

JANUARY 14, 2015

## CARE REAFFIRMS RATING FOR CLAIMS PAYING ABILITY/FINANCIAL STRENGTH OF BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.

**Ratings**

Facilities	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Claims Paying Ability / Financial Strength	-	<b>CARE AAA (In) (Triple A (Insurance))</b>	Reaffirmed

**Rating Rationale**

The rating factors in strong parentage, strong solvency position, experienced management, good asset quality, healthy profitability, strong systems & processes, comfortable liquidity and moderate persistency ratios. Bajaj Allianz Life Insurance Company Limited (BALIC) has high degree of business synergies and brand linkages with the promoter groups viz. Bajaj group and Allianz group. Continued strong parentage and profitability are the key rating sensitivities.

**Background**

Bajaj Allianz Life Insurance Company Ltd. (BALIC), incorporated on 12<sup>th</sup> March, 2001 under the Companies Act, 1956, is a joint venture between Bajaj Finserv Limited (holding company for financial services of the Bajaj group) having 74% shareholding and Allianz SE, one of the world's largest insurance company headquartered in Munich, Germany having 26% shareholding. The company obtained a license from the Insurance Regulatory and Development Authority (IRDA) for carrying on the business of life insurance on 3<sup>rd</sup> August, 2001. The company has a wide range of products in traditional and unit-linked insurance business. The company works on an agency model and has a pan India presence through a network of around 755 branches across India as on November 30, 2014. The company sold around 4.5 lakh policies during FY14 (FY13: 7.3 lakh policies) and had over 55 lakh policies in force as on March 31, 2014.

BALIC reported solvency ratio of 733.53% as on March 31, 2014 (643.3% as on March 31, 2013). The company reported Profit After Tax (PAT) of Rs.1,025 crore on Gross Written Premium (GWP) of Rs.5,843 crore during FY14 (refers to period from April 01, 2013 to March 31, 2014) as compared to PAT of Rs.1,286 crore on GWP of Rs.6,893 crore during FY13. During H1FY15, the company reported policyholders' surplus of Rs.311 crore on GWP of Rs.2,196 crore. Its solvency ratio stood at 801.93% as on September 30, 2014.

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

<sup>1</sup> Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

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