

Canara HSBC OBC Life aims to boost digital sales

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Private insurer Canara HSBC OBC Life Insurance is upbeat about the amalgamation of its promoter banks as it would help boost sales. The life insurer is also looking to increase digital sales and plans to launch an annuity product and online term product in the coming months.

"From a business perspective, it is good for us because in terms of the number of branches that we will have access to and the number of customers - there's going to be a huge increase. So it's positive for us," said Anuj Mathur, MD and CEO, Canara HSBC

OBC Life Insurance. In an interaction with *BusinessLine*, Mathur declined to say whether at least one of the promoters will have to exit from the company after amalgamation.

"Equity issue is for the shareholders to decide. I can't comment on that. IRDAI regulations are not very clear right now, and hopefully clarity will emerge soon," he said.

Canara Bank holds a 51 per cent stake in the private sector life insurer, while HSBC holds 26 per cent equity in the joint venture through HSBC Insurance (Asia-Pacific) Holdings Ltd, and Oriental Bank of Commerce has 23 per cent share. Under the govern-

ment's big-ticket merger plans for public sector banks, OBC and United Bank will merge with Punjab National Bank Syndicate Bank and Canara Bank will form one entity.

Mathur also remains upbeat over the company's plans and said that it is hopeful of doing better than the industry growth rate.

The insurer is looking to increase digital sales and is in the midst of launching new products. It has a total retail unique customer base of about 8.5 lakh.

At present, bancassurance channel contributes about 95 per cent of its business. "It is a very efficient business model

we are running and I feel it has huge potential, and more customers will be onboarded through this. We have a few other partners, apart from the three shareholders, including Dhanlakshmi Bank and a few NBFCs," he said.

The insurer has also set up a digital SBU about six months ago to focus on online sales.

"We will see 100 per cent growth in our digital business though the base is small," said Mathur, adding that early next quarter, around January, the insurer will also launch a new online term plan. It has also partnered with IndianMoney-Insurance.com, operated by Suvision Insurance Broker Pvt

Ltd, to sell life insurance plans on its digital platform.

Annuity product

The insurer is also set to launch an annuity product this quarter with options for both deferred and immediate annuity. "It is one segment where we will see significant growth, as longevity of people is growing. We are focussing on this," said Mathur.

"In terms of business, we are doing pretty well. Industry is growing at about 15 to 16 per cent, but our growth has been about 20 per cent during this period and, overall, we are very confident that we will end the year at around 30 per cent growth," he said.