

Rel Life to add new pension, health products
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Reliance Life will soon increase its range of pension products and health plans. The insurance firm is also awaiting approval from the Insurance Regulatory and Development Authority (IRDA) for brand expansion through agency and direct marketing channel.

However, the details of health and pension products were not disclosed.

In an interview with Financial Chronicle, Reliance Life chief executive officer P Nandagopal said: "We have 745 offices at present and our aim is to go deep and wide. We will go for brand expansion through the agency channel and the direct marketing channel."

"We will set up a separate unit to target some customers and go in for deep penetration through alternate channels such as corporate agencies and franchisees," he added.

Asked about the possible impact of a raise in the foreign direct investment cap in the insurance sector from 26 percent to 49 percent, Nandagopal said insurance being a capital-intensive industry, the impact may not be that big. "As of now, there will not be a huge impact of the raise in FDI limit. But in the long run, the industry as a whole will welcome both domestic and international funds," he said.

For the first quarter of the financial year, Reliance Life earned new business premium of Rs 557 crore, an increase of 173 percent over the same period last year.

Commenting on the trends in the life insurance market, Nandagopal said the interior markets are responding more favourably to insurance than the urban areas since the distribution levels have improved. Among other things, there has been a slow but steady rise of pension and health products, he said.

"People are looking at protection from a different point of view and that's a welcome feature. Trends are going towards alternate distribution channels," he added. He said that the present market volatility gives an advantage to build a better portfolio. "There is a lot of scope for investment in Ulips in tier II and tier III cities," he said.