General Insurance Corporation of India (1st September 2026)

Company Overview

- General Insurance Corporation of India (GIC Re), incorporated in 1972 and 77.4% owned by the Government of India, is the country's national reinsurer and ranks among the ten largest reinsurance groups globally. It holds roughly 52% of gross reinsurance premium on Indian business and receives obligatory cessions on every policy written by domestic general insurers.
- The corporation underwrites fire, motor, health, agriculture, marine, engineering, aviation, liability and life reinsurance across 137 countries, on a 75:25 domestic-to-international mix. It operates branches in London and GIFT City, a Lloyd's syndicate, and subsidiaries in South Africa, the United Kingdom and Russia.

Sector Outlook

- Indian general insurance premium has compounded at 14% since FY22 to Rs 3,10,300 crore, with an industry retention ratio of 73.1% implying roughly 27% of premium flowing to reinsurers. The domestic reinsurance pool is expected to approach Rs 99,000 crore.
- India's insurable population is projected to reach 100 crore by 2035 and middle-class households to nearly double by 2030. Globally, hard market conditions persist, supporting risk-adjusted pricing across property catastrophe and specialty lines.

Company Outlook

- FY26 marked a decisive underwriting turnaround. Gross premium rose 6.9% to Rs 44,007 crore, the incurred claims ratio improved 304 bps to 85.40% and the combined ratio fell to 106.02% from 108.81%. Underwriting losses narrowed 47.4% to Rs 1,763 crore and standalone PAT rose 25.2% to Rs 8,392 crore.
- Solvency strenghtened to 4.21x against a 1.50x regulatory floor and Rs 739 crore was allocated to the catastrophe reserve. Management is prioritising profitability over growth, pruning foreign

General Insurance Corp. of India

25% **Target Return**	**₹441** **Target Price**
12 months **Duration**	**₹353** **Current price**

BUY

Particulars	FY24	FY25	FY26	FY27E	FY28E
Gross Premium (Rs. Cr)	**37,182**	**41,154**	**44,007**	**47,300**	**50,600**
Incurred Claims Ratio	*92.3%*	*88.4%*	*85.4%*	*84.5%*	*83.8%*
Combined Ratio	**111.8%**	**108.8%**	**106.0%**	**104.5%**	**103.0%**
U/W Profit/(Loss) Cr	*(4,007)*	*(3,352)*	*(1,763)*	*(1,450)*	*(1,050)*
Investment Income Cr	**11,620**	**12,703**	**13,089**	**13,800**	**14,600**
PAT (Rs. Cr)	**6,497**	**6,701**	**8,392**	**9,000**	**9,900**
EPS (Rs)	**37.0**	**38.2**	**47.8**	**51.3**	**56.4**
Book Value (Rs)	*214*	*246*	*292*	*331*	*372*
Solvency Ratio (x)	**3.25**	**3.70**	**4.21**	**4.35**	**4.45**
P/E x	**9.5**	**9.2**	**7.4**	**6.9**	**6.3**
P/B x	**1.65**	**1.44**	**1.21**	**1.07**	**0.95**

- motor and aviation lines while expanding health and life cessions. Q1 FY27 extended the trend: gross premium rose 8.8% to Rs 13,475 crore, the incurred claims ratio improved to 85.04% from 90.42%, the combined ratio fell to 104.88% and standalone PAT grew 9.7% to Rs 1,922 crore. The foreign book delivered a 95% combined ratio, its first underwriting profit in several years.
- We model the corporation on standalone metrics, which reflect underwriting performance directly. Consolidated Q1 FY27 profit fell 31% to Rs 1,744 crore, but that decline was driven by a sharp drop in the share of profit from associate companies rather than by the reinsurance business.
- Domestic premium grew 7.6% to ₹32,979 crore and international 5.1% to ₹11,028 crore in FY26, with life reinsurance up 31.3%, motor 18.0% and other miscellaneous lines 14.9%, while fire rose just 3.9% as capacity was redeployed toward better-priced segments.
- The balance sheet anchors the case. Net worth excluding fair value changes rose to Rs 51,301 crore in FY26 and Rs 53,125 crore by June 2026, total assets stand at Rs 2,07,790 crore and the corporation carries no borrowings. A final dividend of Rs 13.25 per share carries a record date of 4 September 2026.

Rating

- We initiate coverage on GIC Re with a BUY rating and a 212-month target price of Rs 441, valuing the corporation at 7.8x FY28E EPS of Rs 56.4, equivalent to 1.18x FY28E book value, implying 25% upside. We forecast gross premium growth near 7% annually and a combined ratio improving to 103.0% by FY28E as the crop book is pruned and the international portfolio sustains profitability, supported by a dominant domestic franchise, 4.21x solvency and an attractive dividend yield.

Key Risks

- Reinsurance earnings remain catastrophe-exposed. A severe monsoon, cyclone or seismic event could reverse combined ratio gains quickly, and the corporation still underwrites at a loss, with profitability dependent on investment income.

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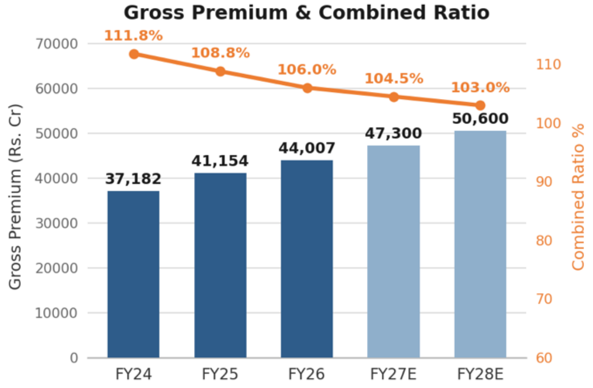

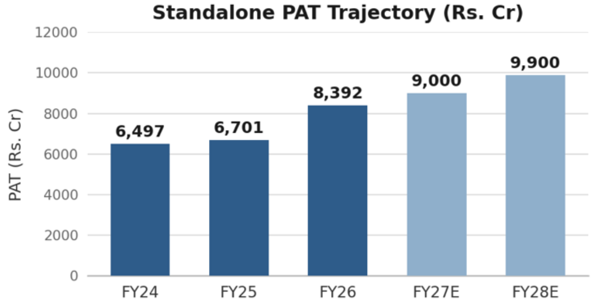

Source: Company filings, Angel One Research

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