

Ind AS 117 - An Analyst perspective

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IFRS—THERE IS CONFUSION BUT EXPECTING CLARITY TO EMERGE

Confusion has prevailed in General Insurance for investors with changes in accounting rules. There have been n and 1/n and both of them had a combination with IFRS and IGAAP. That is too much for investors. This (among others) has also led to valuation multiples correcting for general insurers.

While the underlying lifetime economics of insurance policies should remain unchanged, there are material differences emerging from an analyst lens between IFRS and IGAAP.

1. Companies are saying that business strategies are been made basis IFRS—technically that is counterintuitive to the logic of business equivalence. IFRS does not mechanically increase or decrease economic profitability, only changes measurement and presentation.

2. More long term polices are being written under IFRS—case in point being more long-term health (crossing 50% now) and multi-year 2W policies.

3. Acquisition costs are largely incurred upfront while premium are recognized over policy term under IGAAP which can create first year strain. IFRS provides better matching of acquisition costs over policy term. However, to maintain similar profitability, there could be price hike required after multi year period.

IFRS—THERE IS CONFUSION BUT EXPECTING CLARITY TO EMERGE

1. Additional difference is emerging in mix of reinsurance with possible higher retention under IFRS. This also questions the business need based decisions over meeting short term profit expectations. Hopefully, IFRS will lead to better decision making.

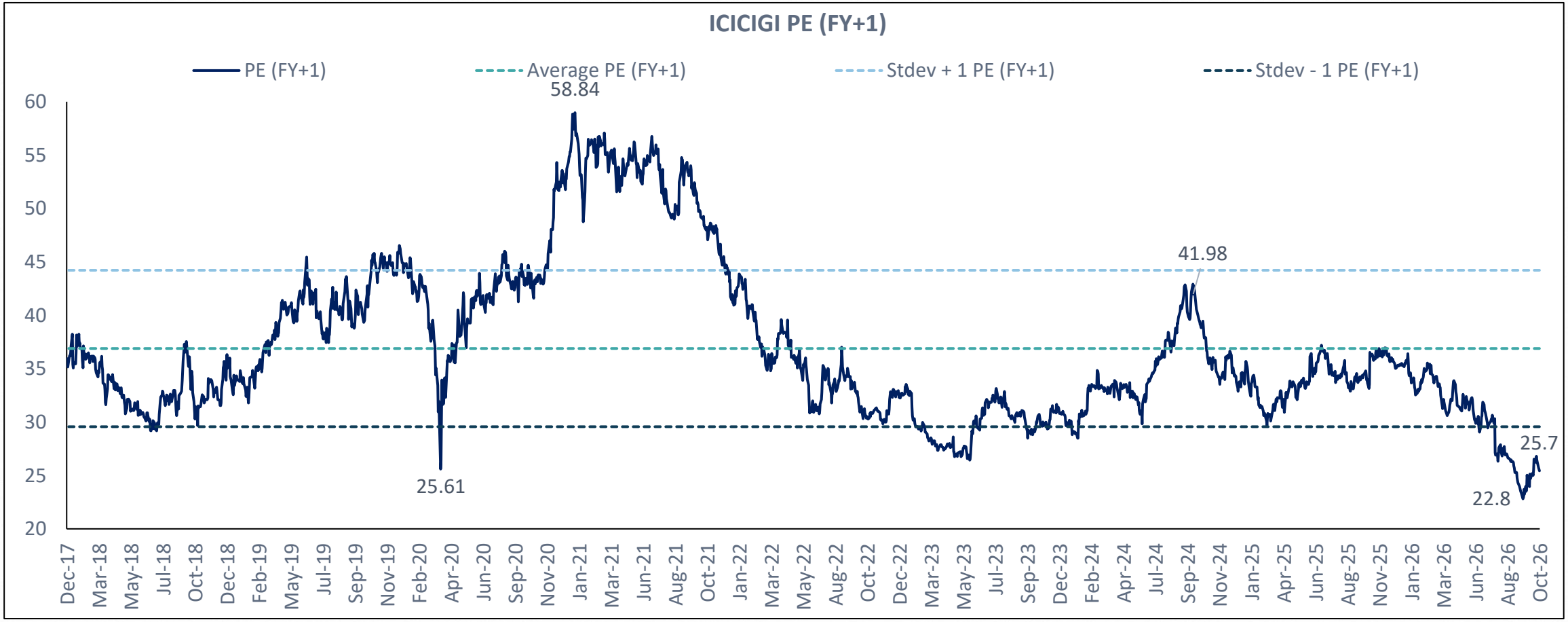
2. COR and Profits are divergent under two methods and the divergence have increased over last 2 years. Even loss ratios have been different and, in some case, significantly different.

3. Under IFRS, MTM movement is accounted under investment income and ultimately resulting in tax on unrealized gains. Analysts are using a framework of 7%/8% investment yield framework to devise a PAT independent of MTM results. As such, there is one reported PAT and there is a proforma PAT.

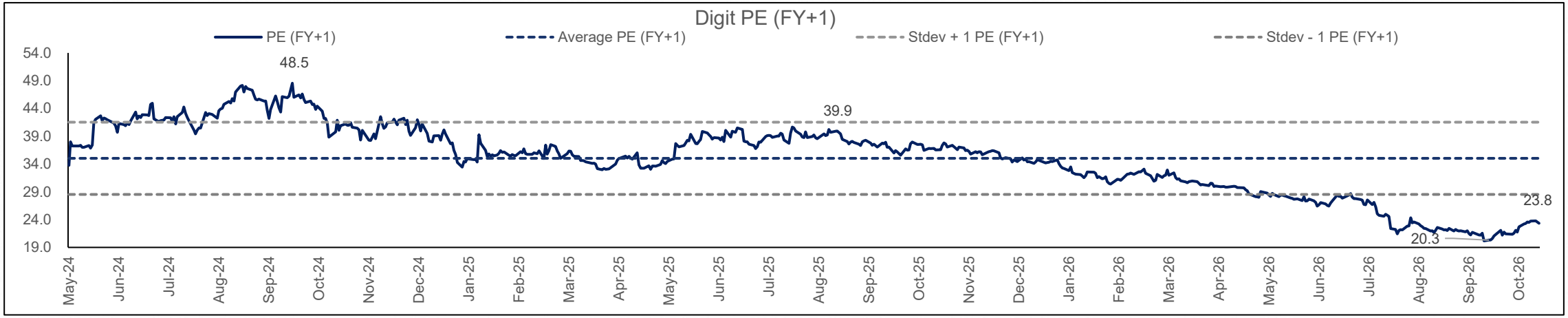
4. Discounting on claims is expected to result in release of claim reserves resulting in higher net worth, ultimately impacting ROE. Analysts/investors have questions of possible higher dividends on movement to IFRS.

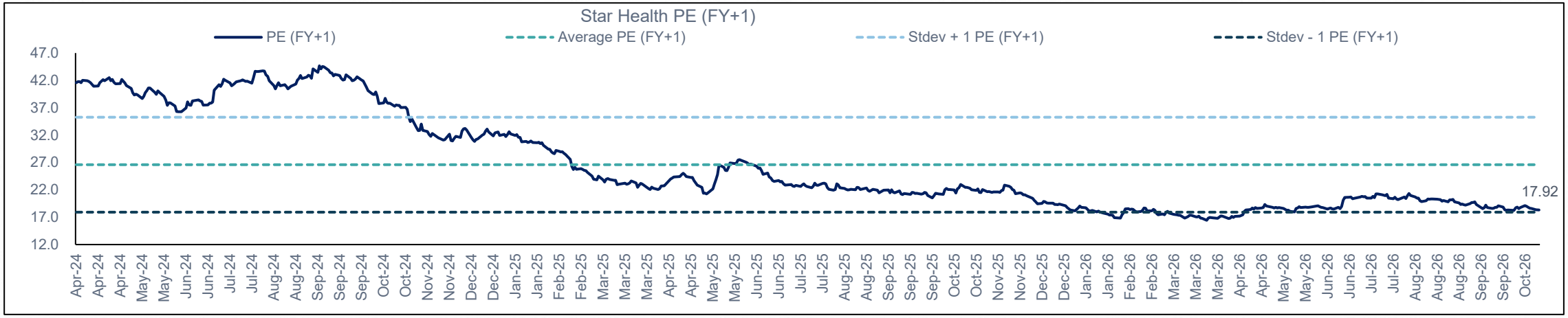
5. Low ROEs tend to affect valuation multiples. Current framework which is being used is basically a higher multiple for IGAAP and a lower multiple for IFRS based earnings.

GI VALUATION HAS DOWNGRADED



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UNDER IFRS (IND-AS) AND IGAAP, PROFITS ARE DIVERGENT

PAT (INR mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Niva Bupa									
Under IGAAP	-188	130	132	2,061	-914	-353	-876	3,451	-1,337
Under IFRS	360	240	600	830	715	610	740	1,594	1,378
Go Digit									
Under IGAAP	1,013	894	1,185	1,156	1,383	1,165	1,401	1,494	864
Under IFRS								3,250	3,720
Star Health									
Under IGAAP	3,189	1,113	2,151	5	2,625	549	1,282	1,113	3,492
Under IFRS	3,037	1,243	640	2,712	4,382	796	4,490	-554	5,498

LONG-TERM ESTIMATES HAVE BECOME MORE DIVERGENT

PAT (INR mn)	FY24	FY25	FY26	FY27E	FY28E
Niva Bupa					
Under IGAAP	819	2,135	1,308	1,418	2,403
Under IFRS	1,064	2,032	3,653	4,981	6,353
Go Digit					
Under IGAAP	1,817	4,249	5,443	4,147	5,497
Under IFRS		7,390	7,780	9,775	12,311
Star Health					
Under IGAAP	11,034	7,868	9,110	16,047	18,441
Under IFRS	8,450	6,459	5,569	7,895	10,631

LOSS RATIOS UNDER BOTH METHODS DIFFERENT

Loss ratio	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Niva Bupa									
Under IGAAP	64.0%	61.1%	65.1%	56.4%	77.9%	71.2%	72.3%	56.8%	78.8%
Under IFRS	63.9%				66.8%			63.7%	63.0%
Go Digit									
Under IGAAP	70.5%	70.6%	72.9%	76.5%	70.3%	73.0%	72.5%	75.2%	73.3%
Under IFRS								66.8%	66.3%
Star Health									
Under IGAAP	67.6%	72.8%	71.4%	69.2%	69.5%	71.5%	68.5%	66.7%	68.0%
Under IFRS	67.0%	73.1%	70.9%	68.3%	68.5%	71.0%	68.9%	64.6%	67.5%

IFRS SEPARATES REINSURANCE FROM CORE UNDERWRITING

Under IGAAP, reinsurance cession could mechanically improve the reported net commission ratio (improving COR) even when the reinsurance treaty added zero economic profit. Under IFRS, the underlying insurance ratios remains gross of reinsurance and the entire RI economics sit separately in the reinsurance profits reflecting true economic profit.

Under IGAAP	**Company without RI**	**Company with RI**
Gross premium	100.0	100.0
RI ceded premium		30.0
Net premium	100.0	70.0
Commission	18.0	18.0
ceding commission received from RI		10.5
Net commission	18.0	7.5
Oprating costs	12.0	12.0
Claims	65.0	65.0
Recoveries from RI		19.5
Net claims	65.0	45.5
Gross underwiting results	5.0	5.0
RI underwriting results	-	-
Net underwriitng results	5.0	5.0
Claim ratio	65.0%	65.0%
commission & opex ratio	30.0%	27.9%
Combined ratio	**95.0%**	**92.9%**

Under IFRS	
Relating to insurance business	**17.0**
Gross premium	*100.0*
Gross commission	*18.0*
Gross claims	*65.0*
Relating to RI	**-**
Gross premium	*30.0*
Gross commission	*10.5*
Gross claims	*19.5*
Operating costs	12.0
Net underwriting results	5.0
Claim ratio	65.0%
commission & opex ratio	30.0%
Combined ratio	**95.0%**

IFRS SEPARATES REINSURANCE FROM CORE UNDERWRITING

-We have modelled two scenarios - one without reinsurance (gross) and one with reinsurance - under both IGAAP and IFRS. Each scenario uses a unified set of actuarial assumptions for earning pattern, loss ratios, ceding percentage, commissions, and expenses as shown in the table. The illustration is based on a 5-year insurance policy and provides a clear snapshot of how reinsurance influences company performance and combined operating ratios across the two reporting frameworks. The key underlying takeaways from the workings are (a) reinsurance can aggravate the problem of uneven distribution of profits YoY due to accounting anomalies under IGAAP (b) IFRS brings out true economic profits from the very initial years irrespective of any reinsurance arrangements or not

Assumptions	
Earning %	50%
Gross LR	65%
RI LR	55%
Ceded Premium	50%
Gross Commission	20%
RI Commission	45%
Expense Ratio	5%

GROSS UNDER IGAAP AND IND AS

Under IGAAP	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	UW Basis
Gross premium	750	750	750	750	750	-	3750
Gross earned premium	375	750	750	750	750	375	3750
Commission	750	-	-	-	-	-	750
Operating costs	37.5	37.5	37.5	37.5	37.5	-	187.5
Claims	243.8	487.5	487.5	487.5	487.5	243.8	2437.5
Gross underwriting results	(656.3)	225	225	225	225	131.3	375
Claim ratio	65%	65%	65%	65%	65%	65%	65%
Commission ratio	100%	0%	0%	0%	0%	0%	20%
OPEX Cost ratio	5%	5%	5%	5%	5%	0%	5%
Combined ratio	**170%**	**70%**	**70%**	**70%**	**70%**	**65%**	**90%**

Under IFRS	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	UW Basis
Gross premium	750	750	750	750	750	-	3750
Gross commission	750	-	-	-	-	-	750
Gross claims	487.5	487.5	487.5	487.5	487.5	-	2437.5
Earned basis (Gross)							
Gross Insurance Revenue	375	750	750	750	750	375	3750
Change in Gross DAC	75	150	150	150	150	75	750
Gross claims	243.8	487.5	487.5	487.5	487.5	243.8	2437.5
Operating costs	37.5	37.5	37.5	37.5	37.5	-	187.5
Gross underwriting results	18.8	75	75	75	75	56.3	375
Claim ratio	65%	65%	65%	65%	65%	65%	65%
Commission ratio	20%	20%	20%	20%	20%	20%	20%
OPEX Cost ratio	10%	5%	5%	5%	5%	0%	5%
Combined ratio	**95%**	**90%**	**90%**	**90%**	**90%**	**85%**	**90%**

REINSURANCE UNDER IGAAP AND IND AS

Under IGAAP	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	UW Basis
Gross premium	750	750	750	750	750	-	3750
RI ceded premium	375	375	375	375	375	-	1875
Net premium	375	375	375	375	375	-	1875
Gross earned premium	375	750	750	750	750	375	3750
RI earned premium	187.5	375	375	375	375	187.5	1875
Net earned premium	187.5	375	375	375	375	187.5	1875
Commission	750	-	-	-	-	-	750
RI commission	843.8	-	-	-	-	-	843.8
Net commission	(93.8)	-	-	-	-	-	(93.8)
Operating costs	37.5	37.5	37.5	37.5	37.5	-	187.5
Claims	243.8	487.5	487.5	487.5	487.5	243.8	2437.5
Recoveries from RI	103.1	206.3	206.3	206.3	206.3	103.1	1031.3
Net claims	140.6	281.3	281.3	281.3	281.3	140.6	1406.3
Gross underwriting results	(656.3)	225	225	225	225	131.3	375
RI underwriting results	(759.4)	168.8	168.8	168.8	168.8	84.4	-
Net underwriting results	103.1	56.3	56.3	56.3	56.3	46.9	375
Claim ratio	75%	75%	75%	75%	75%	75%	75%
Commission ratio	(25%)	0%	0%	0%	0%	0%	(5%)
OPEX Cost ratio	10%	10%	10%	10%	10%	0%	10%
Combined ratio	**60%**	**85%**	**85%**	**85%**	**85%**	**75%**	**80%**

Under IFRS	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	UW Basis
Gross premium	750	750	750	750	750	-	3750
Gross commission	750	-	-	-	-	-	750
Gross claims	487.5	487.5	487.5	487.5	487.5	-	2437.5
Earned basis (Gross)							
Gross Insurance Revenue	375	750	750	750	750	375	3750
Change in Gross DAC	75	150	150	150	150	75	750
Gross claims	243.8	487.5	487.5	487.5	487.5	243.8	2437.5
RI earned premium	375	375	375	375	375	-	1875
RI commission	168.8	168.8	168.8	168.8	168.8	-	843.8
Recoveries from RI	206.3	206.3	206.3	206.3	206.3	-	1031.3
Earned basis (RI)							
RI Insurance Revenue	187.5	375	375	375	375	187.5	1875
Change in RI DAC	84.4	168.8	168.8	168.8	168.8	84.4	843.8
RI claims	103.1	206.3	206.3	206.3	206.3	103.1	1031.3
Operating costs	37.5	37.5	37.5	37.5	37.5	-	187.5
Net underwriting results	18.8	75	75	75	75	56.3	375
Claim ratio	75%	75%	75%	75%	75%	75%	75%
Commission ratio	(5%)	(5%)	(5%)	(5%)	(5%)	(5%)	(5%)
OPEX Cost ratio	20%	10%	10%	10%	10%	0%	10%
Combined ratio	**90%**	**80%**	**80%**	**80%**	**80%**	**70%**	**80%**

GO DIGIT'S IFRS RECONCILIATION

Go Digit (INR mn)	FY23	FY24	FY25	FY26
Profit before tax as per IGAAP	**360**	**1,820**	**4,250**	**6,320**
Networth [Equity] as per IGAAP	23,250	25,150	40,330	45,860
Leases and security deposit [IFRS 16 & 9]	-10	-30	-40	-60
Deferred acquisition cost [IFRS 17]	4,080	3,820	2,640	3,890
Unrealised Gain/(loss) on Investments – URGL [IFRS 9]	-1,040	2,590	690	-1,980
Provision based on Expected Credit Loss (ECL) [IFRS 9]	-	-	-	
Discounting Impact [IFRS 17]	3,760	2,240	2,320	2,340
Additional Gratuity expense recognised in IFRS				-90
Profit before tax	**7,150**	**10,440**	**9,860**	**10,410**
Provision for deferred tax	-1,800	-2,640	-2,470	-2,630
Profits as per IFRS – as it is	**5,350**	**7,800**	**7,390**	**7,780**
Profits as per IFRS – (adjusted for MTM)	**6,390**	**5,210**	**6,700**	**9,760**
Networth [Equity] as per IFRS	40,650	50,880	70,990	76,100
Profit before tax (with only DAC)	4,440	5,640	6,890	10,210
Profit after tax (with only DAC)	**3,321**	**4,219**	**5,154**	**7,637**

NIVA BUPA'S IFRS RECONCILIATION

Niva Bupa (INR mn)	FY23	FY24	FY25	FY26
Profit as per IGAAP	**125**	**819**	**2135**	**1308**
IFRS Adjustments				
IFRS-17 (Insurance Contracts - deferment of acquisition costs, contract onerocity etc)	138	687	808	3682
IFRS-16 (Leases)	-32	-30	-20	-27
IFRS-09 (Financial Instruments - recognition, classification and valuation)	-17	35	-40	-144
IFRS-02 (Share-based Payment	-94	-88	-137	-181
IAS-19 (Employee Benefits)	-	7	14	48
IAS-12 (Income Taxes)	-35	-366	-731	-1025
Profit due to IFRS Adjustments	**-40**	**245**	**-106**	**2,353**
Profit as per IFRS (PAT)	**85**	**1,064**	**2,029**	**3,661**
PAT (ex-MTM)	**102**	**1,029**	**2,069**	**3,805**

STAR HEALTH'S IFRS RECONCILIATION

Star Health (INR mn)	FY23	FY24	FY25	FY26
Profit as per IGAAP (A)	**6,190**	**8,450**	**6,460**	**5,570**
IFRS Adjustment			0	
Lease and Security Deposit	-7	-40	-30	-10
Claims risk adjustment		-80	-570	-330
Share based payments		-170	-140	180
Deferred Acquisition cost	1,622	2,930	2,860	6,330
Unrealised Gain / (Loss) on Investments & provision- ECL	211	870	-190	-1,380
Provision for Tax	-408	-930	-520	-1260
IFRS Impact (B)	**1,400**	**2,580**	**1,410**	**3,530**
Profit as per IFRS (A+B)	**7,590**	**11,030**	**7,870**	**9,110**
Profit (Adjsuted for MTM)	**7,379**	**10,160**	**8,060**	**10,490**

CONVERGENCE OF PBT UNDER IGAAP AND IND AS

We have developed three scenarios to compare profit before tax under IGAAP and IND AS. All scenarios use consistent /assumptions for earned premium, expenses, incurred claims, and risk adjustment as shown in the table. What differentiates them is the claims payment pattern, which varies with the number of years over which GWP is considered – either constant or growing.

Assumptions	
Earned Premium	50% of GWP
Expense	25% of GWP
Incurred Expense	25% of Earned Premium
Risk Adjustment	15%

3-YEAR PAYMENT PATTERN WITH CONSTANT GWP

Claims Payment Pattern **@50% in Yr 1 and 25% each in Yr 2 and Yr 3.**

Year	1	2	3	4	5	6	7	8	9	Total
IGAAP										
GWP	10,000	10,000	10,000	10,000	10,000					
Change in UPR	5,000	-	-	-	-	-5,000	-	-	-	
UPR	5,000	5,000	5,000	5,000	5,000					
Earned Premium/ Insurance Revenue (A)	**5,000**	**10,000**	**10,000**	**10,000**	**10,000**	**5,000**	**-**	**-**	**-**	**50,000**
Paid Claims	-1,750	-4,375	-6,125	-7,000	-7,000	-5,250	-2,625	-875	-	-35,500
Change in Liability	-2,013	-3,019	-1,006	-	-	2,013	3,019	1,006	-	-
Gross Claims	-3,763	-7,394	-7,131	-7,000	-7,000	-3,238	394	131	-	-35,500
Undiscounted LIC	**2,013**	**5,031**	**6,038**	**6,038**	**6,038**	**4,025**	**1,006**	**-**		
Discounted LIC	**1,819**	**4,579**	**5,519**	**5,519**	**5,519**	**3,700**	**940**	**-**		
Expense [25%]	-2,500	-2,500	-2,500	-2,500	-2,500	-	-	-	-	-12,500
DAC	-1,250	-1,250	-1,250	-1,250	-1,250	-	-	-	-	
Outgoes/Insurance Service Expense (B)	**-6,263**	**-9,894**	**-9,631**	**-9,500**	**-9,500**	**-3,238**	**394**	**131**	**-**	**-47,500**
Insurance Service Result (A+B)	**-1,263**	**106**	**369**	**500**	**500**	**1,763**	**394**	**131**	**-**	**6,000**
Insurance Finance Exp (C)										
Profit Before Tax (A+B+C)	**-1,263**	**106**	**369**	**500**	**500**	**1,763**	**394**	**131**	**-**	**2,500**

Year	1	2	3	4	5	6	7	8	9	Total
IND AS										
GWP	10,000	10,000	10,000	10,000	10,000					
Change in UPR	5,000	-	-	-	-	-5,000	-	-	-	
UPR	5,000	5,000	5,000	5,000	5,000					
Earned Premium/ Insurance Revenue (A)	**5,000**	**10,000**	**10,000**	**10,000**	**10,000**	**5,000**	**-**	**-**	**-**	**50,000**
Paid Claims	-1,750	-4,375	-6,125	-7,000	-7,000	-5,250	-2,625	-875	-	-35,500
Change in Liability	-2,013	-3,019	-1,006	-	-	2,013	3,019	1,006	-	-
Gross Claims	-3,763	-7,394	-7,131	-7,000	-7,000	-3,238	394	131	-	-35,500
Undiscounted LIC	**2,013**	**5,031**	**6,038**	**6,038**	**6,038**	**4,025**	**1,006**	**-**		
Discounted LIC	**1,819**	**4,579**	**5,519**	**5,519**	**5,519**	**3,700**	**940**	**-**		
Incurred Expense [25%]	-1,250	-2,500	-2,500	-2,500	-2,500	-1,250	-	-	-	-12,500
DAC	-1,250	-1,250	-1,250	-1,250	-1,250	-	-	-	-	
Outgoes/Insurance Service Expense (B)	**-4,819**	**-9,507**	**-9,245**	**-9,114**	**-9,114**	**-4,294**	**394**	**131**	**-**	**-45,568**
Insurance Service Result (A+B)	**181**	**493**	**755**	**886**	**886**	**706**	**394**	**131**	**-**	**4,432**
Interest on Discounted LIC	-	127	321	386	386	386	259	66		
Insurance Finance Exp (C)	**-**	**-127**	**-321**	**-386**	**-386**	**-386**	**-259**	**-66**	-	**-1,932**
Profit Before Tax (A+B+C)	**181**	**365**	**435**	**500**	**500**	**319**	**135**	**65**	-	**2,500**

4-YEAR PAYMENT PATTERN WITH CONSTANT GWP

Claims Payment Pattern **@25% in Yr 1, Yr 2, Yr 3 and Yr 4** each.

Year	1	2	3	4	5	6	7	8	9	Total
IGAAP										
GWP	10,000	10,000	10,000	10,000	10,000					
Change in UPR	5,000	-	-	-	-	-5,000	-	-	-	
UPR	5,000	5,000	5,000	5,000	5,000					
Earned Premium/ Insurance Revenue (A)	**5,000**	**10,000**	**10,000**	**10,000**	**10,000**	**5,000**	**-**	**-**	**-**	**50,000**
Paid Claims	-875	-2,625	-4,375	-6,125	-7,000	-6,125	-4,375	-2,625	-875	-35,000
Change in Liability	-3,019	-5,031	-3,019	-1,006	-	3,019	5,031	3,019	1,006	-
Gross Claims	-3,894	-7,656	-7,394	-7,131	-7,000	-3,106	656	394	131	-35,000
Undiscounted LIC	**3,019**	**8,050**	**11,069**	**12,075**	**12,075**	**9,056**	**4,025**	**1,006**		
Discounted LIC	**2,641**	**7,101**	**9,860**	**10,801**	**10,801**	**8,180**	**3,700**	**940**		
Expense [25%]	-2,500	-2,500	-2,500	-2,500	-2,500	-	-	-	-	-12,500
DAC	-1,250	-1,250	-1,250	-1,250	-1,250	-	-	-	-	
Outgoes/Insurance Service Expense (B)	**-6,394**	**-10,156**	**-9,894**	**-9,631**	**-9,500**	**-3,106**	**656**	**394**	**131**	**-47,500**
Insurance Service Result (A+B)	**-1,394**	**-156**	**106**	**369**	**500**	**1,894**	**656**	**394**	**131**	**2,500**
Insurance Finance Exp (C)										
Profit Before Tax (A+B+C)	**-1,394**	**-156**	**106**	**369**	**500**	**1,894**	**656**	**394**	**131**	**2,500**

Year	1	2	3	4	5	6	7	8	9	Total
IND AS										
GWP	10,000	10,000	10,000	10,000	10,000					
Change in UPR	5,000	-	-	-	-	-5,000	-	-	-	
UPR	5,000	5,000	5,000	5,000	5,000					
Earned Premium/ Insurance Revenue (A)	**5,000**	**10,000**	**10,000**	**10,000**	**10,000**	**5,000**	**-**	**-**	**-**	**50,000**
Paid Claims	-875	-2,625	-4,375	-6,125	-7,000	-6,125	-4,375	-2,625	-875	-35,000
Change in Liability	-2,641	-4,275	-2,263	-250	756	3,397	5,031	3,019	1,006	-
Gross Claims	-3,516	-6,900	-6,638	-6,375	-6,244	-2,728	656	394	131	-31,220
Undiscounted LIC	**3,019**	**8,050**	**11,069**	**12,075**	**12,075**	**9,056**	**4,025**	**1,006**		
Discounted LIC	**2,641**	**7,101**	**9,860**	**10,801**	**10,801**	**8,180**	**3,700**	**940**		
Incurred Expense [25%]	-1,250	-2,500	-2,500	-2,500	-2,500	-1,250	-	-	-	-12,500
DAC	-1,250	-1,250	-1,250	-1,250	-1,250	-	-	-	-	
Outgoes/Insurance Service Expense (B)	**-4,766**	**-9,400**	**-9,138**	**-8,875**	**-8,744**	**-3,978**	**656**	**394**	**131**	**-43,720**
Insurance Service Result (A+B)	**234**	**600**	**862**	**1,125**	**1,256**	**1,022**	**656**	**394**	**131**	**6,280**
Interest on Discounted LIC	-	185	497	690	756	756	571	259	66	
Insurance Finance Exp (C)	**-**	**-185**	**-497**	**-690**	**-756**	**-756**	**-571**	**-259**	**-66**	**-3,780**
Profit Before Tax (A+B+C)	**234**	**415**	**365**	**435**	**500**	**266**	**85**	**135**	**65**	**2,500**

4-YEAR PAYMENT PATTERN WITH GROWING GWP @10%

Claims Payment Pattern **@25% in Yr 1, Yr 2, Yr 3 and Yr 4** each.

Year	1	2	3	4	5	6	7	8	9	Total
IGAAP										
GWP	10,000	11,000	12,100	13,310	14,641					
Change in UPR	5,000	500	550	605	666	-7,321	-	-	-	
UPR	5,000	5,500	6,050	6,655	7,321					
Earned Premium/ Insurance Revenue (A)	**5,000**	**10,500**	**11,550**	**12,705**	**13,976**	**7,321**	**-**	**-**	**-**	**61,051**
Paid Claims	-875	-2,713	-4,734	-6,957	-8,528	-7,971	-5,950	-3,727	-1,281	-42,736
Change in Liability	-3,019	-5,333	-3,854	-2,227	-1,443	3,274	6,843	4,286	1,473	-
Gross Claims	-3,894	-8,046	-8,588	-9,184	-9,971	-4,697	893	559	192	-42,736
Undiscounted LIC	**3,019**	**8,352**	**12,206**	**14,433**	**15,876**	**12,602**	**5,759**	**1,473**		
Discounted LIC	**2,641**	**7,365**	**10,861**	**12,888**	**14,176**	**11,341**	**5,292**	**1,377**		
Expense [25%]	-2,500	-2,750	-3,025	-3,328	-3,660	-	-	-	-	-15,263
DAC	-1,250	-1,375	-1,513	-1,664	-1,830	-	-	-	-	
Outgoes/Insurance Service Expense (B)	**-6,394**	**-10,796**	**-11,613**	**-12,511**	**-13,631**	**-4,697**	**893**	**559**	**192**	**-57,998**
Insurance Service Result (A+B)	**-1,394**	**-296**	**-63**	**194**	**344**	**2,623**	**893**	**559**	**192**	**3,053**
Insurance Finance Exp (C)										
Profit Before Tax (A+B+C)	**-1,394**	**-296**	**-63**	**194**	**344**	**2,623**	**893**	**559**	**192**	**3,053**

Year	1	2	3	4	5	6	7	8	9	Total
IND AS										
GWP	10,000	11,000	12,100	13,310	14,641					
Change in UPR	5,000	500	550	605	666	-7,321	-	-	-	
UPR	5,000	5,500	6,050	6,655	7,321					
Earned Premium/ Insurance Revenue (A)	**5,000**	**10,500**	**11,550**	**12,705**	**13,976**	**7,321**	**-**	**-**	**-**	**61,051**
Paid Claims	-875	-2,713	-4,734	-6,957	-8,528	-7,971	-5,950	-3,727	-1,281	-42,736
Change in Liability	-2,641	-4,539	-2,981	-1,266	-387	3,828	6,843	4,286	1,473	-
Gross Claims	-3,516	-7,252	-7,714	-8,223	-8,914	-4,144	893	559	192	-38,120
Undiscounted LIC	**3,019**	**8,352**	**12,206**	**14,433**	**15,876**	**9,056**	**4,025**	**1,006**		
Discounted LIC	**2,641**	**7,365**	**10,861**	**12,888**	**14,176**	**8,180**	**3,700**	**940**		
Incurred Expense [25%]	-1,250	-2,625	-2,888	-3,176	-3,494	-1,830	-	-	-	-15,263
DAC	-1,250	-1,375	-1,513	-1,664	-1,830	-	-	-	-	
Outgoes/Insurance Service Expense (B)	**-4,766**	**-9,877**	**-10,602**	**-11,400**	**-12,408**	**-5,974**	**893**	**559**	**192**	**-53,383**
Insurance Service Result (A+B)	**234**	**623**	**948**	**1,305**	**1,567**	**1,347**	**893**	**559**	**192**	**7,668**
Interest on Discounted LIC	-	185	516	760	902	992	794	370	96	
Insurance Finance Exp (C)	**-**	**-185**	**-516**	**-760**	**-902**	**-992**	**-794**	**-370**	**-96**	**-4,616**
Profit Before Tax (A+B+C)	**234**	**438**	**433**	**545**	**665**	**354**	**99**	**189**	**96**	**3,053**

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