

PRESS RELEASE

Bajaj Allianz launches 'Surety Bond Insurance' by Shri Nitin Gadkari, Minister of Road Transport & Highways, Government of India

New Delhi, December 19, 2022: Shri Nitin Gadkari, MoRTH launches one of India's first-ever Surety Bond Insurance product from Bajaj Allianz. Bajaj Allianz General Insurance, is one of the leading private general insurers of India. The company developed this product in response to a demand identified by the industry and the government. Bajaj Allianz is known for developing novel solutions with the express purpose of serving the nation. This product launch is in line with the Government's vision to up-scale the infrastructure development in the country to increase the pace of development of upcoming projects. The Government of India is making concerted efforts to implement measures that will accelerate the development of infrastructure in India and Surety Bond Insurance is a decisive step in this direction.

Surety Bond Insurance will act as a security arrangement for infrastructure projects and will insulate the contractor as well as the principal. The product will cater to the requirements of a diversified group of contractors, many of whom are operating in today's increasingly volatile environment. The Surety Bond Insurance is a risk transfer tool for the Principal and shields the Principal from the losses that may arise in case the contractor fails to perform their contractual obligation. The product gives the principal a contract of guarantee that contractual terms and other business deals will be concluded in accordance with the mutually agreed terms. In case the contractor doesn't fulfil the contractual terms, the Principal can raise a claim on the surety bond and recover the losses they have incurred. Unlike a bank guarantee, the Surety Bond Insurance does not require large collateral from the contractor thus freeing up significant funds for the contractor, which they can utilize for the growth of the business. The product will also help in reducing the contractors' debts to a large extent thus addressing their financial worries. The product will facilitate the growth of upcoming infrastructure projects in the country.

Commenting on the product launch, Shri Nitin Gadkari, Minister of Road Transport & Highways, Government of India, said "India is well on its path to becoming a \$ 5 Trillion economy and achieving the dream of our honourable Prime Minister, Shri Narendra Modi Ji; insurance will play an important role in this growth. To realize Modi Ji's dream, it is important that infrastructure projects are executed at a faster speed; infrastructure, and notably roads, are vital to the economic and social growth of our country. With this new instrument of Surety Bonds, the availability of both liquidity and capacity will definitely be boosted; such products stand to strengthen the sector. We are confident that expanding our road network will lead to more prosperity, increased employment opportunities, and increased social connectivity. Surety Bond Insurance is the right step in this direction, I am glad to see that Bajaj Allianz General Insurance has taken the great initiative by launching this important product."

Commenting on the product launch, Mr. Tapan Singhel, MD & CEO, Bajaj Allianz General Insurance, said, "In recent years, the Indian infrastructure sector has exhibited amazing growth, setting records and contributing to the rise of economic activity in India. Surety Bond Insurance will prove to be an effective tool for the industry and will allow contractors to take up more projects as the product will help them optimize capital. As this specialized class of business grows, employment opportunities will increase multi-fold, thus benefiting society. The current government is leaving no stone unturned to improve the country's infrastructure, and we are keen to contribute to the efforts of the government and be a part of the growth story of India."

The Government of India recognizes the importance of investing in infrastructure for the country's future prosperity and is keen to take the sector to new heights, thus the industry is likely to grow by leaps and bounds. Contractors today need a trustworthy surety partner who understands their business risks and can design products that help them mitigate their risk exposure. With their truly comprehensive Surety Bond Insurance and their expertise in managing large risks, Bajaj Allianz General Insurance can be a great insurance partner for a contractor.

About Bajaj Allianz General Insurance

Bajaj Allianz General Insurance is India's leading private general insurance company. Bajaj Allianz is a joint venture between Bajaj Finserv Limited, India's most diversified non-bank financial institution, and Allianz SE, the world's leading insurer and largest asset manager. Bajaj Allianz General Insurance offers general insurance products such as motor insurance, home insurance, health insurance as well as other unique insurance plans such as pet dog insurance, wedding insurance, event insurance, and film insurance. The Company began its operations in 2001 and has been constantly expanding its operations to be close to its customers. Today, it has a pan-India presence in close to 1,000 towns and cities. Bajaj Allianz General Insurance has received the issuer rating of [ICRA]AAA from ICRA Limited. This rating indicates the highest degree of safety regarding timely servicing of financial obligations.

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