Asian Journal of Managerial Science
ISSN: 2249-6300 (P) Vol.8 No.1, 2019, pp.20-27

DOI: https://doi.org/10.51983/ajms-2019.8.1.1452

An Analysis of the Performance of General Insurance Companies in India

Soheli Ghose[1] and Raman Kumar[2]
[1]Assistant Professor and [2]Ex-Student
[1&2]Department of Commerce, St. Xavier's College, Kolkata, West Bengal, India
E-Mail: soheligh ose@gmail.com, ramankr969@gmail.com
(Received 19 November 2018; Revised 30 December 2018; Accepted 18 January 2019; Available online 10 February 2019)

***Abstract* - The General Insurance Industry in India is growing at a very rapid pace. This is an empirical research based on secondary data collected from Annual Reports and Pro-forma Schedules of IRDA. An Excel data Model was created to taken in the core figures of GWP, NEP, NP and others of 4 General Insurance Majors to calculate other relevant ratios as need for the analysis. The objectives of this study are to analyze a few General Insurance companies in India and core Ratios related to the Insurance Sector only and to comparatively analyse Retention ratio, Total Claims Incurred, Earned Incurred Loss Ratio, and Combined Ratio. The conclusion report has been framed on the basis of which company seems to be the best with respect to its Future Growth prospects, Risk prospects and the stability of its growing business. Out of the companies analyzed, TATA-AIG GENERAL INSURANCE has a good future prospect.**
***Keywords:* Combined Ratio, Earned Incurred Loss Ratio, General Insurance, India, Retention Ratio and Total Claims Incurred**

I. INTRODUCTION

General insurance covers the risk of the financial loss from natural calamities viz. Flood, Fire, Earthquake, Burglary, etc. i.e. the events which are beyond the control of the owner of the goods for the things having insurable interest with the utmost good faith by declaring the facts about the circumstances and the products by paying the stipulated sum, a premium and not having a motive of making profit from the insurance contract, as per IAI. The different types of General insurance products are Fire Insurance, Marine Insurance, and Miscellaneous Insurance which includes Motor insurance, Engineering Insurance, Aviation insurance, Personal Accident, Workmen Compensation Insurance, Product Liability Insurance, Health Insurance and Other Miscellaneous Insurance Products. The Insurance sector in India is growing very fast and there is a lot of scope of new players to enter the market. However the performance of these insurance companies needs to be analysed in details to understand whether they are viable in the future. Many researchers have studied various aspects of the Indian Insurance Industry. Some of them are as follows. Kumar (2005) highlights Life Insurance Companies rural penetration, inherent problems in implementation, growth over the years, social schemes over the year, social schemes for the rural poor and the 'Bima gram' Program. The study indicates that nearly 55% of its new, individual policies have come from the rural sector. Its performance stands miles ahead of the private players. But amongst the insurance products available, very few are tailor - made for the rural population. Jagendra (2005) in his study revealed that the life insurance penetration, India is just about 2% of Gross Domestic Product. The life insurance premium per capital is just Rs.550. The Life Insurance Company is the largest player with over 2000 officers. After liberalization, it has improved its efficiency and customer services. Among the private life insurance companies ICICI prudential life insurance and Birla Sun life are the first and second largest players other prominent companies in competition are - Bajaj Allianz, HDFC, Standard life, Kodak Mahindra, ING Vysya, Aviva Life, MetLife, etc. The present study intends to prepare the profile of life policyholders to examine the preference of the policyholders towards various types of policies, and to probe into the reasons behind the insurance product purchases in rural area. The study indicates that respondents belonging to the age group 31-40 dominate the rural insurance market around 70% of the respondents have monthly income below Rs.8000. The women segment is still untapped in rural areas, only 12% of the total respondents were females. Agents are the most important source of information and motivation as rural people just take a policy which the agent suggests to them. A large number of respondents have got insured themselves for life risk coverage and for future contingencies. Life Insurance Company has got the maximum (93%) market share among various life insurance players. Money back policy is the most preferred policy in rural areas followed by Jeevan Anand and endowment policy. Most of the respondents were found to be satisfied with the performance of the insurance companies. The role of advertisements is still not up to the mark in motivating rural people to buy insurance policies. During the study, it was also observed that the rural people have less faith in private players. Krishnamurthy (2005) concludes that the limited availability of data on policyholders, the low awareness among policyholders the inadequate infrastructure and technology are the major problems of the insurance industry in marketing its products. Bakhshi (2005) stressed that Multi - Product, Multi - Channel and Multi - Segment Routes might help the insurance industry to improve the penetration level in the domestic market. Bhat and Dixit (2005) in their article conclude that banks are the potential partners in distributing the insurance products in the market. A study conducted by Rajesham and Rajender (2006) revealed that insurance companies of India are required to come up with multi-benefit policies including tax benefits with quality based timely customer services and need to focus on health insurance which is one of the untapped areas of insurance including services through innovative products, smart marketing and aggressive distribution with internet facility with much individual attention transparency and flexibility to increase the quality and volume of insurance business. Selvavinayagam and Mathivanan (2010) revealed that the competitive climate in the Indian insurance market has changed dramatically over the last few years. At the same time, changes have been taking place in the government regulations and technology. The expectations of policyholders are also changing. The existing insurance companies have to introduce many new products in the market, which have competitive advantage over the products of life insurance companies.

II. RESEARCH OBJECTIVES OF THE STUDY

1. To analyze a few General Insurance companies in India and core Ratios related to the Insurance Sector only.
2. To comparatively Analyse Retention ratio, Total Claims Incurred, Earned Incurred Loss Ratio, and Combined Ratio.

III. RESEARCH METHODOLOGY AND DATA COLLECTION

This is an empirical research based on secondary data collected from Annual Reports and Pro-forma Schedules of IRDA. An Excel data Model was created to taken in the core figures of GWP, NEP, NP and others of 4 General Insurance Majors to calculate other relevant ratios as need for the analysis. The time period chosen is 2011 to 2016. The Data model was then integrated with a Graph creating setup which gave out the different Bar charts and Line charts that were need to analyses the data figures. The resultant outcomes have been mentioned below each graph with due emphasis on their convergence with their averages for the last financial year. The conclusion report has been framed on the basis of which company seems to be the best with respect to its Future Growth prospects, Risk prospects and the stability of its growing business.

IV. ANALYSIS AND INTERPRETATION

A. Analysis 1: An analysis of a few general insurance companies in India

1. IFFCO-Tokio General Insurance: IFFCO Tokio General Insurance is a joint venture between Indian Farmers Fertiliser Cooperative (IFFCO) and its associates and Tokio Marine and Nichido Fire Group. Currently IFFCO-Tokio General Insurance is the 3rd largest private general insurance company in India. IFFCO-Tokio General Insurance was incorporated on 4 December 2000 and with 65 Strategic Business Units, a wide network of 122 Lateral Spread Centers and 255 Bima Kendra. IFFCO holds 72.64% shareholding and its Associate M/s Indian Potash Ltd. holds 1.36% shareholding in IFFCO-Tokio General Insurance. In 2009, it found a place in the Capgemini World Insurance Report as an innovative distribution channel. IFFCO Tokio is also called as ITGI.

2. Reliance General Insurance: Reliance General Insurance Company Limited is an Indian insurance company, a part of Reliance Capital Ltd. of the Reliance Anil Dhirubhai Ambani Group. The firm has with a private sector market share of about 8%. The Gross Written Premium for the year ended March 31, 2014 was at INR 24.42 billion (US$360 million) with a distribution network composed of over 125 branches and nearly 15,500 intermediaries. Reliance General Insurance (RGI) offers insurance solutions for auto, health, home, property, travel, marine, commercial and other specialty products. Reliance General was incorporated on 17 August 2000, and received the license to conduct the business of insurance in India from the Insurance Regulatory Development Authority on 23rd October 2000. Unlike most competitors, who have foreign partners, the firm is promoted solely by Reliance Capital, which is an Indian company.

3. ICICI Lombard General Insurance: ICICI Lombard General Insurance Company Limited is a joint venture between ICICI Bank Limited, India's second largest bank with total assets of over USD 100 billion and Fairfax Financial Holdings Limited, a Canada-based USD 37 billion diversified financial services company engaged in general insurance, reinsurance, insurance claims management and investment management. ICICI bank has 64% stake in the venture while Fairfax has 35% in the joint venture. ICICI Lombard GIC Ltd. is the largest private sector general insurance company in India with a Gross Written Premium (GWP) of Rs 83.07 billion (FY 2016). The firm offers policy insurance and renewal through its intermediaries and website. It markets assurance products including Car Insurance, Health Insurance, International Travel Insurance, Overseas Student Travel Insurance, Two Wheeler Insurance, Home Insurance and Weather insurance. ICICI Lombard has 257 branches spread across the nation.

4. Tata AIG General Insurance: Tata AIG General Insurance Company Limited (Tata AIG General) is a business Collaboration of the Tata Group and American International Group, Inc. (AIG). Tata AIG General merges two major finance organizations i.e. the Tata Group's prominent headship place in India and AIG's global presence as the world's leading international insurance and financial services Organization. The Tata Group holds 74 per cent stake in the insurance venture with AIG holding the balance 26 percent. This joint venture has started its operations in India from 22 January 2001. The company provides both corporate and personal insurance services. The organization offers an array of general insurance covers which are well thought-out under commercial and consumer demands. The commercial sector covers Energy, Marine, Property and several specialized financial covers, while the consumer insurance service offers a variety of general Insurance products such as insurance for Automobiles, personal accident, casualty, home, health and travel. The company has made the availability for its services from end to end channels of distribution like agents, banks (through bank-assurance tie ups), brokers and direct channels like tele-marketing, e-commerce, website, etc.

Some of the ratios specifically used in the insurance sector are:

1. *Retention Ratio:* It is a rough measure of how much of the risk is being carried by an insurer rather than being passed to reinsurers. It measures how much of the premium the company received was retained rather than passed on. Its use as a risk measure assumes premium earned is proportional to the risk of a certain line of product. This is a reasonable assumption, but not exact as insurers and re-insurers have different costs, apart from covering risk, that needs to be covered by premiums.
2. *Net Claims Incurred:* It is an estimate of the total amount of outstanding liabilities for a policy over a given valuation period. It includes all paid claims during the period along with a reasonable estimate of unpaid liabilities accruing at the end of the year. It is calculated by adding paid claims and unpaid claims after deducting the estimate of unpaid claims at the end of the prior valuation period.
3. *Earned Incurred Loss Ratio (EILR):* It is the ratio of total losses incurred (paid and reserved) in claims plus adjustment expenses, divided by the total net earned premium amount. It basically shows what amount of the net premium earned was used for paying claims for a particular line of business or product.
4. *Combined Ratio:* The combined ratio is a measure of profitability used by an insurance company to indicate how well it is performing in its daily operations. The combined ratio is calculated by taking the sum of incurred losses and expenses and then dividing them by net earned premium. A ratio below 1 indicates that the company is making underwriting profit while a ratio above 1 means that it is paying out more money in claims that it is receiving from premiums. Even if the combined ratio is above 1, a company can still be profitable, because the ratio is exclusive of investment incomes.

B. Analysis 2: To Analyse Earned Incurred Loss Ratio, Retention Ratio, Total Claims Incurred and Combined Ratio

1. Earned Incurred Loss Ratio & Net Claims Incurred: EILR is a Ratio that is calculated by dividing the Net Claims Incurred for a company by the Net Earned Premium amount. This ratio gives us an idea about what percentage of Net Earned Premium is going towards the payment of Net Claims. Net Claims Incurred, on the other hand is an estimate of the total amount of outstanding liabilities for a policy over the given valuation period. It includes all paid claims during the period along with a reasonable estimate of unpaid liabilities accruing at the end of the year.

Private sector claims are more concentrated in the Marine and Motor products, while lesser in Fire and Health products with other products having similar data. As per EILR data Fire, Motor OD, Employer’s Liability, Public liability (though lower for 14-15) and Personal Accident are almost the same as the Industry data; Marine is higher at 0.85 versus 0.70; Motor TP at a downtrend in both at 0.90 versus 0.75; Engineering is lower at 0.30 compared to 0.40; Aviation is lower at 1.15 compared to 1.25; Health is way lower at 0.90 compared to industry’s 1.10; Lastly Other Miscellaneous is higher at 0.90 versus 0.70.

TABLE I ITGI SUMMARY OF AVERAGE DATA

AVG of last 3 years	GWP	Net Premium	Net Earned Premium	Net Claims Incurred	Net Commission	Operating Expenses
Fire	8.26	1.60	1.73	1.38	-105.11	1.60
Marine	3.54	1.54	1.87	2.19	-31.87	1.54
Motor OD	35.54	43.63	44.45	36.73	300.33	43.61
Motor TP	27.02	33.86	32.82	38.61	-17.12	33.86
Employer's Liability	0.66	0.83	0.81	0.22	10.22	0.83
Public Liability	0.52	0.47	0.46	0.04	9.07	0.47
Engineering	2.30	0.70	0.75	0.66	-21.31	0.70
Aviation	0.06	0.01	0.02	-0.05	0.19	0.01
Personal Accident	1.16	1.35	1.32	1.08	10.27	1.35
Health	10.57	12.27	12.06	15.65	77.26	12.27
Other Misc	10.38	3.73	3.71	3.49	-131.93	3.74
Total	100.00	100.00	100.00	100.00	100.00	100.00

For the Net Incurred claims data ITGI is very similar, except the fact that the concentration of claims in Motor and Health is lower. The EILR graph significantly derails our interpretation due to the Aviation data. Hence we will analyze a different graph without Aviation which is way lower at -4.0 compared to the Private sector's 1.10.

Fire is at a decreasing trend at 0.55 versus 0.70; Marine higher at 1.0 versus 0.90; Motor OD, Employer's Liability and Personal Accident have similar figurines; Motor TP is lower with a declining trend for both at 0.80 versus 0.90; Public Liability is lower at 0.10 versus 0.30; Engineering is at a declining trend at 0.40 versus 0.55; Health is at an increasing trend at 1.10 versus 0.90 which is stagnant; Other Miscellaneous products are lower at 0.70 compared to 0.90.

Again RELIANCE's claims data shows us that it is very similar to the Private Industry data, except in Motor OD where its Claims are very low. For the EILR Fire has off late converged to 0.70 at a declining trend; Marine is way higher at 1.20 versus 0.90; Motor OD, Public Liability, Engineering and Health have almost similar figures; Motor TP has a higher figure of 1.10 compared to industry's 0.90; Employer's Liability is higher at0.50 versus 0.30; Public Liability has a declining trend here at 0.30 with a convergence with the increasing industry's figure; Aviation is way lower at 0.50 instead of 1.10; Personal Accident is higher at 1.00 versus 0.70; Lastly Other Miscellaneous data is higher at a rising trend at 1.10 versus a rising 0.90 of the industry.

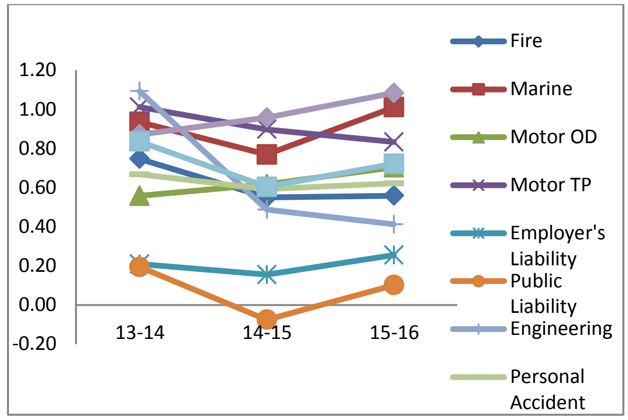

Fig. 1 ITGI ELIR Comparison

TABLE II RELIANCE SUMMARY OF AVERAGE DATA

AVG of last 3 years	GWP	Net Premium	Net Earned Premium	Net Claims Incurred	Net Commission	Operating Expenses
Fire	9.27	2.96	2.57	2.10	694.84	3.10
Marine	1.73	1.27	1.20	1.31	-116.76	1.28
Motor OD	28.82	33.75	34.57	20.93	-1636.79	33.37
Motor TP	30.29	35.34	34.09	46.30	654.46	35.28
Employer's Liability	0.31	0.41	0.42	0.19	-33.44	0.41
Public Liability	1.06	0.24	0.22	0.11	4.59	0.24
Engineering	2.63	0.84	0.84	0.82	345.01	0.84
Aviation	0.14	0.00	0.01	0.01	13.06	0.00
Personal Accident	1.19	1.39	1.43	1.58	-84.07	1.40
Health	18.50	22.03	22.90	24.96	-347.60	22.27
Other Misc	6.04	1.77	1.76	1.69	606.70	1.81
Total	100.00	100.00	100.00	100.00	100.00	100.00

Claims data for ICICI-LOMBARD is very similar again to the Industry data except the steep declining trend of the Health claims data.

For EILR Fire, Motor OD, Motor TP, Aviation, Personal Accident, Health and Other Misc data; Marine is higher at 1.00 versus 0.90; Employer's Liability is stagnantly higher at 0.40 versus 0.30; Public Liability is way higher at 1.30 at an increasing trend compared to industry's 0.30; Lastly Engineering has off late become higher at 0.70 versus 0.50.

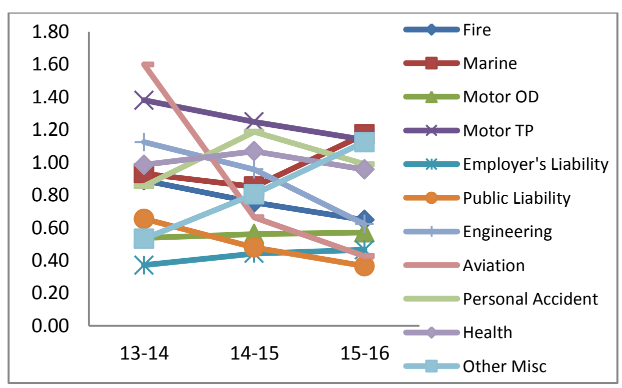

Fig. 2 RELIANCE ELIR Comparison

TABLE III ICICI - LOMBARD SUMMARY OF AVERAGE DATA

AVG of last 3 years	GWP	Net Premium	Net Earned Premium	Net Claims Incurred	Net Commission	Operating Expenses
Fire	8.60	2.60	2.70	2.44	9.21	2.72
Marine	3.80	3.49	3.74	4.47	-5.00	3.46
Motor OD	29.59	33.64	33.87	26.10	18.15	33.33
Motor TP	18.04	25.39	23.93	30.10	6.97	25.45
Employer's Liability	0.51	0.75	0.78	0.42	-1.01	0.74
Public Liability	0.18	0.11	0.10	0.10	-0.19	0.11
Engineering	2.80	1.20	1.24	1.21	5.83	1.19
Aviation	1.33	0.89	0.98	1.32	-2.95	0.88
Personal Accident	3.13	3.66	2.63	2.22	5.29	3.64
Health	18.87	20.59	22.60	24.54	53.33	20.32
Other Misc	13.14	7.68	7.43	7.09	10.37	8.16
Total	100.00	100.00	100.00	100.00	100.00	100.00

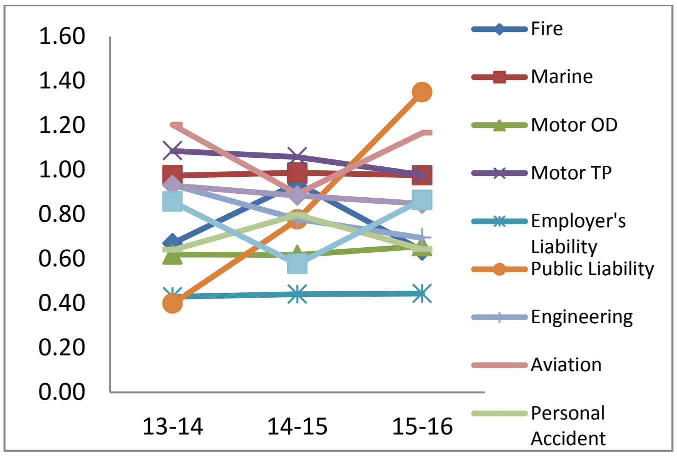

Fig. 3 ICICI - LOMBARD ELIR Comparison

TATA-AIG's claims data is again similar with the exception of the claims for Fire and Health which are relatively lower. Also Personal Accident and Marine's Claims are higher. EILR data shows us that Fire has an increasing trend at 0.90 compared to 0.70; Marine, Motor TP (off late), Employer's Liability and Public Liability have very similar figure when compared to the industry figure; Motor OD is higher at 0.75 versus 0.65; Engineering has a steep declining trend at 0.20 with its industry average also having a declining trend at 0.55; Aviation is way lower at 0.15 versus 1.15; Personal Accident is lower at 0.50 compared to 0.65; Health is again Lower at 0.70 with a declining trend relative to an almost stagnant 0.90; Other Miscellaneous is also higher at 1.05 versus 0.90 of the private industry.

TABLE IV TATA-AIG SUMMARY OF AVERAGE DATA

AVG of last 3 years	GWP	Net Premium	Net Earned Premium	Net Claims Incurred	Net Commission	Operating Expenses
Fire	13.97	3.23	1.37	1.52	-111.71	7.16
Marine	9.62	10.84	11.84	11.03	52.05	6.21
Motor OD	29.03	38.54	39.39	37.36	111.34	33.82
Motor TP	15.27	20.96	20.54	27.64	-2.04	20.20
Employer's Liability	1.06	1.03	1.02	0.40	3.83	1.07
Public Liability	8.43	5.27	5.00	2.07	52.49	4.90
Engineering	3.00	0.31	0.31	0.19	-20.83	0.38
Aviation	0.08	0.00	0.00	0.00	-0.12	0.00
Personal Accident	5.08	6.57	6.72	4.88	17.19	8.56
Health	9.36	11.44	11.74	12.35	21.12	14.77
Other Misc	5.09	1.80	2.06	2.55	-23.33	2.92
Total	100.00	100.00	100.00	100.00	100.00	100.00

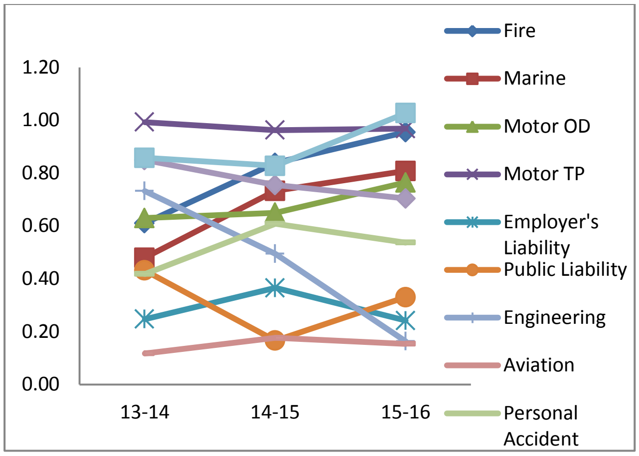

Fig. 4 TATA - AIG ELIR Comparison

2. Retention Ratio: This ratio gives us a clear picture about the insurance products for which a company is bearing and ceding risk. The analysis of this ratio gives us the idea about how a natural systemic factor relating to a particular line of products (say occurrence of a tsunami leading to marine insurance claims for all companies) will affect each company.

The analysis on Industry's Retention Ratio shows us that most of the Product lines have a normal trend with the exception of Aviation which was very low off late, but is on a somewhat upward trend.

TABLE V ITGI RETENTION RATIO

Retention Ratio	13-14	14-15	15-16	CAGR
Fire	0.15	0.14	0.15	1.82%
Marine	0.32	0.35	0.30	-5.58%
Motor OD	0.84	0.95	0.95	12.56%
Motor TP	0.90	0.95	0.95	5.47%
Employer's Liability	0.94	0.94	0.95	1.02%
Public Liability	0.70	0.67	0.67	-4.32%
Engineering	0.18	0.24	0.29	65.59%
Aviation	0.21	-0.02	0.08	-60.52%
Personal Accident	0.87	0.87	0.88	0.94%
Health	0.86	0.85	0.88	2.86%
Other Misc	0.25	0.26	0.31	25.30%

The Private Sector data gives us vital details about how the two sectors are different in terms of their insurance products retention. Here, starting with Fire, we are able to see that while the private sector has a retention ratio of 0.20 the Industry average is of 0.50. Marine seems to have a similar trend as per Industry data. So does the data for Motor OD, TP, Employer's Liability at 6.2. Personal Accident and Health, Retention for Public Liability Products also seems to be lower than the Industry at 0.40 as compared to 0.70. Same is the case for Engineering and Other Miscellaneous products at 0.20 and 0.30 compared to 0.35 and 0.50 respectively. Aviation on the other hand is being retained more by the Private Sector at 0.40 in comparison to the Industry Average of 0.30.

For ITGI, Fire has a lower retention ratio of 0.10 versus the private sector figure of 0.2; Marine stands lower at 0.30 versus 0.60 of the private industry; Motor OD has a slightly higher value of 0.90 as compared to 0.85; Motor TP has an almost same figure at 0.90; Employer's Liability stands steady at 0.90 while the industry figure has a bit of declining trend at 0.85(15-16); Public Liability is higher at 0.70 verses 0.40; Engineering has an upward trend at 0.30 with the industry remaining lower at 0.20(15-16); Aviation presently seems to have revived from a negative figure and stands at 0.10(15-16) as compared to industry having an average retention ratio of 0.40; Personal Accident and Health again stands slightly higher both at 0.90 versus both at 0.80(approx); Finally Other Miscellaneous product's retention ratio has off late converged to the Industry's average of 0.30.For RELIANCE Insurance, while Fire seems to be aligned with the industry average of 0.20; Marine slightly lower at 0.55 versus 0.60; Motor OD and TP are both at a slightly lower position at 0.80 and 0.80 versus 0.85 and 0.90; Employer's Liability though steady in the Co. at 0.90 seems to off late have come down from the industry's perspective to 0.85; Public liability is quite low at 0.15 versus 0.45; Engineering has a 0.05 upside deviation from the private Industry, currently standing at 0.30; Aviation has an almost nil retention ratio compared to the industry average at 0.40; Personal Accident has increased considerably to 0.90 compared to the industry's 0.80; Health is at 0.90 versus 0.80 while Other Miscellaneous has an increasing trend at 0.25 compared to the industry's declining trend at 0.30.ICICI-LOMBARD has had a slightly lower ratio for Fire in the recent fiscal at 0.15 with a deviation of 0.05 from the industry; Marine, Motor TP, Engineering, Aviation and Health products seems to follow the Industry norm in respect of Retention ratios; Motor OD is about 0.70 against the industry average of 0.85; Employer's Liability is steady at 0.90 which has a declining trend for the industry at0.85; Public Liability is a tad bit lower at around 0.35 versus 0.45; Personal accident where on one hand has a increasing trend at 0.75, on the other hand the industry has a declining trend at 0.80; Other Miscellaneous products has right now converged at 0.30 like the fiscal of 13-14. TATA-AIG has a steady retention ratio for Fire at around 0.20 which off late become the Industry average; Marine stands higher at 0.80 versus the industry's 0.60; Even both Motor OD and Motor TP's ratios stands higher at around 1 versus 0.85 and 0.95 of the private industry; Employer's Liability has off late steeply declined to 0.60 whereas the industry shows a slight decline at around 0.85; Public Liability is a bit higher at 0.50 versus 0.45; Engineering is a bit lower at 0.10 compared to private industry's 0.20; Aviation has a nil value compared to the industry's 0.40; Personal Accident has a declining trend at 0.90 while the industry follows the trend at 0.80; Health is higher at 0.95 compared to 0.85 while Other Miscellaneous products have a declining trend at 0.20 and the similar trend is seen in the private industry at 0.30.

3. Combined Ratio: The combined ratio is calculated by taking the sum of incurred losses and expenses and then dividing them by Net Earned Premium. The combined ratio is a measure of profitability used by an insurance company to indicate how well it is performing with respect to a particular product. This Ratio only includes the expenses relating to the insurance line of business and specifically excludes expenses from investing activities, the receipts from which forms a major part of the Net Income of a company.

TABLE VI ITGI COMBINED RATIO

Combined Ratio	13-14	14-15	15-16	CAGR
Fire	0.57	0.39	0.23	-59.66%
Marine	1.03	0.87	1.07	3.86%
Motor OD	0.84	0.96	1.01	21.43%
Motor TP	1.27	1.18	1.10	-13.37%
Employer's Liability	0.58	0.53	0.61	5.97%
Public Liability	0.67	0.35	0.50	-25.94%
Engineering	0.96	0.52	0.59	-38.26%
Aviation	-0.44	-12.92	-4.48	922.85%
Personal Accident	0.97	0.92	0.97	0.55%
Health	1.22	1.27	1.39	13.47%
Other Misc	0.60	0.61	0.93	54.70%

As compared to the Industry, here in the Private sector Combined Ratio graph we can find that Fire is way lower than the Industry average; The data for Marine, Motor OD, Motor TP, Employer’s Liability, Public Liability and Personal Accident are almost similar to Industry figure; Engineering is a bit lower at 0.40 with a bit of decline versus 1.00; Aviation is lower at 1.60 versus 1.80 for the last fiscal as it has converged to quite an extent; Health has presently become a bit diverged at 1.45 compared to the Industry’s 1.20; Other Miscellaneous had similar figures for 11-12, 12-13 & 13-14 but for 15-16 the figure is higher at 1.10 versus 0.90.

TABLE VII RELIANCE RETENTION RATIO

Retention Ratio	13-14	14-15	15-16	CAGR
Fire	0.23	0.26	0.21	-7.76%
Marine	0.54	0.50	0.55	2.15%
Motor OD	0.94	0.80	0.79	-16.38%
Motor TP	0.93	0.80	0.80	-13.89%
Employer's Liability	0.92	0.93	0.95	2.78%
Public Liability	0.14	0.16	0.18	32.40%
Engineering	0.19	0.21	0.29	50.87%
Aviation	0.02	0.03	0.02	-5.90%
Personal Accident	0.70	0.91	0.90	29.25%
Health	0.75	0.87	0.94	24.90%
Other Misc	0.20	0.17	0.27	33.44%

For ITGI the Aviation data of -5.00 (the industry average of which stands at 1.60).The ratio here for Fire is at a steep decline at 0.20 versus 0.50 of the private industry; Marine is a bit lower at 1.10 versus 1.20; The data for Motor OD is similar to the Industry data; Motor TP is a bit lower at 1.10 versus 1.30; Employers Liability is a bit higher at 0.70 versus 0.60; Public Liability is way lower at 0.50 versus 0.90; Engineering is higher at a rising 0.60 versus a declining 0.40; Personal Accident is a bit lower at 0.95 versus 1.05; Health is higher at rising 1.40 versus a stagnant 1.15; Finally Other Miscellaneous is lower at 0.90 versus 1.10 at an uptrend.The data for RELIANCE also has an abnormal Aviation data at -2.75(the industry average of which stands at 1.60) which hinders our capability to look through the remaining ratios. Hence we refer to a different graph, without it.

TABLE VIII RELIANCE COMBINED RATIO

Combined Ratio	13-14	14-15	15-16	CAGR
Fire	0.85	0.85	0.75	-11.80%
Marine	1.34	1.21	1.64	22.65%
Motor OD	0.89	0.88	0.90	1.52%
Motor TP	1.66	1.50	1.45	-12.64%
Employer's Liability	0.68	0.82	0.90	31.76%
Public Liability	0.86	0.76	0.73	-14.23%
Engineering	0.79	0.71	0.72	-8.74%
Aviation	0.40	-1.86	-2.81	-798.88%
Personal Accident	1.15	1.65	1.29	11.74%
Health	1.23	1.37	1.30	5.52%
Other Misc	0.51	0.59	1.17	128.47%

TABLE IX ICICI– LOMBARD RETENTION RATIO

Retention Ratio	13-14	14-15	15-16	CAGR
Fire	0.26	0.18	0.15	41.55%
Marine	0.57	0.59	0.58	0.63%
Motor OD	0.75	0.65	0.75	0.01%
Motor TP	0.76	0.94	0.94	24.85%
Employer's Liability	0.93	0.93	0.93	-0.30%
Public Liability	0.36	0.44	0.34	-6.26%
Engineering	0.27	0.27	0.28	3.81%
Aviation	0.43	0.39	0.44	1.52%
Personal Accident	0.74	0.71	0.75	1.76%
Health	0.68	0.71	0.68	1.27%
Other Misc	0.44	0.44	0.29	-35.17%

The data for Fire here was diverged, which has now converged towards the Industry average of 0.70 for the last fiscal; Marine is higher at 1.65 versus the industry’s 1.20; The data for Motor OD is similar to the private industry figure of 0.90; Motor TP is higher at 1.50 versus1.30;

Employer's Liability has diverged for the last fiscal and stands at 0.90 versus 0.70; Public Liability is also showing a similar pattern where it is lower for the last fiscal at 0.70 versus 0.90; Engineering is also higher at 0.70 compared to the down trending 0.40; Personal Accident is higher at 1.30 versus 1.10; Health is also higher at 1.30 versus 1.10; Finally Other Miscellaneous has converged at 1.20.For ICICI the Combined ratio for Fire is a bit lower at 0.50 versus 0.70; Marine is higher at 1.40 versus 1.20; The data for Motor OD, Motor TP, Employer's Liability, Aviation, Personal Accident, Health and Other Miscellaneous products are very similar to the private industry figure; Public Liability is at a steep uptrend at 1.90 versus a uptrend at 0.90; Lastly Engineering is at a stagnant 0.75 versus a downtrend at 0.40.

TABLE X ICICI – LOMARD COMBINED RATIO

Combined Ratio	13-14	14-15	15-16	CAGR
Fire	0.89	1.02	0.50	-43.32%
Marine	1.35	1.35	1.40	4.22%
Motor OD	0.90	0.83	0.99	10.07%
Motor TP	1.31	1.42	1.32	0.70%
Employer's Liability	0.79	0.85	0.86	9.19%
Public Liability	0.71	1.32	1.93	170.69%
Engineering	0.79	0.79	0.75	-5.60%
Aviation	1.75	1.41	1.61	-7.89%
Personal Accident	0.90	1.09	0.98	9.59%
Health	1.06	1.00	0.97	-8.91%
Other Misc	1.08	0.81	1.16	7.88%

TABLE XI TATA –AIG RETENTION RATIO

Retention Ratio	13-14	14-15	15-16	CAGR
Fire	0.18	0.17	0.16	-8.62%
Marine	0.76	0.88	0.84	11.57%
Motor OD	0.93	1.02	0.97	4.33%
Motor TP	0.93	1.08	1.00	7.32%
Employer's Liability	0.83	0.88	0.58	-30.95%
Public Liability	0.44	0.43	0.50	12.61%
Engineering	0.07	0.08	0.08	5.07%
Aviation	0.00	0.00	0.00	165.40%
Personal Accident	1.11	0.90	0.85	-23.88%
Health	0.73	1.00	0.96	30.81%
Other Misc	0.40	0.23	0.21	-48.32%

The Aviation data for TATA-AIG at -13.00(the industry average of which stands at 1.60 for the FY 2015-16), again hinders are view of individual ratios, which requires us to refer to a graph without it. Also the Other Miscellaneous data is an anomaly for the FY 2011-12.For Fire we can see that there is a steep accent to 1.00 versus the Industry's 0.70; The data for Marine, Motor OD, Motor TP, Employer's Liability, Public Liability, Personal Accident, Health and Other Miscellaneous (which has diverged and risen for the last fiscal to 1.50) are more or less the same; Engineering's ratio shows a steep decline to -1.30 versus the private industry's 0.40 with a slow decline.

TABLE XII TATA – AIG COMBINED RATIO

Combined Ratio	13-14	14-15	15-16	CAGR
Fire	-0.35	0.15	1.05	-402.32%
Marine	0.73	1.03	1.11	52.78%
Motor OD	0.95	1.01	1.13	19.68%
Motor TP	1.33	1.27	1.26	-5.07%
Employer's Liability	0.58	0.80	0.75	28.48%
Public Liability	1.04	0.68	0.98	-5.54%
Engineering	-0.15	-1.19	-1.31	777.75%
Aviation	-18.59	-20.71	-13.32	-28.33%
Personal Accident	0.93	1.04	1.02	9.41%
Health	1.24	1.22	1.17	-5.52%
Other Misc	0.90	0.78	1.56	73.16%

VI. CONCLUSION

TATA-AIG General Insurance has a good future prospect. The risk of a General Insurance Company can be taken up from the diversity of its GWP which in general sense is the Revenue for a company. TATA-AIG has the most diversified contribution from all lines of business though it has a fair market share of 5% out of the companies analyzed. The data figure is evident of the fact that the growth will indeed result in higher profits in future and that the growth is a very stable growth. This company should be the best for an investor looking for long term capital appreciation.

REFERENCES

[1] Kumar. (2005). LIC Making Inroads into Rural India, *Insurance Chronic*, 42-49.

[2] Jagendra. (2005).Innovative Environment in Renovated Insurance Industry, *The Insurance Times*, *25*, 4.

[3] Krishnamurthy. (2005). Insurance Sector: Challenges of Competition and Future Scenario, *Vikalpa*, *30*(3), 93-119.

[4] Bakhshi. (2005). Integrated Approach: Key to Growth and Development, *Vikalpa*, *30*(3), 93-119.

[5] Bhat and Dixit. (2005). Exploiting an Opportunity with Partnerships, *Vikalpa*, *30*(4), 93-119.

[6] Rajesham & Rajendar. (2006). Changing Scenario of Indian Insurance Sector, *Indian Journal of Marketing*, July, 9.

[7] Selvavinayagam & Mathivanan. (2010). A Study on Policyholders Preference and Satisfaction of Services Rendered by Selected Life Insurance Companies in Tamilnadu, Namakal District, *International Journal of Marketing and Trade Policy*, *2*(1-2), 47-56.