

Bajaj Allianz General Insurance net up 27%

OUR BUREAU

Mumbai, May 18

Bajaj Allianz General Insurance, the second-largest player and most-profitable general insurer in the industry, posted a 27 per cent increase in net profit at ₹921 crore for FY2017-18, compared to ₹728 crore in the previous year.

The gross written premium (GWP) of the company increased by 23.4 per cent to ₹9,487 crore in FY18. Underwriting profit soared more than four-fold to ₹293 crore, against ₹64 crore in the previous year.

Tapan Singhel, MD & CEO, Bajaj Allianz General Insurance Co, said this was the result of its consistent risk-based pricing and prudent underwriting philosophy. Acknowledging an improvement in the overall market, he said that the general insurance industry, on its part, has been more careful about price discipline in the past year.

He said that the company's experience with crop insurance had been positive so far. The company will neither be

underweight nor overweight on any sector, he emphasised.

The company's combined ratio improved to 92.3 per cent in FY18 against 96.8 per cent during the previous year. Its solvency ratio rose to 276 per cent against a regulatory minimum of 150 per cent, signifying its sound claims-paying ability.

Focus areas

Tapan said that there would be continued focus on retail business lines such as motor, health and property insurance, along with increasing footprint in newer geographies across the country. The company has also begun implementing a vertical sales structure for greater customer connect, he said. A number of initiatives for digitisation, use of chatbots and risk-based pricing, have been done to improve customer service as well as profitability, he said.

Interestingly, the company has not infused any capital for a decade and accumulated profits constitute 94 per cent of its net worth.