दि न्यू इन्डिया एश्योरन्स कंपनी लिमिटेड
(भारत सरकार का उपक्रम)
THE NEW INDIA ASSURANCE COMPANY LTD.
(Govt. of India Undertaking)
पंजीकृत एवं प्रधान कार्यालय : न्यु इन्डिया एश्योरन्स बिल्डिंग, 87, महात्मा गांधी मार्ग, फोर्ट, मुंबई - 400 001.
Regd. & Head Office : New India Assurance Bldg., 87, M.G. Road, Fort, Mumbai - 400 001.
CIN No. L66000MH1919GOI000526

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Ref. No.: NIACL/CMD_BoardSectt/2025-26

To,

The Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street
Mumbai 400 001

The Manager
Listing Department
The National Stock Exchange of India Ltd.
Exchange Plaza, 5th floor, Plot C/1,
G Block, Bandra-Kurla Complex
Mumbai 400 051

Scrip Code: (BSE – 540769/NSE – NIACL)

Dear Sir/Madam,

Sub: Transcript of the Conference Call held on 21st May, 2025

With reference to our letter dated May 15, 2025, intimating you about the conference call with Analysts/Investors held on May 21, 2025.
Please find attached the transcript of the aforesaid conference call.

You are requested to kindly take the same on records.

Thanking You

Yours faithfully

For The New India Assurance Company Limited

ABHISHEK PAGARIA
Digitally signed by ABHISHEK PAGARIA
Date: 2025.05.27 12:00:44 +05'30'

Abhishek Pagaria
Company Secretary & Compliance Officer

The New India Assurance Company Limited
Q4 & FY25 Results Conference Call
May 21st, 2025

Management:

1. Mrs. Girija Subramanian – Chairman cum Managing Director
2. Mrs. Kasturi Sengupta – Executive Director
3. Mrs. Sushma Anupam - General Manager
4. Ms. Chandra Iyer General Manager
5. Mr. K. V. Raman - General Manager
6. Ms. Rema Devi - General Manager
7. Mr. S Dinakaran - General Manager
8. Mr.Prashant Biswas- General Manager
9. Ms.Jayashree Nair -General Manager
10. Ms Mary Abraham -General Manager
11. Ms. Jayasree S. -General Manager
12. Mr. K Ramesh -General Manager
13. Mr. Vimal Jain DGM & CFO
14. Mr. Sharad S. Ramnarayanan- Appointed Actuary

Abbreviations:

GWP: Gross Written Premium
ICR: Incurred Claim Ratio
ROE: Return of Equity
GDWP: Gross Direct Written Premium
GDPI: Gross Direct Premium Income

The New India Assurance Company Limited
Q4 & FY25 Results Conference Call
May 21st, 2025

Moderator: Welcome to the conference call of The New India Assurance Company Limited arranged by Concept Investor Relation to discuss its Q4 FY'25 Results.

We have with us today Mrs. Girija Subramanian – Chairman cum Managing Director; Mrs. Kasturi Sengupta – Executive Director; Shri. Vimal Kumar Jain – Chief Financial Officer among other esteemed management members.

At this moment, all participant lines are in listen-only mode. Later, we will conduct a question-and-answer session. At that time, if you have a question, please press '*' and '1' on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mrs. Girija Subramanian – Chairman cum Managing Director. Thank you, and over to you, ma'am.

Girija Subramanian: Good evening, everyone. I am Girija Subramanian – Chairman cum Managing Director of The New India Assurance Company Limited. It's my privilege to welcome you to this investor call following the announcement of our performance review for the fourth quarter of FY'25.

Joining me today are Mrs. Kasturi Sengupta – Executive Director, Shri. Vimal Kumar Jain – Chief Financial Officer; Mr. K. V. Raman – General Manager of Finance, Mr. Sharad – our Appointed Actuary and other General Managers.

At this outset, I would like to extend my heartfelt gratitude to all the participants for taking the time to join us this evening. I also wish to thank our shareholders, investors and analysts for your continued trust in our organization. Your unwavering support continues to be a key driver to our success, motivating us to deliver consistent and sustainable growth. I would quickly give a brief background of our Company and then proceed to the financial and operational aspects for the Fiscal Year 2025 post which we shall proceed to the question-and-answer session. Myself and my team shall do our best to answer all your queries and clarify all your doubts. As you know, we are a 106-year-old insurance company conceptualized by Sir Dorabji Tata in 1919 and nationalized in the year 1973. We are a PSU under the Ministry of Finance, Government of India. We have a pan-India presence with 1,660 plus offices in 25 countries.

With so many geopolitical risks and rising uncertainties hovering around, insurance, both life and non-life, have become the need of the hour. And we firmly believe your company, The New India Assurance Company Limited, is best placed to cater the growing needs of the non-life insurance. Also the young generation has the awareness, willingness and discretionary income to opt for non-life insurance to safeguard themselves against any adversities. This has been largely possible with the awareness initiatives of the IRDAI and the Government of India.

Let me assure you that we have a robust cyber security infrastructure in place which is evident in the fact that we have been certified ISO 27001:2022 for ITeS security which ensures our emphasis on customer data protection and technological capability. The general insurance industry stands at Rs. 33,649.27 crores as of April '25 which grew at a rate of 13.38% year-on-year as per General Insurance Council's data of which your company has underwritten Rs. 6,026.63 crores which is an 18% of the gross direct premium underwritten which grew by 14% year-on-year.

Business highlights:

The distribution mix stands at a direct 28.55% from the direct sources. Agency 28.56%, Bancassurance 0.64%, dealer 8.73% and brokers 33.52%. Product mix stands as follows. Health and PA 46%, Motor TP 15%, Motor OD 13%, Marine 2%, Fire 14%, Crop 1%, Others 9%. In Quarter 1 FY'26, ratings agency, CRISIL has reaffirmed its ***CRISIL AAA stable*** rating which is considered to have the highest degree of safety for your company. Furthermore, AM Best has assigned the India National Scale Rating of **AAA.IN (Exceptional)**, and has confirmed the financial strength rating of **B++ (Good)** and long term issue a credit rating of **BBB+ (Good)**, to New India Assurance Company Limited. The outlook of these credit ratings is stable.

Your company has invested in equity shares of the Bima Sugam India Federation, a Section 8 company through private placement for a cash consideration amounting to Rs. 5 crores. BIMA -Sugam will act as a one-stop solution e-platform for people to access all products of all insurance companies. It will be a digital platform to be regulated by the IRDAI where the customers can buy insurance policies and get their claims settled. And then also be useful for all the stakeholders like insurers, agents, depositories etc. At New India Assurance Company Limited, we have always endeavored to preserve an equilibrium between growth and profitability without which an organization cannot survive. We constantly strive to make sure that every underwritten policy is risk-weighted and contributes to enhancing shareholder value. In line with this, we have consciously foregone corporate accounts which were not revenue accretive. However, this has been compensated with quality underwritten policies which have minimal risk.

All of the above conscious efforts are evident in our financials for FY'24-'25 which are as follows.

Financial performance summary for FY'25,

The gross direct premium income, Indian business, stood at Rs. 38,660 crores in FY'25 as compared to 36,997 crores in FY'24. The gross written premium global stands at Rs. 43,618 crores in FY'25 as compared to Rs. 41,996 crores in FY'24. Net premiums earned (global) reported at Rs. 35,368 crores in FY'25 as compared to Rs. 34,028 crores in FY'24. Net worth stands at Rs. 21,538 crores in FY'25 as compared to Rs. 20, 827 crores in FY'24. Net profit after tax stands at Rs. 988 crores in FY'25 as compared to Rs. 1,129 crores in FY'24.

Now, coming to the important ratios for FY'25 which are as follows:

- The net incurred claim ratio is at 96.61%, commission ratio 9.95% of net written premium compared to 8.74% in FY'24.
- Expense ratio 10.21% of net written premium compared to 13.78 in FY'24.
- Combined ratio 116.78 compared to 119.88 in FY'24.
- Solvency ratio 1.91 compared to 1.81 in FY'24.
- The return on equity ratio is at 4.66%.

Digital and IT Transformation

Our digital initiatives have started yielding significant results. A growing number of customers are now opting for digital channels to purchase policies and settle claims. Substantial volumes of claims have been processed digitally and this segment is expected to continue its upward momentum. Several transformative IT initiatives have been executed. These include a complete revamp of our website with an enhanced UI/UX and introduction of an NLP enabled chatbox in 8 languages.

We have also launched WhatsApp services offering features such as policy download, claim status tracking, product information and live chat, again available in 8 languages.

Our 24/7 multilingual call center now supports end to end services related to product queries, policy issuance and claims. Our customer portal enables a seamless digital journey for buying standard insurance products and managing policies and claims online.

We have implemented AI based claim automation for motor own damage claims up to Rs. 1 lakh and introduced HSN code based digital survey mechanism to facilitate real time claim processing. Advanced analytics tools like Oracle analytics are being used for actuarial pricing. Additionally, an AI powered fraud waste and abuse tool is deployed for fraud detection in specialized health operations. We have aligned ourselves with several national initiatives. Our integration with the account aggregator's ecosystem is live. We have also integrated with the Jan Suraksha portal.

We have realigned ourselves with several national initiatives. Our integration with account aggregator ecosystem is live. We are also integrated with the Jan Suraksha portal for PMSBY, now connected with seven partner banks. Furthermore, claims are being processed through the NHCX platform across multiple hospitals.

On the developmental front, we are progressing towards onboarding with the open network for digital commerce, ONDC, in the health line of business and implementation of IFRS 17 and IND AS 117 is already underway. We are also collaborating with fintechs and startups for process enhancement, implementing IT service management and AI based knowledge systems and expanding our digital marketing efforts through SEO and social media.

With this, I come to the conclusion of my opening remarks and invite our General Manager (Finance), Mr. K. V. Raman to provide a detailed overview of our financial performance.

K. V. Raman: Good evening, everybody. I am pleased to present the financial performance of this Company.

For the year ending 31-03-25, the gross written premium of the company is Rs. 43,618 crores as against Rs. 41,996 crores of the previous year. And this gives a year-on-year change of 4%, (3.86%) for the current year, which is in alignment with the reduced market growth of the industry. And the net written premium after the reinsurance arrangement, after the premium is seeded out, the net written premium is Rs. 36,315 crores as against Rs. 34,407 crores which works out to roughly 83% of the gross written premium. And the net earned premium as calculated as per the prevailing regulations, it is Rs. 35,368 crores as against Rs. 34,028 crores of the previous year which works out to around 82% of the gross written premium. And the net incurred claims stands at Rs. 34,168 crores as against Rs. 33,128. But in terms of percentage of ICR on the net earned premium, it works out to 96.61% which is less compared to 97.36% of the previous year. And the commission out go works out to Rs. 3,615 crores as against Rs. 3,008 crores and the increase is due to the reward and remuneration given to intermediaries where the incurred claim ratio is better this year.

The operating expenses, it is Rs. 3,709 crore as against Rs. 4,742 crore making a significant reduction and in terms of percentage it is 10.21% for the fiscal year '24-'25 compared to 13.78% of the previous year making significant improvement. So the combined ratio works out to 116.78 for the recent year as against 119.88% of the previous year making an improvement of 3.1%. The underwriting results are the loss, Rs. 6,124 crore which gives an improvement of 11% as against the previous year loss of Rs. 6,850 crore and the investment income works out to Rs. 8,034 crore for the year ending 31.03.2025 compared to Rs. 9,241 crore which is basically due to the investment market behavior. The interest and dividend income is Rs. 5,214 crore as against Rs. 4,872 crore of previous year where the company has done well in the interest and dividend income and the capital gains are Rs. 2,820 crore as against Rs. 4,369 crore which is due to difference in fair value change. So it is evident that the investment income is less due to the market behavior.

And the other income and expenses are Rs. 875 crore as against Rs. 946 crore of previous year, which mainly includes the provisions made during the current year towards non-moving balances. And the profit before tax is Rs. 1,034 crore as against Rs. 1,445 crore. And the tax component as per the rules is Rs. 46 crore as against Rs. 316 crore of previous year. This is less because of the provision and advance tax already paid. And the profit after taxes is Rs. 988 crore as against Rs. 1,129 crore of previous year. We have also uploaded the comparative figures of the latest quarter and the previous year's last quarter. The other income/ expenses includes the, as I already mentioned, includes the legacy non-moving balance provision which has been made as per the board approved policy.

There is also a comparative chart of combined ratio, gross written premium and investment income and profit after tax of the latest quarter compared to previous year quarter and the '24-'25 year compared to previous year which has been uploaded also in our website.

And the solvency ratio of the company as on 31-03-25 stands at a robust 1.91% compared to 1.81% of previous year. And the net worth stands at Rs. 21,538 crores compared to Rs. 20,827 crores which shows an improvement. And the fair value change account stands at Rs. 21,406 compared to Rs. 23,569 crores which is due to the loss in capital gains only and the technical reserve of the company stands at Rs. 53,177 crores compared to Rs. 50,114 crores of the previous year and the return on equity stands at 4.66% as against 5.58%, but ignoring the provisions made it would be much better than 5.58%.

Segment wise performance, in fire department, the premium is Rs. 6,225 crore compared to Rs. 6,744 crore and the ICR is 71.2% compared to 80.1% of the previous year which shows that the LOB is going in the right direction and the marine premium Rs. 1,010 crore as against Rs. 1,032 crore. Here the ICR is very decent, 53.7% compared to 48.1% of the previous year. And in Motor OD, it is Rs. 5,406 crore as against Rs. 5,152 crore with a growth of 5%(4.9%)exactly and ICR stands at 104.2 compared to 105.8 of previous year and in Motor TP it is 6,652 crore compared to Rs. 5,993 crore of previous year and the year-on-year growth is 11% here and the ICR is 108.2% as against 96.4% which is actually indicating that the department, this particular portfolio is due for revision in premium and we are awaiting instructions from the government and regulator. And health and PA, it is Rs. 19,928 crores compared to Rs. 19,025 crores of previous year with a growth percentage of 4.7% which is in tune with the company's growth rate because our health portfolio is around 46% of the company and the ICR has improved to 100.9% compared to 105.9% of the previous year having a significant improvement of 5%. Crop segment is Rs. 483 crore as against Rs. 313 crore of previous year and the ICR is 81% as against 37.6% and for all other business put together it is Rs. 3,914 crore compared to Rs. 3,737 crore of previous year with a growth rate of 4.7% which is also in line with the company's growth rate and the ICR of all "other business" put together it is 58.8 compared to 59.7% of previous year.

Overall business already as mentioned it is Rs. 43,618 crore with a growth of 4%, with an ICR of 96.6% as against the previous year performance of 97.36% ICR. If we do an analysis excluding motor TP, in which the premium rating and the claim settlements are not in our hands, if we remove exclude TP and see the same figures, it works out to 94.2% of ICR compared to

97.6% of previous year, which shows that the company is going in the right direction of improvement of more than 3.1% growth, and improvement in ICR.

We shall now touch upon some industry figures which are as follows: I am pleased to confirm that the company continues to be the number one company in General Insurance market with a market share of 12.6% this year. And the industry is also growing at around 6.1%, whereas our company's growth is 4.5%. Here if you compare the first half year of the company and second half year of the company, it is evident that the company's performance during the first half year was much lower than that of the industry growth whereas in the second half year after the senior management is changed, it is faster ie. it is more than the industry growth which is 6.21% leading to overall annual growth of 4.5%.

Segment wise market share is given. Here also New India is continuing to be number one in many portfolios. In fire, it is 16.3% market share, in marine 17.3%, in motor it is 10.6% and Health and PA it is 15.5%. All other line of business put together it is 16.3%. Overall, our volume is 12.6% of the industry. And if we exclude crop which is an inward business, it is 13.9% of the industry.

So these are the credentials about the company already mentioned by our CMD madam. We are in the 106th year of operations and we are the market leader with a strong brand image. The national credit rating by CRISIL is AAA and International Credit Agency, AM Best has given B++. We are not only an Indian insurer, we are also operating in 25 other countries since 1920. Our oldest foreign operation is from 1920 in London and we continue to operate in 25 countries in different business models like branches, agencies, subsidiary, associate companies, etc. We are having multi-channel distribution network like broker, agency, online, web aggregator direct, etc. And the number of offices as on 31-03-25 is 1,668 offices operating in three-tier structure of Head office, Regional office and Business offices.

The segment mix, as already mentioned by Madam, Health comprises of 46% and the motor OD and TP put together is comprising 28% and fire property business works out to 14% and marine 2% and crop 1% and all other line of business put together it is 9% totaling 100% and so it is a very balanced portfolio which is helping the company to perform consistently better with sustainability. And the distribution mix is as follows: Direct businesses around 28.55% and the broker continues to be the number one channel of 33.52% and the agency channel which is also historically one of the very strong distribution channel of the company amounting to 28.56% of our business and the Dealer business is around 8.73% and the bancassurance is about 1% where we have scope to improve in the coming year.

And these are some of the key initiatives, some are already mentioned by CMD madam. And we are launching a new product among several new products -"Parametric insurance". This year has been declared by our company as MSME year to focus on retail business which is more profitable in terms of ICR in many lines of business. So we have chosen this year to be MSME year. And the emphasis on growth on profitable businesses already there and sufficient targets have been given to the Regional offices and there are also efforts to increase our penetration in states assigned to us by the regulator and government by way of State Insurance plan. Further, the company is also working on the Risk Management strategy by implementing ERM with the professional assistance of EY company towards moving to higher credit rating to establish our credit rating in the international market.

These are certain IT initiatives already mentioned by CMD madam. The call center is offering services in multiple languages, majorly spoken languages apart from Hindi and English. The website is now revamped so that our customers and public are able to see the information about products, offices, etc. in a very clear way. And our WhatsApp services have also started in multiple regional languages (eight languages) for policy assurance and claim related basic services. And we have AI, artificial intelligence and machine language enabled chatbot also for customer service, which is available. And the claim automation efforts are continuously on and we have already automated Motor OD claims up to one lakh and marine cargo claims up to 50,000. Customer portal is also offering seamless user experience of certain routine products which can be accepted by the company without any manual intervention.

Thank you all.

Moderator: Thank you. We will now begin with the question-and-answer session. The first question is from the line of Mehak from Emkay Global. Please go ahead.

Mehak: Yes, hi. Thank you for the opportunity. A couple of questions. So first is on the motor business. So I just wanted to understand how are you looking at the motor business for the coming year, FY26? And what would be your strategy in terms of the Motor TP business if the price hike doesn't come in FY'26? So that would be my first question.

Girija Subramanian: So can I answer now or will you put up the second question also?

Mehak: Yes ma'am, the two questions I will ask later on.

Girija Subramanian: Okay, so for motor business in the coming year, we will continue our strategy for the last year which has produced results for us. We are targeting the OEM segment where OD is concerned. We are trying to see that we write more private car business and change our mix in favor of private car vis-à-vis commercial vehicles. And this will be the strategy going forward also. Because we find that ICRs are better in this segment. And as far as TP is concerned, I mean, it is a mandated business, so we have no control over TP business. We'll have to continue to do TP business. Even, I mean, we simply cannot have a strategy around it. The only thing we can do, to reduce overall impact is to keep aligning our OD strategy in a way that the entire OD plus TP becomes sustainable. But as I have said before also that the TP premium hike is surely the need of the hour and if that is there, then it will become a survival issue for most companies if it is not relooked into.

Mehak: Ma'am, my question for the Motor TP strategy was more of from the perspective of the mix between the PVs and the CV business.

Girija Subramanian: So in Motor TP, we have better loss ratios even for the CV business. So we will have a different strategy for Motor TP when it comes to it, because we simply, I mean we can target certain segments. Wherever the ratios are better for our book, we will continue to target those segments. But we will see that whenever there is a business that approaches us for TP, I mean we simply can't refuse to do that. This is something that is mandated and therefore while we do write whatever comes to us, we will surely look out for certain portfolios where the TP loss ratios have been favorable to us in the past.

Mehak: Got it, ma'am. And secondly, just wanted to understand what led to the decline in the operating expenses to Rs. 571 crore during Q4. That would be the first one. And secondly, if I was going through the notes to accounts, so can you just explain to what would be the change in the expense allocation policy, which resulted in the impact of around Rs. 650 crores for the quarter?

K. V. Raman: Actually, the Regulator has given an EOM policy which gives us a cap on expenses of management where the company is always having expenses of management well within the limits given by the Regulator. But mainly, the two reasons for the decrease in expenses is one -the company's phasing retirement of many people where we are trying to induct new officers, Recruitment process are already on. So, this will give an impact in the reduction in wages also. And the number of offices compared to previous years is now very less. So it will reduce the administrative expenses also in terms of running expenses and rent of building etc. So these factors put together has given a reduction in expenses of management.

Mehak: Got it, sir. And what would be the explanation for the change in the policy?

K. V. Raman: No, it is not the policy by the company. It is the regulator has given a year ago from 2024. There is no change in company's EOM policy.

Mehak: Got it, sir. Thank you so much for the detailed explanation.

Girija Subramanian: We are supposed to cap it at 30. It doesn't affect New India. In any way, we are very well within that already.

Mehak: Got it, ma'am. Thank you so much.

Moderator: Thank you. The next question is from the line of Akshay Kothari from Envision Capital. Please go ahead.

Akshay Kothari: Ma'am, can you just outline what is the debt versus equity mix of the investment book?

Girija Subramanian: Our GM, Mrs. Chandra here will reply.

Chandra S. Iyer: Our debt portfolio is around 70% to 72% of our portfolio and equity is somewhere between 15% and 16% of equity portfolio. And the rest is money market.

Akshay Kothari: Ma'am, I wanted to understand - will this combined ratio actually come down and how do we plan to take it down because actually it's 16% cost of capital to raise Rs. 43,000 crores we are paying 16% more. So what is the strategy for that?

Girija Subramanian: Yes, combined ratio for the industry average is at around 113. In non-life segement, this is the way this industry works and the investment income and the underwriting results together create the value for the entire operation. Now, combined ratio has definitely come down from 120 to 117 which is a huge reduction for any insurance company of this size to achieve. So, I mean we are putting in all strategies in place to ensure that combined ratio keeps coming down year-on-year and I am sure that with all the efforts that they're putting in terms of claims management, in terms of selection of the written risk, in terms of speed in settlement of claims, all of this will surely result in better combined ratios as we go.

Akshay Kothari: This 113%, you mentioned was of the Indian market, right?

Girija Subramanian: Yes.

Akshay Kothari: And what is the mix for the foreign operations currently?

Girija Subramanian: Foreign operation is around 9% of our entire book.

Akshay Kothari: Okay. Because internationally I think combined ratios are much lower?

Girija Subramanian: Internationally, combined ratios are within 100, they will not be very low, but yes they are. The investment income doesn't exist over there. There is no investment income. So it is, I mean, so therefore the growth also will be very small. They don't become large very fast. There are a lot of restrictions because of the investment climate in those countries.

Akshay Kothari: Yes. That's it from my side. Thanks a lot.

Girija Subramanian: Thank you.

Moderator: Thank you. The next question is from the line of Karan Negi, an Individual Investor. Please go ahead.

Karan Negi: My first question is, you mentioned the combined ratio has improved to 116.78% in FY'25, and the underwriting loss is reducing by 11%. So what are the specific measures that are driving for this improvement? What is the timeline and roadmap for bringing the combined ratio below 100%?

Girija Subramanian: Yes, so Karan, thanks for this question. So the combined ratio, there are a lot of initiatives that we take because we are in the insurance business and we would definitely like to see the combined ratio reaching below 100%. And in this entire initiative, we also need to remember that our company is around 106 years old and we carry a legacy of so many years that comes down the line. Apart from that, there are a lot of initiatives that we have taken in the last 2-3 years which is basically on risk selection, whether it is group or individual risk, whether it is retail business. We have seen to it that & we try and see that there is some value for this company at the end of the day when we write the business at a particular price. Now, in line with this philosophy that we need to have profitable growth, we have even shed so many group accounts on Mediclaim where the pricing did not suit us and definitely we would have made more losses, had we continued to write. So, more than nine hundred such accounts we have left in the last year simply to see that we are more profitable on the business that we do. And therefore I think a lot of this risk selection whether it is Mediclaim business, whether it is other than health, I mean home, motor, in all classes, we have tried to see that there is profitability at the end of the day right from our underwriting itself and not waiting for investment to step in. But having said that, we are in the business of uncertainties and therefore since we insure uncertainties there are many events that sometimes surprises which cause losses and therefore the results are not always bang on as expected but definitely with so many initiatives happening, whether it is intervention of automation, introduction of fraud and audit mechanisms, whether it is putting SOPs in place, making our employees more accountable, seeing to it that we audit our TPAs and all external agencies, put in a timeline for every activity. All of these activities across all lines of businesses, they still result in this kind of an impact that we are seeing this year. It's a huge impact 3.1% on combined ratio is huge and we are very happy to have been able to do that. 11% reduction in underwriting losses is significant from this angle and we hope to bring down the combined ratio significantly year-on-year. For a near future, we would target 110 as our combined ratio which is where we would feel it is possible and achievable. Below 100 is definitely a dream for all of us and I hope and pray that your company is able to achieve that in the shortest possible time.

Karan Negi: Okay ma'am, thank you. And my another question is, despite slower premium growth, profitability improved, so do you expect any positive underwriting profits on like the coming quarters.

Chandra S. Iyer: We are making underwriting profit on certain segments, but overall when you see that is when it goes above 100. So, yes we are putting strategies in place across all lines of business and each line of business is being focused as a separate profit center, profit vertical. We are trying to see that we generate profit out of each of them and then let us see, hope that next year brings in that number.

Karan Negi: Okay ma'am. And the last question is, what is the effective ROE for like FY'25 after reinsurance and any target for FY'26?

K. V. Raman: The ROE based on reported number is around 4.46% but if you remove the impact of the provisions that we have made towards the legacy balances it is in excess of 8%.

Karan Negi: Okay, sir. Thank you.

Moderator: Thank you. The next question is from line of Shobhit Sharma from HDFC Securities Limited. Please go ahead.

Shobhit Sharma: Thanks for the opportunity. So my first question is on your expenses, employee expenses for the quarter is almost one third of what it has been. So can you help us understand, what has been the trajectory? I understand that you mentioned there has been retirement of employees. So, can you help us understand the headcount reduction which has happened and how should we think about the trajectory going forward? Secondly, coming to the provision which we have created on the reinsurance side. So, can you help us understand what kind of receivables it was on the reinsurance side? Was it something related to claims or it was a commission? Probably, then I will ask my other questions.

Sharad: First of all, I would request you to look at the expense number on a full year basis and not just a quarter-to-quarter basis; as we mentioned earlier there has been benefits of a lot of retirements which have happened, net additions have been negative and the new employees have come at a much lower cost than the senior people who have retired. So, all those things have contributed to the lesser amount of expenses on the employee front. Apart from that, we also do the annual valuation of the pension liabilities. We do it once in September, once in March. So, whatever is the impact of that which comes, we take that in the fourth quarter. So, this time around, the impact on the fourth quarter was lesser than what it was in the same quarter last year. So, this was the major two factors. So, I would request you to look at it on an year-to-year basis. But whatever reduction which you see over there, that is kind of a tangible number you can work with.

Girija Subramanian: As regards to second question, what was the other provisions made for legacy issues? Then yes, there were a lot of reinsurance transactions. This is a 106-year-old company with transactions spanning across several years. And there were these many reinsurance provisioning which were done at certain points of time. Two times, system changes that have happened during this period because of which there were lot of these unreconciled balances. So we have used the guidelines for provisioning(board approved guidelines) and these provisions have been made and we will be giving them a thorough review and taking a call on these provisions in near future.

Shobhit Sharma: Just on the employee expenses, a small follow up on that. How should we see employee costs going forward? Should we see a rational 10% to 12% increase in that or should we see a similar run rate as this quarter?

Girija Subramanian: Employee costs will be depending, it will be a function of the number of retirements and the number of inductions and also the wage revision that is on the anvil which will play a part in this. So, it's a function of many parameters and we are also going to recruit people because we are having around 4,000 people retiring in the next 3 to 4 years and we need to plan and start inducting people and therefore, that's already on. So, it depends on the net differential between their salaries after taking into account the effect of the wage revision. So, definitely there will be, it will be a different trajectory and we move every quarter we will keep reporting back to you.

Shobhit Sharma: My next question is on your health line of business. So you have improved your loss ratio considerably on those lines. So can you help us understand; what is the mix of that, the loss ratio in retail and group business? And can you help us understand the insurance rate, what you are observing on the retail lines of business and how much is the inflation on those lines?

Girija Subramanian: Yes, our GM, Mrs. Sushma Anupam is present here and she will explain the health side of it.

Sushma Anupam: So Shobit, actually in the health line of business, our portfolios as you would have already seen that the group segment is larger as compared to the retail part of the business. Definitely, there has been overall improvement but we find a good improvement in the retail segment, as always. Definitely, the medical inflation which has been there, it has come down slightly, maybe from 14% to 12%. But nevertheless, the incidence rate as in the past meetings also, I had mentioned that the incidence rate, we find is going up and that has not settled as far as the pre-COVID days. So, that continues to be as it has been in the past also. Actually, to share the exact numbers would be a bit difficult to say in terms of exact percentages, but I can tell you that the improvement in the retail segment has been almost 10 points compared to the previous year's position. As far as the group segment is concerned, I would say that it has improved by about 3 to 4 points compared to the previous year's performance. Government business, definitely, has seen improvement. So, overall if you see combined effect, we have seen good improvement and we feel that this will continue because it is a result of multiple factors. We have been increasing our audits. So, last year, as we mentioned that we had hired medical officers. So with the total strength of the medical officers, we could increase our audits that we conduct. Almost 34% audits were conducted last year. This year also, we have a vision to increase it beyond 50%. So, all other measures like we are participating with the GI council initiatives for cashless everywhere and common empanelment. So, that all will also help in bringing down our ICR further. And we are trying that the cashless percentage goes up for us as it is going up for the industry. And of course, last but the most important factor is about as our CMD madam has mentioned about the quality of the risk and the pricing aspect. So, all these factors together have contributed to this improvement and the changes that are coming out. So, I feel that the tempo will continue in the coming times also. Thank you.

Shobhit Sharma: Thanks for that. Just a small follow up on the elaborate response. On the retail side, the loss ratio has improved significantly by 10 percentage points. So was it because of the price hike which we have undertaken or it was primarily attributable to the audits which we have done during this year?

Sushma Anupam: So actually, very rightly you are asking this question. It's a combination of both because we had come up with the price increase after almost six years and then ad follow up, small change in the pricing strategy for the zone wise pricing and all. So, that is one part of it and the other part is the claims control. So, it's a combination of both the things.

Shobhit Sharma: And are we planning any price hike going forward?

Sushma Anupam: So, actually last time, we had shared with all of you all that what we have tried is to have age wise pricing as against the previous pattern - which we used to have of slabs (age slabs). So now with that already in place, immediately we, after seeing more some performance levels, then we may look at revising the prices. But for now, immediately it is not on the anvil.

Shobhit Sharma: Thanks. Ma'am, my next question is on your property lines of business. Last year, June onwards, we have seen FLEXA rates declining significantly. So can you help us understand how has been the experience up till now or the rates have been holding up? What kind of growth should we expect in the industry from June onwards?

Girija Subramanian: Yes, so from last year, from May, almost May till end of December, there was a watershed in the property market. It was just tanked and I think we then had the industry sort of understood that this is not going to pull on because this property is mainly driven by reinsurance and the reinsurers are never comfortable with this kind of reduction in rates almost next to nothing (it was the rate). So therefore, I think the rates have corrected after that and they held on very well for the last four months, the fifth month rates are holding on and we believe that this will continue into the future also. And once this continues, I think property as a class of business would be a little bit more comfortable.

Shobhit Sharma: Another, there was some circular from IRDAI on the cross-border re-insurance arrangement. So, can you help us understand how have we collaborated with the CBRs in terms the arrangement, whether we are with handling the premiums or they have set up their office in the GIFT City?

Girija Subramanian: Yes, so CBRs do form a big part of our programs also. So, most of the CBRs whom we interact with, they have agreed for a premium withheld option and that has been going very smooth. In fact, we did not experience any resistance or any great challenges during this renewal.

Shobhit Sharma: And ma'am, last question is on a broader line. How do you see industry growth going forward as we want to control our loss ratio also? So, what do you think would be the major revenues from where we can improve our loss ratios?

Sushma Anupam: Yes, so industry growth is like, it's being heavily driven nowadays by both the Prime Minister, by all the statutory authorities, you can say even the Regulator. Everyone is driving the growth of the industry in terms of penetration. So, obviously if you penetrate well, growth will also be there and that is what we are working on. We have, in line with the Regulator's vision, have also announced this as the year of the SME for New India and we are working hard on ensuring that we enter either to in the remote corners of the country to ensure that we bring them also into financial inclusion. We have designed several products on the retail space to cover up for this segment of population that is uninsured and we believe that this diversification that we have planned in terms of simple products being sold into the hinterlands, customized to the needs of the population, this is what is going to help us diversify into the retail lines in a big way and this will help us surely bring down the loss ratio of the entire book as a whole.

Shobhit Sharma: Okay, ma'am. Thanks for the elaborative response. All the best.

Sushma Anupam: Thank you.

Moderator: Thank you. We will take the next question from the line of Aditya Chopra, an Individual Investor. Please go ahead.

Aditya Chopra: My questions are somewhat long, so keep patience in hearing it.

Girija Subramanian: Thank you so much.

Aditya Chopra: Okay. Could you please elaborate on how Q4 has shaped up in terms of overall growth especially in the property insurance segment and what growth rate you have seen in this quarter?

Girija Subramanian: For fire, we have had a reduction of 23% in fire for Q4. I mean, that is because of a reduction in premium from Rs. 6,744 crore for '23-'24, it has come down to Rs. 6,225 in '24-'25. Entirely for the last quarter, the reduction is around 7.7% and for the year as a whole it is around 23% reduction.

Aditya Chopra: Okay. The second question being the Rs. 802 crore provision towards legacy reinsurance balances impacted the PAT and ROE. Can you clarify if this is a one-off or is there potential for reversal or recoveries in future periods?

Girija Subramanian: No, this is a one-time provisioning because it is actually we have been working hard to get back our global credit rating and some of the aspects that have come in the way of getting back our A minus (excellent) rating from AM Best. One of the major issues has been this unreconciled reinsurance balances which are legacy issues and other audit qualifications. So, this has been a major part of it. So, in an attempt to see that we cover up a lot of this ground and we are able to present a cleaner book of accounts and also then aspire for a well-deserved A- excellent rating from AM Best, we have seen to it that we provision for them and we will, in the next couple of months, see how to treat these provisions and with that I think, we will be done with it. I don't think this is going to be ever repeated, furthermore. There are a lot of systemic improvements that we have put around this. We have set up a certain task force, have set up certain cells to monitor those areas because of process defaults, because of which these unreconciled balances were there. So now, as having plugged the gaps. I think this kind of scenario may not happen in the future. And we would be able to convincingly put this across even to our credit rating agencies.

Aditya Chopra: Okay. Ma'am, my last question is, what is the contribution of investment income versus underwriting income to total profitability in Q4, especially considering some recoveries in the equity market? What is contribution of investment income versus underwriting income?

K. V. Raman: For the last quarter, FY'24-'25 in Q4, the underwriting results is loss of Rs. 1,143 crores and the interest and dividend income is Rs. 1,415 crores. I am saying this is the breakup of Rs. 2339 crore breakup. Profit before tax is 526 crore in Q4 2025.

Girija Subramanian: For the last quarter of FY 24-25, the underwriting results is Loss of Rs.1143 crore. The interest and dividend income is Rs.1415 crore and capital gains is Rs.924 crore. This is the break-up of Rs.2339 crore. The investment income which is Rs.2339 crore, underwriting loss is Rs.1143 crore and deducting other expenses and tax resulted in PAT of Rs.347 crore in 4th quarter.

Moderator: Thank you so much. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for closing comments. Thank you and over to you.

Girija Subramanian: I would like to take this opportunity to thank all our investors, our business partners, our employees, and everyone connected to New India Assurance Company, one way or the other, mainly our customers who are constantly reposing trust in this institution which has stood strong for over 106 years and we will be there strong leading from the front across many more years to come and we would put every effort that is there to see that we keep this trailblazer on. The entire management team and the workforce is working to ensure that we deliver on the promises that we have given to our customers at all times. Should you have any queries please feel free to email us and we shall be swift in responding back to you. Thank you so much for the time and attention that you have given to New India Assurance Company and thank you for being with us on this journey.

Moderator: Thank you Members of the Management, ladies and gentlemen on behalf of The New India Assurance Company Limited that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.