

L&T General Insurance set for product rollout

Our Bureau

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The latest entrant in the general insurance, L&T General Insurance is all set to start operations.

The company will roll out its first set of products in the next couple of months.

“We are in the process of filing our products with the regulator. We should begin operations in the next 6-10 weeks,” said Mr Joydeep Roy, Chief Executive of the company.

The company, which recently received its R3 licence from the Insurance Regulatory and Development Authority (IRDA), plans to file for more than 20 products with the regulator. It will offer a bouquet of products including health, auto, property and liability insurance, catering to both the retail and institutional segments.

It will start operations with a network of 10 branches



Mr Joydeep Roy (left), Chief Executive, L&T Insurance, with Mr Y.M. Deosthalee, Whole-Time Director and Chief Financial Officer, L&T, at a press conference in Mumbai on Monday. — Shashi Ashiwal

across the country in Delhi, Mumbai, Kolkata, Pune and Coimbatore. It will expand to tier-2 and tier-3 cities after a year, said Mr Roy.

The general insurer will leverage the branch network

and customer base of its parents' group companies such as L&T Finance and L&T Infrastructure Finance for business. A wholly-owned subsidiary of L&T, the company has a paid-up capital of Rs 175 crore.

“IRDA mandates a minimum capital of Rs 100 crore. We have invested Rs 175 crore. A large part of the investment will be in technology,” said Mr Roy.

Business growth, the loss ratios and formulation of an effective reinsurance programme will determine the future capital requirements, he said. The company is targeting to break even within five years.

The company has 100 employees and will hire more mainly in the sales and customer service department, Mr Roy said.

Mr Y.M. Deosthalee, Chief Financial Officer, L&T, said the parent is not looking to bring in a strategic partner into the company. “At this moment, we have not envisaged a joint venture partnership for our general insurance operations,” he said.

He also ruled out a foray into the life insurance space.