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Aditya Birla Group Signs Health Insurance JV with S Africa's MMI

MMI Holdings to hold a 26% stake in the JV

Our Bureau

Mumbai: Aditya Birla Financial Services Group, the financial services arm of the Aditya Birla Group, said on Tuesday that it had

signed an agreement to form a health insurance joint venture with MMI Holdings (MMI) of South Africa. The two will enter into a formal joint venture in which the foreign partner will hold a 26% stake, the company said.

"Health insurance as a category has extremely low penetration levels in India," said Ajay Srinivasan, chief executive, financial

services, Aditya Birla Group. "Given our group's focus on building our retail presence across products, we foresee a huge potential to target the requirements of untapped customers and their families. Our partnership with MMI Holdings will give us the competitive edge given their strong proficiency in the health insurance sector."

MMI is a leading insurance-

based financial services company listed on the South African stock exchange. It was created in December 2010 through the merger of Metropolitan Holdings and the Momentum Group.

MMI is one of the largest insurers in South Africa. It has business in 12 other African countries and in the UK, too.

"MMI considers India as an im-

portant strategic market. We are confident that this relationship between MMI and ABG will lead to the establishment of a successful health insurance business in India," said Nicolas Kruger, group CEO of MMI Holdings.

The Mumbai-headquartered Aditya Birla Group is present in the life insurance segment through a joint venture with Canada's Sun Life. Birla Sun Life sells a range of life insurance products,

including unit-linked and traditional products.

The ₹12,500 crore domestic health insurance business accounts for about a quarter of the total non-life insurance business in the country.

Penetration of the insurance industry has grown at a steady pace since non-state companies were allowed in 2000.

The latest entrant into the seg-

ment is Cigna TTK, a joint venture between US-based Cigna and India's TTK Group. Apollo Munich, Max Bupa, Star Health & Allied Insurance and Religare are the other standalone companies in the sector.

Standalone health insurance companies focus mainly on the urban market, which is seeing growth through hospitals, clinics and doctors.