

## Untapped tier II/III markets present huge potential for insurance penetration: Canara HSBC CEO

**W**ith a meagre 3.2% of India insured as of 2021, the life insurance segment in India sees a mammoth opportunity ahead of itself, especially in the tier II/III cities. Speaking to *DH's* **Shakshi Jain**, the Managing Director and Chief Executive of Canara HSBC Life Insurance, **Anuj Mathur**, elaborated on the company's objective to expand its presence in smaller cities and the changing investment landscape they are negotiating.

Edited excerpts.

### What is your focus this year?

As a company, there is a lot of focus on penetration. The advantage which we have is that we're very strong pan-India in terms of our banking presence because of Canara Bank. We're leveraging that. In terms of the future of insurance and with the financialisation of savings happening, alongside disposable income of people increasing, particularly in tier II/III cities, I think there's a lot of good scope in

these smaller cities.

Coming to the environment, interest rates currently are holding firm. When interest rates are on the higher side, you can offer better returns to the customer. We all know that the current interest scenario is not going to be there for many years. This is a brilliant opportunity for the customer to use insurance as a tool for long term savings.

Another opportunity that we're focusing on is retirement. Now with increasing life expectancy and available healthcare services, people need to save for the future. In terms of pension, annuity, there is a lot of scope and that is where we see a big opportunity in terms of growing our business.

### What is the share of women in India's life insurance customer base?

Traditionally in India, the man is considered to be the main breadwinner of the family. However, with changing times and progressive

thinking this scenario is changing in new India. The recent buying trends clearly show that not just working women but even homemakers are also actively taking informed decisions and participating in financial planning and insurance requirements of the family. Insurance awareness and its importance have gone up drastically amongst women in urban cities, especially post the pandemic and the number will keep on rising.

### What are some emerging trends in the life insurance space?

With only 3.2% of the entire population currently insured, the market is constantly trying to bridge the gap with new products, including customised and personalised offerings.

The pandemic has had a posi-

tive impact on insurance buyers in the form of building awareness and in realising the advantages of being insured. On the technology front, we are witnessing the shift from physical paper-based purchasing to buying from digital platforms. It would not be wrong to say that customers are now more digitally savvy. However, to penetrate the untapped tier II/III markets, a hybrid strategy catering to both these segments will ensure optimum uptake of insurance in coming days.

### What would be your quick advice to a potential insurance buyer?

There is no specific time as to when one should buy an insurance cover.

However, the sooner a person buys insurance, the better

it would be for them in the long run. As a thumb rule that I follow, one should go for a cover which amounts to a minimum 15 to 20 times of their current expenses, to take care of any financial exigencies. Buying decisions of an individual should be made by factoring in certain attributes like the current stage in life cycle, milestones, future needs and stability. One may compare products based on their pricing, features, riders along with a study on the respective company's network, claim settlement history and solvency parameters, as these are prominent markers which give a fair idea about the health of a company.

While opting for an appropriate insurance cover, it is imperative to align it with one's specific financial objectives, such as child's education, building a home, children's marriage and more. If retirement is the main component in an insurance cover, one should calculate the corpus that should be able to support in maintaining the desired lifestyle.



Anuj Mathur