The insurer is doing very well in the country and Andhra Pradesh in particular

IndiaFirst Life Insurance is foraying into health insurance and micro insurance from the current financial year and the company will achieve break-even sooner than expected, according to P Nandagopal, managing director and chief executive officer.

He said the company floated by Andhra Bank and Bank of Baroda was doing very well in the country and Andhra Pradesh in particular.

"We have registered a growth rate of 34 per cent last year in spite of the slowdown during the past two years affecting the industry. During the current year too we expect a growth rate of more than 20 per cent on a larger base. We are confident we will achieve break-even in much less than the originally expected eight years," he said.

The company, which started functioning three-and-a-half years ago, was tying up with regional rural banks to sell health insurance and micro insurance. Referring to health insurance, he said the company was introducing IndiaFirst mediclaim policy in accordance with Irda guidelines and it had also introduced a health card.

The company was also offering pension plans, he added. Nandagopal said the company was focusing on IT and it had developed its software inhouse to provide better services to customers.

He said the company was in a position to provide an insurance policy to an applicant within half-an-hour. "Most of the policies in the range of Rs 5-10 lakh do not require medical examination. We can easily give the policy in that time," he said.

Regulator Irda has allowed insurers with sound financial health and a minimum of three years of operations to set up business in other countries. Companies had been for long seeking permission from the Insurance Regulatory and Development Authority (Irda) to open foreign insurance companies, as well as branch offices abroad to exploit markets overseas.

Irda has issued guidelines for Indian companies to set up life, general or reinsurance business abroad. As per the norms, life and general insurance companies with a minimum net worth of Rs 500 crore and Rs 250 crore, respectively, can apply for setting up of foreign business.

In the case of reinsurance companies, the net worth should be Rs 750 crore. "The registered Indian insurance company should have been in operations for at least 3 years," the guidelines said.

An insurer desirous of setting up foreign company or branch should have earned profits for the three years out of the past five years, it said. Seeking to safeguard the interest of domestic policyholders, Irda further said the insurer setting up overseas business will not be allowed to utilise the fund of domestic policyholder.

"The Indian insurance company shall have in place appropriate arrangements to ensure that the policyholder's liabilities

that arise for foreign operations are adequately ring-fenced in order to protect the Indian policyholder," the guidelines said.

There are 52 companies in life, general insurance and reinsurance business in India. Most of them have foreign partners. An insurance company desirous of setting up foreign insurance company (including branch office) "should not suffer from any adverse report of the Authority on its track record of regulatory compliances, for 3 years out of the last 5 years from the date of application," the Irda added.

The guidelines also said the Indian insurers should formulate an 'Investment Policy' to suit the scale, nature and area of operations of the foreign branch offices. As per the Irda, a 'foreign insurance company means a company registered outside India whose paid-up capital is subscribed to by an Indian insurance company.

It shall include a foreign subsidiary company wherein the Indian insurance company has a holding of more than 50 of its paid-up capital or is in a position to control the composition of its Board of Directors. It shall also include a branch office of the Indian insurance company, Irda added.