

Reliance Life clocks 196% growth in new biz premium
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Reliance Life Insurance has registered a 196 percent growth in new business premium at Rs 2,754 crore in 2007-08 against Rs 930 crore in the previous year. P. Nandagopal, CEO, Reliance Life Insurance said that the growth could be attributed to the significant expansion of the company's distribution network. "The agency force was increased by 1 lakh to 1.75 lakh in 2007-08. We also added 600 branches in the last one year which has taken the network to 744," Nandagopal said. The company has followed a conscious strategy to set up most of its branches in smaller towns as both the real estate as well as employee costs work out to be much lower. "Only 30 percent of our business comes from the top 25 cities. The balance 70 percent comes smaller towns," Nandagopal said. In current fiscal, the company plans to sustain over 100 percent growth by doubling its agency as well as branch network. The company has a capital base of Rs 1,300 crore, of which Rs 600 crore was infused in 2007-08. "As renewal premium catches up with new business premium, our expenses will reduce. We expect to break even by 2010-2011 and until then we may require an additional Rs 700 crore of capital," Nandagopal said.