

16 March 2026

India | Equity Research | Company Update

ICICI Lombard General Insurance Company

General Insurance

Valuations in an improving growth-profitability balance make risk-reward favourable

ICICI Lombard (ICICIGI) has reported healthy earnings growth of 25.4% between FY22–25 and 11.3% YoY growth in 9MFY26 (7.5% ex-capital gains). Even on a 5-year basis, earnings CAGR stands at 16%, highlighting the compounding potential of the stock, which when juxtaposed against current valuations, makes risk-reward favourable. Sectoral challenges, in terms of lower motor growth and higher loss ratios, seem to be past the worst and expect improvement ahead, both in motor and health. This should also lead to an improvement in investment leverage which is a key lever for rerating. Higher earnings and net worth under IFRS will likely further make valuations attractive. Maintain **BUY**, with an unchanged TP of INR 2,250, based on 28x FY28E EPS of INR 79.4. Risks include increased competitive intensity, rise in health claims, and lower-than-expected industry growth.

Growth has picked up in motor; expect loss ratios to improve

Overall, motor growth for ICICI Lombard has been 11.4% YoY between Oct'25–Jan'26 while it has been 6.4% YoY in 10MFY26. Growth in Jan'26 has been 18.4% YoY. This can be drawn to a combination of benefits of GST cut and somewhat lower competitive aggression by PSU players. One can expect prices to start rising gradually to factor in lower premiums post tax cuts, which should benefit loss ratios. Higher volume and initiatives like garage network and technology-led efficiency should help enhance efficiency levels in motor claims; the company has expanded its cashless garage network from 13,600-plus garages in Q3FY25 to ~15,000 garages in Q3FY26. 75.2% of non-OEM claims for Q3FY26 were serviced at Preferred Partner Network (PPN), up from 73.6% in Q3FY25, leading to improved customer experience. For 9MFY26, 99.6% of total claims in the retail segment were paid within 30 days; and for the motor OD segment, 96.8% of claims were paid within 30 days.

Investment leverage should pick up with more motor growth

Investment leverage has improved from 3.57x in H1FY26 to 3.59x in 9MFY26, an improvement after five quarters of decline. The advance premium also has surpassed INR 40bn in Dec'25.

Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
NEP	1,98,002	2,10,055	2,40,854	2,72,770
PAT	25,083	28,440	32,168	39,569
EPS (INR)	50.6	57.1	64.6	79.4
% Chg YoY	29.9	12.9	13.1	23.0
PER (X)	36.3	32.2	28.4	23.1
P/BV (x)	6.4	5.5	4.8	4.0
Combined Ratio (%)	102.8	104.0	103.0	103.3
Net worth (INR mn)	1,43,031	1,67,064	1,91,834	2,27,418
Return on Inv(%)	8.2	8.7	8.1	8.3
RoE (%)	19.1	18.3	17.9	18.9

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Market Data

Market Cap (INR)	915bn
Market Cap (USD)	9,915mn
Bloomberg Code	ICICIGI IN
Reuters Code	ICIL BO
52-week Range (INR)	2,075 /1,659
Free Float (%)	49.0
ADTV-3M (mn) (USD)	12.8

Price Performance (%)	3m	6m	12m
Absolute	(5.2)	(3.0)	9.4
Relative to Sensex	7.4	6.0	8.4

ESG Score	2024	2025	Change
ESG score	74.7	79.4	4.7
Environment	63.9	69.1	5.2
Social	69.3	73.8	4.5
Governance	83.9	88.5	4.6

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Previous Reports

14-01-2026: [Q3FY26 results review](#)

15-10-2025: [Q2FY26 results review](#)

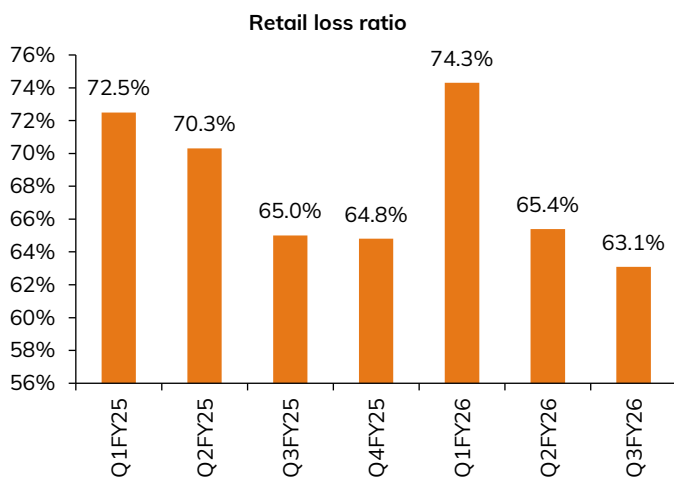
Improvement in incremental health RoE should help

Currently, RoE at the company level is ~18%, with negative RoE in the health segment. With gradual improvement in health, it should benefit overall RoE. While in the past, ICICIGI was under-indexed to health compared to industry, its market share improvement has begun taking shape. The company has also taken several initiatives to optimise its loss ratios in health, which are bearing fruit. Retail health loss ratio improved in 9MFY26, at 67.3% (vs 69.1% in 9MFY25), while management remains comfortable with it ranging 65–70%.

In the health, travel & PA segment, the company undertook several initiatives such as launching AI-powered personalised products like Elevate and TripSecure+ and new services like the IL Sahayak on-ground claim-support network. In the health segment, the IL Sahayak on-ground claim support network serviced 90,000+ customers across 56 cities via 2,500+ hospitals and 120+ Sahayaks in FY25. Average claim-settlement period for our retail lines of business improved from 5 days in FY24 to 3 days in FY25 for the health business. 73.2% of cashless authorisations in group health insurance was through AI in Mar'25, up from 61.8% in Mar'24. The focus on customer experience and process efficiencies resulted in a healthy NPS of 70 for health in H1FY26.

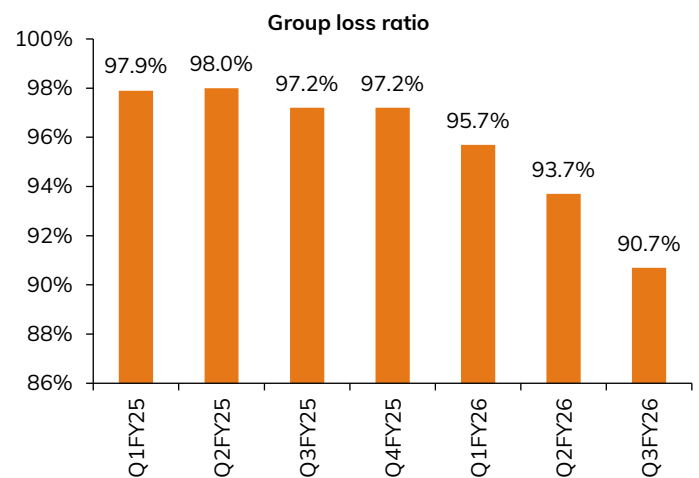
Structurally, with more industry collaboration, there can also be systematic strengthening of its RoE for health insurers. There has also been improvement in group health loss ratios (93.2% in 9MFY26 vs, 97.7% in 9MFY25), which should aid earnings.

Exhibit 1: Retail health loss ratio trend improving



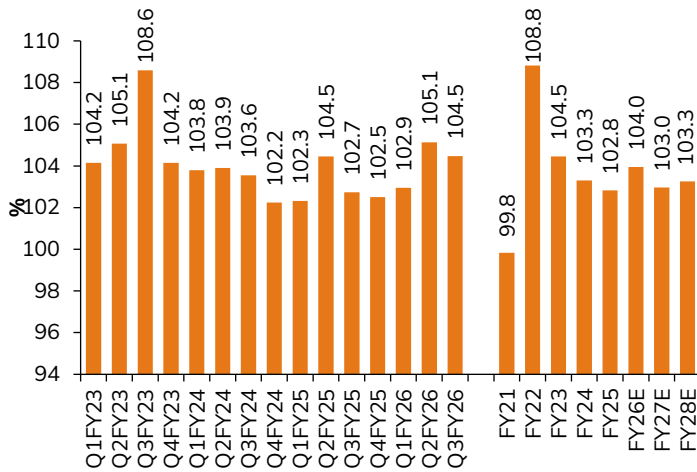
Source: I-Sec research, Company data

Exhibit 2: Group health loss ratio trend improving



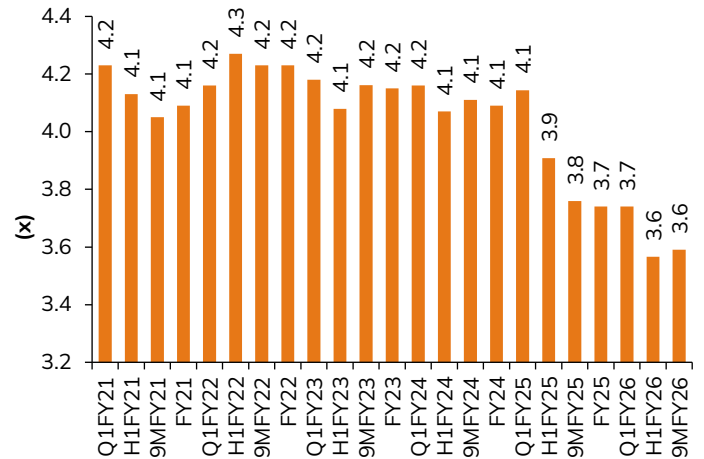
Source: I-Sec research, Company data

Exhibit 3: Combined ratio increased in Q3FY26



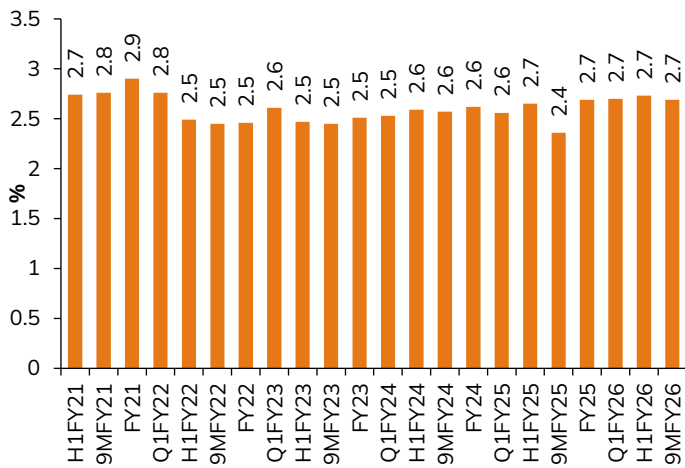
Source: I-Sec research, Company data

Exhibit 4: Investment leverage to follow growth / profitability cycle



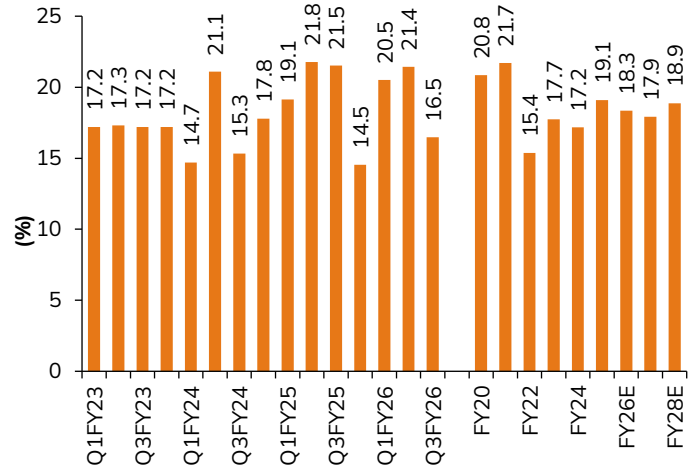
Source: I-Sec research, Company data

Exhibit 5: Solvency ratio stood at 2.69x



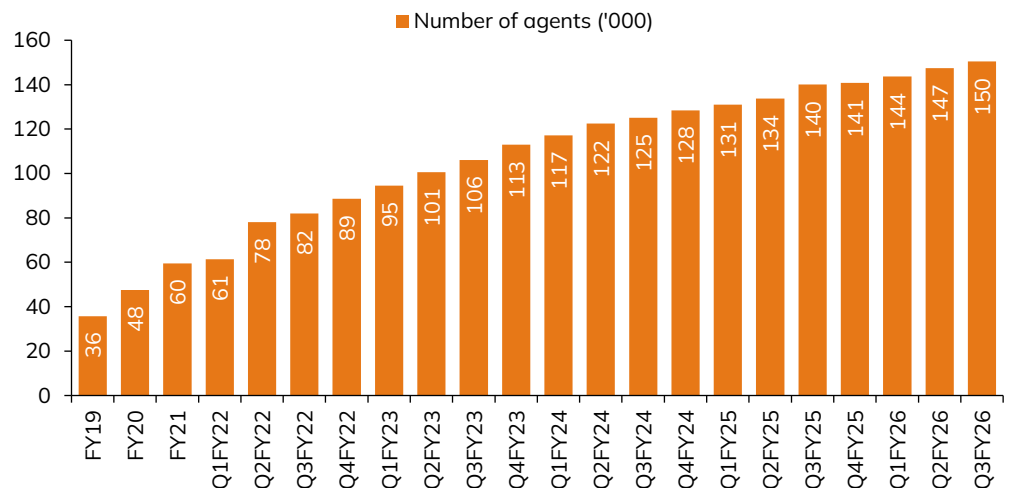
Source: I-Sec research, Company data

Exhibit 6: RoE likely to remain ~19% in FY28E



Source: I-Sec research, Company data

Exhibit 7: Growing individual agent base



Source: I-Sec research, Company data

Exhibit 8: ICICIGI segmental snapshot (till Jan'26)

ICICIGI	GDP (INR bn)					Mix (%)					Market share YTD					YoY Growth		
	FY23	FY24	FY25	YTD FY25	YTD FY26	FY23	FY24	FY25	YTD FY25	YTD FY26	FY23	FY24	FY25	YTD FY25	YTD FY26	FY24	FY25	YTD FY26
Fire	30.5	33.7	31.7	28.5	31.6	14.5	13.6	11.8	12.3	13.0	12.8	13.1	13.0	13.4	12.7	10.3%	-6.0%	10.7%
Motor Total	85.8	96.3	107.4	88.9	94.5	40.8	38.9	40.0	38.3	38.8	10.6	10.5	10.8	11.0	10.8	12.3%	11.5%	6.4%
Motor OD	41.5	47.4	54.6	45.2	47.9	19.7	19.1	20.3	19.5	19.7	13.1	12.7	13.5	13.6	13.3	14.2%	15.1%	6.1%
Motor TP	44.3	48.9	52.8	43.7	46.6	21.1	19.8	19.7	18.8	19.1	8.9	9.0	9.0	9.2	8.9	10.5%	7.9%	6.6%
Total Health	50.0	64.0	71.9	62.0	72.3	23.8	25.8	26.8	26.7	29.7	5.5	5.9	6.1	6.2	6.3	28.1%	12.3%	16.7%
Health retail	10.4	12.4	15.6	12.1	17.9	4.9	5.0	5.8	5.2	7.3	2.9	2.9	3.3	3.3	4.1	20.0%	25.0%	47.3%
Health group	39.6	51.6	56.3	49.8	54.4	18.8	20.8	21.0	21.5	22.4	7.2	7.7	7.9	7.9	7.7	30.3%	9.2%	9.3%
Marine total	7.4	7.6	8.8	8.0	7.8	3.5	3.1	3.3	3.4	3.2	14.7	15.0	15.9	16.7	15.7	2.6%	15.5%	-1.6%
Engineering	6.6	8.9	10.1	8.6	10.0	3.1	3.6	3.8	3.7	4.1	15.4	16.6	16.8	17.2	17.4	35.9%	12.8%	15.4%
Aviation	1.8	2.0	1.6	1.5	1.4	0.8	0.8	0.6	0.7	0.6	19.9	18.6	14.8	16.0	15.8	10.6%	-17.0%	-11.5%
Liability	8.1	9.0	10.3	9.4	8.8	3.8	3.7	3.8	4.1	3.6	16.6	18.8	18.7	19.4	17.0	11.8%	14.1%	-6.0%
Personal Accident	6.0	7.2	4.8	4.4	3.9	2.8	2.9	1.8	1.9	1.6	8.5	9.2	5.6	5.9	3.8	19.9%	-32.3%	-12.7%
Crop	8.8	11.7	14.3	14.2	7.1	4.2	4.7	5.3	6.1	2.9	2.7	3.9	4.7	5.4	3.5	33.9%	21.3%	-49.8%
Misc	5.3	7.2	7.4	6.3	6.1	2.5	2.9	2.8	2.7	2.5	7.7	8.7	8.5	8.6	6.8	36.1%	2.6%	-3.7%
Total	210.3	247.8	268.3	231.8	243.5	100.0	100.0	100.0	100.0	100.0	8.2	8.6	8.7	8.9	8.6	17.8%	8.3%	5.0%

Source: I-Sec research, Company data

Exhibit 9: Shareholding pattern

%	Jun'25	Sep'25	Dec'25
Promoters	51.5	51.4	51.3
Institutional investors	41.5	41.5	41.7
MFs and others	14.9	14.2	14.6
FIs/Banks	1.3	1.7	2.1
Insurance	0.6	0.7	0.6
FII	24.7	24.9	24.4
Others	7.0	7.1	7.0

Source: Bloomberg, I-Sec research

Exhibit 10: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 11: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Gross Direct Premium Income (GDPI)	2,68,340	2,84,616	3,28,190	3,71,511
Add: Reinsurance Accepted	14,237	15,422	17,109	19,444
Gross Written Premium (GWP)	2,82,577	3,00,038	3,45,299	3,90,956
Less: Reinsurance ceded	74,967	77,160	92,477	1,05,080
Net Written Premium (NWP)	2,07,611	2,22,878	2,52,823	2,85,876
Less: Adjustment for unexpired risk reserve	9,609	12,823	11,969	13,106
Net Earned Premium (NEP)	1,98,002	2,10,055	2,40,854	2,72,770
Incurring Claims (Net)	1,39,868	1,50,018	1,71,494	1,97,294
Commission expense	38,380	41,067	39,239	42,881
Operating expenses related to Insurance	28,448	31,447	41,074	45,521
Underwriting profit/losses	(8,695)	(12,477)	(10,954)	(12,926)
Total Investment Income (Policyholder)	32,448	38,837	42,595	52,067
Operating Profit/Loss	23,753	26,359	31,641	39,141
Total Investment Income (Shareholder)	9,558	11,440	12,547	15,337
Other expenses (including provisions)	98	125	1,200	1,600
PBT	33,213	37,674	42,988	52,878
Tax	8,130	9,234	10,820	13,310
PAT	25,083	28,440	32,168	39,569

Source Company data, I-Sec research

Exhibit 12: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Share Capital	4,957	4,980	4,980	4,980
Reserves & Surplus	1,38,074	1,62,084	1,86,853	2,22,438
Shareholders' Funds	1,43,031	1,67,064	1,91,834	2,27,418
Share Application Money	3	-	-	-
Fair Value Change Account	6,807	10,348	12,157	14,580
Borrowings	-	-	-	-
Total Sources of Funds	1,49,841	1,77,412	2,03,991	2,41,998
Investments	5,35,078	6,25,788	7,35,219	8,82,899
Fixed Assets	8,020	8,413	9,469	10,658
Deferred tax Assets	1,691	2,955	3,199	3,463
Current Assets (Inc. Cash)	1,45,414	1,71,075	2,00,318	2,34,569
Claims Outstanding including IBNR & IBNER	3,24,845	3,90,705	4,50,442	5,67,094
Provision for unexpired risk reserve	1,09,797	1,22,357	1,34,326	1,47,432
Other liabilities	1,05,720	1,17,758	1,59,447	1,75,064
Total Application of funds	1,49,841	1,77,412	2,03,991	2,41,998

Source Company data, I-Sec research

Exhibit 13: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
Growth ratios (%)				
GDPI Growth	8.3	6.1	15.3	13.2
GWP Growth	10.4	6.2	15.1	13.2
NWP Growth	14.3	7.4	13.4	13.1
NEP Growth	17.4	6.1	14.7	13.3
Shareholders' funds growth	19.6	16.8	14.8	18.5
Investment growth	9.4	17.0	17.5	20.1
PBT growth	30.0	13.4	14.1	23.0
PAT growth	30.7	13.4	13.1	23.0
Profitability Ratios				
Loss ratio (%)	70.6	71.4	71.2	72.3
Operational expenses ratio (%)	13.7	14.1	16.2	15.9
Commission Ratio (%)	18.5	18.4	15.5	15.0
Combined Ratio (%)	102.8	104.0	103.0	103.3
Analytical Ratios				
Net Retention Ratio (%)	73.5	74.3	73.2	73.1
GDPI to Net Worth ratio (x)	1.9	1.7	1.7	1.6
Operating profit ratio (%)	9.5	9.3	9.8	9.9
Capital Structure				
Investment Leverage (net of borrowings)	3.7	3.7	3.8	3.9
Return ratios				
RoAE (%)	19.1	18.3	17.9	18.9
RoAE (%) - including fair value change	15.7	19.5	17.8	18.8
Payout Ratio (%)	24.7	21.6	23.0	10.1
Return on avg Investments (%)	8.2	8.7	8.1	8.3
Valuation Ratios				
Basic EPS	50.6	57.1	64.6	79.4
Diluted EPS	50.6	57.1	64.6	79.4
Price to Earnings	36.3	32.2	28.4	23.1
Book Value/share (Rs)	288.5	335.4	385.2	456.6
Price to Book	6.4	5.5	4.8	4.0
DPS	12.5	12.4	14.9	8.0
Dividend yield (%)	0.7	0.7	0.8	0.4

Source Company data, I-Sec research

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