



ICICI Lombard — GENERAL INSURANCE —

Annual Report 2012-13

WITH YOU...
when it matters

CONTENTS

CORPORATE OVERVIEW

2	Driving Need-based Solutions
3	Performance Highlights FY 2013
4	Awards and Accolades
5	Corporate Information
8	Message from the Chairperson
10	Message from the Chairman, Fairfax Asia
12	Message from the Managing Director & CEO

BUSINESS OVERVIEW

16	General Insurance Sector Overview
17-35	Organisation Structure
17	Corporate Solutions Group
19	Financial Inclusion Solutions Group
24	Retail Group
26	Shared Services
38	Corporate Social Responsibility

FINANCIAL STATEMENTS

40	Directors' Report
52	Management Report
60	Auditors' Report
62-63	Balance Sheet and Profit and Loss Account
64	Revenue Accounts
66	Schedules
110	Receipt and Payment Account

FORWARD LOOKING STATEMENT

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.



WITH YOU... when it matters

At ICICI Lombard, we understand the crucial role that insurance plays in people's lives.

That is why we make every effort to stand by our customers in their hour of need. In fiscal 2013, we settled over 5 million claims, a testimony to our ability and commitment to deliver on our promise. Over the years, we have established an organisation that is geared to serve our customers with empathy and agility.

As a customer centric organisation, we have introduced innovative products that meet the changing demands of our customers. We have also set new standards on the customer service front, by

adopting Information Technology to streamline our processes and enhance our service benchmarks. Keeping pace with rapidly changing technology, we have created multiple touch points to empower our customers to connect with us through the most convenient platforms and in the shortest possible time.

As we move forward, we shall continue to serve our customers with the same passion and perseverance that has helped us raise the bar every year for the last eleven years.

DRIVING NEED-BASED SOLUTIONS

Are insurance solutions aligned to people's expectations?
Can we introduce innovative offerings to meet and exceed customer needs?

These questions marked the beginning of our journey in 2001. Since then, we have always followed a distinctive approach, creating need-based differentiated products and retaining market leadership, in a constantly evolving socio-economic landscape. We pioneered the concept of weather insurance in India. Besides, the globally acclaimed Biometric card used in Mass Health Insurance schemes and Complete Health Insurance is the result of our consistent innovation.

At ICICI Lombard, we have always focused on delivering a stronger value proposition by converging products, services and distribution

strategies around key trends. To address customer requirements, we offer a wide range of products and services across diverse segments.

Our key products across the retail and corporate space include:

- Motor Insurance
- Health Insurance
- Travel Insurance
- Home Insurance
- Specialty Lines Insurance
- Property Insurance
- Marine Insurance
- Mass Health Insurance
- Weather Insurance

ICICI Lombard General Insurance Company Limited (ICICI Lombard) is a 74:26 joint-venture between ICICI Bank and Fairfax Financial Holdings, a Canada based USD 37 billion financial services company.

QUICK FACTS

₹ 64.20 BILLION

Gross Written Premium (GWP) as on March 31, 2013

275

Pan-India branches as on March 31, 2013

9.18 MILLION

Policies issued in FY 2013

7,289

Head Count

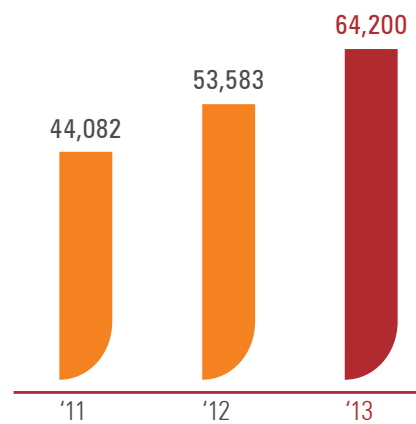
5.07 MILLION

Claims settled in FY 2013

PERFORMANCE HIGHLIGHTS FY 2013

Revenue Growth

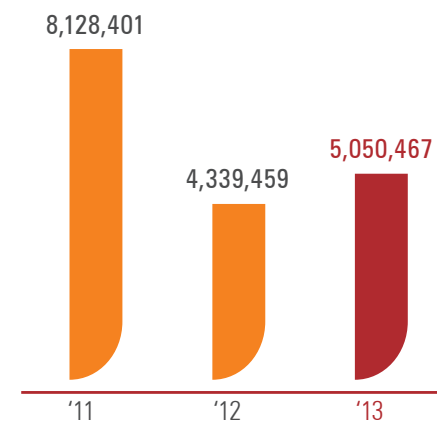
(Gross Written Premium ₹ in million*)



* Excluding Motor TP inward

Claims Settled

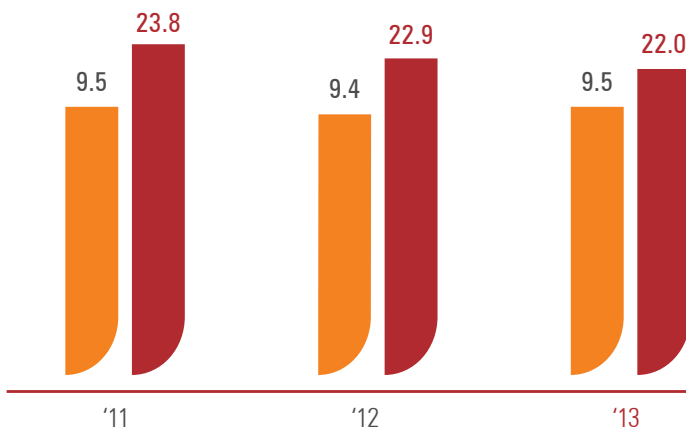
(Number of claims settled#)



Excluding Motor TP

Market Share

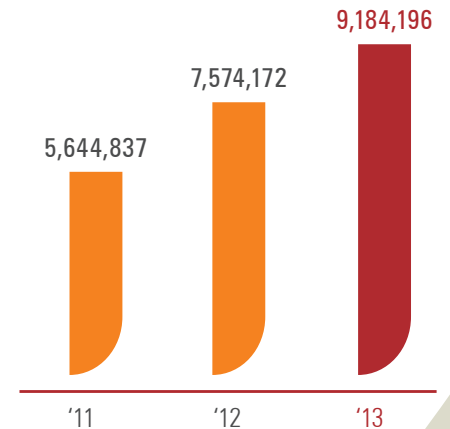
(%)



■ Total Industry ■ Private Sector

Policy Growth

(Number of policies sold)



AWARDS AND ACCOLADES

Since the beginning of its journey, ICICI Lombard has been honoured consistently for its excellence. In fiscal 2013, the Company was acknowledged for its contribution towards introducing new products, social endeavours and corporate excellence.



PORTER PRIZE

The Company received the coveted 'Porter Prize' award in the category 'Creating Shared Value'. The award, named after Professor Michael E. Porter, is bestowed by the Indian Institute of Competitiveness. It recognised ICICI Lombard's initiatives to achieve responsible economic success in the mass and micro insurance areas for the society's economically weaker sections. The award recognises the fact that the Company can meet social needs, while better serving existing markets, accessing new ones and lowering costs through innovation.



GOLDEN PEACOCK AWARD FOR CSR

ICICI Lombard has been conferred the Golden Peacock - CSR Award (GPACSR) for 2012. The award is a testimony of the Company's social and environment related initiatives. This includes economic development, improving the quality of life of the work force, their families, the local community and society at large, while fulfilling commitment towards the business.



ASTD BEST AWARD

ICICI Lombard was bestowed with the ASTD BEST 2012 award for the second year in a row. BEST organisations are chosen based on their ability to leverage the learning functions as a strategic business tool and creating learning opportunities to achieve enterprise-wide success. The Company was ranked among the top 8 BEST organisations in the world out of 84 companies, which vied for the accolade.



CELANT ASIA INSURANCE TECHNOLOGY AWARDS

ICICI Lombard was conferred the Celent Asia Insurance Technology Award 2012 in the Best Mobile Applications category.

CORPORATE INFORMATION

Board

Chanda Kochhar
Chairperson

R. Athappan
Director

B. V. Bhargava
Director (upto June 14, 2012)

Dileep Choksi
Director

Zarin Daruwala
Director

N. S. Kannan
Director

S. Mukherji
Director

Chandran Ratnaswami
Director

M. K. Sharma
Director

H. N. Sinor
Director

Bhargav Dasgupta
Managing Director & CEO

Alok Kumar Agarwal
Executive Director

Neelesh Garg
Executive Director

Board Governance Committee

M. K. Sharma
Chairman

Chanda Kochhar

Chandran Ratnaswami

H. N. Sinor

Investment Committee

Chandran Ratnaswami
Chairman

N. S. Kannan

Bhargav Dasgupta

Liyaquat Khan
Appointed Actuary (upto October 1, 2012)

Manalur Sandilya
Appointed Actuary (w.e.f October 1, 2012)

S. Gopalakrishnan

Gopal Balachandran

Audit Committee

Dileep Choksi
Chairman

R. Athappan

S. Mukherji

H. N. Sinor

Risk Management Committee

S. Mukherji
Chairman

R. Athappan

H. N. Sinor

Bhargav Dasgupta

Policyholder Protection Committee

M. K. Sharma
Chairman

S. Mukherji

Chandran Ratnaswami

Bhargav Dasgupta

Auditors

PKF Sridhar & Santhanam
Chartered Accountants

Khandelwal Jain & Co.
Chartered Accountants

INNOVATING TO PROTECT

Insurance solutions need to be constantly recalibrated in the wake of evolving socio-economic realities.

With the philosophy of 'Find Your Fit', we provide our customers customisable health insurance solutions based on their specific needs with 'Complete Health Insurance'. This policy offers a wide array of sum insured, with no cap on maximum entry age and a host of other benefits, including maternity benefit, out-patient cover and cashless hospitalisation. The perfect fit for a wide cross-section of customers.





SERVICE EXCELLENCE

Customers have diverse needs, but our focus remains the same: fulfilling their expectations and creating enduring relationships.

We understand the expectation of our customers. We put our best foot forward to ensure a pleasant experience for each and every customer. Our Customer Support (CS) and Process Excellence Group (PEG) focus on the customer service architecture, starting from client acquisition to claim settlement. Combined with technological sophistication and regular monitoring, our service standards set high industry benchmarks.

MESSAGE FROM THE CHAIRPERSON



CHANDA KOCHHAR

Chairperson
ICICI Lombard GIC Limited

Our fundamental economic drivers remain strong, and there have been some positive developments in recent months, including the progress on fiscal consolidation, moderation in inflation and easing of monetary policy.

DEAR SHAREHOLDERS,

The global economic scenario continued to face headwinds in fiscal 2013. While certain parts of the developed world showed signs of recovery, the Eurozone continued to experience stress. The US economy, on the other hand, exhibited a clearer trajectory towards growth, though the same is expected to remain subdued in the near term. On the emerging markets front, several economies including some of the BRIC nations faced slowing growth. India too faced several challenges. However, our fundamental economic drivers

remain strong, and there have been some positive developments in recent months, including the progress on fiscal consolidation, moderation in inflation and easing of monetary policy.

The general insurance industry in India has significant untapped potential, given the low penetration and India's demographic dividend. In addition to rising urban demand, the increase in rural income levels and the continued focus on financial inclusion are expected to support robust growth in this sector in the years to come. The industry's performance in