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Gramin Bank in Uttar Pradesh and South Malabar Gramin Bank in Kerala. Through a strong network of around 790 branches of the three RRBs, the company reaches out to more than seven million customers in rural areas. This is in addition to the customer base of the three shareholder banks' rural customers.

As regards profitability, Perez says new business is often considered as main factor leading to profitability, and persistency and operating expenses take a back seat. "We believe persistency is one of the key metrics of quality of sales and customer satisfaction. High persistency is a reflection of the customers' trust in the company and satisfaction with its products and services. Higher persistency comes from the fact that right products are sold to the customers and supported with best in class customer service. We continue to maintain the highest 13-month persistency ratio at 85% amongst private players. Bancassurance has helped us achieve this."

INDUSTRY FIRST INITIATIVE

He says the company launched an industry first initiative, 'Immediate Payouts on Death Claim,' which ensures that in case of death of an insured person, the deceased's family will receive the fund value immediately on registration of death claim under unit-linked policies. Some of the focus areas that have helped in the highest persistency are ease of payment through Standing Instruction/ Electronic Clearing Service mode apart from several other payment options which helps the customer contractibility right at the beginning leading to better persistency subsequently, timely payment reminders through multi-modes, dedicated field presence through face to face model for any lapsed cases and dedicated distributor persistency MIS in place. It has also launched Life Insurance Simulator, an interactive financial need assessment software that takes the customer through a series of simple steps to assess the amount he requires for each of his needs and if his current savings and investments are adequate to fulfill them. LIS is available in many languages.

Some of the key issues faced by the life insurance companies in general, according to Perez, are lower penetration, educating the customers on financial products and a need-based sales approach. "Most companies are now evaluating their business models and focus is now on persistency, operational efficiency, productivity of distribution channels and profitability, which remain the key challenges," he adds.

He feels that in the coming decade, the Indian life insurance market will mature further while focus on customer value will continue. "There is a lot of scope for increasing the customer's level of understanding and awareness about financial planning and the role of insurance and financial protection in his/her life. In the coming decade, I think the industry along with the distribution partners will address this issue to a large extent," says he.

"We expect insurers to re-look at their target base and specific solutions and products which better address and are more specific to the needs of the people. This is a trend in other emerging and developed markets," he adds.

mehul@bankingfrontiers.com

This is Our Life — Rajneesh Kapoor