

*Reassuring India, Reassuring the World ...Since 1972*



आपत्काले रक्षिष्यामि  
GIC Re

47<sup>th</sup> ANNUAL REPORT 2018-19





## Vision

# To be a Leading global reinsurance and risk solution provider

## 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



Smt. Alice G Vaidyan being presented the CEO of The Year award at the Economic Times Prime Women Leadership Awards for 2019



CMD, Smt. Alice G Vaidyan was awarded the Most Powerful Women Award (2018) by Fortune India

# Awards for Achievements



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## Chairman's Message



**Alice G. Vaidyan,**

*Chairman cum Managing Director*

**Dear Shareholders,**

I have great pleasure in welcoming you to the 47<sup>th</sup> Annual General Meeting of your Company.

It was another eventful year for your company and with the growth momentum generated over the last couple of years, the year was one of consolidation and reflection. This is a natural outcome of any expansion and yields results that help a company plan its future course of action.

It was also a second year in succession where the globe was faced with major natural catastrophes. However, despite challenging circumstances, your company succeeded in maintaining the dividend of last year, which was the highest ever for your company.

### **Macroeconomic overview**

Financial Year 2019 has been eventful for the Indian economy witnessing positive effect of reforms initiated in the previous Financial Year, including Goods and Service Tax and Insolvency and Bankruptcy Code etc. On the growth front, FY 2019 witnessed real GDP growth of circa 7% as per the Ministry of Finance - Monthly Economic Report - March 2019. The world GDP growth is estimated at 3% in 2018 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 2019 and reported 12.86% increase in Gross premium, while life insurance industry registered a growth of 10.73% 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 will play a larger role in the industry going forward.

The global non-life reinsurance premium reached USD 180 Bn in 2018 reflecting a growth of 5%. The hurricanes and typhoons that struck the US and Japan coasts respectively, caused an estimated insured loss of USD 23.8 bln. Coming close on the heels of the Catastrophes last year, this resulted



in quite a few reinsurers and ILS funds withdrawing from the market and this had a direct impact in the rates which saw stability & improvement during renewal after a very long phase of a soft cycle.

### Financial Performance

Your company continued its growth in FY 2019 reporting higher premium. The Gross premium and net profits during FY 2019 were ₹ 44,238 Crore and ₹ 2,224 Crore respectively. While Agriculture portfolio posted a modest growth as did the other classes of business too, the underwriting results for the year were impacted due to major catastrophic events across the world and accordingly underwriting loss for FY 2019 increased to ₹ 2,211 Crore as against ₹ 1,497 Crore in the previous year. Your company continued its leadership in the domestic market which contributed 70.1% of the premium income for FY 2019. Your company has a Net worth (including fair value of shares) of ₹ 52,765 Crore and total assets ₹ 1,18,883 Crore, while the Solvency ratio is 2.06.

I am also pleased that the investment performance of your company during FY 2018-19 has been very strong with investment income having grown by 17% to ₹ 6,130 Crore providing a mean yield of 12.17%. The net non-performing assets percentage has risen from 0.56% to 1.12% during the period, mainly due to a very conservative provisioning for IL&FS.

With the sound financial performance, your company could declare the dividend of ₹ 6.75 per share for the year under review.

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 April 2019 for the 12<sup>th</sup> continuous year. Your company was formally ranked 10<sup>th</sup> largest international reinsurer based on Net Written premium by S&P, a stupendous achievement indeed.

### 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 have been well established in their respective geographical areas and have shown a good performance. The joint ventures and subsidiaries are consolidating their positions and gaining traction for the next level of growth.

We are close to being given "Admitted Reinsurer" status in Brazil and the upgradation of our Representative office in Moscow to a full-fledged Subsidiary Company. This will enhance our footprint in South America and Former Soviet Union (FSU) countries including Russia. GIC Re is poised to take on a major position in the reinsurance space of BRICS.

Domestically, we continue to encourage product innovation and have extended support to Cyber Insurance, Drone Insurance, Latent Defect Insurance and Title Insurance. Additionally, with the launch of the Flood Insurance model, we are in a better position to map our country for another major peril.

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

## Corporate Information

### DIRECTORS

Smt. Alice G. Vaidyan	Chairman cum Managing Director
Shri Ravi Mital	
Smt. Usha Sangwan	Upto 29.09.2018
Shri Gopalan Srinivasan	Upto 31.07.2018
Shri Atanu Kumar Das	
Shri Amarendra Pratap Singh	
Shri V. Ramasamy	
Shri G. B. Pande	
Shri Y. Ramulu	Upto 31.05.2018
Smt. Sashikala Muralidharan	
Shri C. R. Vijayan	W.e.f. 01.06.2018 and upto 31.07.2018
Smt. Usha Ramaswamy	W.e.f. 01.08.2018

### MANAGEMENT

#### Chairman cum Managing Director

Smt. Alice G. Vaidyan

#### Director & General Manager

Shri Y. Ramulu	Upto 31.05.2018
Smt. Sashikala Muralidharan	
Shri C. R. Vijayan	W.e.f. 01.06.2018 and upto 31.07.2018
Smt. Usha Ramaswamy	W.e.f. 01.08.2018

#### 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.
Shri Pauly Sukumar N.	Upto 30.06.2018
Shri V. C. Jain	Upto 31.07.2018
Shri Sushil Kumar	Upto 31.12.2018
Smt. Reena Bhatnagar	W.e.f. 30.11.2016
Shri Deepak Prasad	
Shri Devesh Srivastava	
Smt. Madhulika Bhaskar	W.e.f. 09.07.2018
Shri Deepak Godbole	W.e.f. 09.07.2018
Shri S. N. More	W.e.f. 09.07.2018
Smt. Suchita Gupta	W.e.f. 09.07.2018

#### Chief Vigilance Officer

Shri Ravi Chaudhary	Upto 31.12.2018
Shri Sistla Venkateswarlu	W.e.f. 01.01.2019

#### Appointed Actuary (Non-Life)

Smt. Priscilla Sinha	Upto 31.12.2018
Shri Ajai Kumar Tripathi	W.e.f. 20.11.2018

#### Appointed Actuary (Life)

#### Deputy General Managers

Smt. Lakshmikala Raghupathy	
Shri Charles G. Ashirvatham	Upto 22.03.2018 (Deputation to GIC Re South Africa Ltd.)
Shri Ramaswamy Narayanan	Upto 08.04.2018 (Deputation to London)
Smt. Girija Subramanian	
Shri Satyajit Tripathy	
Smt. Jayashree Ranade	
Ms. Blessy Sequeira	
Shri Uttam Kumar Sharma	
Smt. P. G. Manisha	
Shri Rajesh Pawar	
Shri Paul Lobo	W.e.f. 31.12.2018
Shri Rajesh Khadatare	W.e.f. 31.12.2018
Shri Balaji Thiagrajan	W.e.f. 31.12.2018
Shri G. Radhakrishna	W.e.f. 31.12.2018
Shri Hitesh Joshi	W.e.f. 31.12.2018