

# Mahindra Insurance Brokers on a strong growth path

With focus on rural areas, the company has been profitable from year one

**NS VAGEESH**

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'Broker', like the word 'agent', is an appellation that many want to live down. Perhaps, this is because for many the word has a negative connotation as an intermediary who creams them.

Little wonder then that those who do belong to the profession often want to be called by a different name—be it 'advisor', 'representative', 'factor' or what have you.

It's a sentiment that Jaideep Devare, MD, Mahindra Insurance Brokers, understands well. He says with a grin that when they entered the industry a little under thirteen years ago, they were keen to emphasise 'Mahindra' in

the name rather than the other two words. It's a measure of the distance they have travelled and the hurdles crossed, that today, they have no reluctance in emphasising all three words equally, he says.

## Impressive growth

Starting off with a capital base of just ₹50 lakh (the parent board did a double take to check if there was a zero missing when they checked the proposal), the company has grown with the industry, and today its networth has crossed ₹280 crore and the enterprise has an impressive valuation—₹1,300 crore.

Along the way, the company helped provide life, health and motor insurance to about eight million spread over 1.5 lakh villages. The focus from the very beginning has been on rural areas for Mahindra Insurance Brokers, thanks to its parentage (80 per cent owned by Mahindra Finan-



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**JAIDEEP DEVARE**  
MD, Mahindra Insurance Brokers

cial Services, which is part of the M&M group) as well as the group's conscious bid to target

the under-penetrated regions of the country.

Awareness, access, and affordability are the 'triple A' challenges for the insurance industry, says Jaideep.

He makes out a case for micro-insurance, coining the term 'sachet insurance' to convey the need for products that will be tailored to suit the needs of the poor.

The company has been profitable from the first year itself, he says, to the surprise of many. It turned in a profit of ₹1.7 crore in 2004-05, from selling policies worth ₹23 crore in its first year of operations. Profit before tax for 2016-17 soared to about ₹82 crore with premiums garnered at ₹1,564 crore.

With both life and non-life segments showing significant growth, the outlook for the company in the current fiscal too is rosy.

What about the future? Will

brokers have a role in the age of disintermediation? Jaideep sounds confident that the importance of brokers will grow and follow the trends in advanced markets, where they dominate 80 per cent of the market.

## Low coverage

In India, their penetration is currently only 30 per cent and that too in the non-life market. In life insurance, it is a mere 1 per cent. That provides more than enough grounds for growth, Jaideep says.

Last year alone, the company managed to cover 1.6 million lives. Jaideep feels that the market is still vastly under-penetrated and hopes to now achieve double the existing targets in a much shorter period.

That will take him closer to his next milestone of reaching the top slot in the Indian insurance broking industry and then breaking into the top 100 global companies in the industry.