



INSURANCE A BRIGHT FUTURE

With the life and non-life sectors in India expected to continue growing at a buoyant pace, international and domestic financial majors are unveiling ambitious plans to tap the potential in the sector. A report by **N.B. Rao**

THE insurance sector in India, which has grown rapidly in recent years, continues to attract the interest of global leaders keen on establishing a presence in the country. India's insurance industry is one of the most vibrant in the world, especially in terms of the number of players, their pedigree, recorded growth and the prospects for the future.

There are 23 life insurance companies operating in India at present, 20 of them being joint ventures with international partners. Besides these, there are 21 non-life (or general) insurance companies, 14 being joint ventures with global leaders. Despite such a strong presence, there are a clutch of insurance majors that are in the process of setting up operations in the country.

The Insurance Regulatory and Development Authority (IRDA), the industry watchdog, has given its approval for the setting up of three new life and non-life

LIFE INSURERS IN INDIA:

Name	International partner
Bajaj Allianz Life Insurance Co Ltd	Allianz, Germany
Birla Sun Life Insurance Co Ltd	Sun Life, Canada
HDFC Standard Life Insurance Co Ltd	Standard Life, UK
ICICI Prudential Life Insurance Co Ltd	Prudential, UK
ING Vysya Life Insurance Co Ltd	ING Insurance, Netherlands
Life Insurance Corporation of India	—
Max New York Life Insurance Co Ltd	New York Life, USA
Met Life India Insurance Co Ltd	Met Life, USA
Kotak Mahindra Old Mutual Life Insurance Ltd	Old Mutual, South Africa
SBI Life Insurance Co Ltd	BNP Paribas, France
Tata AIG Life Insurance Co Ltd	AIG, USA
Reliance Life Insurance Co Ltd	—
Aviva Life Insurance Co India Ltd	Aviva International, UK
Sahara India Life Insurance Co Ltd	—
Shriram Life Insurance Co Ltd	Sanlam, South Africa
Bharti AXA Life Insurance Co Ltd	AXA, France
Future Generali India Life Insurance Co Ltd	Generali, Italy
IDBI Fortis Life Insurance Co Ltd	Fortis, Netherlands
Canara HSBC Oriental Bank of Commerce Life Insurance Company Ltd	HSBC, UK
AEGON Religare Life Insurance Co Ltd	AEGON, Netherlands
DLF Pramerica Life Insurance Co Ltd	Prudential of America, USA
Star Union Dai-ichi Life Insurance Co Ltd	Dai-ichi, Japan
IndiaFirst Life Insurance Company Ltd	Legal and General, UK

Source: IRDA



The life insurance industry has continued to grow, despite the economic slowdown, as policy-holders are realising its value.

S B Mathur,
secretary-general, Life Insurance Council

insurance ventures. These include a venture by the Bank of Baroda, a state-owned institution, which plans to set up a life insurance company with Legal and General of the UK; State Bank of India, the country's largest commercial bank, which will set up a non-life venture with Insurance Australia Group (IAG); and Max India, which has got the regulator's approval for a health insurance joint venture with the British United Provident Association (BUPA).

Other companies that have announced plans to enter the fray include Tokio Marine Holdings of Japan, which plans to start a life insurance company with domestic finance major, Edelweiss Capital; Religare Enterprises, which wants to start a health insurance company, but has not finalised its international partner as yet; and German insurance giant, the Talanx Group, which plans a joint venture with domestic non-banking finance company (NBFC) Magma Fincorp Ltd.

The insurance sector – especially life insurance – in India took off on a growth trajectory after the industry was opened up for competition about 10 years ago. “The life insurance industry has continued to grow, despite the economic slowdown, as policy-holders are realising the value of insurance,” says S B Mathur, secretary-general, Life Insurance Council, an industry forum constituted under the Insurance

We have seen a 74 per cent increase in premium incomes during the first-half of the current fiscal, which is a good indication.

V Nageswara Rao

MD and ceo, IDBI Fortis Life Insurance

Act. "We are optimistic about the future of the insurance business in India."

According to Mathur, the opening up of the insurance industry in 1999 has resulted in a capital inflow of nearly US\$ 5.4 billion into the life insurance sector alone. Total life insurance premium in the current fiscal ending March 31, 2010, is expected to be around US\$ 53.9 billion, indicating a 15 per cent year-on-year growth.

Insurance penetration is also increasing rapidly. According to the council, insurance penetration – measured as a ratio of total premium to the GDP – has shot up from 2.71 per cent in 2001 to 4.7 in 2007. Life insurance penetration alone touched 4 per cent in fiscal 2009 and is expected to reach 4.19 per cent in the current fiscal. India's share of the world premium has also quadrupled to 2 per cent over the last decade, adds Mathur.

According to the IRDA figures, the life insurance sector has been one of the most buoyant in the financial services sector in the current fiscal. During the April to October period, life insurance premiums soared by 18 per cent, touching US\$ 21.95 billion. Life insurance premiums record huge jumps towards the end of every financial year, as tax-payers invest in tax-saving policies. In fact, almost 40 per cent of premiums pour in during the last quarter (January-March) of any given fiscal.

NON-LIFE INSURERS IN INDIA:

Name	International partner
Bajaj Allianz General Insurance Co Ltd	Allianz, Germany
ICICI Lombard General Insurance Co Ltd	Fairfax, Canada
IFFCO Tokio General Insurance Co Ltd	Tokio Marine, Japan
National Insurance Co Ltd	—
The New India Assurance Co Ltd	—
The Oriental Insurance Co Ltd	—
Reliance General Insurance Co Ltd	—
Royal Sundaram Alliance Insurance Co Ltd	Royal Sun Alliance, UK
Tata AIG General Insurance Co Ltd	AIG, USA
United India Insurance Co Ltd	—
Cholamandalam MS General Insurance Co Ltd	Mitsui Sumitomo, Japan
HDFC ERGO General Insurance Co Ltd	ERGO, Germany
Export Credit Guarantee Corporation of India Ltd	—
Agriculture Insurance Co of India Ltd	—
Star Health and Allied Insurance Co Ltd	Individual promoters, UAE
Apollo DKV Insurance Co Ltd	DKV, Germany
Future Generali India Insurance Co Ltd	Generali, Italy
Universal Sompo General Insurance Co Ltd	Sompo, Japan
Shriram General Insurance Co Ltd	Sanlam, South Africa
Bharti AXA General Insurance Co Ltd	AXA, France
Raheja QBE General Insurance Co Ltd	QBE, Australia
Star Union Dai-ichi Life Insurance Co Ltd	Dai-ichi, Japan
IndiaFirst Life Insurance Company Ltd	Legal and General, UK

Source: IRDA



INTERNATIONAL COMPARISON OF INSURANCE PENETRATION*

Countries	2007			2005			2003			2001		
	Total	Life	Non-Life	Total	Life	Non-Life	Total	Life	Non-Life	Total	Life	Non-Life
Developed Countries												
United States	8.90	4.20	4.70	9.15	4.14	5.01	9.61	4.38	5.23	8.97	4.4	4.57
United Kingdom	15.70	12.60	3.00	12.45	8.90	3.55	13.37	8.62	4.75	14.18	10.73	3.45
Switzerland	10.30	5.70	4.60	11.19	6.20	4.99	12.74	7.72	5.02	12.71	7.95	4.76
France	10.30	7.30	3.00	10.21	7.08	3.13	9.15	5.99	3.16	8.58	5.73	2.85
Germany	6.60	3.10	3.60	6.79	3.06	3.73	6.99	3.17	3.82	6.59	3	3.59
South Korea	11.80	8.20	3.60	10.25	7.27	2.98	9.63	6.77	2.86	12.07	8.69	3.38
Japan	9.60	7.50	2.10	10.54	8.32	2.22	10.81	8.61	2.2	11.07	8.85	2.22
Developing Countries												
Brazil	3.00	1.40	1.60	3.01	1.33	1.68	2.96	1.28	1.68	2.14	0.36	1.78
Russia	2.40	0.10	2.40	2.27	0.12	2.15	3.25	1.12	2.13	3.06	1.55	1.51
Taiwan	15.70	12.90	2.80	14.11	11.17	2.93	11.31	8.28	3.03	8.62	6.03	2.59
Hong Kong	11.80	10.60	1.20	9.93	8.63	1.29	7.88	6.38	1.5	6.34	5.13	1.21
Malaysia	4.60	3.10	1.50	5.42	3.60	1.82	5.35	3.29	2.06	5.18	3.38	1.8
Singapore	7.60	6.20	1.50	7.47	6.00	1.48	7.59	6.09	1.5	4.58	3.4	1.18
Thailand	3.40	1.80	1.50	3.61	1.99	1.62	3.45	2.25	1.2	2.94	1.86	1.08
India	4.70	4.00	0.60	3.14	2.53	0.61	2.88	2.26	0.62	2.71	2.15	0.56
PR China	2.90	1.80	1.10	2.70	1.78	0.92	3.33	2.3	1.03	2.2	1.34	0.86
Sri Lanka	1.50	0.60	0.90	1.46	0.62	0.84	1.3	0.55	0.75	1.2	0.53	0.67
Pakistan	0.70	0.30	0.40	0.67	0.27	0.40	0.62	0.24	0.38	0.68	0.3	0.38
Bangladesh	0.70	0.50	0.20	0.61	0.42	0.20	0.57	0.37	0.2	0.46	0.29	0.17
South Africa	15.30	12.50	2.80	13.87	10.84	3.03	15.88	12.96	2.92	17.97	15.19	2.78
Australia	6.80	3.80	3.00	6.60	3.51	3.09	7.99	4.42	3.57	9.15	5.7	3.45
World	7.50	4.40	3.10	7.52	4.34	3.18	8.06	4.59	3.47	7.83	4.68	3.15

Source: Swiss Re, Sigma

* Insurance penetration is measured as ratio (in per cent) of premium (in US Dollars) to GDP (in US Dollars)

Interestingly, despite the life insurance segment having become crowded with the entry of new players, state-owned Life Insurance Corporation of India (LIC) continues to maintain healthy growth. In fact, during the April-October period, it raised its market share by 10 per cent to 65 per cent. LIC's new business premium jumped by almost 70 per cent in this period, even as private life insurers saw a nearly 30 per cent growth in new business premium. New business premium collection has grown by more than 10-fold over the last decade, adding up to US\$ 18.75 billion in the last fiscal.

In fact, the outlook for the entire insurance sector is strong for the next few

Our major focus would be on Tier-2 and Tier-3 cities, which are likely to account for 85 per cent of our new premium business.

Gerhard Joubert,
ceo, new channels, Shriram Life

years. J Hari Narayan, chairman, IRDA, recently told a meeting of the Insurance Brokers Association of India in Bengaluru that the insurance sector can be expected to record a stable compound annual growth rate (CAGR) of 10 per cent over the next six years.

Private insurers are also equally bullish about the sector's prospects, despite the growing competition. Rajesh Relan, managing director, MetLife India Insurance Co Ltd, points out that the industry is on the threshold of a giant leap. The Indian government has introduced a bill in Parliament seeking to increase the sectoral foreign direct investment (FDI) cap in the insurance sector to 49 per cent from 26

INTERNATIONAL COMPARISON OF INSURANCE DENSITY*												
Countries	2007			2005			2003			2001		
	Total	Life	Non-Life	Total	Life	Non-Life	Total	Life	Non-Life	Total	Life	Non-Life
Developed Countries												
United States	4086.5	1922.0	2164.4	3875.2	1753.2	2122.0	3637.7	1657.5	1980.2	3266.0	1602.0	1664.0
United Kingdom	7113.7	5730.5	1383.2	4599.0	3287.1	1311.9	4058.5	2617.1	1441.4	3393.8	2567.9	825.9
Switzerland	5740.7	3159.1	2581.7	5558.4	3078.1	2480.3	5660.3	3431.8	2228.5	4342.8	2715.7	1627.1
France	4147.6	2928.3	1219.3	3568.5	2474.6	1093.9	2698.3	1767.9	930.4	1898.8	1268.2	630.6
Germany	2662.1	1234.1	1427.9	2310.5	1042.1	1268.4	2051.2	930.4	1120.8	1484.2	674.3	809.9
South Korea	2384.0	1656.6	727.3	1706.1	1210.6	495.5	1243.0	873.6	369.4	1060.1	763.4	296.7
Japan	3319.9	2583.9	736.0	3746.7	2956.3	790.4	3770.9	3002.9	768.0	3507.5	2806.4	701.1
Developing Countries												
Brazil	202.2	95.3	106.9	128.9	56.8	72.1	82.6	35.8	46.8	64.0	10.8	53.2
Russia	209.4	6.1	203.3	122.8	6.3	116.5	98.2	33.9	64.3	65.8	33.2	32.6
Taiwan	2628.0	2165.7	462.3	2145.5	1699.1	446.4	1433.3	1050.1	383.2	1088.5	760.9	327.6
Hong Kong	3373.2	3031.9	341.3	2544.9	2213.2	331.7	1832.6	1483.9	348.7	1545.2	1249.7	295.5
Malaysia	332.1	221.5	110.6	283.3	188.0	95.3	227.0	139.8	87.2	198.3	129.5	68.8
Singapore	2776.0	2244.7	531.2	1983.4	1591.4	392.0	1620.5	1300.2	320.3	959.0	713.2	245.8
Thailand	129.7	70.8	58.9	99.0	54.6	44.4	79.6	52.0	27.6	53.9	34.1	19.8
India	46.6	40.4	6.2	22.7	18.3	4.4	16.4	12.9	3.5	11.5	9.1	2.4
PR China	69.9	44.2	25.5	46.3	30.5	15.8	36.3	25.1	11.2	20.0	12.2	7.8
Sri Lanka	24.9	10.2	14.7	16.3	6.9	9.4	12.5	5.3	7.2	9.7	4.3	5.4
Pakistan	6.5	2.6	3.9	4.6	1.9	2.8	2.9	1.1	1.8	2.7	1.2	1.5
Bangladesh	2.9	1.9	0.9	2.5	1.7	0.8	2.1	1.4	0.7	1.6	1.0	0.6
South Africa	878.5	719.0	159.5	714.6	558.3	156.2	583.9	476.5	107.4	446.3	377.2	69.1
Australia	3000.2	1674.1	1326.1	2569.9	1366.7	1203.2	2041.4	1129.3	912.1	1668.3	1040.3	628.0
World	607.7	358.1	249.6	518.5	299.5	219.0	469.6	267.1	202.5	393.3	235.0	158.3

Source: Swiss Re, Sigma
 * Insurance density is measured as ratio of premium (in US Dollars) to total population

per cent at present. This move is expected to result in huge capital inflows as many international players are keen on raising their stake in the joint ventures.

On their part, insurance companies are gearing up to meet the surge in business that is expected to be generated over the coming years. IDBI Fortis Life Insurance – a joint venture between Dutch finance major Fortis and Indian institutions IDBI Bank and Federal Bank – plans to double its headcount to 2,000, besides expanding its branch network from 35 to 100 in 2010. It also plans to double the number of insurance agents to 15,000. “We have seen a 74 per cent increase in premium incomes during the first-half of the current fiscal,

We expect to record a 100 per cent growth in premium collection by the end of the current fiscal (March 2010).

Kimsoon Chua,
 coo, Bharti AXA General Insurance

which is a good indication,” points out G V Nageswara Rao, managing director and chief executive, IDBI Fortis Life Insurance. “We expect a similar trend to continue in the next half.”

Significantly, the insurance industry expects to garner substantial business in semi-urban and rural areas over the coming years. Rao notes that his firm is also looking at the rural markets for continued business growth. Besides leveraging the presence of its two banking promoters in rural areas, the insurance company has also tied up with micro-finance institutions and NGOs to sell its products in rural areas.

South African insurer Sanlam, which has partnered the Shriram Group and set

RAISING CAPITAL

MANY insurance companies, including joint ventures between Indian firms and foreign partners, are expected to enter the capital market in 2010, raising funds to finance their expansion plans.

Under the existing rules, an insurance company can opt for listing only after 10 years of operations. Therefore, insurance companies set up in 1999, would now be eligible to raise funds and are consequently planning to go in for initial public offerings (IPOs).

The industry is also expecting major changes in insurance laws, including the clearing of a bill by Parliament that would allow foreign partners to have a stake of up to 49 per cent in an insurance company. The industry has also sought the government's approval for cutting the minimum 10-year stipulation for a public issue by a few years.

HDFC Standard Life, a joint venture between domestic housing finance major HDFC Ltd and Britain's Standard Life, is planning an IPO for financial year 2010-11

(April 1, 2010-March 31, 2011), says Paresh Parasnis, executive director and principal officer of the company. However, the final decision on the IPO would be taken only after the proposed changes to the insurance rules are cleared. The company plans to raise US\$ 75 million internally to boost capital, which is needed to help it accomplish expansion plans. "We expect a growth of 10 to 15 per cent and will infuse capital as we write new business," says Parasnis.

International insurance companies are also eyeing stakes in firms that do not have foreign partners. One of them is Reliance Life Insurance, which is looking at the possibility of going in for a strategic placement of 10 to 15 per cent with an international insurer and an IPO as well. According to Sam Ghosh, ceo, Reliance Capital – the parent company of Reliance Life Insurance – it has been approached by three to four international insurance companies and private equity funds for a stake in its insurance operations.



IMPRESSIVE STATISTICS

THE life insurance sector is growing at an impressive clip in India, which has emerged as the fifth-largest life insurance market in the world. The life insurance sector is growing at almost 35 per cent annually and the 23 life insurance companies – including state-owned behemoth Life Insurance Corporation of India (LIC) – are striving to raise their market share.

According to the Life Insurance Council, an industry forum, life insurance is a US\$ 41 billion industry. It also ranks number two, second only to banks, for mobilised savings. The sector controls US\$ 5.38 billion of deployed capital, more than US\$ 200 billion of managed assets and has invested US\$ 25 billion in the infrastructure sector.

The life insurance sector has generated 250,000 direct jobs since it was opened up in 1999 and accounts for nearly 3 million agents. New premium

collections – an important yardstick for growth – have shot up to US\$ 18.85 billion, up from a mere US\$ 1.8 billion 10 years ago.



Health insurance in India is growing at a fast pace.

Damien Marmion,
ceo, Max Bupa

up Shriram Life Insurance Co Ltd, plans to focus on Tier-2 and Tier-3 cities. "Our major focus would be on Tier-2 and Tier-3 cities, which are likely to account for 85 per cent of our new premium business," remarks Gerhard Joubert, ceo, new channels, Shriram Life. The company plans to invest US\$ 8.67 million in expanding its network, opening five branches every month over the next three years.

Even non-life insurers are planning to expand their foray into semi-urban and rural areas in a big way. Bharti AXA General Insurance Company – a joint venture

HEALTHY GROWTH

HEALTH insurance has emerged as one of the fastest segments in the insurance sector in India, growing at a healthy rate of 35 per cent per annum, consequently attracting new players. There are two independent health insurers operating in the country at present – Apollo DVK and Star Allied Health Insurance – while a third one, Max Bupa, is expected to begin operations in early 2010.

Max Bupa is a joint venture between Max India – which also operates Max New York Life Insurance Co Ltd, with New York Life as its partner – and the British United Provident Association (BUPA). Damien Marmion, ceo, Max Bupa, says it would start offering its products in the first quarter of 2010. “Health insurance in India is growing at a fast pace,” he adds.



Another Indian group that plans to enter the health insurance sector is Religare Enterprises, which is looking at a possible tie-up with an international partner.

The group also runs a hospital chain under the Fortis brand. Sachindra Nath, coo, Religare Enterprises, points out that the company is on the look-out for an international joint venture partner, but has still not short-listed the firm. “If we do not get a suitable partner, we will seek approval for a standalone health insurance business,” he adds.

The growing incidence of lifestyle diseases and the soaring costs of healthcare are also steering a growing number of urban consumers to take medical policies.

between Indian telecommunications major, Bharti Airtel, and AXA of France – plans to deepen its rural engagement by offering products such as health insurance, personal accident, motor, home and shop coverage, besides special packages for farmers. It also plans to expand its presence in Tier-2, Tier-3 and Tier-4 cities to tap into the retail markets there.

“We expect to record a 100 per cent growth in premium collection by the end of the current fiscal (March 2010),” remarks Kimsoon Chua, chief operating officer, Bharti AXA General Insurance. It also plans to double its network to over 100 locations, besides expanding its agents’ network from 1,700 to 3,000. Chua says the company also plans to raise its health premium income to 20 per cent of total premium income – a four-fold increase – over the next two years.

Germany’s third-largest insurance group, Talanx, through its subsidiary, HDI-Gerling International Holdings, AG, is also setting up a joint venture general insurance company with Magma Fincorp Ltd, an NBFC that has a strong focus on rural and semi-urban markets. Says Sanjay



FINANCIAL INCLUSION

It is not just urban residents who are reaping the benefits of innovative insurance plans. A growing number of rural – and poor – residents are also being targeted by government departments and are being brought within the ambit of insurance schemes.

These schemes reflect the government's desire to ensure financial inclusion, covering even the poorest of families, as part of its larger goal of inclusive and sustainable growth. Many of these schemes have proved to be not just popular, but even successful in their implementation.

For instance, the number of individuals insured under the Rajiv Gandhi Shilpi Swasthya Bima Yojana (RGSSBY), the first 'cashless' health insurance initiative for artisans in India, has almost topped the two million-mark. Artisans spread across 29 states and more than 600 districts have gained from this comprehensive health insurance scheme facilitated by the Development Commissioner, Handicrafts, under the Union Ministry of Textiles.

All artisans up to the age of 80 are eligible for coverage. The artisan, spouse and two dependants are covered annually for hospitalisation expenses up to US\$ 325, while the principal

member-artisan is also covered for US\$ 2,150 for personal accident.

The scheme provides access to cashless, outpatient treatment through a network of 860 centres. The artisans also get access to cashless hospitalisation at 2,700 network hospitals across the country. About 600,000 policy-holders availed of the cashless facility in 2009.

ICICI Lombard General Insurance, a joint venture between ICICI Bank, the country's second-largest bank, and Fairfax Financial Holdings Ltd, Canada, has underwritten the health scheme. The Insurance Regulatory and Development Authority (IRDA), the insurance industry watchdog, has also suggested a consolidated health and life cover for over 60 million poor families, replacing all existing insurance schemes sponsored by the federal and state governments. The regulator has suggested a life cover of over US\$ 3,200 and a medical cover of US\$ 2,150 for every poor family.

An integrated cover will cost less than US\$ 35, and under the universal social insurance plan, would be shared by the federal government (50 per cent), state governments and the beneficiaries.



FROM BANCASSURANCE TO MALLASSURANCE

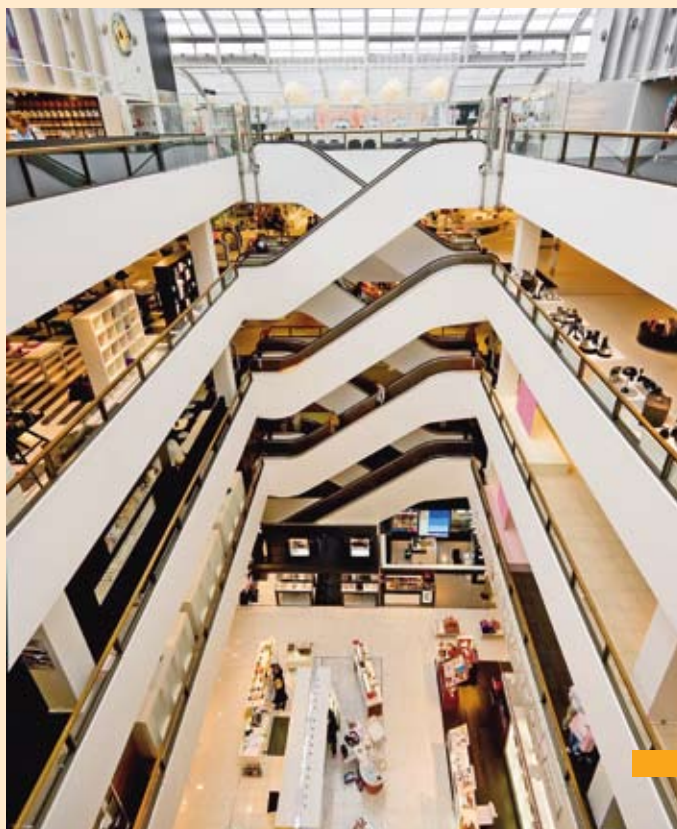
THREE years after the insurance sector in India was thrown open to competition, the Insurance Regulatory and Development Authority (IRDA) allowed banks to sell insurance policies under the broad label of 'bancassurance'.

It was a win-win situation for both the insurance companies and banks; while the former did not have to spend huge amounts in setting up a distribution network, the latter could earn handsome revenues as fee-based income by selling policies through their branch networks.

Indeed, many banks – including public sector ones – got drawn to the insurance business, thanks to the popularity of the bancassurance model. A somewhat similar model has emerged of late, dubbed 'mallassurance', where insurance policies are sold at shopping malls.

The Future Generali Group – which includes both the life insurance and non-life ventures – promoted by Kishore Biyani's Future Group and Italian insurance giant, the Generali Group, has pioneered the concept in India. The policies of the two companies would be marketed, among others, through over 150 shopping malls spread across the country.

The 'mallassurance' model has worked well for both the insurance company and the retailer, indicating that it could soon become as popular as the 'bancassurance' one.



Chamria, vice-chairman and managing director, Magma Fincorp: "About 77 per cent of our branches and 63 per cent of our customers are in the rural and semi-rural areas, which are generally under-served markets for insurance products. We have served an important role in financial inclusion in these markets with more than 50 per cent of our customers having availed their first time loan from us."

Japan's Tokio Marine Holdings, which already has a general insurance venture – IFFCO Tokio General Insurance – in a joint venture with state-owned Indian Farmers Fertiliser Cooperative Ltd (IFFCO) has now tied up with Edelweiss Capital, a domestic finance major, to form a life insurance company. According to Takashi Yoshikawa, ceo, Tokio Marine Asia, the new company will focus on innovative products to capture business in this highly-competitive segment. It will aggressively promote its products in Tier-2 and Tier-3 cities, where insurance penetration is still relatively low.

German insurance major ERGO, which

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Sanjay Chamria,
vice-chairman and managing director,
Magma Fincorp

has a general insurance joint venture with HDFC, is also keen on entering the life insurance sector. Andreas Kleiner, board member, ERGO International, points out that he has had talks with several potential Indian partners for a life insurance joint venture. Kleiner says that ERGO is in India as a long-term player and would like to raise its stake to 49 per cent in the general insurance company once the rules allow it to do so. Legal and General of the UK has promoted IndiaFirst Life Insurance as a joint venture with two banks as partners: Bank of Baroda and Andhra Bank. P Nandagopal, ceo, IndiaFirst Life, says its initial capital base of US\$ 43 million will be increased to more than US\$ 540 million over the next few years.

The insurance sector in India is set to witness continued growth over the coming years as awareness about the need to take risk coverage, at an early age, to protect oneself from a host of threats grows swiftly, especially in semi-urban and rural areas. 🌱