



Q3 & 9MFY18 Investor Presentation



Overview

Largest general insurance company in India with an established brand, expansive multi-channel distribution network and strong international presence

#1 in India

in terms of net worth, domestic gross direct premium, profit after tax and number of branches

c.100 years of operations

Incorporated in 1919

A- rating by AM Best and AAA by CRISIL

27.10 million policies

issued in FY2017 across all product segments

15% market share

Leadership in all lines of business other than crop insurance

2,455 offices in India

across 29 states and 7 union territories

Presence in 28 countries

through international branches, agency offices and subsidiaries, including a box at Lloyd's, London



Future Strategy

Increasing Return on Equity

Improve underwriting profitability by reducing the incurred claim ratio

Maintain/Increase market share and leverage benefits of economies of scale driven by growth

Leverage technology to drive customer satisfaction, profitability and growth

Improve Underwriting Profitability

- Optimize risk adjusted returns in each product segment
- Minimize errors by refining underwriting process and internal controls
- Develop differentiated and accurate underwriting models
- Obtain better commercial arrangements from reinsurers
- Stringent inspection of claim documentation, active monitoring and increased audits of claims to minimize claim fraud
- Replace loss-making schemes and channels with profitable options

Segment Specific Strategies	
Health	<ul style="list-style-type: none"> ■ Medical doctors employed for product design and efficient health insurance claims management ■ Co-promoted a TPA for better customer service and efficient claims management ■ Price revisions in retail and group health schemes
Motor Own Damage	<ul style="list-style-type: none"> ■ Recruited automobile engineers and has an in-house surveyors team for efficient claims management ■ Controlling NIL-DEP policies ■ Favorable MISP guidelines
Motor Third Party	<ul style="list-style-type: none"> ■ Motor Vehicle (Amendment) Bill, 2016 could improve the profitability ■ Regular price increases by IRDAI helps control ICR
Crop	<ul style="list-style-type: none"> ■ Adequate reinsurance for higher risk crop insurance
Fire	<ul style="list-style-type: none"> ■ Focus on risk selection with a list of declined risks already prepared ■ Forensic audit of large claims being performed

Maintain/Increase Market Share

- Capitalize on the low density and penetration of Indian insurance sector
- Focus on growth primarily driven by profitable retail business with lower emphasis on lines like corporate health
 - Launching innovative new products
 - Large scale recruitment/training of agents
 - Increased use of technology – direct to customer, agent portal etc.
 - Increasing geographic reach through micro office model – profitable model due to low cost and competition
 - Focus on Bancassurance channel with emphasis on profitable miscellaneous lines of business
 - Recently tied up with Punjab National Bank, Canara Bank, Bandhan Bank, Bank of India, South Indian Bank
 - Further growing current tie ups with Union Bank and Corporation Bank



Leverage Technology

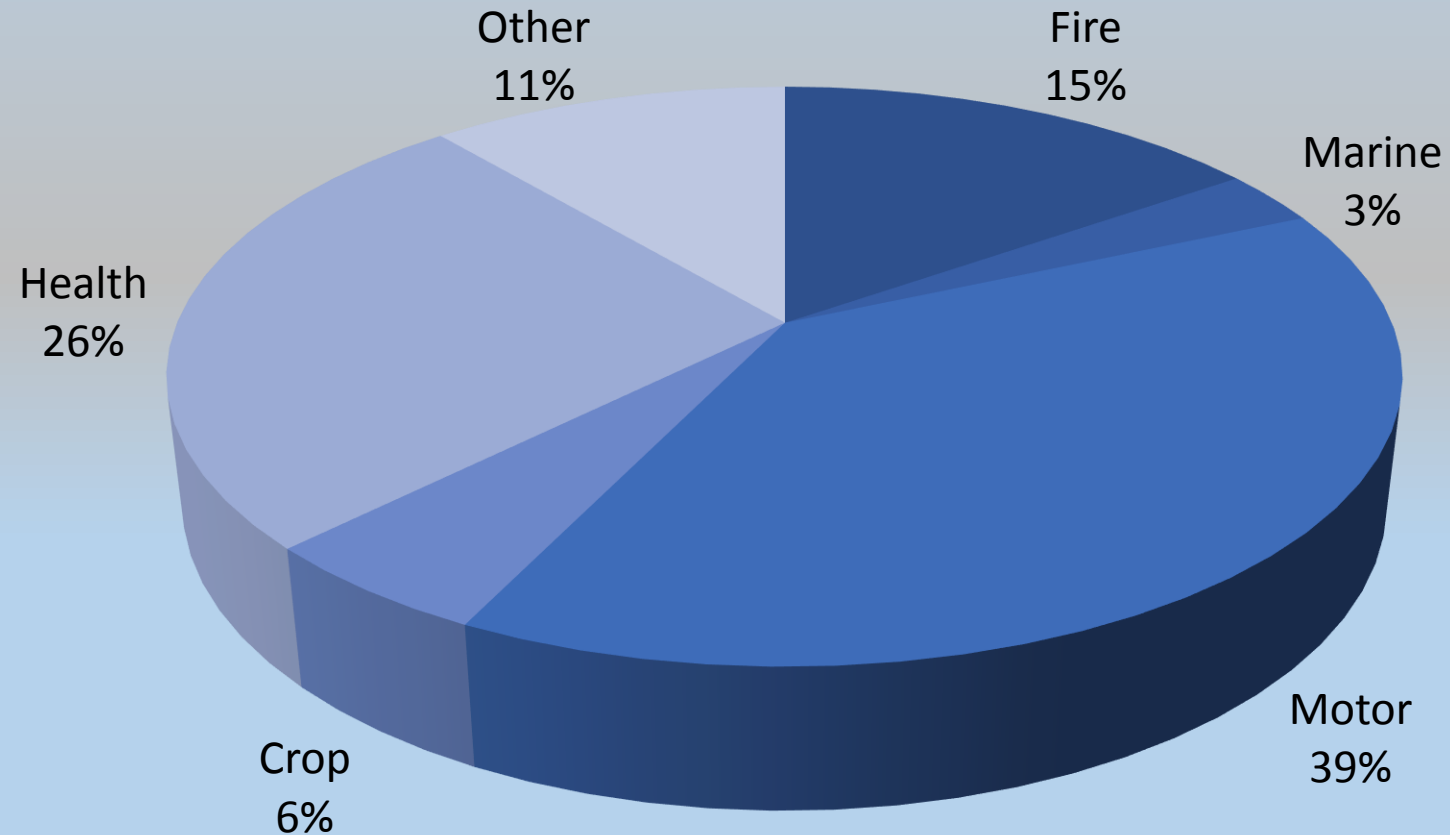
Target	Strategy
Customers	<ul style="list-style-type: none"> Simplify customer interfaces and processes Adopt chat bot technology to increase engagement Formal root cause analysis to reduce grievances Digital marketing to garner real-time customer feedback
Sales	<ul style="list-style-type: none"> Structured, cost-efficient and automated sales process Leverage data analytics for cross sales opportunities
Claims	<ul style="list-style-type: none"> Update IT infrastructure for efficient claims processing Reduce the turnaround time for claim settlement
Under-writing	<ul style="list-style-type: none"> Data driven models to improve underwriting functions, risk management, monitoring and reduction of fraud
Online Channel	<ul style="list-style-type: none"> Introduce additional standard term products for direct distribution through online channels Introduce mobile applications for new product launches and enable functional ease for agents and customers
Business Processes	<ul style="list-style-type: none"> Refine IT infrastructure based on feedback from customers, employees and distribution intermediaries

Peer Comparison – Solvency Ratio

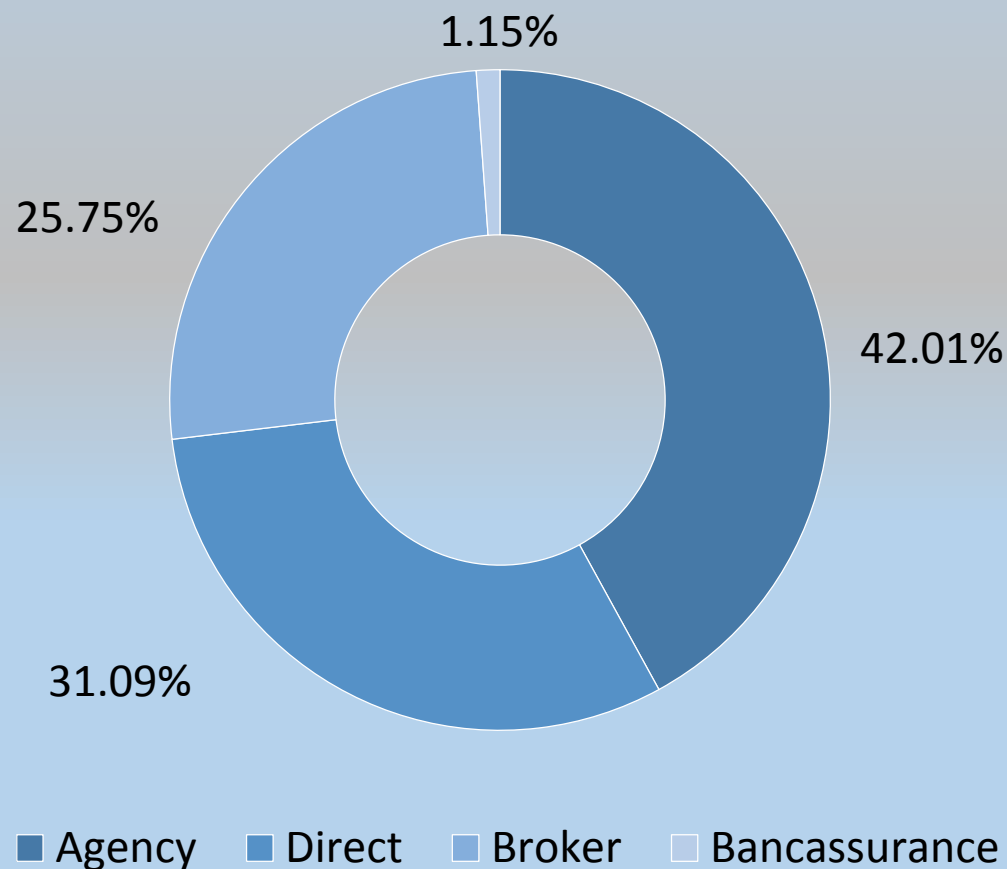
Insurer	Solvency Ratio
New India	2.24
National	1.62
United India	1.08
ICICI Lombard	2.18
Oriental	1.52
Bajaj Allianz	2.88
HDFC ERGO	1.88
TATA-AIG	1.95
Reliance	1.73
IFFCO Tokio	1.79

As on 30th Sep 2017

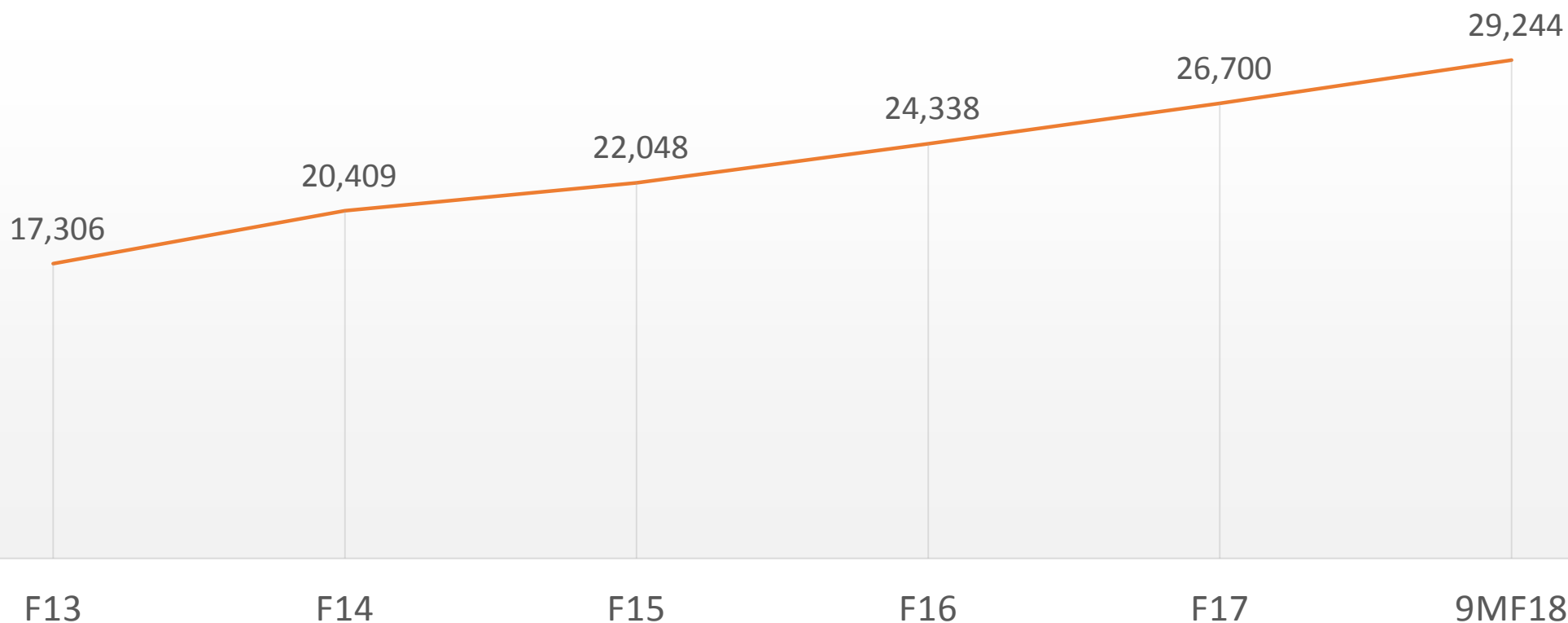
Business Mix – Global GWP FY17



Distribution Mix – Indian Business FY17

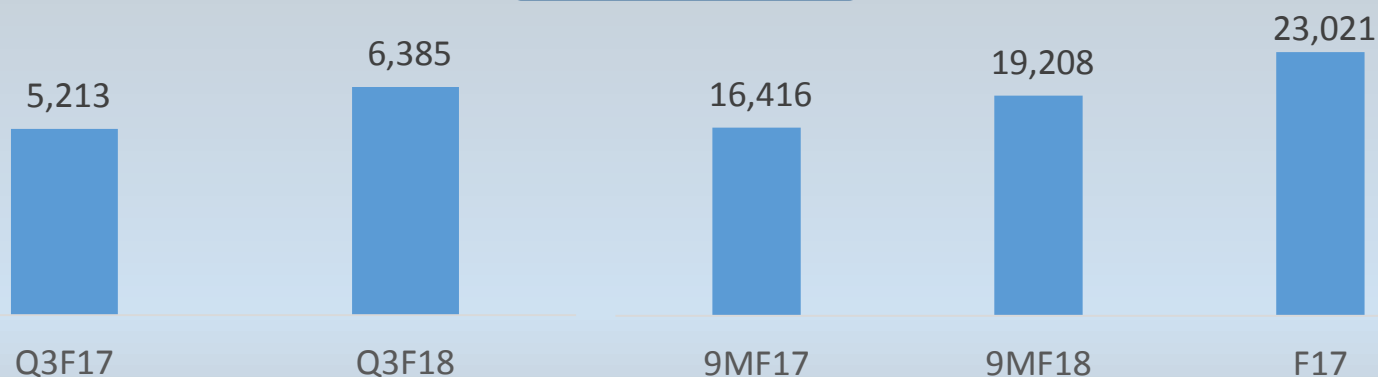


Movement in Technical Reserves (Cr)

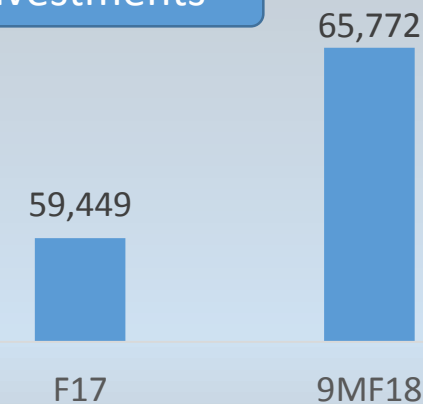


Financial Snapshot

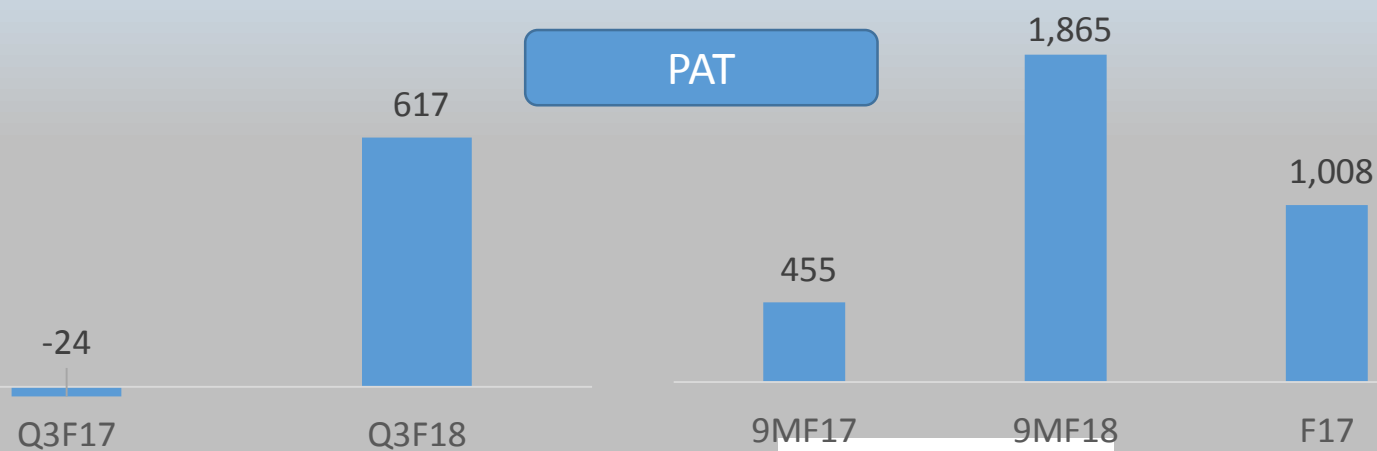
GWP



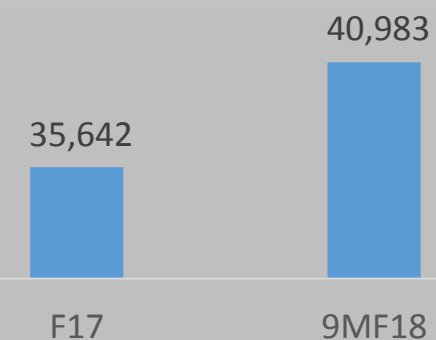
Investments



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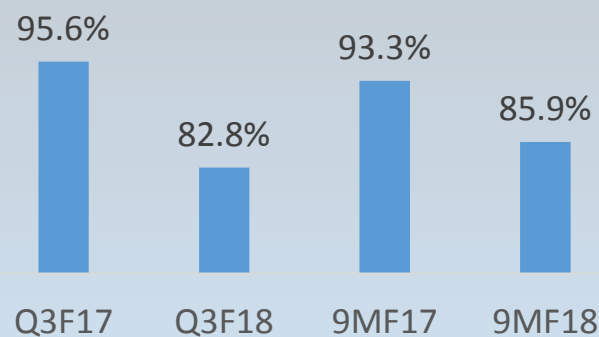


Net worth

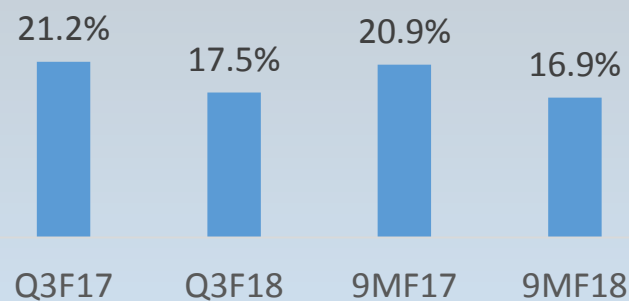


Key Ratios

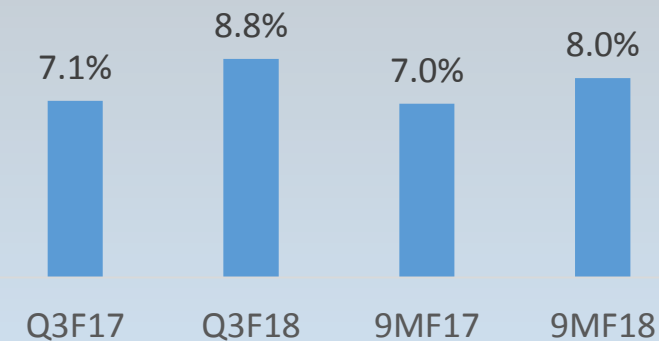
Incurred claim ratio %



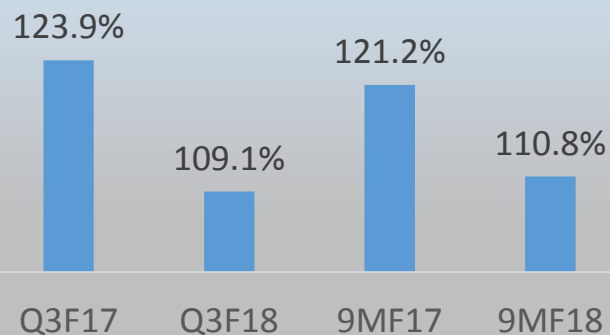
Expense ratio %



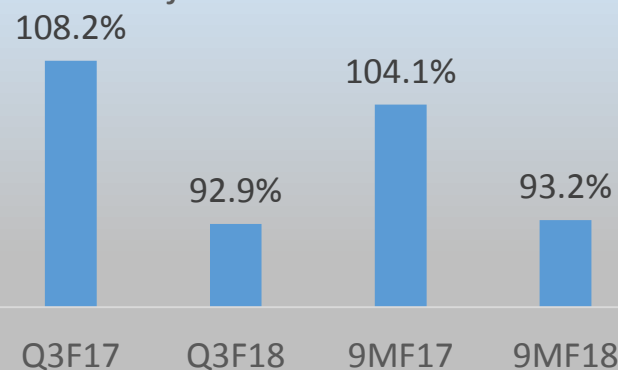
Commission ratio %



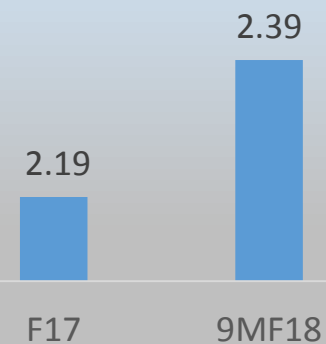
Combined Ratio %



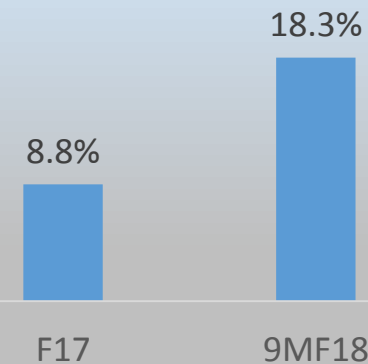
Adj. combined ratio %



Solvency Ratio



ROE %



Segmental Information

GWP Growth (YoY %)	Q3F18	9MF18
Fire	15.6%	7.1%
Marine Cargo	-6.2%	-0.8%
Marine Hull	0.2%	-16.4%
Motor OD	8.3%	8.1%
Motor TP	28.6%	27.8%
Health incl. PA	28.4%	17.8%
Others	36.8%	27.7%
Total	22.5%	17.0%

ICR %	Q3F18	Q3F17	9MF18	9MF17
Fire	52.7%	109.3%	78.4%	99.7%
Marine Cargo	57.2%	56.4%	51.5%	62.3%
Marine Hull	-	54.9%	107.1%	71.0%
Motor OD	70.7%	79.0%	73.7%	83.2%
Motor TP	90.4%	83.6%	90.3%	88.1%
Health incl. PA	101.0%	124.0%	101.4%	113.7%
Others	58.9%	65.3%	63.9%	60.2%
Total	82.8%	95.6%	85.9%	93.3%

Key recent developments

- MISP guidelines effective from 1st Nov 2017 – favorable development for the industry
- Retail health price revision on new and renewal policies fully rolled out
- Budget highlights
 - Government reveals plans for healthcare cover for 10 Cr families – scheme details awaited
 - Merger of three PSU general insurers will be leading to further industry consolidation – should be beneficial for the companies and the industry
 - Increase in tax related benefits for purchase of health insurance – favorable for retail health segment
 - Overall improvement in disposable income of rural India – should drive further penetration of retail lines
 - LTCG provisions – effect is going to be incremental and existing fair value change reserve to be unaffected



About Us

The New India Assurance Company Ltd, founded by Sir Dorabji Tata in 1919, a Multinational General Insurance Company, today operates in 28 countries and headquartered at Mumbai, India. The Company has been market leaders in India in Non – Life business for more than 40 years.

New India Assurance has been leading the market, apart from premium, in reserves & net worth for many years.

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