

**In the News**

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**Reliance Nippon aims to grow premium income to ₹4,500 cr in FY19**

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Reliance Nippon Life Insurance Company expects around 10 per cent growth in premium income to ₹4,500 crore in FY19, when compared to the ₹4,100 crore last year.

According to Ashish Vohra, Executive Director and CEO, Reliance Nippon Life, the first-year premium is expected to record 11 per cent growth to ₹1,000 crore (₹900 crore last year), while renewal premium is likely to grow by over 9 per cent to ₹3,500 crore (₹3,200 crore).

“Penetration of life insurance as a percentage of GDP in India is only around 2.7 per cent, when compared to the world average of around 6 per cent. As the level of awareness and familiarity for insurance products increases, there should be a rise in penetration levels. We expect the In-

dian life insurance industry to grow by around 10 to 15 per cent on a year-on-year basis,” Vohra told *BusinessLine*.

Reliance Nippon Life expects its profit to grow by over 50 per cent by the end of this fiscal. The company had recorded a profit of around ₹26 crore last year. The company, which has a solvency ratio of around 260 per cent, is adequately capitalised to meet its growth needs, he said.

**Product portfolio**

The company has around 15 products across traditional, ULIPs, and protection plans. It is looking to launch four to five new products across various categories each year. Nearly 65 per cent of its premium income comes from traditional plans, 30 per cent from ULIPs, and another 3 to 5 per cent from other plans, including pure protection and



Ashish Vohra, ED and CEO, Reliance Nippon Life DERASISH BHADURI

cancer protection plans, among others.

Vohra does not expect significant growth in the ULIP category, primarily due to people’s perception of uncertainty in the stock markets. However, pure protection plans have been on an upswing as there is a lot of buzz around these products.

The company has close to

one crore customers at present. In terms of the number of policies sold, the share of pure protection is around 3 per cent. This is expected to grow to 6 per cent by the end of next fiscal, riding on the back of growing awareness and more number of products being launched, he said.

“In the last 12 months we

had launched two new products in pure protection and one in cancer care. We would like to introduce one or two more products in the segment next year,” he said.

Reliance Nippon is largely driven by its agency and direct selling model for distribution. While agency contributes to 50 per cent of its total business, direct selling accounts for around 25 per cent. The company, which has around 727 branches, including close to 180 exclusive all-women branches across the country, has received board approval for opening 75 more branches over the next one year.

“We have board approval to open 75 branches; depending on the need to expand and subject to receiving the requisite regulatory approvals, we might expand our branch network,” he said.