

## Insurance brokers see big money

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MUMBAI: Insurance broking has a potential to reach Rs 10,000 crore in non-life insurance premia from the current Rs 3,000 crore, a broker said. The insurance broking industry, which was given permission to operate by Insurance Regulatory Development Authority in October 2002, is growing by 15-30% for the past 4 years, brokers said.

Unlike insurance agents, who represent the insurance agency, a broker represents the client, often corporates, who are looking for the best deals in non-life policy. **At present, there are over 370 brokers in the country.** **Ramakrishna, managing director of India Insure Risk Management Services, one such broking firm, said, "Brokers can target about Rs 10,000 crore of non-life insurance premia, out of which they currently get only Rs 3,000 crore."**

Though brokers have made a considerable dent in the Indian insurance market, it is still largely agent-driven. "Most of our clients are from the manufacturing and service sectors," said Ramakrishna, whose firm has about Rs 300 crore in annual premia and is into composite broking, involving both direct broking and reinsurance broking.

Though the opportunities in life insurance are "mind-boggling", he said brokers mostly avoid that space because it's predominantly retail. While some big companies manage insurance in-house, small and medium enterprises are still hesitant to hire brokers. But attitudes are changing.

Anup Mathur, vice-president, energy and infrastructure division, Howden Insurance Brokers India, said that insurance broking is in a nascent and evolving phase. "Gradually, brokers are being accepted by the customers for providing expertise and value-addition in terms of obtaining insurance for their clients," said Mathur, whose firm has a clientele of 300 firms.

Ramakrishna said that though prices were decontrolled by Irda earlier this year, the product offerings by different insurance companies still remain the same. He sees Irda deregulating that too in 3-6 months.

Companies appoint different brokers for different policies based on their expertise, but brokers said they are hindered when companies appoint multiple brokers for same policy.

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