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Date: 16th February 2026

To,
The Manager
Listing Department
BSE Limited
25th Floor, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

To,
The Manager
Listing Department
The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Plot C/1,
G Block, Bandra Kurla Complex
Mumbai - 400051

Scrip Code: (BSE – 540755/ NSE – GICRE)

Sub: Transcript of conference call held with Investors and Analysts to discuss the unaudited financial results for the period ended 31st December 2025

Dear Sir/Madam,

In compliance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Transcript of the conference call held with Investors and Analysts on Wednesday, 11th February 2026, to discuss unaudited Standalone and Consolidated financial results for the period ended 31st December 2025.

Kindly take the above information on record.

Thanking You.

For General Insurance Corporation of India

Satheesh Kumar Nair Digitally signed by Satheesh Kumar Nair
Date: 2026.02.16 13:30:23 +05'30'

(Satheesh Kumar)
Company Secretary & Compliance Officer

Encl.: A/A

"General Insurance Corporation of India Limited Q3 FY '26 Earnings Conference Call"

February 11, 2026

MANAGEMENT: **MR. HITESH JOSHI – EXECUTIVE DIRECTOR, ADDITIONAL CHARGE OF CMD – GENERAL INSURANCE CORPORATION OF INDIA LIMITED**
MR. SANJAY MOKASHI – GENERAL MANAGER & CHIEF UNDERWRITING OFFICER – GENERAL INSURANCE CORPORATION OF INDIA LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the General Insurance Corporation of India Q3 FY '26 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Nikita from EY. Thank you, and over to you, ma'am.

Nikita: Thank you, Mark. Good morning, all the participants in the call, and thanks for joining Q3 FY '26 Earnings Call for General Insurance Corporation of India.

Please note that we have mailed out the press release and presentation to everyone, and you can now see the results on our website, and it has been uploaded on the stock exchange as well. In case you have not received the same, you can write to us, and we will be happy to send it over.

Before we proceed with the call, let me remind you that the discussion may contain forward-looking statements that may involve known or unknown risks, uncertainties, and other factors. It must be viewed in conjunction with our businesses that could cause future results, performance, or achievement to differ significantly from what is expressed or implied by such forward-looking statements.

To take us through the results for the quarter and answer our questions, we have with us Mr. Hitesh Joshi, Executive Director, Additional Charge of CMD, and other top members of the management at GIC.

We will be starting the call with a brief overview of the quarter gone by, which will then be followed by the Q&A session.

With that said, I will now hand over the call to Mr. Joshi. Over to you, sir.

Hitesh Joshi: Good morning, ladies and gentlemen, and thank you for joining us for GIC Re's earnings call for the 3rd Quarter of FY '26.

The global insurance market is moving into a more balanced phase, following a period of structured hardening. While rate momentum has moderated across certain lines, underlying risk conditions remain elevated, driven by climate-related volatility, inflation in loss costs, geopolitical developments, and a higher cost of capital. Accordingly, capital across the industry is being deployed with greater sensitivity, selectivity, and technical rigor.

Investment yields continue to support overall earnings, even as underwriting margins gradually normalize. In parallel, reinsurers are reassessing legacy assumptions across long-tail and life portfolios, strengthening reserves, and reinforcing pricing governance to enhance balance sheet resilience and long-term sustainability.

Market outcomes at recent renewals have become increasingly influenced by individual portfolio performance rather than broad cyclical momentum. While competitive pressures are incrementally returning, pricing remains broadly rational, where risk-adjusted returns are appropriately compensated. The prevailing focus across the sector is, therefore, on margin protection rather than volume-led expansion.

For investors, this environment emphasizes the importance of underwriting quality, capital discipline, and consistent execution. GIC Re remains aligned with these principles through continued portfolio optimization, prudent risk appetite, and a strong capital position. Against this backdrop, I will now highlight our financial performance for the quarter and the nine months ended 31st December 2025.

Gross premium income for the Q3 FY '26 stood at INR 10,986.55 crore as compared to INR 9,967.71 crore in the corresponding quarter of the previous year. Incurred claim ratio for the quarter is 87.9% as against 87.8% in the corresponding quarter of the previous year.

Combined ratio for the quarter stood at 105.32% compared to 107.83%. Adjusted combined ratio improved to 85.08% for nine months as against 89.12% for the similar period of the previous year.

Investment income for Q3 FY '26 stood at INR 2,924.47 crore compared to INR 2,627.17 crore in the corresponding quarter of the previous year.

Profit before tax for the quarter stood at INR 2,116.93 crore compared to INR 2,168.69 crore. Profit after tax for the quarter stood at INR 1,518.92 crore compared to INR 1,621.35 crore.

Solvency ratio improved to 3.87 as of 31st December '25 compared to 3.52 as at 31st December 2024.

Net worth excluding fair value change recorded at INR 48,490.40 crore as on 31st December '25 compared to INR 40,745.48 crore as on 31st December 2024. Net worth including fair value change stood at INR 92,056.08 crore compared to INR 85,803.69 crore in the previous year.

On the premium breakup, domestic premium for nine months is INR 25,388.97 crore, and international premium is INR 7,587.29 crore with a percentage split of 77% domestic and 23% international.

Before concluding, I would like to thank our shareholders, clients, and employees for their continued confidence and support. Looking ahead, we anticipate further normalization of market conditions with financial performance increasingly driven by disciplined underwriting and effective claims management rather than cyclical pricing tailwinds. While this may moderate growth rates, it supports the delivery of stable and sustainable returns over the long term.

Thank you. We can now move to questions and answers.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Janish Shah, an individual investor. Please go ahead.

Janish Shah: Two, three questions. One, with regard to the combined ratio, which is now coming more closer to 106%, and how do you see the trend going ahead, especially in this year? And we have a target of reaching up to 100% in next few years. So, how are we tracking that for the next couple of years, given the international book now will start contributing, the new book actually will start contributing from next year onwards? That is first part.

Second, if you can just give some understanding about the book composition. I think you have right now some 38% of your revenue now coming from obligatory segment. And how is the combined ratio out there? You have been sharing the combined ratio for international and domestic, but when it comes to obligatory and non-obligatory parts, if you can give a little bit of more understanding, that will be helpful.

And also, your outlook on the obligatory part, how do you see the narratives or the discussions with the government with regard to continuing with the same set or same rate of obligatory, or there is likely to be a reduction in that rate as well in the near future or maybe in the medium term? That will be helpful.

Hitesh Joshi: Regarding your first question, how the year will pan out? As we have been advising the investing community, that 4th Quarter tends to be benign, tends to be better than the three quarters. So, the result of the three quarters should largely be carried forward into the 4th Quarter. Our guidance for achieving about a percentage improvement in each of the years stands.

I would like to disagree on your statement that we are trying to move closer to 100%. There are two parts to our portfolio, domestic and foreign. We would certainly like to move below 100%, particularly for foreign book. But that will not be a realistic target or a strategy for domestic business because the investment income on both the portfolios are fundamentally different. So, we will continue with our guidance of about 1% improvement on a composite portfolio rather than trying to achieve 100% for, say, domestic or foreign.

As regards to obligatory combined ratio, that is a proportional book. We would say that it is faring reasonably well. On our non-obligatory book, we also have facultative, non-proportional treaties, proportional treaties, and the book is fairly diverse. Given the diverse composition of non-obligatory, which is, as I mentioned, proportional treaty, non-proportional treaty, Fac, and miscellaneous kinds of covers, as against obligatory, a straight comparison of the combined ratio across these two segments will not be fair. Non-obligatory is definitely, most certainly, supposed to fare better than the obligatory given the composition.

Coming to your third question regarding the obligatory, how it will move, we can probably expect that given the geopolitical disturbances, stability may be targeted by the government, but this policy decision is in the realm of the regulator. And we present our views, and industry players also present their views. Beyond that, it will not be correct on our part to speculate.

Janish Shah: Because I think that is one area where the clarity is a little less. And I think when we are looking at the stock performances or basically the valuation that weighs a little more when it comes to the value unlocking for the company. So, that is something where when we speak a little better, I think if a better clarity is available, that will help in maybe unlocking the value in the company.

Hitesh Joshi: Let me just expand on this. Probably, we would have touched upon this in earlier calls and in our other meetings with the investing community. If obligatory goes away or gets reduced, it is not a straight loss of business. A substantial part, something like probably 25% to 50%, will get readily converted into voluntary business, non-obligatory business. So, it is not a, say, win or lose.

There is a nuance to how the business will develop. We will have more freedom in how we write. Our capital deployment will be free. And particularly, those companies which are playing close to their targeted solvency range, they will definitely need a substitute reinsurance requirement immediately.

Say a company which is running at a solvency of 1.65, and they would like to continue to be at 1.65. Any change in obligatory or reinsurance arrangement will get replaced by another set of reinsurance arrangements. I hope it alleviates your apprehensions to an extent.

Janish Shah: Yes. Thank you for this clarity. And maybe the last question is on the growth. I mean, you said you would be more calibrated in growing the book. Can you give some more color to it as to for the next year and for FY '28, how do you see the book growth likely to be?

Because you focus more on quality, and as you alluded, that 1% is a decrease in a combined ratio is a target which the company would like to follow. So, what does it mean? How will it be balancing the growth and the profitability, if you can just give some understanding with that?

Hitesh Joshi: So, the growth of the corporation would mostly, at least, mirror the growth of the Indian reinsurance market. Given the growth of the Indian insurance market, say, in the range of something like 9% to 12% or higher, that is a nominal growth, a substantial part of this growth will also get mirrored in the reinsurance market as far as the Indian insurance market is concerned. Given our broad strategic goal of maintaining our market share, we will be mirroring the growth of the Indian reinsurance market.

Coming to the international book, given that now we got our rating back last year, October '24, previous financial year, whatever business was lost, it cannot be reclaimed or regained in a single year because when we moved off the panel of certain insurance companies, say, in Japan or Taiwan, we can't just walk back on the same panel with the same share. So, there is a claw-back, and it takes time. So, whatever business we have lost, thanks to the downgrade, that will be reclaimed over a period of something like 3 to 5 years. So, that certainly presents an opportunity for us to rebuild those relationships which were affected. And of course, our medium-term objective in terms of the composition of the risk book remains at 60/40. So, we will continue to focus on the international book, and that should result in growth apart from the normal growth of the global reinsurance market.

Probably, to sum up, one can expect a growth rate in the medium term on an annual basis of something like 8% to 10% composite.

Moderator: The next question is from the line of Madhukar Ladha from JPMorgan. Please go ahead.

Madhukar Ladha: On the international book, I had a question. See, in some segments, I see very high combined ratios, like motor, I think this time around, the combined ratio is about 190%. Cargo is at about 282%. Life also is quite high, closer to 138%, and health as well at about 143%. So, some of these segments, we are seeing very high combined ratios. And on the international side, what I want to understand is what is going to be our strategy in terms of improving the underwriting. How can we change the product mix over here?

Hitesh Joshi: So, I agree with your observations, and I think whatever three classes you have picked up, they are the points, they are the segments where we need to focus. We are mindful of that. I think we have addressed the explanation for life, higher combined ratio in the Q2. This cargo and motor, both are definitely under management focus, and we have already taken certain steps. And we expect that those steps in terms of underwriting discipline will bear fruit going forward.

I think, if you compare this, not on a quarterly basis, but on an annual basis, there is a distinct trend in terms of the improvement in performance for foreign book as well as for domestic book. And I would like to say that for nine months overall, foreign book has shown greater improvement in terms of performance.

So, management is absolutely focused on these segments that you have identified: motor, cargo, and also life. It is a work in progress. Whatever we have done has borne fruit, and we expect it to improve meaningfully going forward.

Madhukar Ladha: Just if I may ask, where is this motor business coming from? The motor and cargo, cargo may be a little bit of one-off also, but especially which part of the world, what is this in?

Sanjay Mokashi: Motor constitutes about 11% of our foreign book, and it comes from various regions, but I will name the peak regions will be Israel and Turkey. And the cargo business is also from these two regions. In addition to that, it comes from China. But I am only highlighting the major countries. Otherwise, we write business worldwide. There are exposures in Europe as well. I hope that answers your question.

Moderator: The next question is from the line of Sanketh Godha from Avendus Spark. Please go ahead.

Sanketh Godha: Sir, just wanted to understand the pricing environment. Maybe last year, there was a kind of price benefit in the fire segment, but what we learned is that in small sum insured or mid sum insured, the pricing competition has increased. And do you think even on the larger sum insured fire capacities, the pricing environment, what was during the current year will hold up in the next year, or will you see more competition? So, just a color on the pricing.

And on similar lines, on overseas business too, if you can again give a color, given January renewals would have happened, any color you have on how pricing environment is playing out? Is it still hard market or still a soft market to assume that the combined ratio in the foreign business will improve? That is my first question.

Sanjay Mokashi: Yes, Sanketh. Your observation on pricing environment in property segment, especially in the small property segment, is accurate, that there is heavy competition among insurers there. And as a result, it is putting pressures on the pricing.

On large risk, the impact on pricing is also seen because there is competition. Wherever it is reinsurance-driven, there is competition among reinsurers, but there are certain segments which are holding fairly well. For example, refineries or energy segment, where although the pricing is under pressure, it is not as much as in other segments within the property.

As a reinsurer, we are keeping a close watch on the pricing on the direct side. And we have handles in our reinsurance contract which will fairly protect us if the loss ratio is deteriorating steeply.

On the overseas, January 1st renewal, it was soft. We had got some indication because we are part of some of the conversations that happened before the renewal, and we were bracing for the softness of the market. But we observed that there is plenty of capacity, plenty of capital in the market. And therefore, there were heavy pressures on the shares.

We wanted to write good shares, but we could not. Eventually, our shares got reduced. It is called signing down. So, signing pressures were there on our business. But we could write some more business also which balanced on the income side. So, in a way, our foreign book became a little more broad-based than what it was before.

Sanketh Godha: Sir, so basically, the combined ratio, what you reported, say, 121% for nine months, which is definitely a better number compared to last year, if the market is soft, say, next year, then do you think it is fair to say that to maintain 120% also will be an immediate target, or you think that number can improve or rather deteriorate if the market is soft?

Sanjay Mokashi: We feel that this number will improve because our approach to risk selection, our approach to underwriting hasn't changed. Even in this soft market cycle, we have been able to fairly maintain our position in terms of other terms and conditions on the contract. We were not chasing premium in this soft market cycle because it would not make sense.

And our target, as our Executive Director, Additional Charge CMD, said that our target is to improve 1% point per annum on the combined ratio. Our property portfolio is almost 70% of our foreign book. And this is where our underwriting discipline should be more focused, and that is what we are doing.

Sanketh Godha: So, basically, Hitesh, sir, you said in the call that that rating benefit will play out in 3-4 years rather than on immediate basis. So, if it plays out at a full potential, say, in 3-4 years, this 120 combined ratio, you think it will improve to 110 or I am not saying 100, but maybe 110, 105 kind of a number possible, sir, because you already saw a 10% delta improvement in the combined in international business in the current year. Another 10% is over 2-3 years is possible?

Hitesh Joshi: See, the rating and these are absolutely different things. When we are saying that we will regain our business and we will rebuild our earlier position in the market, it is with reference to the credit rating.

The combined ratio performance is more about the overall pricing environment, terms and conditions environment, and the development of climate-related risk and the changes that have taken place since 2023 in terms of the share of risk borne by an insurance company and a reinsurance company.

So, when I said about rating, I was talking about our growth and our market share, which we should be able to restore. And we should also be able to access other markets based on our A rating. And the underwriting discipline is more on the operating performance side.

So, I would like to say that these are two separate things. And alongside the growth and restoration of the market share, improvement in performance can certainly go on. They can definitely run in parallel. There is no contradiction there.

Sanketh Godha: No, sir, the reason I asked this question is the rating upgrade probably gives you a potential to better contracts access, which was not possible in the past. So, indirectly, it improves the quality of the book, and therefore, the combined can improve.

I was coming from that perspective that naturally, it will contribute to the growth, but the growth will come along with the improvement in the combined. Maybe this credit rating gives you access to better quality contracts.

Hitesh Joshi: Yes, we expect that.

Sanketh Godha: And the second thing, sir, in the domestic business, one thing just I wanted to check was that your motor, Or even domestic business, motor has at overall level, sorry, motor has done well. So, is it largely, if this growth of around 17% in the motor is generally very high or even compared to the underlying market of the domestic business, it seems to be in line or a little better than the industry.

So, I just wanted to understand what led to this thing. Are there specific risks which are getting reinsured, or because of long-term policies, people want to reinsure, and therefore, that is driving your growth, or will you gain market share? So, any color on that number will be useful.

And then second thing, your view on Agri again because this number has been consistently coming off for us compared to what we were doing in the past. Even in the current year, it is just like a marginal growth year-on-year. And next year is a new tendering cycle. I don't know whether the new formula will be based on 80-110, or I am not sure on that part. Then how do you foresee the crop business playing out for you for next year in that sense?

Sanjay Mokashi: Sanketh, on motor domestic, the growth is a mix. The motor domestic, almost 84% or 85% is obligatory. So, the growth in the market on the direct side will get reflected in obligatory. But we also write motor reinsurance is more proportional where the income comes from. And it is a combination of this motor proportional as well as obligatory that has resulted in growth in motor business.

And coming to your question on agriculture, yes, we are waiting for the new tender cycle. We have been part of the committee that was constituted for getting inputs on the agriculture segment. The experience in the last year was different to the previous years. We are in touch with all these cedents, including Agriculture Insurance Company Limited, and we are ready to support the market in whichever form they require. We expect that cup and cap model in a different way will continue.

Sanketh Godha: But most likely, whether it will be a pan-India adoption of 80-110, or a similar kind of a structure, then it reduces the reinsurance opportunity to us. So, I just wanted to understand whether pan-India, it will go in that way, or you still think there will be states available for reinsurance?

Sanjay Mokashi: It is going pan-India, is a little unlikely because different states have different preferences. And also, some of these states have seen the benefits of burn cost method. So, it is difficult to speculate at this stage. Let us wait for the outcome. We will write, we will avail the opportunities in the best possible way and support the Indian market.

Hitesh Joshi: I will just add here, Sanketh, that if at all you analyze the trend, probably there are quite a few players on 80-110 already. And now, probably, they are thinking of switching to 60-130. So, probably that phase where reinsurance was not required, it is done. There is a saturation. And now, there is probably a U-turn. There are other models which are being considered, as I said, 60-130, or something else, which will definitely increase more risk by the insurance companies and more reinsurance.

Sanketh Godha: But in 60-130, then probably we will see more XOL covers rather than proportional covers, which was a growth driver in the past.

Sanjay Mokashi: It will entirely depend, Sanketh, on whether 60-130 will be at burn cost or the traditional cup and cap. If it is burn cost, there will be demand for proportional treaties as well.

Sanketh Godha: And lastly, maybe to extend the first question which I asked, maybe if domestic guys are coming and asking for the renewals in the commercial lines, especially fire and engineering segment, are you still picking the burn cost as a benchmark for the reinsurance, or the market is still soft for the higher ticket size sum insured also?

Sanjay Mokashi: In the property segment, while answering earlier question, I did mention that we will use the reinsurance handles that are available to us to ensure that we do that tightrope walking of protecting our balance sheet at the same time supporting the insurance companies. I am afraid beyond that, we cannot discuss our strategies in detail, and we will look at each contract based on its own merit.

Sanketh Godha: Thanks for your answers.

Moderator: The next question is from the line of Shobhit Sharma from HDFC Securities Limited. Please go ahead.

Shobhit Sharma: I have two questions. Firstly is on the motor side of the business. So, if you can give us some color around how the loss ratio on the motor side of business has been shaping up for you. And secondly, on the OD side, we have seen direct side insurers have witnessed an impact on the loss ratio, and it is primarily because of the Nat Cat impact in the lower IDV.

So, can you share your experience on that, and how do you see that as a business opportunity for you? Because as one of the industry players who used to retain most of the risk on their net has also started ceding. So, this is my question on the motor side.

Secondly, coming to the health business, we have seen we have been de-risking ourselves on this side of business all time because of the profitability it offers. So, can you give us some color around the color of this book, how much of this is obligatory in nature and how much of it is non-obligatory? And are we losing good business on the table on this side?

Sanjay Mokashi: Coming to motor business, Shobhit, as I mentioned while answering previous question, on the domestic side, a large portion of our business is obligatory, and the market results will get mirrored in our obligatory results. But we also participate on many proportional and non-proportional treaties, and where our focus is to ensure that the book is profitable. And as a result, for the domestic business, if you see our incurred claim ratio hasn't changed much as compared to previous year.

But yes, on motor foreign, we have encountered issues with the international business that we write, mainly from Israel and Turkey, where some results strengthening has been happening. And as a result, the motor international business has seen negative results. But we have taken care of that. We are closely monitoring. And on 1st January, while renewing the international motor business, we have ensured that we de-risk the portfolio and realign our shares so that there is a turnaround in motor business result.

Coming to your question on health segment, almost 64% of the health business is obligatory, and that will, again, mirror the results of the market. In addition to that, wherever there are opportunities in supporting insurance companies, health is not greatly reinsurance-driven. But there are many proportional treaties, and there are many government schemes where the insurance companies require reinsurance support. But we extend our support only where it makes sense for us on reinsurance basis.

And therefore, on the non-obligatory segment, in terms of business volume, there would be some volatility that we always witness. But we are okay with that because eventually, our objective is to look at the combined ratio and ensure that our combined ratio is tolerable or it is improving.

Hitesh Joshi: I would just like to add here about the observation that you made, and I think it is a fairly good observation from your side that motor ODs can emerge as a significant opportunity. I think it is one of the segments which will get affected by the climate change, more flood events. And it definitely presents an opportunity. So, of course, we have ample capacity. You know that we are in a very good position in terms of the solvency. And we will be definitely exploiting this opportunity to the extent it develops.

Shobhit Sharma: So, just a small follow-up because we are now in the ongoing renewal season with the Indian insurers. So, have you seen the OD ceding coming into the discussions during the current renewal cycle?

Sanjay Mokashi: The discussions are happening as we speak, Shobhit. And usually, the companies buy their reinsurance on a combined basis. Yes, the non-proportional treaties, the catastrophic exposures are basically for OD segment. But yes, we are discussing, and we will see how it pans out.

Shobhit Sharma: These are my questions.

Moderator: The next question is from the line of K. Karthikeyan, an individual investor. Please go ahead.

K. Karthikeyan: I have a couple of questions. One is with respect to the obligatory business. So, you are making an answer to the first question, right, the first questionnaire. You mean to say that when the obligatory percentage comes down, it is better for the company? I mean, it will free up capital and improve profitability. Is that understanding correct?

Hitesh Joshi: I think it will be a very simple evaluation if we say it is good or bad because obligatory gives us an opportunity in terms of sizable premium volume and the attendant float that we can get. So, the benefit is in terms of the diversification and the investment income.

At the same time, we are not able to choose the risk. The good comes with the bad, and it is a market performance. So, we don't have the freedom to write the way we ideally would like to write. So, there are pluses and minuses. And overall, we are of the opinion that it balances out.

So, it is not very white or black because this is a proportional contract, and we also have a sizable non-proportional book and a facultative book. I am not sure whether I have answered your question, but you can come up with a follow-up question.

K. Karthikeyan: I understand, sir. So, it gives us more freedom and all that. So, again, say tomorrow it comes down to say, I mean, it is currently 4%. It comes to 2%. So, will that improve our business profile, or what is the outlook on that, and if it comes down by 50% going forward?

Hitesh Joshi: As I said, part of the business lost will get replaced by the voluntary business, and it depends on where do we deploy our capacity and what is the dynamics of that. Suppose we transfer this capacity, which is given to obligatory, which is a proportional contract, to a non-proportional contract or an international contract. So, the different segments of the market present different levels of volatility and attendant return on equity.

So, it is essentially a job of an underwriter to match the return on equity with the volatility that we are writing. So, if we are able to deploy this capital alternatively in a, say, equally attractive or a more attractive segment of, say, international catastrophe non-proportional, we would be better off.

K. Karthikeyan: I understand completely. And the next question, see, in the past, CEO's comment saying that there is a lot of fraud and all that is happening in the insurance market. Now, what kind of tools are we deploying to detect that and mitigate those kind of problems?

Hitesh Joshi: See, I would like to say that this is at the heart of the industry, and it is a perennial problem, the adverse selection and the moral hazard. And whatever can be done can be essentially done only on the direct side. Motor and health are two classes where there is a tremendous scope for deploying claims management practices, the AI. And there are various tools and techniques. Just as we have our tools and techniques as a reinsurer, there are so many claims management techniques which are differently adopted by different players in the market.

But as a reinsurer, our support is essentially at, say, portfolio level. Our, say, 90% plus premium and exposures are coming from prop and non-prop treaties. So, fraud is essentially a domain of the insurance companies. Unless you highlight something specific, we can probably discuss on the call or offline, but I believe it is the domain of the insurance companies.

K. Karthikeyan: So, specifically, probably I can send an email.

Hitesh Joshi: Please. Yes, please.

K. Karthikeyan: And the health, right, given the market is growing for this year, the nine months, there is more than 15% growth, right, for the primary company, but whereas we have degrown. Any specific reason for that?

Sanjay Mokashi: Health, the non-obligatory portion is quite volatile as in terms of volumes. If we don't renew a particular contract which has significant volumes, we end up de-growing. Our focus will always be on the contract that will make sense to us. And we may win some. We may lose some. But yes, it is the dynamics that will play out and manifest into de-growth or growth.

Hitesh Joshi: I would like to just add here that it is not necessarily that when we lose a particular segment of premium, it is that somebody else has walked away. See, this health side, the insurance companies may also restructure their entire reinsurance purchase. So, it is quite possible that on a large contract, a particular insurance company decides to buy it differently or not buy at all.

In that case, if that particular purchase is replaced by self-retention, we might have volatility, as our CEO pointed out, that this is a fairly volatile segment. It is not necessarily that we are losing market share or we are losing business. It can also be that insurance companies are retaining more.

K. Karthikeyan: All my questions have been answered.

Moderator: The next question is from the line of Ritika Dua from Bandhan. Please go ahead.

Ritika Dua: Sir, just one question left. On this CAT reserve, we have mentioned in the notes to account, where are we today on an outstanding basis?

Hitesh Joshi: The question is not clear. What is outstanding basis?

Ritika Dua: So, as in, we said that in the notes to account that we are going to continue to create this reserve till the time we create a particular kitty. So, what is the outstanding reserve that we have already created?

Hitesh Joshi: It is about INR 2,000 crore, and it is supposed to be a strategic kitty that we are building. So, it is not that, say, suppose it is crossing, say, INR 3,000 crore, we will start withdrawing. It is a long-term strengthening of the balance sheet and our capital position in a way. So, we will continue to build and will not withdraw unless there is a, say, major catastrophe which puts stress.

So, we have internal policy for this creation and utilization of the CAT reserve. And we will be continuously recalibrating that because any withdrawal from CAT reserve is also a substitute from the reinsurance purchase and all that. So, there is a trade-off involved.

So, on a dynamically basis, we will be evaluating this. And we will be undertaking a major review when we touch something like INR 5,000 crore. So, it is a long journey. I hope it helps.

Ritika Dua: No, sir. It helps a lot. Sir, just one, sorry, I missed one point when you were mentioning. How does the utilization of this work like?

Hitesh Joshi: We will see if there is a major jolt to our P&L, a major catastrophe. In line with this particular, say, catastrophe reserve policy, with the approval from the Board, we can utilize the funds in the CAT reserve. That is how we are planning.

Ritika Dua: That is very helpful. I am done.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for the closing comments.

Hitesh Joshi: Thank you. As we have been advising the investing community over all these quarters' earnings calls, that market is becoming more nuanced. It is becoming more sophisticated. It is evolving.

As I also mentioned in my introductory remarks, that though this market is getting characterized as a soft market, every soft cycle phase is also different. Though there are similarities, there are also differences. There is more nuanced approach in terms of assessing a particular cedent's operating performance.

On the back of disciplined underwriting, consistent execution, and our strategic approach, we hope and believe that we will continue to achieve the guidance we are giving and continue to perform to the satisfaction of our stakeholders. Thank you. Good morning, and all the best.

Moderator: Thank you, sir. On behalf of General Insurance Corporation of India, that concludes this conference. Thank you for joining us. You may now disconnect your lines.