



## P R E S S   R E L E A S E

# Canara HSBC Oriental Bank of Commerce Life Insurance Posts Maiden Profit in its Fifth Year of Operation

*Achieved through efficient distribution, focus on regular premium business and need-based selling ensuring a high persistency*

### **For immediate release**

**New Delhi, May 1, 2013:** Canara HSBC Oriental Bank of Commerce Life Insurance reported its maiden profit of Rs 23.5 crore in FY 2012-13, its fifth year of operations; the Company is one of the fastest amongst private life insurers to have achieved this feat.

Distributing exclusively through its shareholder-banks and associates, Canara HSBC Oriental Bank of Commerce Life Insurance's achievements demonstrate the strength of the bancassurance model in efficiently reaching both urban and rural customers through the reach of the banks' branch networks.

Strong focus on need-based selling and regular collection of renewal premiums has ensured that the business remains stable and sustainable. For FY 2012-13, 13th-month persistency (a measure of how many policies remain in-force) stood at 75.3% and 25th-month persistency stood at 87.7%, amongst the highest in the industry.

Canara HSBC Oriental Bank of Commerce Life Insurance garnered premium income of Rs 344 crore in March 2013 and closed the fiscal with Rs 1912 crore, issuing 390,974 policies since launch. The Company also exceeded its rural and social sector sales goals for FY 2012-13, as it has done in all previous years.

Canara HSBC Oriental Bank of Commerce Life Insurance has a strong solvency ratio at 384% against the regulatory requirement of 150%. Owing to sound financial management and cost efficiencies built in from day one, the Company has one of the lowest Opex to premium ratios in the industry, at 13%.

**Mr R K Dubey, Chairman & Managing Director, Canara Bank and Chairman, Canara HSBC Oriental Bank of Commerce Life Insurance, said,** "As Chairman and major shareholder, I am delighted to see our company achieve its first profit, which repays the faith we have invested in our joint-venture. Bringing together three great banks with an integrated insurance proposition means that we can be confident of the product offering, systems and customer service."



**Mr John Holden, Chief Executive Officer, Canara HSBC Oriental Bank of Commerce Life Insurance, said,** “While a lot has changed in the last five years, we are confident of sustained profitable growth; we have the right business model and we have the right business partners. Our focus on regular premium policies, which is closely aligned to the long-term nature of life insurance, has ensured continuous inflows and helped to build sustainable income to support the cost base, delivering a path to profitability. Our philosophy is based on propositions aligned to the core needs of customers, which don't change even if the platform or product structure does and we welcome the pro-consumer product regulations introduced by the IRDA.”

**Mr Holden added,** “It is indeed encouraging to see our Company on a firm footing with a strong and now profitable growth trajectory, in such a short span. Our achievement is a result of the commitment of our banks and employees in meeting the insurance needs of their customers.”

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### **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 60 million customers and a pan-India network of over 5500 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.

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 no 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 that have a network of over 800 branches and reach out to more than 8 million customers.



Canara HSBC Oriental Bank of Commerce Life Insurance Company understands that today innovation is a key differentiator. Based on customer needs, the Company currently offers 13 products – 4 unit-linked and 9 traditional; 7 out of these are individual and 6 are group products.

The Company is the fastest Indian life insurance company to cross Rs 500 crore, Rs 1000 crore, Rs 1500 crore, Rs 2000 crore and Rs 2500 crore in weighted premium income till date. Since launch on June 16, 2008 to March 31, 2013, the Company's business in terms of Gross Written Premium (GWP) stood at Rs 6444 crore and the number of policies sold are 390,974.

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