

'Pension sector won't take off unless certain issues are addressed'

Private life insurer Bharti AXA Life Insurance is looking at continuing the strategy of expanding its suite of products, at a time when peers are going slow owing to changes in traditional product guidelines. In an interview with M Saraswathy, company's Managing Director & CEO, SANDEEP GHOSH, talks about its strategy and plans for the fiscal. Expects:

The company has been strong on the individual segment. Will there be a shift to the group segment?

We as a company, have chosen to focus primarily on the individual segment. On the group side, we are very active in the credit-life, credit-shield product. We currently don't do group retirement solutions or group medical. We are exploring it. The company wants to ensure that when we get into the segment, we have the right product mix and right economics. It is on the radar.

At a time when several players are seeing dip in premiums, you have seen a rise. What is your premium growth

target for 2013-14?

To be fair, we were coming of a relatively small base. We have grown 15 per cent in FY13. For FY14, we are targeting 35-40 per cent growth rate. Now in saying that, given our base, it is achievable. The overall industry growth can make that easier to achieve or harder to achieve. But, irrespective of industry's growth, 30 per cent plus growth rate in the new business premium is what we are confident of achieving.

Companies are going slow on new products as they are busy with refilling. Will you follow a similar strategy?

Some of our new products are already compliant with new guidelines. We are making sure that any new product we file is compliant with new guidelines. The existing products can be sold till September.

We will not put a full stop on launching new products. We feel that when the regulator has clearly communicated as to the minimum standards that they expect, rather than play a waiting game, we rather fall in line with the minimum standards and comply with them.

But why have you been absent from the pension space?

There are still a lot of factors which are inhibiting life insurance companies to compete effectively in pension space. Insistence of annuity being bought from same insurer, no partial withdrawal; these issues are continue to inhibit our ability to come up with a compelling proposition in the pension space.

Unless, these issues are addressed, we don't see pensions taking off. In anticipation of a change in section 80C for pension products, some companies launched pension products. We did not. This is because we thought that even if you give some tax relief, fundamental structural constraints

within the current product will inhibit the growth. Till those get addressed, we don't want to re-enter the space in an aggressive manner.

Bharti AXA has popularised the concept of dedicated claim handlers. How successful has it been in bringing down processing time?

Dedicated claims handler is available for all our customers-individual, group and online-who will hand-hold the claimant through the claims process. Here, instead of calling up a call-centre, one gets the name and contact details of one individual. This claims handler is usually a localite as claims processing is better if the conversation is done in a local language.

Products between various companies in life insurance space are not very differentiated. Good service is an area where we can differentiate. Dedicated Claims Handler is an effort to build and make individuals feel positive about the claims process. So, it wasn't a defensive strategy, but its a proactive strategy to let people have a positive claim experience. We launched it in August 2012 and advertised in March.

Between August and March, we have processed close to 2,000 claims. In all cases (except eight to nine cases where investigations needed to be done), our turnaround time in a death claim was under 20 days.

For full interview, visit: www.business-standard.com



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