

Publication: The Hindu Business Line
Date: Wednesday, August 5, 2009
Edition: Chennai
Page: 6

Chola MS sees underwriting profits from 2011

Our Bureau

Chennai, Aug. 4

Cholamandalam MS General Insurance expects to make underwriting profits from 2011.

As a strategy to obtaining the profits, the company will insure more individuals than corporates, the company's Executive Chairman, Mr M.A. Alagappan, said on Tuesday.

In 2008-09, the company reported an underwriting loss of Rs 6.6 crore, though it made a net profit of Rs 12 crore, thanks to profits from investments.

Addressing a press conference here, Mr Alagappan said de-tariffing (free pric-



Mr M.A. Alagappan, Executive Chairman, Murugappa Group (left), and **Mr Toshiaki Egashira**, Executive-President, Mitsui Sumitomo Insurance Group, at a press conference in Chennai on Tuesday. — Bijoy Ghosh

ing) premiums from the corporate sector dropped heavily due to severe competition among insurers. The-

refore, it has reduced its exposure to corporates.

Last year, a significant chunk - about 72 per cent - of the business came from insuring individuals, he said.

Mr S.S. Gopalarathnam, Managing Director, said the claims on health insurance from individuals and Government programmes were 70 per cent compared with 102 per cent from insuring corporate employees.

Therefore, Cholamandalam MS General Insurance has set up its own third party administrator - which administers claims for health insurance.

The administrator has helped improve claim settle-

ments to less than 10 days as against 35 days when handled by other administrators, said officials.

JOINT VENTURE

Having a Japanese joint venture has helped Cholamandalam as 7 per cent of premium income comes from insuring Japanese companies.

"We would be introducing our corporate clients such as auto manufacturing companies, major appliances companies," said Mr Toshiaki Egashira, President and Chief Executive Officer, Mitsui Sumitomo Insurance Group, Japan, Cholamandalam's partner.