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Higher disposable income to step up insurance penetration

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The insurance industry expects the Budget proposals to increase disposable income through hike in tax rebates, pensions, health cover for the masses and digital connectivity, help the sector grow faster.

"The interim Budget aims to uplift the poor, both in

cities as well as in villages," ICICI Lombard General Insurance's Bhargav Dasgupta said.

For the insurance industry, the schemes aimed at boosting farmers' income and reducing tax outgoes for the middle-class will encourage consumption, while the plan to develop 1 lakh digital villages will boost digital infrastructure, he added.

It can be noted that apart from providing income tax rebate of up to Rs 5 lakh and Rs 6000 per annum in basic income support to small farmers, the Budget also rolled out a target to have 1 lakh 'digital villages'.

The life insurance industry will benefit from the increase in disposable incomes, high digital connec-

tivity in the hinterlands and focus on infrastructure boosting job creation, Pankaj Razdan of Aditya Birla Sun Life said.

The mega pension scheme for the unorganised sector is also a positive for the sector, he said as it is a well-thought-out plan.

Aegon Life' Saba Adil explained the proposal to remove tax threshold on gross

income up to Rs 6.5 lakh, if managed well, can give an impetus to life insurance industry as insurance is an important tax saving tool.

With the Ayushman Bharat being the focus, health insurance penetration and healthcare infrastructure will get a major boost, Tapan Singhel of Bajaj Allianz General Insurance said.



"Complete tax rebate of up to Rs 5 lakh for salaried people could have a major impact on people who will now have higher disposable incomes."
Tapan Singhel
MD & CEO
Bajaj Allianz
General Insurance



"Rs 60,000 crore for MNREGA, Rs 3,000 crore savings through the Ayushman Bharat insurance programme will help put more money in the hands of Bharat."
Mahesh Balasubramanian
MD & CEO
Kotak General
Insurance



"The interim budget provides a meaningful tax relief to the middle class segment leading to higher disposable income."
Sunil Sharma
Chief Actuary &
Chief Risk Officer
Kotak Life
Insurance



"Govt's assumptions on revenue receipts seems to hover around lots of assumptions... So this opens up a big debate on how dependable is the optimism of keeping the fiscal deficit at 3.4%."
Sridhar A K
Director and CIO
IndiaFirst