

News monitored for: Canara HSBC Life

Canara HSBC OBC Life eyes 35% growth in new business this fiscal

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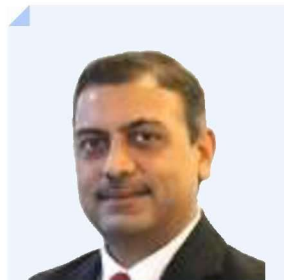
Encouraged by the strong performance in 2015-16, Canara HSBC OBC Life Insurance (CHOL) is eyeing 35 per cent growth in new business premium this fiscal.

The growth target will be on an annualised premium equivalent (APE) basis and on top of the 35 per cent growth recorded in 2015-16, Anuj Mathur, Chief Executive Officer, told *BusinessLine* here.

“From a level of new business premium of ₹450 crore achieved last fiscal, we are now targeting new business premium of ₹606 crore (on APE basis) for this fiscal,” Mathur said.

Achieving 35 per cent growth in new business premium is not going to be difficult this fiscal given the kind of business model that “we have adopted where there are two big public sector banks and a big foreign bank”.

For 2015-16, CHOL had re-



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Chief Executive Officer
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corded a 22 per cent increase in net profit at ₹126 crore (against the previous year's ₹103 crore).

Mathur attributed the growth in net profit to new business growth besides a fall in the operating expenses ratio to 13 per cent from 16 per cent in the previous year. An increased share of traditional products in the overall product mix also helped, Mathur said.

CHOL plans to launch two

new traditional products from June 1. This will help improve the share of traditional products to 40 per cent from 30 per cent now. Till two years ago, ULIP products accounted for 95 per cent of the premium income of the life insurer.

Mathur also said that the life insurer was open to tie-ups with more banks now that the regulator had permitted so.

“We are not closed to new tie-ups. We are talking to several banks. However, we would also like to grow our existing bancassurance tie-ups. Still our penetration is less than 1 per cent of the total customer base of six crore in our three promoter banks,” Mathur said.

CHOL is very optimistic of the online channel, which, Mathur said, will be a focus area. He said that the life insurer has filed for approval a digital ULIP product with the insurance regulator.

The iULIP will be the first ULIP product that would be sold online by CHOL.