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40th Conf. & GA of African Insurance Organization. (AIO)

BUSINESS LIFE

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Navigating New Frontiers



J. B. Boda aims to serve the insurance needs of Indian investors Worldwide including African Continent



Lebanon.....LBP5,000	U.A.E.....Dirhm12	Jordan.....JD2	Egypt.....EP5	Algeria.....DZD200	Tunisia.....TND4
Saudi Arabia.....SR12	Bahrain.....BD1	Oman.....QR1	Europe.....Euro4	Litha.....LD4	Yemen.....YR10
Kuwait.....KD1	Qatar.....QR12	Cyprus.....CE1	U.S. & Canada.....\$4	Morocco.....MAD33	Syria.....SYP150

Navigating New Frontiers

J. B. Boda aims to serve the insurance needs of Indian investors Worldwide including African Continent

Leading Indian insurance and reinsurance broking house J. B. BODA is eyeing the African market to serve the insurance needs of Indian companies and investors that are coming to do business in this Continent, recognizing the huge opportunities in the African market.

Atul D. Boda, Group Chairman of the J. B. Boda Group, was attending the 40th Conference and Annual General Assembly of the African Insurance Organization (AIO) held in Cairo last month (May 2013) where he spoke to BUSINESS LIFE about the Group's vision for the future both at home in India and abroad. The Group was founded in 1943 by Late J. B. Boda together with his brother Late D. B. Boda in Mumbai, India; today it has 23 offices across India and 2 associate Companies overseas in UK and Singapore. The Group is associated with over 300 companies in more than 75 countries and employs over a thousand qualified and experienced insurance and reinsurance professionals, including risk managers, insurance adjusters, licensed surveyors and certified brokers.

BL: The 40th Conference & General Assembly of the African Insurance Organization (AIO) focus on the role of the African insurance industry in the growth of the African economy, your company is not from Africa, what is your interest in Africa?

BODA: Since Insurance Companies in Africa were in a state of early development in the late sixties and were only serviced by London Brokers, the J. B. Boda Group ventured into the African Continent in 1965 to help guide and structure their reinsurance programmes and also provide training facilities to their personnel. The combination of professionalism and missionary zeal to help upcoming Companies made J. B. BODA one of the leading overseas reinsurance brokers in Africa. We have been working on the African continent, dealing with insurance & reinsurance companies in the entire Continent. Today, our role, because of our relationships and because insurance is a business of trust, is to offer our Indian clients good insurance companies (to work with) in any country. Our hands-on-

approach ensures a tradition of consistency, reliability and versatility that clients trust for their strong relationship. Our Motto: "BUILD BRIDGES AND REDUCE GAPS"

BL: China is investing heavily in Africa and buying many major companies and opening new ventures. India and China are competitors, both are strong economic powers, is that rivalry with China and its intention to get more out of Africa a motivating factor?

BODA: India and China are both giant countries, both have advantages and disadvantages. The Chinese have their way of working; in India we have our own way of working. Yes, the Chinese are ahead of Indian contractors, but there is a complete difference in the approach & factors influencing in securing contracts. Therefore, both India and China get their respective pies of the businesses.

BL: How do brokers assist the insurance industry globally? And what has been J. B. Boda's contribution to its country (India) and to the surrounding region?

BODA: Brokers are expected to be technically sound and in a position to offer optimum solutions to the changing requirements of insurance companies. An award winning J.B. Boda Group celebrates its 70th Anniversary

this year. In Reinsurance Broking, we have a pool of technical experts who provide advice to Insurers across Asia, Gulf and Africa in designing and implementation of reinsurance programmes for all classes of insurance including Life, Livestock, Agriculture and Export Credit & Guarantee Business. Our network and close relationship with the reinsurers enable us to approach global markets and complete placements to the satisfaction of our clients, thereby providing capacity in all areas of Treaty and Facultative Reinsurances. Continued growing relationships and opportunities in different regions encouraged the Group to open Representative Offices in Dubai, Nepal and Kenya in order to enhance the level of services with more visibility. Our mission is to continue to develop an Asian institution to provide best professional reinsurance broking services to Indian Insurers and

neighbouring Afro-Asian countries. We share our experiences & expertise not only on reinsurance broking, but also on risk management, on property damage surveying, on asset valuations and allied areas including computer software development. So, as brokers we try to maintain a balanced role between the insurance company and the reinsurance company, create capacity and support to benefit everyone's business.

BL: It is said the concept of broker has changed over time, that people now look at brokers in a different way than before, how this changed come about and why?

BODA: We cannot generalize, but one reason is that it all depends on how a broker has provided services to their client. The role of the broker is not limited to picking up the business from the insurance company and placing it with international reinsurers. The broker is expected to contribute value added services to the relationship. If a broker contributes his expertise and the experience to the insurance company or the client, then a broker is playing the role expected of them, thereby minimizing possible losses and ensure that transactions taking place in settlement of claims if any move smoothly. We believe that brokers and the broking community as a whole are trying to put their best efforts in offering more professional services to clients.

BL: As the Indian economy has grown over the past few years, how did J.B. Boda as a leading brokerage house cope with this growth? And did you expand beyond the borders of India?

BODA: India as one of the growing market and we believe that the whole world is coming to India for business ventures and expansions. So as an Indian broker, we are on the ground to make the required changes. Considering those opportunities are here now, we have now entered into direct broking activities in India which has been allowed by the regulatory authority. The regulations changed in 2002. We have been doing direct broking in India now for the past over ten years. We also expanded and opened new branches;

we now have over 12 branches all over India on the direct broking side. We also have our survey activities here. We have 23 offices all over India, so we believe that with the growth of opportunities in India and with the change in scenario, apart from opening new offices, we have also recruited experienced people to provide technical services to our clients. We especially have opportunities in the health insurance sector because of India's large population, which is a boon. So, yes, we have made the necessary changes and moved with the times.

BL: Are you planning to go beyond the borders of India, to expand in the Middle East and North Africa (MENA) or Africa for instance, open new offices?

BODA: We already have an office in London for the past 26 years now. We were the first Indian broker at Lloyd's. We also have an office in Singapore which is now more than 20 plus years old. We have opened a representative office in Dubai, one in Kenya and another in Nepal. We are now looking at

various other opportunities very closely and are in the process of identifying where to open a representative office, possibly in North Africa. It could be Morocco.

BL: What about Iraq?

BODA: Yes, Iraq, of course we will still wait unless we have the right person in Iraq, but we are open to and look at those opportunities.

BL: How many employees do you have?

BODA: We have more than 1,100 people working for the group in India and we have about 50 plus people at our overseas offices.

BL: What were your results for 2012?

BODA: As we are a private limited companies' Group - that is wholly family owned, this information is not available in open domain, but looking at the number of people that we employ, we are deep rooted with tradition, trust & commitment and have footprints to reckon with significantly.

BL: What is the capital requirement for insurers and brokers in India?

BODA: The capital required for Indian insurance companies is one billion Indian Rupees, which is about US\$18 million. For direct broking companies, the capital required is about US\$95,000, for reinsurance broking companies it's close to US\$350,000, for composite brokers that is to function in both direct and reinsurance broking, it's about US\$450,000 depending on exchange fluctuation.

BL: How many insurance companies are there in India? And how many brokerage companies are there?

BODA: We have 24 life & 27 non-life insurance companies in India out of which five companies are government (owned) & GIC Re which is National Reinsurer, while the others are privately held. As for brokerage houses, we have 257 Direct Brokers, 6 Reinsurance Brokers and 42 Composite Brokers.

BL: Tell us a little bit about your company, its history and the major challenges ahead for the company?

BODA: We are family owned Group of Companies started by my late uncle and my late father way back in 1943. The founder chairman was Late J. B. Boda up to 1990. Thereafter, late D. B. Boda was Chairman from 1990 to 2000 and Late B. J. Boda from 2000 to 2011. India presents both opportunities and challenges. We can always face the challenges if there are opportunities. Fifteen years ago, India was not so developed. But now the situation is completely changed. There is good competition in all spheres of business.

Hence we are quite ready, we are committed and we are confident in our capabilities. We value the relationships that we have built up through our various commitments and through transparency. We have a wealth of experience that we have built on with our team, who are very committed. Individually, our senior team members have been with us for more than 35 - 40 years. We always like to nurture human assets as best as we can. So, yes - we are ready to face the future.

BL: What ambitions and plans do you have for the future of J. B. Boda?

BODA: Presently, we are active from Caribbean to Africa, the Sub-Continent of India and Asia. We would certainly like to expand in to different regions. Our ambition is to share our expertise and knowledge in developing countries because what India is experiencing now, other countries in different parts of the world will also be experiencing. We would like to share our knowledge and expertise for the benefit of the insurance and reinsurance industry, to indirectly contribute to the loss minimization process and make the insurance industry as a whole a big career opportunity for the young generations

that are going into insurance so that they treat this field as a serious career opportunity in their lives. We would like to continue to expand into related services. I am fully supported by my two family members Gautam Boda and Rohit Boda to take the Group forward and reach greater heights. The legacy of the pioneer has stood us in good stead. Our simple fundamental principle is "SERVICE" - service with sincerity, honesty and integrity and this is what has given the name and the reputation that the J. B. Boda Group enjoys in the industry today.

BL: Is it true that brokers generate more profits than direct insurance?

BODA: It is not actually the case because brokers face a lot of competition and pressure. Brokers have to keep their eyes on details and walk that extra mile to ensure that the client is satisfied through provision of good service deliverables. At the end of the day, brokers ensure that their relationship with the insurance company survives. It is a continuous chain, in which everyone is ultimately in the business of making some profit and we respect the insurance companies that balance it very well.