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[Bajaj Allianz net jumps 36.5% to Rs 291 cr; underwriting profit zooms to Rs 128.3 cr](#)

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Mumbai, Jul 19 (PTI) Bajaj Allianz General Insurance today reported a manifold increase in underwriting profit to Rs 128.3 crore in the June quarter, helping it post a 36.5 per cent growth in net income at Rs 291 crore for the period.

During the reporting quarter, the Pune-based insurer reported its best-ever underwriting profit which saw a massive 1,015.4 per cent growth at Rs 128.3 crore, compared with Rs 11.5 crore in the same quarter last fiscal, the company said.

“While the industry grew at 9.1 per cent in the quarter, Bajaj Allianz clipped at 2.5 times more at 23.1 per cent in gross written premium at Rs 2,429.4 crore. The industry income grew to Rs 37,352.1 crore (including standalone health insurers and specialised PSUs),” Tapan Singhel, managing director and chief executive, Bajaj Allianz General Insurance, told PTI over phone from Pune.

Singhel attributed the spike in net profit and underwriting profit to the overall improvement in business.

Net profit for the quarter saw a growth of 36.5 per cent at Rs 291.1 crore, compared with Rs 213.3 crore a year ago, he said and attributed this to the massive improvement in the combined ratio, which is the key profitability metrics in the industry.

“We could report a healthy combined ratio of 90.2 per cent in Q1, which is an improvement from 95.8 per cent in Q1 of FY18. This is against the industry average of 115 per cent.

In FY18, the company’s combined ratio stood at 92.3 per cent, which was the industry best,” added Singhel.

He attributed to this to some corporate incentives and overall cost management where Bajaj Allianz has the lowest cost structure in the industry.

“At 90.2 per cent, this is the lowest cost in the industry,” he said.

The solvency ratio stood at 288 per cent, well above the normal regulatory requirement of 150 per cent, he said, adding the claims ratio came down to 65.7 per cent from 68.7 per cent in the quarter.

The market share of the company stood at 6.5 per cent in the industry, while the asset under management rose over 28 per cent to Rs 14,972.8 crore.

Bajaj Allianz is present in over 200 locations with over 200 physical offices and more than 1,200 digital offices and it is planning to expand this base to increase penetration by reaching out to every corner.

On the business mix, Singhel said, motor at Rs 1,058.1 crore is the largest with 43.6 per cent of the revenue pie, followed by health at Rs 737.6 crore or 30.4 per cent and fire at Rs 245.3 crore or 10.1 per cent are major growth drivers.

“But we are also seeing increasing contribution in from other portfolios like personal accident and liability insurance apart from cyber security cover, which Bajaj pioneered in the domestic market,” he said.