

## Canara HSBC eyes 99% claim-settlement ratio for individual policies in FY21: CEO

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Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited (CanaraHSBCOBCLife) is eyeing a claim-settlement ratio of 99 per cent on individual policies this fiscal, said a top official.

This will be higher than the FY19 level of 98.12 per cent, which was more than a 4 percentage point jump in the claim-settlement ratio of 94 per cent in FY18, Anuj Mathur, Managing Director and CEO, told BusinessLine.

"With this healthy claim-settlement ratio of 98.12 per cent, we are now in top quartile. Our overall claim-settlement ratio (which includes group insurance) is already 99 per cent. I am very confident this fiscal we will improve to 99 per cent on the individual front, too," he said.

Claim-settlement ratio is basically the percentage of insurance claims settled by an insurer compared to the total number of claims received.

The life insurer, which completed 12 years of existence on

Tuesday, has now launched a new initiative 'Insta Promise', where the company will settle claims within one day in respect of policies up to ₹1 crore and which have run for at least three years. This initiative is being rolled out from the customer-centricity perspective, he noted. Mathur also said the Indian-embedded value of the company as on March 31 stood at ₹2,907 crore, up 13 per cent over previous year.

The insurer has been generating profits for 8 years in a row, and the profit before tax in FY20 stood at ₹105 crore.

He ruled out plans to raise capital this fiscal, stating that company had a comfortable position on this front. There is also no immediate plan of any listing of the company even as he noted that this was a shareholders call.

From April 1 this year, Punjab National Bank - post its amalgamation with Oriental Bank of Commerce - has taken a 23 per cent stake (previously held with Oriental Bank of Commerce) in Ca-

naraHSBCOBCLife. While Canara Bank holds 51 per cent stake, HSBC Insurance (Asia Pacific) Holdings Limited has 26 per cent stake in the insurer.

For FY20, the company's gross written premium increased 13 per cent to ₹3,943 crore (₹3,491 crore). Individual new business premium income on weighted premium income grew 7 per cent at ₹975 crore (₹915 crore).

### **New products**

Mathur said that there has been strong demand for guarantee products during the Covid period, and the company plans to roll out new products in this space in FY21 during the current fiscal.

The life insurer plans to continue focussing on leveraging its bancassurance channel while expanding its digital channel penetration, he said.

"Our digital channel grew 100 per cent during April-May this year during the lockdown," he added.