

Reliance General Insurance plans to go public this fiscal

Gross direct premium underwritten

(up to March 2017)

Private insurers	Cumulative upto March (₹ cr)		Growth (%)	Market Share (%)
	2015-16	2016-17		
ICICI-Lombard	8,090.71	10,725.19	32.56	8.43
Bajaj Allianz	5,832.15	7,633.28	30.88	6.00
HDFC ERGO General	3,379.55	5,840.19	72.81	4.59
IFFCO-Tokio	3,691.33	5,485	48.59	4.31
Tata-AIG	2,958.6	4,167.9	40.87	3.28
Reliance General	2,791.56	3,935.35	40.97	3.09

Source: Irdai

FE BUREAU
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THE BOARD OF Reliance General Insurance of the Anil Amnabi-led Reliance group on Monday approved a proposal to independently list the company on the stock exchanges.

Though the exact valuation and size of the deal was not disclosed, senior officials in the company said they are looking at a 10% stake sale in this financial year.

Reliance General Insurance (RGI), a 100% subsidiary of Reliance Capital, offers insurance solutions for auto, health, home, property, travel, marine commercial and other speciality products.

"The general insurance industry is slated to grow with the economy where an affluence-led consumption will act as its primary growth driver. The coming years are likely to witness a double-digit growth in the sector largely due to disproportionately low penetration of insurance. Reliance General Insurance is well positioned to capitalise on opportunities across retail, corporate and government-supported consumer segments. The listing will enable retail investors to participate in this high growth and new wealth creation opportunity," said Rakesh Jain, executive director and CEO, Reliance General Insurance.

Net worth of Reliance General Insurance as on March 2017 was ₹1,257 crore. Senior officials in the insurance industry stated that if the company gets five times of its net worth then the valuation could be around ₹6,000 crore.

In terms of business mix, 49% of the insurer's business comes from motor insurance, 27% from crop insurance, fire and engineering at 10%, health insurance at 9%

The company is looking at a 10% stake sale in FY2017-18. Senior officials in the insurance industry stated that if the company gets five times of its net worth then the valuation could be around ₹6,000 crore. Net worth of Reliance General Insurance as on March 2017 was ₹1,257 crore

and others at 5% as on March 2017.

In the financial year 2016-17, Reliance General Insurance had seen its gross direct premium at ₹3,935.35 crore — a growth of 40.97% against the previous financial year, as per data from the Insurance Regulatory and Development Authority of India (Irdai).

In the last fiscal, Reliance General had a market share of 3.09% in the industry. The insurer's profit before tax stood at ₹130 crore, up 32%, while the investment book stood at ₹6,724 crore, up 25% for the year ended March 31, 2017.

The company has a diversified distribution network through strong partnerships with major banks, including IndusInd Bank, Catholic Syrian Bank, Andhra Bank and Bank of India.

This comes within days of another group firm — Reliance Nippon Life Asset Management Company — announcing plans to get listed.

Currently, ICICI Prudential Life Insurance is the only listed insurer in the country. Any general insurance company is yet to get listed. Though last week, ICICI Lombard General Insurance announced its plans to go public.