# General Insurance Corporation of India

January 05, 2026

| Facilities/Instruments | Amount (₹ crore) | Rating[1] | Rating Action |
|---|---|---|---|
| Issuer rating | 0.00 | CARE AAA; Stable | Reaffirmed |

Details of instruments/facilities in Annexure-1.

## Rationale and key rating drivers

The rating of General Insurance Corporation of India (GIC Re) continues to factor in the majority ownership by the Government of India (GoI holds 82.4% stake in GIC Re as on September 30, 2025) and GIC Re's strategic importance as the dominant and sole Indian reinsurer. GIC Re has a dominant market share of ~60% in India's reinsurance industry. The rating further continues to take into account its experienced management, diversified business profile, comfortable liquidity and solvency position.

While CARE Ratings Limited (CareEdge Ratings) takes cognisance of company's modest premium growth and underwriting performance during FY25 & H1FY26, its profitability was supported by healthy investment yields.

CARE Ratings Limited (CareEdge Ratings) also factors in the recent Insurance Laws (Amendment) Bill, 2025, that significantly reduce the net-owned fund requirement for foreign reinsurers—from ₹5,000 crore to ₹1,000 crore—which is expected to increase competitive intensity for GIC over the medium term.

## Rating sensitivities: Factors likely to lead to rating actions

**Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:**

- Not Applicable

**Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:**

- Material dilution in the ownership or expected support from/strategic importance to GoI.
- Inability of the company to keep solvency ratio sufficiently higher than the regulatory requirement of 1.5x.
- Weakening underwriting performance and profitability on a sustained basis.

## Analytical approach:

Standalone; factoring the sovereign ownership and support from GoI.

## Outlook: Stable

The Stable outlook on the long-term rating reflects CareEdge Ratings' expectation that GIC Re would remain strategically important to GoI and would continue to receive need-based support going forward while growing its business and maintaining comfortable solvency levels.

## Detailed description of key rating drivers:

### Key strengths

**Ownership by the GoI and its status as the dominant Indian reinsurer**

GIC Re's credit profile derives strength from its strong parentage, with the GoI holding 82.4%, and its strategic importance as a dominant and sole domestic reinsurer in the market. By virtue of being the sole reinsurer in the country, GOI formulates and implements policy through this company. The company maintains market share of about 60% in India's reinsurance industry.

GIC Re derives inherent advantages as it gets a certain cession of reinsurance business as obligatory business domestically, apart from having the right of first refusal for residual risks. It receives a statutory cession of 4% on every policy, subject to certain limits.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

CareEdge Ratings expects that GIC Re will continue to maintain its market leadership, given its position as the only reinsurer in India.

GIC Re is managed by a broad-based Board of Directors, led by Mr. Ramaswamy Narayanan, Chairman and Managing Director. Additionally, the Board comprises two government NomineeDdirectors, two Independent Directors and two Executive Directors. Mr. Manoj Ayyappan, who serves as the non-executive nominee director is also the Joint Secretary, in the Department of Financial Services (DFS), Ministry of Finance, Government of India and Mr. Tapan Kumar Mondal, who also serves as non-executive Nominee Director is also Deputy Secretary (Vigilance) in the Department of Financial Services, Ministry of Finance, Government of India. The company's operations are conducted by a competent management team having vast experience in the insurance and reinsurance sector.

**Well-diversified business profile in reinsurance**

GIC Re derives business from the domestic and the foreign market having 75% and 25% share in the overall premiums written during FY25. In the foreign market, GIC caters to 138 countries. out of which top three were United Kingdom (6.7%), Malaysia (2.2%), Israel (1.9%) in FY25. In terms of overall GPW mix, major contributors continued to be fire 34% (P.Y.: 36%), motor 16% (P.Y.:18%), health 23% (P.Y.: 10%), and agri 8% (15%), collectively consisting about 80% (P.Y.: 79%) of the overall premiums for FY25.

In the domestic market, as on March 31, 2025, the company's major segments were Health at 31% (P.Y.: 15%), Fire at 22% of total GPW (P.Y.: 19%), Motor at 17% (P.Y.: 12%), Agri at 10% (P.Y.: 10%) and Life at 5% (P.Y.: 4%). The overall premiums underwritten have declined since FY20, given the company's conscious decision to curtail lossmaking contracts. Agri segment witnessed range bound GWP share at around 10% during FY25 (P.Y.: 10%) on account of increase in premium retentions by insurers, supported by government extended surplus-sharing models (SSM). Further, health segment's share inched up to 31% in FY25 (P.Y.: 15%), given the healthy growth of 69% shown by standalone health insurers (SAHIs) and subsequent growth in GIC's business. The share of other business segments in domestic market remained largely unchanged.

In the foreign market, the company's exposure is largely towards Fire which consisted 17% of overall GPW (P.Y.: 16%) and Motor at 3% (P.Y.: 7%). The share of fire insurance business saw a slight increase largely by significant catastrophe events such as the Taiwan earthquake, the California wildfires, and the Dubai floods.

**Comfortable solvency position**

GIC Re's solvency ratio improved to 3.70x as on March 31, 2025, as against 3.25x as on March 31, 2024 (P.Y.: 2.61x). While the company has taken measures to improve its underwriting performance, the increase in solvency is attributable to increase in net assets and due to reduction in quantum of premiums underwritten which led to solvency ratio increasing further to 3.85x as on September 30, 2025.

## Key weaknesses

**Moderate profitability metrics**

The company's underwriting performance has witnessed moderation in both domestic and foreign segments. In the domestic segment, GIC Re reported an underwriting loss of ₹1,523 in FY25 crore mainly contributed by fire, health and life segments due to higher claims in FY25 as compared to previous year. In the foreign segment, the company's overall underwriting losses contracted to some extent with underwriting loss of ₹1,828 crore in FY25 as compared to underwriting loss of ₹2,636 crore in FY24. This improvement is largely led by lower claims ratio for cargo reinsurance during FY25 as against FY24. Consequently, the overall claims for FY25 remained range bound at ₹31,954 crore as against ₹30,980 crore in FY24. The combined ratio improved to 108.81% in FY25 from 111.82% in the previous year due to higher premium earned during FY25.

Resultantly, the underwriting losses improved to ₹3,495 crore for FY25 as compared to ₹4,103 crore in FY24. These underwriting losses are partly offset by the growth in investment yields as well as the increase in investment book. The investment income grew to ₹12,318 crore in FY25 (PY: ₹11,620 crore). As a result, GIC Re reported a profit-after-tax (PAT) of ₹6,701 crore on a GPW of ₹41,154 crore in FY25 as against a PAT of ₹6,497 crore on a GPW of ₹37,182 crore in FY24. The return on net worth (RONW) stood at 16.05% in FY25 (PY: 18.67%). Notwithstanding the muted growth in written premium in FY25, the company's ability to achieve higher business growth with improved underwriting performance and profitability remains a key monitorable.

In H1FY26, GIC Re reported a PAT of ₹4,619 crore on a GPW of ₹21,990 crore as against a reported PAT of ₹2,897 crore on a GPW of ₹20,819 crore in H1FY25.

**Liquidity**: Strong

GIC Re had cash and bank balances of ₹24,636 crore as on March 31, 2025 (₹25,311 crore as on September 30, 2025). The total investment portfolio stood at ₹1,38,074 crore as on March 31, 2025 (₹1,45,260 as on September 30, 2025), out of which the investments in government securities were at ₹56,115 crore (G-secs; market value) which are highly liquid in nature. As against these, the peak annual claim payout in the last three years stood at ₹32,738 crore indicating healthy liquidity cushion.

### Assumptions/Covenants

Not Applicable

### Environment, social, and governance (ESG) risks

Although GIC's service-oriented business model limits its direct exposure to environmental risks, credit risk may arise if operations of any asset class of the portfolio are adversely impacted by environmental factors.

Social risks in the form of cybersecurity threat or customer data breach or mis-selling practices can affect GIC's regulatory compliance and reputation and hence remain a key monitorable.

GIC's Board comprises 7 Directors, with two Independent Directors and also includes two female Directors.

### Applicable criteria

Policy on Default Recognition
Notching by Factoring Linkages with Government
Financial Ratios - Insurance Sector
Assigning 'Outlook' or 'Rating Watch' to Credit Ratings
Issuer Rating
Non – Life Insurance Sector
Life Insurance Sector

### About the company and industry

### Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
|---|---|---|---|
| Financial Services | Financial Services | Insurance | Other Insurance Companies |

The entire general insurance business in India was nationalised by General Insurance Business (Nationalisation) Act, 1972 (GIBNA). The Government of India (GOI), through Nationalisation took over the shares of 55 Indian insurance companies and the undertakings of 52 insurers carrying out general insurance business. General Insurance Corporation of India (GIC) was formed in pursuance of Section 9(1) of GIBNA. It was incorporated on 22 November 1972 under the Companies Act, 1956 as a private company limited by shares. GIC Re was incorporated as a part of Government of India's (GoI) move to nationalize the general insurance business.

GIC was wholly owned by GOI till FY17. GOI sold 14.22% stake in GIC through an IPO on 25th October 8, 2017. Further, in September 2024, GoI sold stake equivalent to 3.39% via Offer for Sale (OFS). As on September 30, 2025, GOI continues to hold 82.40% shares of GIC.

| Brief Financials (₹ crore) | 31-03-2024 (A) | 31-03-2025 (A) | H1FY26 (UA) |
|---|---|---|---|
| Gross Direct Premium | NA | NA | NA |
| Gross Written Premium | 37,182 | 41,154 | 21,990 |
| Profit After Tax (PAT) | 6,497 | 6,701 | 4,619 |
| Tangible net worth (TNW)* | 38,682 | 44,805 | 48,729 |
| Solvency (x) | 3.25 | 3.70 | 3.85 |
| Combined Ratio (%) | 111.82 | 108.81 | 107.71 |
| Return on net worth (RONW) (%) | 18.67 | 16.05 | 19.75 |

A: Audited UA: Unaudited NA: Not Applicable; Note: 'the above results are latest financial results available'

*Net of DTA and intangibles

**Status of non-cooperation with previous CRA:**
Not Applicable

**Any other information:**
Not Applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated**: Annexure-4

**Lender details**: Annexure-5

## Annexure-1: Details of instruments/facilities

| Name of the Instrument | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|---|---|---|---|---|---|---|
| Issuer Rating-Issuer Ratings | | - | - | - | 0.00 | CARE AAA; Stable |

## Annexure-2: Rating history for last three years

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings | | | Rating History | | | |
|---|---|---|---|---|---|---|---|---|
| | | Type | Amount Outstanding (₹ crore) | Rating | Date(s) and Rating(s) assigned in 2025-2026 | Date(s) and Rating(s) assigned in 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024 | Date(s) and Rating(s) assigned in 2022-2023 |
| 1 | Issuer Rating-Issuer Ratings | LT | 0.00 | CARE AAA; Stable | - | 1)CARE AAA; Stable (08-Jan-25) | 1)CARE AAA; Stable (07-Feb-24) | 1)CARE AAA; Stable (05-Jan-23)<br><br>2)CARE AAA; Stable (26-Dec-22) |

LT: Long term

## Annexure-3: Detailed explanation of covenants of rated instruments/facilities

## Annexure-4: Complexity level of instruments rated

| Attribute ID | Sr. No. | Name of the Instrument | Complexity Level |
|---|---|---|---|

## Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

## Contact us



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**About us:**
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com



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