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Insurance cos to focus on IPOs

NEW DELHI, PTI: More insurance companies are expected to hit the capital markets next year after successful IPOs of five insurers, including two state-owned companies, which collectively raked in about Rs 45,000 crore.

Besides the spate of IPOs, 2018 will also witness some consolidation in the insurance space although the merger of Max Life and Max Financial Services with HDFC Standard Life Insurance could not go through.

The insurance sector has seen some consolidation and the action is expected to continue going forward, Bajaj Allianz General Insurance Company CEO Tapan Singhel said.

The insurance industry is

witnessing growth and is projected to have great times in the years to come. This offers immense scope for consolidation as some promoters may look at exiting non-core businesses and existing large insurers desire to achieve scale and bring in better synergies to pass on the cost efficiencies to customers and shareholders, he said.

ICICI Lombard was the first to hit the capital market this year and raised Rs 5,700 crore from the primary market.

Incidentally, the IPO chart in this fiscal was topped by insurance firm GIC Re that garnered over Rs 11,176 crore.

This was the largest public float by any firm after the October 2010 offer by Coal India

which raised Rs 15,000 crore.

GIC is followed by New India Assurance Company that raised Rs 9,467 crore, HDFC Standard Life Insurance Company (Rs 8,695 crore), SBI Life Insurance Company (Rs 8,386 crore) and ICICI Lombard General Insurance (Rs 5,700 crore).

Going forward, other state-owned general insurance companies -- National Insurance Company, Oriental Insurance Co and United India Insurance Co -- are gearing up for listing.

The year also witnessed the entry of new players like Acko General Insurance Company, DHFL General Insurance, Edelweiss General Insurance Company Limited and Go Digit General Insurance.