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IFFCO Tokio General Insurance to double Emerging Bima Kendra count in two years

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IFFCO Tokio General Insurance Company Ltd (ITGI) will focus on doubling its Emerging Bima Kendra network to 1,000 outlets from the current 470 over the next two years, a top official said.

This will be part of the general insurer's efforts to accelerate business growth in Tier 2, 3 and 4 cities, Anamika Roy Rashtrawar, Director, Marketing, and board member, told BusinessLine.

Emerging Bima Kendras are primary touchpoints of ITGI to increase insurance penetration in Tier 2, 3 and 4 markets.

These are company-owned small offices — points of sales (mostly digital/virtual) — to attract people to buy personal lines of insurance (such as health insurance, farmers' insurance).

ITGI, which is a 51:49 joint venture between Indian Farmers' Fertiliser Cooperative (IFFCO) and Tokio Marine Group (the largest listed insurance group in Japan), is now aspiring to get into the top-three industry league rankings in the next couple of years, she said. ITGI is currently in the fourth spot in industry league by GWP.

The private general insurer expects to close the current fiscal with a Gross Written Premium (GWP) in recent years of ₹8,300 crore, much above the ₹7,070 crore in the previous fiscal. In the first half this fiscal, ITGI recorded a GWP of ₹4,962 crore.

“We have, so far in our journey, not been able to fully leverage the IFFCO brand. That is our intention — to reach out to farmers who are familiar with IFFCO brand and offer insurance products that are relevant to their lives.

“We have now started doing so. We have now completed our business process re-engineering, and are now looking to accelerate business in the Tier 2,3 and 4 cities, which we see as the emerging markets for us,” said Rashtrawar.

The long-term aspiration is to provide insurance products to every Indian rural household, she added.

“A concerted effort of development in Tier 2,3 and 4 cities was missing. We are now trying to enhance presence in Tier 2, 3 and 4 cities. In the next financial year alone, we expect the incremental revenue from additional Bima Kendras to give us ₹250 crore” said Rashtrawar.

Over the last 18 months, ITGI has set up nearly 300 new Emerging Bima Kendras, taking its overall tally to 470. On crop insurance, she said the company will continue to be in this space

Motor insurance is the largest selling product segment and accounts for 41 per cent of GWP. “There has been slowdown in offtake of insurance in the motor side. But the demand is quite robust in other segments, and we are not feeling the pinch of economic slowdown in the other segments,” she added.

Bancassurance tie-ups

Rashtrawar, who joined ITGI 18 months back, also said that the company is actively engaged with banks to see if they could enter into bancassurance tie-ups. Not having a bank partner to distribute products has certainly been a disadvantage for the company and the effort will be correct that situation, she said.

The top-three players in the private general insurance industry have the backing of banks, either as shareholders or as banca partners.