

SBI Life lifts premium bar

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Mumbai, Aug. 28: SBI Life Insurance, the joint venture of the State Bank of India and BNP Paribas Cardif, is targeting to become the top private insurer in individual new business premium.

Among the private players, SBI Life is the leader in total new business premium for the last three years.

"We hope to pre-eminently become the top player in the private sector. We already hold the first position in terms of new business — group and individual premium combined. But, in individual business premium, we are the second. Therefore, our endeavour is to become the No.1 player there. Moreover, there are several other quality parameters such as persistency ratio where we would like to lead as well," Arijit Basu, managing director and chief executive officer of SBI Life, told **The Telegraph**.

During the first quarter ended June, SBI Life grew faster than the industry on key parameters. Total new business premium grew 78 per cent to Rs 1,866 crore against a growth of 33 per cent by



Basu: High hopes

the industry.

One of the key reasons behind the pick-up in both the number of policies sold and premiums obtained has been the strong performance by the company's distribution channels such as agency and bancassurance. Online policy sales also picked up.

The company's agency channel (called advisers) have also reported higher productivity. At present, the productivity of its agents in terms of premium is around

Rs 2.2 lakh per year compared with Rs 1.6 lakh a couple of years ago. The average agent productivity in the private sector is below Rs 1 lakh.

"We undertook several measures with regard to customer engagement, engaging with the distributors and understanding their requirements. We also have frequent training and learning sessions for the advisers.

"As a result of our efforts, at a time the overall market was relatively muted and individual agent productivity was bit of a challenge in 2015-16, we had over 15 per cent growth against the industry's minus 5 per cent growth," he said.

SBI Life had close to 93,000 advisers at the end of March and plans to add another 10,000 this year.

In bancassurance, more than 8,000 branches of the SBI and its associates are now selling SBI Life policies, up from around 4,000 earlier.

The company saw its 13-month persistency rising to nearly 78 per cent, a growth of almost 200 basis points over the preceding year. It hopes to cross the 80-per-cent mark this year.