

# AM Best

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## AM Best Upgrades Credit Ratings of General Insurance Corporation of India

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### FOR IMMEDIATE RELEASE

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**AM Best** has upgraded the Financial Strength Rating to A- (Excellent) from B++ (Good) and the Long-Term Issuer Credit Rating to “a-” (Excellent) from “bbb+” (Good) of General Insurance Corporation of India (GIC Re) (India). In addition, AM Best has revised the Credit Rating (rating) outlooks to stable from positive. Furthermore, AM Best has affirmed the India National Scale Rating (NSR) of aaa.IN (Exceptional) with a stable outlook.

The ratings reflect GIC Re’s balance sheet strength, which AM Best assesses as very strong, as well as its adequate operating performance, favourable business profile and appropriate enterprise risk management. In addition, the ratings factor in a neutral impact from the company’s ownership by the government of India.

The rating upgrades reflect an improvement in GIC Re’s balance sheet strength fundamentals. GIC Re’s risk-adjusted capitalisation, as measured by Best’s Capital Adequacy Ratio (BCAR), has exhibited an improving trend over the past four years, and remained at the strongest level in fiscal year 2024. This is supported by a significant increase in shareholders’ equity over this period, driven by investment fair value gains, and an increase in retained earnings. Prospectively, AM Best expects GIC Re’s risk-adjusted capitalisation to be maintained at the strongest level over the medium term. Notwithstanding, the company’s exposure to market risk remains a partially offsetting balance sheet factor, given its relatively high allocation to domestic equity investments.

AM Best views GIC Re’s operating performance as adequate, supported by a five-year average return-on-equity (ROE) ratio of 6.5% (FY 2020-2024). In fiscal year 2024, GIC Re reported a ROE ratio of 9.5% based on consolidated profits, although its underwriting performance remained unprofitable with an elevated combined ratio. Investment income, including realised gains on equity investments, is a key contributor of overall earnings and historically has made up for the lack of technical profits.

AM Best assesses GIC Re’s business profile as favourable. The company is the 10th largest non-IFRS 17 reinsurer globally according to AM Best’s most recent annual ranking of the top 50 global reinsurers. GIC Re is a leading reinsurer in India, with a domestic market share averaging between 60-70% in recent years. The company benefits from mandatory domestic reinsurance cessions of 4%, and also a right of first refusal that provides it with preferential access to domestic reinsurance placements. The company’s underwriting portfolio is generally well-diversified by lines of business and geography.

Ratings are communicated to rated entities prior to publication. Unless stated otherwise, the ratings were not amended subsequent to that communication.

This press release relates to Credit Ratings that have been published on AM Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best's [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Guide to Best's Credit Ratings](#). For information on the proper use of Best's Credit Ratings, Best's Performance Assessments, Best's Preliminary Credit Assessments and AM Best press releases, please view [Guide to Proper Use of Best's Ratings & Assessments](#).

AM Best is a global credit rating agency, news publisher and data analytics provider specialising in the insurance industry. Headquartered in the United States, the company does business in over 100 countries with regional offices in London, Amsterdam, Dubai, Hong Kong, Singapore and Mexico City.

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