

Gen insurance sector to grow by 20% this fiscal: Iffco-Tokio

New Delhi, Dec 6 (PTI) General insurance major Iffco- Tokio today said the segment in the country is expected to grow by around 20 per cent this fiscal, with the automobile and health sectors providing the major impetus.

The company, a 74-26 per cent joint venture between Indian Farmers Fertiliser Cooperative Ltd (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 fiscal.

"In the first six months of this fiscal, 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 fiscal with an average growth of 20 per cent," Iffco-Tokio General Insurance Managing Director and CEO S Narayanan said here.

The overall premium size of the Indian general insurance 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 due to mainly 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 fiscal, he said.

"Various government incentives to the agriculture sector has boosted its prospects and made it viable for even small landholders to avail of insurance benefits," Narayanan added.

There are around two dozen odd general insurance players in the country.