

L&T gen insurance foray in 8 weeks

Khyati Dharamsi. Mumbai

Engineering major Larsen & Toubro on Monday announced plans to set up a general insurance arm, which will look to leverage the company's customers and other operations.

The company has decided to go solo in the venture and has invested Rs 175 crore in the business of which a major portion is being utilised for setting up a lean, technology-driven entity.

"We have received R3 approval from Irda and we will start operations in 6-8 weeks with 10 branches. We are seeking the regulator's ap-



proval for more than 20 general insurance products," Joydeep Roy, chief executive officer of L&T General Insurance, said.

L&T, through its other finance subsidiary, has clients ranging from small and medi-

um enterprises, retail customers, farmers, micro borrowers.

"The idea is that if a customer comes to you he doesn't leave you. If he comes for borrowing then investment and insurance can be through the

investment management and general insurance arms," said Y M Deosthalee, whole-time director and chief financial officer at L&T.

The company will initially be using third party administrators (TPA) for claims processing.

"Initially we would be taking help of TPAs as they have a network of about 4,000 hospitals. But in the longer run we would like to have our own set up for customer experience," Roy said.

"We will be offering products for lifestyle assets (home and car), health, to protect commercial vehicles and assets as well as rural and mi-

cro insurance".

While the general insurance operations of the firm are set to take off, the life insurance venture is stuck. "We are growing in the financial services space and there are 6-7 businesses which are on the growth mode. We want to stabilise these. We do not want to immediately get into life insurance," said Deosthalee.

But it has time and again been brought up whether its stake holder Life Insurance Corporation of India (which holds 19.05% as of June 2010) is blocking L&T's life insurance interests. (With NewsWire18)

d_khyati@dnaindia.net