

# SBI Life to take over 200,000 Sahara policies

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The Insurance Regulatory & Development Authority of India (Irdai) has identified SBI Life Insurance to take over liabilities of about 200,000 policies of Sahara India Life Insurance (SILIC) as the latter failed to comply with regulatory directions, amid deteriorating financial health after being put under restrictions in 2017.

The insurance regulator has appointed a panel of Irdai members from life, actuary and finance and investments to take necessary steps to ensure smooth transition for all policyholders of Sahara Life.

"SBI Life has been directed to take adequate steps to reach out to SILIC policyholders, with regard to servicing of policies, including setting up of a dedicated cell to address queries of policyholders of SILIC, and also publish necessary details on their website," Irdai said.

SBI Life's new business premium collection in April was ₹1,336.87 crore — up 8 per cent from the same period of previous year. For FY23, SBI Life — one of the leading private sector life Insurance companies in the country — collected a new business premium of ₹29,587.6 crore, up 16.22 per cent from the previous financial year.

"We are expeditiously working on the process of integrating all these policyholders in our systems. While the full integration may take some time, we request these policyholders to reach out to us on our help-line number," SBI Life said in a statement.

"We will shortly reach out to the policyholders and intimate them of our various touch points and manner of servicing for a smooth transition," SBI Life added.

SBI Life, which has 990 branches across the country, serves 49,036,079 policyholders.

The insurance regulator said Sahara India Life, which was granted an insurance licence in February 2004, failed to take any steps to protect policyholders' interests despite being provided ample opportunities and sufficient time, and the portfolio of the company was showing a run-off trend. The financial position was deteriorating with rising losses.

"The financial position has been deteriorating with rising losses and higher percentage of claims to total premium. If the trend is allowed to continue, the situation will worsen and lead to erosion of capital and SILIC may not be able to discharge its liabilities towards policyholders, thereby endangering the interest of its policyholders," Irdai said.

## SBI...

"After due consideration of all facts and circumstances, the authority in its meeting on June 2, 2023 decided that action is warranted to protect the interest of the policyholders of SILIC. Accordingly, in exercise of its powers under sub-section (2) of Section 52B of the Insurance Act, 1938, the authority decided to transfer the life insurance business of SILIC to another suitable life insurer with immediate effect," Irdai said.

Irdai said it will continue to monitor the situation and issue necessary directions as required in the interest of the policyholders of SILIC.



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