

## Reliance Life FY15 Profit Drops 62% to ₹135 crore

**Kolkata:** Reliance Life Insurance Company, a unit of Anil Ambani-led Reliance Group, said its profit before tax fell 62% in the year to March 2015 on higher allocation for statutory reserves.

Reliance Life's chief executive officer Anup Rau told **ET** that the company added ₹147 crore into the reserves, which contributed to the fall in profit to ₹135 crore from ₹359 crore in the previous fiscal.

"We are trying to strengthen our long-term prospects," Rau said.

The insurer has decided to focus on selling more traditional and long-term products this fiscal and stop pushing unit-linked policies. Its first year premium collection grew 7% to ₹1,200 crore in 2014-15, while renewal premium grew 9% to ₹2,551 crore.



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The insurer, a 74:26 joint venture between Reliance Capital and Japan's Nippon Life, is also in the process of hiring 20,000 new agents and weed out the ones who have stopped servicing customers.

"Customers should not suffer because some of the agents stopped working," Rau said.

The company has about 8,00,000 agents and close to 15% of them are no longer servicing customers, he said.

About 80-90% of the insurance agents are part-timers in India.

Rau said Reliance Life's claim settlement ratio improved to 94% from 88% last year.

New premiums for the sector declined 12.9% in the first nine months of the fiscal to ₹73,777 crore with Life Insurance Corporation of India reporting a 21.4% dip to ₹51,667 crore, according to statistics collated by Insurance Regulatory & Development Authority of India.

Life insurers in the private sector, however, saw their collective first year premium growing 16.6% in the nine months to December 2014 on strong growth in unit-linked insurance products.