

General insurance sector set to grow 20% this year

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GENERAL insurance major Iffco-Tokio on Monday said the segment in the country is expected to grow by around 20 per cent this financial year, with the automobile and health sectors providing the major impetus.

The company, a 74:26 per cent joint venture between Indian Farmers Fertiliser Cooperative (IIFCO) and Japan's largest insurance group Tokio Marine and Nichido Fire, also said the momentum was likely to continue, albeit at a slower pace next financial year.

"In the first six months of this financial year, the general insurance segment in India saw a 22 per cent growth, which was phenomenal. In the second half also, we expect the segment to perform well and end the financial year with an average



GROWING COVER: The overall premium size of the general insurance market was Rs 35,000 crore in 2009-10

growth of 20 per cent," S Narayanan, MD and CEO, Iffco-Tokio General Insurance, said.

The overall premium size of the Indian general insur-

ance market was Rs 35,000 crore in 2009-10, Narayanan said, adding that the segment generally grows at an annual rate of 12-13 per cent. However, this year's

growth in the market has surpassed all previous records. This is mainly due to the automobile and health sectors and they are likely to continue as the harbinger of continued expansion of the general insurance market, Narayanan said.

He, however, refused to take any questions specific to his own company.

According to him, health schemes for the poorer segments by various state governments and increasing sales of automobiles and new product launches have helped the two sectors.

Asked about the prospects for 2011-12, Narayanan said, "Though the growth will slow (down) a bit, we expect the segment to still register increase of 15 per cent. Besides automobile and healthcare, agricultural insurance is also likely to be a major player next financial year," he said.