

Reliance Cap to set up health insurance firm

BY MALVIKA JOSHI
malvika.j@livemint.com

MUMBAI

Reliance Capital Ltd, the non-banking finance company of the Reliance Anil Dhirubhai Ambani Group, will be setting up a stand-alone health insurance firm soon, the company announced during its annual general meeting (AGM) on Tuesday.

The firm has already received initial approval from the insurance regulator and expects the new company to become operational by early next year.

At present, the firm offers health insurance through its general insurance subsidiary—Reliance General Insurance. Reliance Capital, by setting up a separate company to offer health insurance products, is looking to tap opportunities in the retail segment.

“There are three factors indicating significant growth potential in retail health insurance. First, changing demographics—a younger India with higher income, higher assets, and more financially aware. Second, rising cost of healthcare. Third, an increase in lifestyle-related ailments,” said Anmol Ambani, executive director at Reliance Capital, during the firm’s 31st AGM.

Ambani also said that Reliance Capital has received the first stage of approval from the Insurance Regulatory and Development Authority of

India (IRDA). There are three stages of approval.

Assets under management (AUM) for Reliance Capital’s health insurance business stand at Rs1,190 crore, a company spokesperson said. The firm is also looking to list its general insurance business in the current financial year.

“We have received IRDA approval and are in the process of listing the company in the current financial year. It is part of our strategy of incubating businesses with massive potential, growing them organically, and now, unlocking value through listing,” Ambani said.

AUM for the general insurance business stands at Rs7,000 crore.

Reliance Capital is looking to list its general insurance and mutual funds business. The parent company will eventually function as a core investment company after its businesses are listed. Last week, Reliance Capital also listed its housing finance company—Reliance Home Finance Ltd (RHFL).

“RHFL has touched market capitalisation of Rs6,000 crore,” Ambani said.

On Tuesday, shares of Reliance Capital fell 0.39% to close at Rs620.40 apiece.

Reliance Group companies have sued HT Media Ltd, Mint’s publisher, and nine others in the Bombay high court over a 2 October 2014, front-page story that they have disputed. HT Media is contesting the case.