

June 12, 2026

## ICICI Lombard General Insurance Company Limited: Rating reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Issuer Rating	-	-	[ICRA]AAA (Stable); reaffirmed

\*Instrument details are provided in Annexure II

### Rationale

The rating factors in ICICI Lombard General Insurance Company Limited's (ICICI Lombard) strong market position. The company is the largest private general insurer with a market share of 8.9%<sup>1</sup> in terms of gross direct premium income (GDPI) in FY2026. It has an established presence across the retail as well as corporate segments, supported by its diversified distribution mix, which has aided growth.

ICICI Lombard's capitalisation remains strong, with a solvency ratio of 2.67 times as on March 31, 2026 (versus regulatory requirement of 1.50 times), supported by healthy internal capital accretion of capital. The company's profitability profile also remains strong, as indicated by the average combined ratio of 104.6% and an average RoE<sup>2</sup> of 17.3% over the last five years. Its underwriting performance and profitability metrics compare favourably with the industry average. Given the robust solvency and the expectation that internal accruals will remain healthy, ICRA does not expect ICICI Lombard to require any capital infusion in the medium term.

The rating also factors in the strong promoter profile with ICICI Bank Limited<sup>3</sup> (ICICI Bank) holding an equity stake of 51.26% as on March 31, 2026. The rating considers the shared brand name, ICICI Lombard's strategic importance to ICICI Bank and the bank's representation on its board of directors, which strengthen ICRA's expectation of adequate and timely capital support if required.

ICRA notes the share of motor-third party (Motor-TP; 20.0% of GDPI in FY2026), which exposes ICICI Lombard to reserving risks as this segment is long tail in nature. However, the company's loss-reserving triangle, which involves actuarial estimates, indicates that it has maintained adequate reserves in the past. This is evidenced by the favourable claims experience in the last few years in the Motor-TP segment as well as other lines of business.

The Stable outlook factors in the expectation that the company will receive support from ICICI Bank, if required, and will maintain its solvency level above the negative rating trigger.

### Key rating drivers and their description

#### Credit strengths

**Strong parentage ensures financial flexibility and managerial support** – ICICI Lombard is a publicly listed general insurance company, with ICICI Bank as a promoter, holding 51.26% of the outstanding shares as on March 31, 2026. The strong parentage

<sup>1</sup> The market share calculation excludes ECGC Ltd. and Agriculture Insurance Company of India Limited (AIC)

<sup>2</sup> Return on equity (RoE) = Net profit/Net worth excluding fair value change account

<sup>3</sup> Rated [ICRA]AAA (Stable) for its Basel III Tier II bonds

and shared brand name strengthen ICRA's expectation that the company will receive timely support, if required. Moreover, ICICI Lombard benefits from a strong and experienced management team as well as board representation by senior executives.

**Established market position, supported by diversified products and distribution channels** – ICICI Lombard is the largest private general insurer with a market share of 8.9%<sup>4</sup> in FY2026 (9.0% in FY2025) in terms of GDPI. Its products are relatively well diversified, and its key segments include motor, health and fire. The motor segment continued to grow and remains the largest segment in the overall business. However, its share declined to 40.2% of the total GDPI in FY2026 from 50.1% in FY2021. Driven by significant growth in recent years, the share of the health, travel and personal accident segments increased to 31.6% in FY2026 (21.6% in FY2021). Apart from motor and health, the company has a strong presence in the fire segment, which accounted for 11.9% of the GDPI in FY2026.

ICICI Lombard sources its business from diversified distribution channels, thereby strengthening its business profile and demonstrating that no single channel poses a concentration risk for ICICI Lombard.

**Strong capitalisation, supported by healthy profitability** – ICICI Lombard's capitalisation remained robust with a solvency of 2.67 times as on March 31, 2026, significantly above the regulatory requirement of 1.50 times. This has been supported by healthy internal accruals, with an average RoE of 17.3% in the last five fiscals (FY2022 to FY2026). The capitalisation profile has been strong without any capital infusion from the promoters in the recent past. ICRA does not expect any capital infusion requirement as the solvency ratio is sufficiently strong for supporting the growth in the medium term. Further, the headroom to raise sub-debt provides some financial flexibility. The company's reserving levels for the long-tail business segments have historically remained prudent with the claims experience staying within the original estimates, providing comfort regarding the level of provisions created against the risk underwritten. It has a reinsurance programme with highly rated reinsurers, protecting profitability and capitalisation.

ICICI Lombard's profitability remains healthy with a RoE of 17.8% in FY2026 (19.1% in FY2025). The company's underwriting performance continues to remain better than the industry with a combined ratio of 103.4% in FY2026. Investment income earned from the float generated through business (investment leverage stood at 3.48 times as on March 31, 2026) and strong realised gains have helped the company report a healthy RoE.

## Credit challenges

**High share of long-tail business exposes the company to reserving risks** – A major risk faced by an insurance company is the underwriting of the business at adequate premium pricing in relation to the underwritten risk. The uncertainty regarding the extent of claims is relatively higher in the Motor-TP segment, which accounted for 20-24% of ICICI Lombard's total GDPI in the last few years. The long-tail nature of the Motor-TP segment, given the legal process involved for claims settlement, could result in uncertainty regarding the level of future claims in relation to the past reserves made for this segment. The company's loss-reserving triangle, which involves actuarial estimates, indicates that it has maintained adequate reserves in the past and witnessed favourable claims experiences in this segment vis-à-vis reserving during the last few years. However, the eventual outcome for the risk-in-force may be known with considerable lag, which could impact its future profitability and solvency. Further, the profitability of this segment could be impacted as the pricing of Motor-TP rates is regulated, with no price hikes in the last many years. The ability to grow the business while maintaining adequate pricing for risk underwritten will be key for long-term profitability.

## Environmental and social risks

The health, mortgage, and trade credit insurance businesses undertaken by ICICI Lombard face low environmental risks, unlike property or asset insurance that is exposed to risks emanating from natural or climate change-related calamities. Such events may pose material risk of elevated claims, higher than those modelled, which could possibly adversely impact the financial performance. While the ability of insurers like ICICI Lombard to reprice insurance policies on an annual basis mitigates this risk

<sup>4</sup> The market share calculation excludes ECGC Ltd. and Agriculture Insurance Company of India Limited (AIC)

slightly, the increasing incidence of catastrophic losses linked to climate change adds to the underwriting complexity. Climate change contributing to water shortage and droughts can possibly result in losses in the business relating to agricultural insurance, but this is just one among the other lines of business of ICICI Lombard and does not by itself contribute to pushing up the credit risk materially. ICICI Lombard has demonstrated strong underwriting and diversified business presence across lines of business.

The social risk faced by general insurance companies stems from the potential mishandling of sensitive customer data and privacy breaches. This could impact their credit profile in the form of regulatory penalties or reputational damage. ICICI Lombard, however, has not faced material lapses over the years which highlights its ability to manage such risks. Human capital risks are also quite high for general insurance companies with challenges related to the recruitment and retention of key employees.

### **Liquidity position: Strong**

ICICI Lombard's net written premium was Rs. 23,374 crore in FY2026 in relation to the maximum net claims paid of Rs. 13,541 crore in the last few years. The company's operating cash flow was positive in FY2026, reflecting its ability to meet its expenses and claims through premium inflows. The investment portfolio remains adequately diversified, with Rs. 20,723 crore (35.5% of total investments as on March 31, 2026) deployed in central and state government securities, thereby providing liquidity support to meet any unexpected increase in policyholder claims. Shareholders' investments of Rs. 14,929 crore remained strong with no outstanding sub-debt as on March 31, 2026.

### **Rating sensitivities**

**Positive factors** – Not applicable

**Negative factors** – Deterioration in the credit profile of ICICI Bank or a decline in the strategic importance of ICICI Lombard to ICICI Bank or dilution in the expectation of support from the promoter. Additionally, a sustained decline in the company's solvency ratio to less than 1.70 times will be a negative factor.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Rating Methodology – General Insurance</a>
Parent/Group support	Parent/Group company: ICICI Bank Limited The rating factors in the high likelihood of financial support from ICICI Bank to ICICI Lombard, driven by reputational and strategic considerations.
Consolidation/Standalone	Standalone

## About the company

ICICI Lombard is a publicly listed general insurance company. ICICI Bank is a promoter, holding 51.26% of the outstanding shares as on March 31, 2026.

ICICI Lombard offers a comprehensive and well-diversified range of products, including motor, health, crop/weather, fire, personal accident, marine, engineering and liability insurance, through multiple distribution channels. It is the largest private general insurance company in India with a market share of 8.9% as on March 31, 2026.

### Key financial indicators (audited)

ICICI Lombard	FY2025	FY2026
Gross direct premium	26,833	28,712
PAT	2,508	2,772
Net worth (excluding FVCA)	14,303	16,847
Total investments	53,508	58,421
Combined ratio	102.8%	103.4%
Return on equity <sup>^</sup>	19.1%	17.8%
Solvency ratio (times)	2.69	2.67

Source: Company, ICRA Research; Amount in Rs. crore; All calculations are as per ICRA Research; <sup>^</sup> PAT/Net worth excluding fair value change account (FVCA)

### Status of non-cooperation with previous CRA: Not applicable

Any other information: None

### Rating history for past three years

Current (FY2027)			Chronology of rating history for the past 3 years						
Instrument	Type	Amount rated (Rs. crore)	June 12, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Issuer rating	Long term	-	[ICRA]AAA (Stable)	Jun-30-25	[ICRA]AAA (Stable)	Jul-11-24	[ICRA]AAA (Stable)	Sep-12-23	[ICRA]AAA (Stable)
Subordinated debt programme <sup>^</sup>	Long term	-	-	-	-	Jul-11-24	[ICRA]AAA (Stable); withdrawn	Sep-12-23	[ICRA]AAA (Stable)

<sup>^</sup> Transferred from Bharti AXA General Insurance Company Limited, the company has exercised the call option and redeemed the debentures in full by paying the principal and final interest on April 30, 2024

**Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026**

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs/ Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs / NHB/ fis (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fis	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/Fis)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.**

## Complexity level of the rated instruments

Instrument	Complexity indicator
Issuer Rating	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

### Annexure II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Issuer Rating	NA	NA	NA	NA	[ICRA]AAA (Stable)

Source: ICICI Lombard, ICRA Research

### Annexure III: List of entities considered for consolidated analysis

Not applicable

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## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

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### Branches



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