

SBI Life displaces ICICI, HDFC to become top pvt life insurer in 2016

LIC Continues To Retain Competitive Edge, Increases Agency Penetration

Rachel.Chitra@timesgroup.com

Chennai: In a game-changer of sorts, some private life insurers lost out, while others like SBI Life Insurance and Bajaj Allianz Life Insurance gained in market share as of March 2016. SBI Life shot ahead of ICICI Prudential Life and HDFC Standard Life to become the top private life insurance company with 5.1% market share.

ICICI Prudential despite seeing an increase in market share to 4.9% from 4.7% last March came in second, while HDFC Standard actually saw a dip to 4.7% from 4.9% the year ago. Jostling for fourth and fifth positions, both Bajaj Allianz Life and Max Life Insurance saw their market share come down 2.1%. Bajaj Allianz, however, stayed a toe ahead of Max Life in the race for new individual business by booking more in premium revenue for 2016. In what would come as a

GAME CHANGER

SBI LIFE SHOOTS AHEAD OF ICICI PRUDENTIAL, HDFC STANDARD LIFE

RANKING	LIFE INSURER	MARKETSHARE	
		Mar-16	Mar-15
1	SBI Life	5.10%	4.90%
2	ICICI Prudential	4.90%	4.70%
3	HDFC Standard	4.70%	4.90%
4	Bajaj Allianz	2.10%	2.40%
5	Max Life	2.10%	2.30%
6	Birla Sun Life	1.60%	1.70%
	PRIVATE TOTAL	29.60%	30.80%
	LIC	70.40%	69.20%

surprise, LIC retained its edge and saw a higher level of agency penetration. The public-sector giant actually saw its market share increase to 70.4% from 69.2% last year, even as the market share for private sector companies went down to 29.60% from 30.80%.

SBI Life credits its surge ahead to increasing strength in its agency network and its bancassurance channels.

"While the industry witnessed a slight degrowth in individual new business from its agency force, we actually saw a growth in sale from our agents; second only to LIC. SBI Life's individual new business grew 37% to ₹4,980 crore beating the industry average of 15%-16% growth. Total new business grew 29% to ₹7,100 crore," says Arijit Basu, MD & CEO, SBI Life Insurance Co.

Bancassurance, synonymous with SBI Life and its parent/promoter State Bank of India (SBI), grew as much as 50% to ₹3,100 crore. "While bancassurance has always been an important distribution channel for us, we didn't really use it to its full potential. We have now ramped up our engagement and are trying to access all of SBI's 16,000 bank branches and 6,000 branches of its five associate banks," says SBI Life's Basu.

Private insurer SBI Life has also trained 25,000 SBI bank employees to be specified persons, who can sell insurance products. Another inflexion point for SBI Life is its participation in government sponsored schemes for the underprivileged. "We have done ₹490 crore business in group retail, including the Pradhan Mantri Jeevan Jyoti Bima Yojana. We have covered 63 lakh lives under the scheme and have paid out as many as 7,396 claims as

of March 31, 2016," says SBI Life CEO.

Bajaj Allianz Life Insurance Co, which managed to inch past competitor Max Life Insurance Co, attributes its growth to its multi-prong approach. "We are looking at all avenues for growth - individual agents, banks, brokers and direct online sales. We've already tied up with quite a few banks and this distribution channel has widened for us with the new regulations that allow multiple corporate agency tie-ups," says Anuj Agarwal, CEO & MD Bajaj Allianz Life Insurance.

While Kotak Life Insurance and Tata AIA Life Insurance were able to marginally increase their market share to 1.60% and 0.50% respectively, Birla Sun Life, Reliance Life and Exide Life Insurance Co saw a dip in market share. When it came to ranking, Birla Sun Life came in sixth, followed by Kotak Life, Reliance Life, Tata AIA and Exide Life.