

# Non-life premiums to get dearer as Chennai flood claims bleed insurers

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**Mumbai:** Cost of covering property against natural catastrophes is set to rise from FY17 with claim intimations in respect of the Chennai floods crossing ₹4,500 crore. Representatives of the non-life industry met recently to take stock of industry losses with the objective of computing an increase in rates.

“In recent years India has seen a catastrophic events on a regular basis. So pricing would move up” Bajaj Allianz General Insurance MD & CEO Tapan Singhel said. Insurance companies have been hit by several largenaturalcatastrophes in re-

## **COSTLY COVER**

- Claims arising out of natural calamities crossed **₹10,000cr in last 3 years across India**
- Claim intimation due to **Chennai flood crossed ₹4,500cr**
- Premium for natural catastrophe risks may increase from **15 paise per ₹1,000 to ₹22 per ₹1,000**

cent years. The Uttarakhand flood in 2013 was followed by Cyclone Hudhud in 2014. In 2015 non-life companies were hit by claims arising out of the floods in Chennai. Total claims arising out of natural catastrophes in the last three years have

crossed ₹10,000 crore. An official with a public sector insurance company said that they would increase premium for natural catastrophe risks from roughly 15 paise per ₹1000 to ₹22 per ₹1000.

Non-life industry official had recently met under the aegis of the General Insurance Council to discuss natural catastrophe claims. “The council only provides a platform for technical collaboration and exchanging information. Each company then takes a call on pricing based on their experience,” said R. Chandrasekaran, secretary general, General Insurance Council.

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