

## **Reaction from Mr. R V Kanoria, President, FICCI on Insurance Sector related measures announced by Finance Minister**

**NEW DELHI, October 1, 2012:** Reacting to the measure announced earlier today by the Finance Minister to spur growth in the insurance sector, **Mr. R V Kanoria, President, FICCI** said “We welcome the reform measures announced by the Finance Minister. These will provide the necessary impetus for growth of the insurance sector and help in deepening the insurance penetration levels in both the urban and rural areas. Co-opting business correspondents into the distribution network, recognizing non employer-employee groups and creating a unified KYC approach between banks and IRDA are all encouraging moves.”

“We also feel that the life insurance sector will gain momentum with the proposed open architecture system under Bancassurance model”, he added.

“The Finance Minister’s proposal for insurance companies to manage overall expenses within prescribed limits of the Insurance Act will impart companies the necessary flexibility to reduce costs of operation, improve their balance sheets and make insurance business profitable. The proposed relaxation of investment stipulations in AAA rated instruments could also encourage investments into the infrastructure sector”, said Mr. Kanoria.

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