

Opportunities in Asia-Pacific

With India providing the bedrock for its operations in the region, GIC Re sees the wider Asia-Pacific region as the growth engine for the world economy and its own aims, Devesh Srivastava of GIC Re told *SIRC Today*.

What growth opportunities does GIC Re see in the Asia-Pacific?

GIC Re has been a dominant player in Asia for over three decades, and with Asia being the growth engine of the globe, we are looking forward to contributing our might in this market.

We have branches in Dubai and Kuala Lumpur, Malaysia. Dubai caters to the Middle East market with a sprinkling of North Africa, and Kuala Lumpur looks after the ASEAN region.

This is over and above what GIC Bombay itself writes, which is the Far East and Japan. Here again, we have had a long and mutually beneficial relationships.

Furthermore, we have our holdings in Asian Re in Bangkok, Thailand, and another company jointly owned by the four public sector general insurance companies in India and GIC: the India International Insurance Company in Singapore. This gives us a substantial presence in the region.

We have had long-standing relationships with cedants and intermediaries and now with the economies of India and China being the economy drivers, the region itself will be witnessing a high growth phase, and we will look forward to being part of the progress.

How would you characterise the overall health of your home market?

The Indian non-life market is growing at an impressive 18 to 19 percent year on year and with the new government in place for the next five years, the thrust will be on infrastructure development over and above the increase of insurance coverage (penetration) to the population by way of crop, health, accident, and property cover. The reinsurance market will form an integral part of the value chain.

Where does GIC fit into this in terms of market share?

As the Indian reinsurer, GIC Re has a market share of over 60 percent. We continue to support the market in all its endeavours and have always been the preferred partners.



“Retail will be the big driver as the market is severely underpenetrated.”

Has competition increased since more overseas companies were awarded licences?

We have always welcomed the foreign players in the market with the strong belief that the Indian market is big enough to offer everyone a slice of the pie. Competition benefits any market and the Indian one is no exception to this rule.

What effect has this had on pricing and terms and conditions?

The availability of capacity has had a detrimental effect on pricing. Given our position in the Indian market, GIC Re

took a bold stand of effecting price correction recently in some named occupancies. This was received well by the market and we hope the situation will improve, going forward.

Do you expect growth in this market? In which lines?

As already stated, the market is in a high growth phase and the reinsurers will benefit from it. Retail will be the big driver as the market is severely underpenetrated and leaves a lot to be desired.

What are the biggest challenges you face?

As the global reinsurance industry digests the record losses of two consecutive years in 2017 and 2018, reassesses the relationship of climate change with changes in catastrophe behaviour, and settles down with the integration of alternative capital and traditional capital, the industry will seek a new mid-term equilibrium.

We at GIC Re are reassessing our stance in terms of risk appetite and management in this scenario of moving parts.

What other opportunities for growth do you see overseas?

We are an acknowledged brand in the Afro-Asian market for over three decades. We have to strengthen our footprint in North and South America, the EU and the Commonwealth of Independent States of the former Soviet Union.

What is your biggest advantage when competing internationally?

We are a relationship-based company and have had long-standing associations with our cedants. This has been acknowledged by the market who value the long-term perspective that GIC Re brings to the table. ●

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