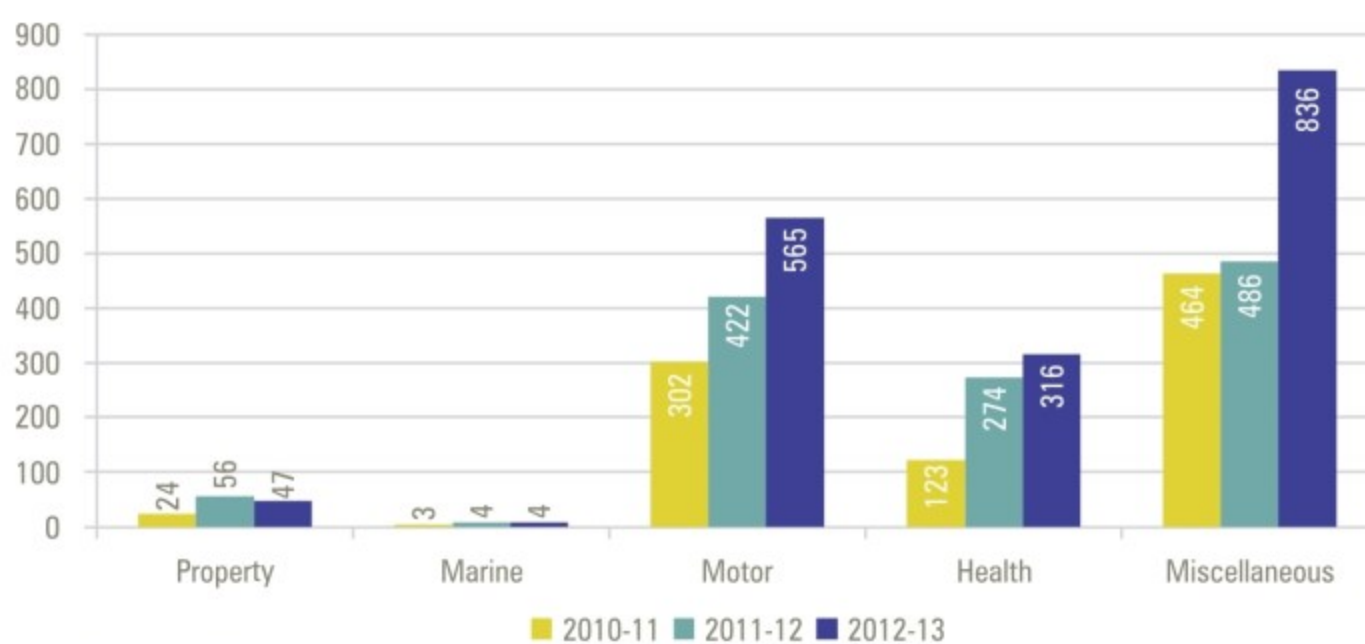
Source: IRDA Data

Table 2.27 Economy & Insurance

Population (2011)	10,38,04,637
SDP (₹ in Crores)	2,94,388
Penetration %	0.60%
Density (₹)	170
Literacy (2011)	64%

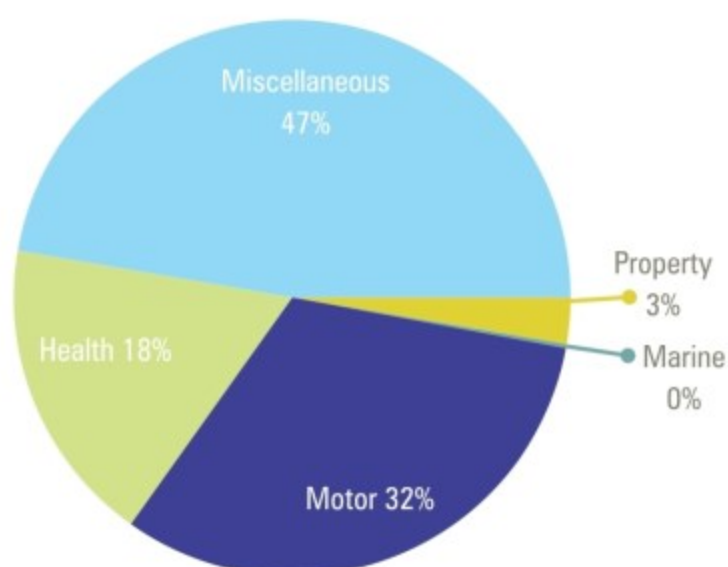
Source: Office of Registrar General of India; MOSPI State Domestic Product (SDP) at Current Prices

Chart 2.25 GDPI (₹ in Crores)



Source: IRDA Data

Chart 2.26 2012-13 GDPI - Classwise Split



Source: IRDA Data

Punjab

Rank by FY13 GDPI : 14

Zone : North | Share of National FY13 GDPI : 2.4%

Table 2.28 GDPI & Offices

	2010-11	2011-12	2012-13
GDPI (₹ in Crores)	1,033	1,637	1,630
No. of Offices	359	400	334

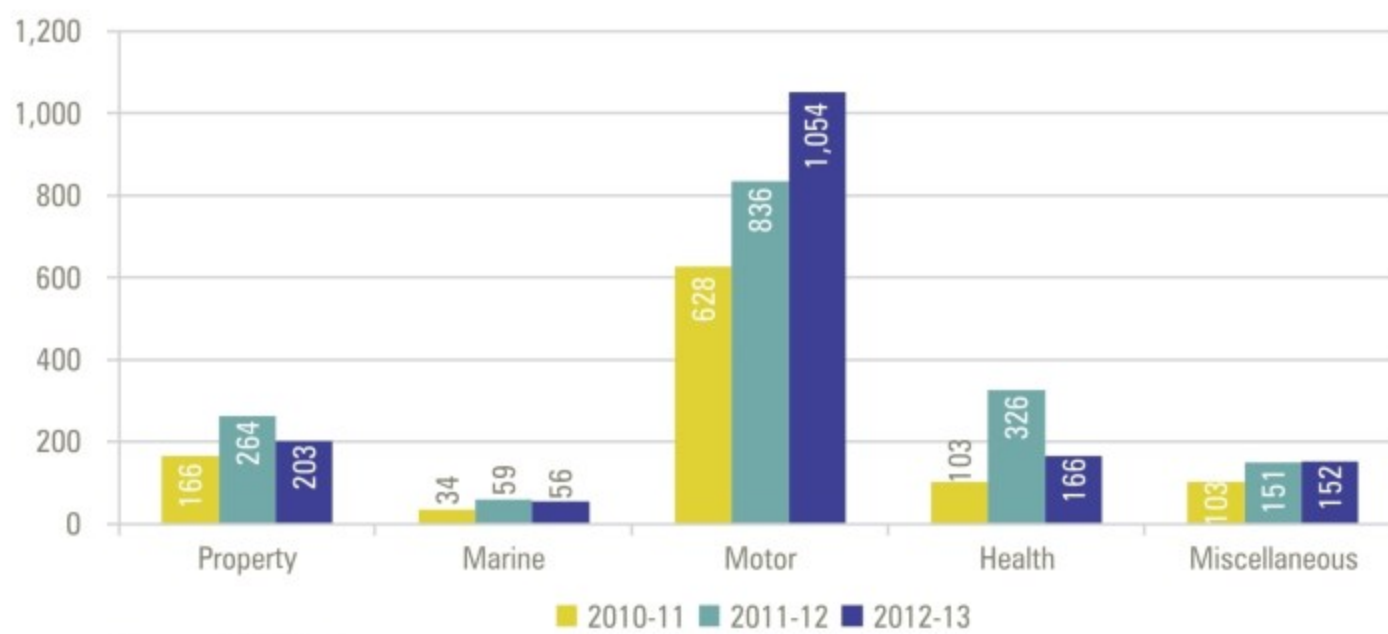
Source: IRDA Data

Table 2.29 Economy & Insurance

Population (2011)	2,77,04,236
SDP (₹ in Crores)	2,96,007
Penetration %	0.55%
Density (₹)	588
Literacy (2011)	77%

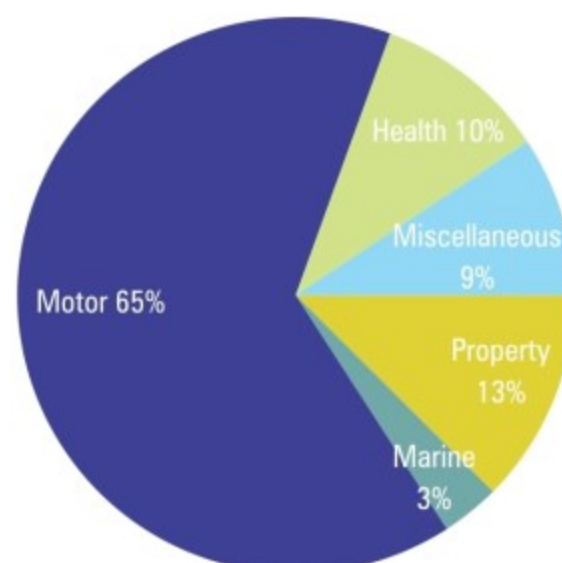
Source: Office of Registrar General of India; MOSPI
State Domestic Product (SDP) at Current Prices

Chart 2.27 GDPI (₹ in Crores)



Source: IRDA Data

Chart 2.28 2012-13 GDPI - Classwise Split



Source: IRDA Data

Zone : East | Share of National FY13 GDPI : 1.7%

Table 2.30 GDPI & Offices

	2010-11	2011-12	2012-13
GDPI (₹ in Crores)	665	1,060	1,149
No. of Offices	195	199	246

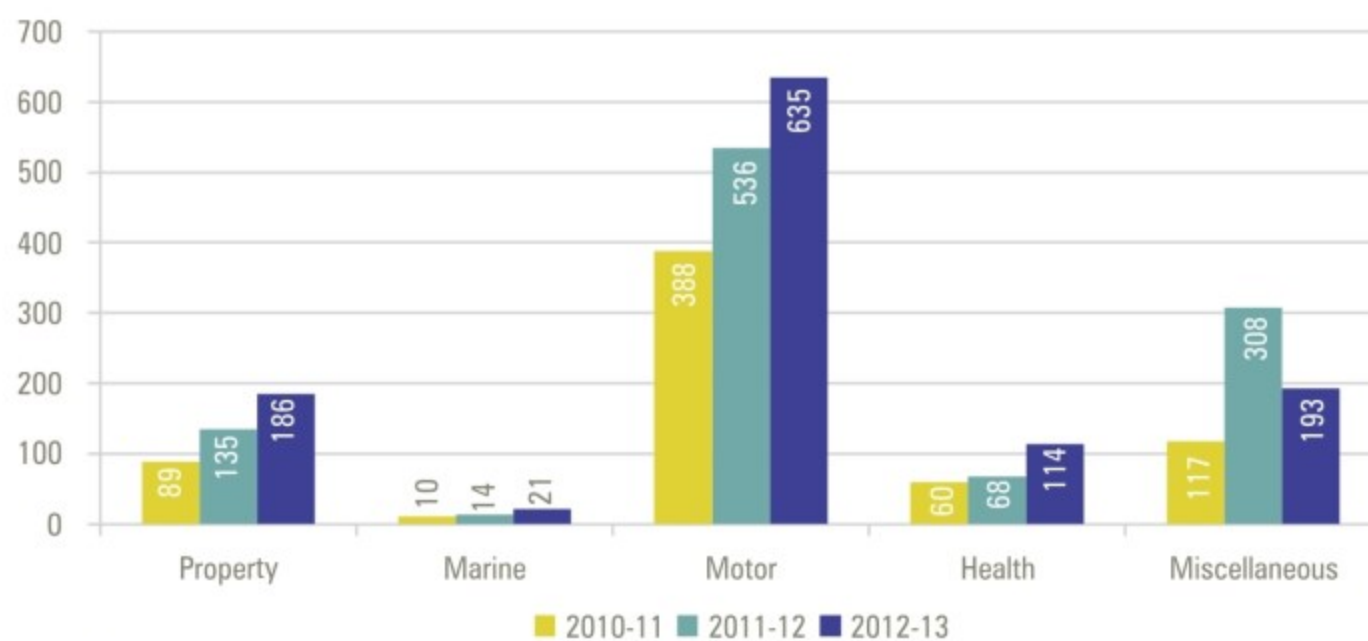
Source: IRDA Data

Table 2.31 Economy & Insurance

Population (2011)	4,19,47,358
SDP (₹ in Crores)	2,58,744
Penetration %	0.44%
Density (₹)	274
Literacy (2011)	73%

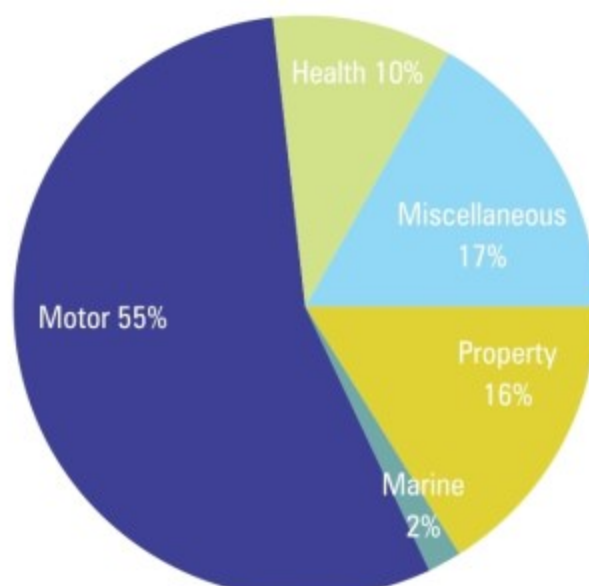
Source: Office of Registrar General of India; MOSPI
State Domestic Product (SDP) at Current Prices

Chart 2.29 GDPI (₹ in Crores)



Source: IRDA Data

Chart 2.30 2012-13 GDPI - Classwise Split



Source: IRDA Data

Chhattisgarh

Rank by FY13 GDPI : 16

Zone : East | Share of National FY13 GDPI : 1.2%

Table 2.32 GDPI & Offices

	2010-11	2011-12	2012-13
GDPI (₹ in Crores)	465	625	797
No. of Offices	85	83	119

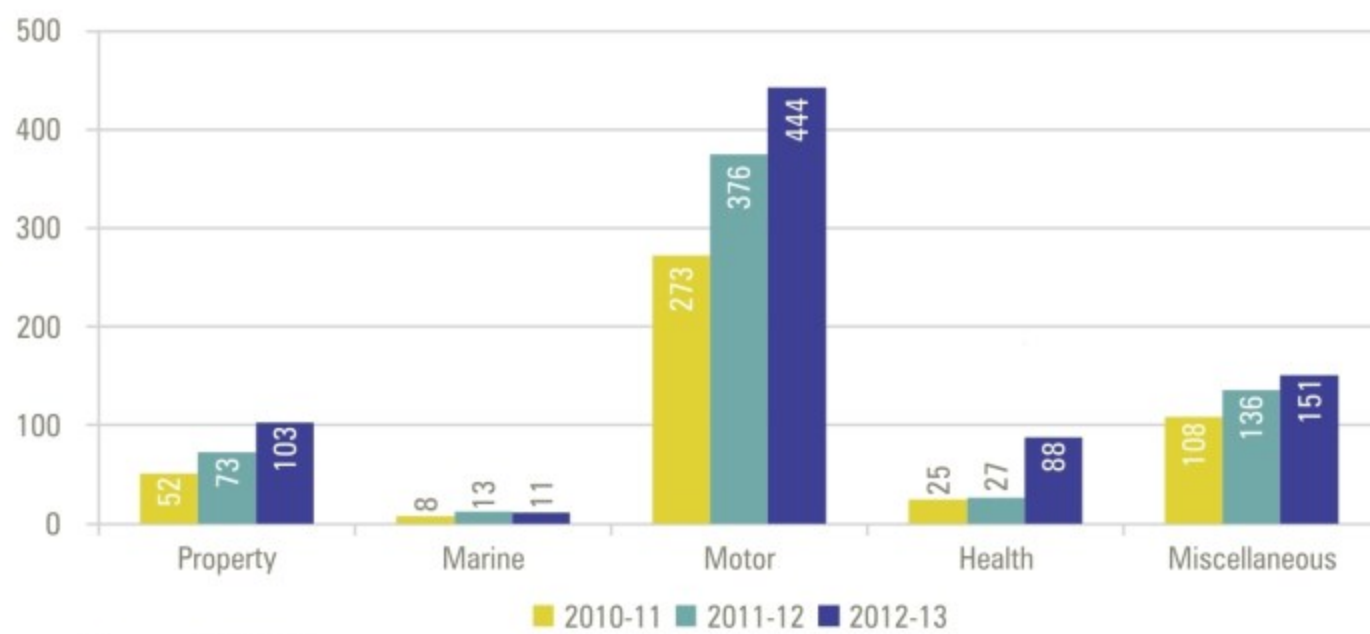
Source: IRDA Data

Table 2.33 Economy & Insurance

Population (2011)	25,540,196
SDP (₹ in Crores)	1,60,188
Penetration %	0.50%
Density (₹)	312
Literacy (2011)	71%

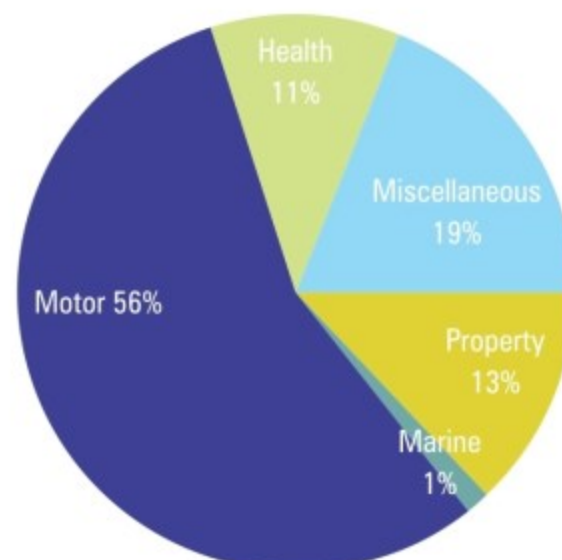
Source: Office of Registrar General of India; MOSPI
State Domestic Product (SDP) at Current Prices

Chart 2.31 GDPI (₹ in Crores)



Source: IRDA Data

Chart 2.32 2012-13 GDPI - Classwise Split



Source: IRDA Data

Zone : North East | Share of National FY13 GDPI : 1.0%

Table 2.34 GDPI & Offices

	2010-11	2011-12	2012-13
GDPI (₹ in Crores)	378	489	690
No. of Offices	154	163	188

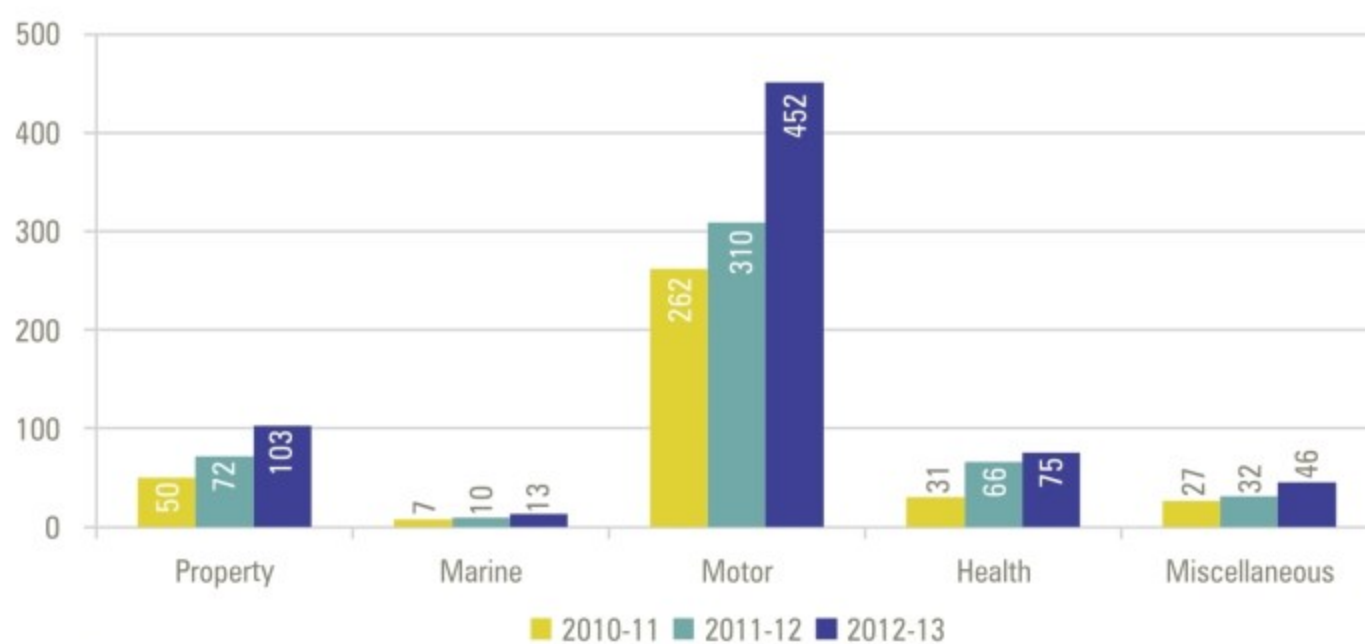
Source: IRDA Data

Table 2.35 Economy & Insurance

Population (2011)	3,11,69,272
SDP (₹ in Crores)	1,43,567
Penetration %	0.48%
Density (₹)	221
Literacy (2011)	73%

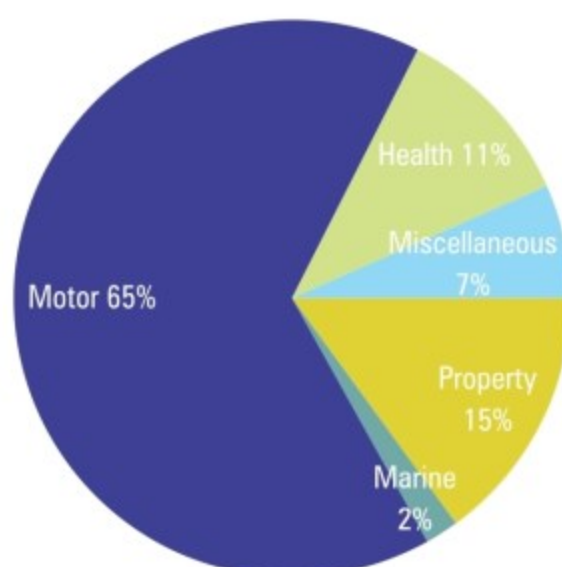
Source: Office of Registrar General of India; MOSPI State Domestic Product (SDP) at Current Prices

Chart 2.33 GDPI (₹ in Crores)



Source: IRDA Data

Chart 2.34 2012-13 GDPI - Classwise Split



Source: IRDA Data

Jharkhand

Rank by FY13 GDPI : 18

Zone : East | Share of National FY13 GDPI : 0.9%

Table 2.36 GDPI & Offices

	2010-11	2011-12	2012-13
GDPI (₹ in Crores)	332	405	606
No. of Offices	110	112	129

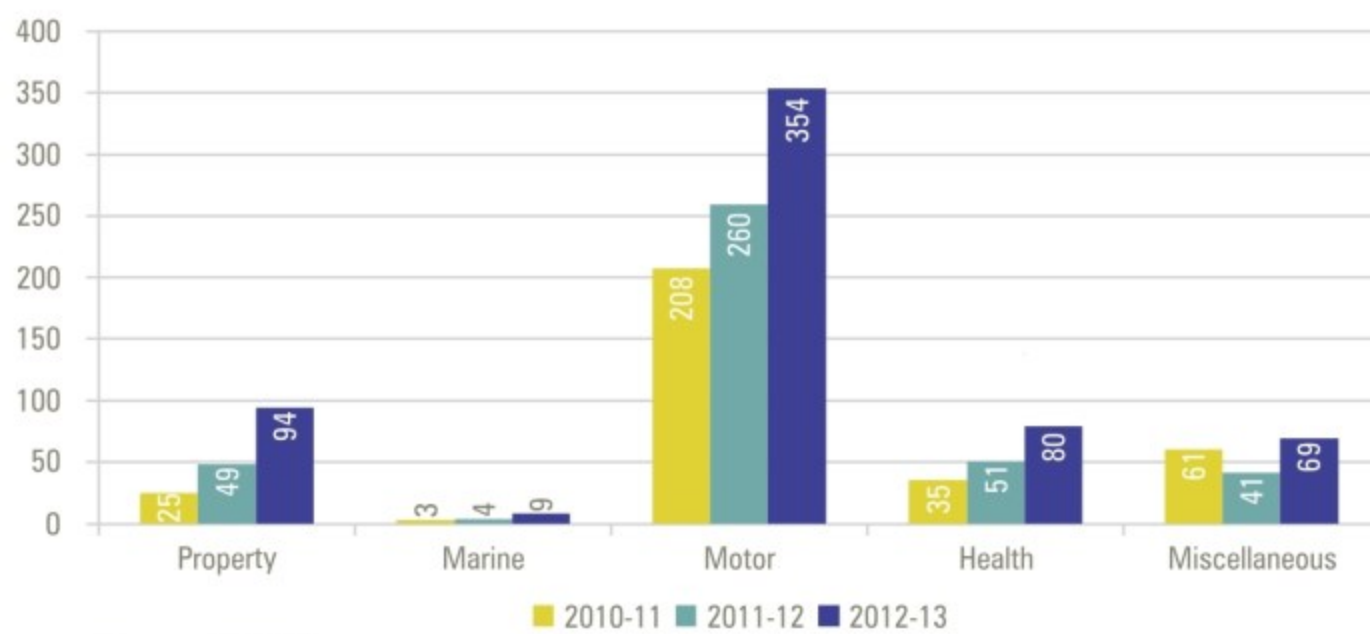
Source: IRDA Data

Table 2.37 Economy & Insurance

Population (2011)	3,29,66,238
SDP (₹ in Crores)	1,47,841
Penetration %	0.41%
Density (₹)	184
Literacy (2011)	68%

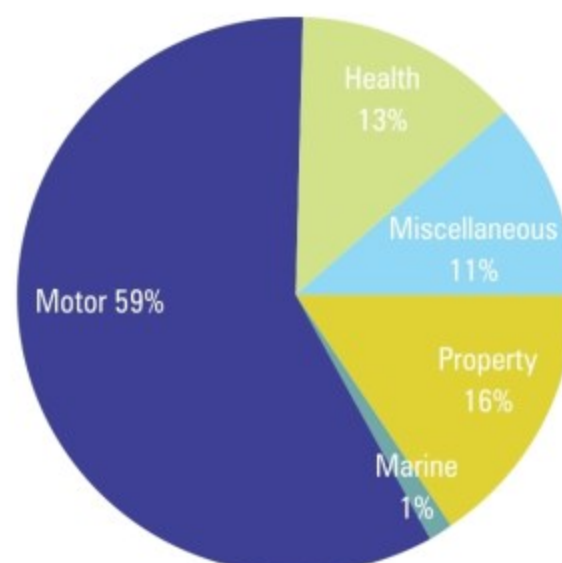
Source: Office of Registrar General of India; MOSPI
State Domestic Product (SDP) at Current Prices

Chart 2.35 GDPI (₹ in Crores)



Source: IRDA Data

Chart 2.36 2012-13 GDPI - Classwise Split



Source: IRDA Data

Zone : West | Share of National FY13 GDPI : 0.8%

Table 2.38 GDPI & Offices

	2010-11	2011-12	2012-13
GDPI (₹ in Crores)	205	477	576
No. of Offices	39	41	47

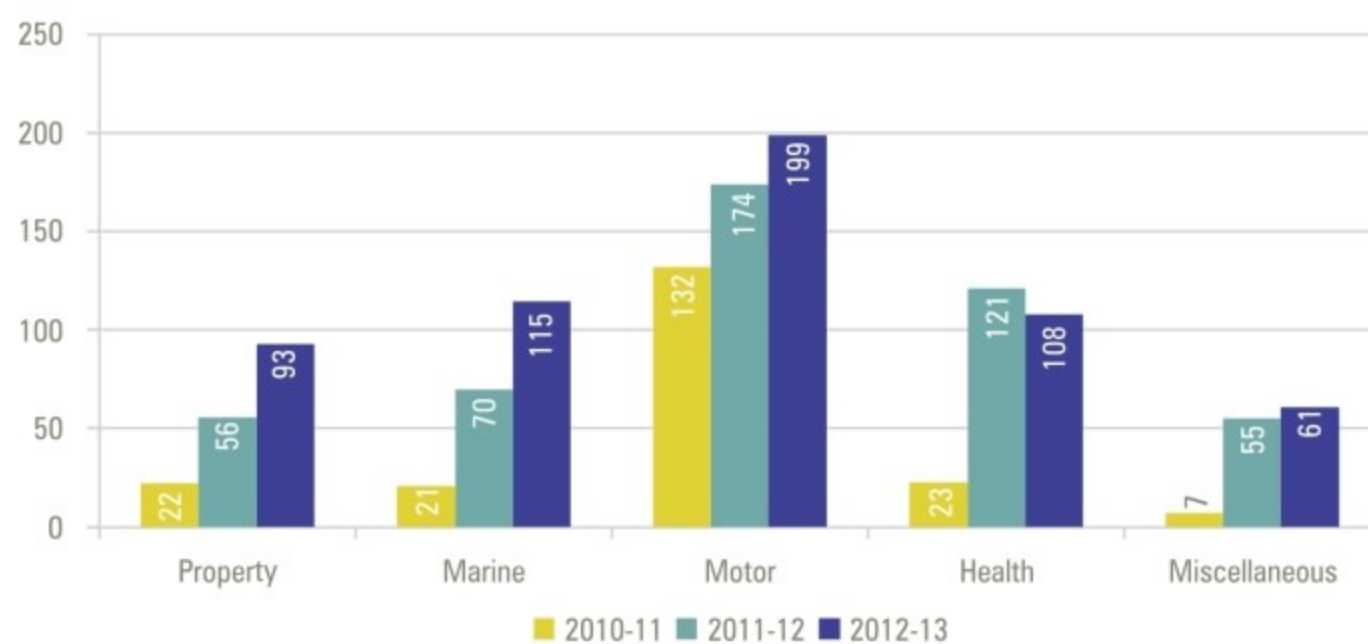
Source: IRDA Data

Table 2.39 Economy & Insurance

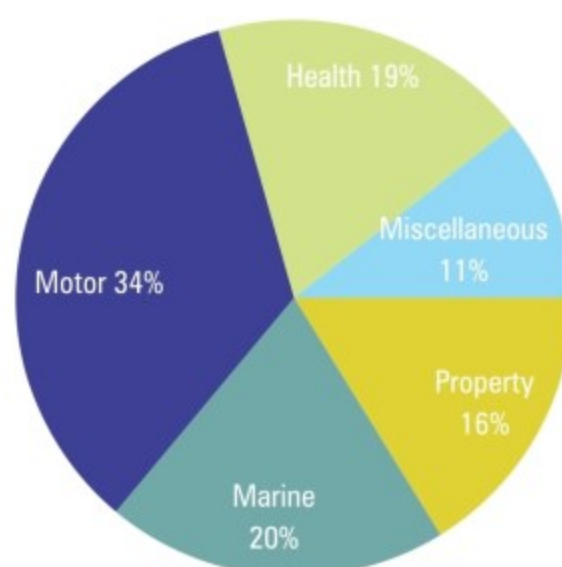
Population (2011)	14,57,723
SDP (₹ in Crores)*	35,932
Penetration %	1.33%
Density (₹)	3,952
Literacy (2011)	87%

Source: Office of Registrar General of India; MOSPI State Domestic Product (SDP) at Current Prices

* 2011-12 SDP latest available

Chart 2.37 GDPI (₹ in Crores)

Source: IRDA Data

Chart 2.38 2012-13 GDPI - Classwise Split

Source: IRDA Data

States

with GDPI < ₹ 500 Cr. each (10)

Zone : Various | Share of National FY13 GDPI : 2.2%

Rank by FY13 GDPI : 20

Table 2.40 GDPI & Offices

	2010-11	2011-12	2012-13
GDPI (₹ in Crores)	927	1,753	1,525
No. of Offices	264	315	327

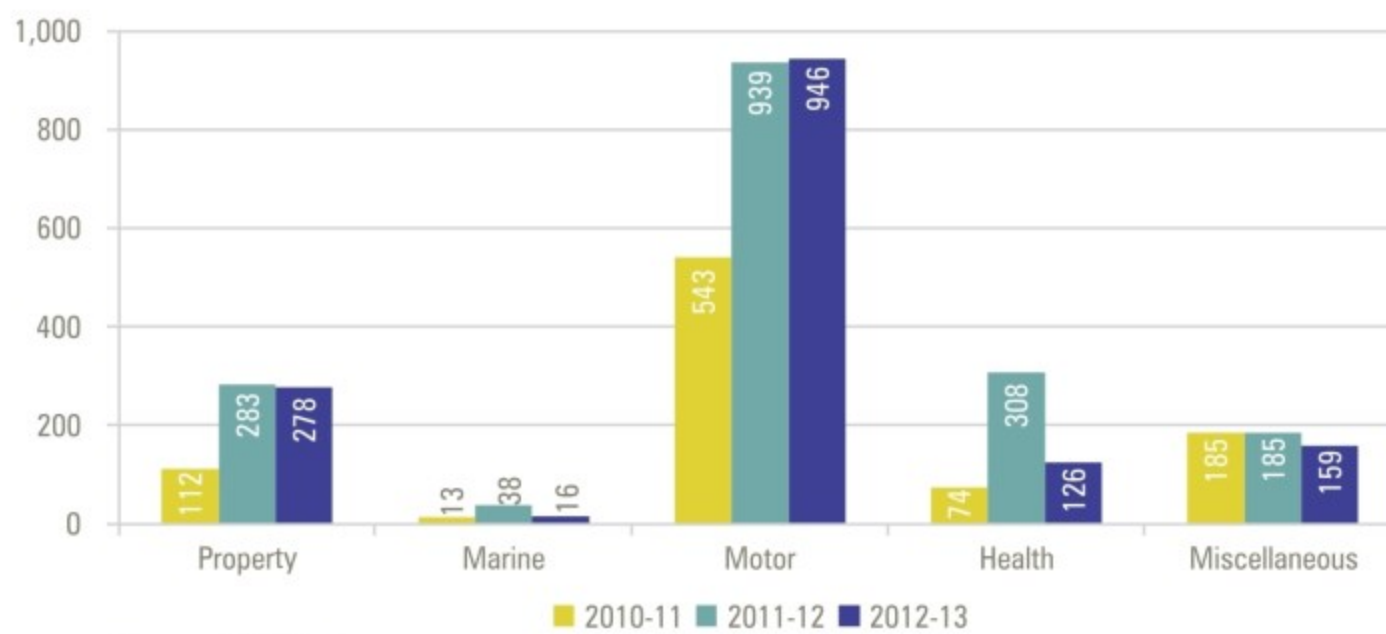
Source: IRDA Data

Table 2.41 Economy & Insurance

Population (2011)	4,39,40,897
SDP (₹ in Crores)	3,33,978
Penetration %	0.46%
Density (₹)	347
Literacy (2011)	78%

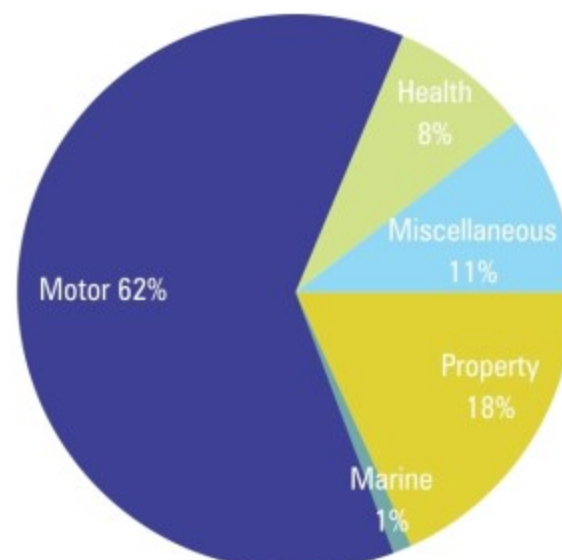
Source: Office of Registrar General of India; MOSPI
State Domestic Product (SDP) at Current Prices

Chart 2.39 GDPI (₹ in Crores)



Source: IRDA Data

Chart 2.40 2012-13 GDPI - Classwise Split



Source: IRDA Data

Union Territories

with GDPI < ₹ 500 Cr. each (6)

Zone : Various | Share of National FY13 GDPI : 0.9%

Rank by FY13 GDPI : 21

Table 2.42 GDPI & Offices

	2010-11	2011-12	2012-13
GDPI (₹ in Crores)	522	947	640
No. of Offices	90	88	86

Source: IRDA Data

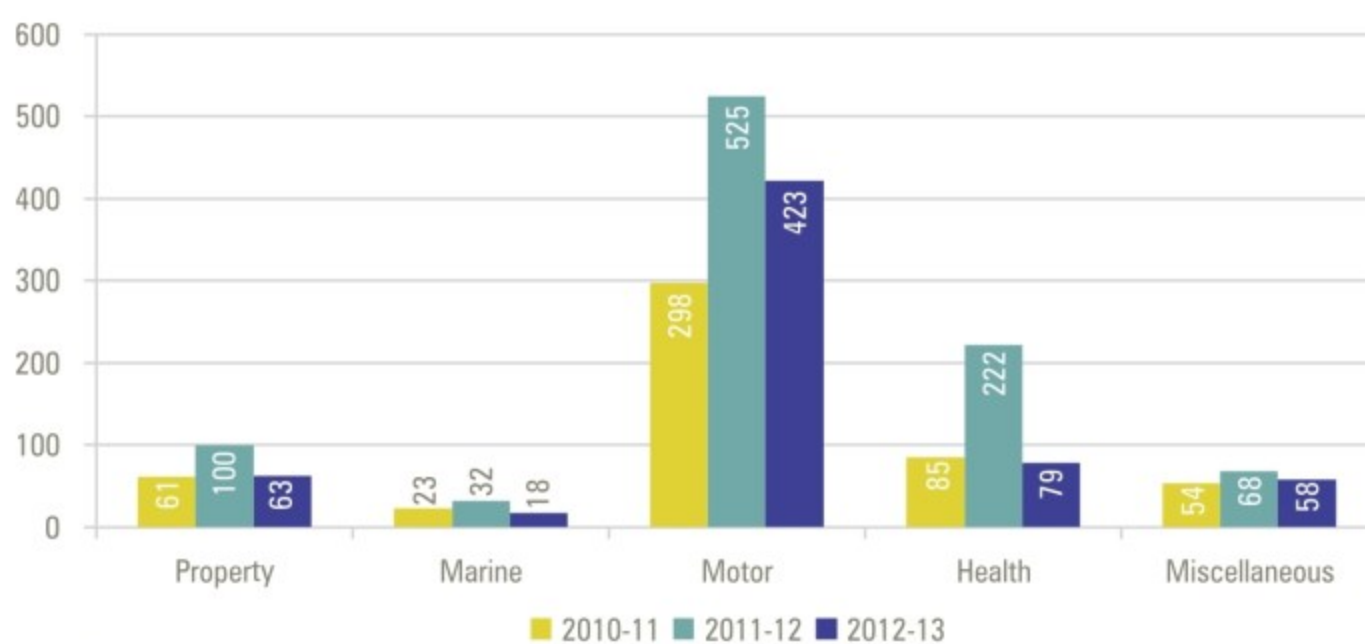
Table 2.43 Economy & Insurance

Population (2011)	33,29,287
SDP (₹ in Crores)*	42,475
Penetration %	2.23%
Density (₹)	1,921
Literacy (2011)	86%

Source: Office of Registrar General of India; MOSPI
State Domestic Product (SDP) at Current Prices

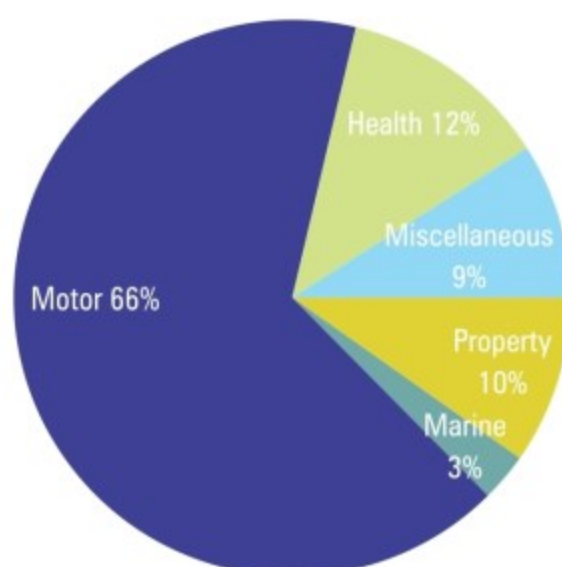
* 2011-12 SDP latest available

Chart 2.41 GDPI (₹ in Crores)



Source: IRDA Data

Chart 2.42 2012-13 GDPI - Classwise Split



Source: IRDA Data

Property, Motor, Health & Other Classes - Premium Heatmaps

To give a visual of the changing Non-Life Insurance profile in India, heatmaps have been presented in the following pages.

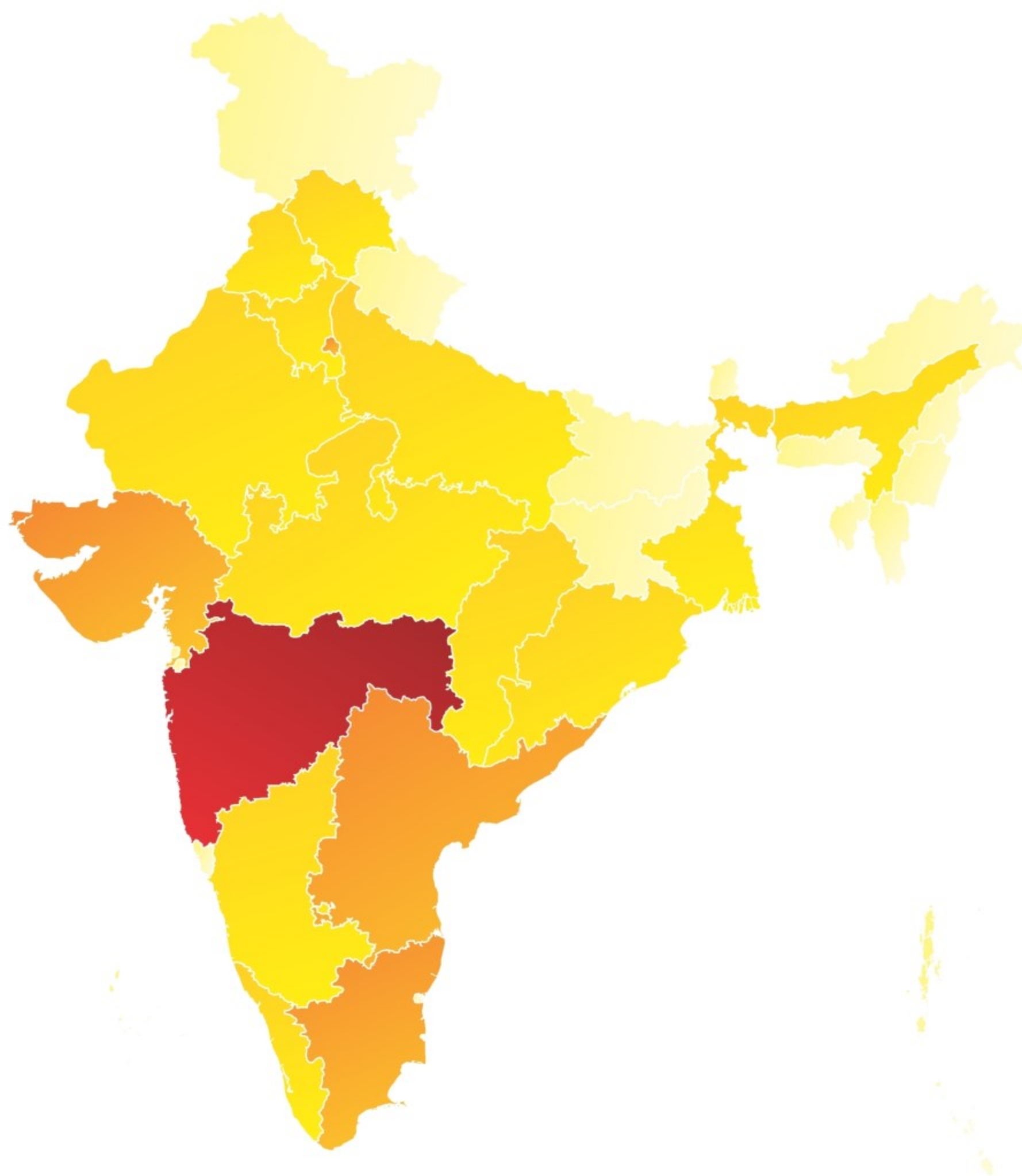
How to read the following heatmaps

A heatmap is like a table with colours instead of numbers and a key that denotes the sorted range of values (eg. a sorted range of Premium values) that each colour represents. By utilising just five colours to represent the entire range of numerical values, the heatmaps make visualising large amounts of data simple.

In the heatmaps that will follow, the lightest colour in each heatmap indicates lower values whereas the darkest colour shows the higher values. States with similar values are shown with the same colour, thus indicating a similitude.

The set of colours is carefully chosen to transition from a light to dark shade of the same colour so that reader can comprehend the significance of colours while observing the heatmap and does not need to refer to the key repeatedly.

Property Premium (2012-13)



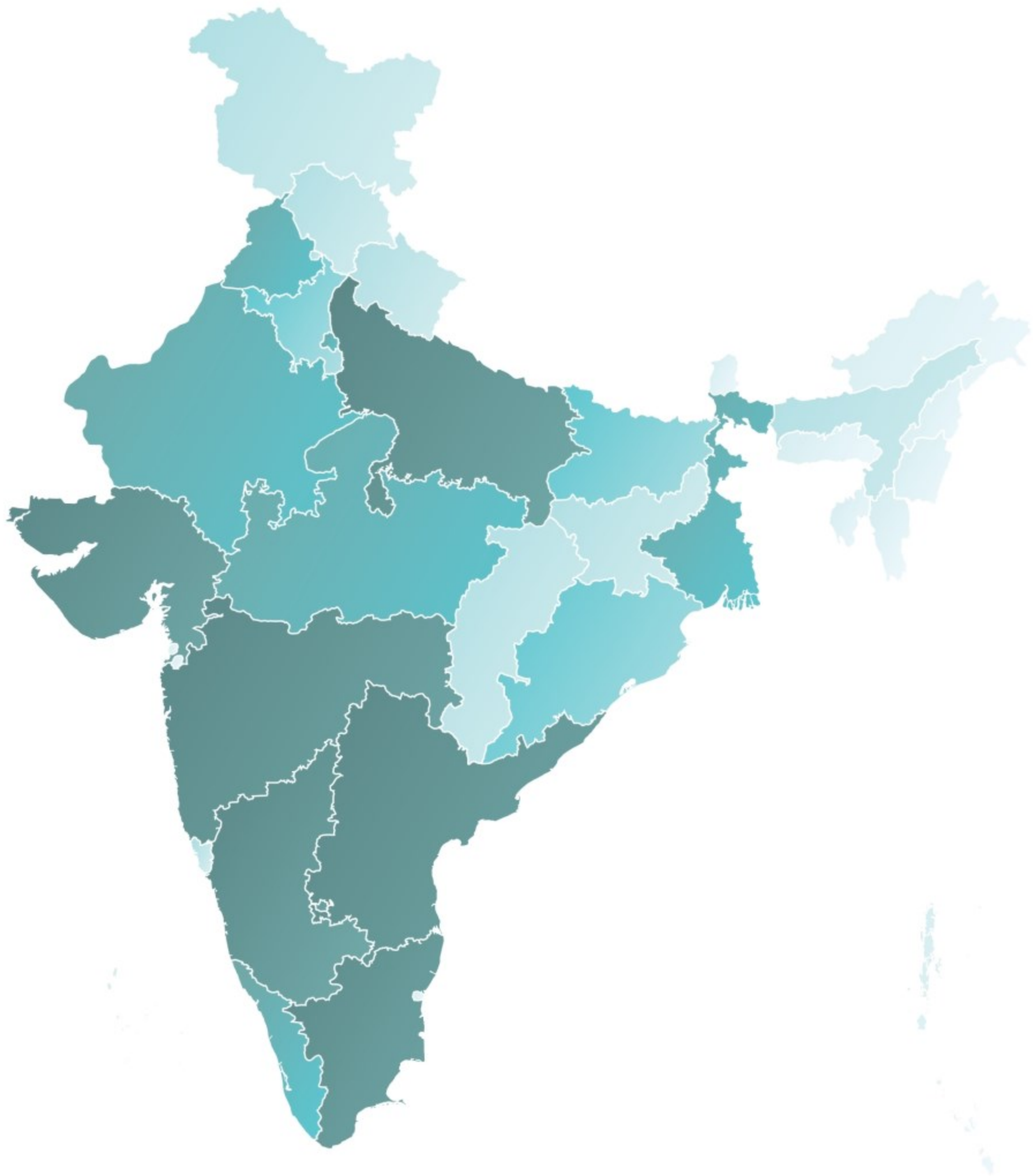
* 18 states/union territories are below ₹100 Crores premium underwritten



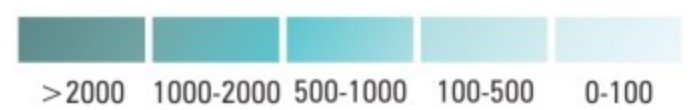
₹ (in Crores)

Map source: Political Map of India English 4M at <http://www.surveyofindia.gov.in/downloads>

Motor Premium (2012-13)

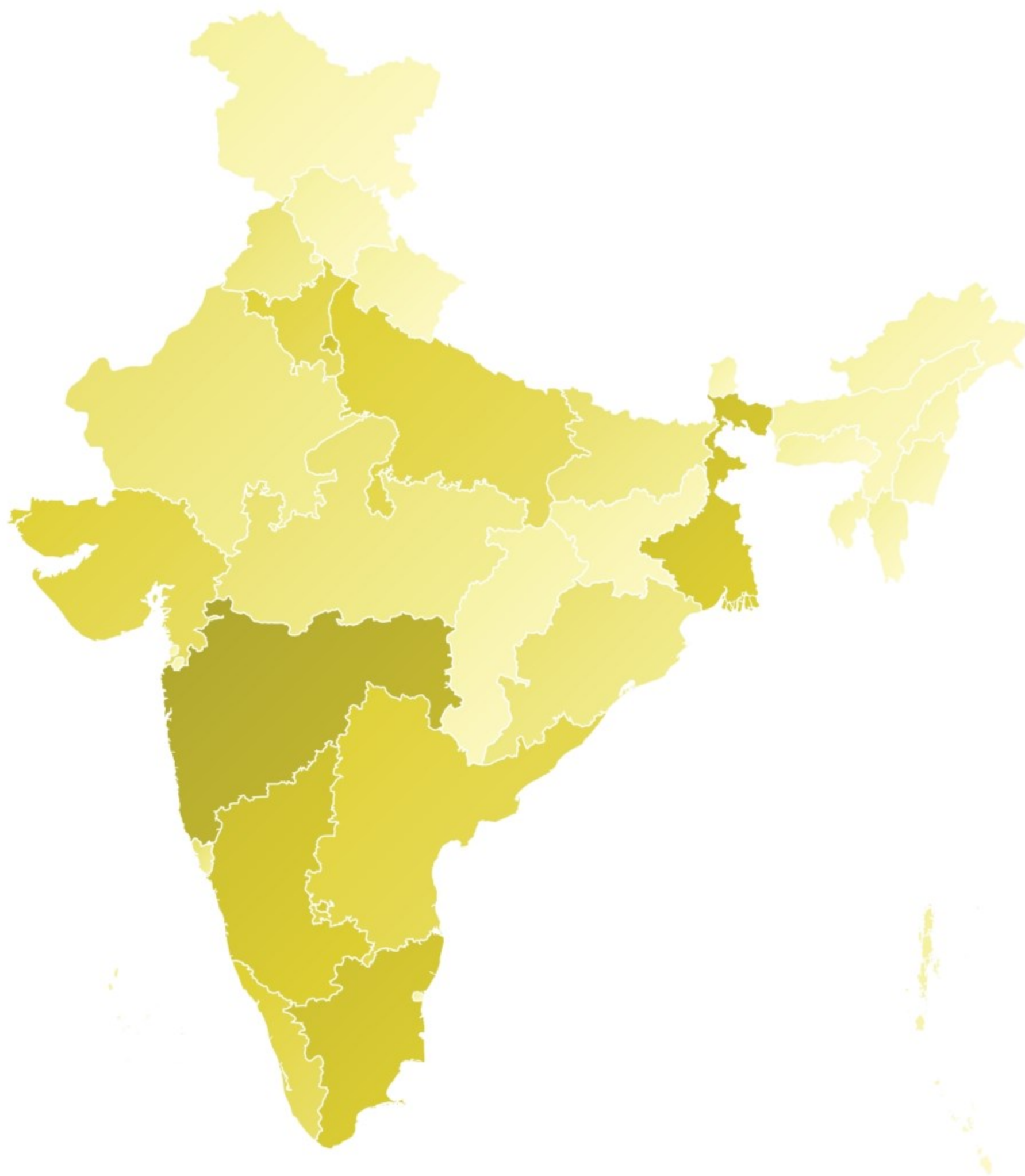


* 12 states/union territories have crossed ₹1000 Crores premium underwritten



₹ (in Crores)

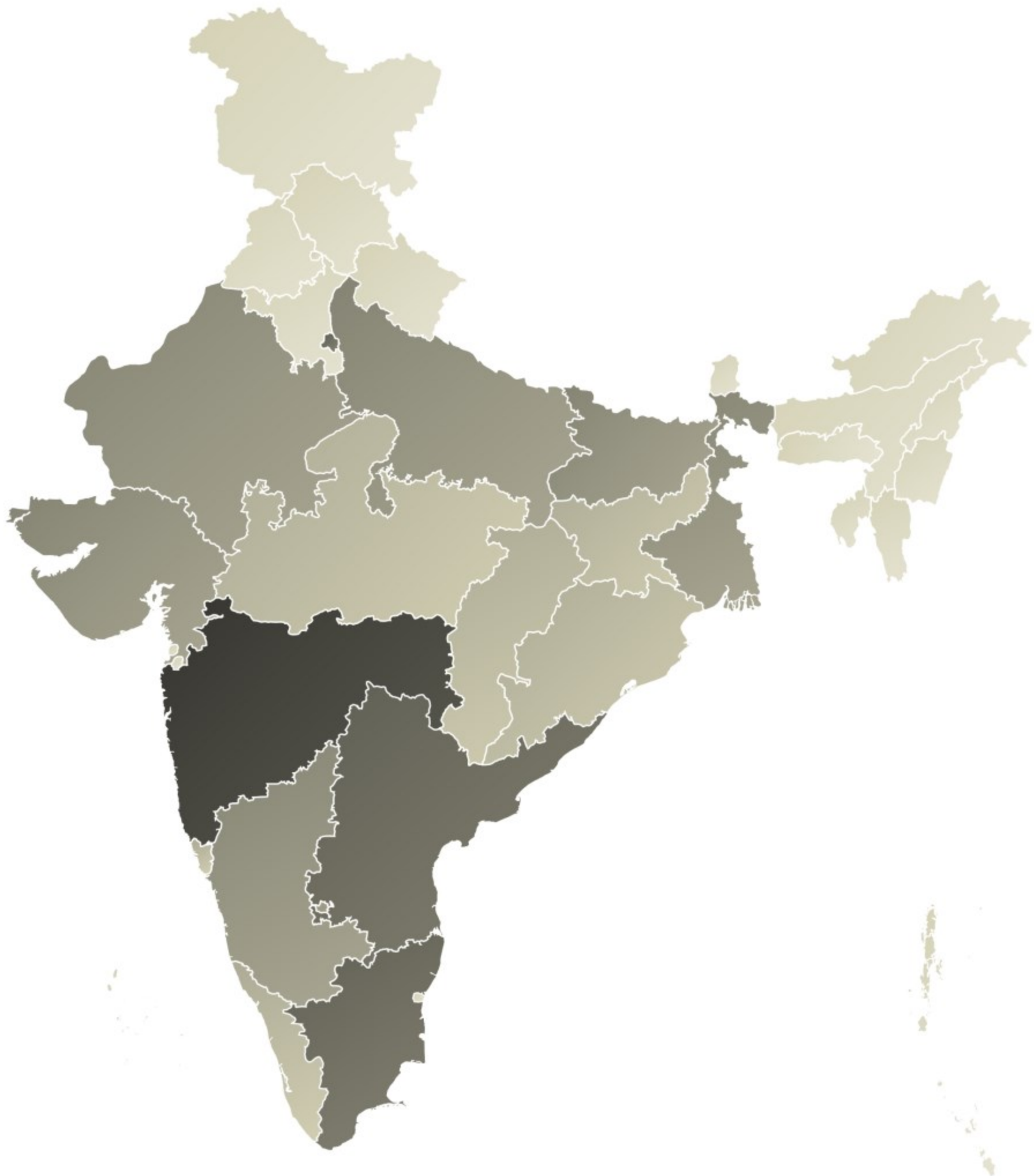
Map source: Political Map of India English 4M at <http://www.surveyofindia.gov.in/downloads>



* 19 states/union territories below ₹100 Crores premium underwritten



Other Classes Premium (2012-13)



* Top 4 states account for more than 50% of premium

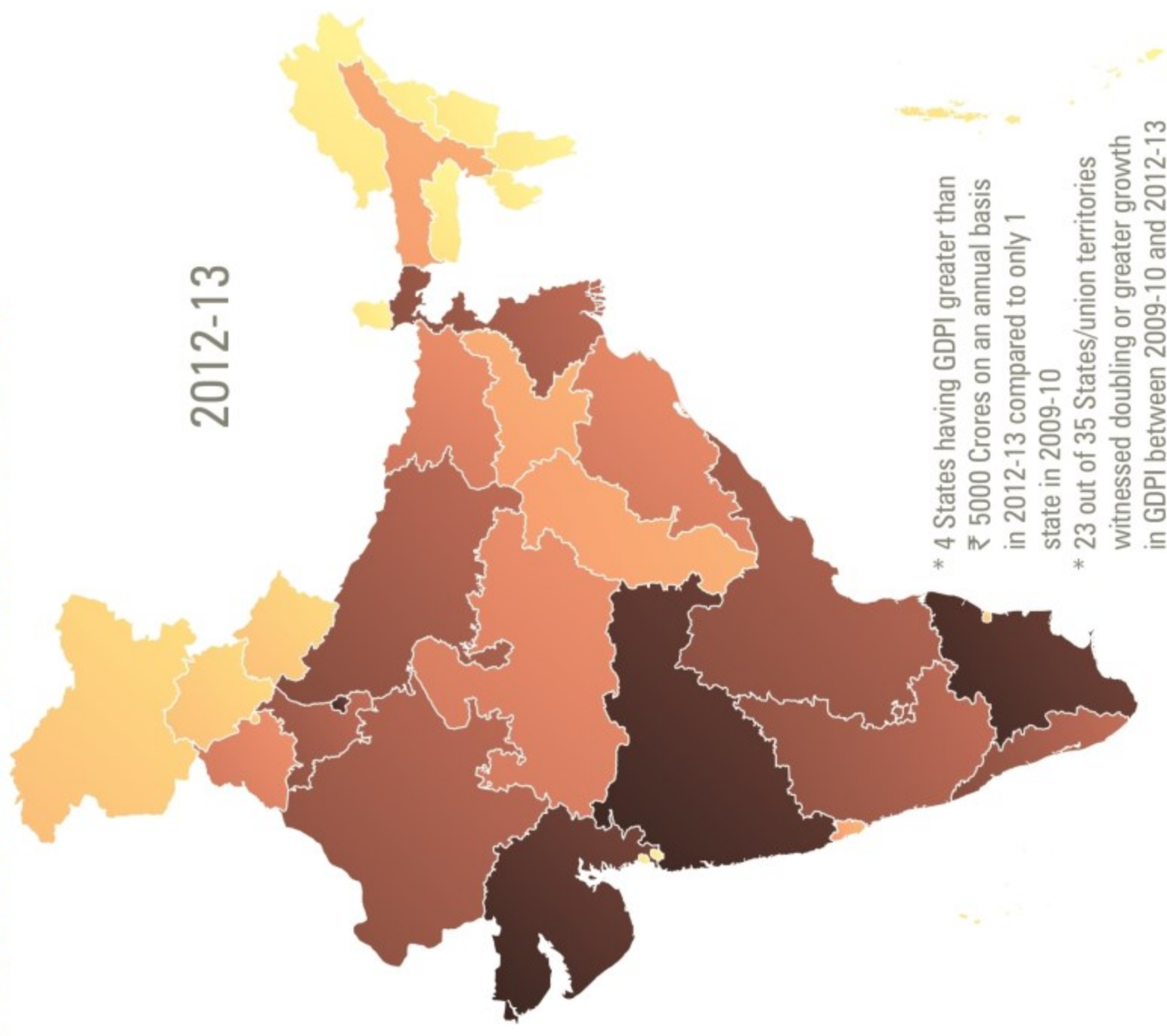
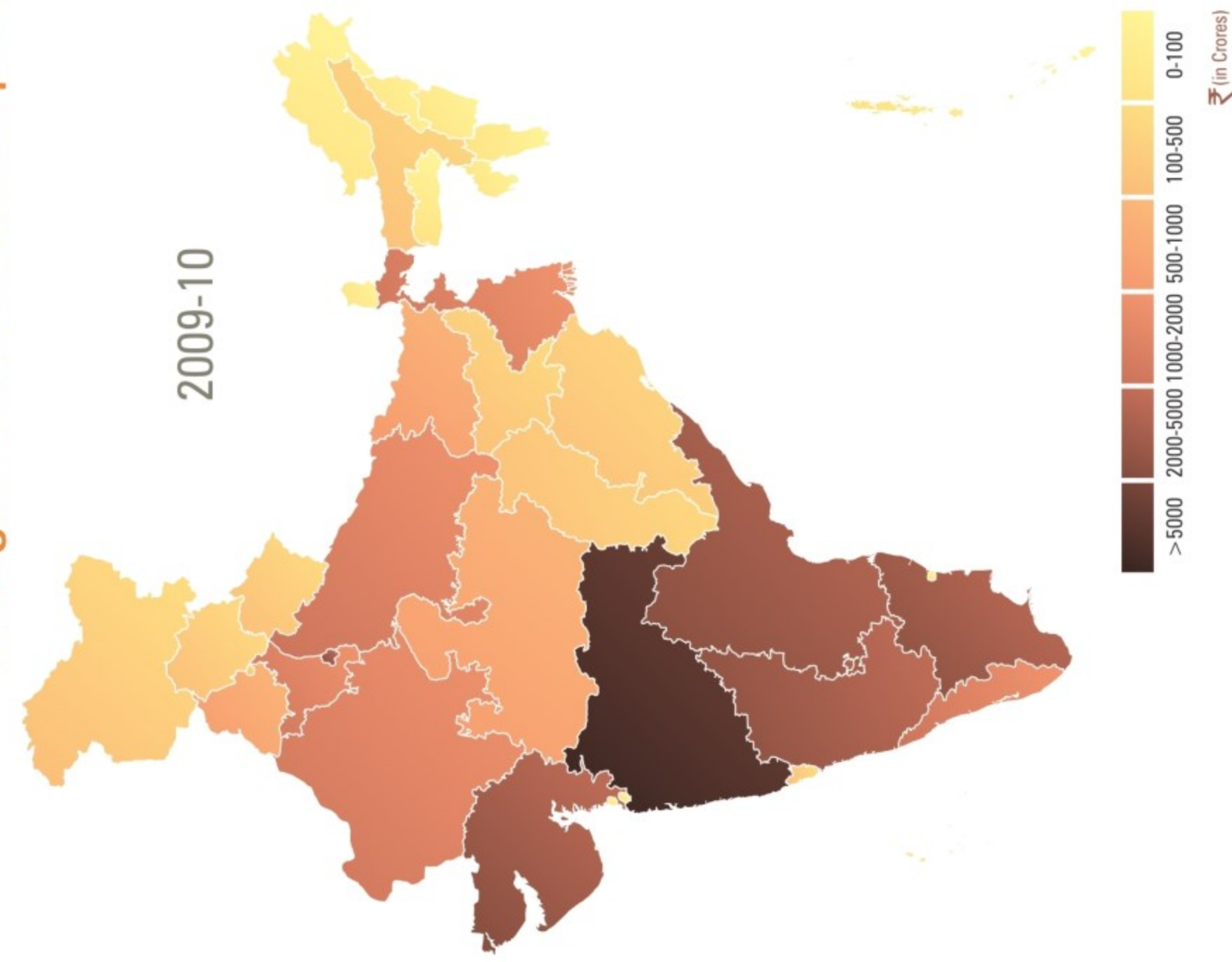
* 18 states/union territories below ₹100 Crores premium underwritten



₹ (in Crores)

Map source: Political Map of India English 4M at <http://www.surveyofindia.gov.in/downloads>

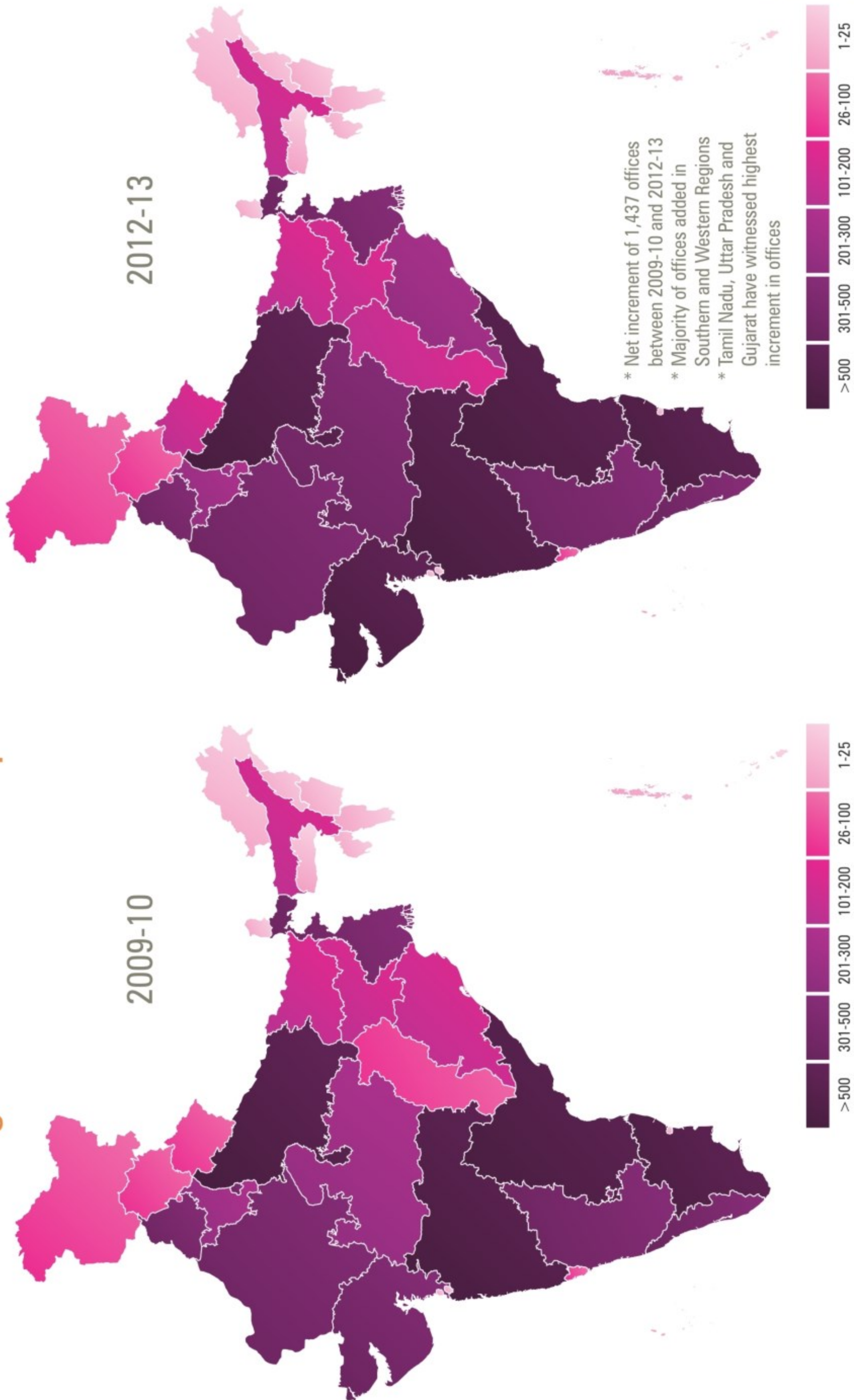
Change in GDPI Heatmap between 2009-10 and 2012-13



* 4 States having GDPI greater than ₹ 5000 Crores on an annual basis in 2012-13 compared to only 1 state in 2009-10

* 23 out of 35 States/union territories witnessed doubling or greater growth in GDPI between 2009-10 and 2012-13

Change in Offices Heatmap between 2009-10 and 2012-13



Map source: Political Map of India English 4M at <http://www.surveyofindia.gov.in/downloads/>



03

Industry Business Highlights

- Industry Dimensions ●
- Employee & Office Productivity Gains ●
- Distribution Channels ●
- Premium ●
- Operating Expenses (Commission + Expenses of Management) ●
- Claims ●
- Underwriting Result ●
- Investment Income ●
- Profit After Tax ●
- Investments ●
- Equity Share Capital ●
- Return on Capital Employed (RoCE) ●

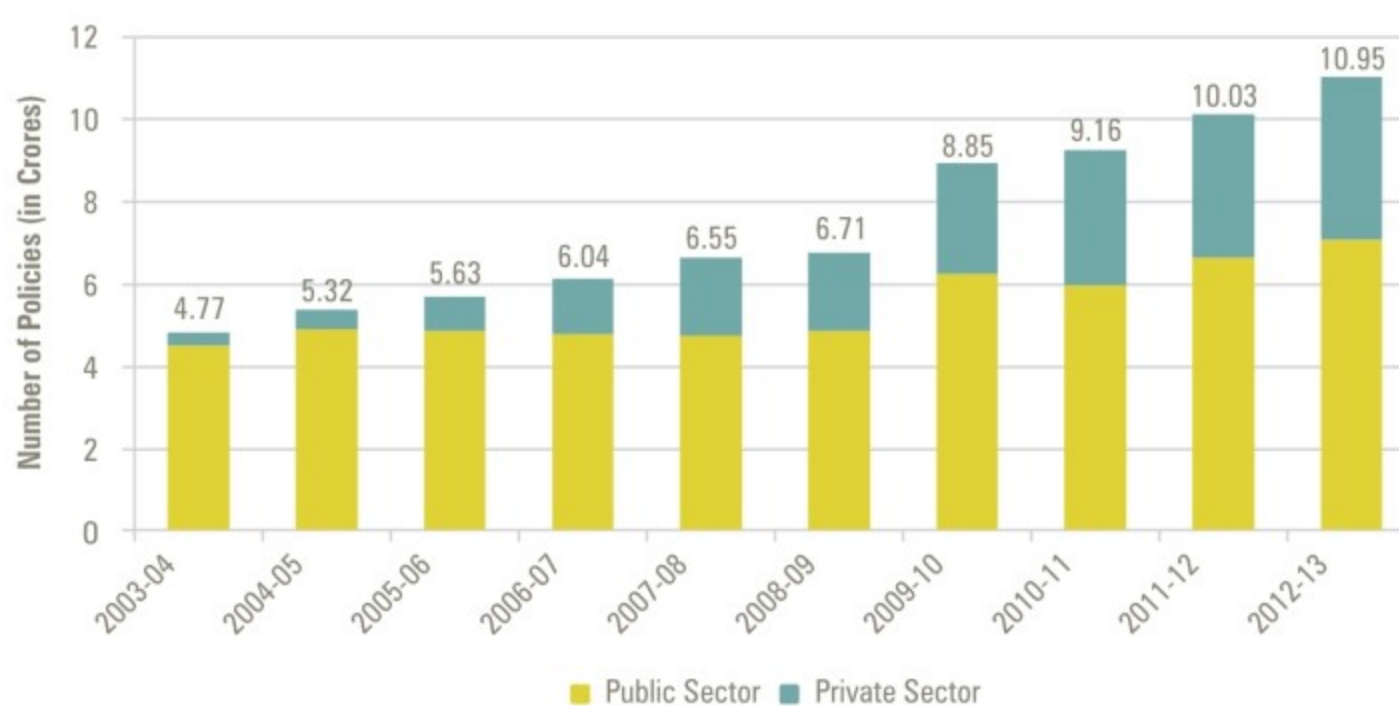
Industry Business Highlights

Industry Dimensions

Since the opening up of the Non-Life Insurance industry in 2001, the industry has witnessed substantial improvement in operational efficiency, along with a manifold increase in premium underwritten.

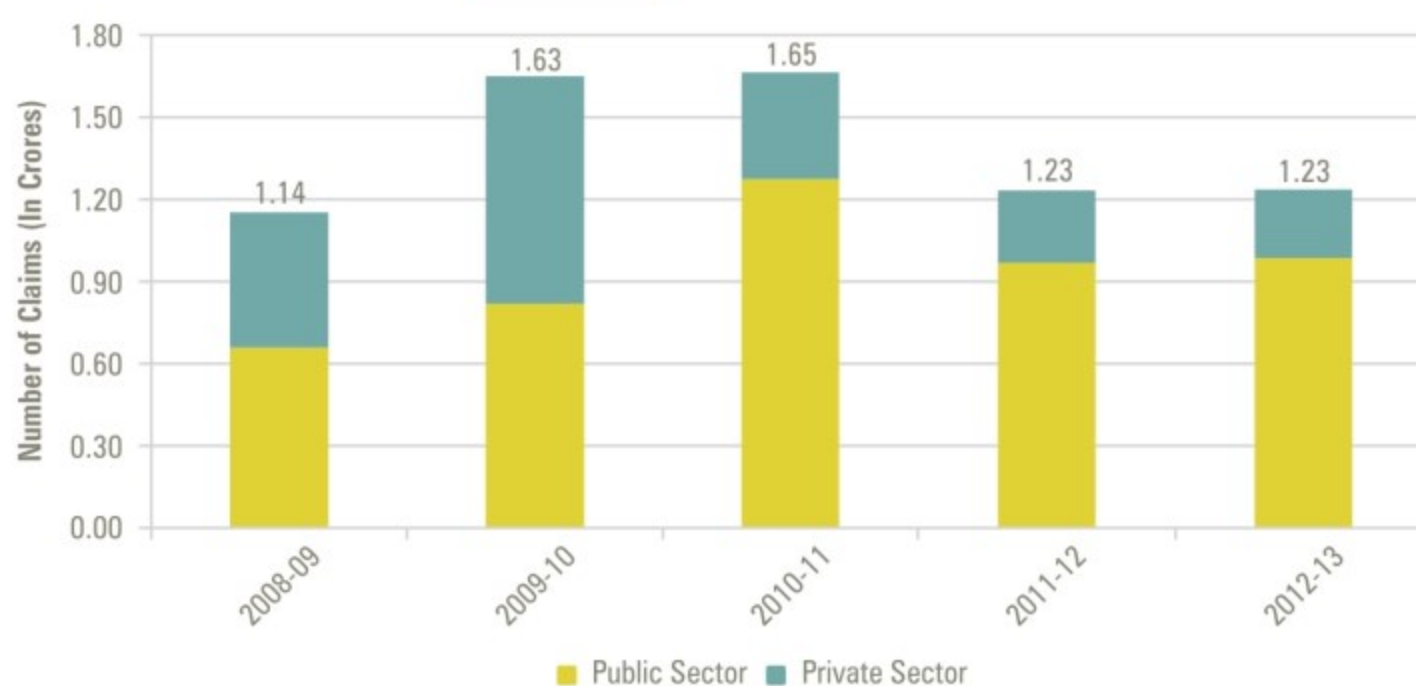
The highlights below show trends in key operational dimensions during the period 2003-2013.

Chart 3.1 Policies Issued



Source: General Insurance Council

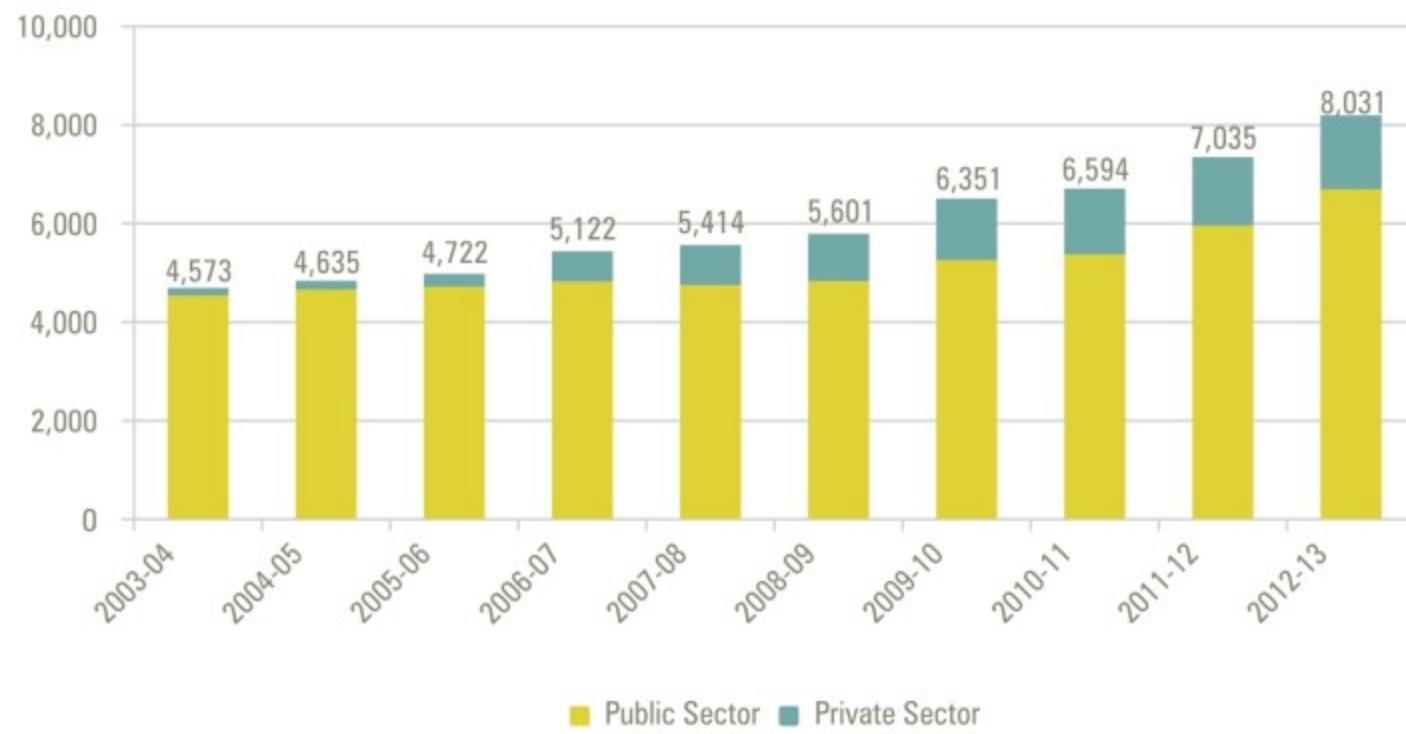
Chart 3.2 Claims Handled*



Source: Public Disclosures 2012-13 of Non-Life Insurance Companies

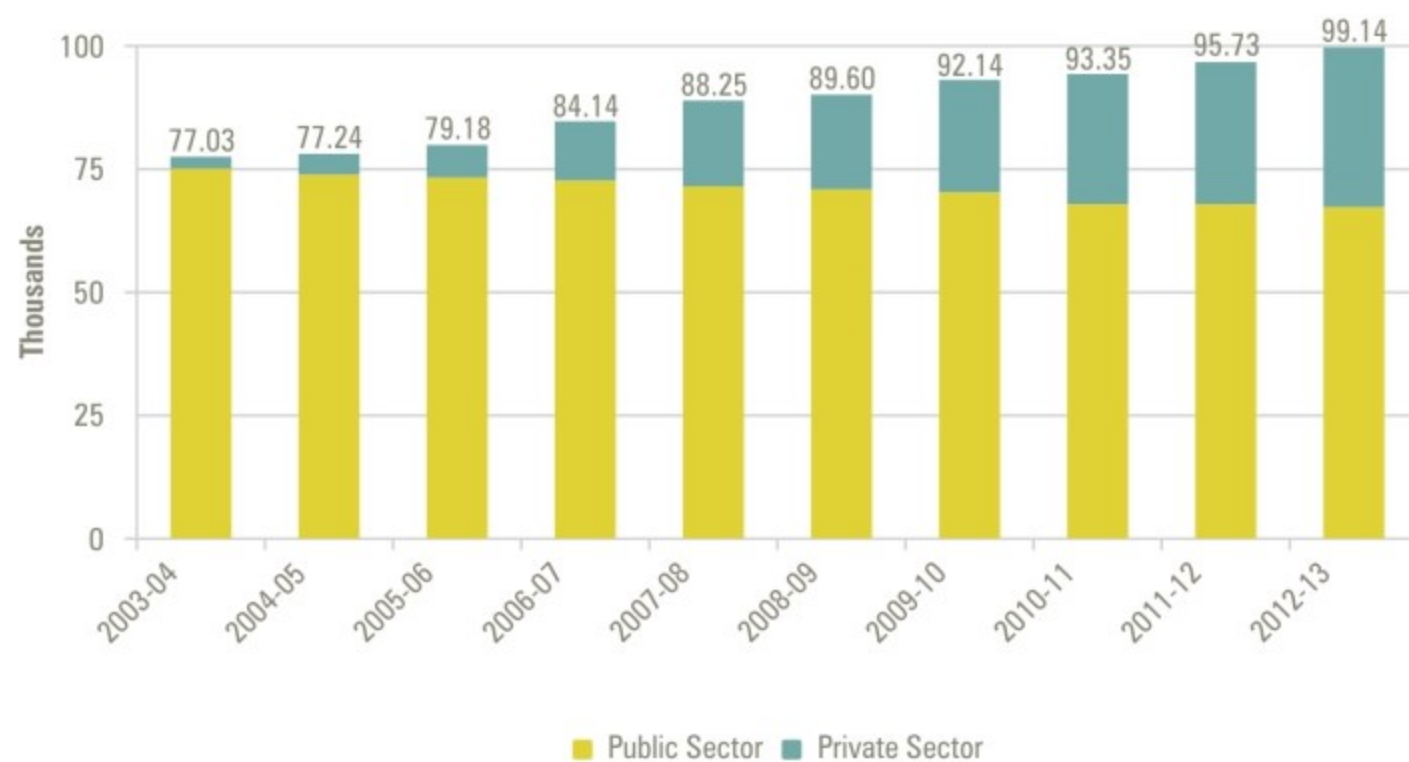
* **Claims Handled** = Opening Balance of Claims Outstanding as of April 1st of each year + Claims Reported During that financial year

Chart 3.3 Offices



Source: General Insurance Council

Chart 3.4 Employees



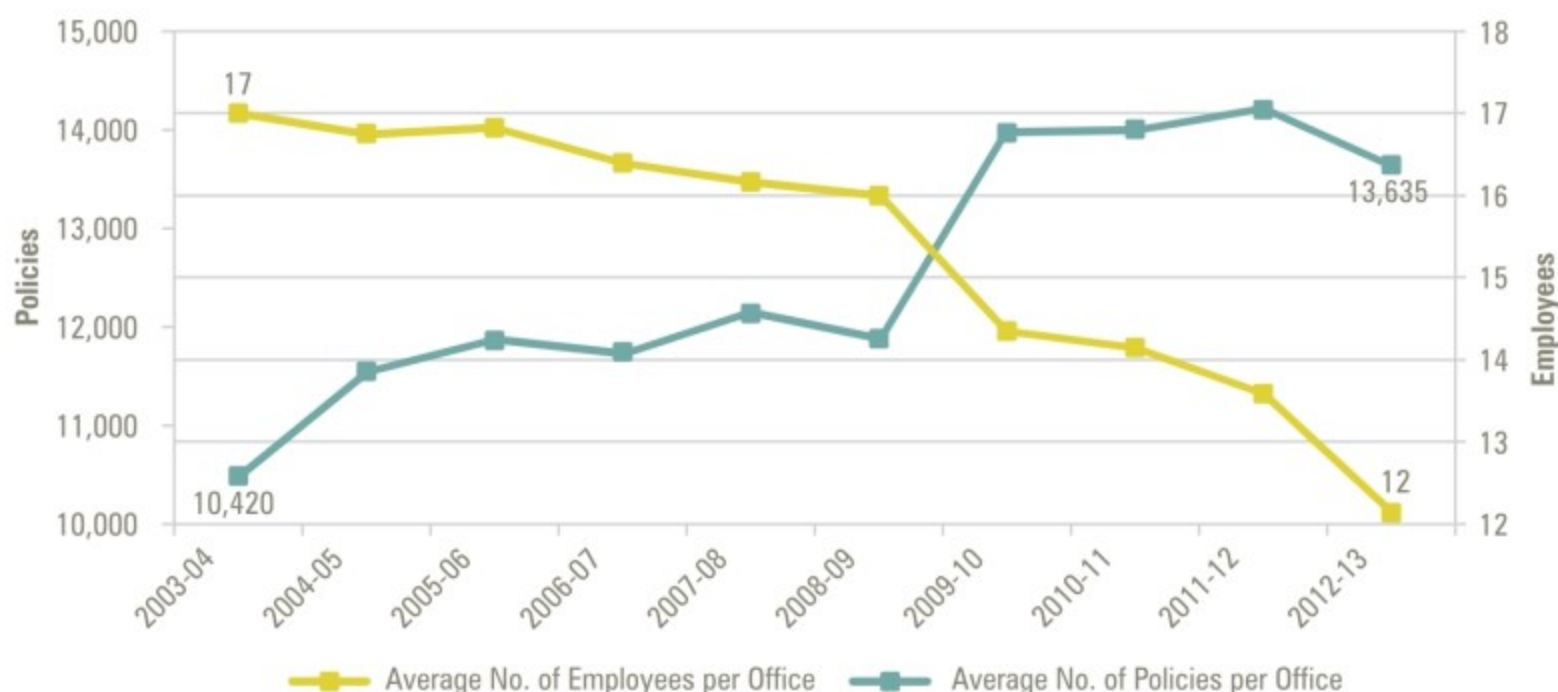
Source: General Insurance Council

Employee & Office Productivity gains

The Non-Life Insurance industry has seen productivity increases and the key productivity trends are mentioned below:

While the Average Number of Employees per Office has decreased from 17 in 2003-04 to 12 in 2012-13, the Average Number of Policies handled per Office has increased from 10,420 to 13,635 during the same period.

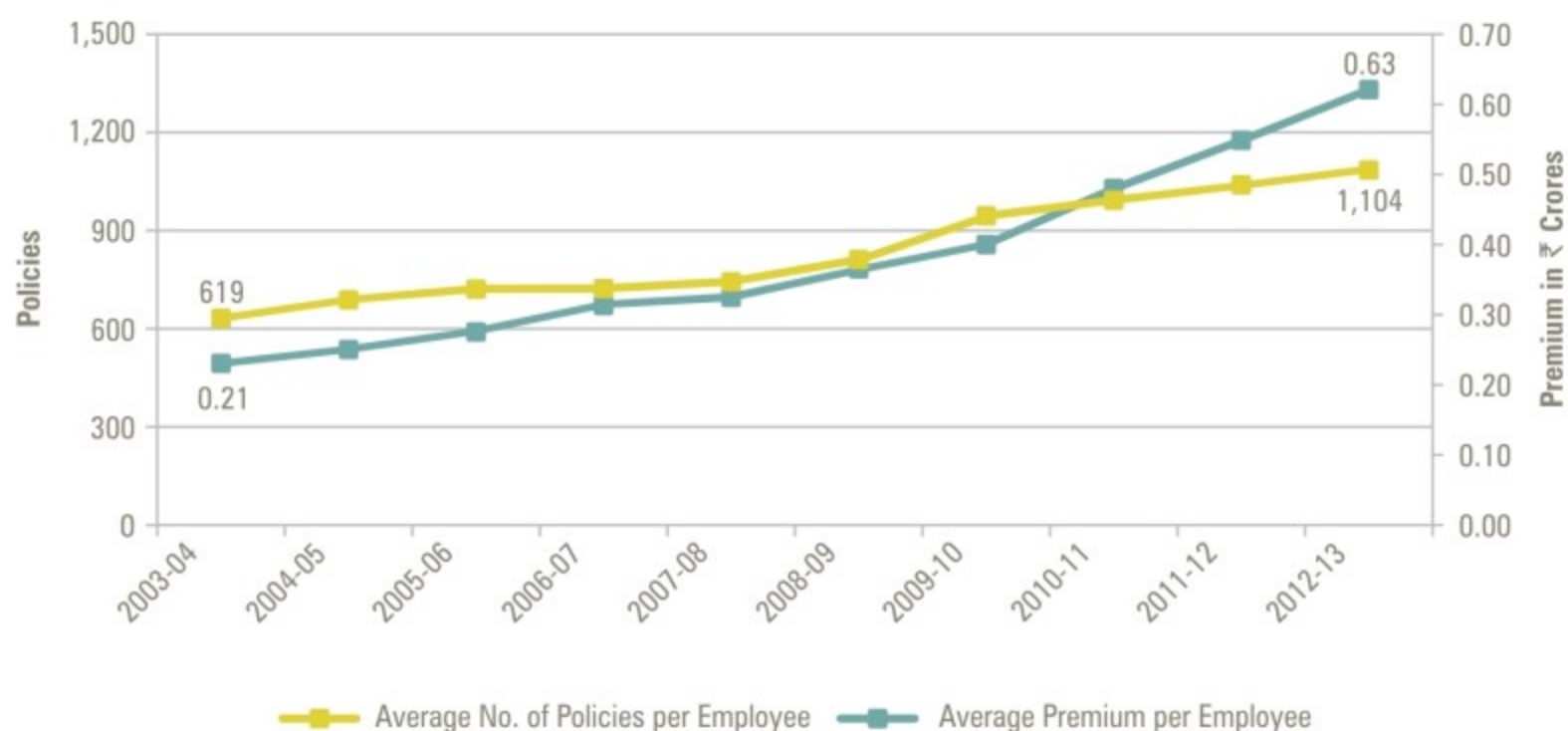
Chart 3.5 Policies Per Office & Employees Per Office



Source: General Insurance Council

During the period 2003-04 to 2012-13, the Average number of Policies handled per Employee has increased from 619 to 1104 (78% increase) while the Average Premium per Employee has increased from ₹ 0.21 Crores to ₹ 0.63 Crores (200% increase) during the same period.

Chart 3.6 Policies Per Employee & Premium Per Employee

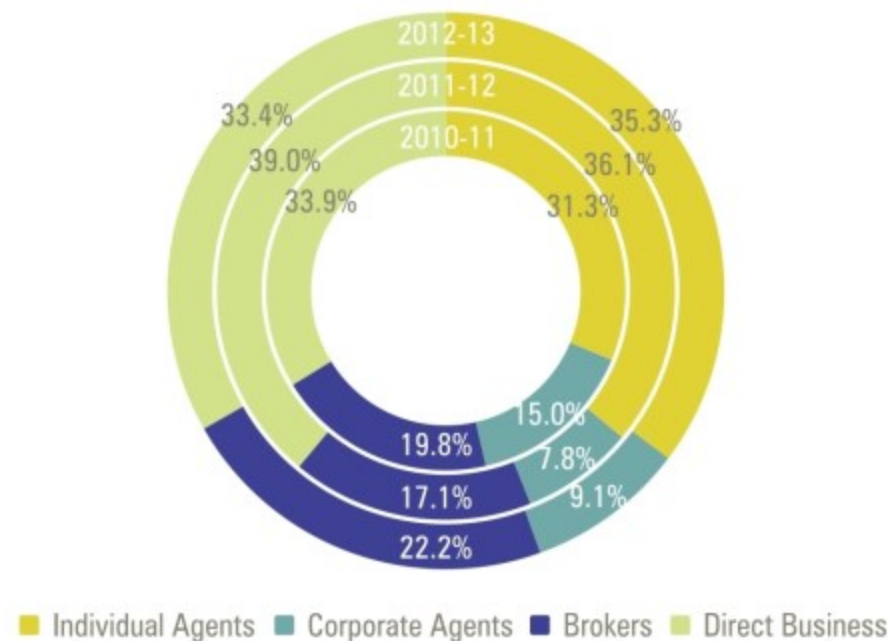


Source: General Insurance Council

Distribution Channels

One of the discerning features of the first decade of post privatisation of the sector is the emergence of multiple but regulated distribution channels, distinct from only Agents and Employees developing the business during the prior nationalised sector. Brokers and Corporate Agents (including Bancassurance models) have established their credentials as insurance intermediaries.

Chart 3.7 Channelwise GDPI (%age of Total)



Source: IRDA Annual Report and Public Disclosures of Non-Life Insurance Companies

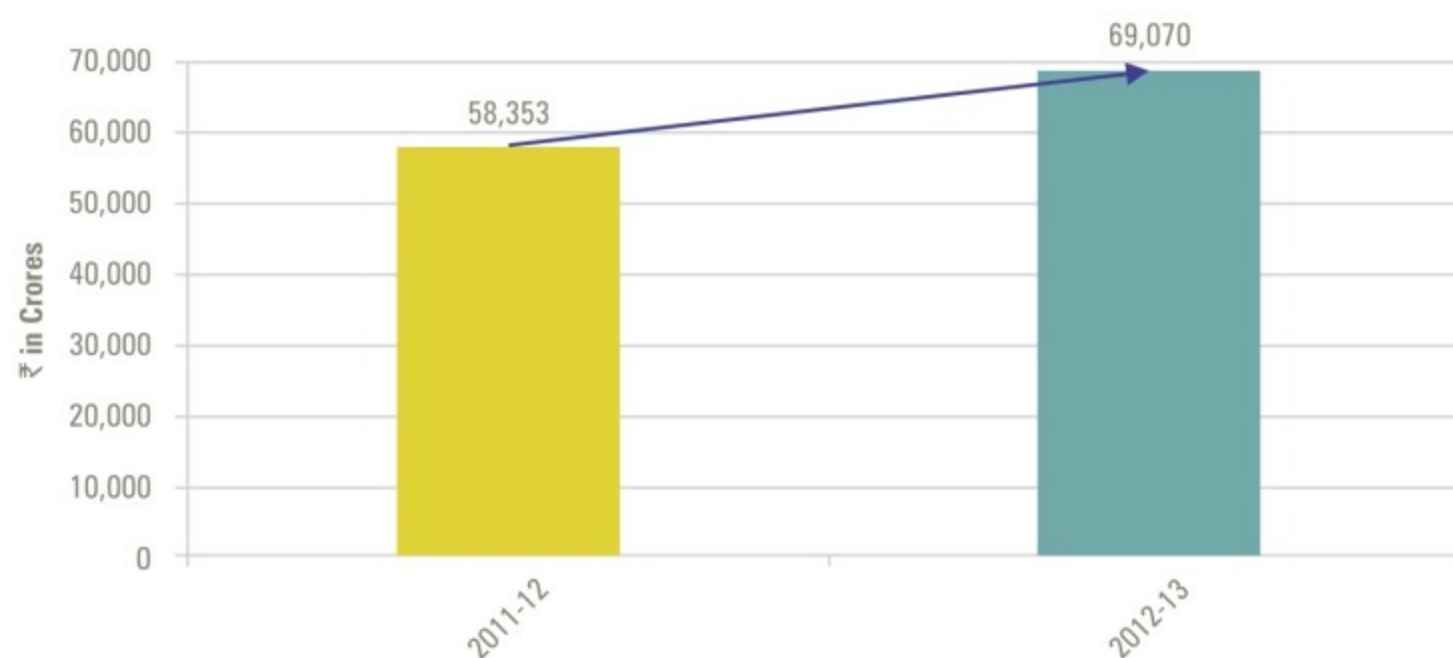
Share of premium sourced through direct channels is showing a steady trend. Premium sourced through Brokers and Agents is increasing. This indicates that more people are seeking advice through intermediaries to buy insurance.

Premium (GDPI)

The Non-Life Insurance Industry recorded Gross Direct Premium Income in India of ₹ 69,070 Crores in the year 2012-13 compared to ₹ 58,353 Crores in the previous year registering a growth of 18.4% during the year.

Motor, Health and Property (Fire and Engineering) businesses were the leading contributors to premium growth.

Chart 3.8 18.4% growth in GDPI



Source: Annual Reports 2012-13 of Non-Life Insurance Companies

The split of Premium between Public Sector, Private Sector and Standalone Health Insurance Companies is shown below (excluding business figures from Agriculture Insurance Company Limited and Export Credit Guarantee Corporation). Premium Values shown are Rupees in Crores.

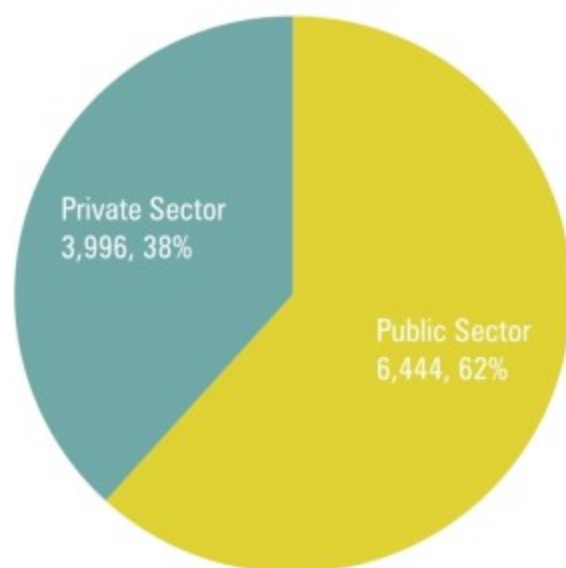


Chart 3.9

Property & Liability - 2012-13
(% Split by Type of Company)

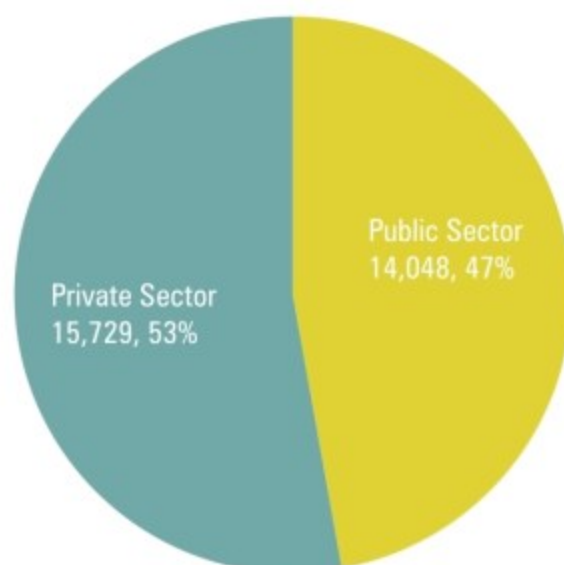


Chart 3.10

Motor - 2012-13
(% Split by Type of Company)

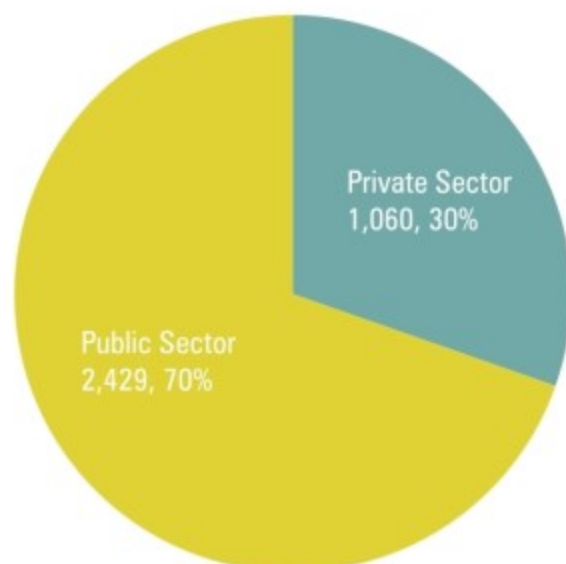


Chart 3.11

Marine & Aviation - 2012-13
(% Split by Type of Company)

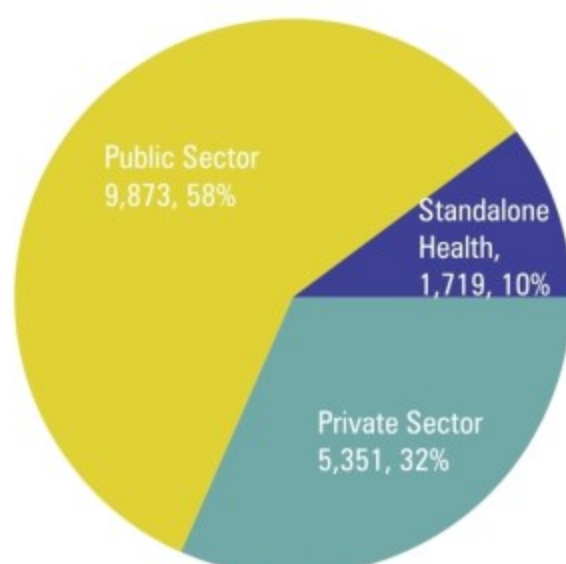


Chart 3.12

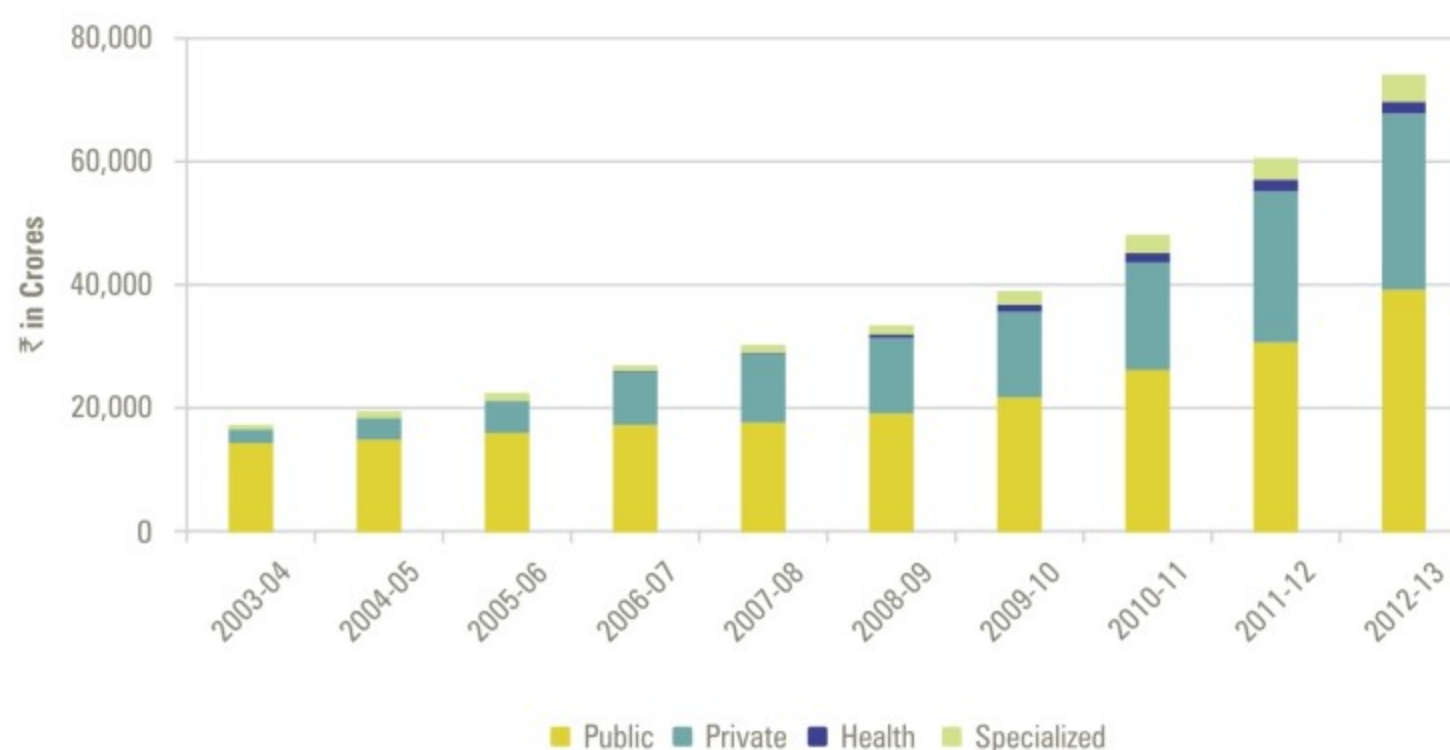
Health, Accident & Travel - 2012-13
(%age Split by Type of Company)

Source: IRDA Segmentwise data as at March 2013

Gross Written Premium (GWP)

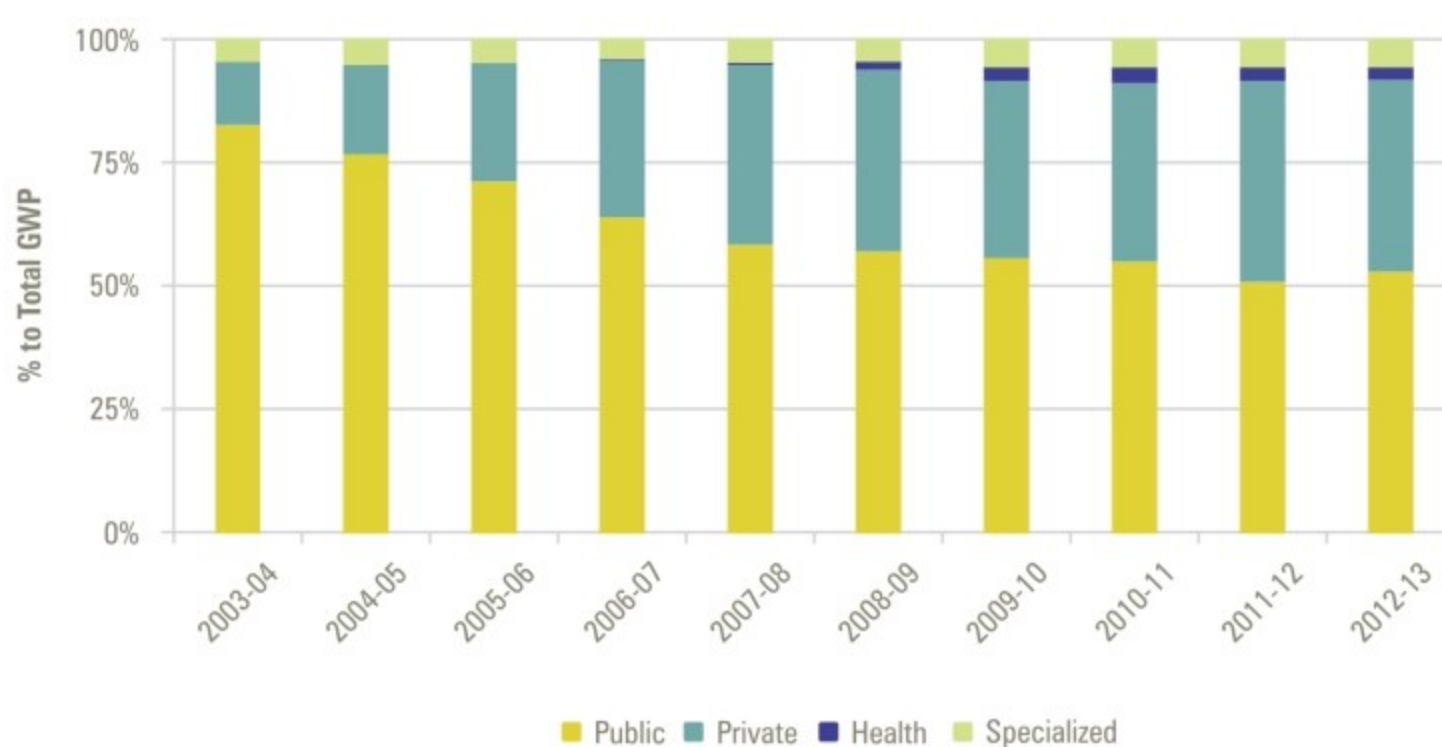
Gross Written Premium (both domestic and international business) grew by 22.3% from ₹ 59,820 Crores in 2011-12 to ₹ 74,329 Crores in 2012-13. The market share of Private sector, Standalone Health and Specialized companies is almost 50%.

Chart 3.13 Gross Written Premium



Source: IRDA Handbook 2011-12 and Public Disclosures 2012-13 of Non-Life Insurance Companies

Chart 3.14 GWP Share % by Type of Company



Source: IRDA Handbook 2011-12 and Public Disclosures 2012-13 of Non-Life Insurance Companies

The split of Premium between Rural and Urban in different Segments is shown below (excluding business figures from Agriculture Insurance Company Limited and Export Credit Guarantee Corporation). Premium Values shown are Rupees in Crores.

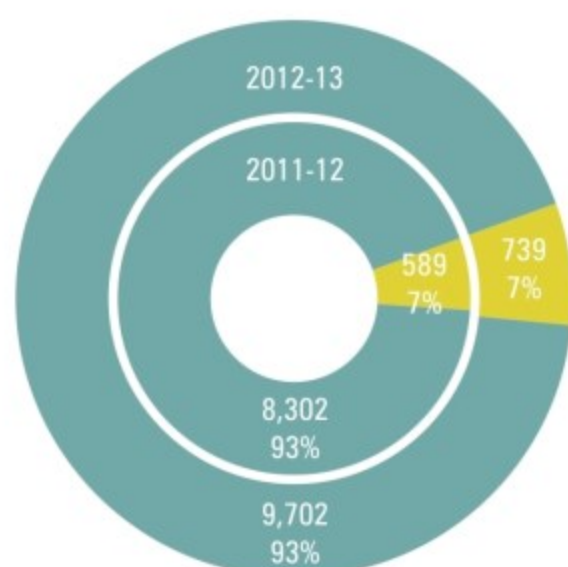


Chart 3.15
Property & Liability - Rural / Urban split

■ Rural ■ Urban

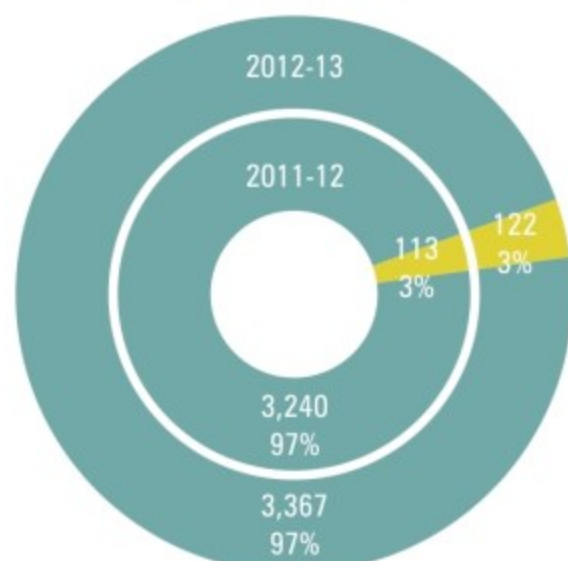


Chart 3.16
Marine & Aviation - Rural / Urban split

■ Rural ■ Urban

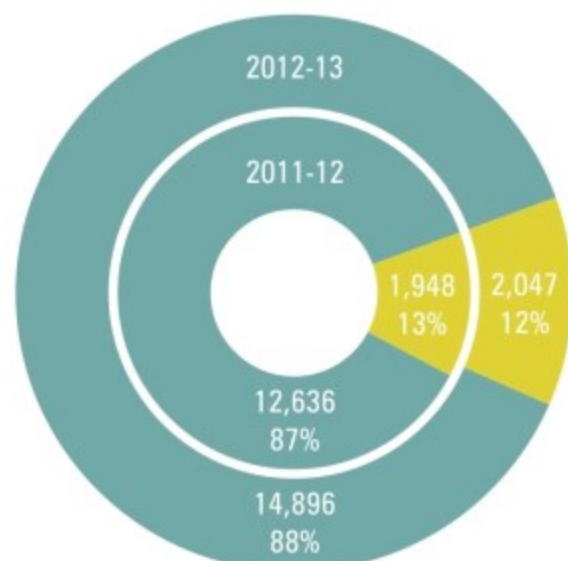


Chart 3.17
Health, Accident & Travel - Rural / Urban split

■ Rural ■ Urban

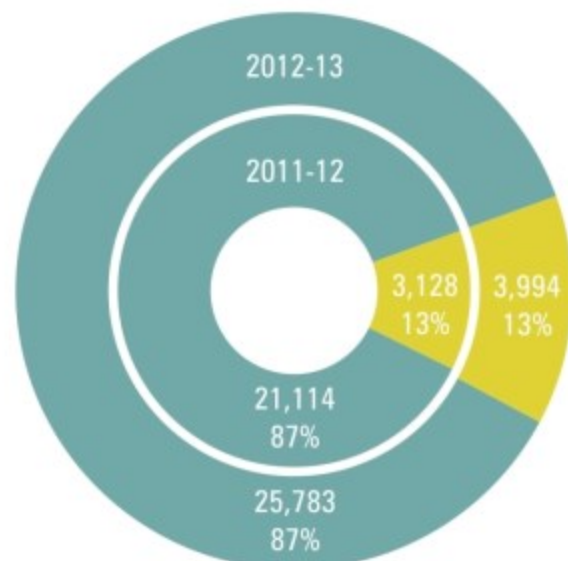


Chart 3.18
Motor - Rural / Urban split

■ Rural ■ Urban

Source: IRDA Segmentwise data as of March 2013

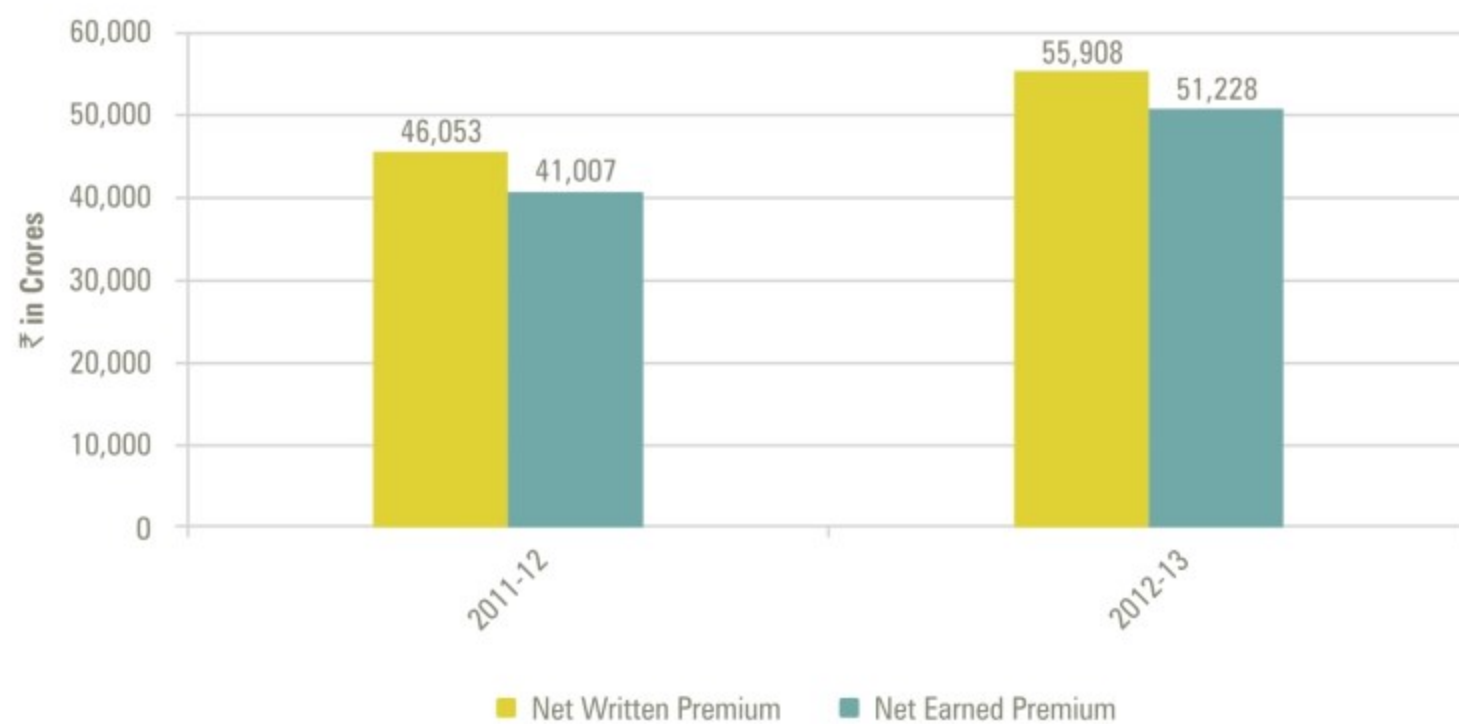
Net Written Premium & Net Earned Premium (NWP & NEP)

Net Written Premium grew by 21.4% from ₹ 46,053 Crores in 2011-12 to ₹ 55,908 Crores in 2012-13. Net Written Premium ratio was 79.6% for Public Sector Insurance Companies as compared to 72.3% for the Private Sector.

Note : Net Written Premium includes Motor Pool Premium.

Net Earned Premium grew by 24.9% from ₹ 41,007 Crores in 2011-12 to ₹ 51,228 Crores in 2012-13.

Chart 3.19 NWP & NEP Growth

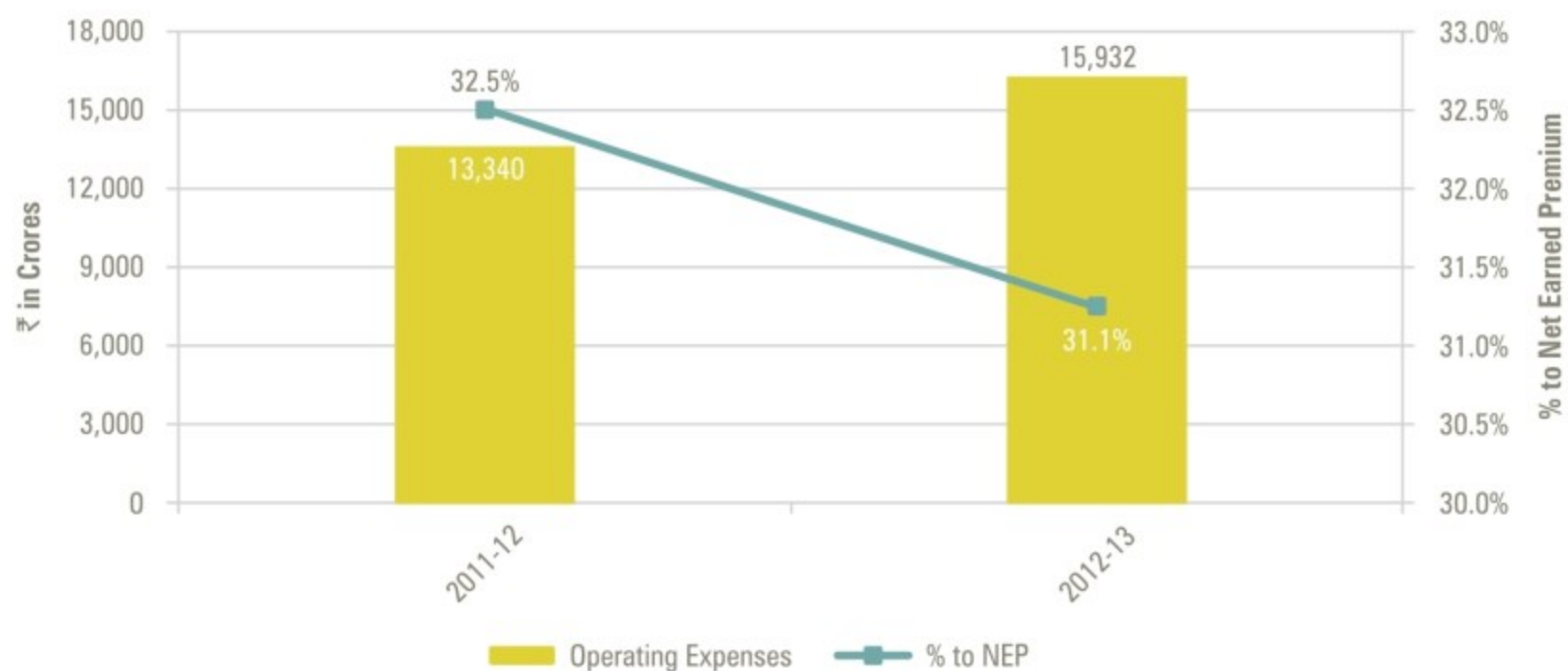


Source: Public Disclosures 2012-13 of Non-Life Insurance Companies

As a percentage of Gross Written Premium the Net Earned Premium increased from 68.6% in 2011-12 to 68.9% in 2012-13.

Operating Expenses (EoM including Commission)

Chart 3.20 Net Operating Expenses



Source: Public Disclosures 2012-13 of Non-Life Insurance Companies

Net Operating Expenses (Net Commission + Expenses of Management) increased from ₹ 13,340 Crores in 2011-12 to ₹ 15,932 Crores in 2012-13 showing an overall increase of 19.4% in absolute terms.

However, as a percentage of Net Earned Premium the Operating Expenses decreased from 32.5% in 2011-12 to 31.1% in 2012-13.

Note : Information presented is based on Financial Year basis.



Claims

Gross Incurred Claims

Gross Incurred Claims decreased from ₹ 49,779 Crores in 2011-12 to ₹ 46,049 Crores in 2012-13 showing a reduction of 7.5% in absolute terms.

As a percentage of Gross Written Premium the Industry Gross Incurred Claims decreased from 81.9% in 2011-12 to 62% in 2012-13. This ratio was 63.2% for Public Sector Insurance Companies as compared to 55% for the Private Sector.

Chart 3.21 Gross Incurred Claims Ratio
(Split by Type of Company)

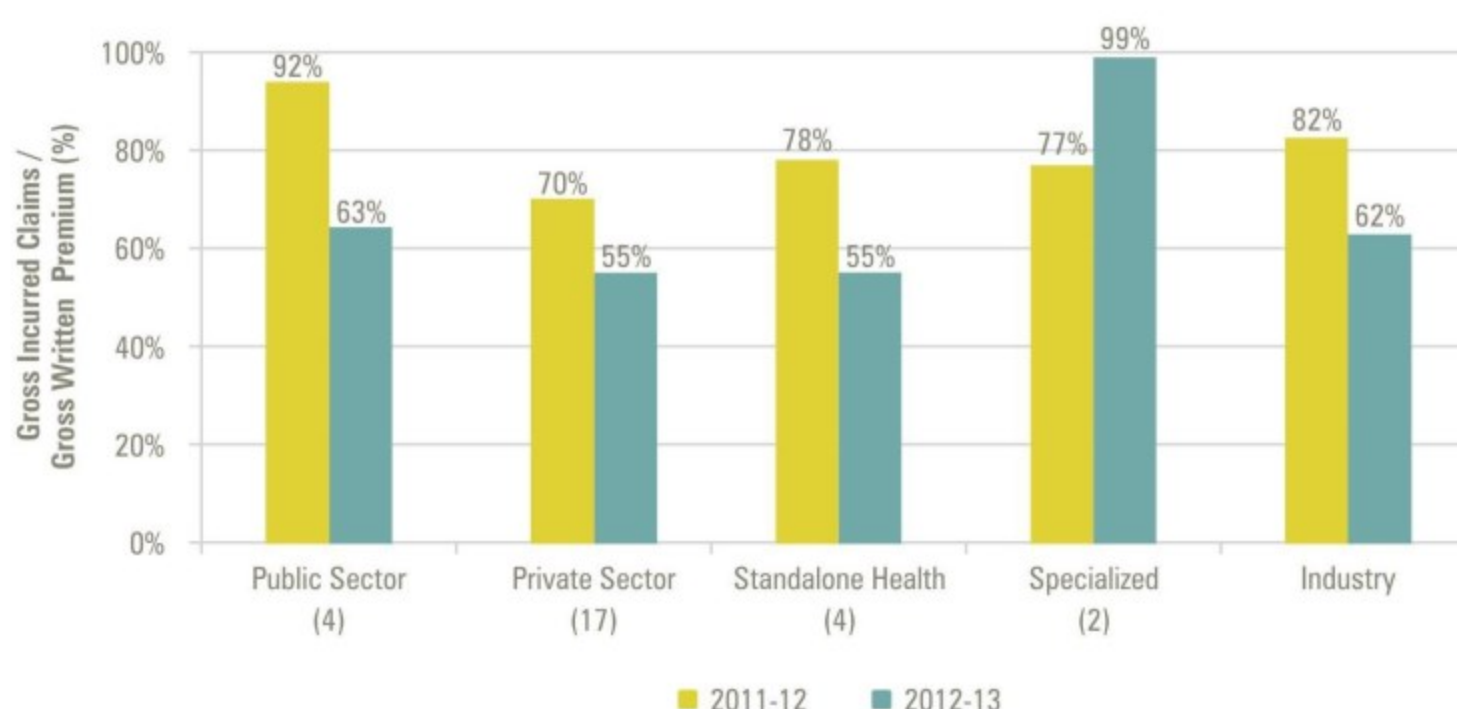


Table 3.1 Number of Insurers in 2012-13

Public Sector	Private Sector	Standalone Health	Specialized
4	17	4	2

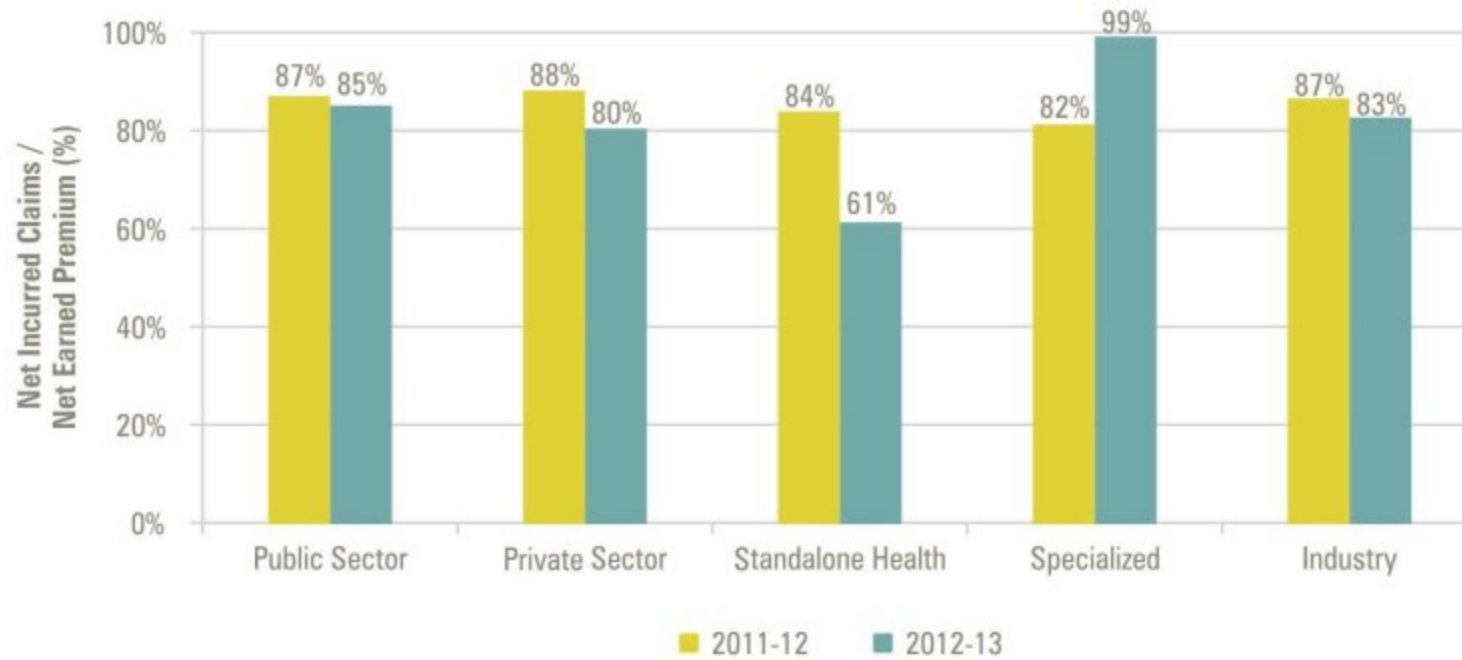
Source: Public Disclosures 2012-13 of Non-Life Insurance Companies

Net Incurred Claims

Net Incurred Claims increased from ₹ 35,800 Crores in 2011-12 to ₹ 42,554 Crores in 2012-13 showing an overall increase of 18.9% in absolute terms.

As a percentage of Net Earned Premium, the Net Incurred Claims decreased from 87.3% in 2011-12 to 83.07% in 2012-13. This ratio was 84.8% for Public Sector Insurance Companies as compared to 79.6% for the Private Sector in the year 2012-13.

Chart 3.22 Net Incurred Claims Ratio
(Split by Type of Company)



Source: Public Disclosures 2012-13 of Non-Life Insurance Companies

The percentage split of Net Incurred Claims 2012-13 by line of business segment as well as type of company is as follows:

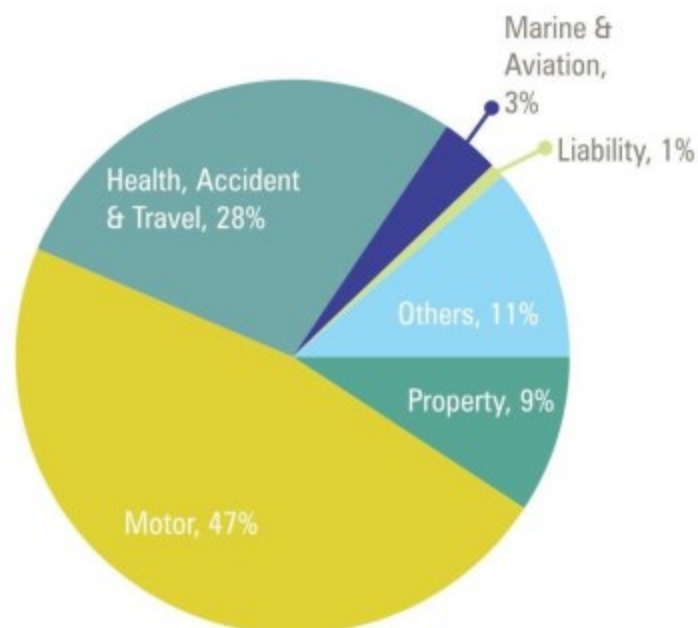


Chart 3.23
% Split by Line
of Business Segment

Source: Public Disclosures 2012-13
of Non-Life Insurance Companies

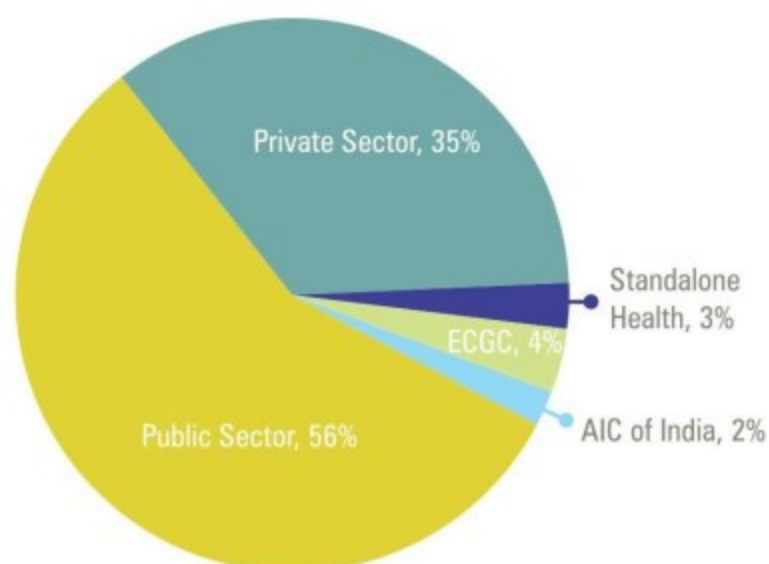


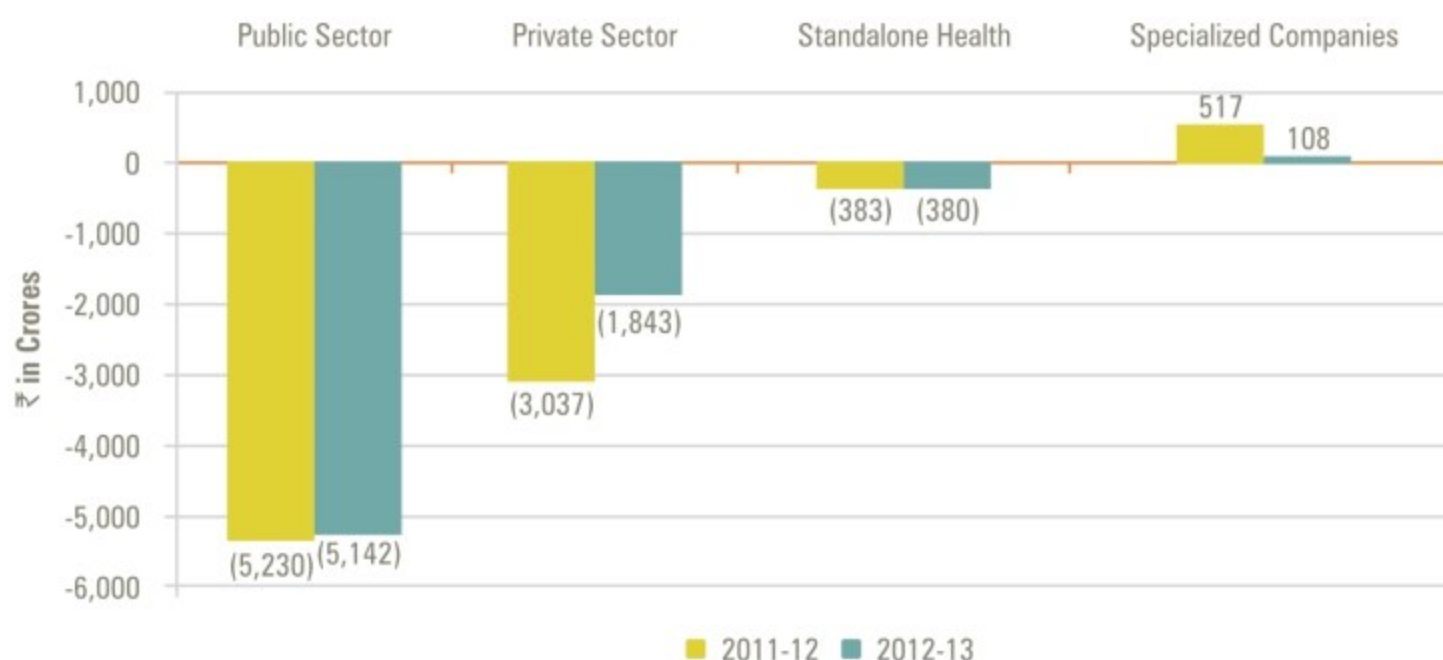
Chart 3.24
% Split by Type
of Company

Source: Public Disclosures 2012-13
of Non-Life Insurance Companies

Underwriting Result

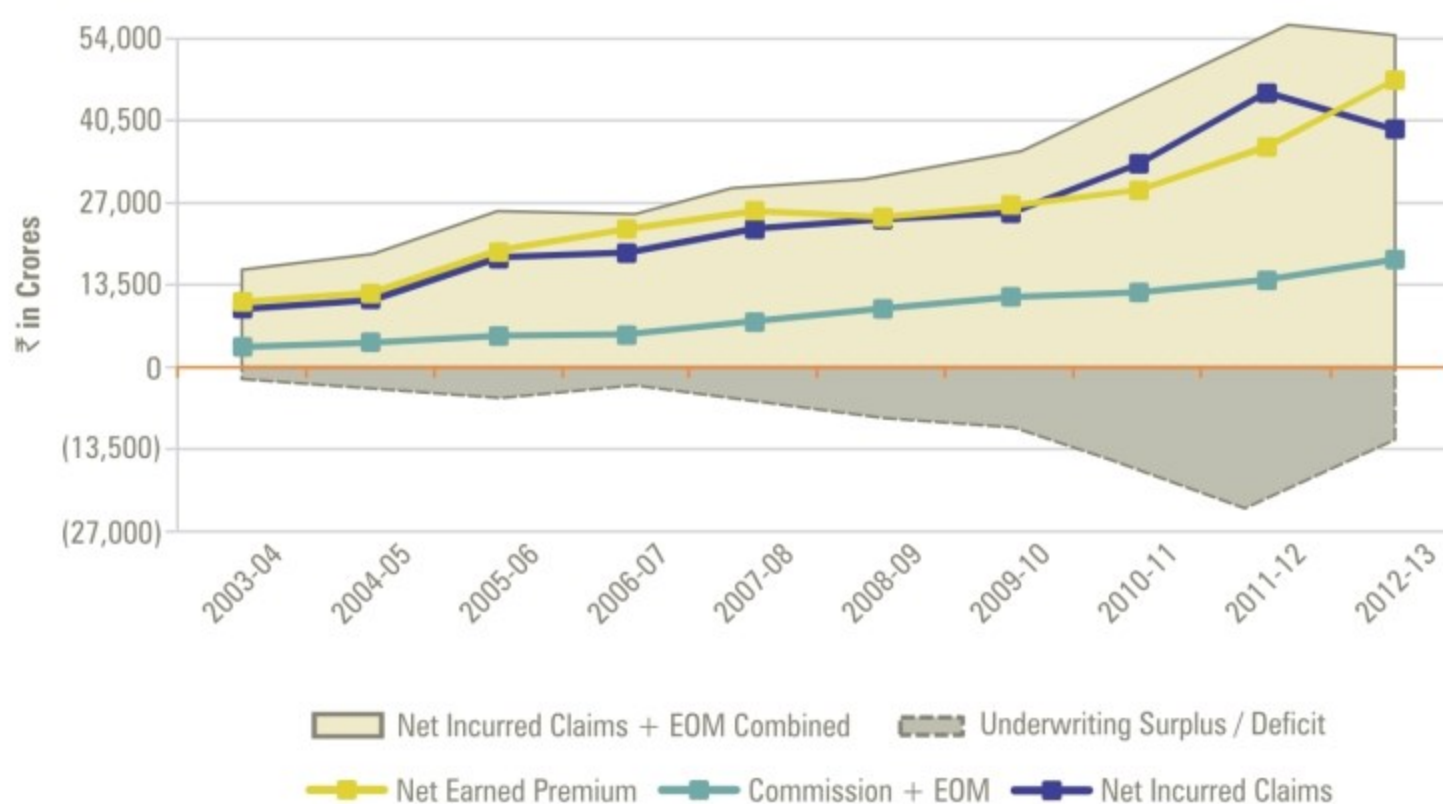
2012-13 witnessed a significant improvement in underwriting results. Underwriting Losses (i.e. Net Earned Premium – Net Incurred Claims – Net Operating Expenses) decreased from ₹ 8,132 Crores in 2011-12 to ₹ 7,258 Crores in 2012-13.

Chart 3.25 Net Underwriting Result by Type of Company
2012-13 vs 2011-12



Source: Public Disclosures 2012-13 of Non-Life Insurance Companies and data collated by GI Council

Chart 3.26 Underwriting Result

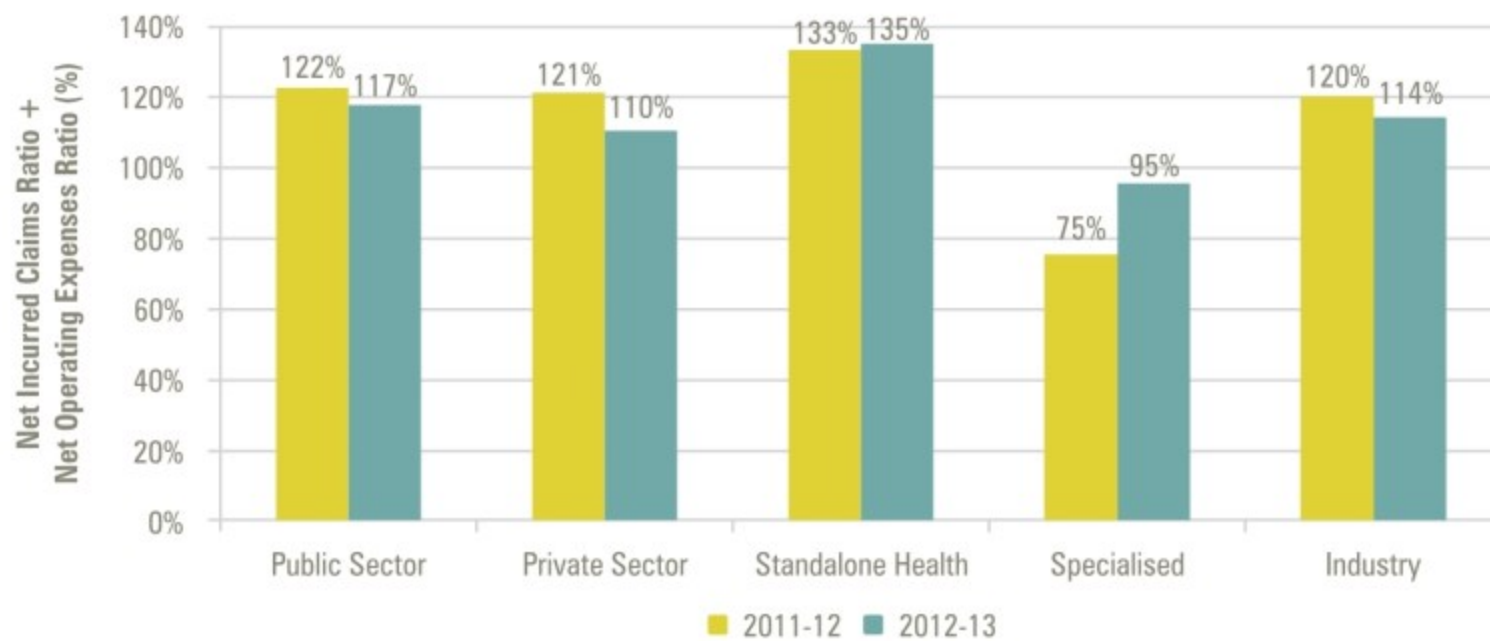


Source: IRDA Handbook 2011-12 and Public Disclosures 2012-13 of Non-Life Insurance Companies (Data regrouped for Presentation)

Motor third party and Health Portfolio show higher loss ratios.

The Combined Ratio (Net Incurred Claims Ratio + Net Operating Expense Ratio) improved from 120% in 2011-12 to 114% in 2012-13.

Chart 3.27 Combined Ratio (Split by Type of Company)

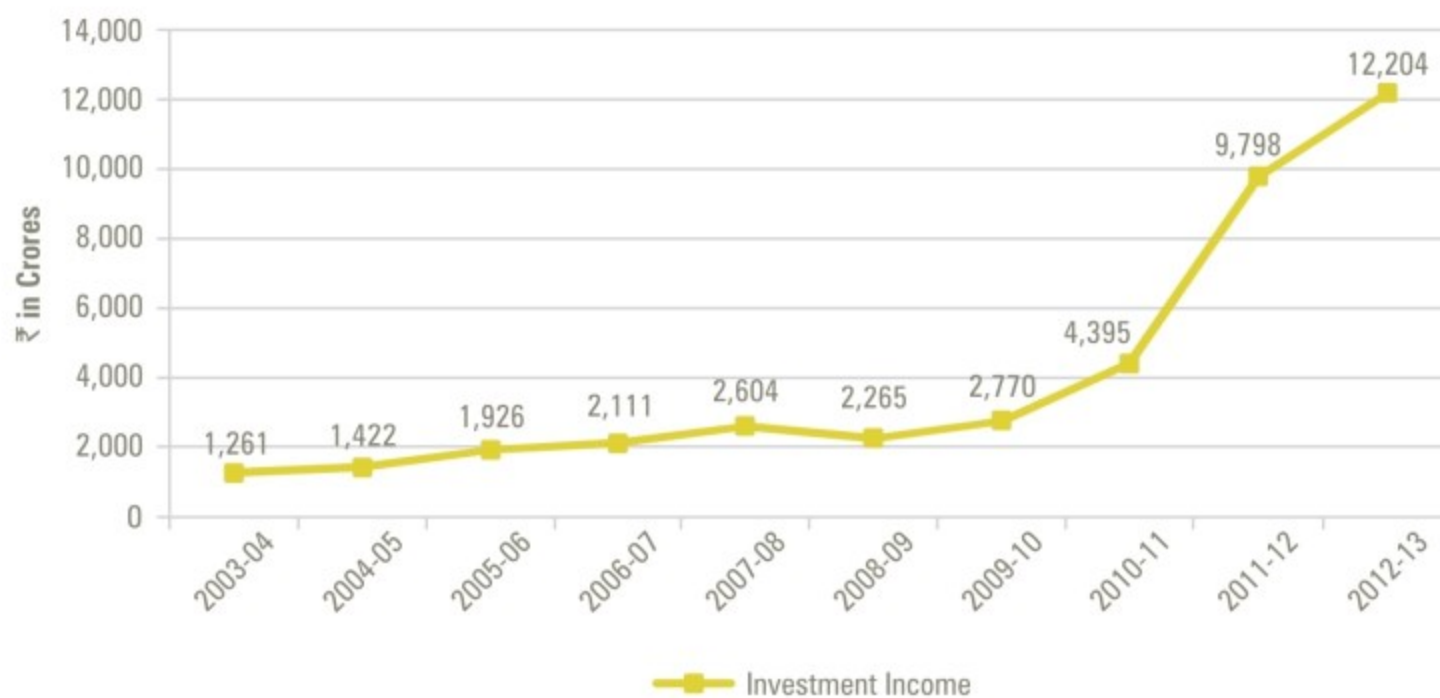


Source: IRDA Handbook 2011-12 and Public Disclosures 2012-13 of Non-Life Insurance Companies

Investment Income

Investment Income grew from ₹ 9,798 Crores in 2011-12 to ₹ 12,204 Crores in 2012-13 registering a growth of 24.6%.

Chart 3.28 Investment Income



Source: IRDA Handbook 2011-12 and Public Disclosures 2012-13 of Non-Life Insurance Companies

The Investment Income of Public Sector and Private Sector (In Rs. Crores) with corresponding percentage share is as follows:

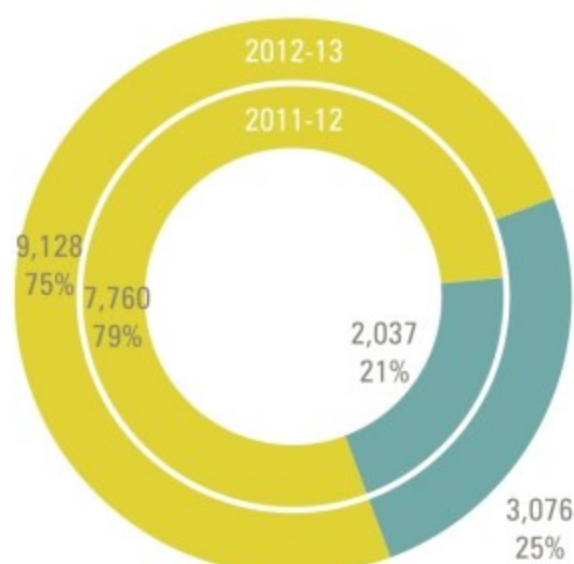


Chart 3.29

Investment Income by Type of Company 2012-13 vs 2011-12

Public Sector Private Sector

Source: Public Disclosures 2012-13 of Non-Life Insurance Companies and data collated by GI Council

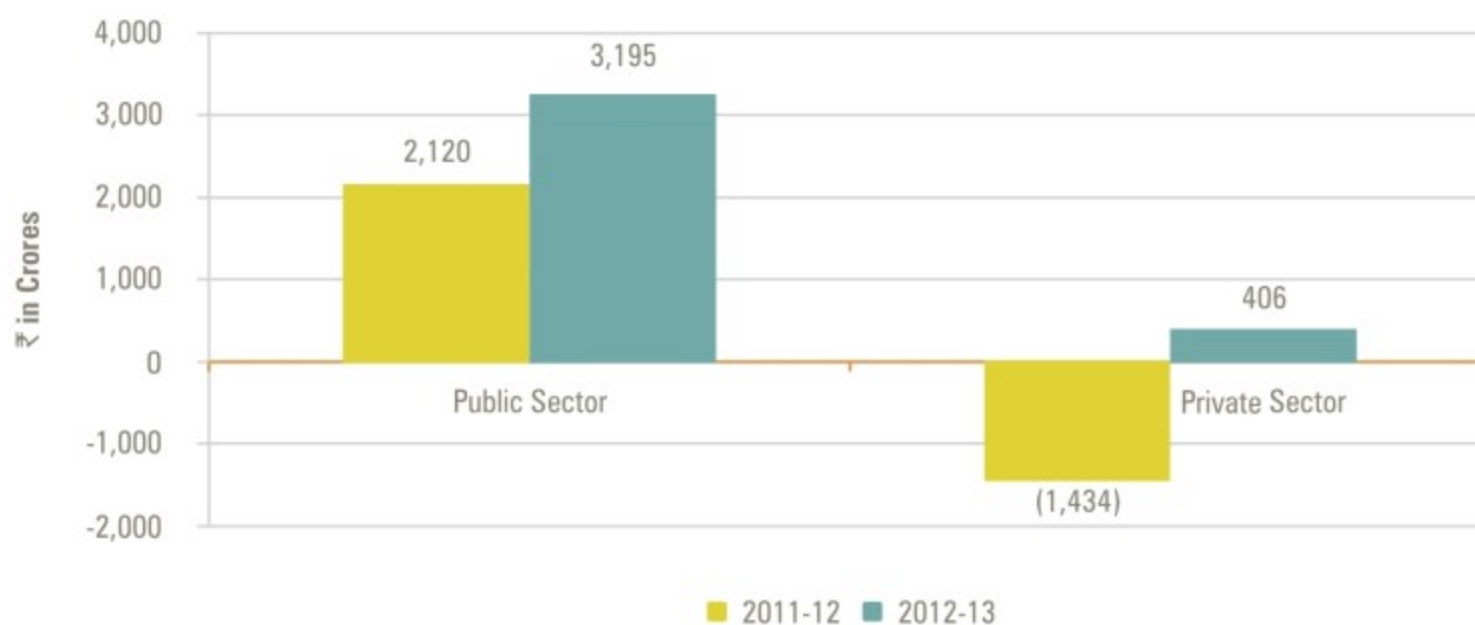
Note: Public Sector above includes AIC & ECGC
Private Sector above includes Standalone Health Insurance companies.

Profit After Tax

The Profit After Tax (PAT) of the Non-Life Insurance Industry improved significantly from ₹ 686 Crores to ₹ 3,600 Crores mainly due to a nearly 25% increase in Investment Income during the year 2012-13 compared to the previous year.

The split of Profit After Tax by Type of Company is as follows:

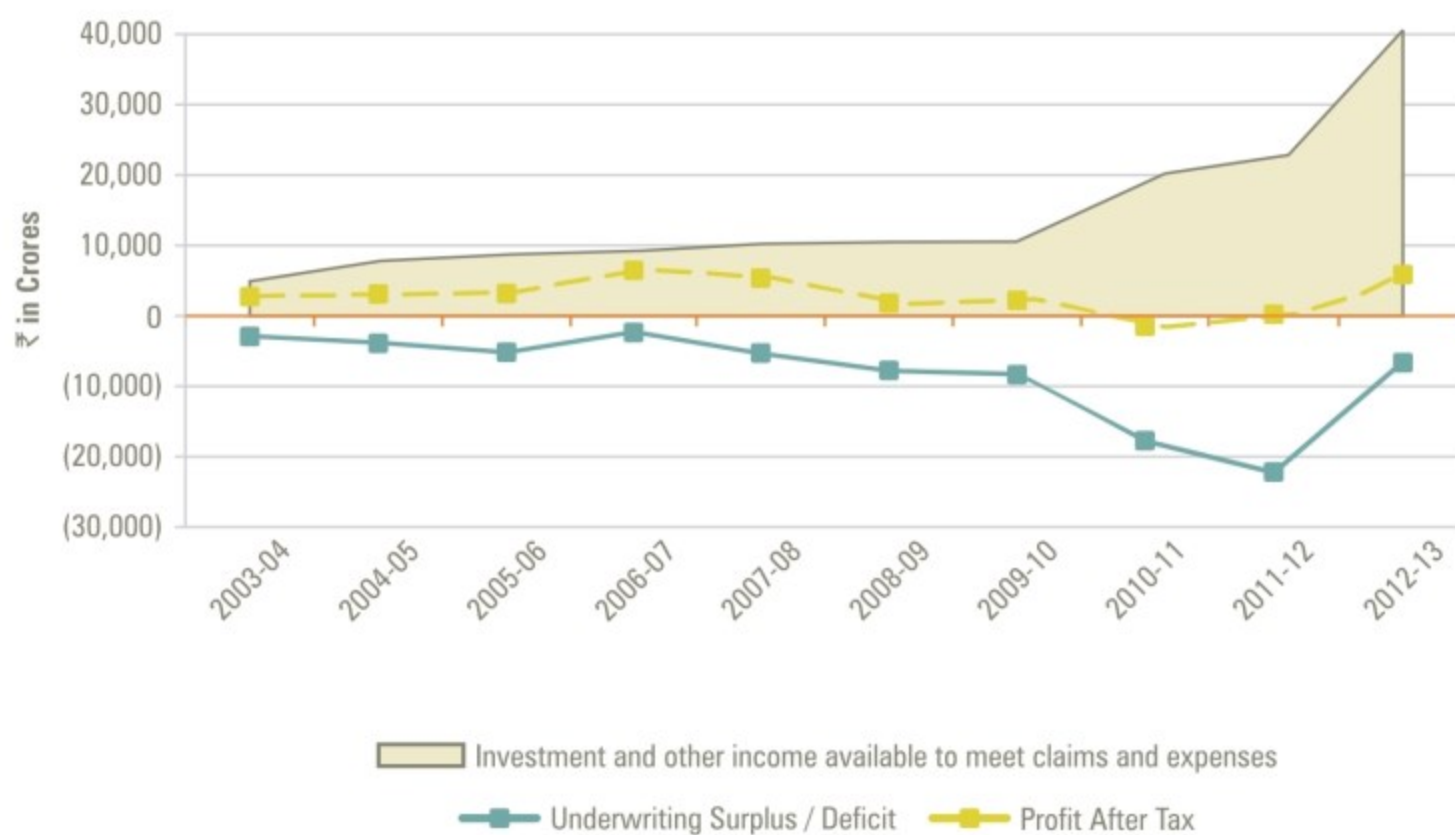
Chart 3.30 Profit After Tax 2011-12 vs 2012-13



Source: Public Disclosures 2012-13 of Non-Life Insurance Companies

2011-12 and 2012-13 were years of turnaround and return to profit after tax for the insurers.

Chart 3.31 Overall Profitability

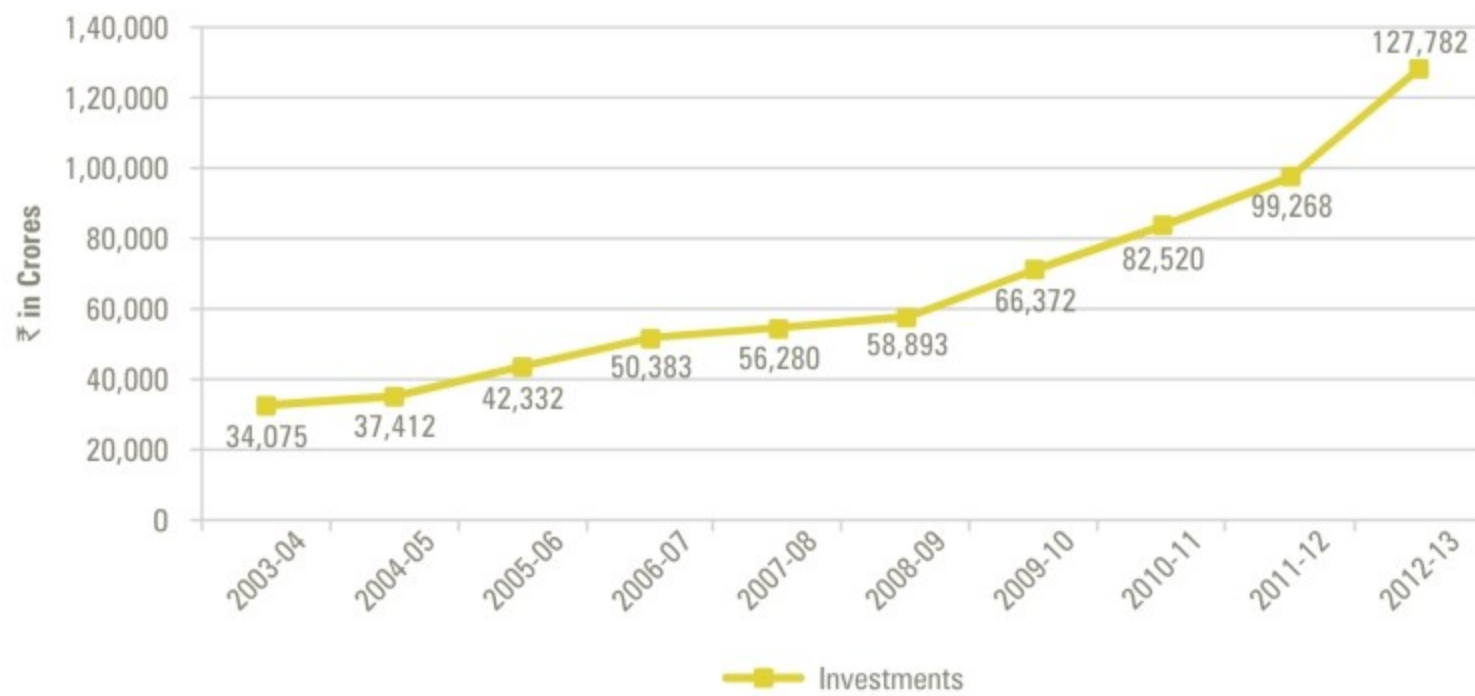


Source: IRDA Handbook 2011-12 and Public Disclosures 2012-13 of Non-Life Insurance Companies (Data regrouped for Presentation)

Investments

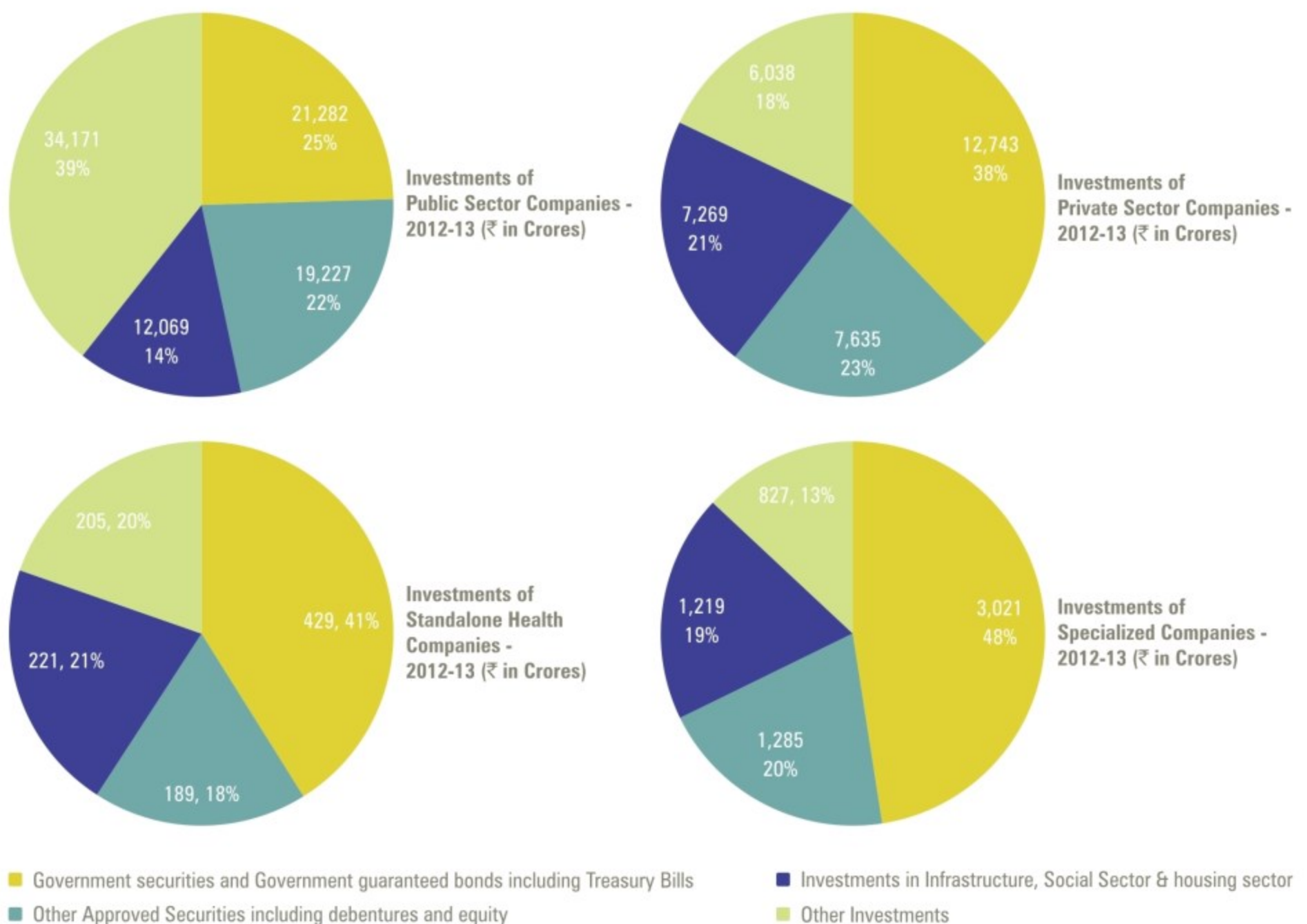
Total Investments grew from ₹ 99,268 Crores in 2011-12 to ₹ 127,782 Crores in 2012-13 registering a growth of 28.7%.

Chart 3.32 Investments



Source: IRDA Handbook 2011-12 and Public Disclosures 2012-13 of Non-Life Insurance Companies

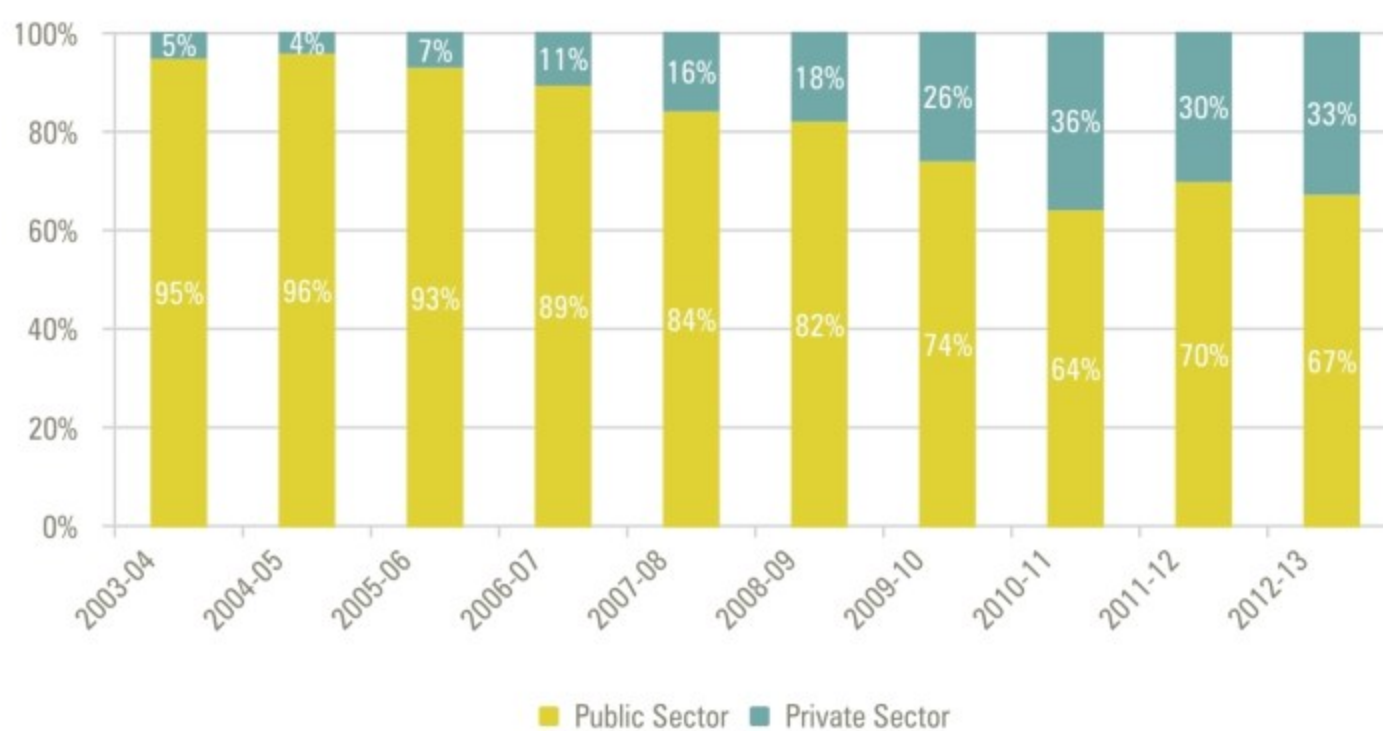
Chart 3.33 Categorisation of Investments



Source: Annual Reports 2012-13 of Non-Life Insurance Companies

Investments in Infrastructure and Social Sectors increased 21.2% from ₹ 18,758 Crores in 2011-12 to ₹ 22,742 Crores in 2012-13.

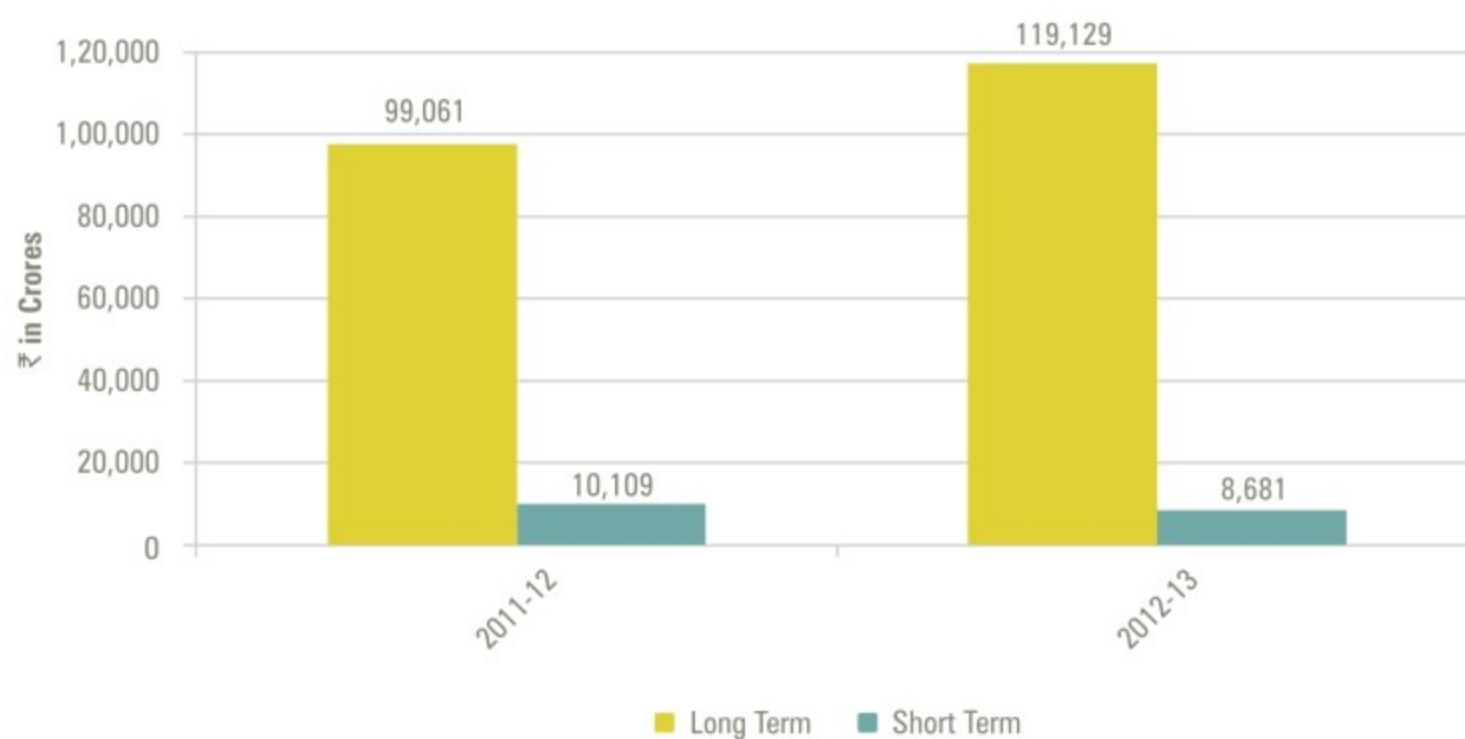
**Chart 3.34 Investment in Infra / Social Sectors
(Split by Type of Company)**



Source: IRDA Handbook 2011-12 and Public Disclosures 2012-13 of Non-Life Insurance Companies

Long Term Investments grew from ₹ 99,061 Crores to ₹ 119,129 Crores registering a growth of 20.3%

Chart 3.35 20% increase in Long Term Investments



Source: IRDA Handbook 2011-12 and Public Disclosures 2012-13 of Non-Life Insurance Companies

Note:

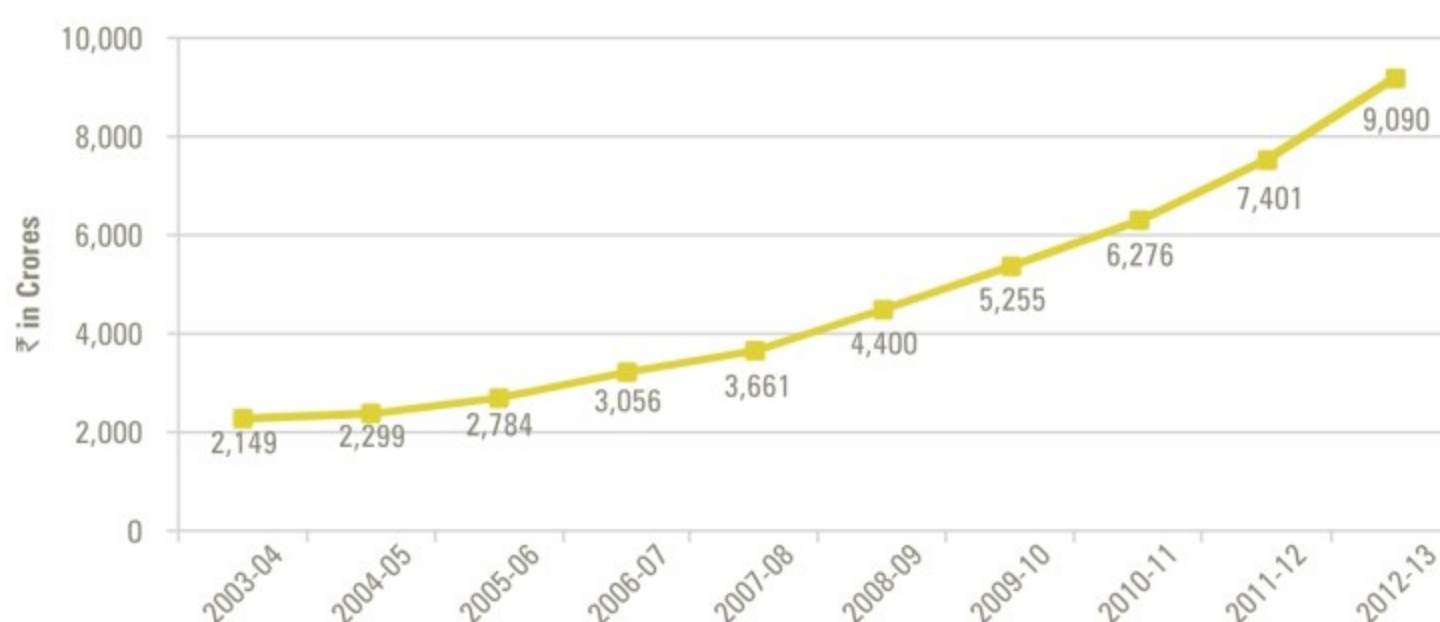
Investments maturing within twelve months from balance sheet date and investments made with the specific intention to dispose of within twelve months from balance sheet date are classified as short-term investment.

Equity Share Capital

Equity Share Capital in the Non-Life Insurance Industry increased by 22.8% from ₹ 7,401 Crores in 2011-12 to ₹ 9,090 Crores in 2012-13.

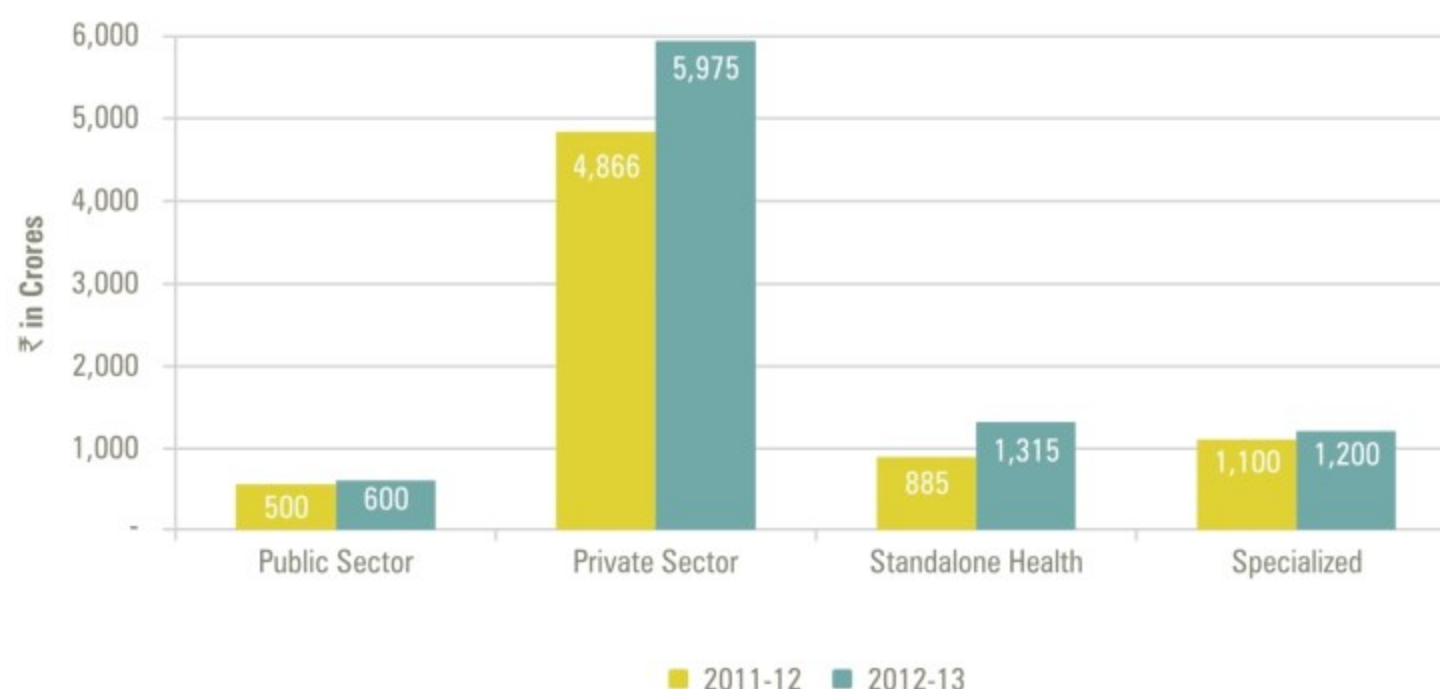
Three new companies viz. Liberty Videocon General Insurance Company Limited, Magma HDI General Insurance Company Limited and Religare Health Insurance Company Limited commenced operations during the year 2012-13.

Chart 3.36 Equity Share Capital



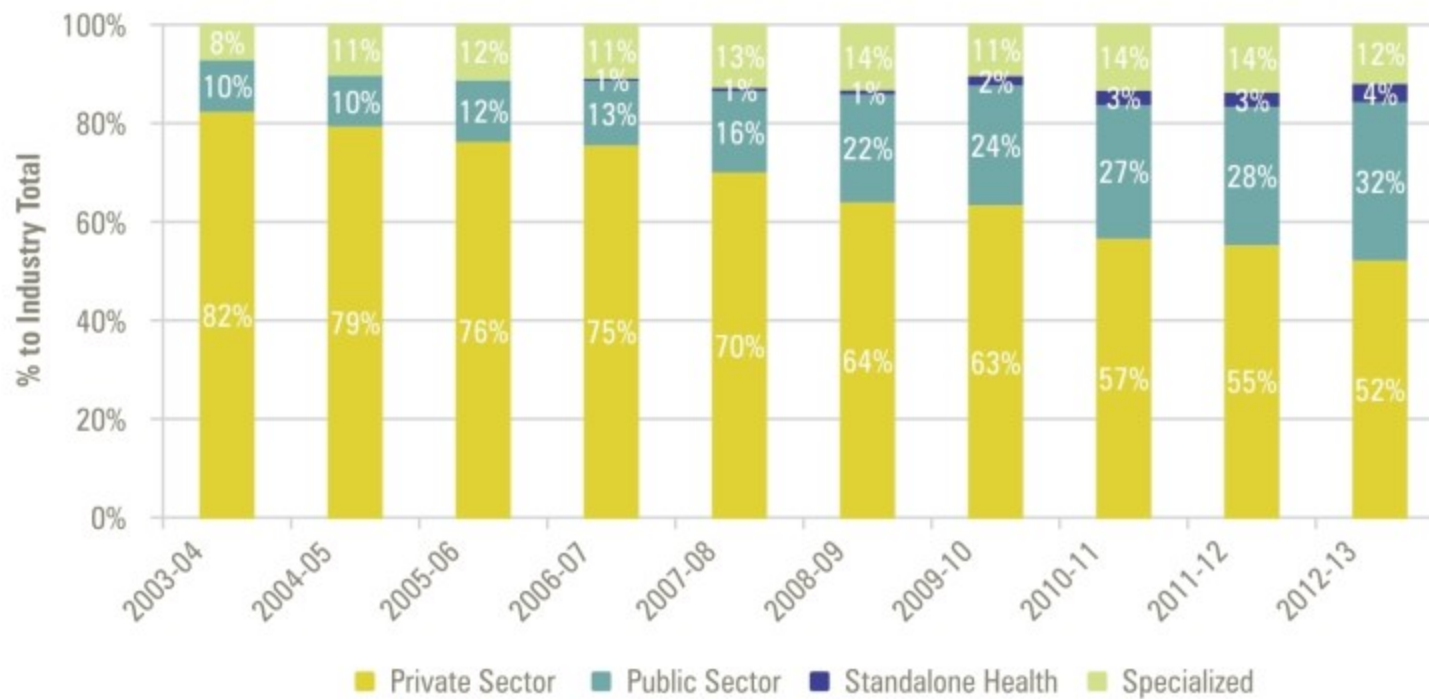
Source: IRDA Handbook 2011-12 and Public Disclosures 2012-13 of Non-Life Insurance Companies

Chart 3.37 Equity Share Capital by Type of Company 2012-13 vs 2011-12



Source: Annual Reports 2012-13 of Non-Life Insurance Companies

Chart 3.38 % of Share Capital by Type of Company

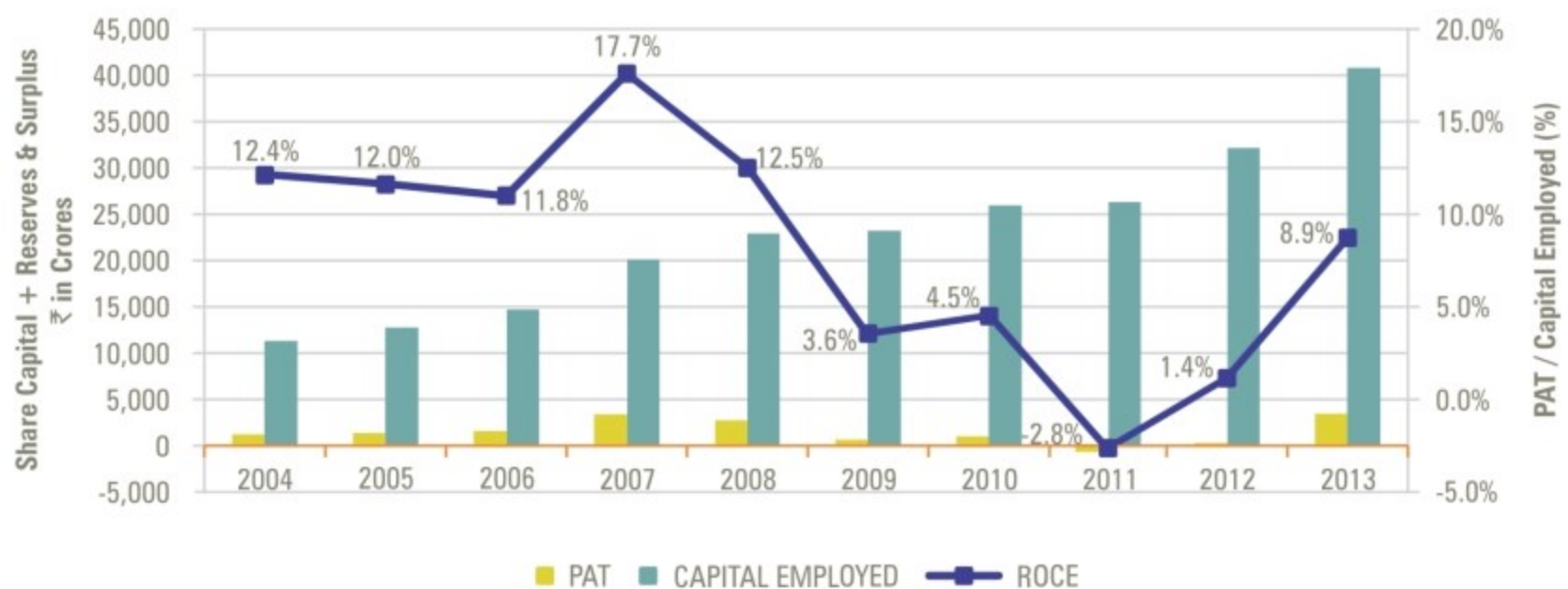


Source: IRDA Handbook 2011-12 and Public Disclosures 2012-13 of Non-Life Insurance Companies

Return On Capital Employed (RoCE)

The RoCE declined post de-tariffication in 2007 and was further aggravated by Motor TP losses as well as poor investment scenario following global economic crisis. The recovery seen post 2011 is attributed to increase in administered Motor TP Premium and better investment income.

Chart 3.39 Return on Capital Employed - 10 Year Trend



Source: IRDA Handbook 2011-12 and Public Disclosures 2012-13 of Non-Life Insurance Companies

04

Segmentwise Business Highlights

(Excluding Expenses of Management & Acquisition Costs)

- GDPI, Policies & Rural Premium ●
- Property ●
- Liability ●
- Marine & Aviation ●
- Health, Accident & Travel ●
- Motor ●
- Miscellaneous ●
- Agriculture Insurance ●
- Export Credit Guarantee Insurance ●

In this section, an analysis of each class of business underwritten by the General Insurance Industry in India has been provided. Premium growth, the size of the particular class of business, the profitability of each class of business as well as key indicators relating to the composition of the portfolio have been analyzed. Note that EOM & acquisition costs have not been included.

Note: Some companies have reported that Incurred Claims includes Incurred But Not Reported Claims (IBNR), Incurred But Not Enough Reported (IBNER) claims, Specific claims settlement cost (but not expenses of management), surveyor fees, legal and other expenses adjusted for estimated salvage value if there is a sufficient certainty of its realisation.

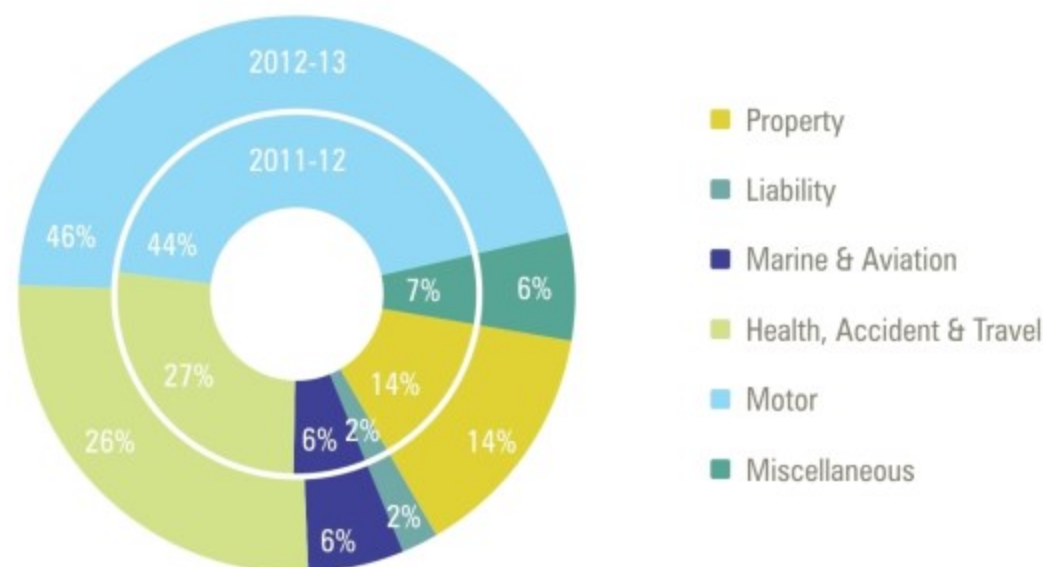
Segmentwise Business Highlights

GDPI, Policies & Rural Premium

The Gross Direct Premium written by General Insurance Companies within India increased from ₹ 54,771 Crores in 2011-12 to ₹ 64,678 Crores in 2012-13.

Compared to 2011-12, the Share of GDPI of different Segments of business to total GDPI in 2012-13 has fairly remained unchanged (this excludes premiums written by Specialized Companies) except for a 1% reduction each in Miscellaneous and Health, Accident and Travel Premium and a corresponding 2% increase in Motor Premium.

Chart 4.1 Segmentwise Share of GDPI

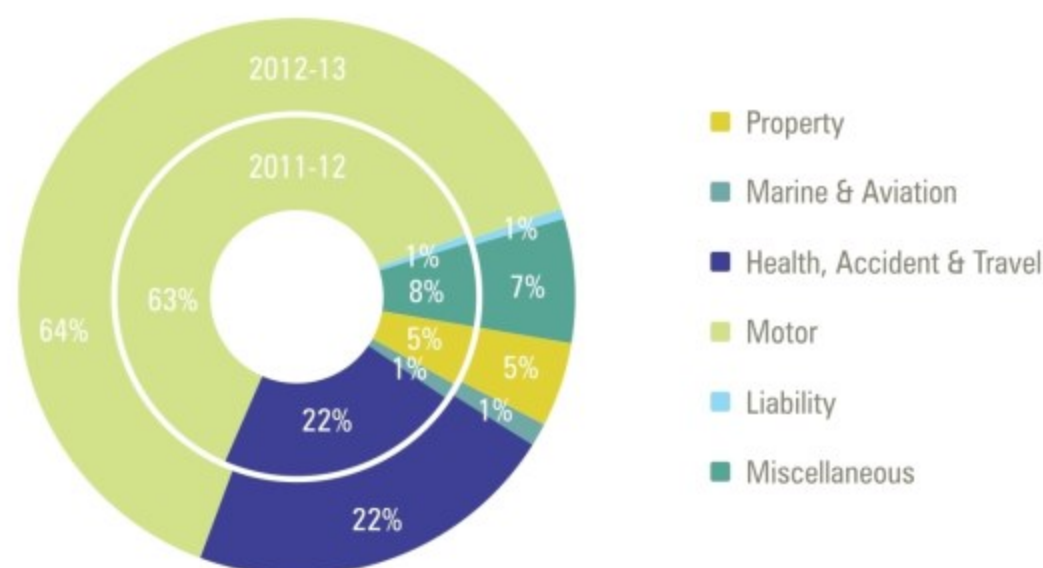


Source: Annual Reports 2012-13 of Non-Life Insurance Companies

The number of policies issued increased from 8.73 Crores in 2011-12 to 9.68 Crores in 2012-13. This excludes Policies issued by Specialized Companies.

Compared to 2011-12, the Share of different Segments of business in the number of policies issued in 2012-13 has fairly remained unchanged except for a 1% reduction in the Miscellaneous Segment and a corresponding 1% increase in Motor Policies.

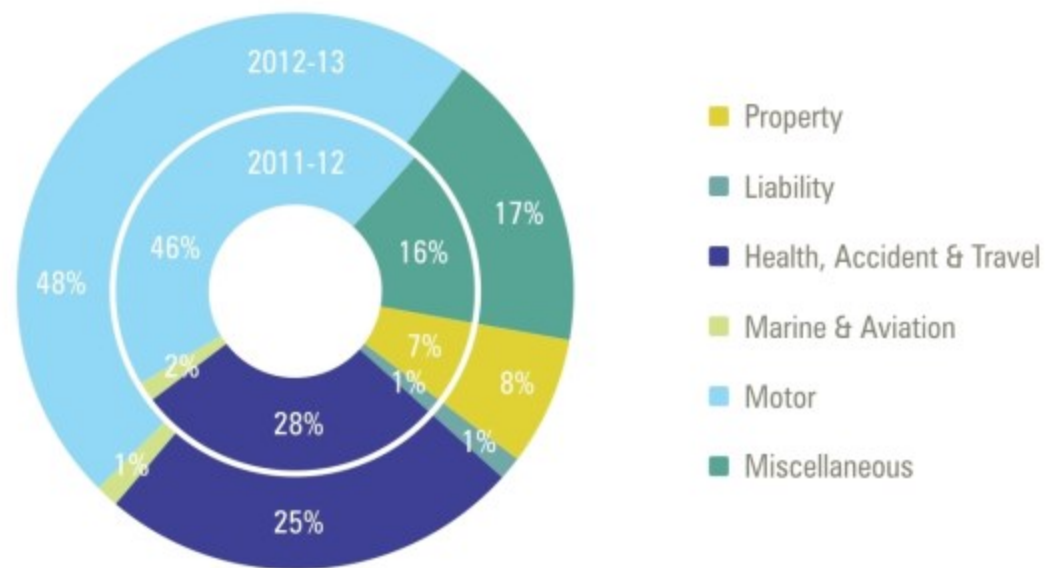
Chart 4.2 Number of policies issued (Segmentwise)



Source: IRDA Segmentwise Data as at 31st March 2013

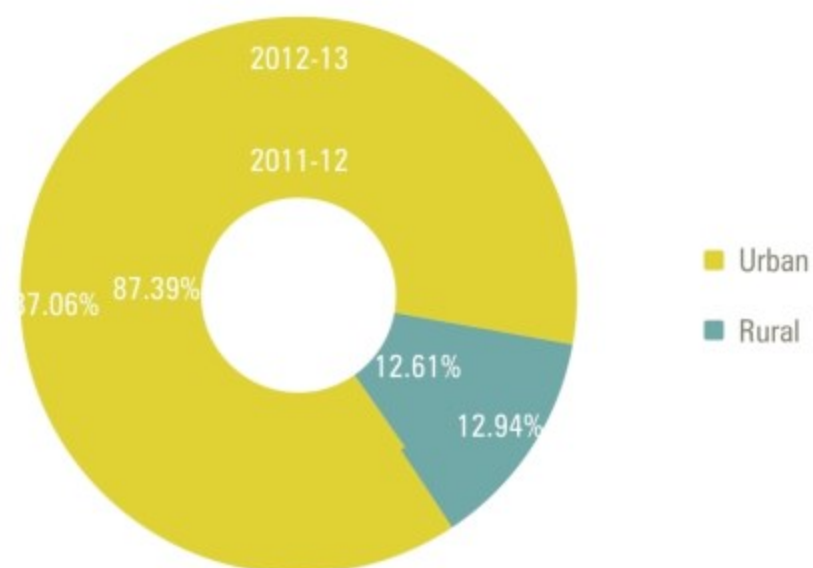
In percentage terms, Rural Premium in Motor, Miscellaneous and Property Segments has registered a marginal increase in 2012-13 as compared to 2011-12. The share of Rural Premium for Health and Marine Segments has registered a marginal decrease. The share of Rural Premium in Liability segment remained unchanged between 2011-12 and 2012-13.

Chart 4.3 Rural Premium - 2012 vs 2013



Source: IRDA Segmentwise Data as at 31st March 2013

Chart 4.4 Rural Premium shows Marginal growth



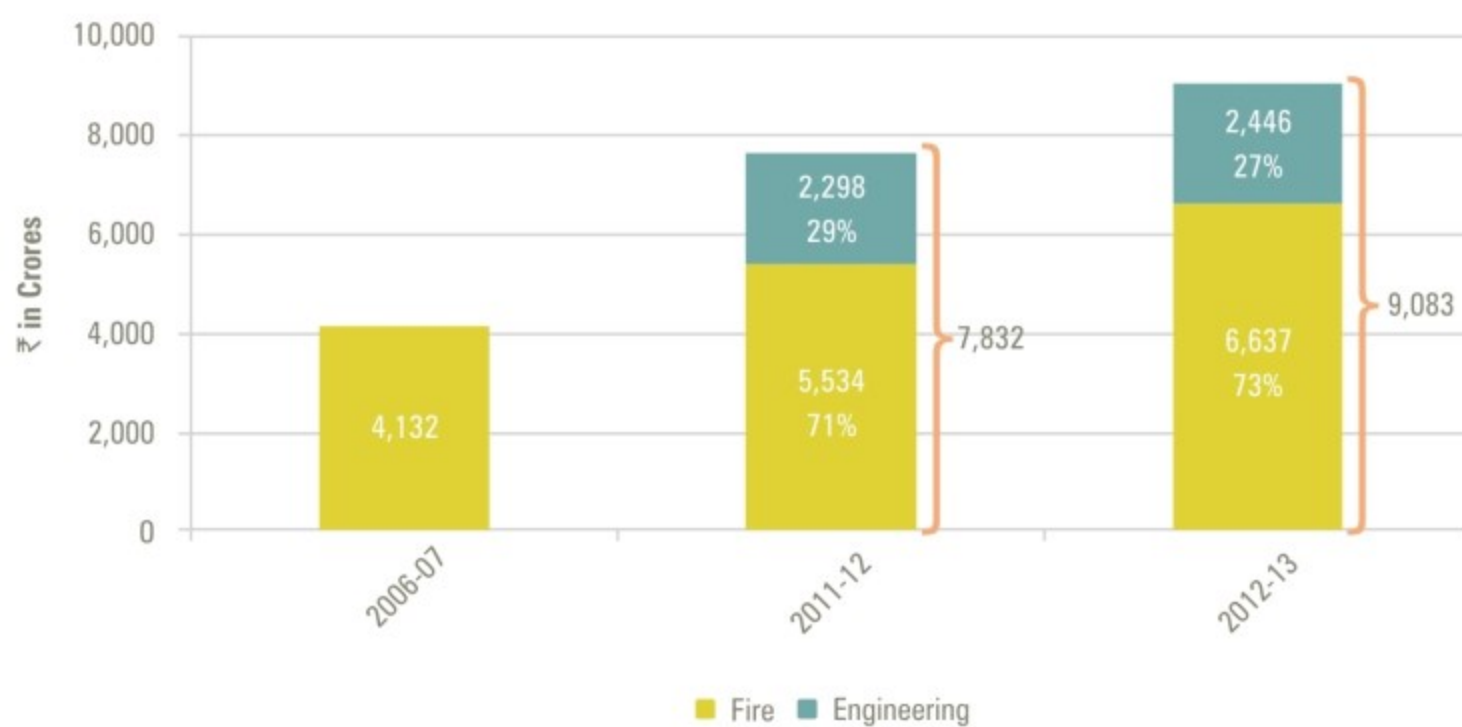
Source: IRDA Segmentwise Data as at 31st March 2013

Property

(Fire + Engineering)

Property Insurance business comprises Fire and Engineering segments. This class of business was de-tariffed on 1st April 2007.

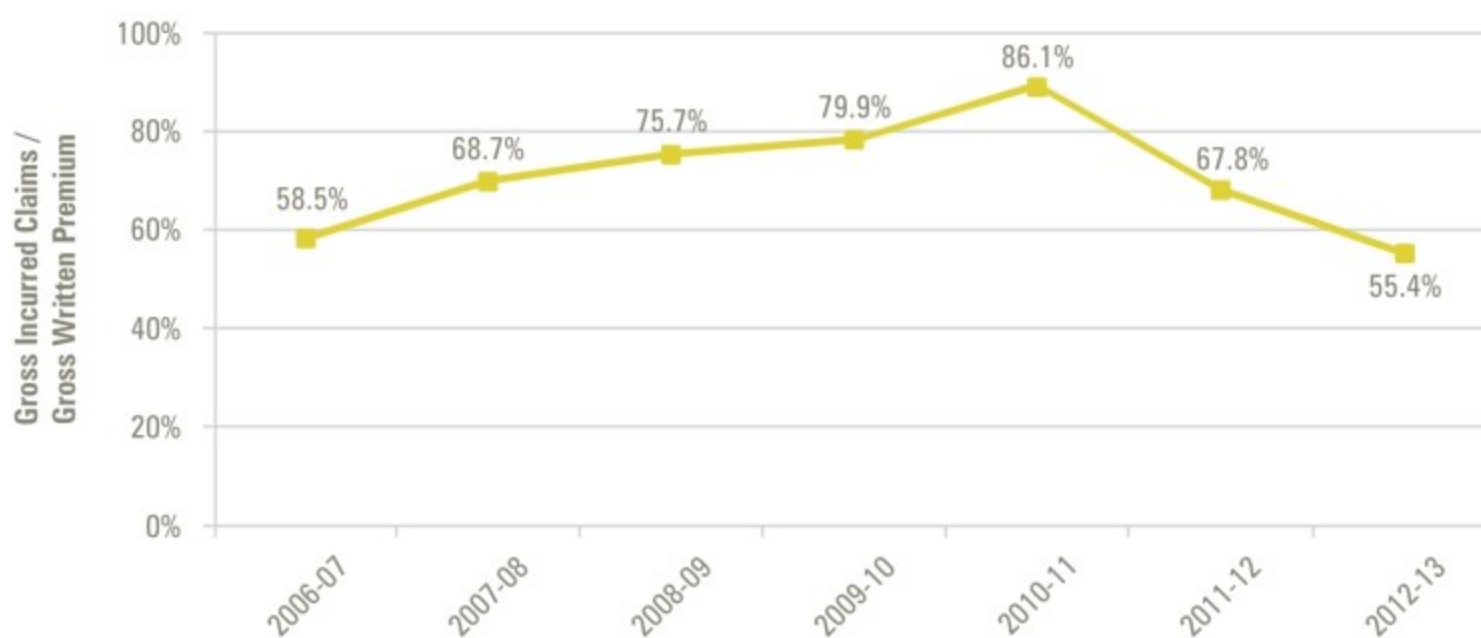
Chart 4.5 GDPI - Property



Source: Annual Reports 2012-13 of Non-Life Insurance Companies

Note: Fire/Engineering break-up not available for 2006-07

Chart 4.6 Gross Incurred Claims Ratio - Property



Source: IRDA Handbook 2011-12 and Annual Reports 2012-13 of Non-Life Insurance Companies

Liability

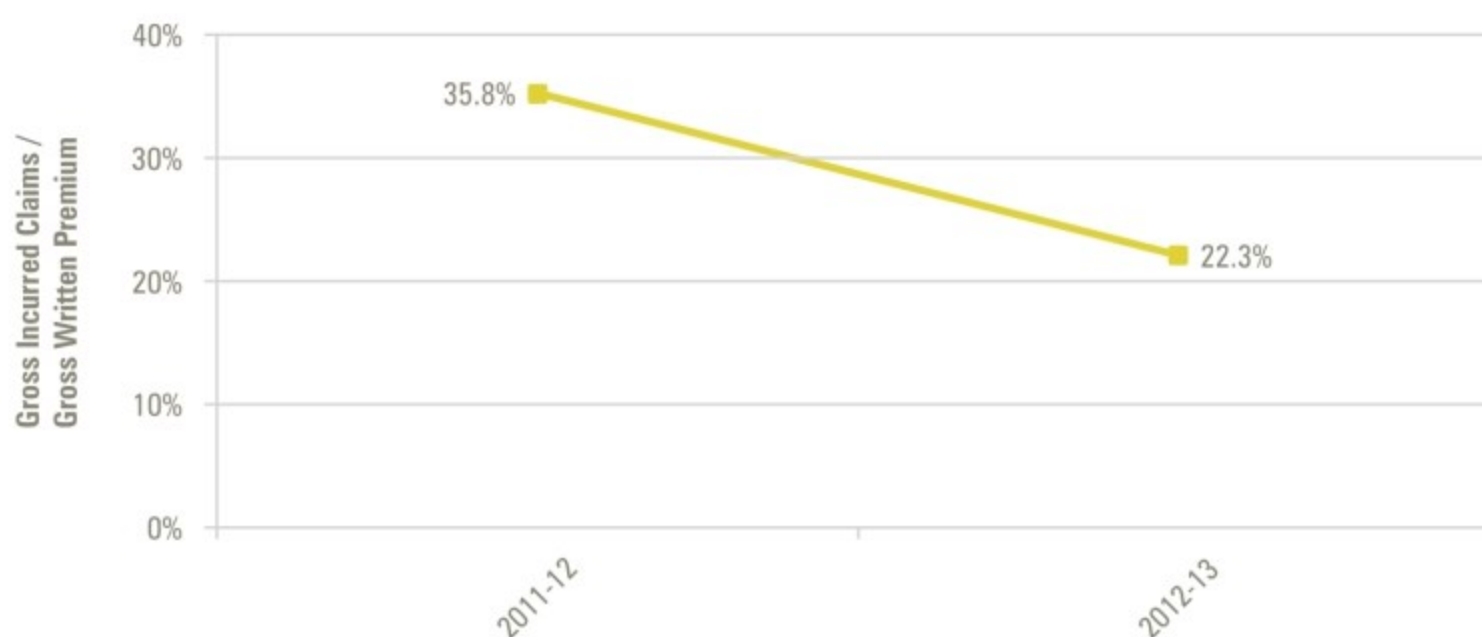
Liability Insurance business comprises Workmen's Compensation and Employers' Liability, Public Liability, Products Liability and Other Liability segments (excluding Motor Third Party Liability).

Chart 4.7 GDPI - Liability



Source: Annual Reports 2012-13 of Non-Life Insurance Companies

Chart 4.8 Gross Incurred Claims Ratio - Liability

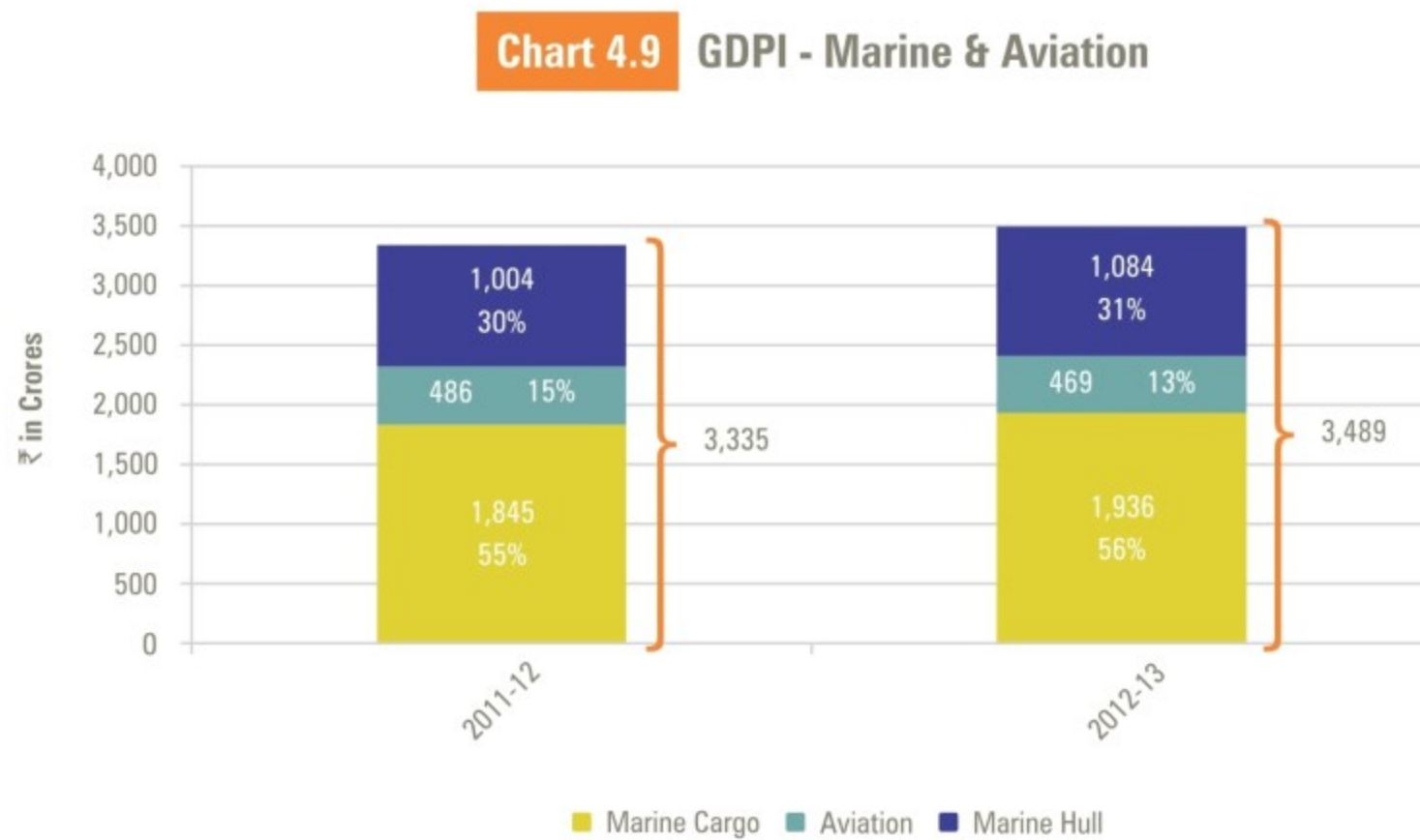


Source: Annual Reports 2012-13 of Non-Life Insurance Companies

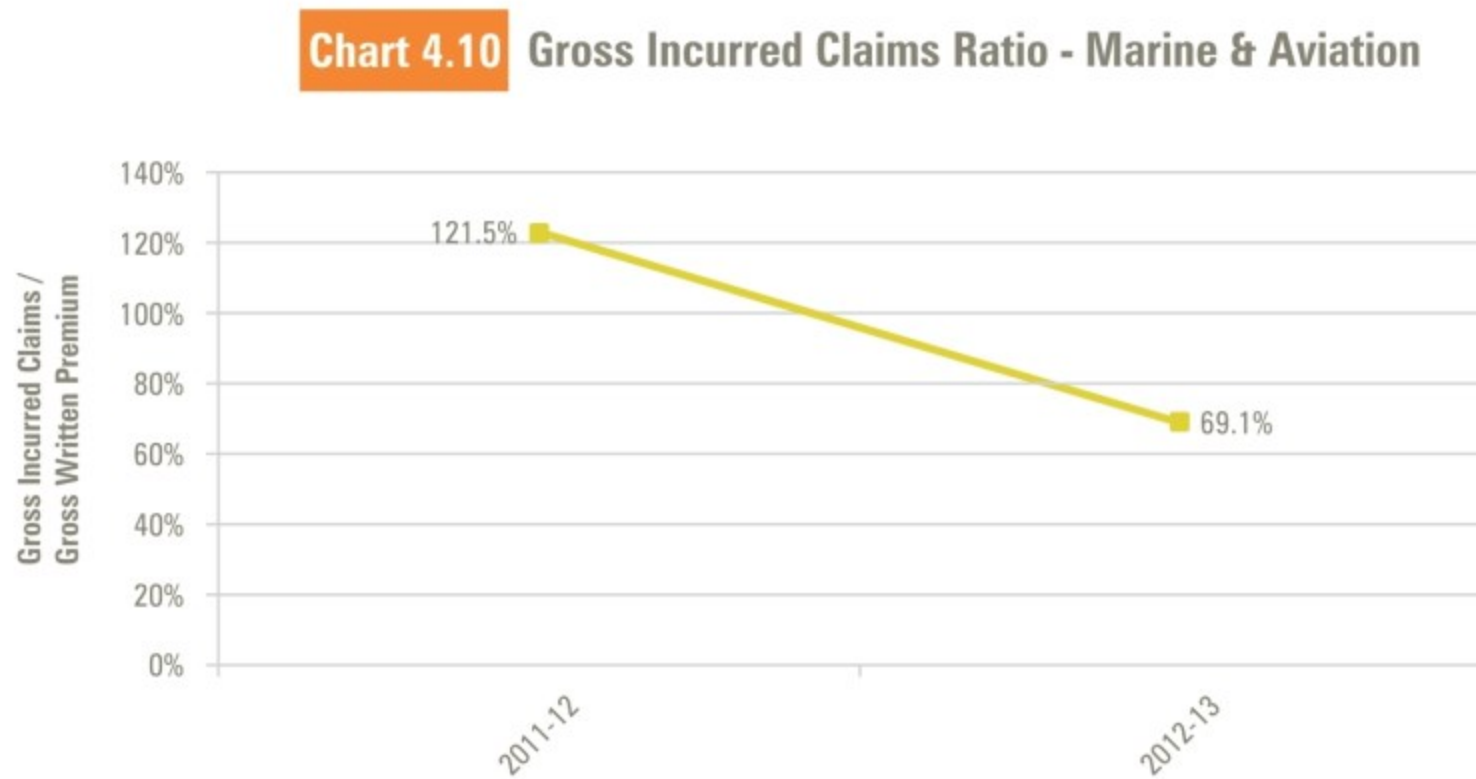


Marine & Aviation

The composition of Marine & Aviation business is as follows:



Source: Annual Reports 2012-13 of Non-Life Insurance Companies

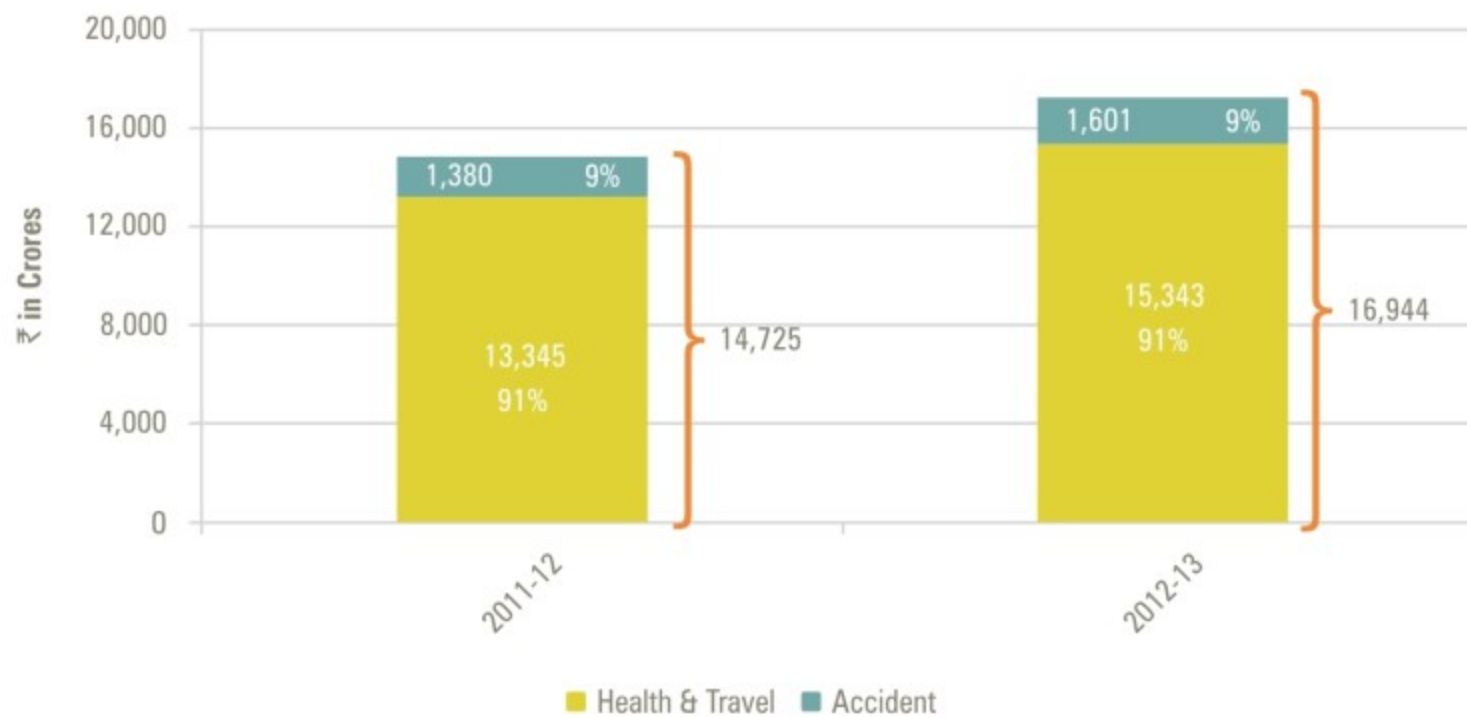


Source: Annual Reports 2012-13 of Non-Life Insurance Companies

Health, Accident & Travel

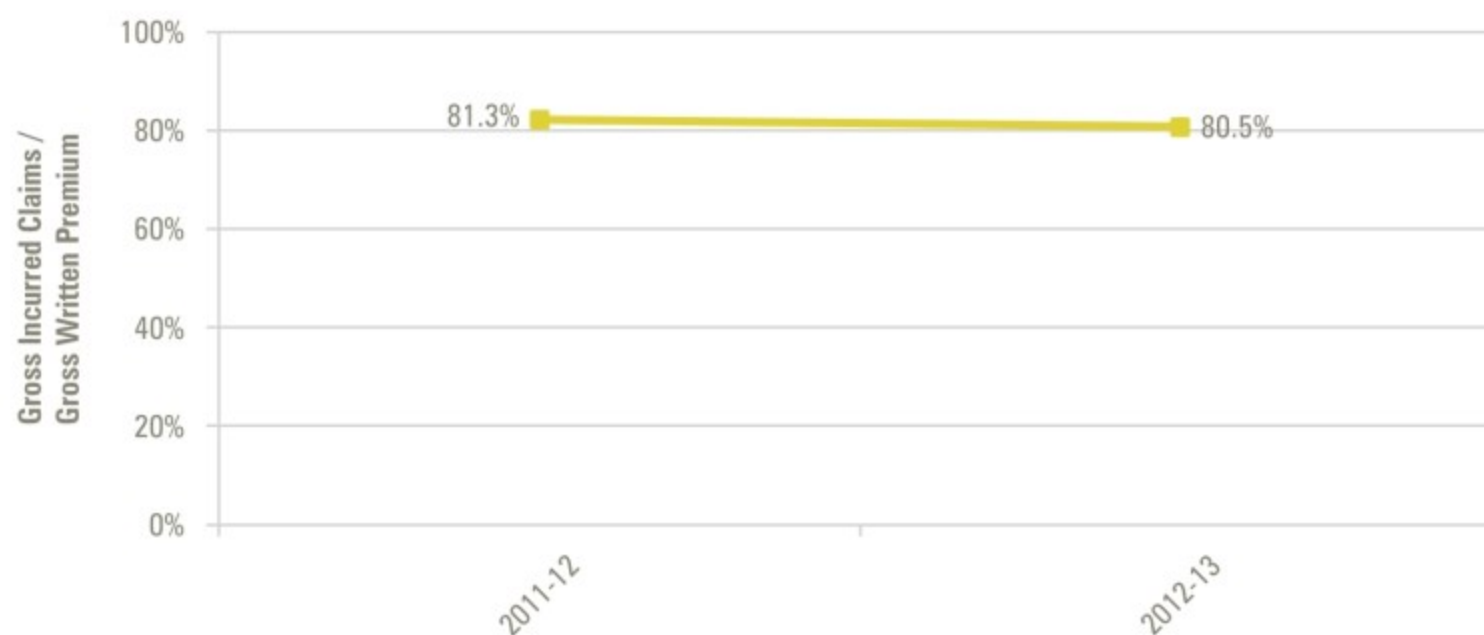
The composition of Health, Accident & Travel business is as follows:

Chart 4.11 GDPI - Health, Accident & Travel



Source: Annual Reports 2012-13 of Non-Life Insurance Companies

Chart 4.12 Gross Incurred Claims Ratio - Health, Accident & Travel



Source: Annual Reports 2012-13 of Non-Life Insurance Companies

Motor

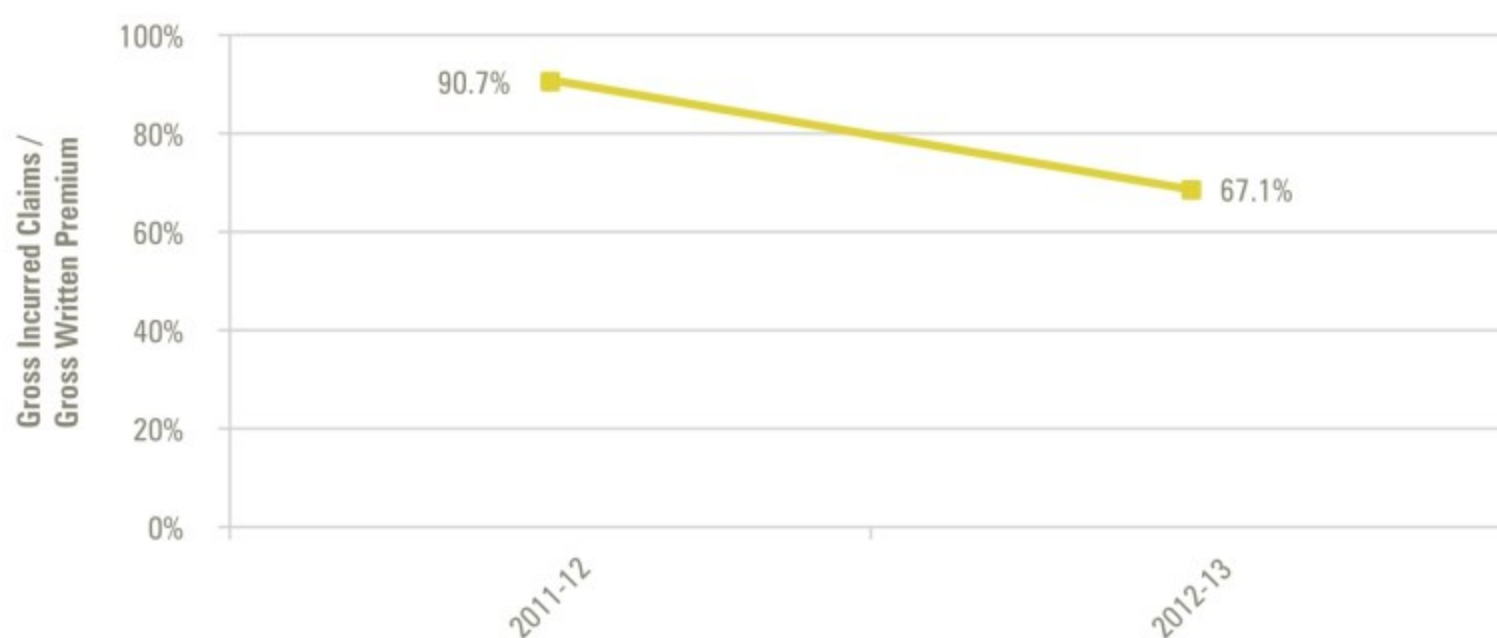
Motor Insurance business comprises Own Damage and Third Party liability segments.

Chart 4.13 GDPI - Motor



Source: Annual Reports 2012-13 of Non-Life Insurance Companies

Chart 4.14 Gross Incurred Claims Ratio - Motor



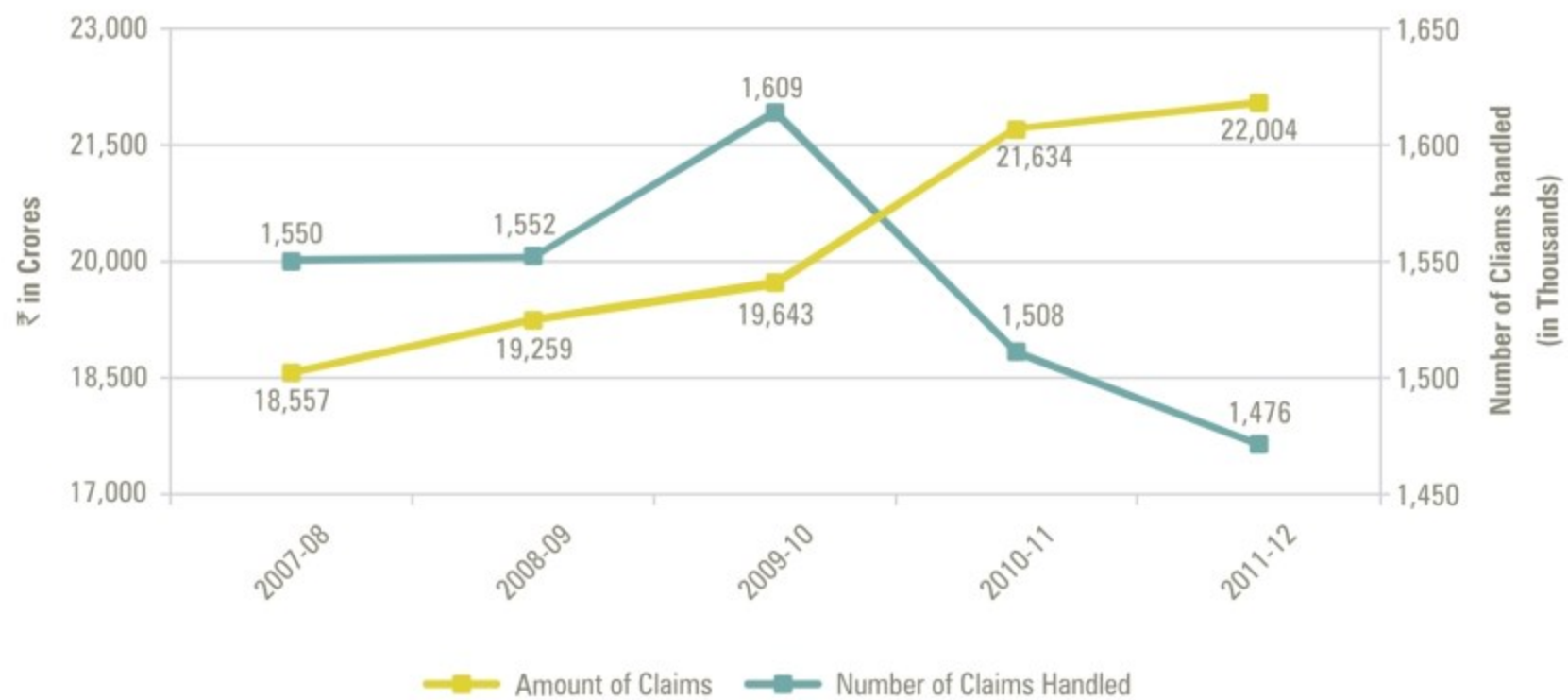
Source: Annual Reports 2012-13 of Non-Life Insurance Companies

The decline in the Gross Incurred Claim Ratio is due to the effect of choice exercised by insurance companies for full or staggered absorption of IBNR provisions permitted as per IRDA orders on dismantling of Motor Third Party Pool in 2011-12.

Motor Third Party Claims Handled

The Motor Third Party Claims handled is as shown in the chart below. While the number of claims handled has shown a decline the amount of claims has been consistently showing an increasing trend.

Chart 4.15 Motor Third Party Claims handled



Source: GI Council (Data for 2012-13 under compilation)

Motor Third Party Claims Experience

The Premium rates for Motor Third Party Liability cover are being administered by IRDA (Tariff). The Claims experience for this business shown below establishes that the administered prices are much lower than the claims. This gap is due to many factors, the predominant one being increasing trend in Court awards for Motor accident victims.

Chart 4.16 Motor Third Party Portfolio



Source: GI Council (Data for 2012-13 under compilation)

Percentage of Insured Vehicles vs Registered Vehicles - Categorywise

(As on 31st March , 2011)

27%

Insured Two wheelers



29%

Insured Taxis



73%

Insured Private Cars



83%

Insured Buses



64%

Insured Goods Vehicles

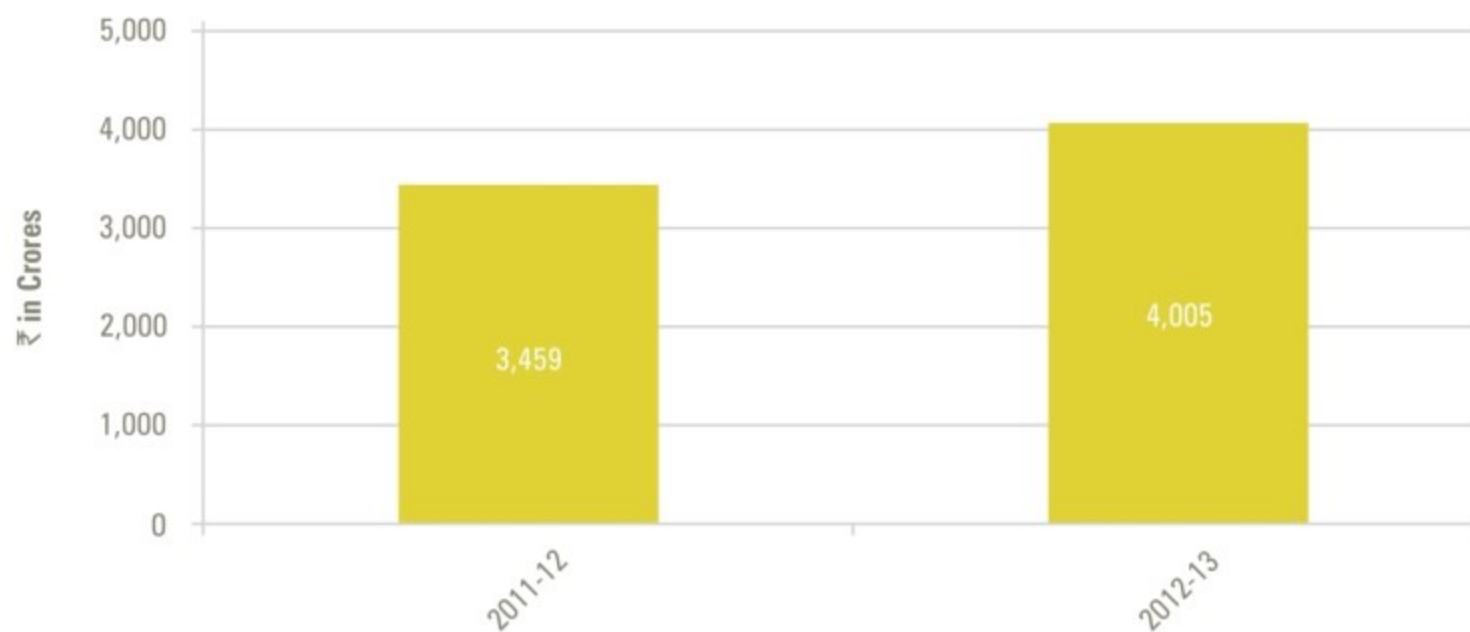


Source: Insurance Information Bureau (IIB), Ministry of Road Transport and Highways (MORTH)

Miscellaneous Insurance

All segments of business other than those dealt with separately above have been classified as Miscellaneous Insurance business. This business has grown at a rate of 16% in 2012-13 compared to 2011-12.

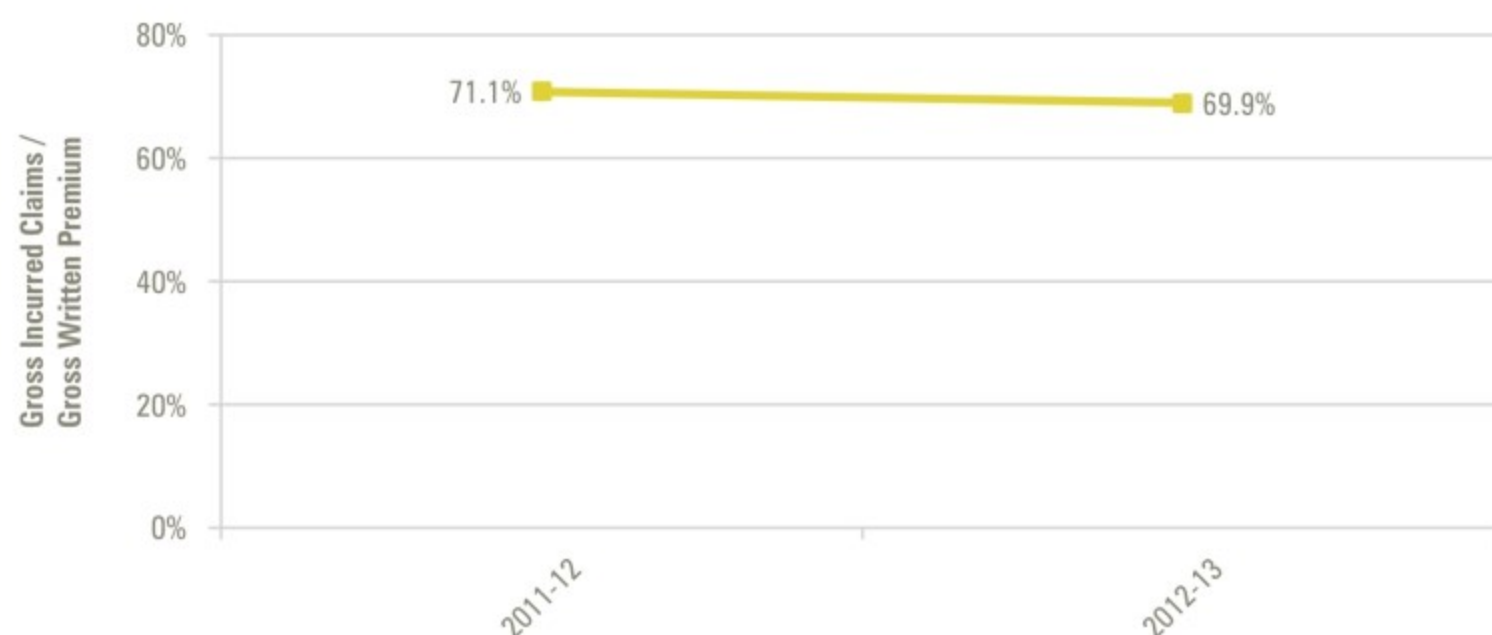
Chart 4.17 GDPI - Miscellaneous



Source: Annual Reports 2012-13 of Non-Life Insurance Companies

Miscellaneous Insurance business registered a decrease in the Gross Incurred Claims ratio from 71.1% in 2011-12 to 69.9% in 2012-13.

Chart 4.18 Gross Incurred Claims Ratio - Miscellaneous

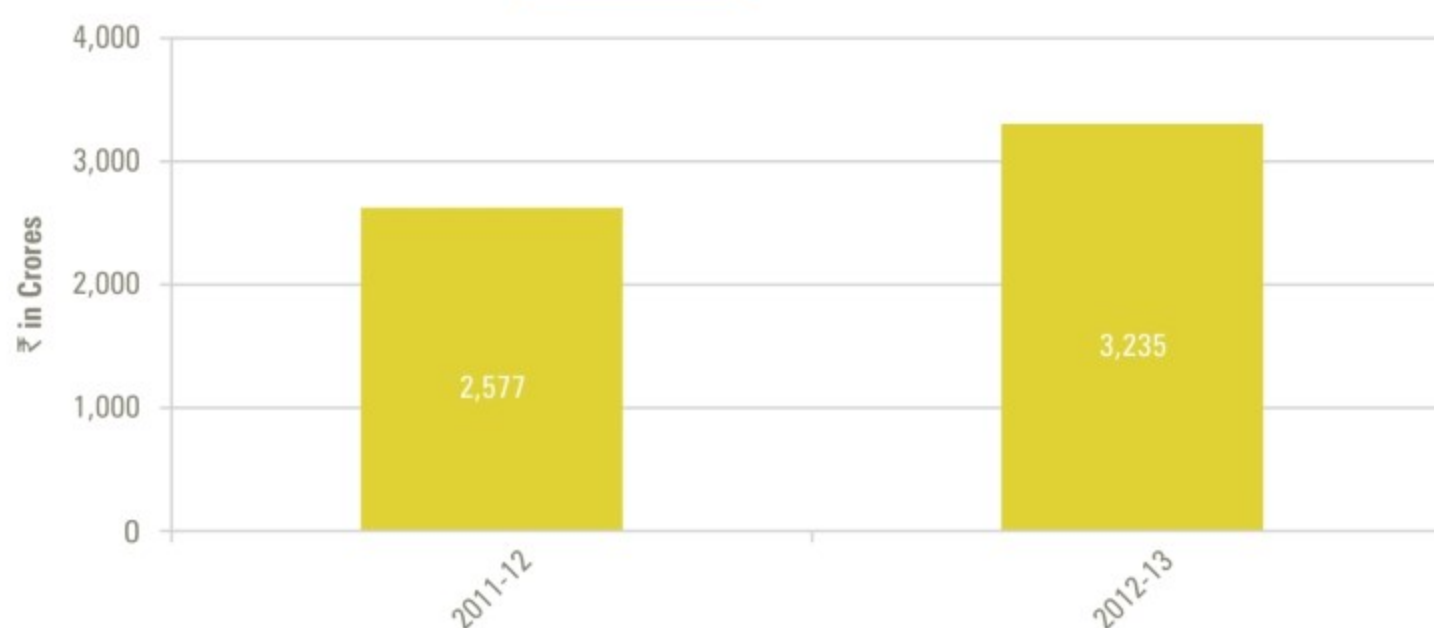


Source: Annual Reports 2012-13 of Non-Life Insurance Companies

Agriculture Insurance

Agriculture Insurance business is carried out by Agriculture Insurance Company Limited which is a Public Sector company. This business has grown at a rate of 26% from ₹ 2,577 Crores in 2011-12 to ₹ 3,235 Crores in 2012-13.

Chart 4.19 GDPI - Agriculture



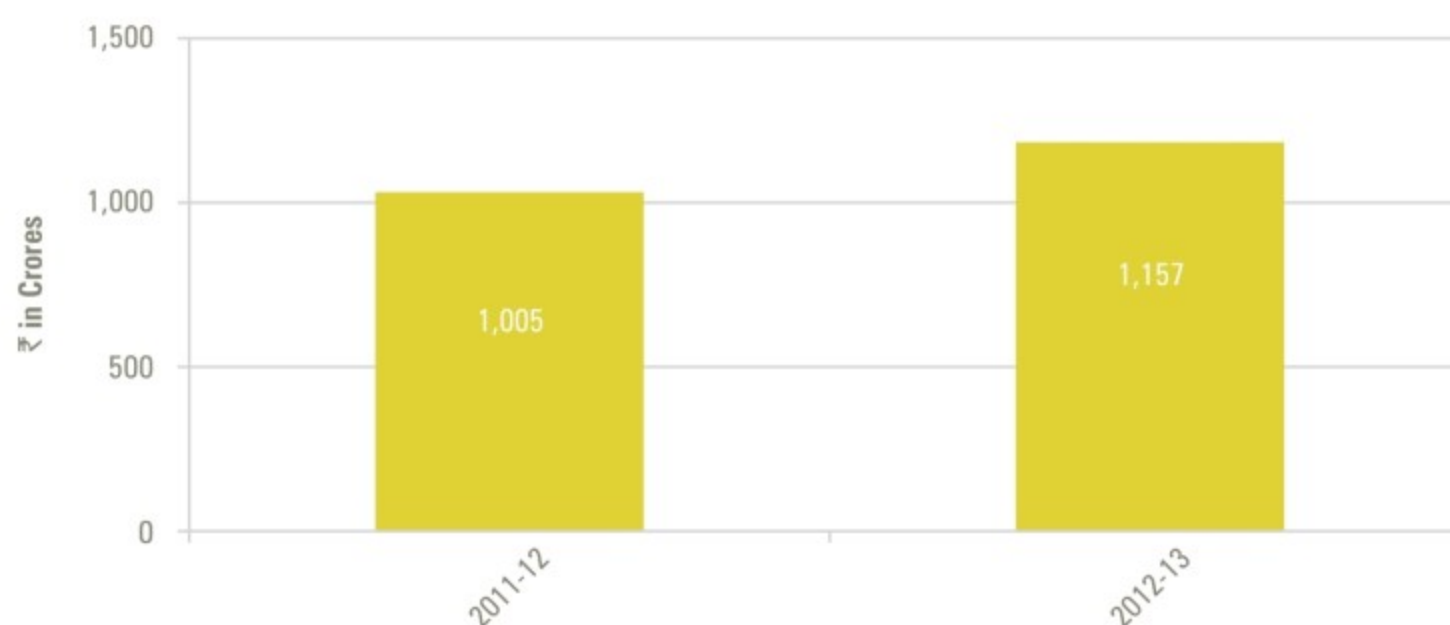
Source: Annual Report 2012-13 of AICI

The Gross Incurred Claims ratio has increased from 80.1% in 2011-12 to 103.3% in 2012-13.

Export Credit Guarantee Insurance

Export Credit Guarantee Insurance business is carried out by Export Credit Guarantee Corporation which is a Public Sector company. This business has grown at a rate of 15% from ₹ 1,005 Crores in 2011-12 to ₹ 1,157 Crores in 2012-13.

Chart 4.20 GDPI - Export Credit Guarantee



Source: Annual Reports 2012-13 of ECGC

The Gross Incurred Claims ratio has decreased from 93.0% in 2011-12 to 91.1% in 2012-13.

05

Large Losses

Number & Aggregate Value ●

Percentile Distribution of Number & Aggregate Value (2012-13) ●

An attempt has been made to present this information at a macro level from the available data. Council would make further attempts to get more details in the subsequent volumes of the year book.

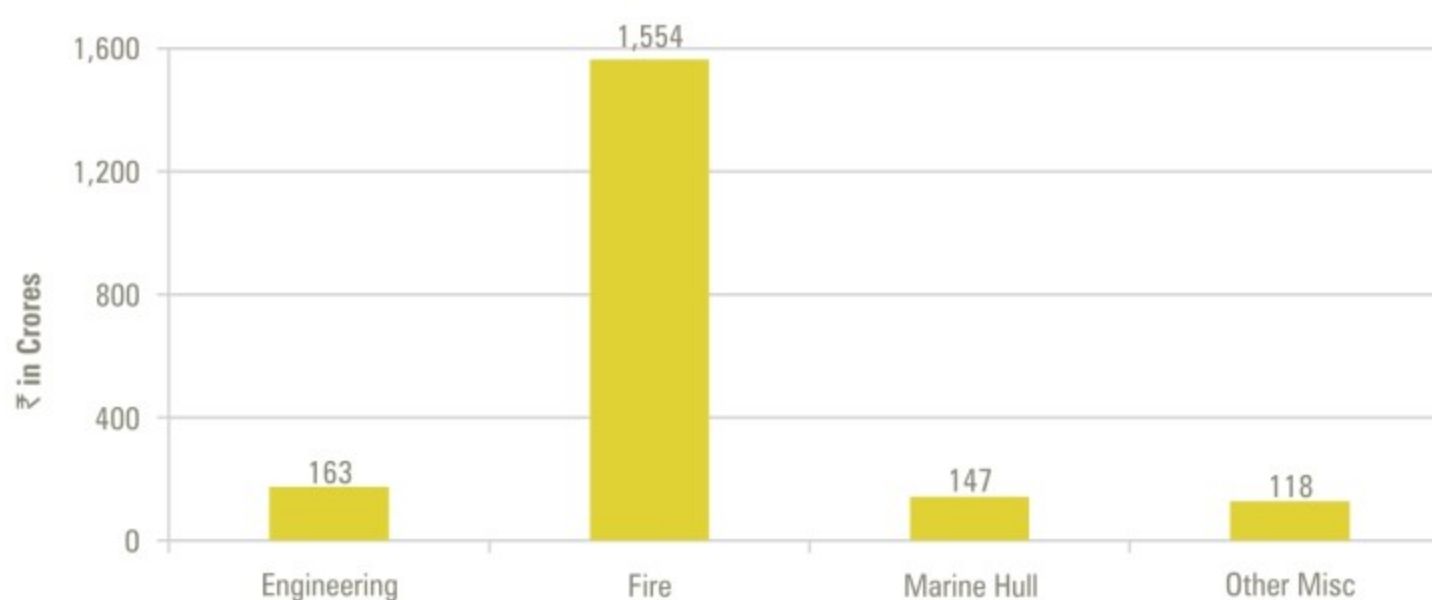
Large Losses*

Number & Aggregate Value

A total number of 2316 Losses amounting to a total value of ₹ 3,776.49 Crores, each of which is greater than a 100% Gross Loss amount of ₹ 0.24 Crores reported by 20 General Insurance Companies has been collated by the Council. The Segmentwise Frequency and Severity of Large Losses analysis has been prepared based on the data so collated.

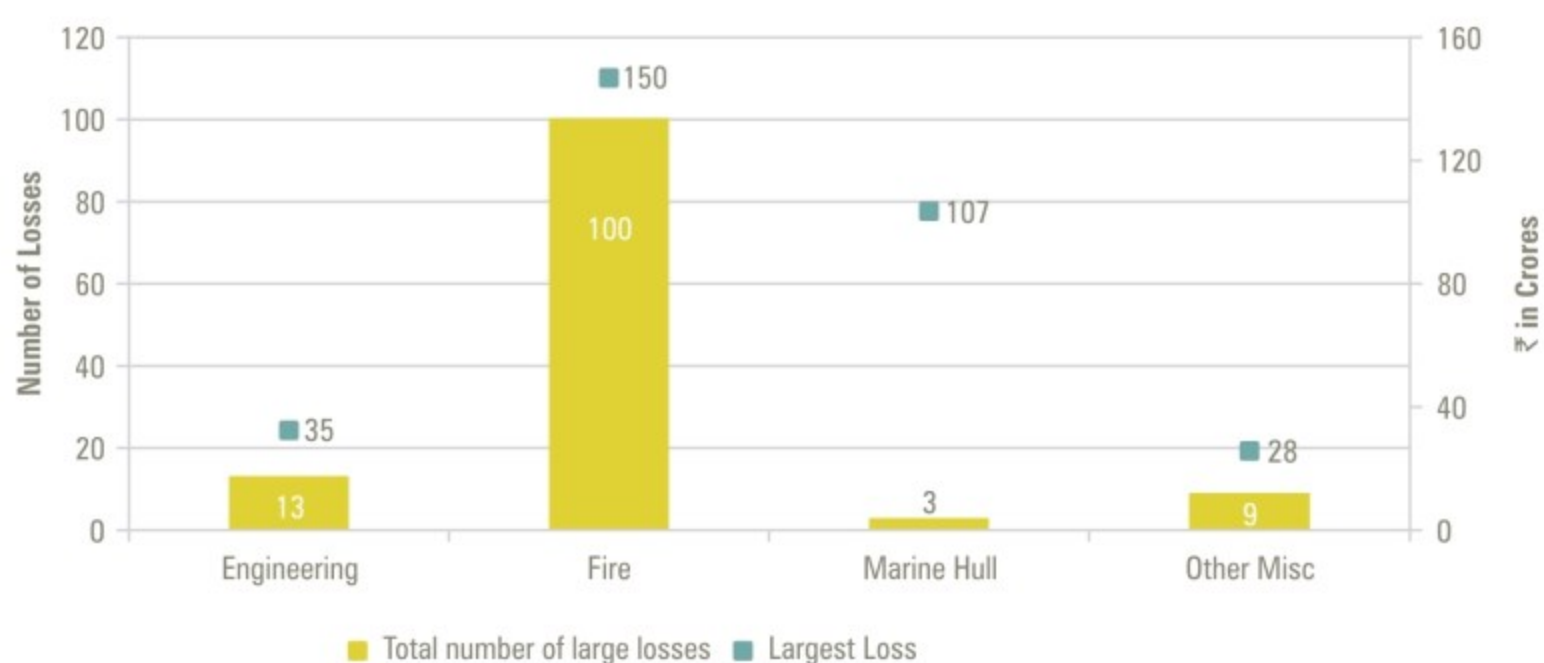
94.6% of Large Losses reported to the Council are less than the threshold of ₹ 5 Crores assumed for this analysis. There are no Losses greater than ₹ 5 Crores in Aviation, Motor Insurance business. Health Insurance, Marine Cargo Insurance and other Miscellaneous Insurance, have been included under "Other Miscellaneous" for the purposes of this analysis.

Chart 5.1 Aggregate value of Large Losses (All Classes) - 2012-13
(100% Gross Loss Threshold of ₹ 5 Crores each loss)



Source: General Insurance Council

Chart 5.2 Frequency & Severity (All Classes)
(100% Gross Loss Threshold of ₹ 5 Crores each loss)



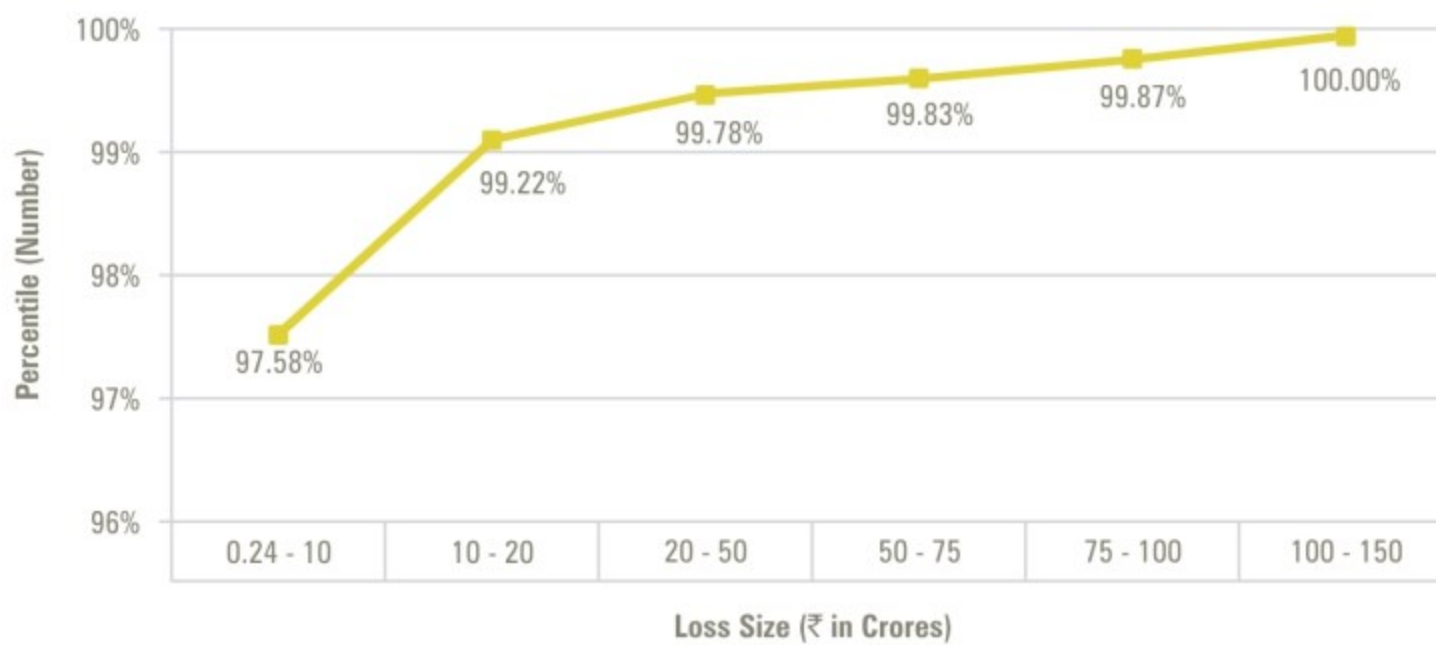
Source: General Insurance Council

* Based on information reported from 20 general insurance companies (the remaining companies are Specialized, Standalone Health or newly licensed companies).

Percentile Distribution of Number & Aggregate Value (2012-13)

Out of a total of 2316 Large Losses reported by the Non-Life Insurance Companies to the General Insurance Council, 2,191 (94.6%) are less than ₹ 5 Crores each, and 2298 (99.22%) are less than ₹ 20 Crores each. There are 18 losses with a 100% Gross Loss amount greater than ₹ 20 Crores, the largest of which amounts to ₹ 150.15 Crores.

Chart 5.3 Number - 2316 Losses (All Classes)



Source: General Insurance Council

There are 5 large losses (0.22%) each with a value greater than ₹ 50 Crores and totalling upto ₹ 538.77 Crores (14.27% of Aggregate value of all Large Losses).

Chart 5.4 Aggregate Value - Rs.3,776 Crores (All Classes)



Source: General Insurance Council

Large Losses (100% Gross Loss Threshold of ₹ 5 Crores each loss)

Table 5.1 Engineering

Range (₹ in Crores)	Frequency of Losses	Cumulative Frequency %	Aggregate amount of Losses (₹ in Crores)
5.00 – 10.00	9	69%	72.92
10.00 – 20.00	2	85%	25.01
20.00 – 50.00	2	100%	65.00
Total Number of Large Losses reported			13
Total value of Large Losses reported			₹ 162.93 Crores
Highest Loss: JSW Energy Ltd., D.O.L. 21/05/2012, 100% Gross Amount ₹ 35.00 Crores			

Source: General Insurance Council

Table 5.2 Fire

Range (₹ in Crores)	Frequency of Losses	Cumulative Frequency %	Aggregate amount of Losses (₹ in Crores)
5.00 – 10.00	56	56%	419.29
10.00 – 20.00	32	88%	455.94
20.00 – 50.00	8	96%	246.72
50.00 – 75.00	1	97%	50.01
75.00 – 100.00	1	98%	81.56
100.00 – 150.00	2	100%	300.25
Total Number of Large Losses reported			100
Total value of Large Losses reported			₹ 1,553.77 Crores
Highest: Hitachi Home and Life Solutions Ltd., D.O.L. 18/07/2012, 100% Gross Amount ₹ 150.15 Crores (Damages to Building, Plant & Machinery and Stocks due to fire)			

Source: General Insurance Council

Table 5.3 Marine Hull

Range (₹ in Crores)	Frequency of Losses	Cumulative Frequency %	Aggregate amount of Losses (₹ in Crores)
5.00 – 10.00	1	33%	5.56
20.00 – 50.00	1	66%	34.00
100.00 – 150.00	1	100%	106.95
Total Number of Large Losses reported			3
Total value of Large Losses reported			₹ 146.51 Crores
Highest: ONGC Ltd., D.O.L. 04/12/2012, 100% Gross Amount ₹ 106.95 Crores			

Source: General Insurance Council

Table 5.4 Miscellaneous (Aviation, Marine Cargo, Health, Other Miscellaneous)

Range (₹ in Crores)	Frequency of Losses	Cumulative Frequency %	Aggregate amount of Losses (₹ in Crores)
05.00 – 10.00	3	33%	20.56
10.00 – 20.00	4	78%	49.06
20.00 – 50.00	2	100%	48.00
Total Number of Large Losses reported			9
Total value of Large Losses reported			₹ 117.61 Crores
Highest: Allanasons Ltd., D.O.L. 01/03/2013, 100% Gross Amount ₹ 28.00 Crores (Marine Cargo Open Policy)			

Source: General Insurance Council



06

Reinsurance

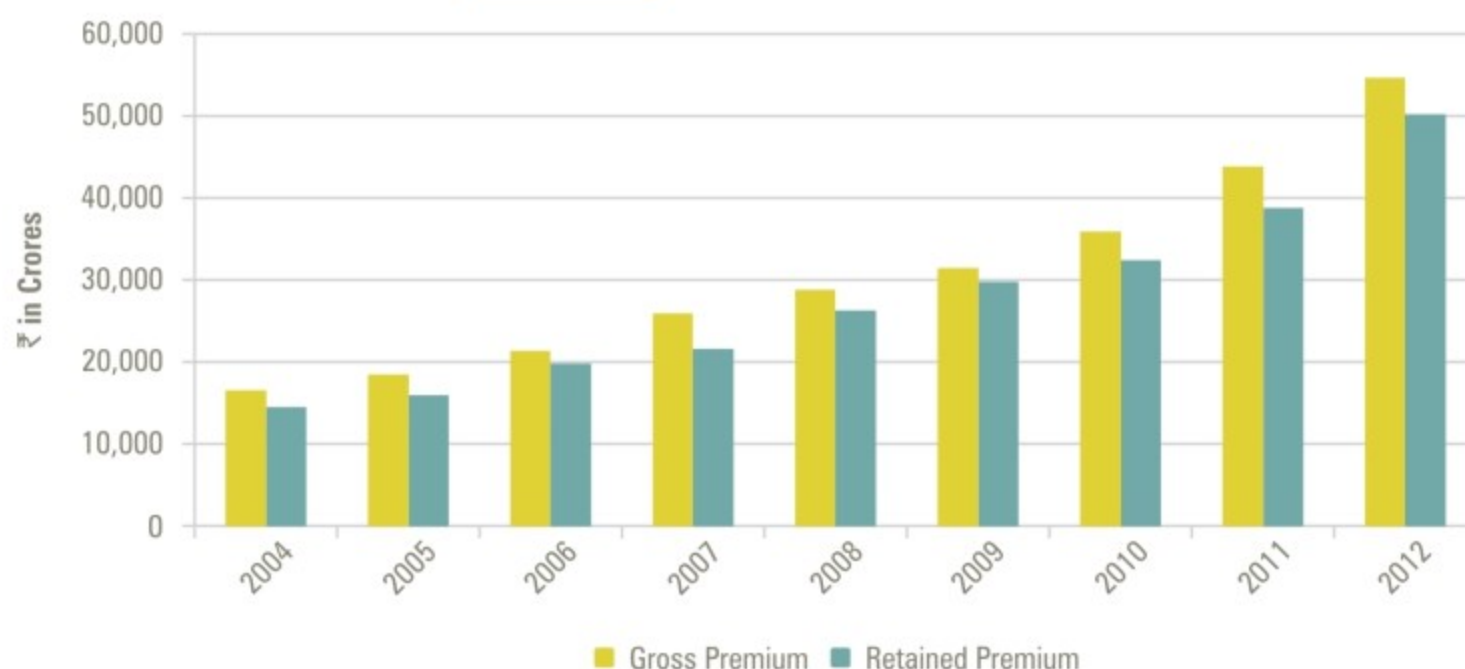
- Net Retention ●
- Reinsurance Placed Within & Outside India ●
- Capital Leverage ●

Reinsurance

Net Retention

The Gross Written and Retained Premiums during the period 2003-04 to 2011-12 (₹ in Crores) are as follows :

Chart 6.1 Gross and Retained Premium



Source: IRDA Handbook 2011-12 and GI Council data (Excluding Standalone Health and Specialized companies)

The Gross Written and Retained Premiums during the Financial Year 2012-13 are as follows:

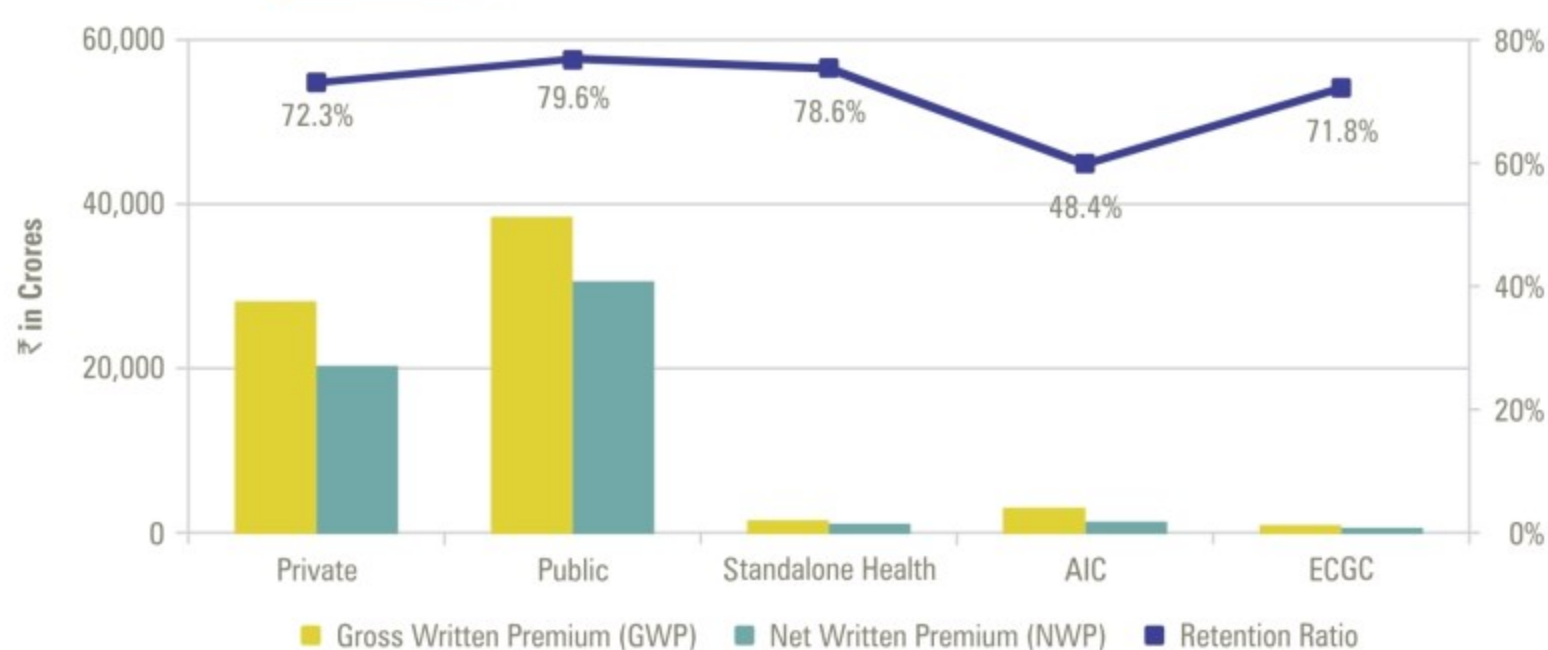
Table 6.1 Gross Written, Retained Premiums, Retention Ratios (2012-13)

	Gross Written Premium (GWP)	Net Written Premium (NWP)	Retention Ratio
Private Sector	28,845.09	20,841.57	72.3%
Public Sector	39,302.24	31,284.00	79.6%
Standalone Health	1,726.96	1,356.97	78.6%
AIC	3,297.42	1,595.39	48.4%
ECGC	1,157.25	830.53	71.8%
Total	74,328.96	55,908.46	75.2%

Source: Public Disclosures 2012-13 of Non-Life Insurance Companies

₹ in Crores

Chart 6.2 Retention Ratios by Type of Company (2012-13)



Note: The Ceded Premium of AIC (GWP – NWP) includes Premium ceded to other Indian Non-Life Insurance Companies in addition to GIC Re.

During the period 2003-04 to 2011-12 (except 2006-07), the Non-life Insurance Industry has maintained a Net Retention Ratio* within the band of 85% to 95% in line with the Regulatory requirement to optimize retention within India.

Chart 6.3 Industry Overall Net Retention %



Source: IRDA Handbook 2011-12

The Segmentwise Net Retention Ratios of Non-Life Insurance Companies during the period 2003-04 to 2011-12 have consistently remained above 60% for all classes other than Marine Hull and Aviation.

Chart 6.4 Net Retention % (Excl. Hull and Aviation)

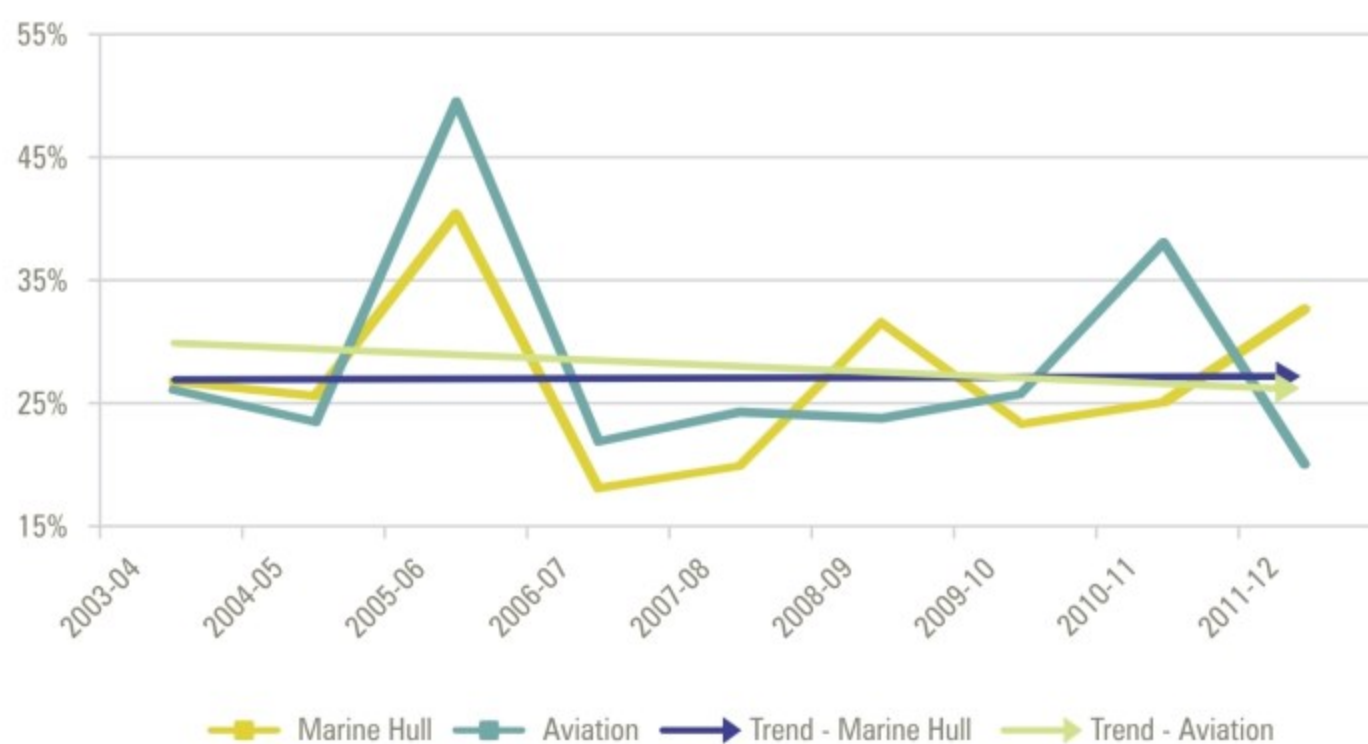


Source: IRDA Handbook 2011-12

*Net Retention Ratio is the ratio of the Net Written Premium to Gross Direct Premium Written in India (excluding Reinsurance Accepted) - IRDA Guidelines on Periodic Disclosures dated 9th April 2010

The Net Retention Ratios have remained in the mid-20s during the same period for Marine Hull and Aviation classes.

Chart 6.5 Net Retention % (Hull and Aviation)

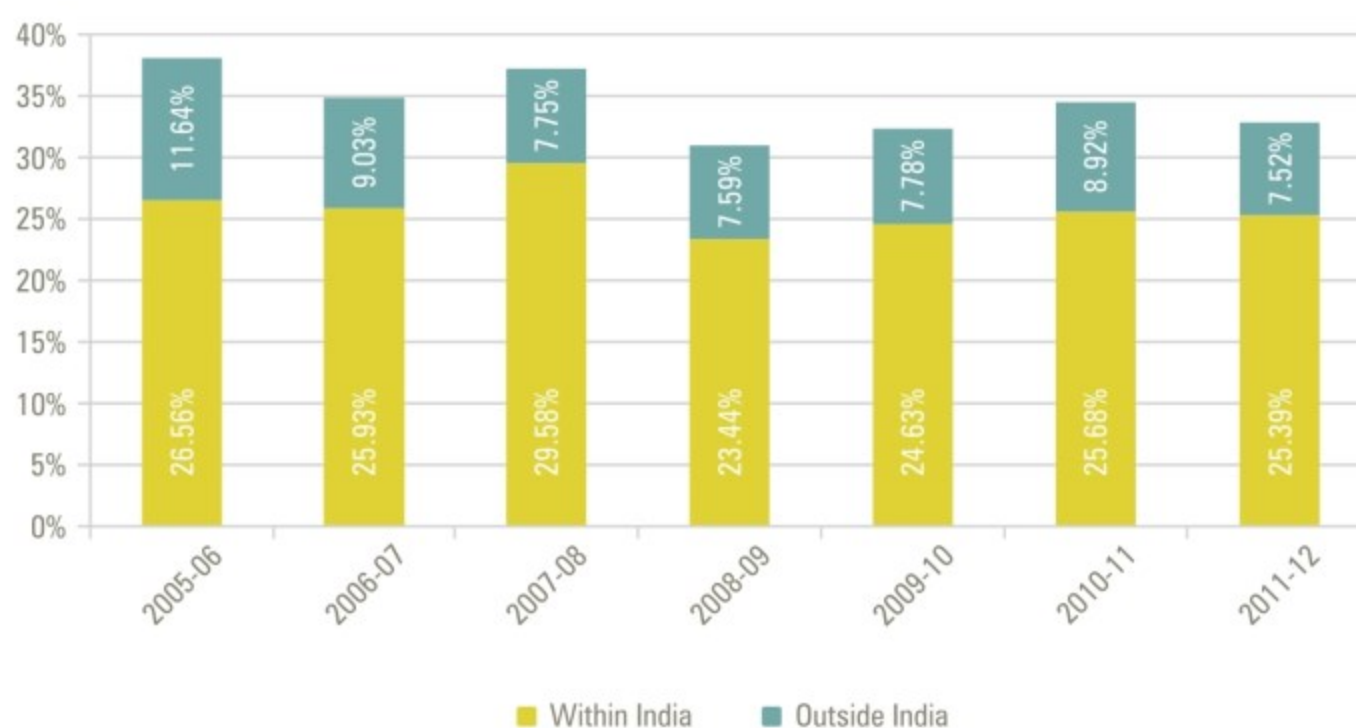


Source: IRDA Handbook 2011-12

Reinsurance Placed Within & Outside India

The details of reinsurance premium ceded (within India and outside India) for the years 2005-06 to 2011-12 are as follows:

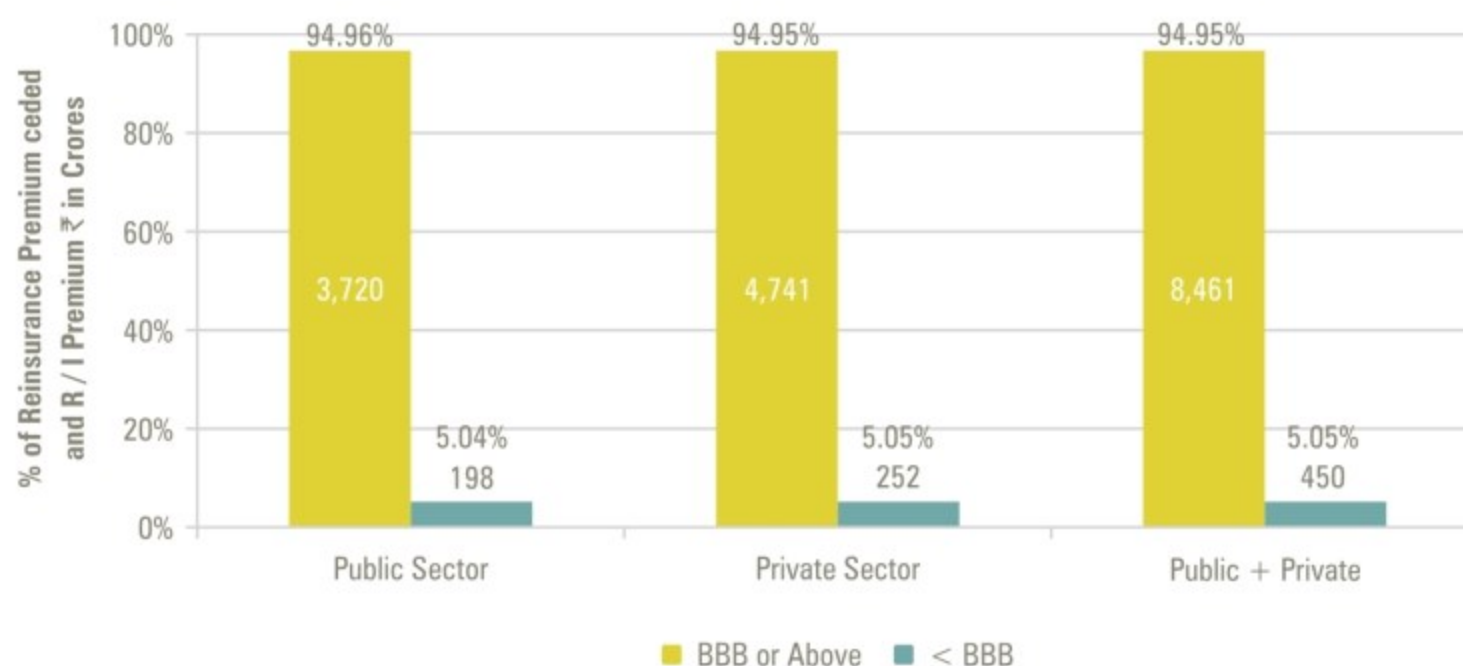
Chart 6.6 Reinsurance placed within and outside India (% to GDPI)



Source: IRDA Annual Report 2005-06 to 2011-12

The Quality of Reinsurance protection obtained by the Non-Life Insurance Industry in India as well as the Reinsurance Premium ceded to Reinsurers rated BBB or above and those less than BBB or non-rated Reinsurers is shown below:

Chart 6.7 Quality of Reinsurance Security (2012-13)

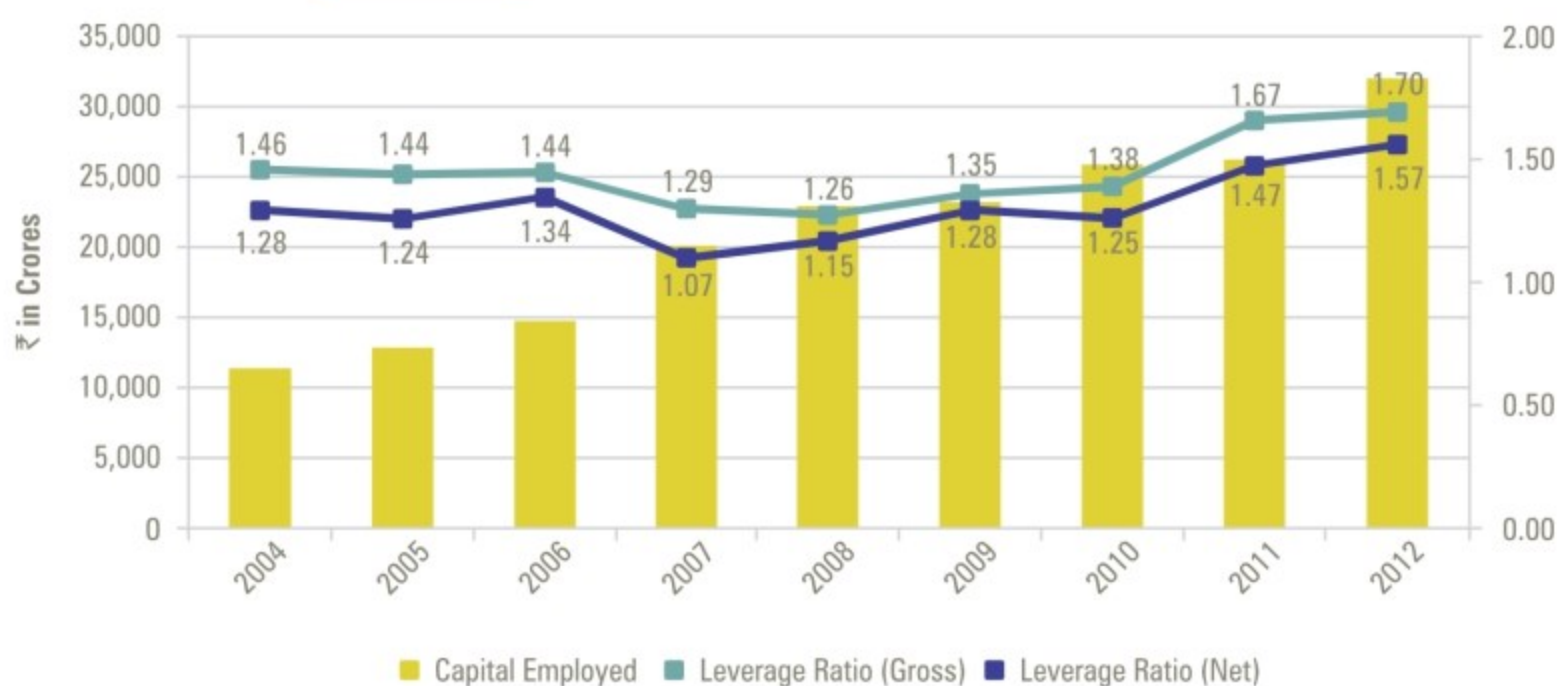


Source: Public Disclosures 2012-13 of Non-Life Insurance Companies (Excluding Standalone Health and Specialized)

Capital Leverage

The Capital Leverage ratio indicates the extent to which the Capital Employed is leveraged for domestic insurance business. This ratio is calculated at both the Gross Premium (Gross Premium / Capital) and Net Premium (Net Premium / Capital) levels which are as follows:

Chart 6.8 Capital Leverage (Gross and Net Premium)



Source: IRDA Annual Report 2005-06 to 2011-12



07

Customer Service

(Based on data upto 2011-12)

- Customer Complaints ●
- Complaints Classwise Analysis ●

Customer Complaints

The Non-Life Insurance Industry has been steadily improving the quality of service provided to the consumers. One of the direct indicators of improving quality of service is the steady decline in the absolute number of complaints reported and also the complaints reported as a percentage of the number of Policies issued as well as number of Claims handled during the year (Please refer to Chart 3.1 and Chart 3.2 for data on number of policies and number of claims).

The IRDA has launched the Integrated Grievance Management System (IGMS) which enables the Policyholders to register their complaints directly in the system which is monitored by the Non-Life Insurance Companies as well as the IRDA.

Chart 7.1 Complaints vs Policies issued and Claims handled



Source: IRDA Consumer Affairs Department Annual Booklets 2010-11 and 2011-12 and GI Council data

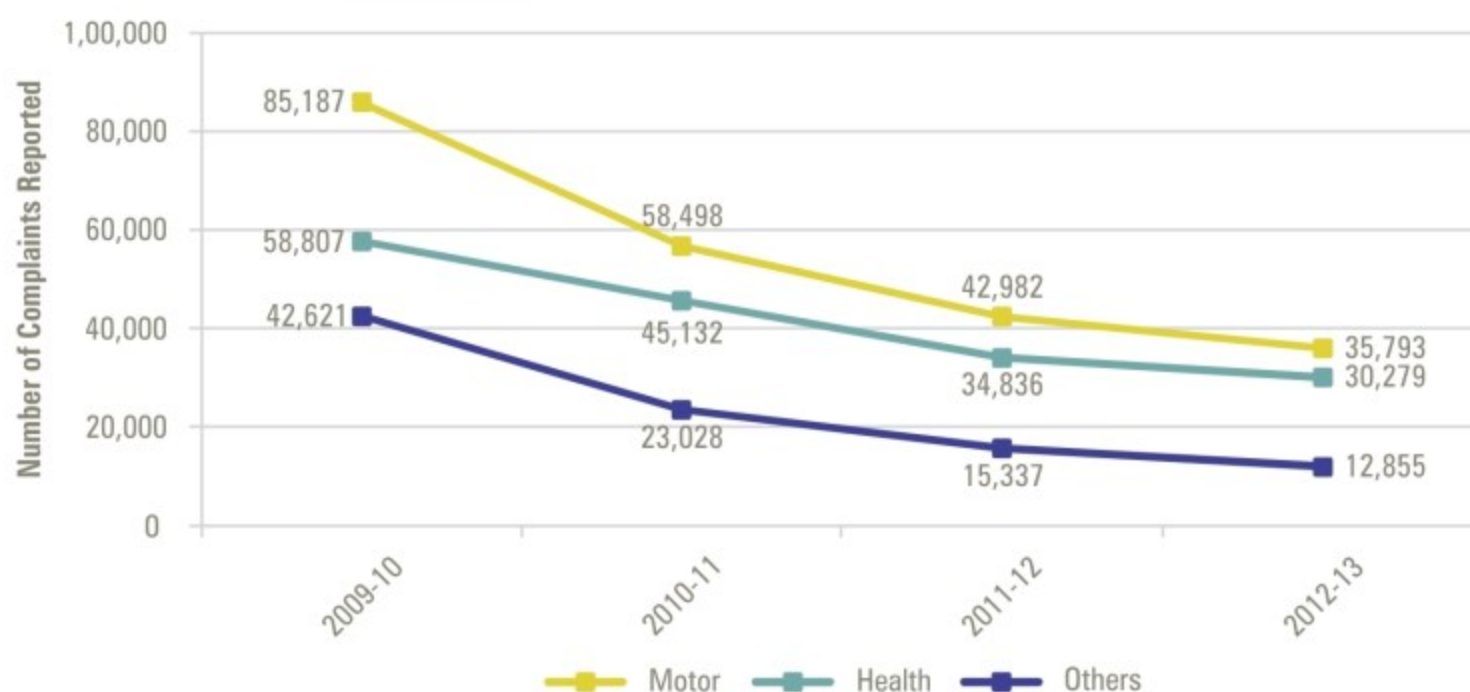
% to Policies: Total Number of Complaints / Number of Policies issued during that year

% to Claims Handled: Number of Claims related Complaints / (Number of Claims Outstanding at beginning of that year + Number of Claims reported during the year)

Complaints Classwise Analysis

The Classwise details of Complaints reported reveals a consistent declining trend in Complaints relating to all Classes of business.

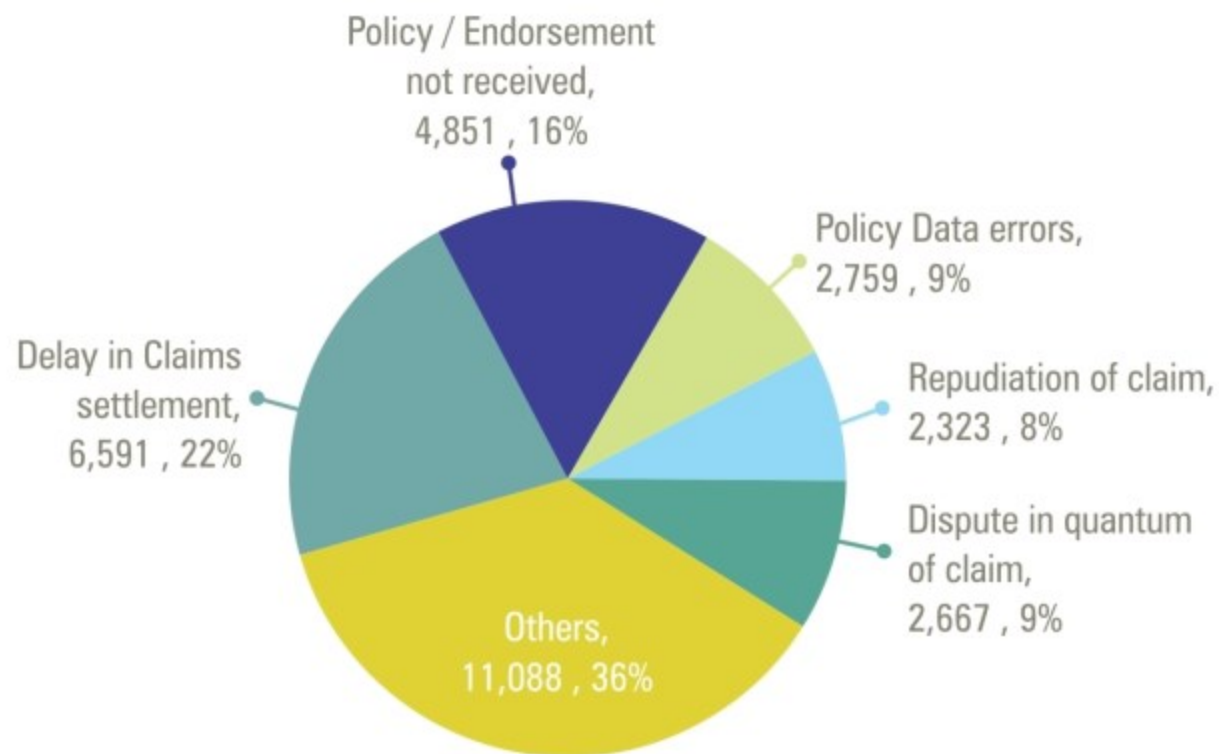
Chart 7.2 Classwise Analysis of Complaints Reported



Source: IRDA Consumer Affairs Department Annual Booklet 2011-12

The number and type of complaints received in Health Insurance during the year 2012-13 are as follows:

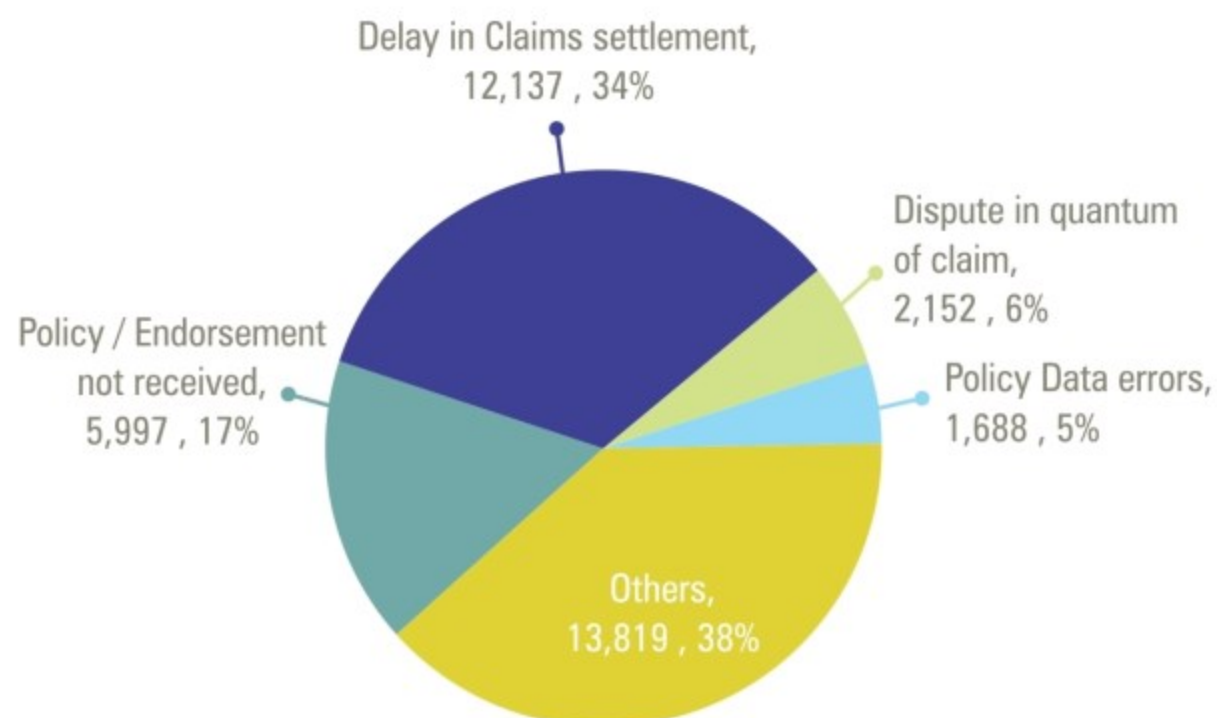
Chart 7.3 Health Insurance Complaints (30,279)



Source: IRDA Consumer Affairs Department

The number and type of complaints received in Motor Insurance during the year 2012-13 are as follows:

Chart 7.4 Motor Insurance Complaints (35,793)



Source: IRDA Consumer Affairs Department

PART 02

Contributory Articles

Health Insurance Industry in India

Development of Motor Insurance in India

Here Comes the Tort Age: What Next for Liability Class?

Liability Insurance in India: An Unrealized Opportunity

The views expressed in the contributory articles are that of the authors and not of the General Insurance Council or its member companies.

Health Insurance Industry in India

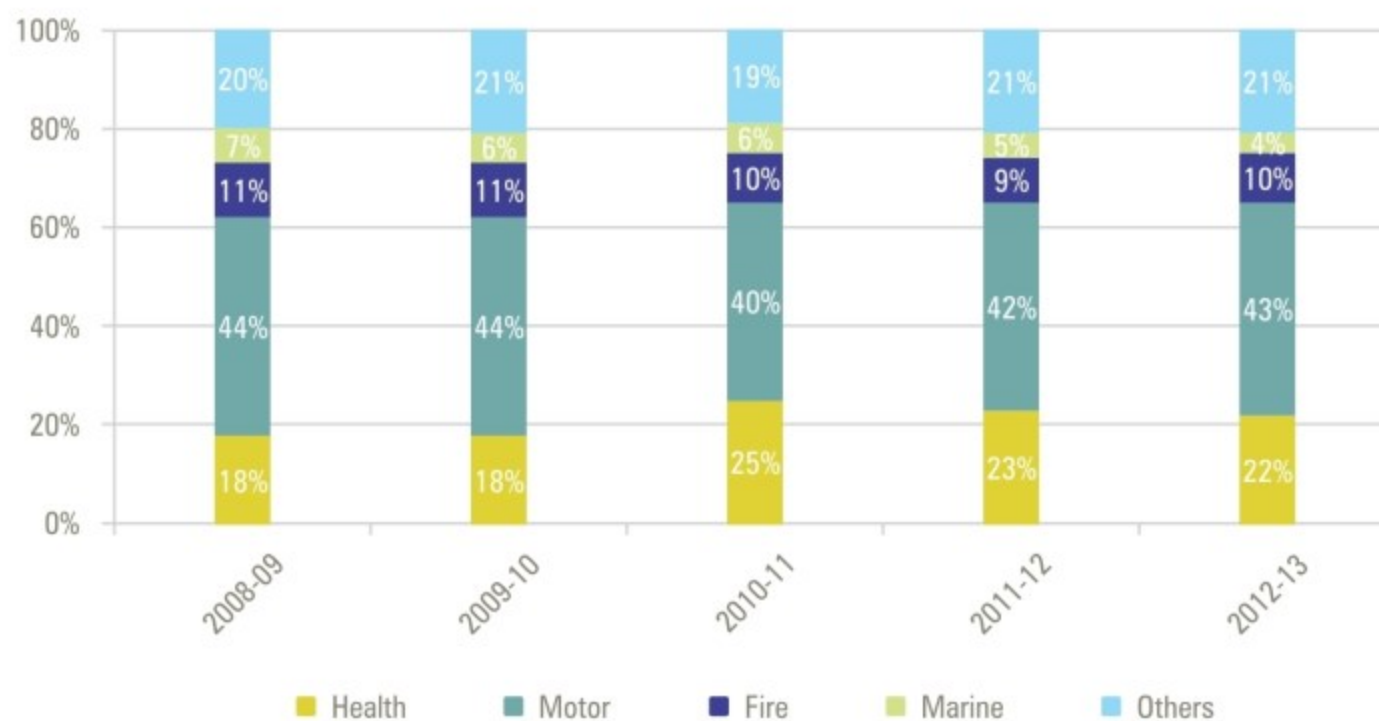
Joydeep Saha

Head – Health Actuarial, Underwriting & Claim / L&T General Insurance Company Limited

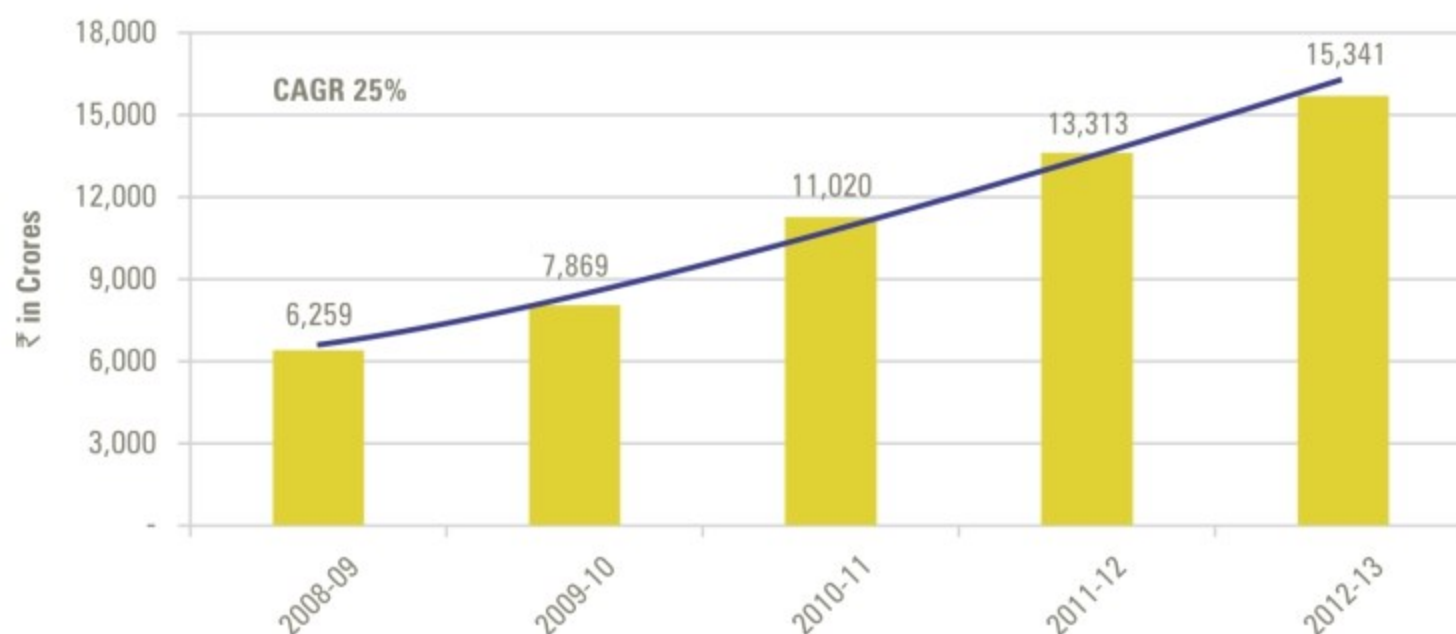
In India, an estimate¹ indicates that the level of healthcare spend relative to GDP is just over 5 %. This is extremely low, particularly when compared to developed markets (UK at 8 %, Germany at 11 %, USA 15 %), but comparable to developing markets (Brazil at 8 %, China at 5 %, Russia at 5 %). However, the difference is very stark with regards to the proportion of spend which is financed through health insurance. In India, less than 3 % of total healthcare spend is financed through health insurance. This compares to 4 % in Russia, 6 % in China, 8 % in UK, 10 % in Germany, 16 % in Brazil, 36 % in US and 48 % in South Africa. Given the low starting point, there is huge upside potential and untapped opportunity for the market.

Health Insurance is the most focused area of the India's insurance industry. This sector is the second largest contributor to the non-life industry's premium underwritten and has witnessed phenomenal growth in the last 5 years. The 5 years CAGR at 25% has far exceed the overall industry CAGR 17%. The current market size stands at ₹ 15,341 Crores

Segmentwise Premium Underwritten (%)



Health GWP (In ₹ Crores)



¹ McKinsey estimates (2008-09)

Accident & Health Insurance business is generally transacted either directly or through various independent channels like Brokers; Agents; Affinity, Bancassurance partners; Direct Sales including Direct to Customer through web portals & call centre models; Rural & microfinance channels; etc. and other approved insurance intermediaries. Retail business is generally dominated by agents whereas Group health (Corporate) business is sourced mainly through Broker channels.

Market Mix

The health insurance market in India can be broadly categorized into:

Voluntary health insurance schemes or private-for-profit schemes (Individual and Floater):

Insurance buyers pay premium to an insurance company that pools similar risks and insures policyholders for hospitalization related expenses. These are short term products and can be for upto 3 years. Coverage can be on individual or family floater basis where several members in the same family are covered under single sum insurance. Claims are usually paid on indemnity basis and various product forms exist like Mediclaim (Basic hospitalization), Top Up (High deductible), Women only and so on. As per the recent Health Regulation, all the Health Insurance products (barring short term products like travel insurance) are required to provide life time renewal to policyholders.

Products are generally pre-underwritten upto to a specified age(45-50) with waiting period for pre- existing diseases (PED) and time bound exclusions for defined illnesses in order to avoid anti selection.

Employer based schemes (Group Insurance):

Employers in both public and private sectors cover their employees under the group health insurance schemes. It is generally on compulsory basis with waiting period waiver. Group Portfolio contributes the most business in India².

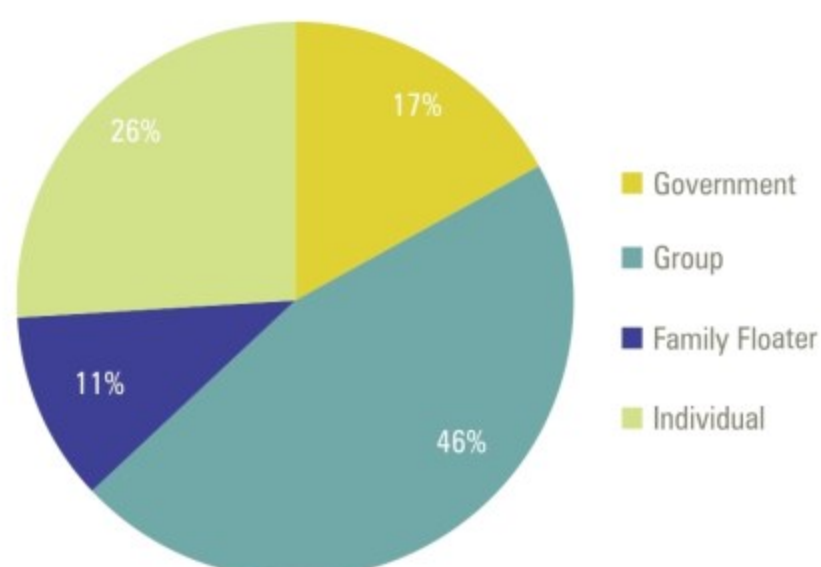
Mass schemes run by government:

Till recent years government has focused on supply side measures like subsidized public health system. However, to have a healthy population in the country and to protect them financially, Government is now incentivizing people through subsidized health insurance schemes (Mass schemes). These government sponsored schemes to a large extent are administered by the insurance companies and private TPAs. Although, primarily aimed at the Below Poverty Line (BPL) population, APL population is also being brought under the ambit of the government sponsored schemes.

Important schemes

- Rashtriya Swasthya Bima Yojana launched in 2008. 3.6 Cr. families enrolled till date.
- Arogyashree in Andhra Pradesh launched in 2007.
- Kudumbasree in Kerala launched in 2006.
- Yeshasvini Scheme in Karnataka launched in 2003.

GWP Breakup by Segment (%)



² IRDA Annual Report 2011-12

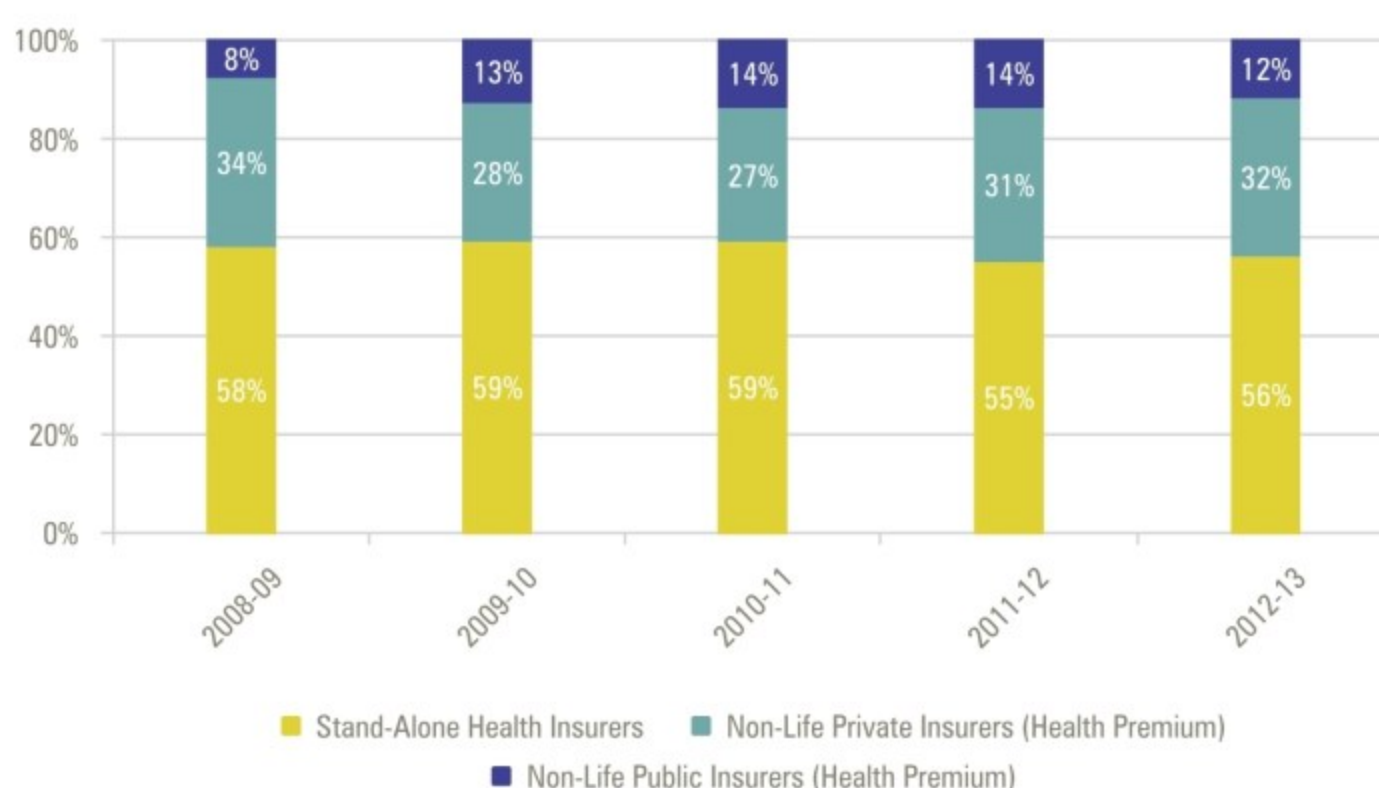
Health Insurance Companies

There are both private and state owned general insurance companies catering to the health insurance market. Public sector companies dominate the health insurance business. New India is the market leader in terms of GWP at 18% followed by United India and National. Among the private players ICICI Lombard has a sizeable presence with 11%³. Apart from general insurance companies, life insurance companies also provide long term health insurance products.

Stand-Alone Health Insurance Cos

A new development in this industry is the emergence of Stand-Alone Health Insurance Cos selling only health and personal accident insurance. Four stand-alone Health Insurers are currently in operation: Star Health, Apollo Munich, Max Bupa and Religare.

Health Insurance Market Share (%)



Growth Drivers of the Health Insurance Market

A sustained growth in the Indian health insurance market can be expected on the back of economic factors like meteoric rise in health expenditure & out-of-pocket expenses, rising disposable incomes and awareness about availability & need for quality health care.

With growing urbanization and affluence, there will be greater incidence of 'lifestyle' diseases (e.g. diabetes, heart disease) which will be more costly to treat. Further, there is already evidence of structural shifts in the provider network in favor of larger and more organized hospital chains, where the cost of healthcare provision will be higher due to higher up-front investments and running costs, largely driven by significantly better quality delivery.

Novel concepts like medical tourism and managed health care provide further potential to the health insurance market.

Health GWP prediction

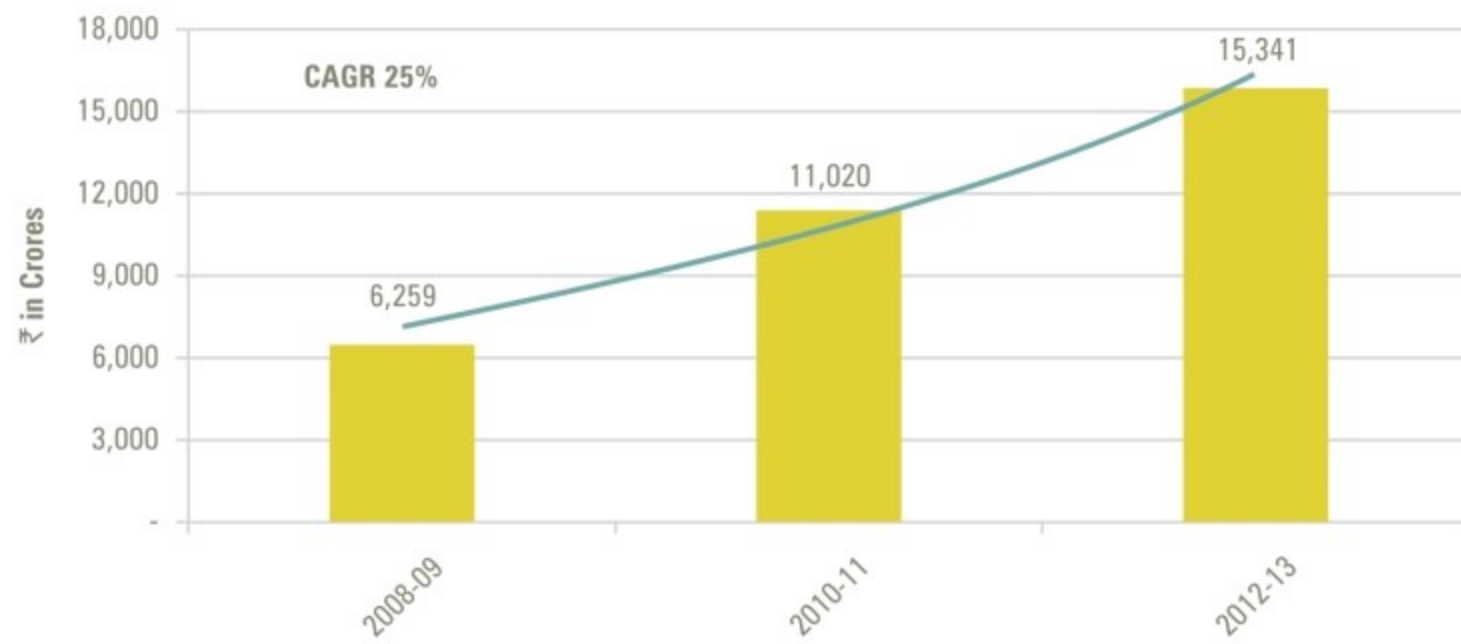
Market size⁴ currently stands at ₹ 15,341 Crores GWP for the financial year 2012-13 and has grown at 25% CAGR over the last 5 years. It is expected that this market will grow at a rate of 21% CAGR⁵ over the next 5 years.

³ As of 2012-13

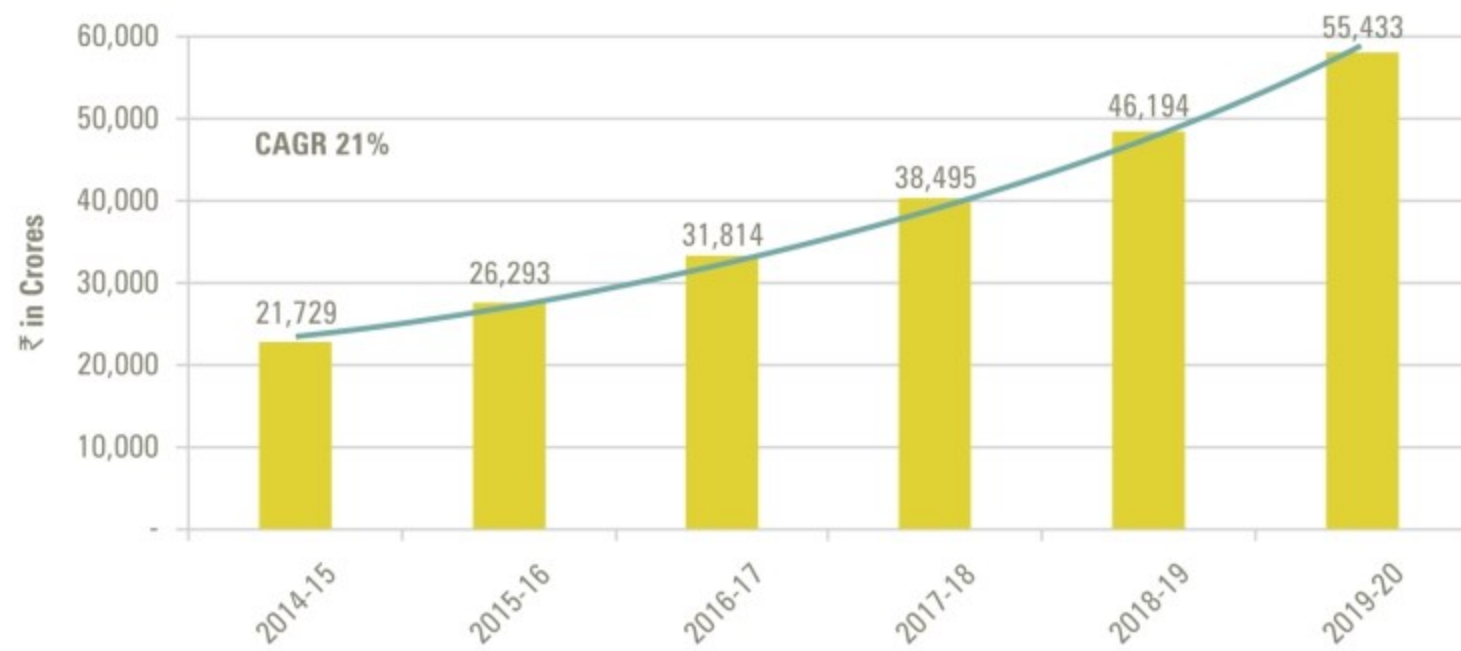
⁴ Health insurance market defined as the total health insurance business written in India by all non life/non-life insurance companies including the stand-alone health insurers.

⁵ Actual numbers will be higher if successful roll-out of RSBY or other government schemes continues across more states.

Health GWP (In ₹ Crores)



Health GWP Estimates (In ₹ Crores)



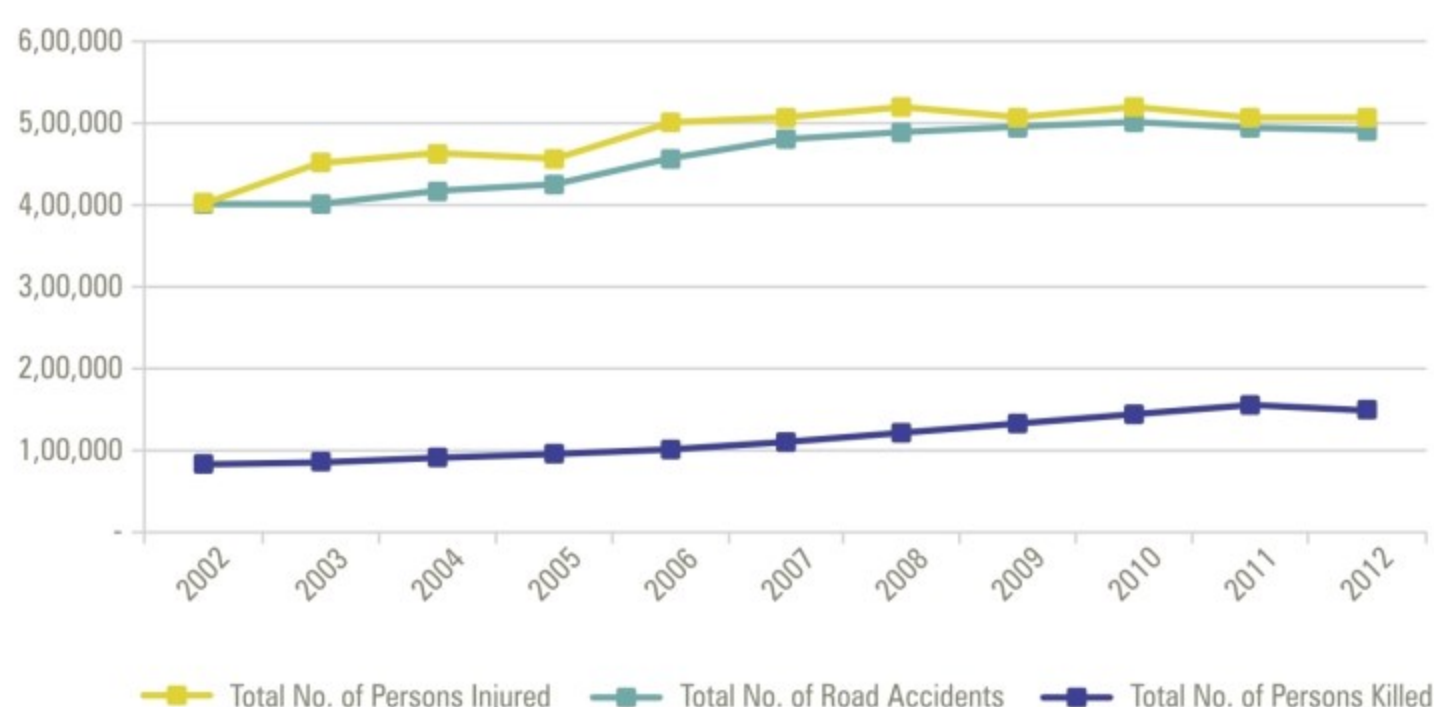
Development of Motor Insurance in India

Vijay Kumar

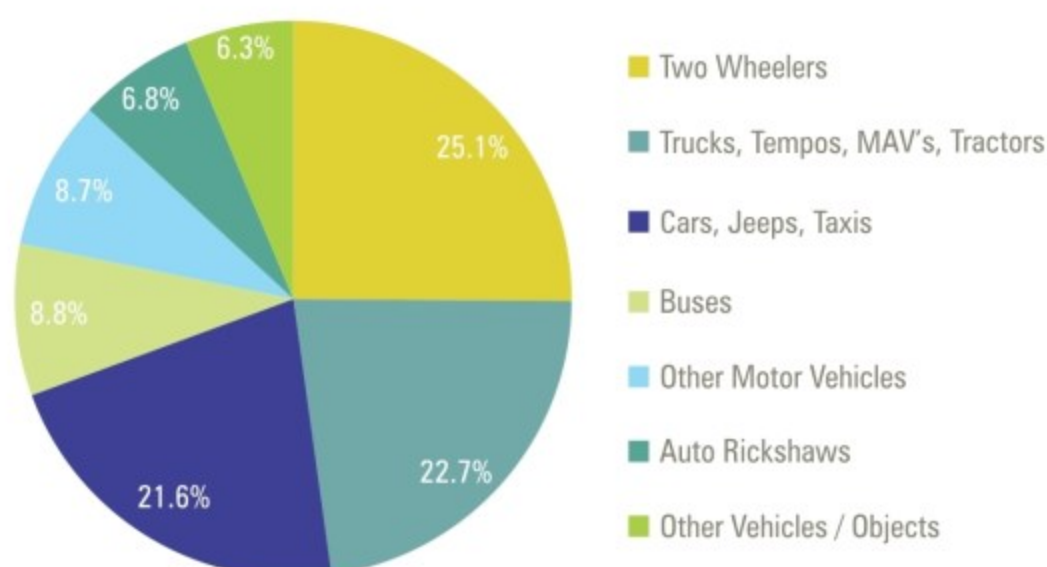
Chief Technical Officer (Motor) / Bajaj Allianz General Insurance Company Limited

Revolution in the automobile sector has witnessed an explosion in road traffic and wider amplitude for control & regulations in the use of motor vehicles. Evolving nuances, burgeoning case laws and holistic view for higher safety & environmental standards in today's scenario cannot be said to be over emphasized.

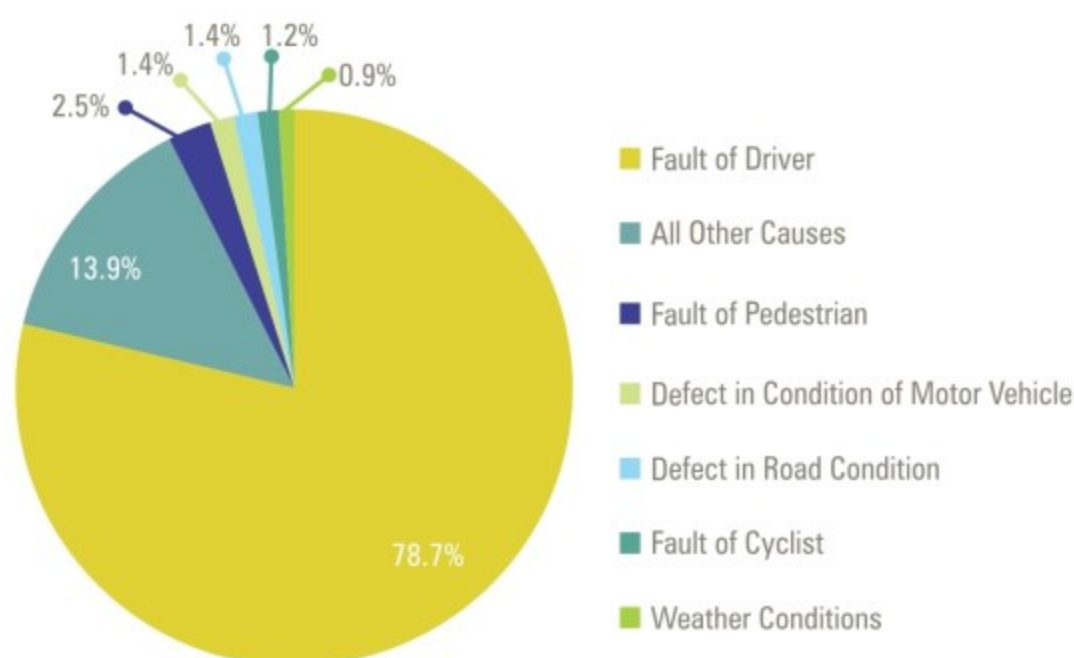
Total Number of Road Accidents, Persons Killed & Persons Injured During 2002-2012



% Share in Total Road Accidents by Type of Motor Vehicle Involved (Primarily Responsible): 2012



Causes of Road Accidents (2012)



Lot has changed in the India Insurance Industry particularly in Motor since de-tariffing. This is also partly the result of modernization of Auto Industry, use of technology in the delivery of products and services and increasing awareness among consumers as well as general public about their rights protected under the Insurance laws.

The modernization of Auto Industry marked with introduction of new vehicles equipped with world class technology & safety features is expected to contribute to the safety on the road. Even vehicles in middle and higher-segment are being launched with safety devices such as ABS and Air Bags thus leading to reduction in injuries to the occupants and third party. Similarly in case of commercial vehicles the new generation vehicles are fitted with built-up cabins, wider bumpers and superior breaking and steering controls leading to the improved safety of public in general and third party vehicles on the road.

Yet the available statistics show that the number of road accidents as well as TP Claims involving death and injury are not reducing. The advantage of savings in the claim due to technology improvement has not resulted into overall reduction in total claim outgo due to increasing TP awards by the Courts, increasing level of income and interest payment caused due to delay in the courts. In fact the claim outgo is increasing at an alarming rate, each year at 25% to 30% year on year, due to liberal approach of judiciary.

Impact of Judicial Approach/Trend on Claim Size

Zone	Death Claim Size			
	2008-09	2012-13	Growth	Expected in 2019-20
South	2,58,000	4,58,000	78%	8,15,240
North	2,58,000	4,55,000	76%	8,00,800
HO	2,25,000	4,02,000	79%	7,19,580
Central	1,95,000	3,87,000	89%	7,66,260
East	2,09,000	3,25,000	56%	5,07,000
West	1,78,000	3,17,000	78%	5,64,260

Zone	Injury Claim Size			
	2008-09	2012-13	Growth	Expected in 2019-20
South	64,000	1,27,000	98%	2,51,460
North	69,000	1,07,000	55%	1,65,850
HO	60,000	1,00,000	67%	1,67,000
Central	66,000	86,000	30%	1,11,800
East	42,000	85,000	102%	1,71,700
West	45,000	83,000	84%	1,52,720

Judiciary is going through a severe manpower crunch. 33% of sanctioned positions in the High Court were vacant. 18% of sanctioned positions in the subordinate Court were vacant.

“IndiaSpend” reported earlier that 21 High Courts in the country are working at 2/3rd their capacity and 4.3 million cases are pending at this level of the judiciary.

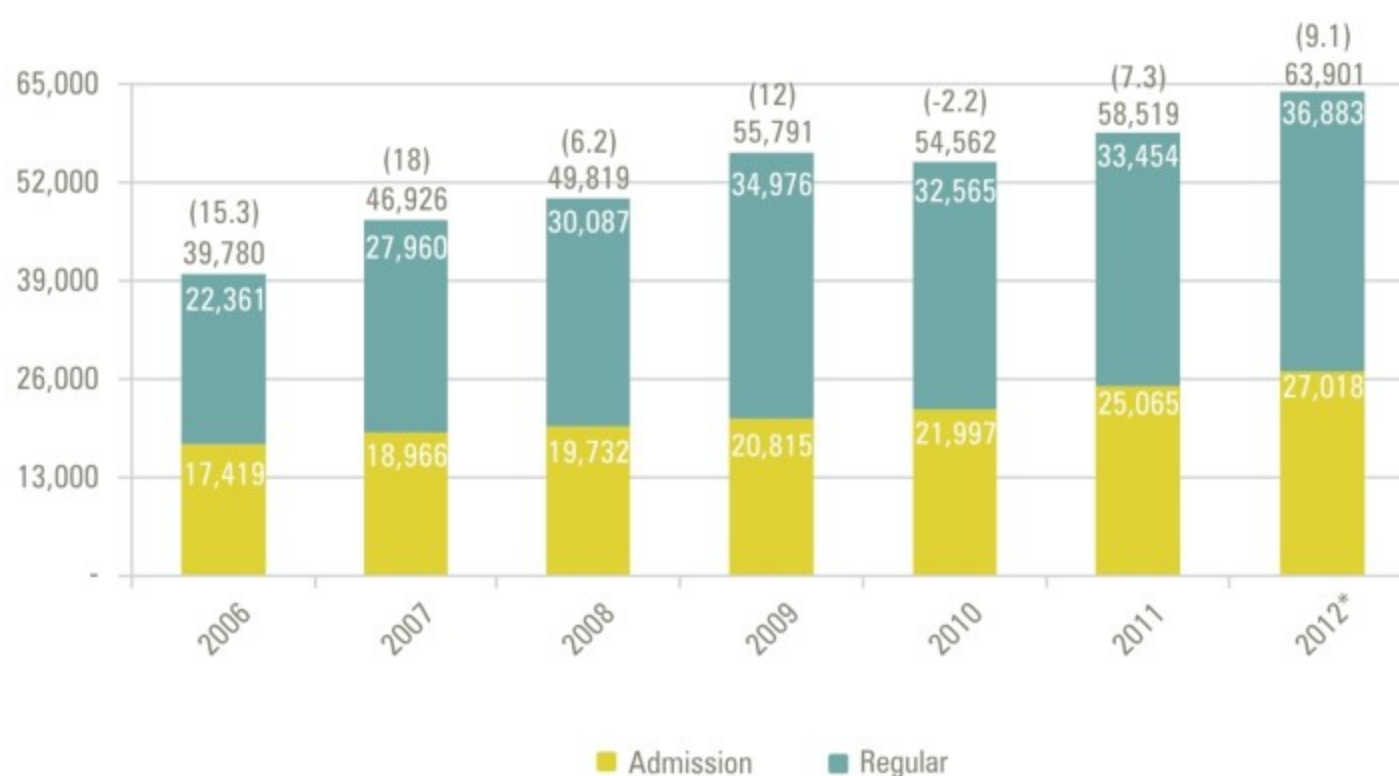
The Supreme Court is a burdened with about 69,000 pending cases. The Apex Court has a bench strength of 31 and is short of 3 judges: India's judge-to-population ratio is only 13 judges per million.

The Planning Commission's Working Group for the 12th Five Year Plan (2012 – 2017) in its report attributes the increase in litigation due to the following reasons:

- Poor judge-to-population ratio
- Vacancies in Courts
- Plethora of laws
- Prolonged and costly litigation caused by procedures and lawyers' interests
- Poor infrastructure; and
- Weak alternative dispute redressal mechanisms

	INDIA	US	CANADA	UK
No of judges per 10 lac	12-12	107	75	51

Pending Cases in Supreme Court, 2006-07 to 2011-12



* Numbers as on 30th June 2012, Figures in brackets are in percentage
Source: Supreme Court Annual Report & Supreme Court News

Pending Cases in High Courts

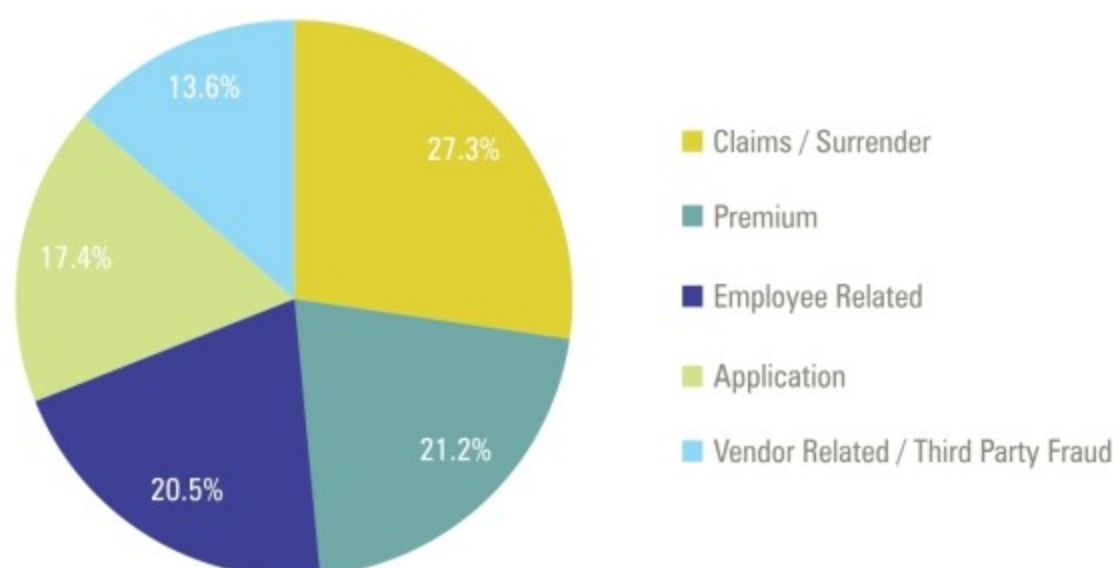
Name of High Courts with % vacancies in 2011	2006	2007	2008	2009	2010	2011	2012
Allahabad (53%)	8,15,170	8,19,684	9,11,858	9,50,864	9,67,910	10,05,527	10,08,533
Madras (10%)	4,06,958	4,28,832	4,51,496	4,31,390	4,48,168	4,73,736	4,83,848
Bombay (20%)	3,62,950	3,69,977	3,36,080	3,38,183	3,51,297	3,62,885	3,62,948
Calcutta (36%)	2,68,358	2,83,237	3,00,473	3,19,846	3,34,901	3,47,154	3,50,260
Orissa (32%)	2,22,052	2,33,557	2,40,909	2,59,818	2,80,991	3,01,314	3,07,528
All India (30%)	36,54,853	37,43,060	38,74,090	40,60,709	42,49,344	43,27,746	43,40,867

* Figures based on data available till June 2012

Source: SC Court News

Insurance Companies are at the same time grappling with the permeating frauds at internal & external level

Fraud Risk Exposure Faced by Insurance Companies



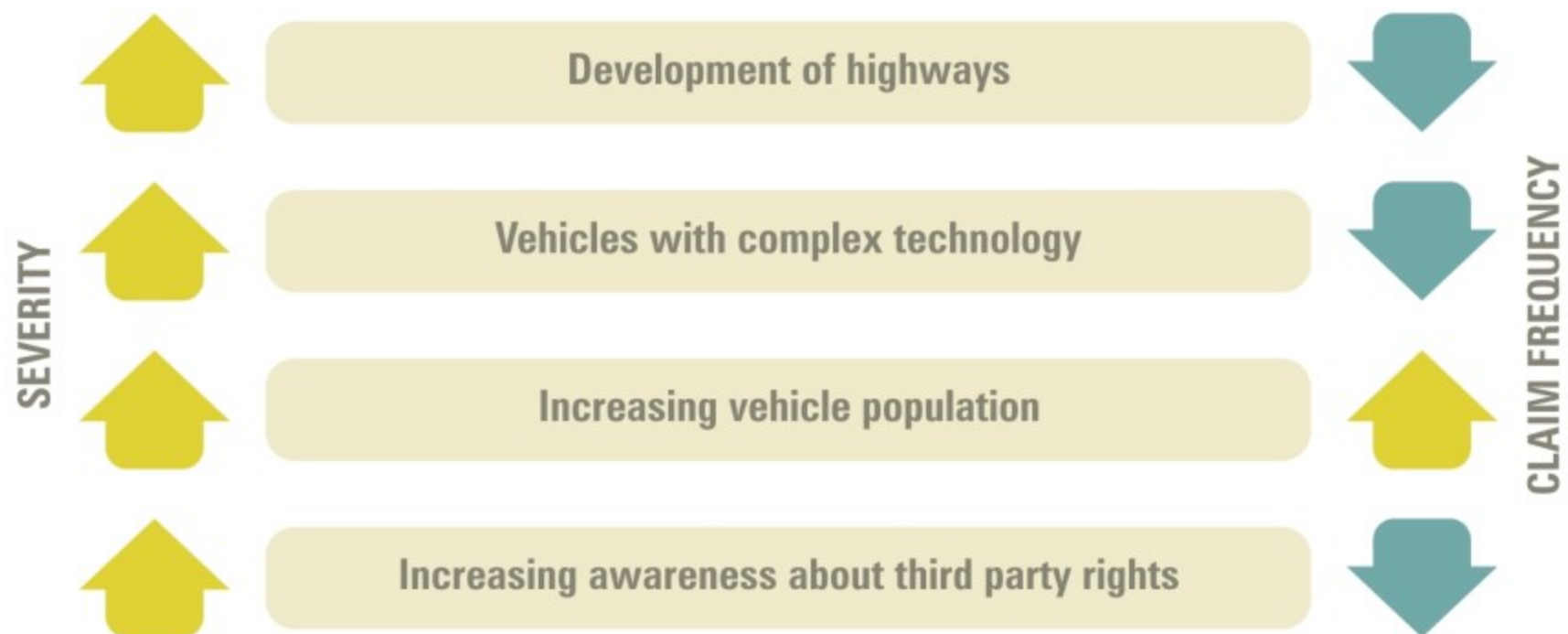
Recently CBI registered a case against the Divisional Manager of the company for allegedly collecting money from customers and issuing cover notes to them, but neither the money nor the cover note was deposited with the Insurance company.

The complex technology has also posed greater challenges w.r.t OD Claim cost management. The repair is more and more monopolized by Motor Dealers thus leading to significant increase in the repair cost and thus resulting into increasing burden on the Insured due to higher premium. The trends shown below indicate that while vehicles are becoming more and more expensive the repair cost is also gradually going up. Hopefully the close cooperation between the Insurance and Auto Industry will help in finding cost effective repair solutions to ensure that the end customer is not unreasonably burdened with high ownership cost of vehicles.

While the industry has evolved well w.r.t pricing and underwriting of Private Car after the de-tariffing, yet the same has not fully been replicated in case of Commercial vehicles. The main root cause was the existence of the Third Party Pool where all the companies ceded the TP risk. The industry realized the impact after the pool was dismantled and hopefully will evolve in that direction in next few years.

Change in Risk Pattern with Economic Development

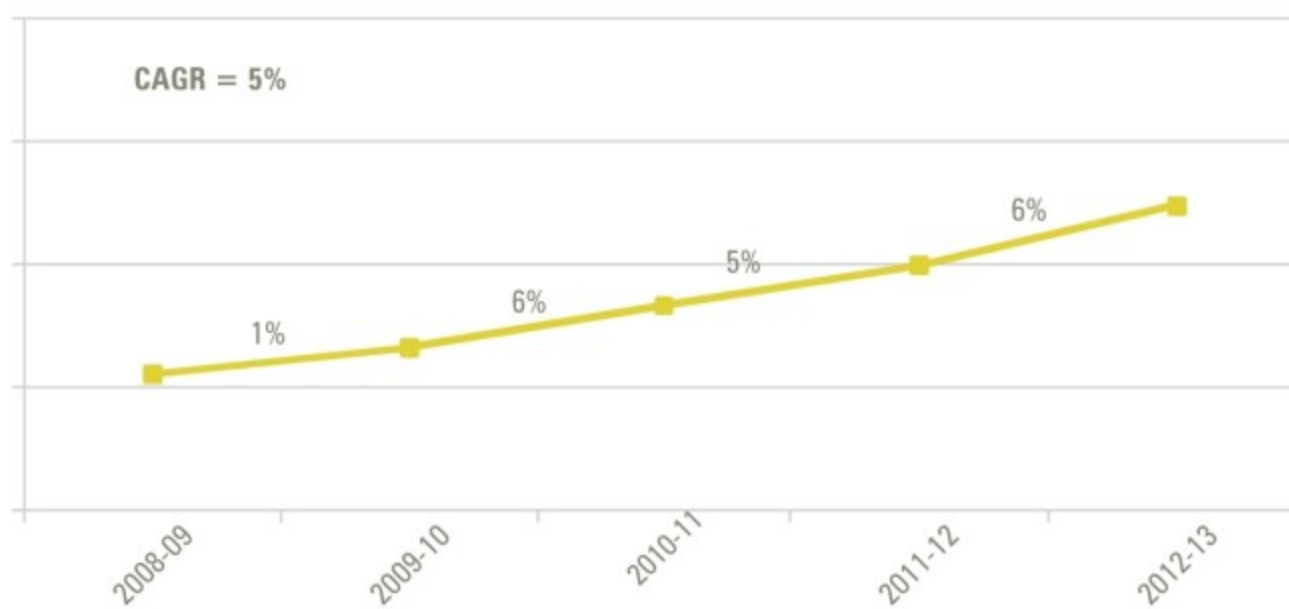
Need for better management of claims



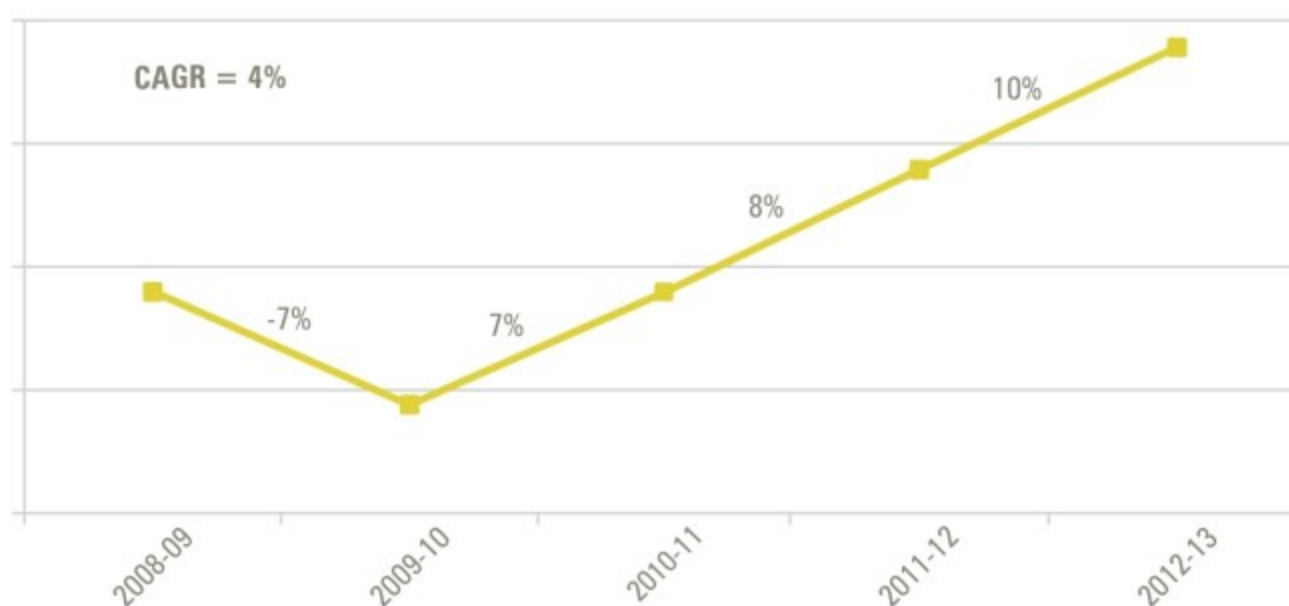
Require more detailed customer information for better profiling / segmentation of risk

Average increase in the Sum Assured indicates that more and expensive vehicles with complex technology and enhanced features are entering the market

Private Car Average Sum Insured Trend

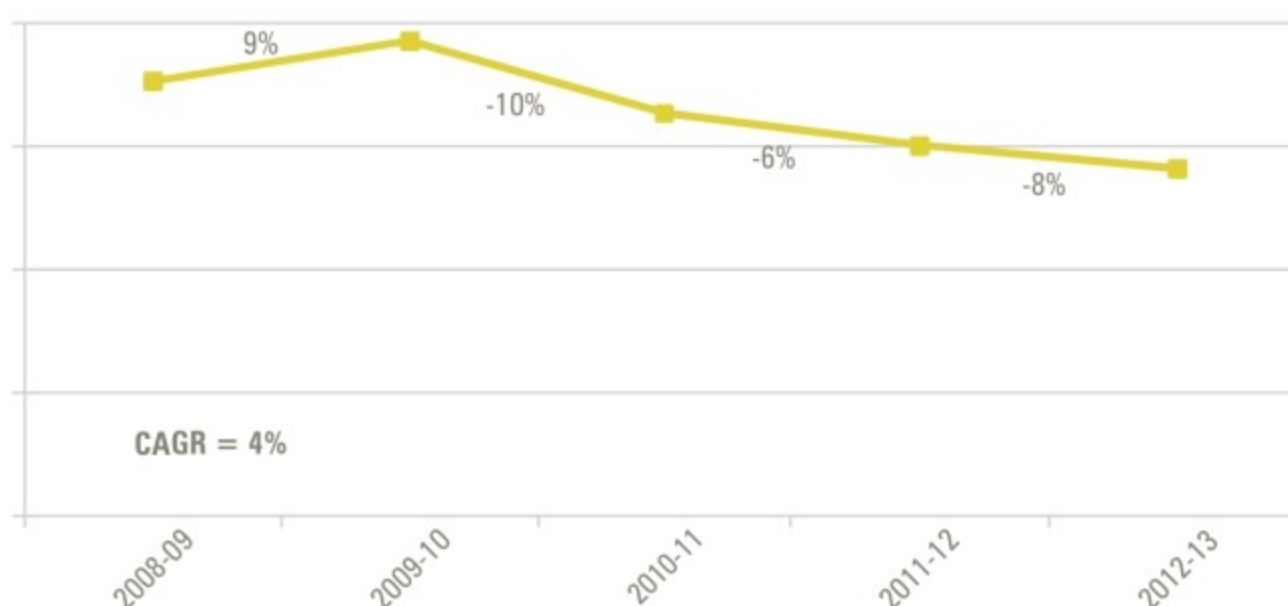


Increasing Accidental in Private Cars



The trends also suggest that with the improvement in the road infrastructure, improvement in the underwriting and claim processes are resulting into reduction in claim frequency

Private Car Accidental Damage Claim Frequency



Suggestions Can Be Worked Out For

Underwriting

There is stronger need to develop underwriting and pricing oriented towards the user rather than vehicle alone.

Driver's Insurance

Consumers may be protected by different levels of coverage depending on which insurance policy they purchase. Drivers to carry at least liability insurance coverage to ensure that their drivers can cover the cost of damage to other people or in the event of an accident. These policies insure drivers on any vehicle they drive, even if it belongs to someone else. This coverage is available only to those who do not own their own vehicle and is sometimes required by the government for drivers who have previously been found at fault in an accident. The driver policy may be granted at the time of issuance of driving license for stipulated period and shall require to be renewed periodically.

Uninsured/underinsured motorist coverage

Uninsured/Underinsured coverage provides coverage if an at-fault party either does not have insurance, or does not have enough insurance. In effect, the insurance company of other vehicle pays the insured medical bills, then would subrogate from the at-fault party.

We need to have an integrated programme with National Road safety Council for

- a. Identification of black spots and treatment thereof,
- b. Action against over-loading, action against drunken driving and removal of liquor shops on NHs,
- c. Enforcement of use of seat belt by four wheelers and use of ISI helmets by two wheelers,
- d. Developing emergency medical services by having a 24x7 call centre with a dedicated common telephone number backed by ambulances, road accident crash investigation,
- f. Tightening of safety standards of vehicles like helmets, seat belts, power-steering, rear-view mirror

Here Comes the Tort Age: What Next for Liability Class?

Praveen Gupta

Managing Director & Chief Executive Officer / Raheja QBE General Insurance Company Limited

Introduction:

The passage of Company Bill 2012 represents a major evolutionary watershed for the liability class of insurance in our marketplace. Interestingly, the reaction to this from insuring, insured and a potentially much larger insurable lot has been muted. While the implications of the Company Bill are largely within the fiduciary space and governance arena, the liability playfield has grown far beyond. The provocation for the emerging rules of the game are emanating from a plethora of visible drivers. What most stakeholders urgently require is a game-plan. In here sit the key stimulants for form, size and direction of liability offerings. Howsoever mouth-watering be the prospects in terms of market size, this is for sure not a 'me too' portfolio to indulge in.

Market size:

The surge in demand for Motor and Health lines; shrinkage of property classes, thanks to severe pricing pressures, gives the current liability portfolio a relatively larger form. The challenge of divergent accounting practices with regard to booking of liability classes under diverse heads notwithstanding. It clocked Rs 1398 Crores (for sure minus the Motor TP portfolio) last fiscal and growing approximately 15% p.a. is neither a real indicator for shape of things to come nor a reflection of the strong undercurrents announcing an arrival of the Tort Age. Despite the gravity of the portfolio, the official data does not indicate how much of it is claims made and how much is it occurrence basis. We also have no clue as to how much of this is what product. Let's take Directors & Officers Liability (D&O), assuming that 8% of listed companies have some form of this cover (some unlisted ones too) – we are the size of an Australia for this product. At AUD 270 million, the Australian D&O book is larger than all of our known liability portfolio. Yes indeed, it is a very litigious society and litigation costs are high. The average class action is currently settling at AUD 40 million, excluding defence costs and there are around four of them each year.

Playfield:

Let us try building a list of all possible service providers you deal with and imagine how many of them are potential tortfeasors. The list could start with a physician, pathologist, optometrist, dentist, health-care providers, saloon, spa, restaurant, garage, travel agent, clubs; flying club, sailing club, accountant, insurance broker, crèches, schools, colleges, theatre, cinema, internet content provider, lawyer, pubs, old peoples' home, housing societies, pets, vets, utilities, airports, architects, interior design providers, banks and even insurance companies.

These relationships and service providers were always there. What are the triggers that will move us up the tort scale?

- **Lifestyle:** Growing middle class; demographic dividend churns youthful population; increasing buying power and impinging global influence; openness to experiment.
- **Governance:** Not just a buzzword. Anna movement, socio-political and judicial activism is driving change. Early days despite slow legal remedy. Formation of National Company Law Tribunal (NCLT) should improve the efficiency in the company law space. Regulatory activism will also rise.
- **Awareness:** An all-pervasive social media and an assertive mass media all operating on a virtual basis. Enlarges the canvas for libel and slander.

- **Consumerism:** Informed buyer demands choice and begins to hanker for quality and consistency. Functional consumer courts. A wide definition for services. Growing number of actions on account of faulty products and services. Increasing number of claims under medical malpractice against doctors and medical establishments.
- **Class actions:** Work in progress. Satyam Computers and Coal India give a taste of what is coming. Need to watch how class action funding evolves.
- **Globalisation:** Indian vendors are regularly sued for errors and omissions. The learning is percolating within the overall environment. Undue exposure of some trades to the North American jurisdiction and its unique challenges.
- **Intellectual Property:** The internet and accessibility via hand held devices suddenly unleashes both development and application of a vast hinterland's creativity across the global village. Similarly, cyber crime can wreck far-reaching damage and cause serious privacy intrusions like never before.
- **Statutory push:** This is one class which will benefit most from such initiatives. There are great expectations from SEBI to make D&O mandatory. The IRDA – NDMA initiative on catastrophe risk mitigation calling for making Public Liability insurance mandatory for public places is more likely to happen and generate fresh opportunities for insurers.
- **Blue ocean:** Aviation particularly general aviation, water based risks and space are bound to throw up challenges for Indian underwriters as we venture into these terrains.

Game-plan:

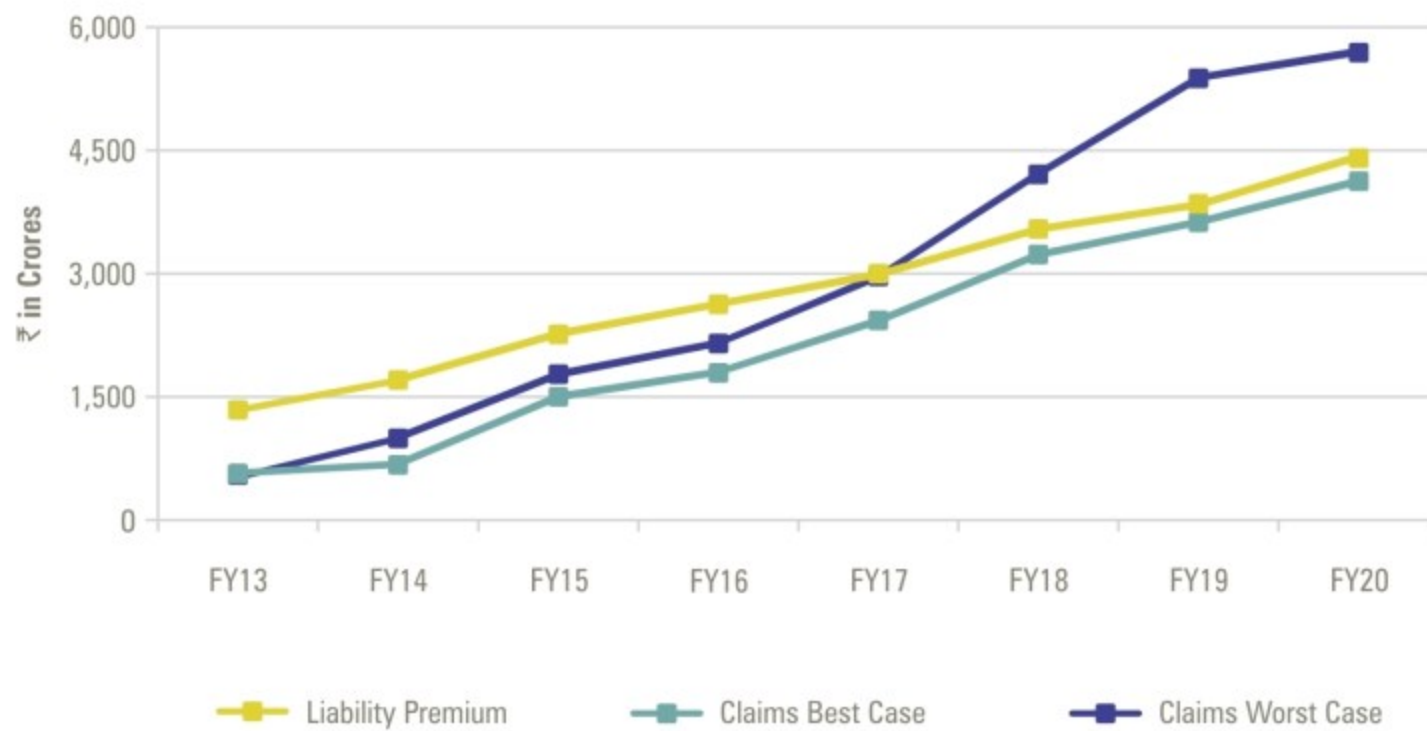
Let us accept that we do need to navigate through a minefield. We must also overcome an illusory state of well-being thanks to a 'claims free' situation which need not hoodwink us into a replication of Motor Third Party portfolio situation. There is definitely a lot to learn from the porous, opaque world of Motor TP regime.

The starting point is insurers and brokers playing a major role in making all concerned aware of the risks impacting individuals and businesses across the spectrum of stakeholders. Then comes a solution in the form of a product. Apart from contract certainty it needs to be priced properly. Remember these will be long tail contracts and if the insurers (and reinsurers) are not charging adequate premiums, they may not be around when the claims come. Importing a new product has its challenges as you may need to transplant pricing models and adapt these locally over a period of time as experience builds. The claims are generally slow to come and in the interim the portfolio will tend to look deceptively profitable. Their reserving and development need to be handled with extra care. Motor TP Pool destroyed USD 2 billion of capital in one stroke calling for review of solvency margins and injection of fresh capital. Adventurous pricing, discounting and acquisition cost with a running inflation has set in another ticking bomb whose time will come. What are the portents for the financial and casualty lines?

The PIDO class (Professional Indemnity as well as Directors & Officers Liability) is set to grow the fastest with the CGL (Combined General Liability) in tow. All major professions and trades would have their contracts under the lens as the markets and customers demand their pound of flesh for any errors & omissions. As the Companies Act begins to settle and unfold, independent directors will be difficult to find without a proper and adequate risk transfer mechanism. These are two areas where the market could achieve a near 100% penetration before inclusivity makes this possible for the commoditised products.

The early fault lines may already be visible. We are inclined to believe these are superficial but to a point. The portfolio is small, the values at risk are manageable and the frequency (not severity always) is low. So what are we seeing? The limits covered whether under D&O or E&O are far from adequate. The legal expenses by themselves tend to erode these limits. The wordings are getting challenged more vigorously than any other class of insurance products. Several triggers such as corruption, bribery, employment practices, corporate manslaughter, environment, insider trading apart, class actions from fiduciary lapses have all arrived here in a limited span of time. We are yet to see how disruptive and complex can their manifestations be jointly or severally. The contagion of 'competitive' pricing is beginning to entice these classes to go for a quick market share.

Liability Business



Note: Key Components of Overall Market: D&O, PI, GL

Claims is a function of pricing, reserving reinsurance and claims management

Claims increase is due to soft market, green initiatives, awareness, legislative changes, global reach, activism and Class actions

Conclusion:

As our society and businesses evolve, Tort is bound to continue raising its head. That's symptomatic of progress, but at what price? The external influencers in the form of globalisation and the multiple internal drivers are all furiously pumping the life blood of change. Learning from the recent mis-adventurism, we need to also recognize that these are specialist classes that need specialist handling through the entire chain. This is certainly a segment set to grow and can be grown but it has its own set of rules and before you embark upon a game-plan you better understand the playfield. The increasing limits being sought by the Indian corporates and the growing complexity of our enterprises will be a huge opportunity to develop local talent and capabilities. Likewise the interesting developments on our personal and professional fronts will translate into several new innovative coverages. Insurers need to invest in people, products and processes to ensure the success of the liability class as its scale and utility is set to grow. Here is a segment neither meant for the faint-hearted nor for the naïve.

Liability Insurance in India: An Unrealized Opportunity

Praveen Vashishta

Managing Director & Chief Executive Officer / Howden India

Ever since the opening up of the Indian Insurance sector to private players in late 2000, liability lines of insurance have received tremendous attention from both Underwriters and Intermediaries. But despite a CAGR growth of 17.5% in the last 5 years and all the hype and hoopla, liability lines currently account for a Gross Written Premium (GWP) of only USD¹225 million² which is barely over 2% of the total non-life insurance GWP in India. This compares poorly to mature economies such as the USA where liability insurance (financial & casualty lines) accounts for over 40% of the total non-life premium or the UK where they contribute over 30% of the total premium.

Reasons for low levels of penetration:

There are multiple reasons for the rather low penetration of liability lines insurance in India. It is best to start with a historical perspective.

- The insurance market started taking shape in the first half of the 20th Century in India, modelled largely on the insurance market in the UK. The initial focus was on traditional lines of insurance (marine & property) and liability lines of insurance did not really feature in the scheme of things.
- The socio-economic environment did not present significant opportunity for development of liability lines of insurance well until 1990's when the Indian economy embarked on a path of liberalization. The incentive for the quasi-monopolistic public sector non-life Insurers to sell and develop liability lines of insurance therefore was relatively low. Quite naturally therefore, the liability insurance market remained limited to mandatory covers such as Motor Third Party liability and the Public Liability Act insurance policy that was made compulsory following the Bhopal gas tragedy.
- Further, the litigation environment in India remained relatively benign, characterized as it is by low severity of awards and the proverbially slow process that it takes to go through the motions in a court of law.

Impact of the opening up of the Insurance sector:

The opening up of the insurance sector to private players in late 2000 brought with it a greater amount of customer focus and product innovation. Several Insurers and Intermediaries (especially broking firms) consciously embraced the strategy of targeting liability lines of insurance. Strategies centred on clever segmentation of the market have since been witnessed. Efforts have been made to map liability insurance products to clearly defined customer segments such as Multinational corporations, Indian business conglomerates (both private and public sector) and professionals. Insurers and brokers alike have made significant headway in the last decade in increasing customer awareness.

While the last decade of the last century was dominated by limited products such as Motor Third Party liability and Public Liability, the first decade of the current century has seen the proliferation and introduction of a large number of new products in the market e.g. Directors and Officers insurance, Errors and Omissions insurance, Fraud and Commercial crime, standalone Cyber liability insurance etc. Successful efforts have been made towards introducing transactional insurance products to the market, such as Public Offering of Securities Insurance (POSI), Merger & Acquisition Insurance (Warranty & Indemnity insurance) and Tax Opinion liability insurance. While the Bhopal gas tragedy provided a boost to Public Liability insurance the alleged fraud committed by the promoters of Satyam led to increased sales of D & O insurance.

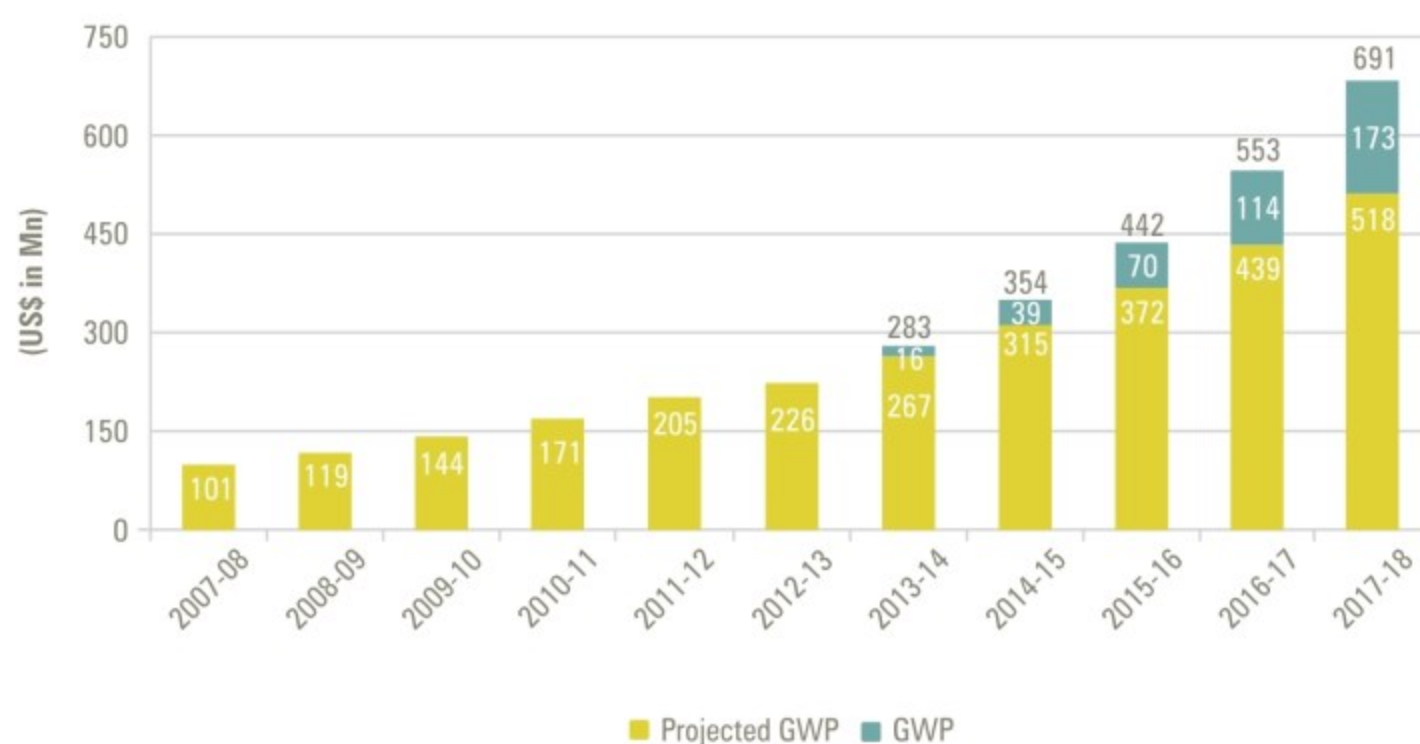
In the past the Indian market was heavily dependent on the Facultative reinsurance capacity offered by Lloyds and the London market for Liability lines of business, but more recently there has been a significant increase in local capacity in the last few years.

¹ 1 US\$ = ₹ 60

² Source: Figures published in IRDA website

The Growth opportunity:

It is expected that the liability lines of insurance will continue to offer opportunities for significant growth. In the subjective opinion of the author of this article, liability lines are likely to grow at a CAGR of around 18% for the next 5 years (by 2017/18) – given no significant inflexion points (this is called Scenario 1). At this rate liability lines will still account for less than 3 % of the total GWP premium 5 years hence. For any further increase in penetration the market would need a major trigger or a series of triggers - “inflexion points”. A second scenario should therefore be considered with a CAGR growth of 25% in the next 5 years which could bring the market size to USD³ 691 million by the year 2017/18 (this is called Scenario 2). The graph below presents the historical size and growth of market until end of March 2013 and projects the size of the market 5 years hence assuming both the scenarios mentioned above:



The key drivers for growth of Liability insurance are likely to be the following:

- Increase in pressure from investors and stake holders for good corporate governance.
- Governmental and Regulatory pressure. The Capital Market Regulators SEBI already mandates PI insurance for the mutual fund industry while the IRDA has made it obligatory for insurance brokers to buy PI insurance. Certain geographies in the world mandate a PI policy for Medical Practitioners & Hospitals or Public Liability insurance at all public places. There are jurisdictions that have given serious thought to making D & O insurance mandatory for listed companies. Any such steps by Government Authorities or Regulators in India could be an inflexion point for the growth of liability insurance in India.
- Changes in Legislation e.g. the concept of class action suits has been introduced in the Companies Act 2013. The Act entitles specified members or depositors to file a class action suit before the National Company Law Tribunal in case of oppression or mismanagement. There is also a provision for claiming damages or compensation for fraudulent, unlawful and wrongful acts from or against a company, its directors, auditors, experts, advisors etc. While this is not expected to go the American way in the immediate future, the new provisions will certainly give a fillip to D & O insurance in India.

³US\$ = ₹ 60

- Increase in legal awareness, severity of awards and speedy disposal of court cases.
- Increase in Globalization – International companies coming to India as well Indian companies going international.
- Increase in Global outsourcing and off shoring activities. There has been a significant increase in claims arising from Errors & Omission in the last 5 – 7 years giving a significant boost to purchase of Errors & Omission insurance.

A combination of one or more inflexion points mentioned above could accelerate the growth of liability insurance in India.

Liability risks are bound to increase both in terms of probability and severity as the economy grows and as business models become increasingly complex. Both Insurers and Intermediaries will have to demonstrate greater value addition and understanding of risks combined with competitive pricing of insurance products. Finally, customer education and patience will be critical.

Annexures

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DISTRICTWISE DISTRIBUTION OF OFFICES OF NON-LIFE INSURERS

Statistics & Tables

Table 1 Statewise Classwise GDPI

States / Union Territories	Property 2010-11	Marine 2010-11	Motor 2010-11	Health, Acc. & Travel 2010-11	Misc. 2010-11	Total 2010-11	Property 2011-12	Marine 2011-12
Andaman & Nicobar Islands	2.04	0.90	6.60	0.20	0.34	10.08	8.29	2.29
Andhra Pradesh	587.51	119.40	1,244.20	1,158.12	533.51	3,642.73	645.78	115.68
Arunachal Pradesh	0.84	0.13	6.23	0.08	0.71	7.98	27.80	9.16
Assam	50.41	7.42	262.41	30.75	26.89	377.88	72.37	9.74
Bihar	23.57	2.53	301.82	123.17	463.66	914.75	55.88	4.31
Chandigarh	42.46	12.13	241.75	73.41	47.33	417.08	18.81	5.93
Chhattisgarh	51.59	7.54	273.02	24.78	108.44	465.37	73.21	12.67
Dadra & Nagar Haveli	1.91	0.39	3.33	1.55	1.16	8.34	25.19	7.89
Daman & Diu	3.42	0.78	2.20	2.47	0.60	9.46	5.74	2.54
Delhi	739.52	290.18	1,178.97	1,309.02	534.28	4,051.98	639.89	312.67
Goa	22.35	20.97	132.31	22.65	7.21	205.50	55.68	70.10
Gujarat	539.38	172.73	1,313.20	811.24	465.56	3,302.11	692.09	192.38
Haryana	266.03	92.57	686.93	477.61	190.97	1,714.11	303.11	127.88
Himachal Pradesh	34.25	1.98	123.57	20.48	26.07	206.35	64.34	3.75
Jammu & Kashmir	25.25	2.76	150.78	9.57	28.59	216.95	87.88	11.73
Jharkhand	25.17	2.92	207.52	35.79	60.73	332.13	48.80	3.95
Karnataka	306.81	86.27	1,329.04	1,058.64	383.89	3,164.65	387.21	120.46
Kerala	98.51	19.73	1,080.49	279.51	149.26	1,627.50	157.70	36.85
Lakshadweep	0.00	0.00	0.02	0.03	0.00	0.06	6.14	1.68
Madhya Pradesh	95.94	42.00	694.98	112.94	376.94	1,322.79	138.29	37.48
Maharashtra	2,039.00	1,194.94	2,763.93	3,777.05	1,779.14	11,554.05	2,232.86	1,214.82
Manipur	0.53	0.06	7.95	0.10	0.88	9.52	2.38	0.13
Meghalaya	3.61	0.25	23.69	0.90	3.11	31.56	33.33	4.79
Mizoram	0.78	0.01	9.07	2.90	0.62	13.38	6.45	0.61
Nagaland	0.67	0.11	9.10	2.40	0.96	13.23	2.84	0.12
Orissa	88.52	10.29	388.05	60.41	117.24	664.52	135.11	13.79
Puducherry	11.05	9.06	44.22	7.84	4.38	76.54	35.50	11.60
Punjab	166.13	33.87	627.65	102.52	103.22	1,033.39	264.30	59.35
Rajasthan	107.03	32.79	888.21	126.62	729.99	1,884.65	166.27	41.85
Sikkim	1.46	0.18	11.51	0.52	1.12	14.79	5.61	0.33
Tamil Nadu	568.64	213.35	1,828.62	1,539.64	509.78	4,660.03	622.57	215.74
Tripura	2.54	0.40	25.55	8.65	3.46	40.60	2.54	0.35
Uttar Pradesh	227.76	60.21	1,279.71	548.35	374.33	2,490.36	316.21	79.31
Uttarakhand	41.96	7.54	175.32	28.34	119.76	372.92	49.69	7.22
West Bengal	372.84	96.85	850.47	612.07	311.26	2,243.49	366.21	106.24
TOTAL	6,549.48	2,543.23	18,172.44	12,370.31	7,465.37	47,100.84	7,756.10	2,845.38

Source: IRDA data

(₹ in Crores)

Motor 2011-12	Health, Acc. & Travel 2011-12	Misc. 2011-12	Total 2011-12	Property 2012-13	Marine 2012-13	Motor 2012-13	Health, Acc. & Travel 2012-13	Misc. 2012-13	Total 2012-13
68.68	15.49	5.96	100.71	1.91	0.72	9.92	0.14	0.89	13.58
1,590.80	1,190.17	784.72	4,327.15	747.30	126.49	2,029.26	726.53	1,165.21	4,794.79
53.29	25.27	13.57	129.09	4.71	0.36	11.69	0.81	1.75	19.32
309.68	65.95	31.73	489.48	103.41	13.16	452.08	75.43	45.63	689.71
421.79	274.48	485.78	1,242.25	47.20	4.23	565.21	315.81	836.06	1,768.51
217.56	70.31	36.20	348.81	31.23	6.97	315.08	62.26	50.61	466.14
375.65	26.72	136.43	624.68	103.09	11.36	443.76	87.65	150.82	796.67
86.19	61.88	11.01	192.16	10.72	1.45	6.90	2.09	2.29	23.45
10.06	2.62	1.76	22.73	7.85	1.69	8.19	2.96	2.67	23.36
1,418.32	1,431.82	577.52	4,380.22	819.68	330.57	1,636.76	1,495.98	733.26	5,016.26
174.21	121.30	55.33	476.62	93.25	114.53	198.92	108.33	60.99	576.03
1,769.52	923.52	490.22	4,067.72	894.60	246.22	2,245.44	907.31	723.18	5,016.74
785.54	666.34	275.87	2,158.75	426.04	115.05	978.22	796.97	349.80	2,666.08
155.96	22.04	32.94	279.04	104.09	4.41	213.48	26.50	50.67	399.14
241.17	83.82	53.45	478.05	76.24	2.55	272.77	10.53	39.96	402.06
259.71	51.13	41.44	405.03	94.37	8.60	354.30	79.64	69.28	606.19
1,788.44	1,309.31	493.27	4,098.68	442.46	112.88	2,247.23	1,458.84	635.86	4,897.27
1,352.22	497.62	162.48	2,206.87	138.02	19.44	1,753.82	617.95	194.68	2,723.90
12.21	1.06	1.63	22.73	0.01	1.08	0.19	0.01	0.01	1.30
914.15	134.01	400.77	1,624.69	200.94	62.87	1,180.11	158.91	388.50	1,991.33
3,736.27	4,180.83	2,006.71	13,371.50	2,556.58	1,265.54	4,637.35	4,511.94	2,822.68	15,794.10
29.28	4.29	2.84	38.93	1.44	0.05	11.21	9.18	2.98	24.86
109.98	80.75	21.84	250.70	10.28	0.88	38.54	3.17	3.86	56.74
86.38	28.68	5.41	127.53	4.60	0.09	21.13	7.95	3.39	37.17
17.13	4.77	1.28	26.14	1.66	0.07	19.52	3.81	3.18	28.25
535.71	68.03	307.51	1,060.14	185.51	21.32	635.13	114.33	193.21	1,149.50
130.23	71.11	11.66	260.10	10.88	5.88	82.47	11.16	1.43	111.81
836.46	325.51	150.91	1,636.52	202.53	55.79	1,053.60	165.55	152.07	1,629.54
1,117.58	144.29	918.74	2,388.73	212.56	46.82	1,496.39	168.83	846.46	2,771.06
16.46	1.01	1.10	24.52	11.78	0.27	18.86	1.14	1.55	33.60
2,344.53	1,396.21	547.00	5,126.06	757.98	249.38	2,989.48	1,815.52	901.61	6,713.97
36.20	27.48	2.53	69.09	3.60	0.59	54.81	24.32	5.60	88.93
1,634.28	479.96	417.96	2,927.74	412.06	85.54	2,100.12	561.00	488.56	3,647.28
193.03	29.40	50.23	329.56	59.17	7.18	284.29	38.42	46.15	435.21
1,013.87	835.76	340.58	2,662.66	447.94	111.79	1,310.80	1,003.73	430.85	3,305.11
23,842.55	14,652.95	8,878.38	57,975.35	9,225.68	3,035.82	29,677.04	15,374.72	11,405.70	68,718.96

Table 2
Statewise Number of Offices, GDPI, Population, Literacy and State Domestic Product

Sl.No.	GDPI 2012-13 Rank	States / Union Territories	Offices 2010-11	Offices 2011-12	Offices 2012-13	GDPI 2010-11 ₹ In Crores	GDPI 2011-12 ₹ In Crores	GDPI 2012-13 ₹ In Crores
1	34	Andaman & Nicobar Islands	3	3	3	10.08	100.71	13.58
2	6	Andhra Pradesh	542	603	671	3,642.73	4,327.15	4,794.79
3	33	Arunachal Pradesh	5	5	6	7.98	129.09	19.32
4	17	Assam	154	163	188	377.88	489.48	689.71
5	13	Bihar	144	158	159	914.75	1,242.25	1,768.51
6	20	Chandigarh	58	59	53	417.08	348.81	466.14
7	16	Chhattisgarh	85	83	119	465.37	624.68	796.67
8	31	Dadra & Nagar Haveli	2	2	2	8.34	192.16	23.45
9	32	Daman & Diu	2	2	2	9.46	22.73	23.36
10	4	Delhi	300	306	300	4,051.98	4,380.22	5,016.26
11	19	Goa	39	41	47	205.50	476.62	576.03
12	3	Gujarat	401	456	574	3,302.11	4,067.72	5,016.74
13	11	Haryana	209	229	243	1,714.11	2,158.75	2,666.08
14	23	Himachal Pradesh	61	74	65	206.35	279.04	399.14
15	22	Jammu & Kashmir	64	74	85	216.95	478.05	402.06
16	18	Jharkhand	110	112	129	332.13	405.03	606.19
17	5	Karnataka	438	469	492	3,164.65	4,098.68	4,897.27
18	10	Kerala	375	389	455	1,627.50	2,206.87	2,723.90
19	35	Lakshadweep	1	1	1	0.06	22.73	1.30
20	12	Madhya Pradesh	274	279	332	1,322.79	1,624.69	1,991.33
21	1	Maharashtra	784	811	895	11,554.05	13,371.50	15,794.10
22	30	Manipur	4	4	8	9.52	38.93	24.86
23	26	Meghalaya	15	14	18	31.56	250.70	56.74
24	27	Mizoram	4	4	4	13.38	127.53	37.17
25	29	Nagaland	6	8	7	13.23	26.14	28.25
26	15	Orissa	195	199	246	664.52	1,060.14	1,149.50
27	24	Puducherry	24	21	25	76.54	260.10	111.81
28	14	Punjab	359	400	334	1,033.39	1,636.52	1,629.54
29	9	Rajasthan	329	327	370	1,884.65	2,388.73	2,771.06
30	28	Sikkim	5	5	6	14.79	24.52	33.60
31	2	Tamil Nadu	693	722	857	4,660.03	5,126.06	6,713.97
32	25	Tripura	12	17	24	40.60	69.09	88.93
33	7	Uttar Pradesh	534	557	693	2,490.36	2,927.74	3,647.28
34	21	Uttrakhand	88	110	104	372.92	329.56	435.21
35	8	West Bengal	341	343	337	2,243.49	2,662.66	3,305.11
		TOTAL	6,660	7,050	7,854	47,100.84	57,975.35	68,718.96

Source: IRDA data for Number of Offices and GDPI, Office of Registrar General of India for Population and Literacy and MOSPI for SDP at current prices
(Data available as at 10th October 2013)

Population 2001	Population 2011	Population Growth % 2011 vs 2001	Literacy % 2011	SDP 2010-11 ₹ In Crores	SDP 2011-12 ₹ In Crores	SDP 2012-13 ₹ In Crores
3,56,152	3,79,944	7%	86%	4,553	5,026	NA
7,62,10,007	8,46,65,533	11%	68%	5,70,992	6,55,181	NA
10,97,968	13,82,611	26%	67%	8,732	11,136	12,702
2,66,55,528	3,11,69,272	17%	73%	1,12,466	1,26,544	1,43,567
8,29,98,509	10,38,04,637	25%	64%	1,98,135	2,46,487	2,94,388
9,00,635	10,54,686	17%	86%	20,493	23,368	NA
2,08,33,803	2,55,40,196	23%	71%	1,17,978	1,39,515	1,60,188
2,20,490	3,42,853	55%	78%	NA	NA	NA
1,58,204	2,42,911	54%	87%	NA	NA	NA
1,38,50,507	1,67,53,235	21%	86%	2,64,496	3,13,934	NA
13,47,668	14,57,723	8%	87%	33,562	35,932	NA
5,06,71,017	6,03,83,628	19%	79%	5,30,430	6,11,767	NA
2,11,44,564	2,53,53,081	20%	77%	2,65,034	3,07,606	NA
60,77,900	68,56,509	13%	84%	56,355	63,812	72,076
1,01,43,700	1,25,48,926	24%	69%	56,976	65,979	76,115
2,69,45,829	3,29,66,238	22%	68%	1,15,535	1,30,505	1,47,841
5,28,50,562	6,11,30,704	16%	76%	4,06,470	4,63,243	5,27,492
3,18,41,374	3,33,87,677	5%	94%	2,69,474	3,15,206	NA
60,650	64,429	6%	92%	NA	NA	NA
6,03,48,023	7,25,97,565	20%	71%	2,60,198	3,09,687	3,61,874
9,68,78,627	11,23,72,972	16%	83%	10,68,327	12,48,453	NA
22,93,896	27,21,756	19%	80%	9,108	10,410	11,713
23,18,822	29,64,007	28%	75%	14,528	16,173	18,363
8,88,573	10,91,014	23%	92%	6,058	6,991	NA
19,90,036	19,80,602	0%	80%	11,315	12,272	13,322
3,68,04,660	4,19,47,358	14%	73%	1,94,465	2,15,899	2,58,744
9,74,345	12,44,464	28%	87%	13,667	14,081	16,532
2,43,58,999	2,77,04,236	14%	77%	2,26,867	2,59,223	2,96,007
5,65,07,188	6,86,21,012	21%	67%	3,41,865	4,16,755	NA
5,40,851	6,07,688	12%	82%	7,145	8,400	NA
6,24,05,679	7,21,38,958	16%	80%	5,66,422	6,39,025	7,23,106
31,99,203	36,71,032	15%	88%	17,545	19,910	22,139
16,61,97,921	19,95,81,477	20%	70%	6,00,917	6,84,173	7,76,433
84,89,349	1,01,16,752	19%	80%	82,918	93,162	1,07,548
8,01,76,197	9,13,47,736	14%	77%	4,75,146	5,44,282	6,30,384
1,02,87,37,436	1,21,01,93,422	18%	74%	72,66,967	83,53,495	94,61,979

Table 3 Non-life Industry Data**PRIVATE SECTOR**

Particulars	2003-04	2004-05	2005-06	2006-07
No. of Offices	180	236	351	777
No. of Employees	2,703	4,270	6,564	12,328
No. of Agents	9,904	14,624	20,730	34,351
No. of Policies	30,64,240	47,30,537	83,44,860	1,33,92,124
No. of Claims				
GDPI (₹ in Crores)	2,258	3,508	5,363	8,647
Avg. No. of Employees per Office	15	18	19	16
Avg. No. of Policies per Office	17,024	20,045	23,775	17,236
Avg. No. of Policies per Employee	1,134	1,108	1,271	1,086
Avg. GDPI per Office (₹ in Crores)	12.54	14.86	15.28	11.13
Avg. GDPI per Employee (₹ in Crores)	0.84	0.82	0.82	0.70

PUBLIC SECTOR

Particulars	2003-04	2004-05	2005-06	2006-07
No. of Offices	4,393	4,399	4,371	4,345
No. of Employees	74,325	72,974	72,612	71,812
No. of Agents	1,23,513	1,43,544	1,60,083	1,68,698
No. of Policies	4,45,88,469	4,85,18,584	4,79,59,395	4,70,33,745
No. of Claims				
GDPI (Rs. in Crores)	14,285	14,949	15,976	17,283
Avg. No. of Employees per office	17	17	17	17
Avg. No. of Policies per office	10,150	11,029	10,972	10,825
Avg. No. of Policies per Employee	600	665	660	655
Avg. GDPI per Office (Rs. in Crores)	3.25	3.40	3.66	3.98
Avg. GDPI per Employee (Rs. in Crores)	0.19	0.20	0.22	0.24

INDUSTRY TOTAL

Particulars	2003-04	2004-05	2005-06	2006-07
No. of Offices	4,573	4,635	4,722	5,122
No. of Employees	77,028	77,244	79,176	84,140
No. of Agents	1,33,417	1,58,168	1,80,813	2,03,049
No. of Policies	4,76,52,709	5,32,49,121	5,63,04,255	60,425,869
No. of Claims	-	-	-	-
GDPI (Rs. in Crores)	16,542	18,456	21,339	25,930
Avg. No. of Employees per office	17	17	17	16
Avg. No. of Policies per office	10,420	11,488	11,924	11,797
Avg. No. of Policies per Employee	619	689	711	718
Avg. GDPI per Office (Rs. in Crores)	3.62	3.98	4.52	5.06
Avg. GDPI per Employee (Rs. in Crores)	0.21	0.24	0.27	0.31
Avg. No. of Claims per Employee				

Source: Compiled by the General Insurance Council as per the data shared by all the companies dated: 19.08.2013

PRIVATE SECTOR

2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
1,020	1,204	1,562	1,688	1,681	1,800
17,337	19,333	22,764	25,854	28,191	32,603
57,011	79,050	1,33,940	1,80,853	2,37,429	2,87,038
1,87,68,224	1,91,35,104	2,67,97,132	3,26,07,405	3,46,35,579	3,93,48,653
	49,92,728	82,63,380	38,60,337	26,31,262	24,92,270
10,992	12,321	13,977	17,425	22,317	27,927
17	16	15	15	17	18
18,400	15,893	17,156	19,317	20,604	21,860
1,083	990	1,177	1,261	1,229	1,207
10.78	10.23	8.95	10.32	13.28	15.51
0.63	0.64	0.61	0.67	0.79	0.86

PUBLIC SECTOR

2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
4,394	4,397	4,789	4,906	5,354	6,231
70,913	70,262	69,371	67,493	67,535	66,540
1,90,211	1,92,431	1,57,941	2,11,412	2,24,457	2,41,141
4,67,79,493	4,79,24,985	6,16,88,772	5,90,39,680	6,56,47,470	7,01,51,223
	64,39,268	80,19,398	1,26,80,047	96,28,967	98,07,614
17,814	19,107	21,839	26,417	30,561	35,001
16	16	14	14	13	11
10,646	10,899	12,881	12,034	12,261	11,258
660	682	889	875	972	1,054
4.05	4.35	4.56	5.38	5.71	5.62
0.25	0.27	0.31	0.39	0.45	0.53

INDUSTRY TOTAL

2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
5,414	5,601	6,351	6,594	7,035	8,031
88,250	89,595	92,135	93,347	95,726	99,143
2,47,222	2,71,481	2,91,881	3,92,265	4,61,886	5,28,179
6,55,47,717	6,70,60,089	8,84,85,904	9,16,47,085	10,02,83,049	10,94,99,876
-	1,14,31,996	1,62,82,778	1,65,40,384	1,22,60,229	1,22,99,884
28,806	31,428	35,816	43,842	52,878	62,928
16	16	15	14	14	12
12,107	11,973	13,933	13,899	14,255	13,635
743	748	960	982	1,048	1,104
5.32	5.61	5.64	6.65	7.52	7.84
0.33	0.35	0.39	0.47	0.55	0.63
	128	177	177	128	124

Table 4 Investment in Infrastructure / Social Sectors

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Private Sector	328	336	640	1,061	1,851	2,107	3,133	5,439	5,694	7,480
Public Sector	5,876	7,279	8,165	8,646	9,635	9,547	8,790	9,638	13,064	15,261
Industry	6,204	7,615	8,805	9,708	11,486	11,653	11,923	15,077	18,758	22,742

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Private Sector	5%	4%	7%	11%	16%	18%	26%	36%	30%	33%
Public Sector	95%	96%	93%	89%	84%	82%	74%	64%	70%	67%
Industry	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Compiled by GI Council as per the data shared by all the companies dated: 19.08.2013

(₹ in Crores)

Table 5 Capital Employed by Type of Company

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Private Sector	1,182	1,330	1,829	2,635	3,727	5,065	6,253	7,122	8,956	12,984
Public Sector	9,332	10,152	11,240	15,149	16,004	14,817	16,388	14,840	17,659	21,184
Standalone Health	-	-	-	102	182	202	477	728	941	1,496
Specialized	853	1,354	1,708	2,233	2,977	3,135	2,780	3,572	4,468	4,953

Source: Compiled by GI Council as per the data shared by all the companies dated: 19.08.2013

(₹ in Crores)

Table 6 Channelwise GDPI

	2010-11	2011-12	2012-13
Individual Agents	14,733	20,917	24,197
Corporate Agents	7,033	4,512	6,212
Brokers	9,331	9,921	15,223
Direct Business	15,913	22,613	22,852
Total	47,010	57,963	68,486

	2010-11	2011-12	2012-13
Individual Agents	31.3%	36.1%	35.3%
Corporate Agents	15.0%	7.8%	9.1%
Brokers	19.8%	17.1%	22.2%
Direct Business	33.9%	39.0%	33.4%

Source: IRDA Annual Report 2010-11; IRDA Annual Report 2011-12; NL-40

(₹ in Crores)

Table 7 Summary of Investments as at 31.03.2013

	Public	Private	Health	Specialized	Total
Government securities and Government guaranteed bonds including Treasury Bills	21,282	12,743	429	3,021	37,475
Other Approved Securities including debentures and equity	19,227	7,635	189	1,285	28,336
Investments in Infrastructure , Social Sector & housing sector	12,069	7,269	221	1,219	20,778
Other Investments					
(a) Shares					
(aa) Equity	30,378	630	-	513	31,521
(bb) Preference	12	-	-	-	12
(b) Mutual Funds	188	133	27	6	354
(c) Derivative Instruments	-	-	-	-	-
(d) Debentures/ Bonds	2,051	1,849	52	264	4,216
(e) Other Securities (to be specified)	43	2,897	99	42	3,081
(f) Subsidiaries	60	1	-	-	61
(g) Investment Properties-Real Estate	1	-	8	-	9
Other than Approved Investments	1,438	528	19	2	1,987
Total	86,749	33,685	1,044	6,352	127,830

(₹ IN CRORES)

Table 8 Share Capital

Type of Company	2011-12	2012-13
Public Sector	550	600
Private Sector	4,866	5,975
Standalone Health	885	1,315
Specialized	1,100	1,200
Total	7,401	9,090

Source: Compiled by the General Insurance Council as per the data shared by all the companies dated: 19.08.2013

(₹ IN CRORES)

Table 9 Segmentwise Number of Policies issued and Rural Premium

2012-13			2011-12	
Segment	GDPI in Rural areas ₹ In Crores	Policies Issued	GDPI in Rural areas ₹ In Crores	Policies Issued
Fire	518	42,33,964	391	41,55,201
Marine Cargo	113	13,25,698	93	13,06,927
Marine Hull (Including Onshore & Offshore oil energy)	9	64,795	20	52,169
Marine (Total)	122	13,90,493	113	13,59,096
Aviation	0	3,888	0	3,433
Engineering	123	3,85,999	111	4,34,942
Motor Own Damage	2,185	5,03,70,878	1,748	4,54,07,801
Motor Third party	1,809	5,59,00,062	1,376	5,00,15,046
Motor (Total)	3,994	6,21,89,478	3,128	5,49,62,736
Workmen's compensation / Employer's liability	45	3,63,634	43	3,18,608
Public Liability	12	17,822	10	16,460
Product Liability	2	4,077	1	3,656
Other Liability Covers	39	1,81,132	32	1,67,599
Liability (Total)	98	5,66,666	87	5,06,323
Personal Accident	185	51,16,191	149	50,90,198
Medical Insurance	1,845	1,30,78,524	1,786	1,13,55,771
Overseas Medical Insurance	18	27,77,726	13	26,98,678
Health (Total)	1,863	1,58,56,250	1,799	1,40,54,448
Crop Insurance	3,256	6,55,257	2,588	6,95,296
Credit Guarantee	-	9,881	-	12,230
All Other Miscellaneous	1,456	70,19,531	1,093	67,31,278
Grand Total	11,614	9,74,27,599	9,460	8,80,05,181

Source: IRDA segmentwise data as at 31st march 2013 (provisional)

Table 10 Gross Direct Premium Income (Within India)

2012-13						
Segment	Private Sector	Public Sector	Standalone Health	AIC	ECGC	Total
Fire	2,442.00	4,195.00	0.00	0.00	0.00	6,637.00
Engineering	784.00	1,662.00	0.00	0.00	0.00	2,446.00
Property (Total)	3,226.00	5,857.00	0.00	0.00	0.00	9,083.00
Marine Cargo	831.00	1,105.00	0.00	0.00	0.00	1,936.00
Marine Others	101.00	983.00	0.00	0.00	0.00	1,084.00
Aviation	128.00	341.00	0.00	0.00	0.00	469.00
Marine & Aviation (Total)	1,060.00	2,429.00	0.00	0.00	0.00	3,489.00
Motor OD	10,045.00	6,764.00	0.00	0.00	0.00	16,809.00
Motor TP	5,707.00	7,284.00	0.00	0.00	0.00	12,991.00
Motor (Total)	15,752.00	14,048.00	0.00	0.00	0.00	29,800.00
WC / employers liability	672.00	587.00	0.00	0.00	0.00	1,259.00
Public / Product Liability Insurance	98.00	0.00	0.00	0.00	0.00	98.00
Liability (Total)	770.00	587.00	0.00	0.00	0.00	1,357.00
Health Insurance	4,392.00	9,264.00	1,687.00	0.00	0.00	15,343.00
Personal Accident Insurance	962.00	608.00	31.00	0.00	0.00	1,601.00
Health, Accident & Travel (Total)	5,354.00	9,872.00	1,718.00	0.00	0.00	16,944.00
Miscellaneous	1,790.00	2,207.00	8.00	0.00	0.00	4,005.00
Agriculture	0.00	0.00	0.00	3,235.00	0.00	3,235.00
Export Credit Insurance	0.00	0.00	0.00	0.00	1,157.00	1,157.00
Total	27,952.00	35,000.00	1,726.00	3,235.00	1,157.00	69,070.00

(₹ in Crores)

2011-12						
Segment	Private Sector	Public Sector	Standalone Health	AIC	ECGC	Total
Fire	1,972.00	3,562.00	0.00	0.00	0.00	5,534.00
Engineering	732.00	1,566.00	0.00	0.00	0.00	2,298.00
Property (Total)	2,704.00	5,128.00	0.00	0.00	0.00	7,832.00
Marine Cargo	748.00	1,097.00	0.00	0.00	0.00	1,845.00
Marine Others	120.00	884.00	0.00	0.00	0.00	1,004.00
Aviation	218.00	268.00	0.00	0.00	0.00	486.00
Marine & Aviation (Total)	1,086.00	2,249.00	0.00	0.00	0.00	3,335.00
Motor OD	8,392.00	5,887.00	0.00	0.00	0.00	14,279.00
Motor TP	4,070.00	5,826.00	0.00	0.00	0.00	9,896.00
Motor (Total)	12,462.00	11,713.00	0.00	0.00	0.00	24,175.00
WC / employers liability	643.00	562.00	0.00	0.00	0.00	1,205.00
Public / Product Liability Insurance	40.00	0.00	0.00	0.00	0.00	40.00
Liability (Total)	683.00	562.00	0.00	0.00	0.00	1,245.00
Health Insurance	3,644.00	8,006.00	1,695.00	0.00	0.00	13,345.00
Personal Accident Insurance	724.00	635.00	21.00	0.00	0.00	1,380.00
Health, Accident & Travel (Total)	4,368.00	8,641.00	1,716.00	0.00	0.00	14,725.00
Miscellaneous	1,201.00	2,247.00	11.00	0.00	0.00	3,459.00
Agriculture	0.00	0.00	0.00	2,577.00	0.00	2,577.00
Export Credit Insurance	0.00	0.00	0.00	0.00	1,005.00	1,005.00
Total	22,504.00	30,540.00	1,727.00	2,577.00	1,005.00	58,353.00

Source: Annual Reports 2012-13 of Non-Life Insurance Companies

(₹ in Crores)

Table 11 Gross Incurred Claims (Within India)

2012-13						
Segment	Private Sector	Public Sector	Standalone Health	AIC	ECGC	Total
Fire	1,090.00	3,116.00	0.00	0.00	0.00	4,206.00
Engineering	335.00	486.00	0.00	0.00	0.00	821.00
Property (Total)	1,425.00	3,602.00	0.00	0.00	0.00	5,027.00
Marine Cargo	662.00	585.00	0.00	0.00	0.00	1,247.00
Marine Others	-11.00	819.00	0.00	0.00	0.00	808.00
Aviation	235.00	122.00	0.00	0.00	0.00	357.00
Marine & Aviation (Total)	886.00	1,526.00	0.00	0.00	0.00	2,412.00
Motor OD	0.00	0.00	0.00	0.00	0.00	0.00
Motor TP	0.00	0.00	0.00	0.00	0.00	0.00
Motor (Total)	11,157.00	8,846.00	0.00	0.00	0.00	20,003.00
WC / employers liability	0.00	0.00	0.00	0.00	0.00	0.00
Public / Product Liability Insurance	86.00	217.00	0.00	0.00	0.00	303.00
Liability (Total)	86.00	217.00	0.00	0.00	0.00	303.00
Health Insurance	2,932.00	9,319.00	1,392.00	0.00	0.00	13,643.00
Personal Accident Insurance	0.00	0.00	0.00	0.00	0.00	0.00
Health, Accident & Travel (Total)	2,932.00	9,319.00	1,392.00	0.00	0.00	13,643.00
Miscellaneous	1,332.00	1,444.00	22.00	0.00	0.00	2,798.00
Agriculture	0.00	0.00	0.00	3,342.00	0.00	3,342.00
Export Credit Insurance	0.00	0.00	0.00	0.00	1,054.00	1,054.00
Total Incurred	17,818.00	24,954.00	1,414.00	0.00	1,054.00	45,240.00

(₹ in Crores)



2011-12						
Segment	Private Sector	Public Sector	Standalone Health	AIC	ECGC	Total
Fire	952.88	3,182.58	0.00	0.00	0.00	4,135.46
Engineering	364.28	813.51	0.00	0.00	0.00	1,177.79
Property (Total)	1,317.16	3,996.09	0.00	0.00	0.00	5,313.25
Marine Cargo	652.00	809.70	0.00	0.00	0.00	1,461.70
Marine Others	43.76	471.89	0.00	0.00	0.00	515.65
Aviation	136.39	1,939.56	0.00	0.00	0.00	2,075.95
Marine & Aviation (Total)	832.14	3,221.15	0.00	0.00	0.00	4,053.29
Motor OD	0.00	0.00	0.00	0.00	0.00	0.00
Motor TP	0.00	0.00	0.00	0.00	0.00	0.00
Motor (Total)	10,907.62	11,016.05	0.00	0.00	0.00	21,923.67
WC / employers liability	0.00	0.00	0.00	0.00	0.00	0.00
Public / Product Liability Insurance	143.32	302.00	0.00	0.00	0.00	445.32
Liability (Total)	143.32	302.00	0.00	0.00	0.00	445.32
Health Insurance	2,586.31	8,088.14	1,284.43	0.00	0.00	11,958.88
Personal Accident Insurance	13.64	0.00	0.00	0.00	0.00	13.64
Health, Accident & Travel (Total)	2,599.95	8,088.14	1,284.43	0.00	0.00	11,972.52
Miscellaneous	1,060.14	1,395.88	3.08	0.00	0.00	2,459.10
Agriculture	0.00	0.00	0.00	2,065.00	0.00	2,065.00
Export Credit Insurance	0.00	0.00	0.00	0.00	935.00	935.00
Total	16,860.33	28,019.31	1,287.51	0.00	0.00	46,167.15

Source: Annual Reports 2012-13 of Non-Life Insurance Companies

(₹ in Crores)

Table 12 Net Retention of Non-Life Insurers within India (%)

Segment	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Aviation	25.98	23.53	48.53	21.93	24.21	23.71	25.64	37.50	20.16
Engineering	81.29	75.78	91.55	72.89	77.52	71.26	68.88	70.15	73.53
Fire	80.46	76.00	85.76	65.72	75.65	77.35	73.99	65.39	75.16
Marine Cargo	89.46	85.07	91.77	77.10	84.43	88.59	85.35	79.18	78.86
Marine Hull	26.68	25.55	39.76	18.30	20.01	31.26	23.31	25.06	32.29
Motor	99.02	99.64	100.00	96.15	100.00	99.99	99.99	98.88	99.02
Miscellaneous	94.70	88.35	94.47	89.63	97.11	96.95	91.39	90.63	94.52
Industry	87.90	86.45	92.58	83.41	91.26	94.45	90.30	88.24	91.84

Source: IRDA Handbook 2011-12

Table 13 Reinsurance placed within/outside India (% of GDPI)

Within India							
Segment	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Fire	39.23	37.69	34.89	27.99	32.43	38.68	33.47
Marine Cargo	24.47	22.83	23.79	18.49	18.16	19.59	20.06
Marine Hull	32.34	48.23	31.53	34.60	43.26	33.52	36.42
Motor	21.49	21.19	32.93	28.07	28.78	30.92	32.62
Aviation	43.72	33.82	40.21	43.73	42.17	33.12	29.04
Engineering	37.33	36.24	40.22	44.38	43.33	44.04	38.69
Miscellaneous	22.38	20.86	21.15	13.42	15.26	15.57	14.16
Industry	26.56	25.93	29.58	23.44	24.63	25.68	25.39

Outside India							
Segment	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Fire	26.98	19.13	18.58	20.47	21.19	22.77	23.06
Marine Cargo	12.05	13.45	10.95	15.04	15.09	15.95	16.18
Marine Hull	67.69	44.39	60.93	57.58	52.63	65.13	51.88
Motor	0.18	0.28	0.36	0.27	0.11	0.10	0.18
Aviation	63.98	55.73	53.76	50.70	53.17	62.62	78.40
Engineering	20.41	15.41	15.10	18.77	23.06	23.41	21.10
Miscellaneous	7.88	7.06	5.40	5.07	6.00	7.79	5.79
Industry	11.64	9.03	7.75	7.59	7.78	8.92	7.52

Source: IRDA Annual reports

Table 14 Classwise Non-life Industry Complaints For Three Years

Class of business	2009-10	2010-11	2011-12
Motor	85,187	58,498	42,982
Health	58,807	45,132	34,836
Others	42,621	23,028	15,337
No. of Complaints	1,86,615	1,26,658	93,155
No. of Policies (Crores)	8.85	9.16	10.03
No. of Claims related Complaints	32,967	35,192	31,090
No. of Claims handled during the year (Crores)	1.79	1.99	1.78
Complaints to Policies (%)	0.21	0.14	0.09
Claims related complaints to Claims handled (%)	0.18	0.18	0.17
No. of Claims reported during the year (Crores)	1.64	1.65	1.23
No. of Claims Outstanding at beginning of Current Year (Crores)	0.15	0.34	0.55

Source: Consumer Affairs Annual Booklet; General Insurance Council Data

Table 15 Gross Written Premium (Both Within and Outside India)

Type of Company	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Private Sector	7.14	467.65	1,349.80	2,257.83	3,507.62	5,362.66	8,646.57
Public Sector	10,491.88	11,917.59	13,520.44	14,284.65	14,948.82	15,976.44	17,283.45
Standalone Health	-	-	-	-	-	-	22.51
AIC	-	-	-	369.21	549.72	553.83	564.67
ECGC	-	338.52	374.78	445.48	515.55	577.33	617.66
Total All Companies	10,499.02	12,723.76	15,245.03	17,357.18	19,521.72	22,470.26	27,134.86
Growth Rate %		21%	20%	14%	12%	15%	21%

Type of Company	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Private Sector	10,991.89	12,321.09	13,977.00	17,424.63	22,315.03	28,845.09
Public Sector	17,813.71	19,107.31	21,838.85	26,417.21	32,263.46	39,302.24
Standalone Health	171.16	558.00	1,076.44	1,535.77	1,659.78	1,726.96
AIC	835.11	833.44	1,520.40	1,950.05	2,576.85	3,297.42
ECGC	668.37	744.68	813.00	885.47	1,004.83	1,157.25
Total All Companies	30,480.24	33,564.52	39,225.69	48,213.13	59,819.95	74,328.96
Growth Rate %	12%	10%	17%	23%	24%	24%

Source: IRDA HANDBOOK 2001-12 (Page 170) and Public Disclosure data (NL-4) 2012-13

(₹ in Crores)

District-wise Distribution of Offices of Non-Life Insurers

State & District	Private	Public	Total
Andaman & Nicobar Islands	1	2	3
South Andaman	1	2	3
Andhra Pradesh	144	529	673
Adilabad		12	12
Anantapur	4	21	25
Chittoor	5	21	26
Cuddapah	3	17	20
East Godavari	9	42	51
Guntur	6	38	44
Hyderabad	41	110	151
Karimnagar	6	14	20
Khammam	4	10	14
Krishna	18	37	55
Kurnool	3	16	19
Mahbubnagar	1	9	10
Medak		9	9
Nalgonda	1	14	15
Nellore	6	14	20
Nizamabad	3	11	14
Prakasam	2	11	13
Ranga Reddy	5	21	26
Srikakulam	2	9	11
Vishakhapatnam	14	47	61
Vizianagaram	2	6	8
Warangal	5	12	17
West Godavari	4	28	32
Arunachal Pradesh		6	6
East Siang		1	1
Papumpare		3	3
Upper Subansiri		1	1
West Siang		1	1
Assam	18	170	188
Barpeta		8	8
Bongaigaon		7	7
Cachar		6	6
Chirang		2	2
Darrang		4	4
Dhemaji		1	1
Dhubri		7	7
Dibrugarh	1	10	11
Dima Hasao		1	1
Goalpara		3	3
Golaghat		6	6
Guwahati	14	35	49
Hailakandi		3	3
Jorhat	2	5	7
Kamrup		13	13
Karbi Anglong		3	3

State & District	Private	Public	Total
Assam	continued....		
Karimganj		4	4
Kokrajhar		5	5
Lakhimpur		5	5
Marigaon		2	2
Nagaon		7	7
Nalbari		3	3
Sibsagar		6	6
Sonitpur		7	7
Tinsukia	1	16	17
Udalguri		1	1
Bihar	21	138	159
Araria		2	2
Aurangabad		2	2
Begusarai		4	4
Bhagalpur	1	6	7
Bhojpur		4	4
Buxar		2	2
Darbhanga		5	5
East Champaran		5	5
Gaya	2	6	8
Gopalganj		2	2
Jamui		1	1
Katihar		3	3
Khagaria		1	1
Kishanganj		1	1
Madhepura		2	2
Madhubani		4	4
Munger		2	2
Muzaffarpur	3	6	9
Nalanda		4	4
Nawada		3	3
Patna	14	40	54
Purnia	1	4	5
Rohtas		7	7
Saharsa		1	1
Samastipur		3	3
Saran		5	5
Sitamarhi		3	3
Siwan		3	3
Vaishali		4	4
West Champaran		3	3
Chandigarh	18	37	55
Chandigarh	18	37	55
Chhattisgarh	31	82	113
Balod		1	1
Bastar		3	3
Bemetra		1	1



State & District	Private	Public	Total
Chhattisgarh	continued....		
Bhatapara		1	1
Bhilai		2	2
Bilaspur	6	5	11
Dhamtari		3	3
Durg	3	12	15
Jagdalpur		1	1
Janjgir - Champa		2	2
Jashpur		2	2
Kabirdham		1	1
Kanker		1	1
Kondagaon		1	1
Korba	1	7	8
Koriya		2	2
Mahasamund		3	3
Mungeli		1	1
Raigarh	2	4	6
Raipur	17	20	37
Rajnandgaon	1	5	6
Surajpur		1	1
Surguja	1	3	4
Dadra & Nagar Haveli		2	2
Dadra & Nagar Haveli		2	2
Daman & Diu		3	3
Daman		2	2
Diu		1	1
Delhi	75	225	300
Central Delhi	5	26	31
East Delhi	2	9	11
New Delhi	46	115	161
North Delhi	5	9	14
North East Delhi		4	4
North West Delhi	2	13	15
South Delhi	8	24	32
South West Delhi	2	9	11
West Delhi	5	16	21
Goa	13	34	47
North Goa	11	21	32
South Goa	2	13	15
Gujarat	147	428	575
Ahmedabad	30	104	134
Amreli		5	5
Anand	8	14	22
Banaskantha	1	15	16
Bharuch	8	16	24
Bhavnagar	4	11	15
Dahod		2	2

State & District	Private	Public	Total
Gujarat	continued....		
Dangs		1	1
Gandhinagar	4	10	14
Jamnagar	4	17	21
Junagadh	1	17	18
Kheda	1	11	12
Kutch	7	9	16
Mehsana	6	19	25
Morbi	2	2	4
Navsari	2	9	11
Panchmahal	3	11	14
Patan	1	7	8
Porbandar	1	2	3
Rajkot	16	32	48
Sabarkantha	2	14	16
Surat	19	31	50
Surendranagar	1	9	10
Tapi		3	3
Vadodara	18	41	59
Valsad	8	16	24
Haryana	57	186	243
Ambala	3	14	17
Bhiwani		6	6
Faridabad	11	11	22
Fatehabad		8	8
Gurgaon	21	16	37
Hissar	4	17	21
Jhajjar		4	4
Jind		10	10
Kaithal		6	6
Karnal	6	16	22
Kurukshetra		10	10
Mahendragarh		2	2
Mewat		2	2
Palwal		1	1
Panchkula	2	5	7
Panipat	2	11	13
Rewari	1	6	7
Rohtak	3	12	15
Sirsa		12	12
Sonipat	1	9	10
Yamuna Nagar	3	8	11
Himachal Pradesh	7	59	66
Bilaspur	1	2	3
Chamba		2	2
Hamirpur		4	4
Kangra		10	10
Kinnaur		1	1

State & District	Private	Public	Total
Himachal Pradesh	continued....		
Kullu		4	4
Mandi	3	5	8
Shimla	2	13	15
Sirmaur	1	3	3
Solan		9	10
Una		6	6
Jammu & Kashmir	12	73	85
Anantnag		6	6
Bandipora		1	1
Baramulla		6	6
Budgam		1	1
Doda		1	1
Ganderbal		1	1
Jammu	10	19	29
Kathua		2	2
Kishtwar		1	1
Kulgam		1	1
Kupwara		3	3
Leh		3	3
Poonch		1	1
Pulwama		3	3
Rajauri		2	2
Reasi		1	1
Samba		4	4
Srinagar	2	13	15
Udhampur		4	4
Jharkhand	32	98	130
Bokaro	2	10	12
Deoghar		4	4
Dhanbad	4	11	15
Dumka		2	2
East Singhbhum	11	14	25
Garhwa		2	2
Giridih		4	4
Godda		1	1
Gumla		1	1
Hazaribag		6	6
Jamshedpur		1	1
Koderma		3	3
Lohardaga		1	1
Palamu		3	3
Ramgarh		4	4
Ranchi	15	22	37
Sahibganj		1	1
Saraikela Kharsawan		2	2
West Singhbhum		6	6

State & District	Private	Public	Total
Karnataka	127	365	492
Bagalkot	1	5	6
Bangalore	52	128	180
Belgaum	5	21	26
Bellary	8	16	24
Bidar		7	7
Bijapur	2	4	6
Chamrajnagar		2	2
Chikamagaluru		6	6
Chitradurga	1	4	5
Dakshina Kannada	11	24	35
Davanagere	3	7	10
Dharwad	13	15	28
Gadag		4	4
Gulbarga	4	8	12
Hassan	2	7	9
Haveri		6	6
Kodagu	1	7	8
Kolar	1	8	9
Koppal		3	3
Mandya		5	5
Mysore	14	23	37
Raichur		8	8
Ramanagara		2	2
Shimoga	5	10	15
Tumkur	2	9	11
Udupi	2	15	17
Uttar Kannada		9	9
Yadgir		2	2
Kerala	108	348	456
Alappuzha	3	26	29
Calicut	1	7	8
Ernakulam	22	67	89
Idukki		8	8
Kannur	6	32	38
Kasargod		11	11
Kollam	8	27	35
Kottayam	9	26	35
Kozhikode	8	16	24
Malappuram	6	23	29
Palakkad	6	19	25
Pathanamthitta	3	13	16
Thiruvananthapuram	23	28	51
Thrissur	11	38	49
Wayanad	2	7	9
Lakshadweep		1	1
Kavaratti		1	1



State & District	Private	Public	Total
Madhya Pradesh	69	255	324
Balaghat		1	1
Barwani		5	5
Betul		5	5
Bhind		3	3
Bhopal	20	29	49
Burhanpur		3	3
Chhatarpur		3	3
Chhindwara	2	5	7
Damoh		3	3
Datia		1	1
Dewas	1	4	5
Dhar		9	9
East Nimar	1	5	6
Guna		4	4
Gwalior	3	9	12
Harda		4	4
Hoshangabad	1	9	10
Indore	21	34	55
Jabalpur	11	12	23
Jhabua		5	5
Katni	1	4	5
Mandla		2	2
Mandsaur		4	4
Morena		4	4
Narsinghpur		3	3
Neemuch		3	3
Panna		2	2
Raisen		6	6
Rajgarh		2	2
Ratlam	3	7	10
Rewa		5	5
Sagar	1	11	12
Satna	1	6	7
Sehore		3	3
Seoni		2	2
Shahdol		5	5
Shajapur		3	3
Shivpuri		4	4
Sidhi		1	1
Tikamgarh		1	1
Ujjain	2	8	10
Umaria		1	1
Vidisha		8	8
West Nimar	1	7	8
Maharashtra	258	637	895
Ahmednagar	7	27	34
Akola	5	6	11
Amaravati	1	13	14

State & District	Private	Public	Total
Maharashtra	continued....		
Aurangabad	13	17	30
Beed	1	5	6
Bhandara		4	4
Bhusawal		1	1
Buldhana		8	8
Chandrapur	2	8	10
Dhule	1	4	5
Gadchiroli		1	1
Gondia		4	4
Hingoli		2	2
Jalgaon	5	13	18
Jalna		4	4
Kolhapur	11	28	39
Latur	2	6	8
Mumbai	101	168	269
Nagpur	20	43	63
Nanded	2	6	8
Nandurbar		5	5
Nashik	18	34	52
Osmanabad		7	7
Parbhani	1	3	4
Pune	40	96	136
Raigad	2	10	12
Ratnagiri		9	9
Sangli	2	14	16
Satara	3	13	16
Sindhudurg		7	7
Solapur	6	15	21
Thane	14	37	51
Wardha		8	8
Washim		5	5
Yavatmal	1	6	7
Manipur		6	6
Bishnupur		2	2
Imphal West		3	3
Thoubal		1	1
Meghalaya	1	16	17
East Khasi Hills	1	8	9
Jaintia Hills		1	1
Ri Bhoi		3	3
West Garo Hills		2	2
West Khasi Hills		2	2
Mizoram		5	5
Aizawl		4	4
Champhai		1	1

State & District	Private	Public	Total
Nagaland		7	7
Dimapur		5	5
Kohima		1	1
Mokokchung		1	1
Orissa	47	199	246
Angul	2	7	9
Balangir		7	7
Orissa			
Balasore	5	6	11
Bargarh	1	5	6
Bhadrak		4	4
Cuttack	4	20	24
Debagarh		1	1
Dhenkanal		4	4
Gajapati		2	2
Ganjam	3	18	21
Jagatsinghpur		5	5
Jaipur		8	8
Jharsuguda	1	6	7
Kalahandi		6	6
Kandhamal		3	3
Kendrapara		3	3
Kendujhar	2	11	13
Khordha	17	30	47
Koraput		9	9
Malkangiri		1	1
Mayurbhanj		9	9
Nabarangpur		1	1
Nayagarh		2	2
Puri		7	7
Rayagada		6	6
Sambalpur	4	7	11
Sundergarh	8	11	19
Puducherry	9	17	26
Karaikal		1	1
Mahe		1	1
Pondicherry	9	13	22
Yanam		2	2
Punjab	68	264	332
Ajitgarh	1	13	14
Amritsar	11	24	35
Barnala		2	2
Bathinda	2	14	16
Faridkot		8	8
Fatehgarh Sahib		8	8
Fazilka		2	2
Firozpur	2	16	18

State & District	Private	Public	Total
Punjab	continued....		
Gurdaspur	2	8	10
Hoshiarpur	4	12	16
Jalandhar	12	29	41
Kapurthala	2	8	10
Ludhiana	21	41	62
Mansa		3	3
Moga	1	6	7
Muktsar		5	5
Pathankot	2	7	9
Patiala	6	21	27
Rupnagar	1	13	14
Sangrur	1	19	20
Shahid Bhagat Singh Nagar		4	4
Taran Taran		1	1
Rajasthan	76	294	370
Ajmer	6	19	25
Alwar	5	21	26
Banswara		4	4
Baran		7	7
Barmer	1	4	5
Bharatpur		8	8
Bhilwara	3	14	17
Bikaner	2	6	8
Bundi		4	4
Chittorgarh	1	7	8
Churu	1	5	6
Dausa		5	5
Dholpur		4	4
Dungapur		3	3
Hanumangarh		6	6
Jaipur	21	55	76
Jaisalmer		3	3
Jalore	1	3	4
Jhalawar	1	3	4
Jhunjhunu		6	6
Jodhpur	11	17	28
Karauli		2	2
Kota	6	11	17
Nagaur		7	7
Pali	2	10	12
Pratapgarh		1	1
Rajsamand		4	4
Sawai Madhopur		5	5
Sikar	1	7	8
Sirohi		3	3
Sri Ganganagar	2	20	22
Tonk		5	5
Udaipur	12	15	27



State & District	Private	Public	Total
Sikkim	2	6	8
East Sikkim	2	5	7
South Sikkim		1	1
Tamil Nadu	198	657	855
Ariyalur		3	3
Chennai	62	148	210
Coimbatore	24	57	81
Cuddalore	1	20	21
Dharmapuri	3	6	9
Dindigul	4	18	22
Erode	8	29	37
Kanchipuram	3	20	23
Kanyakumari	2	13	15
Karur	4	13	17
Krishnagiri	5	10	15
Madurai	18	32	50
Nagapattinam		9	9
Namakkal	3	17	20
Nilgiris	2	12	14
Perambalur		2	2
Pudukkottai		5	5
Ramanathapuram	1	4	5
Salem	13	33	46
Sivaganga		10	10
Tenkasi		1	1
Thanjavur	5	15	20
Theni	1	11	12
Thoothukudi	2	15	17
Tiruchirappalli	11	23	34
Tirunelveli	7	15	22
Tirupur	6	16	22
Tiruvallur	1	15	16
Tiruvannamalai		12	12
Tiruvarur		5	5
Vellore	8	31	39
Viluppuram	2	16	18
Virudhunagar	2	21	23
Tripura	3	22	25
Dhalai		1	1
Khowai		1	1
North Tripura		4	4
Sipahijala		1	1
South Tripura		4	4
West Tripura	3	11	11
Uttar Pradesh	130	563	693
Agra	10	17	27
Aligarh	3	7	10

State & District	Private	Public	Total
Uttar Pradesh	continued....		
Allahabad	9	24	33
Ambedkar Nagar		1	1
Auraiya		3	3
Azamgarh	1	5	6
Badaun		4	4
Bagpat		4	4
Bahraich		4	4
Ballia		7	7
Banda		3	3
Barabanki		5	5
Bareilly	5	17	22
Basti	1	3	4
Bijnor		16	16
Budaun		3	3
Bulandshahr		7	7
Chandauli		5	5
Deoria		3	3
Etah		3	3
Etawah	2	6	8
Faizabad	3	6	9
Farrukhabad	1	6	7
Fatehpur	1	6	7
Firozabad		8	8
Gautam Buddh Nagar	17	13	30
Ghaziabad	4	27	31
Ghazipur		4	4
Gonda	1	5	6
Gorakhpur	4	15	19
Hamirpur		2	2
Hapur		4	4
Hardoi	1	6	7
Hathras		7	7
Jalaun		3	3
Jaunpur	1	7	8
Jhansi	3	9	12
Jyotiba Phule Nagar		8	8
Kannauj		8	8
Kanpur	13	31	44
Kanshi Ram Nagar		2	2
Kasganj		1	1
Kaushambi		1	1
Kushinagar		2	2
Lakhimpur Kheri	2	8	10
Lalitpur		4	4
Lucknow	20	42	62
Maharajganj		2	2
Mahoba		1	1
Mainpuri		5	5

State & District	Private	Public	Total
Uttar Pradesh	continued....		
Mathura	1	7	8
Mau		2	2
Meerut	4	26	30
Mirzapur	1	5	6
Moradabad	5	15	20
Muzaffarnagar	1	11	12
Pilibhit		5	5
Pratapgarh		5	5
Raebareli	1	5	6
Ramabai Nagar		3	3
Rampur		8	8
Saharanpur	1	13	14
Sambhal		4	4
Sant Ravidas Nagar		5	5
Shahjahanpur	1	8	9
Shamli		1	1
Shravasti		1	1
Siddharthnagar		2	2
Sitapur		9	9
Sonbhadra	1	11	12
Sultanpur	1	8	9
Unnao		5	5
Varanasi	11	14	25
Uttarakhand	26	78	104
Almora		4	4
Chamoli		2	2
Dehradun	15	25	40
Haridwar	3	11	14
Nainital	6	10	16
Pauri Garhwal		5	5
Pithoragarh		3	3
Tehri Garhwal		3	3
Udham Singh Nagar	2	14	16
Uttarkashi		1	1
West Bengal	92	243	335
Bankura	2	4	6
Bardhaman	20	27	47
Birbhum	1	5	6
Cooch Behar		4	4
Dakshin Dinajpur		6	6
Darjeeling	10	13	23
Hooghly	2	13	15
Howrah	3	11	14
Jalpaiguri	1	7	8
Kolkata	32	85	117
Maldah	3	3	6
Murshidabad	5	13	18

State & District	Private	Public	Total
West Bengal	continued....		
Nadia		10	10
North 24 Parganas	5	16	21
Paschim Medinipur	4	11	15
Purba Medinipur	1	5	6
Purulia	1	3	4
South 24 Parganas	2	4	6
Uttar Dinajpur		3	3
TOTAL	1790	6055	7845

Caveats

The Indian Non-Life Insurance Industry Yearbook 2012-13 is in its first year of release. The endeavour has been to reflect industry trends for various stakeholders. The Year Book may be read keeping in view the following caveats.

1. Definitions of terms used

The specific definition of various Non-Life industry business parameter terms used in this Yearbook 2012-13 are as per existing IRDA guidelines. (Extract reproduced for ready reference).

As per IRDA Master Circular on preparation of Financial Statements – General Insurance Business, October 2012 and Corrigendum dated 3rd July 2013:



- i. **Gross Direct Premium** : Premium booked directly from the Insured / Policyholders excluding the Service Tax element thereon
- ii. **Gross Written Premium** : Gross Direct Premium plus Inward Reinsurance Premium accepted during the period (Premium on Reinsurances Accepted)
- iii. **Net Premium / Net Written Premium / Net Retained Premium** : Gross Written Premium less Premium on Reinsurance Ceded (Retention of the Insurer after considering all types of Reinsurances)
- iv. **Net Earned Premium** : Net Premium after adjustment for movement in the Reserves for Unexpired Risks in any given Accounting Period
- v. **Gross Incurred Claims** : Gross Claims Paid plus Gross movement in Claims Outstanding (including Gross IBNR / IBNER). This includes Claims relating to both Direct and Reinsurance Accepted

Explanation :

Gross Incurred Claims = Gross Claims Paid (both Direct and Reinsurance Accepted)
Plus Gross Claims Outstanding at the end of the period (both Direct and Reinsurance Accepted)
Less Gross Claims Outstanding at the beginning of the period (both Direct and Reinsurance Accepted)

- vi. **Net Incurred Claims** : Net Claims after accounting for recovery of Claims from Reinsurers. This includes Net Claims relating to both Direct and Reinsurance Accepted.

Explanation :

Net Incurred Claims = Net Claims Paid (Gross Claims Paid less Reinsurance recoveries of Claims)
Plus Net Claims Outstanding at the end of the period (both Direct and Reinsurance Accepted)
Less Net Claims Outstanding at the beginning of the period (both Direct and Reinsurance Accepted)
Net Outstanding Claims include Net IBNR / IBNER.

- vii. **Combined Ratio** = $\text{Net Incurred Claims} \div \text{Net Earned Premium}$
Plus Expenses of Management (including Net Commission) \div Net Written Premium



The terms 'general' and 'non-life' have been used interchangeably to convey the same meaning.



2. The Other Terms used in this Yearbook which are not part of the above list, carry the meanings as used in common business parlance in the Indian non-life insurance industry context.

3. Data Sources

1. Insurance Regulatory and Development Authority, India – Annual Report 2011-12
2. Handbook on Indian Insurance Statistics 2011-12 published by Insurance Regulatory and Development Authority, India
3. Government of India, Ministry of Statistics and Programme Implementation – Annual Report 2011-12
4. Planning Commission Data Book dated 3rd May 2013 - Page 134 of 283 Gross State Domestic Product (GSDP) at Current Prices as on 27/02/2013
5. Public disclosures of non-life insurance companies as at 31st March 2013
6. Insurance Information Bureau of India data on motor insurance
7. Data collected and collated by the General Insurance Council as at 31st March 2013
8. IRDA Journal June 2013 issue – Statistics - Non-Life Insurance

4. Financial figures are in ₹ Crores, where 1 Crore = 10 Million

5. Disclaimer & Copyrights

The Year Book has been launched with an objective to reflect trends in the Non-Life Insurance Industry in India. The aim is to provide the user with an understanding of the Non-Life Insurance Industry. The data and analysis forming part of the Year Book should be considered for information purposes only. The factual correctness of the data has been sought to be ensured by using only publicly available information as reported via IRDA Handbook, Non-Life Insurance Company Public Disclosures and Annual Reports and data reported to the General Insurance Council as per designated formats. Different sources of data have been used for Segmentwise, Statewise as well as consolidated GDPI charts. We have observed that there are minor differences between the data contained in these sources which could be due to timing differences or inconsistencies in reporting data. Users may please take note of this while making use of the tables and charts in this Year Book.

The macro-economic data has been taken from publicly available data on the Planning Commission website.

For any further interpretation / analysis, the user may independently verify the data sets from the respective data sources.

INDIAN NON-LIFE INSURANCE INDUSTRY
YEARBOOK
2012-13



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Industry Association of General Insurance Companies



General Insurance Council

Industry Association of General Insurance Companies

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