

Interview of Anuj Mathur

Chief Executive Officer, Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited

Q You have a unique combination of degrees including CA, ICWA and CS, which empowers to undertake any career path in the financial world. What attracted you to Insurance?

A I have been associated with the Indian Life Insurance industry for the last 15 years. Life Insurance is one of the fastest growing sectors in India since 2000 when government allowed entry of private players. Insurance sector offers unique combination of stability and variety because of the niche areas that it covers. The best part of working in this sector is that you get exposure, plenty of opportunities to learn and work with important functions within the business such as underwriting, actuarial, claims.

Q You have taken over as CEO of Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited which operates in the area of Life Insurance adopting bancassurance model. What are the unique features of this model and how it is different from other model?

A The bancassurance business model in India has emerged as a scalable model that leverages the manufacturing capability of the insurance company with the customer base and branch network of the banks. The vast infrastructure of all the banks enables distribution and accessibility of insurance products across the entire country, leading to greater convenience for customers and increasing insurance penetration (for all segments of society) across the markets of the country. Agency model although has a predominant share in today's market, however, it has its own limitations



Anuj Mathur is Chief Executive Officer of Canara HSBC Oriental Bank of Commerce Life Insurance, one of the fastest growing life insurance companies in India and the only company to operate an exclusively bancassurance model.

Anuj is a founding member of the company having joined in 2007 to lead Legal, Compliance & Risk, Corporate Governance before becoming the CFO and later on taking over as the CEO of the Company.

He has over 22 years of experience and has been associated with the Indian Life Insurance industry for the last 15 years. He is a fellow member of The Institute of Chartered Accountants of India, Institute of Company Secretaries of India, associate member of Institute of Cost Accountants of India and a Commerce graduate from Shri Ram College of Commerce, Delhi University.

because of the cost structure & expense management. The next wave of growth would ride on the ecommerce (Digital) platform.

Q How is Life Insurance business different from other insurance businesses including health, vehicle etc in terms of marketing schemes?

A In the financial services category, customers look at brands they can trust and are stable. They would want to be associated with a brand which has a consistency in servicing and addressing their needs as and when it arises during the tenure of the policy. This in our view is the guiding factor for a customer preference. Meanwhile the marketing schemes for life insurance companies are no different than for any other insurance company. Being a pure bancassurer, our distribution strategy is to sell to the customers of our partner banks through their branches. Our marketing strategies are focused on empowering the licensed branch staff to provide effective life insurance solutions to the customers by providing visibility in and around the bank branch, through simple and easy to use sales aids for the bank staff. To supplement this approach, our marketing efforts also endeavour to increase awareness of the product solutions & the value that they offer to the customer.

Q What is the Life Insurance industry profile in India and who are the key players and what is the prospect of your company?

A The Life Insurance Industry currently has 24 players and all of them operate in various markets pan India. Each has its niche which ranges from pure bancassurance to agency & broker led business model. The industry is at a promising juncture and is estimated to grow 15-20% in the next 3-5 years. The growth would essentially come from the Tier 2 & 3 towns (apart from the Tier 1 cities) as

the awareness towards this critical product line is increasing. Technology will play a very important role in adding impetus to the Industry sales. We are a blue blood bancassurance company and over the past 8 years have developed sufficient expertise in this space. We will continue to expand and grow this channel as we believe it has a lot of potential still to be tapped. The next wave of our growth will also ride on the Digital platform. The channel is cost effective, addresses a specific segment which prefers to deal in a non physical manner and has a huge potential.

Q Does Life Insurance influence the lifestyle of people in general in terms of being responsible towards life or being carefree?

A It's very important that people first understand the importance of having an insured life. Life insurance is a necessity if you have any sort of financial obligation or if you have a family financially dependent on you.

Having life insurance ensures that the lifestyle of your family is not impacted and their financial goals remain fulfilled in the unforeseen situation of you not being around. In case you were to survive, Life Insurance solutions act as an excellent tool of investment & savings thus securing you financially. By investing wisely you can create wealth for the future and financially protect your family. Advance planning allows you to take control of your financial position thus reducing the element of uncertainty.

Q As per your experience, what percentage of people take up life insurance policies purely as a matter of investment and what percentage take it from insuring their future?

A Buying a life insurance policy is one of the most important financial decisions that one can take. Therefore, while buying a life insurance product the customer generally has the following top criteria's in mind:

1. Future of family in case of death of the bread winner - The protection angle
2. Disciplined saving/ investment over a medium to long term - Peace of mind
3. Achieving long term goals in a systematic manner - Fulfillment of dreams/ goals
4. Insurance as a tax efficient instrument - Financial sense

Basis experience I can say that each of the customer who opts for insurance is driven by one of the above parameters. It is always an overlap of reasons & objective which influences a person to buy Life Insurance. An insurance product comes bundled with protection.

Q The common man is though happy due to competition among insurance companies expecting to get a better deal, stays confuse because of poor comprehensions and difficult in comparing alternative choices offered

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by insurance companies. How do you help the potential insurer in comprehending and buying a policy?

A In my view, the first and foremost thing is to understand the need for which any insurance policy is being bought or sold. If an insurance policy is not bought as per need, there are significant chances that the customer may not continue the policy for its intended duration, or the policy will not remain relevant for the goals he is pursuing. Therefore, it is not just about the 'best deal' or 'comparison' in insurance but it is the "Customer need" which should drive the product choice. To ensure that the customer comprehension of the product is complete, we have a very robust training process which we impart to our bank staff who in turn utilize this while interacting with the customer. Apart from this we have validation mechanisms which lead us into engaging with the customer pre sale and reiterating the product features & details with them. We follow this process with rigour and have built sufficient diligence around this. This ensures that the customer takes an informed decision, and the seller facilitates the entire sales process, including financial planning and need assessment.

Q Do you think your company has a social responsibility under CSR to invest in customer education for the benefit of customer as well as the Company?

A We are a financial services company and our business is life insurance which ensures financial protection for the customer. It hence becomes necessary that we invest in customer education and create awareness on insurance and other financial products in order to help them take informed financial decisions. The focus is to help the customer plan, save and grow their money so that they become financially secure. In today's

age, young people need to master this crucial life. We undertake a lot of initiatives which promote awareness and our customer education programme are implemented via face to face workshops, community trainings, digital campaigns and related authored articles in media. We also use our bank branches and the digital medium to effectively communicate this to the prospective customer.

Q How do you react to the mandatory CSR policy of Government of India under company's act as a matter of principle? How do you comply with the CSR provision?

A Jal Jeevan - Aarohan is our flagship CSR project. In Hindi, 'Jal' means water and 'Jeevan' means life – the project name was derived basis the fact that water is the elixir of life and therefore the need to use it responsibly as well as conserve it; 'Aarohan' in Hindi means ascent or to rise. The project focusing on a sustainable, watershed approach to conservation, village development and livelihood enhancement was planned for Pachala village in a semi-arid area of Rajasthan near Jaipur. The first objective was to build a water harvesting structure and make water available to the community for their

We encourage everyone in the organisation to participate and do their bit for the society and the environment. CSR is extremely important for me both at an official level as well as a personal level. I participate in the finalization of the projects for the financial year along with the internal CSR Committee members. During the year, I visit the projects and interact with the partner NGOs and the beneficiaries to see the impact of our interventions and understand their future needs.

A Life insurance, our business, is all about social security and protection i.e. aimed at the well-being of human beings and the society as a whole. We are committed to giving back to the community we operate in which includes other areas like caring for the environment, skill development, education etc. The spend on CSR which aims at building a strong nation through increased participation of all sections of the society is a welcome step and we are taking all steps to ensure that we make the most of it .

Q Which is your flagship CSR project?

daily needs which included promotion of safe drinking water and sanitation. The next step was to establish a skill centre to provide environment and other skill trainings for improving lifestyle and increasing income.. The project has impacted nearly 15000 people in 6 villages. It secured the interest of local communities thus leading to higher participation from them. Through mobilization efforts, education, trainings and capacity building, the communities understood the need to manage as well as conserve water and other resources. The water table of the region has improved - evident by 11 dry wells getting

recharged and water availability throughout the year & removal of salt and fluoride from the soil which has improved the health of the community. The increase in soil moisture has led to perennial, increased greener cover and has doubled the cropping pattern. An energy efficient structure for 'Aarohan' was set-up which focuses on renewable energy and promotion of solar technology for environment-related entrepreneurship skill trainings like mason training for building energy efficient houses, entrepreneurship training for solar mobile charging station, solar cooking and renewable energy promotion through biogas as well as introduction of a plant nursery to promote species that are not water intensive as well as commercially viable.



Q What is your personal level of involvement in CSR projects?

A We encourage everyone in the organisation to participate and do their bit for the society and the environment. CSR is extremely important for me both at an official level as well as a personal level. I participate in the finalization of the projects for the financial year along with the internal CSR Committee members. During the year, I visit the projects and interact with the partner NGOs and the beneficiaries to see the impact of our interventions and understand their future needs. I also participate in different initiatives organised by the CSR department and lead the annual CEO CSR initiative in which the senior management participates and interacts with the beneficiaries of our projects.

Q What positive impact your Company has made through CSR?

A Inclusion via education which covers consumer education, environment, sanitation & cleanliness are our focus areas. In FY 2016-17, under education for children we have

covered around 500 children from the underserved communities. We have supported vocational and environment training of around 2200 youth with a special focus on women. As of now around 70% beneficiaries are gainfully employed or have opened their own set-up. For financial literacy, this year we also took the digital route for a better impact and also directly reached out to 13,000 people via community trainings which included sessions on digital payment methods.

We have two rain-water harvesting projects in Phagi, Rajasthan and in Solapur, Maharashtra, in the areas facing perennial shortage of water. The one in Solapur is still in the implementation stage but the one in Phagi has led to increase in the water table, decrease in fluoride content and availability of water for the villagers through the year. 1700 villagers residing in Village Pachala where the structure was constructed and 13000 people in the adjoining 5 villages in Phagi benefitted from this initiative. Another project on the environment is in the difficult terrain of the Sunderbans in West Bengal where we have been able to help the Moulis or the honey collectors to obtain high quality honey with better quality pollen and via apiary boxes and raising

awareness on the tiger as an important link in the food chain thus aiding sustainable management of the forest resources and reducing the chances of man-animal conflict. For environment, we plant over 10,000 trees each year & focus on efficient resource management systems/process at work. We are associated with several global events to create public awareness on environment conservation & sustainability.

This year we have focused on sanitation (swachhta) by effecting behavior change via community engagement. This was in line with the national mandate of Swachh Bharat which our Prime Minister is pursuing.

Q Anything you would like to share with the readers of CSR VISION.

A We all make hundreds of decisions each day but when it comes to making a financial decision for the future, we just avoid taking the same for our self. If we plan and assess our needs; our financial lives will become simple. Prior planning along with a comprehensive financial solution can enhance the quality of life for a secure future. So the thumb rule is to evaluate the options available, decide and choose the right option at the right time. ♦