

# In FY21, Canara HSBC OBC Life sees 'good growth' in new business premium

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Canara HSBC Oriental Bank of Commerce Life Insurance expects "good growth" in its new business premium in FY21 backed by rising demand for insurance in Tier II, III and IV towns, and enhanced reach following the recent consolidation of public sector banks.

The life insurance company is a joint venture between Canara Bank, HSBC and Oriental Bank of Commerce, which has now been merged with Punjab National Bank. Post the merger of Syndicate Bank with Canara Bank, it has gained access to additional 4,000 branches of the former.

According to Anuj Mathur, MD & CEO, Canara HSBC Oriental Bank of Commerce Life Insurance Company, while the life insurance industry is expected to grow by 10-12 per cent this fiscal, the company is likely to witness growth higher than the industry average.

The insurer had witnessed close to 6 per cent growth in new business premium to ₹969 crore in FY20.

"We had seen some impact on business due to the pan-



Anuj Mathur, MD & CEO, Canara HSBC Oriental Bank of Commerce Life Insurance

demic in April and May but since June it has been picking up and July was much better in terms of business. This is because of the increasing awareness among people for insurance products. The industry is in a much better shape now than in March and is expected to grow by around 10-12 per cent this fiscal. We are targeting a much higher growth," Mathur told *BusinessLine*.

## Rising demand

In the wake of the pandemic, there has been an increase in demand for pure protection and guaranteed plans among customers, both in urban and rural markets. Pure protection, which typically accounts for 4-5 per cent of the total busi-

ness for an insurer, has grown to nearly 14-15 per cent in the last four to five months, he said.

While the average ticket size of policy bought is lower compared to last year, volumes in terms of number of policies sold are higher this year.

The company has registered around 10 per cent growth in retail policies at around 38,522 policies in April-July 2020, against 35,082 in the same period last year.

"Customer requirement has been specific to two or three products, including pure protection and guaranteed plans. We are focusing on these two categories in a big way. We want to play in the volume segment and with the kind of reach we have, we are hopeful of tapping the growing demand from Tier II, III and IV towns," he said.

Bancassurance accounts for nearly 98 per cent of its total business. The insurer recently tied up with Andhra Pragathi Grameena Bank, a regional rural bank for the distribution of life insurance policies. It is looking to tie up with more RRBs to enhance its rural reach.