

Religious events turn big business for insurance firms

Rise in demand for insurance to cover loss of life and property

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With festivals such as Durga Puja, Ganesh Puja and Dahi Handi during Janmashtami becoming bigger and grander, the demand for insurance to cover possible risks such as loss of life and property is on the rise. According to industry sources, there has been a 20 per cent growth in the number of policies sold and the average sum insured for such festivals.

"The amount of money being spent on such festivals has seen a surge in the last two to three years. Moreover, most of these big pujas are now being handled by professional event managers who want to ensure that possible loopholes are plugged. We have witnessed a definite rise in the number of policies sold and sum insured," Sasikumar Adidamu, Chief Technical Officer, Bajaj Allianz General Insurance, told *BusinessLine*.

Rising spend

While one of the Ganesh Pujas in Mumbai entailed an investment of over ₹50-75 crore this year, the average spend on a big-ticket Durga Puja in Kolkata could range between ₹50-70 lakh, sources said.

Festivals are generally covered under event insur-



Preparations for Durga Puja in full swing at Shibmandir in Kolkata. According to industry sources, there has been a 20 per cent growth in the number of policies sold and the average sum insured for such festivals **DEBASISH BHADURI**

ance, which also insures sports and other commercial events such as fashion shows and musical events. Such cover protects organisers and their crew members against financial liabilities arising out of damage during an event or due to its cancellation. It also offers coverage for public liability and personal accidents. These apart, organisers can also take additional cover against natural calamities, terrorism and non-appearance of artists.

The average premium for an event of about ₹1 crore would be ₹30,000-35,000.

Major Durga Puja organisers in Kolkata such as Ekdalia Evergreen, Samaj Sebi and Singhi Park said that they have been taking covers for the last few years. They, however, did not divulge the premium paid or the sum insured.

Geographical spread

The geographical spread of these Pujas are growing. Earlier, while Kolkata was known for its Durga Puja and Mumbai for Ganesh Puja, now there are

several big-ticket Durga Pujas being organised in Mumbai, and Ganesh Pujas are picking up in West Bengal. This apart, a number of places such as Hyderabad and Bengaluru, which were earlier not too much into such festivities, are also witnessing a steady traction.

"Enquiries are on the rise even from places like Hyderabad for event insurance. Even Ram Leela, organised in the northern States, could also be subject to future enquiries," said Subramanyam Brahmajosyula, Head - Underwriting and Reinsurance, SBI General.

According to Brahmajosyula, while festival insurance is currently offered as a part of event insurance, there could be the possibility of standalone offerings to meet the specific requirement of organisers.

SBI General is working on the kind of coverage required and the pricing for such a short-period product. "We may come up with something in the next one to two years on receiving necessary regulatory approvals," he said.