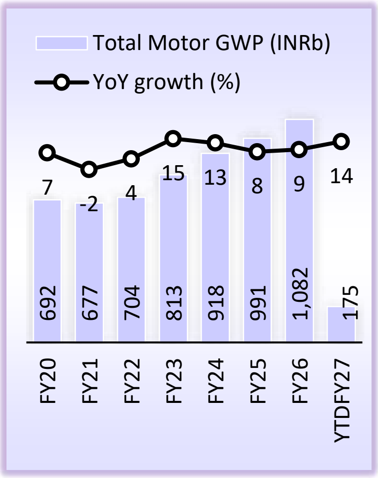
Indian General Insurance

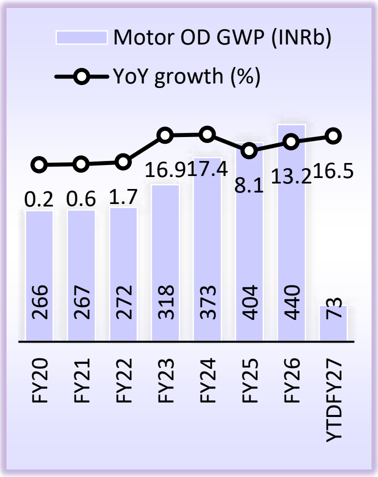
Motor insurance – underwriting discipline to win, not growth

- **The motor insurance industry continues to benefit from one of the strongest automobile demand environments in recent years. Auto retail sales recorded their best-ever performance in 1QFY27, growing 19%/10%/22% YoY in Apr/May/Jun'26, while industry motor premiums accelerated to 14% YoY in FY27YTD from 9% in FY26.**
- **Motor OD remains the key growth engine with 16% YoY growth, supported by broad-based strength across PVs, 2Ws, and CVs. With improving rural demand, the onset of the monsoon, and the upcoming festive season, we expect vehicle sales and, consequently, motor premium growth to remain healthy through FY27.**
- **Industry profitability remains a tale of two markets. While the industry's overall motor combined ratio deteriorated to 130% in 4QFY26 from 125% in 4QFY25, this was entirely driven by PSU insurers, whose combined ratios expanded sharply to 153%. In contrast, private insurers improved combined ratios to 115%, supported by disciplined underwriting, superior claims management, and better risk selection.**
- **That said, CoR within the private sector remains above historical levels (<110%) as elevated commission payouts and competitive pricing continue to offset improvements in loss ratios.**
- **Private insurers have increased their market share to 73%, with incremental growth being captured by agile mid-sized players such as Tata AIG and Shriram General rather than only the largest incumbents. The underwriting performance of these insurers is tighter than that of larger peers, reflecting an increasing focus on underwriting sophistication.**
- **Beyond the cyclical recovery, emerging drivers such as rising EV adoption and the responsibility for motor TP tariff hikes being entrusted to IRDAI serve as the key monitorables for the motor insurance segment. EV insurance policies grew ~670% YoY in FY26, creating a new premium pool characterized by higher insured values and technology-led underwriting. Looking ahead, we believe Motor TP tariff revisions, moderation in pricing competition, and enhanced underwriting discipline will represent the three most important catalysts for industry earnings.**
- **ICICIGI has witnessed a recovery in growth from single digits to the mid-teens since Oct'25, in line with the industry's sharp rebound in motor premium growth in recent months, while maintaining better-than-industry combined ratios. With strong positioning in motor OD, pricing discipline, and operating efficiency, the company is well-placed to deliver steady growth (~10% OD CAGR), alongside sustained margin superiority. We reiterate our BUY rating with a one-year TP of INR2,210 (premised on 28x FY28E EPS).**

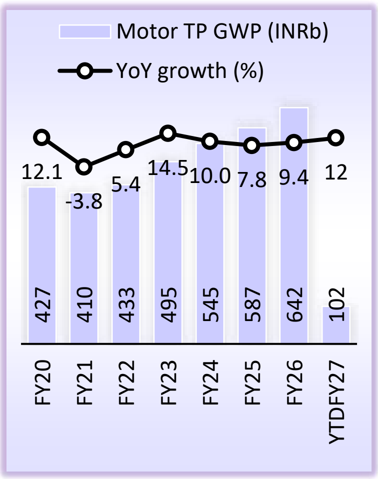
Total Motor GWP growth trend



Motor OD GWP growth trend



Motor TP GWP growth trend



Strong support from underlying demand

- The automobile cycle has remained exceptionally healthy through 1QFY27, providing a strong foundation for motor insurance growth. Automobile retail sales have witnessed the best-ever demand across all three months, recording growth of 18.6%/9.6%/22.1% in Apr'26/May'26/Jun'26 (Source: FADA).
- While May'26 witnessed the impact of heatwave, fuel prices, and West Asia-related headwinds, growth momentum remained broad-based in double digits across segments, with PV sales recording the fastest growth. Jun'26 marked the strongest June ever for Indian auto retail sales, with overall registrations rising ~22% YoY and passenger vehicle sales increasing ~29% YoY.

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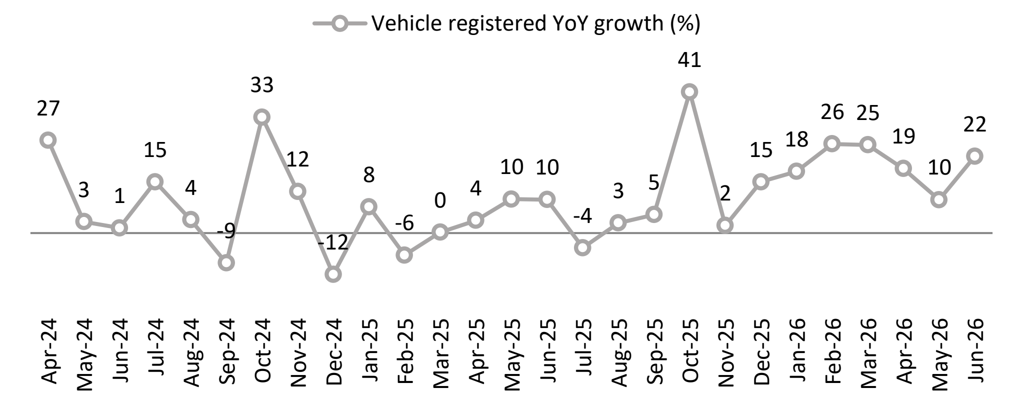
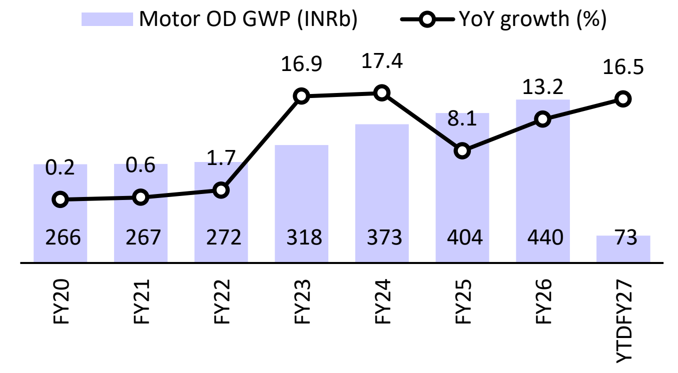
- EV penetration in new vehicle sales has increased from under 1% in 2020 to ~8% in Jun'26. The month also marked the strongest June ever for EV retail across every category.
- Despite a decline in insured values due to GST cuts, the continued momentum in vehicle sales and an improving EV mix have resulted in a stronger growth trajectory for motor insurance premiums, from 9%/11% YoY in FY26/2HFY26 to 14% YoY in FY27YTD (16% YoY in Apr'26 and 12% YoY in May'26).
- Private insurers have outpaced PSUs, delivering double-digit YoY growth since Sep'25 and pulling further ahead, with market share reaching 73% in May'26 (71% in May'25). The outperformance is driven by both motor OD and motor TP segments, where private insurers are clocking double-digit growth while PSUs continue to grow in single digits.
- In motor OD, premium growth has improved from ~9%/12% YoY in FY26/2HFY26 to 16% YoY in FY27YTD, backed by continued growth in new vehicles across segments.
- On the motor TP front, growth trajectory has improved slightly, from FY26/2HFY26 YoY growth at 9%/10% to 12% YoY in FY26YTD. Regulatory price hikes (no hike since 2018) remain a key monitorable for this segment, with recent news articles indicating a higher likelihood of motor TP tariff revisions by IRDAI.
- Players like ICICIGI have witnessed a recovery from single-digit growth to mid-teen growth, driven by robust new vehicle sales, strong 2W growth, and improving customer stickiness. However, industry growth now appears to be skewed toward mid-sized and smaller private insurers like Tata AIG, Shriram General, and IFFCO Tokio, rather than the largest incumbents.
- Improvement in the rural economy, aided by the onset of the monsoon, and the start of the festive season in a few months should continue to boost vehicle sales and, in turn, benefit the motor insurance industry.

Exhibit 1: Vehicle growth trajectory has improved post GST changes (Oct'25)



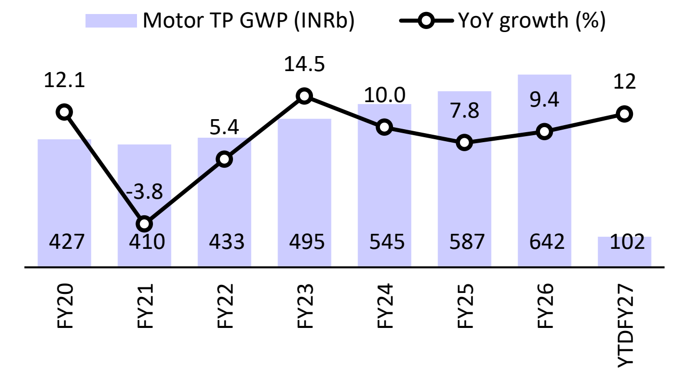
Source: FADA, MOFSL

Exhibit 2: Growth trajectory improves in Motor OD



Source: GI Council, MOFSL

Exhibit 3: Motor TP growth improves to double digits



Source: GI Council, MOFSL

Exhibit 4: Mid-sized players have gained market share; ICICIGI maintained the top spot with ~13% market share

Motor OD market share	FY20	FY21	FY22	FY23	FY24	FY25	FY26	YTDFY27
ICICI Lombard	17.2	16.8	15.0	13.1	12.7	13.5	13.2	12.8
Tata AIG	6.8	7.8	8.5	9.0	9.0	10.1	10.4	11.2
NIA	10.5	10.1	9.6	9.9	9.4	9.5	9.2	10.3
Bajaj General	7.9	7.5	7.4	7.4	7.2	7.6	7.5	7.0
Chola MS	4.1	4.0	4.5	5.3	5.4	5.7	5.9	5.3
Go Digit	1.8	2.0	3.0	4.2	5.2	5.5	5.9	4.8
IndusInd General	4.6	4.9	6.0	5.0	4.8	5.1	5.3	4.3
SBI General	2.8	3.3	4.3	3.2	4.5	5.0	5.5	5.1
HDFC Ergo	5.9	5.6	5.7	6.6	7.0	4.7	4.2	4.8
National insurance	7.1	8.0	5.3	5.3	4.3	3.9	3.9	3.9
Shriram General	2.1	1.8	1.3	1.3	1.7	2.0	2.4	2.5

Source: GI Council, MOFSL

Exhibit 5: Key private players have largely maintained market share in motor TP

Motor TP market share	FY20	FY21	FY22	FY23	FY24	FY25	FY26	YTDFY27
NIA	14.4	14.9	13.0	11.8	11.0	11.3	10.4	10.4
ICICI Lombard	8.7	9.5	9.7	8.9	9.0	9.0	8.9	9.1
Tata AIG	5.2	5.5	6.5	7.8	7.5	8.5	8.1	8.5
Go Digit	3.3	3.5	5.1	5.4	6.5	6.2	6.5	6.3
Bajaj General	7.3	6.6	6.5	6.1	5.8	5.6	6.2	6.8
National insurance	9.0	6.5	7.4	6.9	6.3	6.3	6.1	6.2
Chola MS	5.1	5.0	5.1	5.4	5.4	5.3	4.8	4.6
SBI General	1.9	3.1	3.1	3.5	3.5	4.5	4.7	3.9
IndusInd General	4.5	5.5	5.1	4.9	4.7	4.5	3.8	2.9
HDFC Ergo	4.3	4.6	4.7	5.2	4.9	2.0	1.8	2.2
Shriram General	4.3	3.8	3.0	3.4	4.0	4.6	5.0	5.0

Source: GI Council, MOFSL

Private vs PSU profitability gap remains stark

- The industry's motor combined ratio worsened by 500bp compared to 4QFY25 (130% in 4QFY26 from 125% in 4QFY25), driven entirely by PSU insurers, whose combined ratio deteriorated by ~1,800bp YoY (152.6% in 4QFY26 from 134.3% in 4QFY25). Private combined ratio, on the other hand, improved ~400bp YoY (114.5% in 4QFY26 from 118.7% in 4QFY25), reflecting the continued widening of the private-PSU profitability gap.

- While private insurers have witnessed a YoY improvement in combined ratios in 2HFY26, these remain significantly above the sub-110% range seen in 2HFY23. Loss ratios have continued to improve (inching closer to 70%), but expense ratios (including commissions) have risen to 40%, reflecting high competitive intensity and growth in new business.

Motor OD – Private insurers' discipline drives the gap

- The loss ratio gap alone explains most of the private sector dominance story in motor OD. While the loss ratio for the industry stood at 82.4% in 4QFY26, private insurers are operating at more than a 1000bp alpha with loss ratio at 71.5%. An older, higher-severity vehicle mix and weaker underwriting segmentation explain the gap with PSUs (4QFY26 loss ratio at 101.9%).
- Within the private sector, motor OD loss ratio increased YoY from ~70% in FY25 to ~73% in FY26, largely driven by intense price competition amid repair cost inflation.
- On the expense front, while all insurers are focused on enhancing operational efficiency, private insurers continue to bear the brunt of higher commission ratios (~40% vs <30% for PSUs). This reflects their dealer- and agency-led distribution model, as well as the aggressive payouts required to win fresh-vehicle business.
- The strong claims ratio advantage is partly offset by higher opex, resulting in a narrower gap in combined ratios, with private/PSU combined ratio at 126.8%/144.7% in 4QFY26.

Motor TP – Frozen tariffs keeping economics challenging

- The motor TP loss ratio for the industry increased to 128.3% in 4QFY26 (124% in 4QFY25), driven by PSUs, which continue to operate with a significantly elevated claims ratio of 121%. In contrast, the cautious underwriting approach adopted by private insurers has kept their loss ratios in check at ~70%. PSUs continue to operate at a structural underwriting loss, quarter after quarter, with no pricing lever available until motor TP tariffs are revised.
- Within the private sector, the motor TP loss ratio improved YoY from ~76% in FY25 to ~71% in FY26, largely driven by insurers' selective approach to the motor TP segment.
- On the expense front, operational efficiency plays out better for private insurers, resulting in ~5,000bp combined ratio alpha vs PSUs (106.7% for private and 156.4% for PSUs in 4QFY26).
- With IRDAI gaining control over TP rates through the recent amendments to the Insurance Act, a rate revision appears more prominent than before, which can prove beneficial for PSUs through profitability and private insurers through stronger growth.

Exhibit 6: Motor OD loss ratio comparison – disciplined approach followed by private insurers

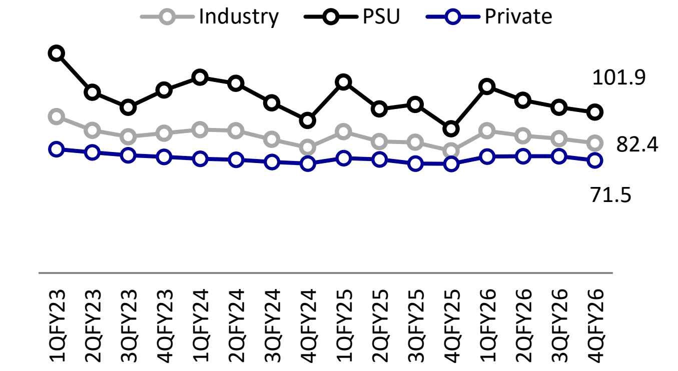


Exhibit 7: Motor OD commission ratio comparison – higher commissions paid by private insurers

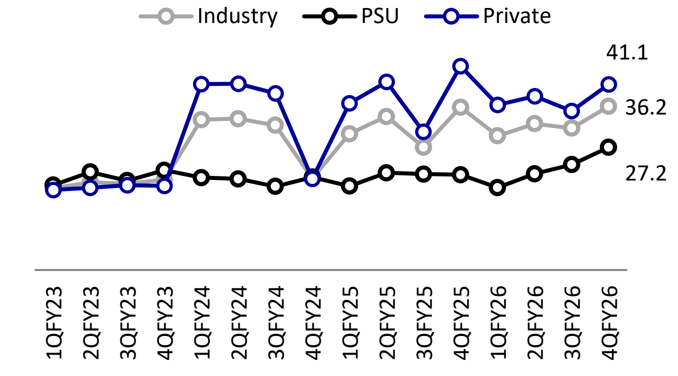


Exhibit 8: Motor OD opex ratio comparison – Largely similar with an increasing focus on operational efficiency

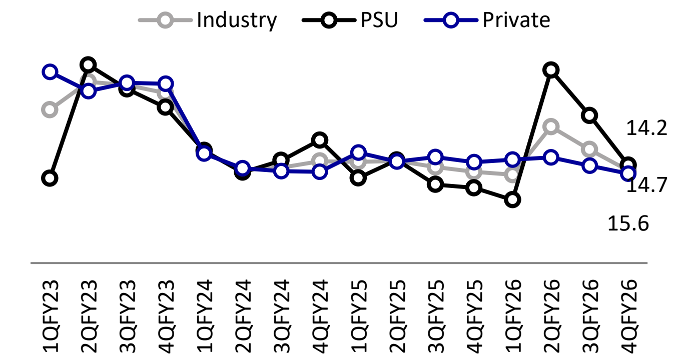
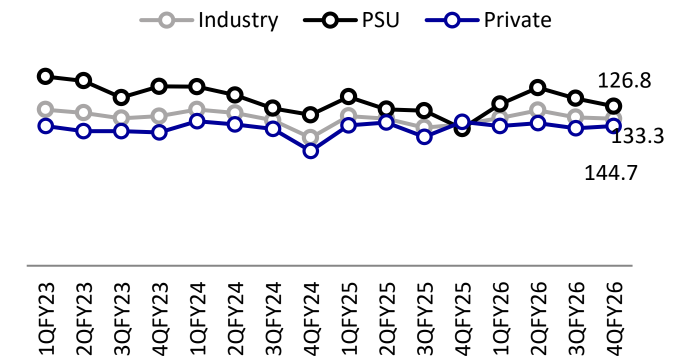


Exhibit 9: Motor OD combined ratio comparison – Pvt insurers are more profitable



Source: GI Council, MOFSL. Note: Pvt insurers - ICICIGI, HDFC Ergo, SBI General, Bajaj General, Go Digit, Tata AIG, Chola MS, IFFCO Tokio, and Shriram General

Exhibit 10: Motor TP loss ratio comparison

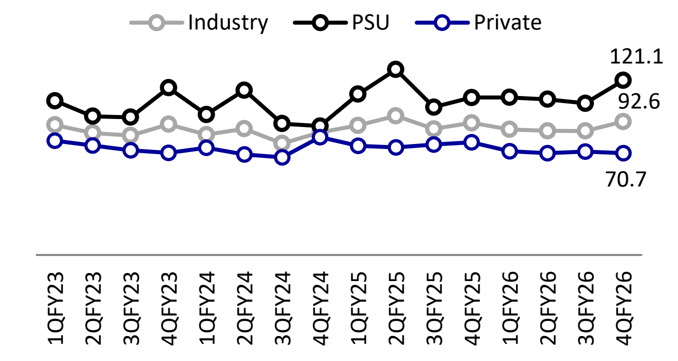


Exhibit 11: Motor TP commission ratio comparison

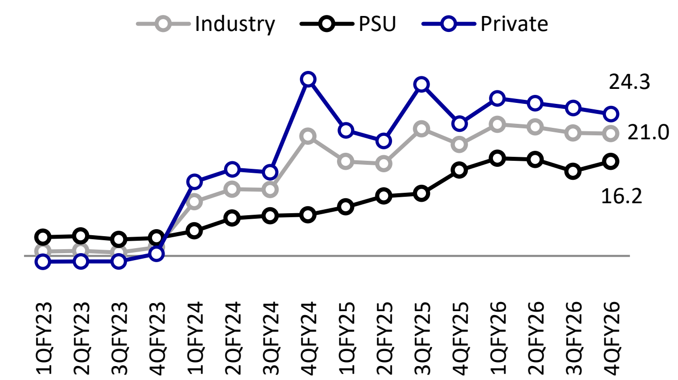


Exhibit 12: Motor TP opex ratio comparison

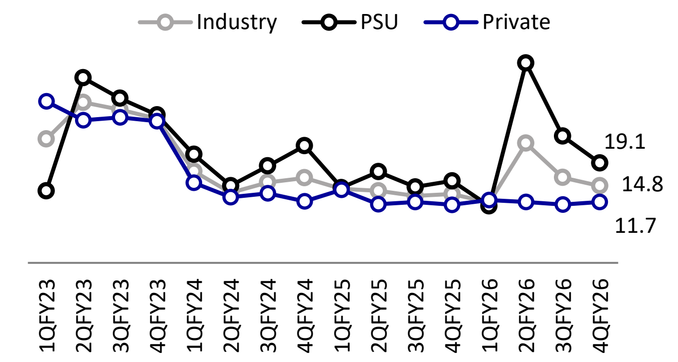
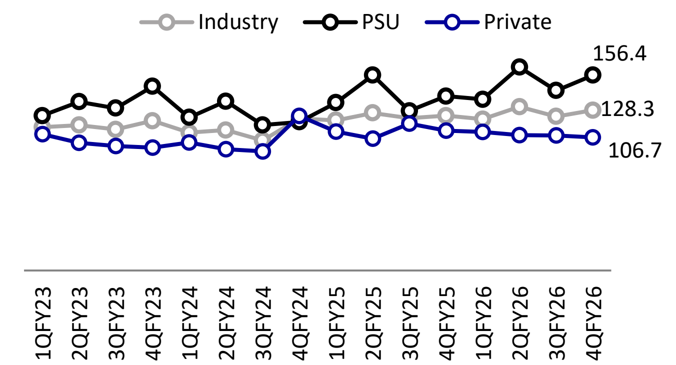


Exhibit 13: Motor TP combined ratio comparison



Source: GI Council, MOFSL. Note: Pvt insurers - ICICIGI, HDFC Ergo, SBI General, Bajaj General, Go Digit, Tata AIG, Chola MS, IFFCO Tokio, and Shriram General

Exhibit 14: Motor profitability of private insurers…

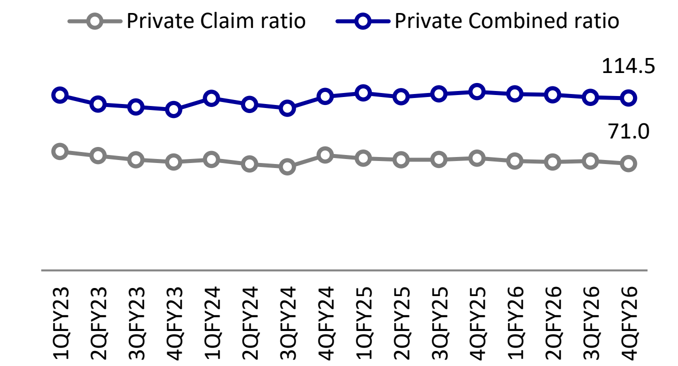


Exhibit 15: …reflects a stark gap with PSUs

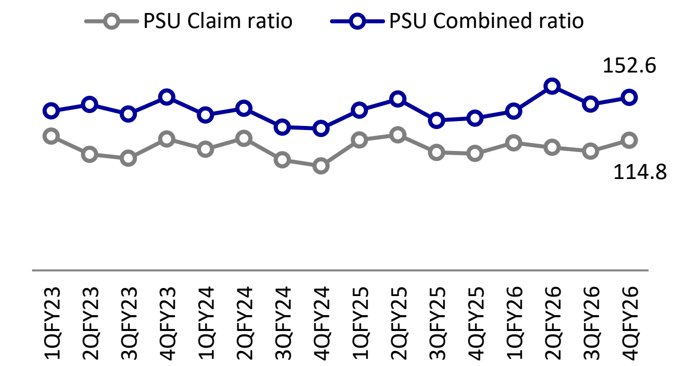


Exhibit 16: Industry's motor OD financials

	FY 2024-25				FY 2025-26				FY 2024-25	FY 2025-26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
GWP	77.5	82.3	95.2	91.4	82.1	83.5	102.9	100.6	346.4	369.1
NWP	60.5	65.7	74.4	70.3	64.3	64.1	80.8	77.5	270.9	286.7
NEP	68.6	70.2	70.1	67.9	67.5	68.2	71.0	71.0	276.9	277.7
Net Incurred Claims	61.5	58.5	58.1	52.6	60.9	59.3	60.5	58.5	230.8	239.3
Net Commission	18.3	22.3	20.2	25.3	19.1	20.8	25.4	28.1	86.2	93.3
Operating Expense	9.7	10.6	11.3	10.2	9.0	13.9	14.6	11.4	41.9	48.8
Underwriting profit	(20.8)	(21.3)	(19.6)	(20.2)	(21.5)	(25.8)	(29.4)	(26.9)	(82.0)	(103.7)
Claims ratio	89.6	83.4	82.9	77.5	90.1	87.0	85.2	82.4	83.4	86.2
Commission ratio	30.2	34.0	27.2	36.1	29.7	32.4	31.4	36.2	31.8	32.5
Opex ratio	16.1	16.2	15.2	14.5	14.0	21.7	18.0	14.7	15.5	17.0
Combined ratio	135.8	133.6	125.3	128.1	133.9	141.1	134.7	133.3	130.6	135.7

Source: Public disclosures, MOFSL. Note: Industry data has been taken out by collating data for players forming ~90% of the industry

Exhibit 17: Industry's motor TP financials

	FY 2024-25				FY 2025-26				FY 2024-25	FY 2025-26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
GWP	99.9	111.7	131.3	141.6	114.1	119.4	143.3	149.1	484.5	525.9
NWP	92.1	103.0	120.9	130.4	104.8	109.0	129.7	135.5	446.4	479.0
NEP	100.5	104.8	108.7	111.7	110.2	114.0	119.9	121.5	425.6	465.6
Net Incurred Claims	90.3	101.1	95.0	102.4	95.9	98.2	103.0	112.5	388.9	409.6
Net Commission	14.9	16.3	26.3	24.9	23.6	24.1	27.3	28.4	82.4	103.4
Operating Expense	13.1	14.2	15.5	17.2	12.1	25.0	21.2	20.0	60.0	78.3
Underwriting profit	(17.8)	(26.8)	(28.1)	(32.8)	(21.5)	(33.2)	(31.7)	(39.3)	(105.6)	(125.7)
Claims ratio	89.9	96.5	87.4	91.7	87.1	86.1	85.9	92.6	91.4	88.0
Commission ratio	16.2	15.8	21.8	19.1	22.5	22.1	21.1	21.0	18.5	21.6
Opex ratio	14.2	13.8	12.8	13.2	11.5	22.9	16.4	14.8	13.4	16.3
Combined ratio	120.3	126.1	122.0	124.0	121.2	131.1	123.4	128.3	123.3	125.9

Source: Public disclosures, MOFSL. Note: Industry data has been taken out by collating data for players forming ~90% of the industry

Exhibit 18: PSUs' motor OD financials

	FY 2024-25				FY 2025-26				FY 2024-25	FY 2025-26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
GWP	23.6	26.1	28.9	28.4	25.6	24.1	27.7	28.2	107.0	105.6
NWP	22.3	25.0	27.3	26.5	24.0	22.6	25.9	27.1	101.1	99.6
NEP	23.8	24.8	25.2	25.3	24.8	24.9	25.5	25.5	99.1	100.7
Net Incurred Claims	28.9	25.8	26.9	23.1	29.3	27.3	26.8	26.0	104.7	109.4
Net Commission	4.1	5.4	5.8	5.6	4.4	4.8	6.0	7.4	20.9	22.6
Operating Expense	3.0	4.1	3.4	3.2	2.4	6.9	6.1	4.2	13.7	19.6
Underwriting profit	(12.2)	(10.5)	(10.9)	(6.6)	(11.3)	(14.1)	(13.4)	(12.1)	(40.2)	(50.9)
Claims ratio	121.1	104.0	106.9	91.4	118.2	109.6	105.1	101.9	105.6	108.6
Commission ratio	18.6	21.5	21.2	21.1	18.2	21.3	23.3	27.2	20.7	22.7
Opex ratio	13.5	16.4	12.5	11.9	10.0	30.6	23.4	15.6	13.5	19.7
Combined ratio	153.2	141.9	140.6	124.4	146.5	161.5	151.8	144.7	139.8	151.0

Source: Public disclosures, MOFSL

Exhibit 19: PSUs' motor TP financials

	FY 2024-25				FY 2025-26				FY 2024-25	FY 2025-26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
GWP	39.1	44.3	51.4	60.7	47.0	48.0	53.4	58.5	195.6	207.0
NWP	37.5	42.5	49.3	58.3	45.2	46.1	51.1	56.1	187.5	198.4
NEP	39.8	42.5	45.3	48.8	44.7	47.4	51.0	52.7	176.4	195.9
Net Incurred Claims	44.4	54.7	46.5	53.3	48.9	51.2	53.7	63.8	198.9	217.6
Net Commission	3.1	4.3	5.3	8.5	7.6	7.6	7.4	9.1	21.3	31.6
Operating Expense	5.4	7.4	7.2	9.2	4.9	17.7	12.4	10.7	29.2	45.7
Underwriting profit	(13.1)	(23.9)	(13.6)	(22.2)	(16.7)	(29.0)	(22.5)	(30.9)	(72.9)	(99.1)
Claims ratio	111.5	128.7	102.6	109.2	109.3	107.9	105.2	121.1	112.7	111.1
Commission ratio	8.4	10.2	10.7	14.7	16.7	16.5	14.5	16.2	11.4	15.9
Opex ratio	14.4	17.5	14.5	15.7	10.9	38.3	24.3	19.1	15.5	23.0
Combined ratio	134.3	156.3	127.8	139.6	137.0	162.8	144.0	156.4	139.6	150.1

Source: Public disclosures, MOFSL

Exhibit 20: Key private players' motor OD financials

	FY 2024-25				FY 2025-26				FY 2024-25	FY 2025-26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
GWP	53.9	56.2	66.3	63.0	56.5	59.3	75.2	72.4	239.5	263.5
NWP	38.3	40.7	47.1	43.7	40.2	41.5	54.9	50.4	169.8	187.1
NEP	44.8	45.4	44.9	42.6	42.7	43.3	45.5	45.6	177.8	177.0
Net Incurred Claims	32.6	32.8	31.2	29.5	31.5	32.1	33.7	32.6	126.1	129.8
Net Commission	14.1	17.0	14.4	19.8	14.7	16.0	19.4	20.7	65.3	70.7
Operating Expense	6.7	6.6	7.9	7.0	6.6	7.0	8.5	7.2	28.2	29.2
Underwriting profit	(8.7)	(10.8)	(8.6)	(13.7)	(10.1)	(11.7)	(16.1)	(14.9)	(41.8)	(52.8)
Claims ratio	72.8	72.1	69.5	69.3	73.8	74.1	74.1	71.5	70.9	73.3
Commission ratio	36.9	41.6	30.6	45.2	36.5	38.4	35.2	41.1	38.4	37.8
Opex ratio	17.6	16.1	16.8	16.0	16.4	16.8	15.5	14.2	16.6	15.6
Combined ratio	127.3	129.8	116.9	130.4	126.8	129.3	124.8	126.8	126.0	126.8

Source: Public disclosures, MOFSL

Exhibit 21: Key private players' motor TP financials

	FY 2024-25				FY 2025-26				FY 2024-25	FY 2025-26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
GWP	60.8	67.4	79.8	80.8	67.1	71.4	89.9	90.6	288.9	318.9
NWP	54.7	60.5	71.6	72.1	59.6	62.9	78.6	79.5	258.8	280.6
NEP	60.7	62.3	63.4	62.9	65.5	66.6	68.8	68.8	249.2	269.7
Net Incurred Claims	46.0	46.5	48.5	49.1	47.0	47.0	49.3	48.6	190.0	192.0
Net Commission	11.8	11.9	21.0	16.3	16.1	16.5	19.9	19.3	61.1	71.7
Operating Expense	7.7	6.8	8.3	8.0	7.2	7.3	8.8	9.3	30.8	32.6
Underwriting profit	(4.7)	(2.9)	(14.5)	(10.6)	(4.8)	(4.2)	(9.2)	(8.4)	(32.7)	(26.6)
Claims ratio	75.7	74.6	76.6	78.1	71.9	70.6	71.6	70.7	76.3	71.2
Commission ratio	21.5	19.7	29.4	22.7	27.0	26.2	25.3	24.3	23.6	25.6
Opex ratio	14.0	11.2	11.7	11.1	12.0	11.7	11.2	11.7	11.9	11.6
Combined ratio	111.3	105.5	117.6	111.9	110.8	108.4	108.1	106.7	111.8	108.4

Source: Public disclosures, MOFSL

EVs create a new underwriting opportunity

- As the share of EVs in new vehicle registrations continues to rise, motor insurers are witnessing the emergence of a new, high-growth segment that is expected to reshape underwriting, product design, and claims management over the medium term.
- Insurance policies issued for electric vehicles increased by ~670% between 2025 and 2026, making EVs the fastest-growing category within the motor insurance segment. While the current contribution of EVs to the overall insured vehicle base remains modest at ~1%, the strong growth trajectory underscores the significant headroom for premium expansion as EV penetration increases.
- Although TP rates for EVs are currently 10-15% lower than those for petrol and diesel vehicles, comprehensive insurance premiums remain higher. This is primarily driven by higher IDVs, expensive battery packs, and advanced electronic components. As EV penetration rises, premium growth could outpace vehicle volume growth, providing a structural uplift to the motor insurance market.
- Greater localization of battery manufacturing, expansion of authorized repair networks, increasing availability of spare parts, and declining battery costs should gradually reduce repair expenses and improve claims predictability.

- Connected vehicles, telematics, battery-health monitoring, and software-enabled diagnostics provide insurers with richer datasets, enabling usage-based pricing, predictive claims assessment, and more effective fraud detection. We, therefore, expect the transition to EVs to not only drive premium growth but also widen the competitive moat of large private insurers, which are better positioned to adapt to evolving underwriting requirements and capture the next phase of growth in motor insurance.

Exhibit 22: TP rates for EV are ~15% lower than equivalent ICE vehicles

Vehicle Category	ICE Engine Capacity	Standard ICE TP Rate (INR)	EV Power Output	Discounted EV TP Rate (INR)
Small / Entry	Up to 1000 cc	2,094	Up to 30 kW	1,780
Mid-Range	1000 cc to 1500 cc	3,416	30 kW to 65 kW	2,904
High-Performance	Above 1500 cc	7,897	Above 65 kW	6,712

Source: PIB, MOFSL

Outlook on the motor segment

- Vehicle sales momentum should sustain healthy OD premium growth through FY27, with an improving new-vehicle mix supporting loss ratios. Private insurers, increasingly led by mid-sized and smaller private challengers rather than just the top names, should continue to outgrow PSUs.
- The TP tariff hike, once notified, remains the single largest identifiable catalyst for industry-wide combined ratio improvement.
- The industry, especially private insurers, is entering a gradual recovery phase after a period of elevated claims costs and intense competitive pricing. A higher contribution from new vehicle sales, moderation in claims inflation, improving operating leverage, and increasing pricing discipline should support steady improvement in loss ratios and combined ratios over the next few years.
- The transition toward electric vehicles is likely to increase underwriting complexity in the near term due to higher repair costs and evolving claims experience. However, it also presents a significant long-term opportunity through higher average premiums, technology-led underwriting, and the development of specialized insurance products. As insurers accumulate EV-specific claims data and repair infrastructure matures, underwriting profitability is expected to improve.

ICICIGI: Reiterate BUY; growth recovery in the last three months and better-than-industry profitability ratios

- ICICIGI remains the largest private insurer in the motor segment, holding a market share of ~10.7%. Its motor OD share stands at ~13% (largest player), while the motor TP share stands at ~9% (the largest private insurer), underscoring its strong competitive positioning.
- After a soft 1HFY26 (+2.2% YoY), motor premium growth has rebounded sharply and is largely at par with industry, with 2HFY26/YTDFY27 growth at 12%/14% (11%/14% for the industry).
- As pricing discipline gradually returns, despite high combined ratios across the sector, ICICIGI's OD premium growth is expected to improve steadily over the coming quarters. We expect FY26-28 CAGR of 10% in motor OD premiums, with stable loss ratio at 67-68% and combined ratio at ~122-123%.

- Motor TP premiums are expected to expand at FY26-28 CAGR of 12%, with opportunity for better growth if the TP rate hike is implemented. Claims ratio is expected to remain stable at 64%, with combined ratio lower than 90%.
- Apart from growing traction in retail health, we expect some semblance in group health pricing, which will support group health profitability. The company maintains a dominant position in the fire segment, but some impact will likely be faced due to aggressive discounting by peers.
- **We reiterate our BUY rating with a one-year TP of INR2,210 (premised on 28x FY28E EPS).**

Exhibit 23: ICICIGI's financial summary

INRb	2025	2026	2027E	2028E
NEP	198.0	222.6	251.9	283.8
U/W Profit	(8.7)	-11.1	-10.5	-10.2
PAT	25.1	27.7	32.6	38.8
EPS (INR/share)	50.9	56.3	66.2	78.8
EPS Growth (%)	30.7	10.5	17.6	19.1
BVPS (INR/share)	290.3	341.9	391.7	454.0
Ratios (%)				
Claims	70.6	71.1	70.6	70.1
Commission	18.5	19.2	19.3	19.2
Expense	13.7	13.1	12.6	12.6
Combined	102.8	103.4	102.5	101.9
RoE	19.1	17.8	18.0	18.6
Valuations				
P/E (x)	35.1	31.8	27.0	22.7
P/BV (x)	6.2	5.2	4.6	3.9

Exhibit 24: ICICIGI's one-year forward P/E

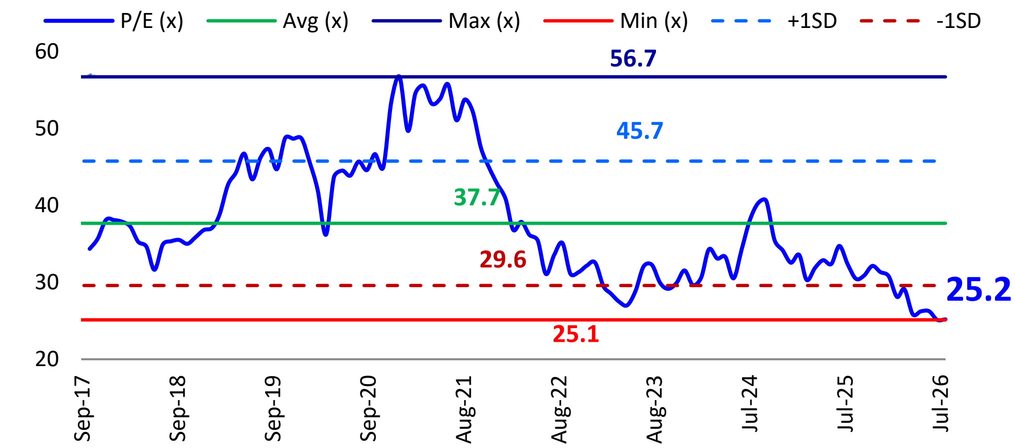
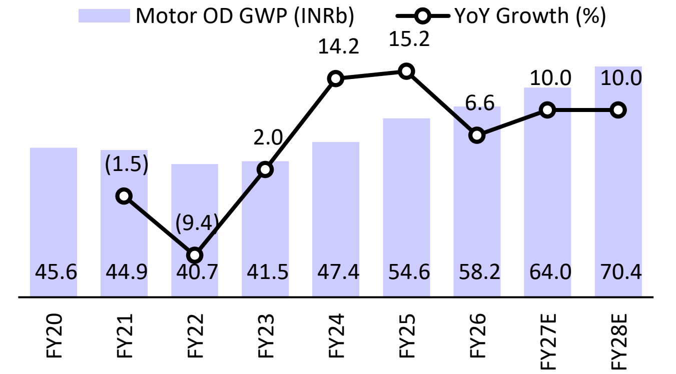
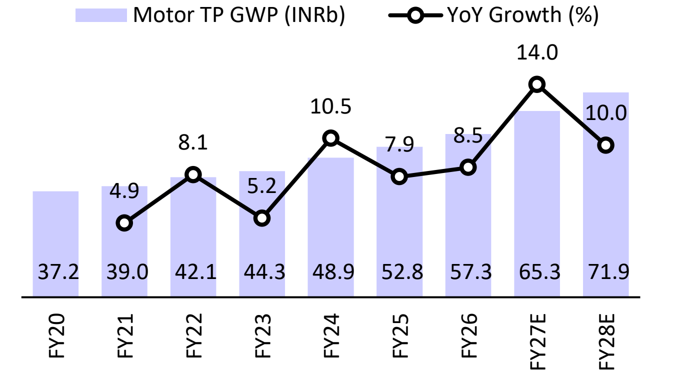


Exhibit 25: ICICIGI motor OD GWP trends



Source: MOFSL, Company

Exhibit 26: ICICIGI motor TP GWP trends



Source: MOFSL, Company

Exhibit 27: ICICIGI's motor OD financials

	FY 2024-25				FY 2025-26				FY 2024-25	FY 2025-26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
GWP	12.0	12.8	15.6	14.1	12.7	12.8	17.0	15.7	54.6	58.2
NWP	11.5	12.2	14.9	15.0	12.6	12.7	16.9	15.0	53.7	57.1
NEP	11.6	12.4	12.9	13.4	13.6	13.8	14.2	14.2	50.3	55.8
Net Incurred Claims	7.5	8.2	8.0	9.1	9.1	9.7	10.0	9.6	32.8	38.3
Net Commission	5.0	6.6	5.9	6.2	5.1	5.5	7.4	6.7	23.7	24.7
Operating Expense	1.5	1.5	1.7	1.6	1.3	1.4	1.5	1.3	6.3	5.4
Underwriting profit	(2.3)	(3.9)	(2.7)	(3.6)	(1.8)	(2.7)	(4.6)	(3.4)	(12.5)	(12.6)
Claims ratio	64.3	65.9	62.0	68.4	66.9	70.1	70.2	67.5	65.2	68.7
Commission ratio	43.5	54.0	39.3	41.4	40.3	43.6	43.9	44.4	44.1	43.2
Opex ratio	12.8	12.3	11.6	10.5	10.2	10.7	8.7	8.9	11.7	9.5
Combined ratio	120.6	132.2	112.8	120.3	117.4	124.4	122.7	120.7	121.0	121.3

Source: Public disclosures, MOFSL

Exhibit 28: ICICIGI's motor TP financials

	FY 2024-25				FY 2025-26				FY 2024-25	FY 2025-26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
GWP	11.7	12.0	15.5	13.7	11.8	12.3	17.0	16.3	52.8	57.3
NWP	11.1	11.5	14.8	14.7	11.8	12.2	17.0	15.6	52.1	56.5
NEP	11.9	12.4	12.7	13.1	13.2	13.4	13.9	13.9	50.2	54.4
Net Incurred Claims	8.3	7.5	6.5	9.5	9.0	8.2	8.5	9.1	31.7	34.7
Net Commission	2.0	0.5	3.5	1.3	2.1	2.1	3.5	2.9	7.3	10.6
Operating Expense	1.4	1.5	1.7	1.6	1.2	1.2	1.4	1.3	6.2	5.1
Underwriting profit	0.2	3.0	1.0	0.8	0.8	2.0	0.5	0.7	4.9	4.0
Claims ratio	69.3	60.2	51.3	72.0	68.7	60.6	61.0	65.0	63.2	63.8
Commission ratio	18.0	4.6	23.5	8.9	17.8	16.9	20.5	18.8	14.0	18.7
Opex ratio	12.8	12.6	11.8	10.9	10.5	9.9	8.1	8.4	11.9	9.1
Combined ratio	100.1	77.4	86.6	91.8	97.1	87.4	89.6	92.2	89.2	91.6

Source: Public disclosures, MOFSL

N O T E S

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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