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IndiaFirst Life welcomes FDI hike in insurance

KOLKATA, JULY 12: Hiking the FDI limit in insurance to 49 per cent is a welcome move, P Nandagopal, MD & CEO, IndiaFirst Life Insurance Co said here on Saturday.

According to him with the IPO market turning stagnant, pushing for FDI in insurance might give the sector a required fillip. However, IndiaFirst does not see “any immediate requirement for capital”.

“As on date we are adequately capitalised. But we may require growth capital; but not for day-to-day operations,” he said on the sidelines of the Indian Chamber of Commerce (ICC) organised insurance summit.

Headquartered in Mumbai with a paid-up capital of Rs 475 crore, IndiaFirst is promoted by two Indian public sector banks – Bank of Baroda and Andhra Bank – along with UK's risk, wealth and investment company Legal & General.

Bank of Baroda holds a 44 per cent stake in IndiaFirst; while Andhra Bank and Legal & General hold a 30 per cent and 26 per cent respectively.

According to Nandagoapal, the company is targeting to breakeven around November this year.

“Maybe we can break even by the November this fiscal,” he said in response to a specific question.

Currently around 80 per cent of the company's business is through the bancassurance model (the sale of insurance and pensions products through a bank) while the remaining 20 per cent is through agencies.