

IMIA Country Analysis 2015

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook								
<p>India</p> <p>National Report 2015</p>	<p>The Indian Engineering Insurance Industry, in Financial Year 2015-16 booked a total premium of INR 23,726 million which showed a margin increase of 1.55% as compared to previous Financial Year. The overall positive economic outlook did not fully translate into engineering business in the country. However, we continued emphasis on infrastructure growth by the government we expect the premium development for the current year to be much more positive.</p> <p>The Public Sector continues to dominate the Engineering Insurance market by producing 67% of the total engineering premium amount; while Private Sector produces 33%</p> <p>The Major portion of Premium in Engineering Line of Business comes from Project Insurance (Erection All Risk). The percentage of Erection All Risk Composition varies from 50% to 56% year to year.</p>	<p>Industry Claims Data is not available for the years 15-16.</p> <p>The claims distribution into lines of business were 2014 / 2015 as follows:</p> <ul style="list-style-type: none"> - MB/BE + LoP: 35 % - EAR + ALoP: 31 % - CAR + ALoP: 11 % - EEI 23 % 	<p>Unfortunately the claims data for the years 2015-16 is not at the industry level. However the past trends are provided below which suggest a healthy loss experience.</p> <p>Loss Ratios* for past 3 years for engineering business :</p> <table border="0"> <tr> <td>FY 2012-13 :</td> <td style="text-align: right;">30.34%</td> </tr> <tr> <td>FY 2013-14 :</td> <td style="text-align: right;">31.28%</td> </tr> <tr> <td>FY 2014-15 :</td> <td style="text-align: right;">24.10%</td> </tr> <tr> <td>FY 2015-16 :</td> <td style="text-align: right;">Not Available.</td> </tr> </table> <p>* Only losses above INR 2.5 million are considered for the above analysis.</p>	FY 2012-13 :	30.34%	FY 2013-14 :	31.28%	FY 2014-15 :	24.10%	FY 2015-16 :	Not Available.	<ul style="list-style-type: none"> - India topped the World Bank's growth outlook for 2015-16 for the first time with the economy having grown 7.3% in 2014-15 and posted growth of around 7.5-8.3% in 2015-16. - Numerous multinationals are setting up their facilities in India on account of various government initiatives like Make in India and Digital India further fueling economic growth. - Given the renewed emphasis on infrastructure sector by boosting infrastructure financing coupled with initiatives to enhance physical infrastructure such as roads, railways, shipping, airports, rural and urban infrastructure, the investment in physical infrastructure is expected to increase sharply. <p>Just recently the market has seen an investment to the tune of USD 4.1 billion towards Mumbai Metro which will have a direct impact on engineering premium numbers.</p>
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