

Annual Report 2015-16



**Reaching.
Reassuring.
Reinstating.**



What's Inside

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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 materialise, 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.



Reaching. Reassuring. Reinstating.

At ICICI Lombard, customer-centricity is the cornerstone of our culture. Stretching ourselves for our customers, it is deeply embedded in our DNA to go beyond the ordinary for their smiles and satisfaction. Whether our customers face an untoward incident due to the unpredictability of nature, suffer losses due to accidents or face medical challenges, we remain committed to stand by our customers, serving them in the moment of truth.

The recent floods in Chennai affected the lives of hundreds of people and caused widespread damage. In the face of such unexpected events, we at ICICI Lombard remained undeterred towards our responsibilities and purpose. Reaching out and reassuring customers by going the extra mile, reinstating normalcy as fast as possible, we remained steadfast in reducing emotional

trauma and impact of loss. Fast, fair and friendly as always, there was an ingrained desire to put customers' needs above all.

At ICICI Lombard, our value proposition is driven by a promise to be the best partner for our customers. Simply put, it means providing uncompromising service. This deep and abiding commitment to our customers guides us to do things right every time. It inspires us to evolve our services every day, in ways both big and small. Customer satisfaction is a promise to be lived every day. For our customers' peace of mind is our reward.



At ICICI Lombard, customer-centricity is the cornerstone of our culture.

ICICI Lombard at a Glance

ICICI Lombard General Insurance Company Limited (ICICI Lombard / Company) is one of India's leading private sector general insurance companies.

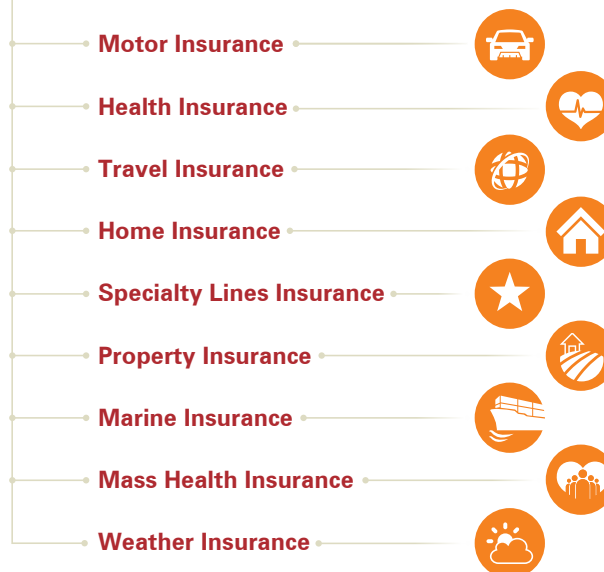
Founded in 2001, ICICI Lombard is a joint venture between ICICI Bank Limited, India's largest private sector bank in terms of consolidated total assets and Fairfax Financial Holdings Limited, a Canada-based diversified financial services company engaged in general insurance, reinsurance, insurance claims management and investment management.

Driven by a customer-first philosophy, the Company provides prudent risk management solutions, across a wide range of business lines, in a fair, fast and friendly manner. The offerings are underpinned by innovation and internationally benchmarked service quality standards to exceed customer expectations.

Through the outstanding efforts of its employees, the Company delivers quality and consistency in customer interaction, and builds a relationship of trust with its customers. A holistic approach to customer well-being and being a reliable single-point destination for varied customer requirements also distinguishes ICICI Lombard as an agile entity.

Serving customers with transparency during the entire lifecycle of the relationship is ICICI Lombard's unwavering commitment: from the policy advise stage to renewals and claims. The Company's excellence in products and services is further backed by a robust technology infrastructure, and the Company is continually investing in elevating its technological expertise.

ICICI Lombard continues to reinforce its industry leadership by offering products that address the challenges of today's world. The broad portfolio of distinctive specialty products include:



₹ **83.07** Billion

Gross Written Premium in
FY2016

15.80 Million

Policies Issued in
FY2016

7,954

Head Count

1.62 Million

Claims Settled in
FY2016

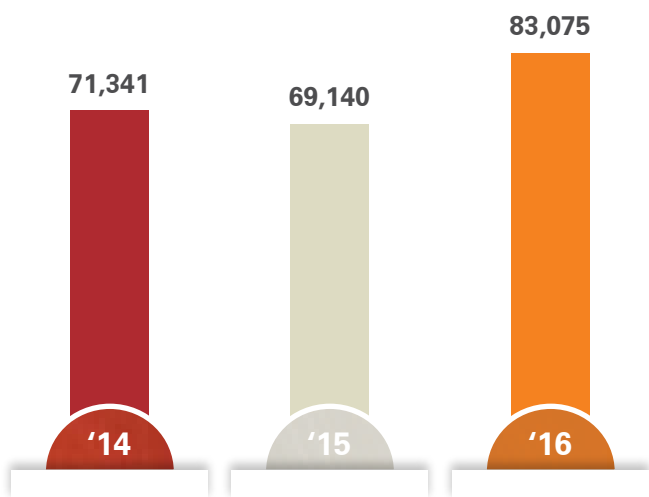
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Branches as on
March 31, 2016

Financial Performance FY2016

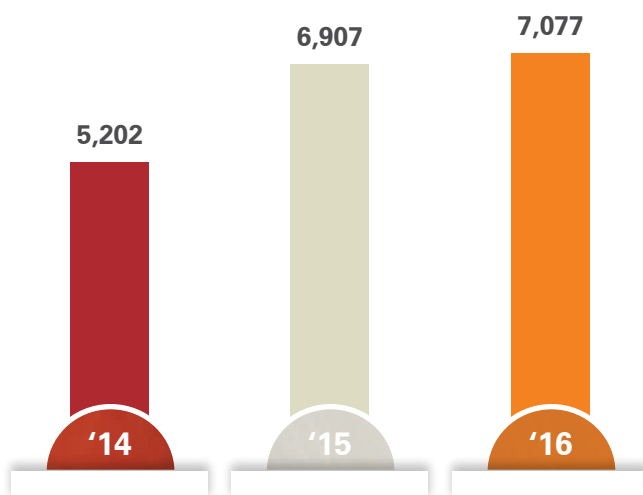
Revenue Growth

(Gross Written Premium (GWP) in ₹ Million)



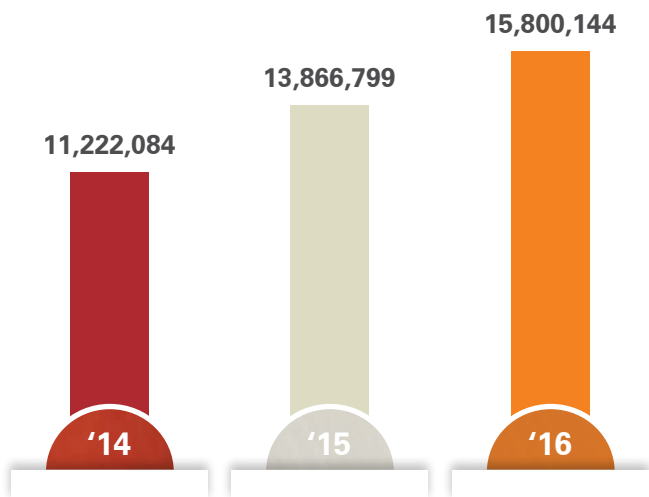
Profit Before Tax

(₹ in million)



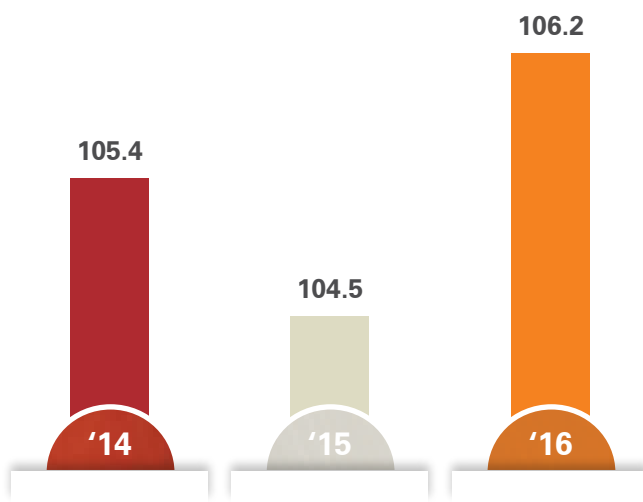
Policy Growth

(Number of policies sold)



Combined Ratio

(%)



Awards and Accolades



Golden Peacock Award for Business Excellence, 2016

The award recognises best management practices that act as the basis for business excellence. ICICI Lombard General Insurance received the award for its robust risk management practices and customer-centric initiatives.



Outlook Money Non-life Insurer of the Year Award, 2015

ICICI Lombard General Insurance was adjudged the 'Non-life Insurer of the Year' at the coveted Outlook Money Awards, 2015. Non-life Insurance as a category was included for the first time at the Outlook Money Awards, which were introduced more than a decade ago. ICICI Lombard has been chosen as the winner in the introductory year of the award category.



Golden Peacock Corporate Social Responsibility Award, 2015

ICICI Lombard General Insurance was conferred the coveted 'Golden Peacock Corporate Social Responsibility Award 2015'. The award recognises the Company for its continuous contribution to CSR and especially for its 'Caring Hands' initiative, an employee volunteering CSR programme.



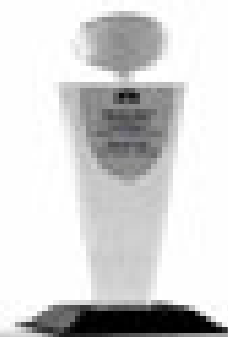
Golden Peacock Innovation Management Award, 2015

ICICI Lombard was given the award for demonstrating innovation across multiple functions of its business operations and promoting the 'culture of innovation'.



E-Business Leader Award, 2015

ICICI Lombard was conferred with the 'E-Business Leader' Award in the General Insurance Category at the 5th annual edition of the Indian Insurance Award 2015 for its performance, growth, product and market innovation, customer service and technology.



Best Travel Insurance Company, 2015

ICICI Lombard was named as the 'Best Travel Insurance Company' by CNBC Awaaz Travel Awards 2015 presented by the Chhattisgarh Government based on an online and on-air survey.

Corporate Information

Board of Directors

Chanda Kochhar

Chairperson

R. Athappan

Director

Vijay Chandok

Director

(w.e.f. January 15, 2016)

Dileep Choksi

Director

Uday Chitale

Director

(w.e.f. April 19, 2016)

Zarin Daruwala

Director

(up to January 5, 2016)

N. S. Kannan

Director

Ashvin Parekh

Director

S. Mukherji

Director

Chandran Ratnaswami

Director

M. K. Sharma

Director

(up to July 31, 2015)

Bhargav Dasgupta

Managing Director

Alok Kumar Agarwal

Executive Director

Sanjeev Mantri

Executive Director

Board Nomination & Remuneration Committee

Uday Chitale

Chairman

Chanda Kochhar

Chandran Ratnaswami

Ashvin Parekh

Investment Committee

Chandran Ratnaswami

Chairman

N. S. Kannan

Bhargav Dasgupta

J. V. Prasad

S. Gopalakrishnan

Gopal Balachandran

Audit Committee

Ashvin Parekh

Chairman

Uday Chitale

S. Mukherji

Risk Management Committee

S. Mukherji

Chairman

R. Athappan

Ashvin Parekh

Bhargav Dasgupta

Policyholder Protection Committee

Ashvin Parekh

Chairman

S. Mukherji

Chandran Ratnaswami

Bhargav Dasgupta

Corporate Social Responsibility Committee

Uday Chitale

Chairman

S. Mukherji

R. Athappan

Bhargav Dasgupta

Auditors

Khandelwal Jain & Co.

Chartered Accountants

Chaturvedi & Co.

Chartered Accountants

Message from the Chairperson



Chanda Kochhar
Chairperson

Dear Shareholders,

Fiscal 2016 was characterised by divergence in global economic trends and global growth remained low. Among the major economies, while the US raised the main policy rate after nearly a decade, the Eurozone and Japan continued to rely on accommodative policies and unconventional measures including negative interest rates to combat weak growth and economy uncertainty. Even as China's decades long growth cycle moderated, India gained prominence as the fastest growing major economy in the world.

The general insurance industry showed promise as it returned to double digit growth in FY2016. This sector holds immense potential when one compares India's insurance penetration with other countries. At 0.7% of GDP, India's penetration level is much lower than other emerging markets including China (1.3%) and Brazil (1.7%). With around 40% of the nation's population in the working age group, the need for asset acquisition and therefore asset protection will only increase in the coming years, adding to the industry's growth prospects.

The Insurance (Amendment) Bill, 2015 permitting foreign investment up to 49% in the insurance sector was a major milestone of FY2015 and the industry is already

With around 40% of the nation's population in the working age group, the need for asset acquisition and therefore asset protection will only increase in the coming years, adding to the industry's growth prospects.

witnessing the positive impact of its announcement. In the last 12 months, the industry has seen multiple transactions. Fairfax Financial Holdings Limited also increased its stake in ICICI Lombard to 35% reinforcing a long-term commitment to the Indian market and at the same time establishing a strong valuation benchmark. The transaction is a testimony to the substantial value created by the Company and a statement of

confidence in its growth potential and ability to harness emerging opportunities to stay ahead of competition.

Over the last few years, we have witnessed several catastrophic events including Uttarakhand floods, Cyclone Phailin and the unprecedented floods in Chennai and the surrounding regions in FY2016. Even as we raised our benchmark to service our customers during these catastrophic events, our employees displayed outstanding commitment and dedication as they reached out to customers in tough conditions, comforting them and walking the extra mile to restore normalcy in their hour of need. The feedback from customers praising the team's swift and sensitive response is a demonstration of our philosophy to be fast and responsive to our customer. I am happy to see the team consistently exemplifying these values through actions.

Our experience shows that unparalleled customer service provides a competitive edge to any organisation. Customer-centricity will always take the centrestage at ICICI Lombard. We continue to make relevant investments in infrastructure, manpower and processes to deliver a best-in-class experience to our customers. At the same time, we have adopted leading technology to service

our customers more efficiently and effectively, while optimising backend processes. Early on, we identified technology as a core element that linked all aspects of the business and we continue to scale up our investment and application of technology.

We are committed to being a responsible and socially aware organisation. Our corporate social responsibility initiatives focus on empowerment of the youth and skill development, which are key areas that need attention in a growing economy like India, and we have initiated multiple programmes on this front. I congratulate the team on completing five years of its employee volunteering programme 'Caring Hands'.

ICICI Lombard is a vital and integral part of ICICI Group's strategy of offering a diversified umbrella of financial services. Our multi-segment presence has enabled us to contribute towards the nation's progress. The future beholds both challenges and promises. We are confident of realising the goals that we set for ourselves and look forward to the support of all our stakeholders.

Chanda Kochhar
Chairperson

Message from the Chairman, Fairfax Asia



Ramaswamy Athappan

Chairman
Fairfax Asia Limited

Dear Shareholders,

India clearly stands out as an outperformer in the current global scenario marked by uncertainty and reduced expectations on the growth front. The fact that the country has taken over as the fastest growing major economy in the world clearly shows the potential of this young and aspiring nation. With around 40% of its population being in the working age group of below 60 years, the India growth story is here to stay for a long time.

Even as we stay positive about the macroeconomic scenario, we are equally enthusiastic of the way the insurance industry is evolving in the country. The Insurance (Amendment) Bill, 2015 that was passed in March last year will facilitate the long term development of the industry even as insurance companies work towards harnessing their individual franchises. We are extremely confident of the industry growth prospects and our General insurance franchise, ICICI Lombard General Insurance. FY2016 was a year of significance for us as we increased our stake in the joint venture by 9% to take our shareholding to 35%. We believe that the transaction value that was at multiples to the book value is an evidence of the leadership stature of the franchise and its growth prospects. For us,