

Reliance Life plans to focus on traditional schemes

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LEADING private sector insurer Reliance Life Insurance says it is focusing on traditional products and agent productivity to boost insurance penetration in the country.

Reliance Life, part of Anil Ambani-led Reliance Group's financial services arm Reliance Capital, has undergone a significant product portfolio change, with 80 per cent of its business now coming from traditional products, and only 20 per cent from unit-linked products.

"At present, our portfolio comprises about 80 per cent traditional plans and 20 per cent Ulips. We will continue to focus more on traditional products over Ulips, with a view to boost the penetration of insurance in India," Reliance Life CEO Anup Rau said.

"The company expects this trend to continue for some time," he said, adding that the new regulations make the traditional products more transparent and customer-friendly due to larger life cover and higher flexibility.

The Insurance Regulatory and Development Authority (Irda) has extended the deadline of new product regulations for the life insurance industry to January 1, 2014, from October 1 earlier.

The new guidelines have categorised life insurance products into three broad categories — traditional insurance plans, variable insurance plans (VIPs) and unit-linked plans. It has reduced commission on short-term policies, while commission has been linked to the premium paying period for all products.