

# ICICI Lombard General Insurance

## Market awaits improved motor premium growth

### Our view – Management says it is excited about motor industry backdrop

**GDPI Growth** – Headline OEM sales spurt has not translated into commensurate motor premium growth: In 3Q, GDPI for the company grew 13.3% YoY compared with a growth of 11.5% for the industry. Headline OEM sales growth of 19% is not translating into similar premium growth at the moment since the sales are coming from small hatchbacks. In 3Q, Motor segment GDPI grew by 9.3% YoY. A realignment is being done for the team in this regard. In 3Q, Health Segment GDPI grew by 42% YoY. The retail business demonstrated robust growth of 85.8% in 3QFY26 fueled by the new to industry customers growth of 1.7x thereby significantly outpacing the industry growth of 33.6%. The company would endeavour to growth 100-200 bps faster than the industry.

**Combined Ratio** – Combined ratio inched lower on sequential basis: The combined ratio for the company was 104.5% for 3QFY26 compared with 105.1% for 2QFY26. The company has been guiding for an overall motor loss ratio in the range of 65-67%. The actual figure for 9M has landed at 66.3%, which is within the said guidance and management is happy with the progress. In 9M, group health loss ratio was 97.7% last year, which has improved to 93.2% this year. In 9M, retail health loss ratio was 69.1% last year, which has improved to 67.3% this year. The motor industry combined ratio has moved up from 124%, which was hard enough, to 128%. The RoE targeted is 18-20%.

We maintain recently assigned BUY on ICICIGI with a revised price target of Rs 2300: We value ICICIGI at 36 FY27 P/E for an FY25-28E EPS CAGR of 15%. At our target, the implied FY27E P/B is 6.0x for an FY26/27/28E RoE of 15.9/16.8%/17.1%.

(See Comprehensive con call takeaways on page 2 for significant incremental colour.)

### Other Highlights (See “Our View” above for elaboration and insight)

- **Net premiums earned:** Net premium earned grew 0.6%/12.7% QoQ/YoY.
- **Loss ratios:** Overall loss ratio has improved by 340bps QoQ to 68.7% driven by Crop, Engineering, Fire, Marine and Health, Travel, PA segment.
- **Expense control:** Expense ratio rose 350bps QoQ to 35.4% whereas commission and brokerage rose 32.6% QoQ while opex rose 6.6% QoQ.

### Exhibit 1: Result table

Rs Mn	Q3 FY26	Q3 FY25	% yoy	Q2 FY26	% qoq
Gross Premiums written	74,330	64,745	14.8	70,589	5.3
Net Premium Written	59,635	50,841	17.3	53,130	12.2
Net Premium Earned	56,853	50,452	12.7	56,517	0.6
Income from Investments	9,090	8,398	8.2	8,989	1.1
<b>Total Income</b>	<b>66,102</b>	<b>58,828</b>	<b>12.4</b>	<b>65,827</b>	<b>0.4</b>
Commission & Brokerage	13,431	11,624	15.5	10,128	32.6
Operating Expenses	7,918	7,128	11.1	7,429	6.6
Total claims	39,042	33,222	17.5	40,744	(4.2)
<b>Underwriting Profit/(Loss)</b>	<b>(3,538)</b>	<b>(1,523)</b>	<b>132.3</b>	<b>(1,784)</b>	<b>98.4</b>
Operating Profit	5,711	6,854	(16.7)	7,527	(24.1)
<b>PAT</b>	<b>6,588</b>	<b>7,244</b>	<b>(9.1)</b>	<b>8,195</b>	<b>(19.6)</b>
<b>Key Ratios</b>					
Solvency Ratio	269.0%	236.0%	3300bps	273.0%	-400bps
Expense Ratio	35.4%	34.7%	70bps	31.9%	350bps
Incurred Claim Ratio	68.7%	65.8%	290bps	72.1%	-340bps
Net Retention Ratio	80.2%	78.5%	170bps	75.3%	490bps
Combined Ratio	104.5%	102.7%	180bps	105.1%	-60bps

Source: Company, YES Sec-Research

Recommendation	: BUY
Current Price	: Rs 1,887
Target Price	: Rs 2,300
Potential Return	: +22%

### Stock data (as on January 13, 2026)

Nifty	25,732
52 Week h/l (Rs)	2069 / 1614
Market cap (Rs/USD mn)	944372 / 10470
Outstanding Shares (mn)	498
6m Avg t/o (Rs mn):	1,142
Div yield (%):	0.7
Bloomberg code:	ICICIGI IN
NSE code:	ICICIGI

### Stock performance



### Shareholding pattern (As of Sep'25 end)

Promoter	51.5%
FII+DII	41.6%
Others	7.0%

### Δ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	2300	2375

### Financial Summary

Rs mn	FY26E	FY27E	FY28E
NEP	219,985	256,809	299,336
% yoy	11.1%	16.7%	16.6%
Op profit	22,947	28,977	34,656
% yoy	1.2%	26.3%	19.6%
PAT	25,927	31,726	37,741
% yoy	3.4%	22.4%	19.0%
EPS (Rs)	52.3	64.0	76.1
P/E (x)	36.1	29.5	24.8
P/B (x)	5.7	5.0	4.2
RoE (%)	15.9%	16.8%	17.1%

### Δ in earnings estimates

Rs.	FY26E	FY27E	FY28E
EPS (New)	52.3	64.0	76.1
EPS (Old)	55.6	66.8	78.2
% change	-5.9%	-4.3%	-2.6%

### SHIVAJI THAPLIYAL

Head of Research (Overall)  
& Lead Sector Research Analyst

📞 +91 22 6992 2932



**HEMANT KADIAN**, Associate  
**HIMANSHU BAROT**, Associate

## COMPREHENSIVE CON-CALL TAKEAWAYS

### Motor business

- **Loss ratio**
  - The company has been guiding for an overall motor loss ratio in the range of 65-67%.
  - The actual figure for 9M has landed at 66.3%, which is within the said guidance and management is happy with the progress.
  - There has been no change in actuarial assumption that led to any incremental reserve releases.
- **Premium growth**
  - Management is very excited about the environment in which the company is operating.
  - The growth that has been seen in OEM sales is to the tune of 19% YoY.
  - However, this headline OEM sales growth is not translating into similar premium growth at the moment since the sales are coming from small hatchbacks.
  - A realignment is being done for the team in this regard.
- **Market share**
  - The company closed the year with a market share of 10.7%, which is 0.4% less than for 9M.
- **Motor TP hike**
  - The motor TP hike, which was expected, has not come through yet.
- **Industry combined ratio**
  - The industry combined ratio has moved up from 124%, which was hard enough, to 128%.
- **New vs old vehicles**
  - **Mix**
    - In 3Q, the share of new vehicles was 35% and renewals was 65%.
    - In 9M, the share of new vehicles was 33%, indicating momentum playing out for new vehicles.
  - **Premium growth**
    - In 3Q, new vehicles have grown 12.4% whereas old vehicles have grown 7.7%, leading to an overall motor growth of 9.3%.
    - In 9M, new vehicles have grown 2.5% whereas renewals grew 6.2%, leading to an overall motor premium growth of 5%.
  - **Expense and Loss ratio**
    - New vehicles have higher acquisition cost but lower loss ratio.

### Health business

- **Premium growth**
  - The YoY growth in retail health is 86% on 1/n basis.
  - Even on n basis, the growth is 80-85% and has been 80% plus in all 3 months of 3Q.
  - Management stated that underlying demand is playing out due to the GST waiver, which is exciting for the company.
  - There is every reason to believe that the momentum will continue in 4Q.
- **Market share**
  - The market share for the company has improved to 4.5% in retail health, which is better than expectation at the beginning of the year.

(Con call takeaways continue on the next page)

- **Loss ratio**
  - **Group health**
    - In 3Q, loss ratio was 97.2% last year, which has improved to 90.7% this year.
    - In 9M, loss ratio was 97.7% last year, which has improved to 93.2% this year.
    - The company is comfortable operating in the mid-90s.
  - **Retail indemnity**
    - In 3Q, loss ratio was 65.0% last year, which has improved to 63.1% this year.
    - In 9M, loss ratio was 69.1% last year, which has improved to 67.3% this year.
    - The company is comfortable operating in the range of 65-70%.

## Overall premium growth

- **Guidance**
  - The company would endeavour to growth 100-200 bps faster than the industry.
- **Share of long-term business**
  - The share of long-term premium is in high single digits.
- **Overall GDPI (revenue) growth outcomes**
  - In 9M FY26, GDPI for the company grew 3.6% YoY compared with growth of 8.7% for the industry.
  - Excluding the impact of 1/n accounting, GDPI of the company grew by 6.8% YoY for 9M FY25.
  - Excluding crop and mass health segment, the growth for the company was 7.5% YoY compared with growth of 13.3% for the industry.
  - In 3Q, GDPI for the company grew 13.3% YoY compared with a growth of 11.5% for the industry.
  - Excluding the impact of 1/n accounting, GDPI of the company grew by 12.6% YoY for 3QFY25.
  - In 3Q, excluding crop and mass health segment, the growth for the company was 16.4% compared with growth of 20.1% for the industry.
  - Overall market share improved to 8.3% in 3QFY26 as against 8.1% in 3QFY25.
  - **Segment-wise GDPI Growth**
    - In 3Q, Commercial Segment GDPI grew by 7.4% YoY.
    - In 3Q, Fire Segment GDPI grew by 18.8% YoY.
    - In 3Q, Engineering Segment GDPI grew by 15.2% YoY.
    - In 3Q, Motor segment GDPI grew by 9.3% YoY. The company's maintained its leading position with a market share 10.7% in 9M FY26.
    - In 3Q, Health Segment GDPI grew by 42% YoY.
    - The retail business demonstrated robust growth of 85.8% in 3QFY26 fueled by the new to industry customers growth of 1.7x thereby significantly outpacing the industry growth of 33.6%.
  - In 3QFY26, the company's market share in retail health category increased to 4.5% from 3.2% in 3QFY25.

## Impact of new labour code

- There is a Rs 0.55bn one-time impact from the new labour code.
- This is due to actuarial revaluation.

## Combined Ratio

- **For Industry**
  - The overall combined ratio was at 119.2% in 1HFY26 vs 113% in 1HFY25.

(Con call takeaways continue on the next page)

- The higher overall combined ratio was attributed to increase in motor segment combined ratio.
- For the Motor business, the combined ratio was 128.5% in 1HFY26.
- **For Company**
  - The combined ratio for the company was 103.1% in 9M FY26 vs 102.8% in 9M FY25.
  - The combined ratio for the company was 104.5% in 3QFY26 vs 102.7% in 3QFY25.
  - Excluding the impact of CAT losses of Rs 0.11 bn in 3QFY26 the Combined Ratio was 104.3% in 3QFY26.
  - There were no catastrophic losses for 3QFY25.

## Channel growth and mix

- **Digital channel**
  - **ILTakecare app**
    - The app downloads have surpassed 19.7mn as of Dec 2025.
- **Agency**
  - Total agents including POS distribution stood at 150,458 as of Dec 2025 as against 147,408 as of Sep 2025.

## Solvency

- Solvency ratio was 2.69x as at Dec 2025 as against 2.73x at Sep 2025.

## Investments

- **Investment Assets**
  - The overall investment assets for the company were at Rs 583.0 bn, up 13.0% YoY.
- **Investment Income**
  - The investment income in Q2FY26 was at Rs. 12.2 bn as against Rs 11.2 bn in Q2FY25.
  - Investment leverage was at 3.60x as of Dec 2025 as against 3.76x as of Dec 2024.
- **Capital gain**
  - Capital gain net of impairment on investment assets in 9M FY26 was at Rs. 9.33 bn as against Rs 7.96 bn in 9M FY25

## Claim Settlement

- In 9M FY26, the company settled 96.8% of Motor Own Damage claims and 99.6% of retail health claims within 30 days.

## Return Ratios

- The RoE targeted is 18-20%.
- The Return on Equity was 19.5% in 9M FY26 compared to 20.8% in 9M FY25.

## Exhibit 2: Other Business Parameters

Rs mn	Q2 FY26	Q2 FY25	% yoy	Q1 FY26	% qoq
<b>Net Premium Earned</b>					
Fire	1,850	1,756	5.3%	1,817	1.8%
Marine	1,614	1,684	-4.2%	1,571	2.7%
Health including Personal Accident	21,656	17,716	22.2%	20,476	5.8%
Miscellaneous	3,137	2,880	8.9%	3,164	-0.8%
Crop Insurance	554	807	-31.4%	2,204	-74.9%
Motor	28,042	25,598	9.5%	27,285	2.8%
<b>Total</b>	<b>56,853</b>	<b>50,442</b>	<b>12.7%</b>	<b>56,517</b>	<b>0.6%</b>
<b>Segment Underwriting Profit / (Loss)</b>					
Fire	1,311	1,966	-33.3%	1,037	26.4%
Marine	(309)	(294)	4.8%	(471)	-34.5%
Health including Personal Accident	(1,059)	(1,967)	-46.2%	(886)	19.5%
Miscellaneous	517	336	54.1%	(171)	-402.0%
Crop Insurance	86	158	-45.5%	(575)	-114.9%
Motor	(4,084)	(1,721)	137.3%	(717)	469.5%
<b>Total</b>	<b>(3,538)</b>	<b>(1,523)</b>	<b>132.3%</b>	<b>(1,784)</b>	<b>98.3%</b>
<b>Loss Ratio</b>					
Motor OD	70.2%	62.0%	820bps	70.1%	10bps
Motor TP	61.0%	51.3%	970bps	60.6%	40bps
Health, Travel, PA	74.7%	81.3%	-660bps	77.3%	-260bps
Crop	87.4%	68.1%	1930bps	114.3%	-2690bps
Fire	37.8%	40.2%	-240bps	54.2%	-1640bps
Marine	92.7%	94.1%	-140bps	102.1%	-940bps
Engineering	34.7%	38.9%	-420bps	54.3%	-1960bps
Other	62.8%	54.7%	810bps	60.9%	190bps
<b>Total</b>	<b>68.7%</b>	<b>65.8%</b>	<b>290bps</b>	<b>72.1%</b>	<b>-340bps</b>

Source: Company, YES Sec – Research

## Exhibit 3: Quarterly Actuals Vs Estimates

Q3FY26 (Rs. mn)	Actuals	Estimates	Diff, %
Net Premium Earned	56,853	59,720	(4.8)
Underwriting Profit/(Loss)	(3,538)	(1,596)	(121.6)
PAT	6,588	8,063	(18.3)

Source: Company, YES Sec – Research

## ANNUAL FINANCIALS

### Exhibit 4: Profit & Loss Statement

Rs mn	FY24	FY25	FY26E	FY27E	FY28E
Gross written premium	255,942	282,577	311,339	363,076	423,635
Net written premium	181,656	207,611	229,459	267,268	311,447
Net earned premium	168,665	198,002	219,985	256,809	299,336
Net claims	119,395	139,868	158,623	183,624	213,462
Net commission	30,890	38,380	40,155	46,772	54,503
Expense of Management	28,177	28,409	30,977	35,547	41,111
Underwriting profit/(Loss)	(9,797)	(8,655)	(9,770)	(9,133)	(9,741)
Investment income	28,856	31,324	32,717	38,110	44,396
<b>Operating profit</b>	<b>19,059</b>	<b>22,669</b>	<b>22,947</b>	<b>28,977</b>	<b>34,656</b>
Shareholder's account					
Operating profit	19,059	22,669	22,947	28,977	34,656
Investment income	8,500	10,642	12,018	14,068	16,520
<b>Total income</b>	<b>27,559</b>	<b>33,311</b>	<b>34,965</b>	<b>43,045</b>	<b>51,176</b>
Expenses	2,007	98	396	743	855
<b>PBT</b>	<b>25,552</b>	<b>33,213</b>	<b>34,569</b>	<b>42,302</b>	<b>50,321</b>
Tax	6,366	8,130	8,642	10,575	12,580
<b>PAT</b>	<b>19,186</b>	<b>25,083</b>	<b>25,927</b>	<b>31,726</b>	<b>37,741</b>

Source: Company, YES Sec – Research

### Exhibit 5: Balance sheet

Rs mn	FY24	FY25	FY26E	FY27E	FY28E
<b>Sources of funds</b>					
Share capital	4,927	4,957	4,957	4,957	4,957
Reserves and Surplus	114,678	138,076	158,052	183,829	215,621
Fair value change account	9,896	6,807	6,807	6,807	6,807
Borrowings	350	0	0	0	0
Claims Outstanding gross	303,878	323,598	372,137	427,958	492,151
Current liabilities	98,474	103,797	119,367	137,272	157,862
Provisions	100,881	112,967	129,912	149,399	171,809
<b>Total Liabilities</b>	<b>633,083</b>	<b>690,203</b>	<b>791,232</b>	<b>910,222</b>	<b>1,049,209</b>
<b>Application of funds</b>					
Investments - Shareholders	115,869	137,255	158,904	186,241	218,936
Investments - Policyholders	373,204	397,823	463,818	540,861	630,662
Fixed assets	7,009	8,020	8,220	8,420	8,620
Deferred tax asset	2,926	1,691	1,691	1,691	1,691
Cash and bank balances	3,346	876	18,397	37,013	57,384
Advances and other assets	130,730	144,539	140,203	135,996	131,917
<b>Total Assets</b>	<b>633,083</b>	<b>690,203</b>	<b>791,232</b>	<b>910,222</b>	<b>1,049,209</b>

Source: Company, YES Sec – Research

## Exhibit 6: Ratio analysis

Particulars	FY24	FY25	FY26E	FY27E	FY28E
<b>Key ratios</b>					
Claims ratio	70.8%	70.6%	72.1%	71.5%	71.3%
Opex ratio	15.5%	13.7%	13.5%	13.3%	13.2%
Commission ratio	17.0%	18.5%	17.5%	17.5%	17.5%
Combined ratio	103.3%	102.8%	103.1%	102.3%	102.0%
Underwriting P/L Ratio	-5.8%	-4.4%	-4.4%	-3.6%	-3.3%
RoA	3.0%	3.6%	3.3%	3.5%	3.6%
RoE	16.0%	17.5%	15.9%	16.8%	17.1%
Dividend payout	26.9%	22.6%	22.9%	18.8%	15.8%
Investments leverage	4.1	3.7	3.8	3.9	3.9
<b>Per share ratios (Rs)</b>					
EPS	38.9	50.6	52.3	64.0	76.1
BVPS	242.8	288.5	328.8	380.8	445.0
DPS	10.5	11.5	12.0	12.0	12.0
<b>Valuation ratios</b>					
P/E (x)	48.5	37.3	36.1	29.5	24.8
P/B (x)	7.8	6.5	5.7	5.0	4.2
<b>Growth (%)</b>					
Gross written premium	17.6%	10.4%	10.2%	16.6%	16.7%
Net earned premium	13.8%	17.4%	11.1%	16.7%	16.6%
Claims	11.3%	17.1%	13.4%	15.8%	16.2%
Commissions	554.2%	24.2%	4.6%	16.5%	16.5%
Net income	11.0%	30.7%	3.4%	22.4%	19.0%

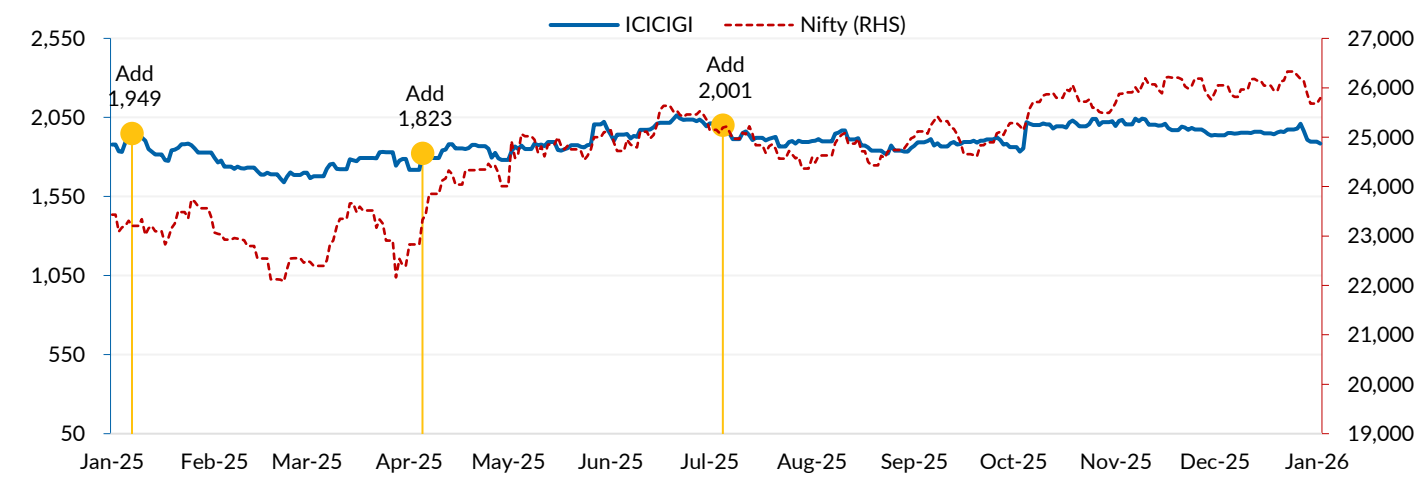
Source: Company, YES Sec – Research

## Exhibit 7: Change in annual estimates

Y/e 31 Mar (Rs mn)	Revised Estimate			Earlier Estimate			% Revision		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Premium Earned	219,985	256,809	299,336	229,075	267,172	311,149	(4.0)	(3.9)	(3.8)
Operating Profit	22,947	28,977	34,656	24,981	30,602	35,678	(8.1)	(5.3)	(2.9)
Profit After Tax	25,927	31,726	37,741	27,560	33,139	38,756	(5.9)	(4.3)	(2.6)

Source: Company, YES Sec – Research

## Recommendation Tracker





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Name of the Research Analyst : Shivaji Thapliyal, Hemant Kadian, Himanshu Barot

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