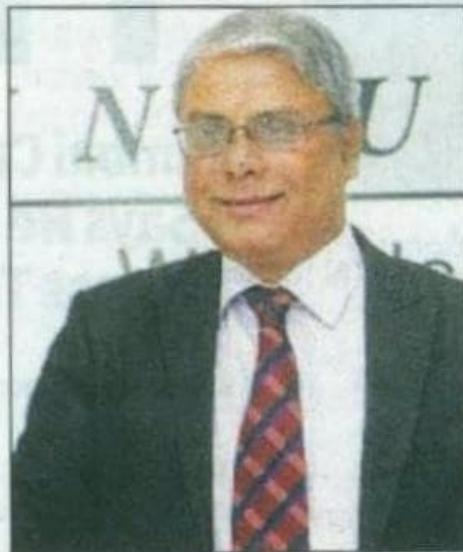


# Spectacular growth can be a double-edged sword: CEO

TIMES NEWS NETWORK

**Chennai:** SBI Life Insurance displaced ICICI Prudential's more than 15-year reign as the leader of the life insurance industry in 2016. Since then the company has been widening the gap with the competition. In an interview with TOI, SBI Life Insurance MD & CEO **Arijit Basu** tells us about its growth curve and focus on quality. *Excerpts:*



## ONE-ON-ONE

**SBI Life now commands more than one-fifth the private life insurance market and booked Rs 10,145.76 crore premium as of March 2016-17. How much of this growth is because of State Bank of India?**

All our sales channels have contributed. If we'd relied only on our bancassurance channel we wouldn't have seen this kind of growth. Our bancassurance channel contributes 60% to new business and our agency channel 35%; the rest is from corporate agency and emerging online sales. We have only scratched the surface, when it comes to our potential sales from SBI's 50 crore plus customers. Of our 2 crore policies, less than 1 crore have come

from SBI. A few years ago, only 12% SBI banking branches saw active sales; today the figure has improved to 25% active branches. We are hoping to increase that to 50-60% of branches in the next four-five years.

**With the merger of SBI with its associate banks, do you see an increase in business potential?**

We were already getting business from SBI's associate banks, now it will increase. We ramped our training and now have 35,000 SBI employees as specified persons; this compares to 25,000 specified persons last year. When it comes to individuals agents we've added

5,000 agents this year and in total have 95,000 agents on the field.

**Are you looking at aggressive growth for 2017-18?**

Spectacular growth can be a double-edged sword. We don't want to grow at the cost of prudence. First and foremost we want to ensure, we will always be well equipped to service claims. In terms of quality parameters, we have improved our 13 month (1 year) persistency rate to 81% and 65-month (5 year) to 69%. Despite rapid growth, we've managed to bring down instances of mis-selling. Our ratio for mis-selling is at 0.20%, far better than our peers at 1-1.2%. When it comes to paying claims, we have improved our settlement ratios from 92% to 98%.

**With the industry facing a high attrition rate when it comes to insurance agents, how is SBI Life faring?**

We've also had difficulties in retaining agents. But we've managed to bring down our attrition rates. Our agents bring in Rs 2.2 lakh per year in new business, compared to other leading insurers' figures of Rs 1.8 lakh a year.