

Reliance Life in cash drill

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Calcutta, Sept. 9: Reliance Life Insurance Company, an associate company of Anil Ambani's Reliance Capital Ltd, plans to infuse fresh capital of Rs 1,000-1,200 crore in the remaining seven months of the current financial year.

"Around 40-45 per cent of our new business comes in the January-March period. So, capital infusion worth Rs 700 crore will take place between January and March next year," said P. Nandagopal, president and chief executive officer of Reliance Life Insurance Company Ltd.

Reliance Capital, the promoter of the life insurance venture, will pump in Rs 300-500 crore between September and December this year.

"Our capital base at the end of August stood at Rs 2,000 crore," Nandagopal said. The capital infusion will increase the capital base to Rs 3,000 crore within three years of its operation.

In 2005, Reliance Capital acquired 100 per cent equity of Chennai-based AMP Sanmar Life Insurance for Rs 400 crore and the business was transferred to Reliance Life Insurance Company.

"Till August in the current financial year, we earned Rs 1,112 crore premium income from new policy sales. This was 117 per cent higher than what we had done during the same period last year," Nandagopal said. In 2006-07, Reliance Life Insurance reported a first premium income of Rs 2,754 crore and a total premium income, including renewals, of Rs 3,500 crore.

The company has filed prospectus with the Insurance Regulatory and Development Authority for three products. "We hope to launch two products before the end of December," Nandagopal said. While he declined to give further details, he said these would be unit-linked.

Reliance Life, with 745 branch offices, plans to double its network by the end of the current financial year and recruit about one lakh agents in the next six months. The insurer has already increased the number of development officers and sales managers to over 33,000 by the end of August from 17,000 last year.