

Business Standard

Page No: 21

Type: Newspaper

Page Name: n.a.

Language: English

Size: 232 sq. cm

Circulation: 22,803

AVE: INR 116,072

Frequency: Daily

Mumbai - Sep 29, 2015

News monitored for: Canara HSBC Life

'Exclusive bancassurance model is successful'



ANUJ MATHUR

CEO, Canara HSBC Oriental Bank of Commerce Life Insurance

You are the only insurer relying solely on bancassurance for sales. Will there be any change in this strategy?

This model is pretty successful in India and more insurers are seriously looking at the bank channel. We are now aiming at growing this model and are comfortable with the business model and penetration. We started business in 2008, and for the past seven years, we have been operating as a 100 per cent bancassurance-led company.

You don't have any online product. When are you planning to enter this space?
We are also looking to focus on

the digital channel and will launch the first product in this space next month. Online term is the product we are beginning and we already have it on the shelf. Later, we will also add unit-linked insurance products (Ulip) and traditional products.

Private life insurance company Canara HSBC Oriental Bank of Commerce Life Insurance, the only insurer in India selling exclusively through banks, is looking to deepen penetration through this channel. The new CEO, ANUJ MATHUR, talks to M Saraswathy about this strategy. Excerpts:

Will there be a mix of an assisted model as well?

Work has begun on having an online-assisted model. In Tier-2 and Tier-3 areas, customers will require some support since they are not comfortable buying a product online from their houses. Hence, the assisted model will work in these regions.

The Insurance Regulatory and Development Authority of India has allowed banks to

sell insurance products of three life, three non-life and three health insurers. Do you see this as a threat to your model?

This will open up the network. However, banks that are not promoters of any insurance company will be the ones to go for multiple tie-ups. Those with their own ventures will continue with the exclusive model. We as a company are very clear on this and will follow the exclusive model of sales with all our bank partners.

Private insurers have seen a positive growth in new premiums. Do you expect this to continue?

In the past financial year, private life insurers registered double-digit growth in new premiums. I think this trend

will continue, especially now that the overall environment is conducive due to the Pradhan Mantri Jan Suraksha insurance schemes. We expect the private sector to grow 20-25 per cent with respect to new premiums.

You have a large share of Ulip products. With volatility back in the equity market, are you looking to tweak your business mix?

The sale of Ulip products depends on customer needs and it is very transparent and efficient. The risk appetite of a customer will determine whether or not she or he will take Ulip. But since the markets have been choppy, several people might go for protection/traditional products.

Our business mix is

currently 80:20 for Ulip and traditional. We recently launched some traditional products, which should help us increase traditional mix to about 50 per cent or so. In the next six to eight months, we expect the mix to be 50:50. However, this is not a target and we'll have a mix according to customer needs.

