

Air India secures USD 10b insurance cover

-A Monitor Report

Date: 16 April, 2023



New Delhi : Air India has finalised its insurance deals for the new financial year that began on April 1. Reports claimed that Air India will pay a premium of USD 30 million this financial year that will provide an insurance cover of USD 10 billion, including for its low-cost international subsidiary Air India Express.

Last year, the airline received insurance cover of USD 8 billion, but with a planned increase in the fleet this year, the coverage has also gone up. The report stated that the current insurance cover is for Air India's 140 aircraft and Air India Express' 26 Boeing 737 planes.

This year, Tata AIG General Insurance, a joint venture between the Tata Group and American International Group, bagged the biggest slice of the deal. It has been given around 36 per cent of the premium this year, with the rest distributed among others.

Tata AIG received a 30 per cent share in the coverage last year, while New India Assurance took the highest share of 40 per cent. Indian insurance companies retain only 5 per cent of the premium and pass on the rest to foreign insurers to keep their books risk-free.

Other than these two companies, GIC Re, United India Insurance, Oriental Insurance Company, and ICICI Lombard General Insurance have also been reported to be the insurance providers for Air India this financial year.