

RELIANCE

GENERAL
INSURANCE

Reliance General Insurance Ltd

(Renamed as IndusInd General Insurance Company)

<https://www.reliancegeneral.co.in/insurance/about-us/reliance-general-insurance.aspx>

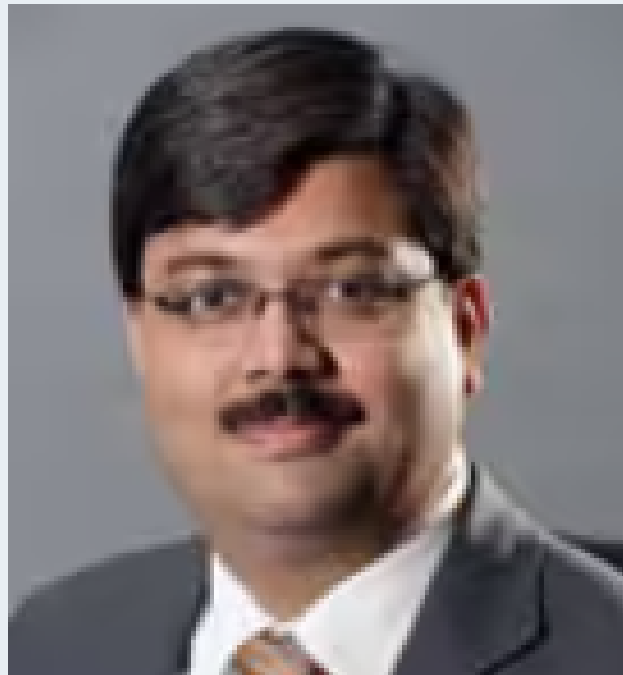
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About the Company

Reliance General Insurance Ltd. (RGIC) is a prominent private general insurance company in India. Established in 2000, it's a subsidiary of Reliance Capital, which itself falls under the Reliance Anil Dhirubhai Ambani Group.

- Offers a wide array of insurance solutions across various sectors including motor, health, travel, home, marine, commercial, and industrial insurance.
- Vast network of over 139 branches and 28,900 intermediaries
- They prioritize customer satisfaction by offering hassle-free claims processes and prompt assistance.
- Known for introducing unique and customer-centric insurance products

Management



Mr. Rakesh Jain - Executive Director & CEO

- Member of the Institute of the Chartered Accountants of India
- Director - Corporate Centre & CFO at ICICI Lombard General Insurance Company Limited
- Work experience of over 20 years in leadership positions in corporate finance, risk management, underwriting, claims, broking and reinsurance functions



Mr. Rajendra Chitale - Chairman & Independent Director

- Bachelor's degree in law from the University of Mumbai
- Fellow of the Institute of the Chartered Accountants of India
- The Managing Partner of M.P. Chitale & Co.

Timeline

It received the license to conduct general insurance business in India from the Insurance Regulatory and Development Authority of India.

2001

Entered into a bancassurance tie-up with IndusInd Bank to offer insurance products to the bank's customers.

2011

Entered into a partnership with Paytm to provide insurance products to Paytm customers.

2018

2000

Reliance General Insurance Company Limited was incorporated as a private limited company in India

2006

Launched its first insurance product exclusively for e-commerce sellers.

2017

The company became a part of the Reliance Anil Dhirubhai Ambani Group (Reliance ADAG).

SWOT Analysis

Strength

- Diversified Product Portfolio
- Highest no. of agents in the market

Opportunities

- Growing Insurance Market
- Untapped Rural Market

Weakness

- High Expense Ratio
- Claim Settlement Ratio

Threats

- Intense Competition
- Regulatory Changes

Acquisition by IIHL

Reliance General Insurance is 100% fully owned subsidiary of Reliance Capital.

Reliance Capital is a financial services holding company with a presence in various sectors like insurance, investment, and asset reconstruction.

Reliance Capital was under insolvency proceedings due to 40,000Cr debt issues.

The acquisition of Reliance Capital by IndusInd International Holdings Ltd (IIHL), a part of the Hinduja Group, is still ongoing as of today, April 2024. IIHL's bid has received approval from the National Company Law Tribunal and the Competition Commission of India. IIHL's winning resolution plan involves an upfront cash payment of Rs 9,650 crore along with Reliance Capital's existing cash balance of Rs 500 crore going to the lenders. The acquisition will give IIHL control over Reliance Capital's various financial services businesses.

Industry Outlook

The outlook for general insurance companies in India is positive, with a projected growth rate exceeding global averages.

- The industry is projected to grow at a CAGR of **7.1%** between 2024 and 2028, exceeding the global average growth rate of around **2.4%**
- India's insurance penetration rate is around **4.2%**. This is low compared to the global average of **6.3%**, indicating significant growth potential.
- As per the General Insurance Council, the general insurance industry in India registered a growth of **16.22%** in premiums during 2023-24.
- **InsurTech** adoption is streamlining processes, making insurance more accessible and affordable, particularly in rural areas.

The success of Reliance General hinges on how it navigates the ongoing acquisition by IIHL. A smooth transition and access to additional capital from IIHL could be beneficial.

Financials

In Crs

Particulars	31st March, 2024	31st March, 2023	Y-o-Y % increase
Gross Written Premium (GWP)	11829	10489	12.7%
Net Earned Premium	6687	6022	11%
PAT	280	271	3.33%
EPS	10.79	10.74	-

Valuation

Particulars	March 31st, 2024
Share Price	440
Outstanding shares	25,20,67,917
MCAP	₹14746 crs
P/E Ratio	54.47
P/S Ratio	1.59
P/B Ratio	5.73
Book value per share	102.17

Peer Comparison

Particulars	Revenue	PAT	EPS	CMP (Nov,24)	MCAP	P/E	P/B
Reliance General Insurance Ltd		280	10.7	₹585	₹14746 Cr.	1.59	5.73
ICICI Lombard General Insurance Company Ltd	22,315 cr	1919	35	₹1947	₹96,391 Cr.	43.3	7.10

CONTACT US



Email

info@altiusinvestech.com



Website

<https://altiusinvestech.com/index>



Call us

+91-9038517269 +91-9830271248

