

Reliance Nippon Life eyes entry into top 5 club

Will take up network expansion after three years to achieve this aspiration: CEO

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Reliance Nippon Life Insurance, a non-bank-promoted private life insurer, aspires to be among the top five in the life insurance industry's pecking order, a top company official said.

The life insurer is currently ranked eighth in the industry on total premium basis.

"I certainly want Reliance Nippon Life to be in the top five. For this to happen, several of our innovations have to succeed. There is a strategic intent to be a large player and within the top-five league. It's too early to commit to a timeline," Ashish Vohra, Executive Director & Chief Executive Officer, Reliance Nippon Life Insurance, told *BusinessLine*.

Vohra said that the medium-term strategy to reach

this aspiration (get into the top five) will be network expansion and take the number of branches from 750 to 1,500 in the fourth or fifth year from now.

Reliance Nippon Life Insurance is not looking at physical branch expansion for the next three years.

"Beyond the third year, we will look for network expansion. That will require capital. It will take us the next two years to stabilise the big changes that we have already done," he said.

Reliance Nippon Life insurance is currently capitalised at ₹1,196 crore.

Vohra said that the life insurer wants to continue to grow beyond industry (faster than industry). The company grew 21 per cent in 2018-19, against the industry growth rate of 12 per cent.

"The clear aspiration is



Ashish Vohra, ED & CEO,
Reliance Nippon Life Insurance

that we want to beat the industry — with banca or no banca," he said.

Reliance Nippon Life Insurance, which does not have any large bancassurance relationships, is quite confident that this will not be to their disadvantage. Vohra said that the company would strive to increase its

banca play (currently accounting for 5 per cent of overall business) and tap emerging opportunities in the public sector banks space. Last year, it had entered into a bancassurance tie-up with Bank of Maharashtra.

Persistency

Vohra said that the life insurer, which has made rapid strides in 13-month persistency in the last three years, will now look to get closer to the levels of industry leaders.

"We have reached 78 per cent from 59 per cent three years back. It's one of the big moves. We are still not best in class. My desire for Reliance Life this fiscal is to be in the top class league. We need to cover the distance from 78 to 84 this year," he said.

Vohra also said that Reliance Nippon Life has no plans to raise capital for the next three years.