

# General insurers begin new fiscal on a strong note

Renewals have been steady despite hike in premia across categories, say players

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With 10-30 per cent hike in the premia for certain categories of corporate covers, the general insurance industry renewed over ₹1 lakh crore worth of policies on April 1.

April 1 is the time for most renewals for large customers and mega policies.

The industry closed 2016-17 at ₹1.23 lakh crore, up from around ₹96,000 crore in 2015-16.

"Fire and group health insurance premia have gone up by an average of 10-30 per cent. Motor third-party premium has gone up as per IRDAI advice," G Srinivasan, Chairman and Managing Director of New India Assurance, told PTI.

State-owned domestic reinsurer GIC Re also had a productive April 1 renewal season in the new fiscal. By and large, it has been able to maintain its market share by meeting half of the reinsurance needs of the domestic market.

"Some segments, such as catastrophe risks, have seen price hikes. Pricing is driven by experi-

ence of the accounts and the underlying exposures," Alice Vaidyan, GIC Re Chairperson, said, adding, "Accounts with consistent losses have seen some premia increases across risk and catastrophe cover."

Driven by the PM's Fasal Bima Yojana, the market has grown by a significant 25 per cent in 2016-17 and with the sustained momentum for crop insurance coverage, similar growth can be expected in 2017-18 as well, she said.

For select segments like property insurance, the industry has been able to increase premia by 10-15 per cent due to firming up of prices.

National Insurance has been able to secure all the renewals, its Chairman Sanath Kumar said, adding that they have been able to re-price group health insurance and hike some property policies where there have been frequent losses.

According to Kumar, prices have been flat across the base in some industrial segments, such as power and chemicals, while loss-based revision has happened in certain others.



GIC Re continues to be the bulwark of support for non-life insurance business, Kumar said, and observed that so far foreign reinsurers have not been aggressive.

Agreeing with Kumar, Srinivasan said it is early days for the new reinsurers from overseas as they are yet to get fully active.

## Rational pricing

Tapan Singhel of Bajaj Allianz General Insurance said renewals by corporates, especially property and group mediclaim, continue to be volatile. He said they are hopeful that in the current fiscal the industry will look at pricing more rationally and work to-

wards creating superior underwriting service capabilities.

"Pricing had seen some unreasonable lowering since detarrification, which was unviable for the industry," AVGirija Kumar, officiating chairman of United India Insurance said, adding some price correction has already happened.

Reliance General has been able to retain almost all of its clients for the current fiscal, too. "We've retained almost all of our clients and we are expecting reasonable growth in premium in the current fiscal," Rakesh Jain, Reliance General Chief Executive said.

Liberty Videocon has seen prices go up by 5-15 per cent, its CEO Roopam Asthana said.