

Iffco Tokio to tap tier II, III cities; targets 18% growth

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IFFCO Tokio General Insurance has set itself a target of 18 per cent business growth during the present financial year. The company is looking at expanding its presence in tier II and tier III cities and strengthening its rural business to achieve the targeted growth.

Iffco Tokio is a joint undertaking between Tokio Marine and Nichido Fire Group and The Indian Farmers Fertiliser Cooperative (Iffco).

In the financial year 2008-09, the company posted over 30 per cent profit and underwrote a gross premium of Rs 1,041.46 crore.

N K Kedia, marketing director of Iffco Tokio General Insurance, said the company was confident of the growth despite the generally adverse economic situation.

"Even though this year has been tough for general insurers, we have been doing good business. We haven't revised our growth



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target for this year. We see opportunity to grow in smaller towns. We also have strength of our promoter Iffco. We can do good business in rural areas," Kedia said.

Iffco-Tokio collected total premium income of Rs

555 crore during April-July, out of which Rs 63.12 crore, or 11 per cent, has come from rural business.

In the previous financial year, 7.52 per cent of its total business came from rural areas at Rs 103.28 crore.

The company is also looking at developing agency channels. The company has two such training centres at Chandigarh in Punjab and Gurgaon in Haryana. "We want to strengthen our distribution channels, including agents, bancassurance, brokers and direct business. We are setting up our own training institutes that will train agents to sell our products," Kedia said.

The company is working on launching new products to increase its market share. The insurer will unveil a new health insurance product next week, which will be a combination of standard health insurance and critical illness product.

"We will allow a customer to take 10 defined critical illnesses as a rider to the standard health cover. The total premium will be substantially lower than what the customer would have to pay if he or she had to buy the products separately," he said.

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