

## Star Union Dai-ichi Life plans IPO after breakeven

Co hopes to earn Rs 600 crore of premium in FY10

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Star Union Dai-ichi Life Insurance Co, a three-way joint venture between Bank of India, Union Bank of India and Japanese insurer Dai-ichi Mutual Life Insurance, plans to enter the capital market after making a profit, which will take at least four years.

"A lot of companies that are operating since the sector was opened are yet to become profitable," Norimitsu Kawahara, chief financial officer of the company said.

"We will keep our focus on increasing market share."

Star Union expects to more than double premium income in January-March quarter with structured products for corporate clients, K Sahay, chief executive officer, said.

The company hopes premium income will rise to Rs 600 crore by March-end, from Rs 240 crore now, as it launched new structured products for corporates to effectively manage gratuity and leave encashment funds, Sahay said.

It has also tied up with Central Bank of India to offer annuity to reverse mortgage clients, he said. "Corporate plans will help us grow our income as the fiscal comes to an end," he said. The insurer has a paid-up capital of Rs 250 crore.

"We do not need additional capital to grow till the next fiscal," Sahay said. The company currently distributes its policies through 5,700 branches of Bank of India and Union Bank, he said.

The Insurance Regulatory & Development Authority will announce information disclosure rules for initial share sales next week, chairman J Hari Narayan said on Monday. Current rules allow insurers to sell shares after 10 years of operation. Bloomberg

(With Reuters inputs)