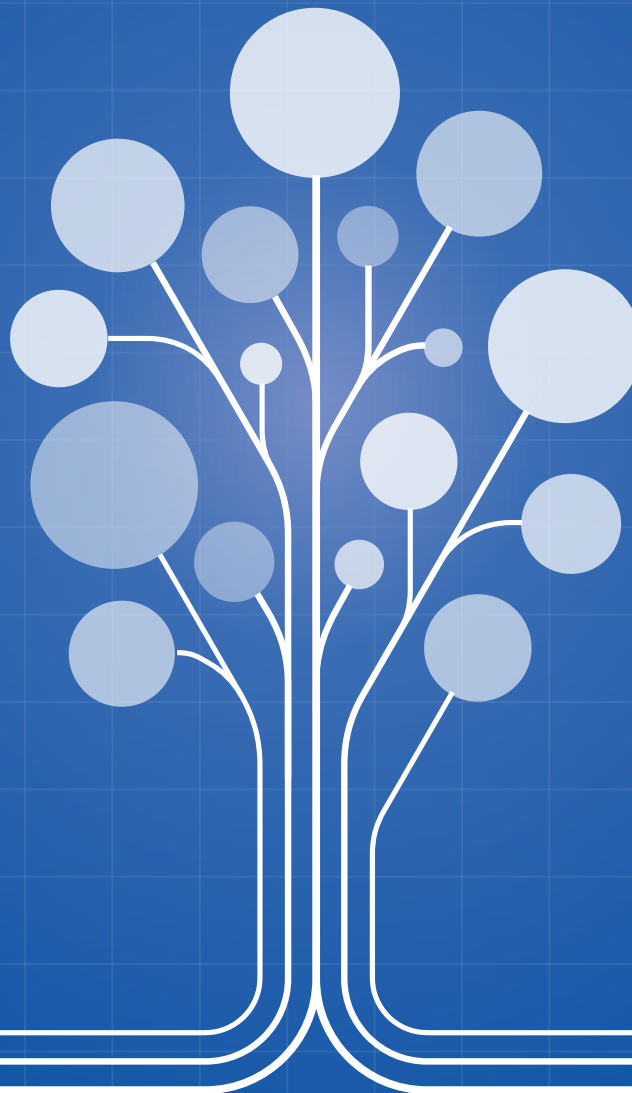


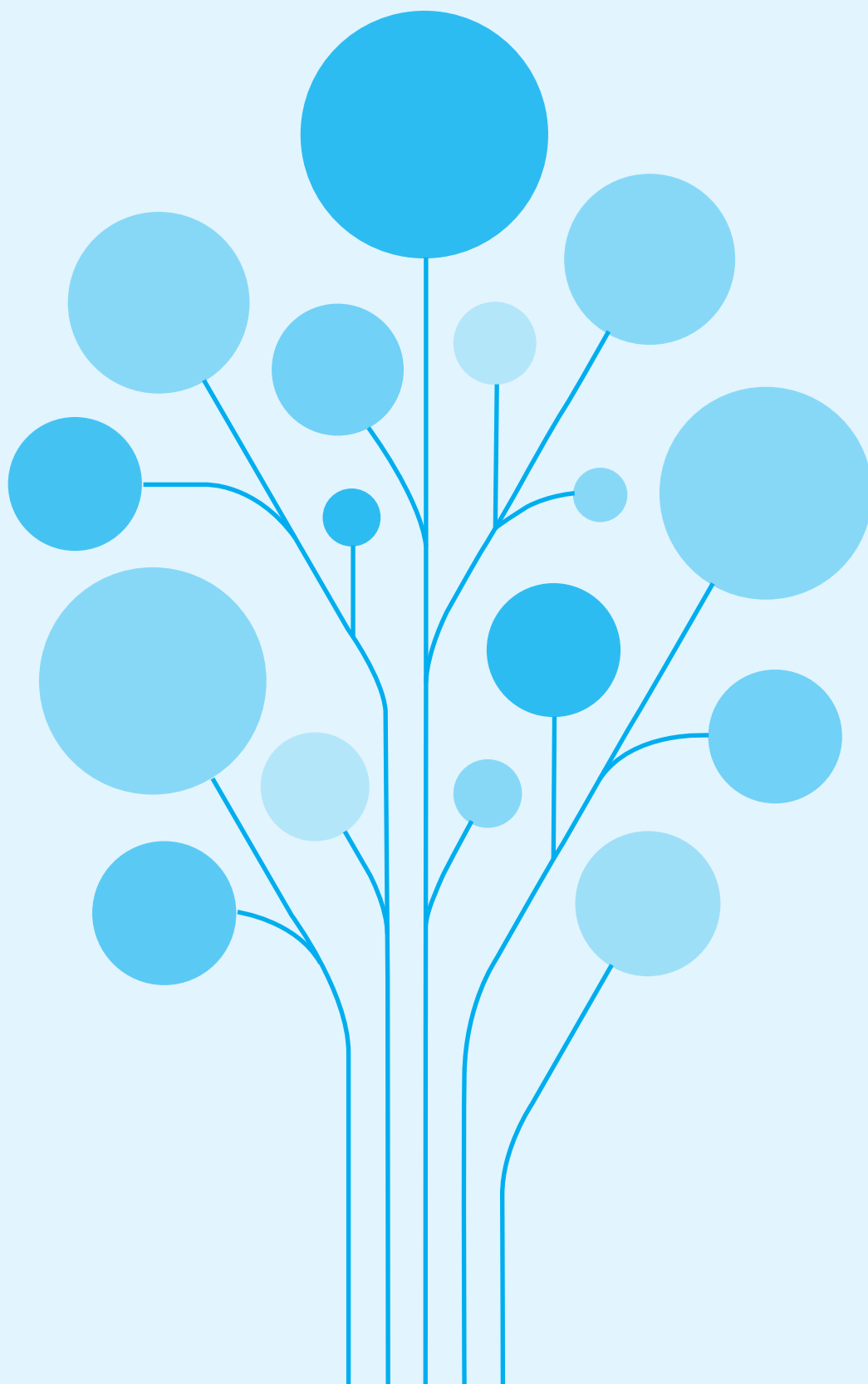


आपत्काले रक्षिष्यामि  
GIC Re

# **The Indian Reinsurer with Global Footprints**



46<sup>th</sup> Annual Report 2017-18





# VISION

“To be a leading global reinsurance  
and risk solution provider”

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## Mission

To achieve our vision by:

- Building long-term mutually beneficial relationship with business partners
- Practicing fair business ethics and values
- Applying “state-of-art” technology, processes including enterprise risk management and innovative solutions.
- Developing and retaining highly motivated professional team of employees
- Enhancing profitability and financial strength befitting the global position

## Core Values

- Trust and mutual respect
- Professional excellence
- Integrity and transparency
- Commitment
- Responsive Service

# Awards for Achievements

**Award:** CEO of the year: Reinsurance  
**Awarded by:** SKOCH, **Year:** 2017



GIC Re Chairman-cum-Managing Director, Alice G. Vaidyan, receives the award for CEO of the Year: Reinsurance

**Award:** Dun & Bradstreet PSU award for Reinsurance  
**Awarded by:** Dun & Bradstreet, **Year:** 2017



GIC Re Director and General Manager, Segar Sampathkumar, receives the Dun & Bradstreet PSU award for Reinsurance at a ceremony in July 2017

**Award:** SKOCH Award of Merit and Award for Project Agriculture Insurance; **Awarded by:** SKOCH, **Year:** 2017



GIC Re General Manager, B.N. Narasimhan and Deputy General Manager, Charles Asirvatham receive the SKOCH Award of Merit and Award for Project Agriculture Insurance at a ceremony in June 2017

**Award:** ASSOCHAM Award for Reinsurance  
**Awarded by:** ASSOCHAM, **Year:** 2017



GIC Re General Manager, D.R. Waghela, receives the ASSOCHAM Award for Reinsurance at a ceremony in June 2017

**Award:** The Maritime Standard Marine Insurer of the Year Award  
**Awarded by:** The Maritime Standard Awards, Middle East and Indian subcontinent, **Year:** 2017



GIC Re Assistant General Manager, Dubai Branch, Sajan Varghese, receives The Maritime Standard Award for Marine Insurer of the Year at a ceremony in October 2017

**Award:** Reinsurer of the Year Award  
**Awarded by:** Dun & Bradstreet, **Year:** 2018



GIC Re General Manager, Usha Ramaswamy, receives the Reinsurer of the Year Award from Dun & Bradstreet at a ceremony on 20<sup>th</sup> February, 2018

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**Alice G. Vaidyan, Chairman cum Managing Director**

## Dear Shareholders,

I have great pleasure in welcoming you to the 46<sup>th</sup> Annual General Meeting of your Company.

The year under review has been an eventful year for your company. Your company has been successful in maintaining the growth momentum of the previous year, scaling new highs in the global reinsurance landscape, while reinsurers worldwide including your company were faced with major natural catastrophes. Despite the challenging circumstances, your company succeeded in ensuring that performance has not been impacted and declaring the highest ever dividend for the company.

Your company was listed in the Stock Exchanges on 25<sup>th</sup> October 2017 and has been ranked as 47<sup>th</sup> among top 500 companies by market capitalization. It is of immense pleasure

to state that your company has received approval to set up its own syndicate in the Lloyds of London during the year. The syndicate is operational from April 2018.

## Macroeconomic overview

Financial Year 2018 has been eventful for the Indian economy with the Government initiating many structural measures including Goods and Service Tax, Insolvency and Bankruptcy Code, Direct Benefit Transfer, Make in India initiative, adoption of Aadhaar as unique identification number etc. On the growth front, FY 2018 witnessed real GDP growth of 6.7 % as per the fourth quarter GDP estimates for FY 2018 released by the Central Statistics Office (CSO) on 31<sup>st</sup> May 2018. Though the GDP growth for FY 2018 was lower than the 7.1% growth registered during FY 2017, the growth momentum picked up towards the later part of FY 2018.

The world GDP growth is estimated at 3.8% in 2017 and is expected to improve further with growth picking up across major economies.

## Industry overview

The Indian non-life insurance industry maintained robust growth during FY 2018 and reported 17.5% increase in Gross premium, while life insurance industry registered a growth of 10.8% for new business premium. The non-life insurance premium is expected to grow further in view of the increase in penetration of Agriculture insurance, new Government initiatives on the national health insurance scheme, pickup in economic growth etc. Apart from this, technology is expected to make larger impact in the industry going forward.

Indian insurance industry also witnessed listing of 3 insurance companies apart from the listing of your company during 2017-18. More players are expected to approach the capital market in the near future. This is expected to improve the corporate governance standards of the industry and set new bench marks for transparency.

Global non-life reinsurance premium reached USD 170 Bn in 2017 reflecting a growth of 3% in real terms. Natural

Catastrophes across the world posed challenges to non-life reinsurers globally with losses for the hurricane season alone estimated around USD 136 Bn. However, the reinsurance industry could absorb the losses without any significant impact on the capacity.

### Financial Performance

Your company continued on its robust growth in FY 2018 reporting higher premium & net profit. The Gross premium and net profits grew during by 24% & 3% during FY 2018 to ₹ 41,799 Crore and ₹ 3,233 Crore respectively. While Agriculture portfolio continued its higher growth, other classes of business also reported growth during the year. The underwriting results for the year were impacted due to major catastrophic events across the world and accordingly underwriting loss for FY 2018 increased to ₹ 1,497 Crore as against ₹ 606 Crore in the previous year. Your company continued its leadership in the domestic market which contributed 71% of the premium income for FY 2018. Your company has a Net worth (including fair value of shares) of ₹ 51,360 Crore and total assets ₹ 110,227 Crore, while the Solvency ratio is 1.72.

I am also pleased that the investment performance of your company during FY 2017-18 has been very strong with investment income grown by 15% to ₹ 5,215 Crore providing a mean yield of 12%. The net non-performing assets percentage declining from 0.80% to 0.56% during the period.

With the sound financial performance, your company could declare the highest ever dividend of 13.5 per share and your board of directors has recommended issue of one bonus share for each existing share.

I am pleased to inform you that the Global rating agency A M Best reaffirmed the Financial Strength Rating of "A- (Excellent)" and issuer credit rating of "a-" of the Corporation in February 2018 for the 11<sup>th</sup> continuous year. Your company is ranking 10<sup>th</sup> largest international reinsurer group based on Gross Written premium though the formal announcement from the rating agency is still awaited.

### Future Outlook

The low penetration of insurance in the domestic market, expansion in rural economy, revival in the private investments, Governmental initiatives like Ayushman Bharat etc would provide continued growth opportunity for the sector. Having maintained its leadership in the domestic reinsurance market after opening up of the market last year, your company is well positioned to take advantage of the growth in the domestic market.

The three operating branches of your company has been well established in their respective geographical areas and are geared up to scale up operations. The joint ventures and subsidiaries are consolidating their positions and gaining traction for the next level of growth. Your management team is constantly looking at opportunities and evaluating options for increasing footprints in new geographies.

The increase in number and scale of natural catastrophes across the world is expected to have positive effect on the insurance penetration and gap in coverage. The technological and economic evolution globally, has been opening up new areas of risk such as Cyber security, climate change etc. throwing opportunities for insurers and reinsurers. World economies are getting back on to the growth track and these cumulatively provide a better outlook for our industry globally.

I assure you that your company has been fully geared up to support the Indian and world insurance industry and would continue to focus to achieve underwriting surplus in the nearest future. I take this opportunity to thank all Stakeholders, Board members, Customers, intermediaries and colleagues for their continued support and co-operation in achieving yet another milestone.

**Alice G. Vaidyan**

Chairman-cum-Managing Director

## DIRECTORS

Smt. Alice G. Vaidyan	Chairman cum Managing Director
Shri Ravi Mital	W.e.f. 06.07.2017
Shri Anil Kumar Khachi	Upto 06.07.2017
Smt. Usha Sangwan	
Shri Gopalan Srinivasan	W.e.f. 14.08.2017
Shri Atanu Kumar Das	W.e.f. 29.09.2017
Shri Amarendra Pratap Singh	W.e.f. 29.09.2017
Shri V. Ramasamy	W.e.f. 29.09.2017
Shri G. B. Pande	W.e.f. 29.09.2017
Shri Segar Sampathkumar	Upto 30.09.2017
Shri Y. Ramulu	W.e.f. 20.06.2017 and upto 31.05.2018
Smt. Sashikala Muralidharan	W.e.f. 27.12.2017

## MANAGEMENT

### Chairman cum Managing Director

Smt. Alice G. Vaidyan

### Director & General Manager

Shri Y. Ramulu Upto 31.05.2018  
Smt. Sashikala Muralidharan W.e.f. 27.12.2017

### General Managers

Shri Dinesh R. Waghela Upto 31.05.2018 -  
Transferred to Oriental Insurance Company Ltd.  
Shri B. N. Narasimhan Upto 10.05.2018 -  
Transferred to National Insurance Company Ltd.  
Upto 30.06.2018  
Shri Pauly Sukumar N.  
Smt. Usha Ramaswamy  
Shri V. C. Jain  
Shri Sushil Kumar  
Shri Deepak Prasad W.e.f. 29.06.2017  
Shri Devesh Srivastava W.e.f. 29.06.2017

### Chief Vigilance Officer Appointed Actuary (Non-Life)

Shri Ravi Chaudhary  
Smt. Priscilla Sinha

### Deputy General Managers

Smt. Reena Bhatnagar  
Smt. Lakshmikala Raghupathy  
Smt. Madhulika Bhaskar  
Shri Deepak Godbole  
Shri S. N. More  
Shri Charles G. Ashirvatham Upto 22.03.2018 (Deputation to GIC Re South Africa Ltd.)  
Smt. Suchita Gupta  
Smt. Girija Subramanian  
Shri Satyajit Tripathy  
Shri N. Ramaswamy  
Smt. Jayashree Ranade  
Ms. Blessy Sequeria  
Shri Uttam Kumar Sharma W.e.f. 29.12.2017  
Smt. P.G. Manisha W.e.f. 29.12.2017  
Shri Rajesh Pawar W.e.f. 29.12.2017

### Company Secretary

Smt. Suchita Gupta



<b>Statutory Auditors</b>	<p>M/s GBCA &amp; Associate Chartered Accountants Benefice Business House, III level, 126, Mathuradas Mills Compound, N.M. Joshi Marg, Lower Parel (w), Mumbai - 400 013.</p> <p>M/s. Samria &amp; Co. Chartered Accountants 2E, Court Chambers, 35, New Marine Lines, Behind Aayakar Bhavan, Mumbai - 400 020.</p>
<b>Secretarial Auditor</b>	SVVS & Associates, Company Secretaries LLP A- 403, Kukreja Centre, Sector 11, CBD Belapur, Navi Mumbai - 400 614.
<b>Registrar &amp; Transfer Agent</b>	Karvy Computershare Pvt. Ltd. Karvy Selenium, Plot No 31 & 32, Financial District Nanakramguda, Gachibowli, Hyderabad - 500 032. Tel. No.: (040) 6716 2222/3321 1000 E-mail: einward.ris@karvy.com Website: www.karvycomputershare.com
<b>Stock Exchanges</b>	<p>BSE Ltd. P.J. Towers, Dalal Street Mumbai - 400 001.</p> <p>National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.</p>
<b>Bankers</b>	Bank of India Ground Floor, Eros Theatre Building Jamshedji Tata Road, Churchgate, Mumbai - 400 020.
<b>Registered Office</b>	"Suraksha", 170, J.T. Road, Churchgate, Mumbai - 400 020 (India). Tel.: +91 22 2286 7000 Email: investors.gic@gicofindia.com Website: www.gicofindia.com
<b>CIN</b>	L67200MH1972GOI016133
<b>IRDAI Registration No.</b>	112

Sr.No.	Date and Year	Event
1	22 <sup>nd</sup> November, 1972	General Insurance Corporation of India was formed in the pursuance of section 9(1) of GIBNA Act and also under the Companies Act 1956 as Private Company limited by Shares.
2	1 <sup>st</sup> January, 1973	The general insurance business in India was nationalized, 107 general insurance companies was merged and GIC of India was formed as the holding Company with four subsidiaries viz, The New India Assurance Co. Ltd., National Insurance Co. Ltd., Oriental Insurance Co. Ltd. and United India Insurance Co. Ltd.
3	1 <sup>st</sup> January, 1978	Loss Prevention Association of India was formed by GIC of India and its 4 subsidiaries.
4	6 <sup>th</sup> December, 1978	Kenindia Assurance Company Ltd. was incorporated by merging branch operations of subsidiaries of GIC and LIC operating in Kenya
5	1 <sup>st</sup> January, 1988	India International Insurance Pte. Ltd. was set up as a locally incorporated wholly owned subsidiary Company of GIC and four Public Sector Insurance Companies in Singapore.
6	12 <sup>th</sup> December, 1989	GIC Housing Finance Co. Ltd was set up by GIC of India and the four Public Sector Insurance Companies.
7	25 <sup>th</sup> May, 1993	GIC Asset Management Co. Ltd was set up by GIC of India and the four Public Sector Insurance Companies.
8	19 <sup>th</sup> April, 2000	Insurance Regulatory & Development Authority (IRDA) was formed
9	3 <sup>rd</sup> November, 2000	GIC notified as "Indian Reinsurer"
10	June, 2001	London representative office set up
11	April, 2002	Moscow representative office set up
12	20 <sup>th</sup> December, 2002	Agricultural Insurance Company of India was set up by GIC Re, the 4 PSU Companies and NABARD.
13	April, 2003	Life Reinsurance started its Underwriting activities.
14	1 <sup>st</sup> April, 2002	GIC Re appointed as managers to the Terrorism Insurance Pool
15	7 <sup>th</sup> August, 2002	GIBNA Act Amended
16	21 <sup>st</sup> March, 2003	GIC Re ceased to be holding Company
17	April, 2005	Dubai representative office set up
18	February, 2006	SAP went live.
19	27 <sup>th</sup> April, 2006	Loss Prevention Association of India was amalgamated with GIC Re
20	1 <sup>st</sup> January, 2007	Dubai representative office was upgraded to a Branch office