

EXPERTS SPEAK

Insurance firms to get listed soon

The Insurance Regulatory and Development Authority of India (Irdai) has proposed that all insurers should begin the process to go public after being in operation for a minimum number of years. Industry view:



Insurance e-commerce norms take shape
bit.ly/28Lnmru



VIGHNESH SHAHANE
chief executive officer and whole-time director, IDBI Federal Life Insurance

It will bring greater transparency, stronger governance and disclosure standards that would lead to better customer experience. But the key challenge would be that life insurance companies are at different stages of evolution... and mandatory listing could also change focus to more short-term than creating long-term value as investors constantly look for rising profits.



R.M. VISHAKHA
managing director and chief executive officer, IndiaFirst Life Insurance

Listing will promote more governance and increase accountability, compelling greater responsibility on part of shareholders and management. There is the downside of market pressures forcing a short-term business view that could compromise the long-term nature of the business. At an overall level, it has a positive impact for customers, promoting higher transparency.



TAPAN SINGHEL
managing director and chief executive officer, Bajaj Allianz General Insurance

Currently, the underwriting loss for the industry are around Rs14,400 crore, up 52% from 2014-15, showing that insurers are too preoccupied with the pricing game. The listing will force the industry to bring in underwriting discipline and risk-based pricing. The additional scrutiny by shareholders will ensure firms make money from core business than rely on generating investment profits.



SHIVAKUMAR SHANKAR
managing director, LexisNexis Risk Solutions India

It will allow companies to raise capital for faster growth, and in effect allow more transparent and open processes that would be advantageous for customers. To offer products at affordable premiums, and maintain positive claims ratios, insurers need a data-driven approach to underwriting and claims process and big data analytics to accord them sharper decisions.