

## P R E S S   R E L E A S E

### **Canara HSBC Oriental Bank of Commerce Life Insurance in Top League Successfully Establishes Itself Amongst TOP TEN Private Players, Demonstrates Market Leadership in 13-Month Persistency Ratio and Launches Three Products Under 'SMART Solutions'**

- Established itself amongst TOP TEN private players within 26 months of launch
- Achieved the highest 13-month persistency ratio for private players at 88% for April-June quarter
- New products lay greater emphasis on protection along with long term wealth creation
  - Launched a traditional endowment product with Sum Assured Additions on every premium paid
  - Launched two flexible ULIPs in line with the new regulatory guidelines

#### **For immediate release**

**New Delhi, September 23, 2010:** Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited – a joint venture between two of India's largest public sector banks, Canara Bank and Oriental Bank of Commerce, and HSBC Insurance (Asia Pacific) Holdings Limited, has established itself amongst the top ten private life insurance players in India within 26 months of launch based on the latest fiscal year to date new Weighted Premium Income data published by the IRDA. Focusing exclusively on distributing through its shareholders and their associated companies, this achievement further testifies the strength of the bancassurance model in efficiently reaching both urban and rural customers.

With the 13-month persistency ratio ranging between 44-77% for private players, Canara HSBC Oriental Bank of Commerce Life Insurance Company achieved the highest 13-month persistency ratio amongst private players for April-June 2010 at 88%.

Speaking on the achievement, **Mr. Harpal Karlcut, Chief Executive Officer, Canara HSBC Oriental Bank of Commerce Life Insurance Company**, said: "One of the key metrics of quality of sale and customer satisfaction is persistency. High persistency is a reflection of the customers' trust in the Company and its products and services. Service initiatives like validation calling to capture correct customer data, welcome calling to initiate a human relationship with the customer and ensure he/she has understood the product they have purchased and a multi-lingual resolution (call) centre have helped the Company achieve the highest 13-month persistency ratio for April-June quarter. More interactive features have also been included in the new website and a customer portal launched recently."

In order to maintain high customer satisfaction levels, the Company under its SMART Solutions umbrella has launched three products – one traditional endowment plan and two ULIPs in line with the new regulatory guidelines. Based on research, the SMART Solutions category takes into account the shifting preferences of customers regarding life insurance and long term savings, with focus on lifecycle and lifestyle needs through simple and intelligent customization.

The two ULIPs - Canara HSBC Oriental Bank of Commerce Life Grow Smart Plan and Canara HSBC Oriental Bank of Commerce Life Dream Smart Plan are equipped with investment friendly features and provide flexibility to the customers to increase or decrease life cover as per their changing lifestyle needs. The traditional product, Canara HSBC Oriental Bank of Commerce Life Secure Smart Plan, is targeted at customers who want life cover but are not comfortable with market-linked savings and for whom safety and building a corpus through regular systematic savings is important. All products are designed with emphasis on the primary objective of Life Insurance which is protection along with long term wealth creation.

**Mr. Karlcut** said: "At Canara HSBC Oriental Bank of Commerce Life Insurance Company, all products have been designed on the basis of consumer insights gathered through extensive customer research. The

products provide comprehensive and flexible solutions to help customers fulfil their primary need of protection along with an opportunity to meet their financial needs through long term wealth creation. The products have been tailor-made to cater to the insurance needs of customers through transparency of features and simplicity of purchasing and servicing them.”

**Mr Karicut further added:** “Using the SMART Solutions umbrella, Canara HSBC Oriental Bank of Commerce Life Insurance Company aims to provide smart choices and cater to the diverse financial needs of the customers across different segments, at various life stages.”

Inspiring trust by continuing a tradition of the shareholding banks delivering products and services with strong customer value, the new life insurance plans are available pan-India through the 5,500 bank branches of Canara Bank, HSBC, Oriental Bank of Commerce, Pragathi Gramin Bank, Shreyas Gramin Bank, South Malabar Gramin Bank and HSBCInvestDirect Securities (India) Limited.

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## **Notes to the Editor**

### **1. Persistency**

Persistency during a period may be defined as the proportion of policies remaining in force at the end of the period out of the total policies in force at the beginning of the period.

### **2. Product Features**

#### **Canara HSBC Oriental Bank of Commerce Life Secure Smart Plan**

This product caters to mass market customers who are looking for guaranteed benefits at affordable prices, and are more conservative in terms of investment risk. With this product, the policyholder can plan for long term savings for milestones like buying a house, children’s higher education, children’s marriage etc.

The unique propositions of the product are Sum Assured Additions and Guaranteed Sum Assured at maturity. The rate of Sum Assured Additions is not fixed but is linked to a benchmark interest rate i.e. the 5-year constant G-Sec yield. Hence, as the interest rates on Government Bonds change, the Sum Assured Addition on every premium payment will change. For example, if the 5-year G-Sec rate is 7.5%, the Sum Assured Addition will be 5.18% of Sum Assured.

The plan also a unique discount structure of 3 levels of discounts – there is a discount available in the plan for women, for high Sum Assured and also for annual and semi-annual mode of premium payment.

#### **Key Benefits:**

- **Guaranteed Benefits at Maturity:** The Sum Assured is guaranteed at maturity along with all Sum Assured Additions added at time of each premium payment
- **Death Benefits:** Sum Assured along with accrued Sum Assured Additions
- **Sum Assured Additions:** Policy benefits are enhanced with additions with every premium paid
- **Tax benefits\*:** are available under the plan as per Income tax Section 80C for the premiums and section 10(10D), as per Income Tax Act,1961

### **Canara HSBC Oriental Bank of Commerce Life Growth Smart Plan**

A flexible unit-linked Whole Life Plan that enables customers to save for various goals and financial responsibilities throughout their life and also provides the option to modify the plan based on their growing needs, as and when required.

#### **Key Benefits**

- Life cover throughout the life of the customer
- Choice of premium paying term based on one's needs
- Additional allocation of units in the fund value
- Reduced charges as per the new IRDA guidelines applicable from September 1, 2010

#### **Other Flexibilities**

- In-built option to increase or decrease the life cover anytime during the policy term
- Option of 5 funds – providing equity exposure from 0% to 100% to suit the risk appetite of different customers
- Other options like Switching, Redirection and Liquidity
- Tax benefits under Section 80C and Section 10(10D), as per the Income Tax Act, 1961 to maximize one's investments.

### **Canara HSBC Oriental Bank of Commerce Life Dream Smart Plan**

A unit-linked Endowment Plan, with flexible features to help customer plan his/her financial requirements efficiently and effectively, it helps ensure that nothing comes between the customer and his dreams.

#### **Key Benefits**

- Choice of premium paying term based on one's need
- Additional allocation of units in the fund value
- Reduced charges as per the new IRDA guidelines applicable from September 1, 2010
- Minimum Sum Assured of 10 and 7 times annual premium, for life assured below 45 years and above 45 years, respectively

#### **Other Flexibilities**

- In-built option to increase or decrease the life cover anytime during the policy term
- Option of 5 funds – providing equity exposure from 0% to 100% to suit the risk appetite of different customers
- Other options like Switching, Redirection and Liquidity
- Tax benefits: Under Section 80C and Section 10(10D), as per the Income Tax Act, 1961 to maximize one's investments.

### **About Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited**

[www.canarahsbclife.com](http://www.canarahsbclife.com)

Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited was launched in June 2008 and is jointly owned by two of India's largest public sector banks – Canara Bank (holding 51%) and Oriental Bank of Commerce (23%) – and HSBC Insurance (Asia Pacific) Holdings Limited (26%), the Asian insurance arm of one of the world's largest banking and financial services groups – HSBC.

The Company has exclusive access to around 53 million customers and a pan-India network of over 4600 branches of Canara Bank, HSBC and Oriental Bank of Commerce. The formidable distribution strength and in-depth local market knowledge of Canara Bank and Oriental Bank of Commerce coupled with the considerable insurance experience, product range and proven bancassurance capabilities of HSBC make this an unparalleled union of financial strength, expertise and most importantly, trust.

Canara HSBC Oriental Bank of Commerce Life Insurance Company understands that today innovation is a key differentiator. Keeping market and demand forces in mind, the Company currently offers 8 products - 2 unit-linked and 6 traditional. Individual unit-linked products include Grow Smart Plan and Dream Smart Plan and traditional products include Secure Smart Plan, Pure Term Plan and Immediate Pension Plan. Group Products include Group Term Plan, Group Loan Protection Plan and Group Traditional Plan on traditional platform.

The Company currently has 29 offices across the country (in 27 cities) to provide necessary training and coaching support to the bank staff and ongoing service support to over 900 bank branches (with SPs) selling its products in 316 locations. Out of 316 locations, around 80 locations are in semi-urban and rural areas.

To deliver affordable insurance solutions to address the needs of the rural population, the social sector and economically weaker sections of the society, especially those who have none or very little access to organised financial services, the Company tied up with three Rural Regional Banks (RRBs) – Pragathi Gramin Bank in Karnataka, Shreyas Gramin Bank in Uttar Pradesh and South Malabar Gramin Bank in Kerala. Through a strong network of around 790 branches of the three RRBs, Canara HSBC Oriental Bank of Commerce Life Insurance Company will reach out to more than 7 million customers in addition to the existing customer base of 53 million.

The backbone of the Company's operations is a highly IT-enabled business model and policy administration system, including 'E-Application' which has replaced physical application forms required during sales. This has resulted in higher quality and faster policy issuance.

The Company is the fastest Indian life insurance company to cross Rs 500 crore and Rs 1000 crore in weighted premium income till date and it also has the highest average premium per policy in the industry for individual business since launch.

Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited closed FY 2009-10 with Rs 861.3 crore in gross written premiums, recording a growth of 189% over FY 2008-09.

Since launch on June 16, 2008 to August 31, 2010, the Company's business in terms of Gross Written Premium (GWP) stood at Rs 1,655.8 crore and the number of policies sold are 1,82,880.

The Company's total capital base currently stands at Rs 725 crore.

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