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# Outlook MONEY



## Preference For ULIPs Driving Life Insurance Market Growth: Anuj Mathur

The life insurance sector is expected to continue its robust growth, buoyed by a 24 per cent YoY growth in the first quarter of FY2024-25.

**P**ersonalised offerings, greater awareness, and customer preference for unit-linked plans have contributed to the growth of the life insurance sector and, at the same time, the industry is aware of the threats and opportunities to prepare itself for the future, says Anuj Mathur, CEO of Canara HSBC Life Insurance in an interview with Outlook Money. He highlights the risks fraudsters pose as well as the opportunities AI has opened up for the sector.

Here are the edited excerpts of the interview:

### What is your outlook this year as far as growth is concerned?

Private life insurance individual weighted premiums have grown by 24 per cent YoY in the first quarter of FY2024-25. The industry's growth is led by strong market performance, leading to a preference for unit-linked insurance plans (ULIPs). Retirement as a category will continue to grow as awareness increases. With the regulator's drive to increase penetration, insurers are expanding into Tier 2 and 3 markets. Last year's regulatory improvements laid a strong foundation, and IRDAI's reforms aimed at achieving "Insurance for all by 2047". With a penetration rate of life insurance premiums at 3.2 per cent of GDP, there's substantial growth yet to be unlocked. The market is responding with innovative, personalised products to cater to the growing demand. Canara HSBC Life Insurance is well-positioned



**ANUJ MATHUR, MD & CEO,**  
Canara HSBC Life Insurance

to capitalise on these emerging opportunities.

### How big is the threat of fraud in the insurance industry, and how it can be checked?

Insurance fraud poses a significant threat to insurers and policyholders. To combat this, insurers are making the fraud management framework more robust and employing stringent data control measures, including thorough claim investigations, verification of documentation, and employee training. Penalties for entities or individuals perpetrating fraud combined with customer education play crucial roles in minimising fraud. Consumers should also be vigilant. Avoid sharing personal information with unknown sources, use tools available on insurers' websites to monitor claims and fraudulent activities, and stay informed about common fraud schemes.

**Endowment plans provide moderate returns. Yet they are popular as they provide guaranteed returns. In your**

### opinion, who should look at endowment plans?

Endowment or guaranteed plans are among the most popular financial products for retail customers as they provide an upfront guarantee for the money they will pay over the next 10-20 years. These returns are tax-free, up to a limit in the hands of individuals, and offer protection in case of early demise. These plans are best suited for individuals looking to meet long-term needs.

### How do you suggest one incorporates retirement plans in one's retirement planning?

We recently conducted research to better understand Indians' preparedness in terms of savings and insurance. Over 60 per cent of Indians focus on one priority, neglecting others. Surprisingly, only 1 per cent prioritise retirement planning over other priorities. To effectively incorporate retirement goals in planning, invest early and diversify your portfolio across various plans.

### What role does AI play in life insurance in providing customised solutions to customers at more favourable rates?

AI-driven chatbots and virtual assistants enhance policy selection by giving customers real-time guidance. AI tools can create personalised content, such as explainer videos and apps, to help them understand their options better. AI also plays a crucial role to reduce operational costs and save time to focus more on customer service and innovative product offerings.