

Reliance Nippon Life targets renewal premium income

TIMES NEWS NETWORK

Kolkata: Reliance Nippon Life Insurance Company (RNLIC), an arm of Reliance Capital of Reliance ADAG, is focusing on renewal premium income in order to boost its bottomline. RNLIC had witnessed a marginal growth in renewal premium in financial year ended March 16 at Rs 2,840 crore from Rs 2,550 crore in 2014-15.

However, there was a drop in new premium income of the company to Rs 894 crore from Rs 1,064 crore. The chief agency officer of Reliance Nippon Life, Manoranjan Sahoo, told reporters here that the company has set a target of Rs 3,000 crore from renewal premium in the current

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fiscal. Sahoo was here in the city to introduce increasing money-back plan, a new offering from the life insurer in traditional platform.

Sahoo added that Reliance Nippon Life had a degrowth in new premium in 2015-16 because the firm was churning its portfolio from ULIP (unit link insurance plan) to traditional.

"In the last fiscal, we were at transition for which there was a drop in new premium income. We have set a target of 80% of our portfolio to be traditional from the current level of ULIP," he added.

Sahoo pointed out that RNLIC is now giving special emphasis on renewal because it improves the financials and is beneficial for the customers as well. It has a renewal ratio of 60% nationally and it has set a target of 70% for the current fiscal. In West Bengal, the renewal ratio is even lower at 58%. Elaborating the plan for new business, the chief agency officer added that it has a plan to cover one lakh lives nationally in 2016-17. In Bengal, it has set a target to cover 10,000 life in this fiscal. It is planning to add 4,000 life advisers in the state taking the number to 9,000.