

NOVEMBER 22, 2023 09:18 AM (EST)

AM Best Revises Credit Rating Outlooks to Positive and Assigns National Scale Rating to General Insurance Corporation of India

CONTACTS:

Chris Lim, FCII, CFA
Associate Director, Analytics
+65 6303 5018
chris.lim@ambest.com

Michael Dunckley, CFA
Associate Director, Analytics
+44 20 7397 0312
michael.dunckley@ambest.com

Christopher Sharkey
Associate Director, Public Relations
+1 908 882 2310
christopher.sharkey@ambest.com

Al Slavin
Senior Public Relations Specialist
+1 908 882 2318
al.slavin@ambest.com

FOR IMMEDIATE RELEASE

SINGAPORE - NOVEMBER 22, 2023 09:18 AM (EST)

AM Best has revised the outlook to positive from stable for the Financial Strength Rating (FSR) and to positive from negative for the Long-Term Issuer Credit Rating (Long-Term ICR) and affirmed the FSR of B++ (Good) and the Long-Term ICR “bbb+” (Good) of General Insurance Corporation of India (GIC Re) (India). Additionally, AM Best has assigned the India National Scale Rating (NSR) of aaa.IN (Exceptional) to GIC Re. The outlook assigned to the NSR is stable.

These Credit Ratings (ratings) reflect GIC Re’s balance sheet strength, which AM Best assesses as strong, as well as its adequate operating performance, favourable business profile and appropriate enterprise risk management (ERM). In addition, the ratings factor in a neutral impact from the company’s ownership by the government of India.

The revision of the Long-Term ICR outlook to positive from negative reflects an improvement in AM Best’s view of GIC Re’s balance sheet strength and ERM fundamentals. Both GIC Re’s risk-adjusted capitalisation and regulatory solvency position have shown sustained improvement over the past three years. Shareholders’ equity increased 74% to INR 675 billion (USD 8.2 billion) in fiscal year (FY) 2023 from INR 388 billion in FY 2020, supported by fair value gains in GIC Re’s investment portfolio and an increase in retained earnings. Conversely, capital requirements arising from underwriting and investment activities have grown at a much slower pace, driven by management actions to improve the company’s capital adequacy. In addition, AM Best views the negative pressure on GIC Re’s ERM assessment to have been alleviated through prompt remedial actions and ongoing initiatives to improve internal financial controls.

AM Best views the company’s operating performance as adequate, supported by a five-year average return-on-equity ratio of 5.3% (FY 2019-2023). Consolidated pre-tax profits (prior to the contribution to catastrophe reserves) showed an improvement in FY 2023 to INR 89 billion (FY 2022: INR 39 billion), having benefitted from the company’s better underwriting and investment results during the year. GIC Re’s underwriting performance improved slightly in FY 2023 compared with FY 2022, although it remained technically unprofitable. The improvement was driven by more favourable loss experience in GIC Re’s domestic property, agriculture and health reinsurance segments, although offset by heightened losses to its overseas property catastrophe treaties and motor portfolio. Investment income, including realised gains on equity investments, remained a key contributor of overall earnings and has historically made up for the lack of technical profits.

GIC Re's business profile is assessed as favourable. The company is the 16th-largest reinsurer globally based on gross premium written, according to AM Best's most recent annual ranking of the top 50 global reinsurers. GIC Re is a leading reinsurer in India, with a domestic market share averaging between 60-70% in recent years. The company benefits from mandatory domestic reinsurance cessions, which is at 4% for FY 2024, and also a right of first refusal that provides it with preferential access to domestic reinsurance placements. The company's underwriting portfolio is generally well-diversified by lines of business and geography.

Ratings are communicated to rated entities prior to publication. Unless stated otherwise, the ratings were not amended subsequent to that communication.

This press release relates to Credit Ratings that have been published on AM Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best's [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Guide to Best's Credit Ratings](#). For information on the proper use of Best's Credit Ratings, Best's Performance Assessments, Best's Preliminary Credit Assessments and AM Best press releases, please view [Guide to Proper Use of Best's Ratings & Assessments](#).

AM Best is a global credit rating agency, news publisher and data analytics provider specialising in the insurance industry. Headquartered in the United States, the company does business in over 100 countries with regional offices in London, Amsterdam, Dubai, Hong Kong, Singapore and Mexico City.

Related Companies

For information about each company, including the Best's Credit Reports, group members (where applicable) and news stories, click on the company name. An additional purchase may be required.

AMB#	Company Name
086041	General Insurance Corporation of India
074545	General Insurance Corporation of India



[About Us](#) | [Advertise](#) | [Careers](#) | [Contact](#) | [Events](#) | [Media Relations](#) | [Mobile App](#) | [Offices](#) | [Press Releases](#) | [Social Media](#)
[Accessibility Statement](#) | [Cookie Notice](#) | [Legal & Licensing](#) | [Privacy Notice](#) | [Site Map](#) | [Terms of Use](#)

Copyright © 2024 A.M. Best Company, Inc. and/or its affiliates. ALL RIGHTS RESERVED.