Chapter-3

Private Life
Insurance Companies in India
PRIVATE LIFE INSURANCE COMPANIES IN INDIA

Life insurance in India has undergone tremendous changes in the past four years often the government opened up the sector. What seemed unthinkable ago has become reality new more then a down companies many as joint ventures with the best know names globally are vying with one another for the customers attention. The opening up of the sector has provided the customers with choice, competitive pricing and world class service. Life insurance is retail in nature and growth comes slowly. It is still a face to face business based on individual contact familiarity and comfort. There are techs private life insurance companies in India they are as follows:

HDFC Standard Life Insurance:

HDFC and Standard Life first came together for a possible joint venture, to enter the life insurance market, in January 1995. It was clear from the outset that both companies shared similar values and beliefs and a strong relationship quickly formed. In October 1995 the
companies signed a 3 year joint venture agreement. Around this time Standard life purchased a 5% stake in HDFC, further strengthening the relationship.

The next three years were filled with uncertainty, due to changes in government and ongoing delays in getting the IRDA (Insurance Regulatory and Development authority) Act passed in parliament. Despite this both companies remained firmly committed to the venture.

In October 1998, the joint venture agreement was renewed and additional resource made available. Around this time Standard life purchased 2% of Infrastructure Development Finance company Ltd. (IDFC). Standard Life also started to use the services of the HDFC Treasury department to advise them upon their investments in India. Towards the end of 1999, the opening of the market looked very promising and both companies agreed the time was right to move the operation to the next level. Therefore, in January 2000 an expert team
from the UK joined a hand picked team from HDFC to the core project team, based in Mumbai.

Around this time Standard Life purchased a further 5% stake in HDFC and a 5% stake in HDFC Bank.

In a further development Standard Life agreed to participate in the Asset Management Company Promoted by HDFC to enter the mutual fund market. The Mutual Fund was launched on 20th July 2000.

**Incorporation of HDFC Standard Life Insurance Company Limited:**

The company was incorporated on 14th August 2000 under the name of HDFC Standard Life Insurance Company Limited. Our ambition from as far back as October 1995 was to be the first private company to re-enter the life insurance market in India. On the 23rd of October 2000, this ambition was realized when HDFC Standard Life was the only life company to be granted a certificate of registration.
HDFC are the main shareholders in HDFC Standard Life, with 81.4%, while Standard Life owns 18.6%. Given Standard Life’s existing investment in the HDFC Group, this is the maximum investment allowed under current regulations.

HDFC and Standard Life have a long and close relationship built upon shared valued and trust. The ambition of HDFC Standard Life is to mirror the success of the parent companies and be the yardstick by which all other insurance company’s in India are measured.

**Mission:**

Aim to be the top new life insurance company in the market. This does not just mean being the largest of the most productive company in the market; rather it is a combination of several things like:

- Customer service of the highest order
- Value for money for customers
- Professionalism in carrying out business
• Innovative products to cater to different needs of different customers

• Use of technology to improve service standards

• Increasing market share

Values:

• SECURITY: Providing long term financial security to our policy holders will be our constant endeavor. We will be do this by offering life insurance and pension products.

• TRUST: We appreciate the trust placed by our policy holders in us. Hence, we will aim to manage their investments very carefully and live up to this trust.

• INNOVATION: Recognize the different needs of our customers, we will be offering a range of innovative products to meet these needs.

Our mission is to be the best new life insurance company in India and these are the values that will guide us in this.
Max New York Life Insurance:

New York Life insurance Company, has been ranked at Fortune 65, in the 2003 Fortune 500 listing of companies, is one of the largest providers of the insurance coverage in America. Founded in 1845, the Company has over US$ 179 billion in assets under management and more than US$25 billion in annual revenues.

The mission of New York Life is to maintain its superior 'financial strength' adhere to the highest standards of 'integrity' and demonstrate 'humanity' by treating its customers, agents and employees with compassion, consideration and respect.

New York Life insurance company has been among the highest rated companies by leading independent rating agencies, including A.M. Best company (A++), Fitch (formerly Duff & Phelps) (AAA), Moody’s investors service (Aa 1) and standard & Poor’s (AA+) The company has its headquarters in New York City and has operations in the United States, Argentina, Hong Kong, SAR, India, Indonesia, Mexico. The Philippines South Korea, Thailand and Taiwan, the

The company caters to millions of policyholders through a network of over 30,000 employees and agents around the world. For the last 47 years, New York life has the highest number of agents who qualify as members of the ‘Million-Dollar Round Table’ The MDRT is the world most prestigious organization of insurance sales professionals.

As a leader in the insurance industry, New York life continues to bring to its operations new management concepts. Advanced technologies new distribution and training systems and innovative insurance products.

**Individuals Plans:**

The range of max New York life products is designed to cater to specific individual life insurance needs depending on your requirements.
Unit Linked

> Life Maker™ Unit Linked Investment Plan

Protection

> Whole Life Par & Whole Life Non-Par
> Level Term
> Term Renewable and Convertible

Savings

> Life Gain Endowment Plan
> Life Pay Money Back Plan
> Life Gain plus™ – A Limited Pay Endowment Plan
> 20 years Endowment Plan

Retirement

> Easy Life™ - Retirement Plan
> Endowment to age 60 Plan

Children

> Children’s endowment 18 & 24
> Stepping Stones™ – A Child Money Back Plan

Group Insurance Product

(1) Group Term Insurance
(2) Employee Deposit Linked Insurance

(3) Credit Shield

(4) Group Gratuity

(5) Group Superannuating

**ICICI PRUDENTIAL LIFE INSURANCE:**

ICICI Prudential Life Insurance Company is a joint venture between ICICI Bank, a premier financial powerhouse and Prudential plc, a leading international financial services group headquartered in the United Kingdom. ICICI Prudential was amongst the first private sector insurance companies to begin operations in December 2000 after receiving approval from insurance Regulatory Development Authority (IRDA).

ICICI Prudential’s equity base stands at Rs. 9.25 billion with ICICI Bank and Prudential plc holding 74% and 26% stake respectively. In the financial year ended March 31, 2005, the company garnered Rs 1584 crore of new business premium for a total sum assured of Rs 13,780 crore and wrote nearly 615,000 policies. The
company has a network of about 56,000 advisors; as well as 7 banc assurance and 150 corporate agent tie-ups. For the past four years, ICICI Prudential has retained its position as the NO.1 private life insurer in the country, with a wide range of flexible products that meet the needs of the Indian customer at every step in life.

Vision:

To make ICICI Prudential the dominant Life and Pensions player built on trust by world-class people and service. This we hope to achieve by:

- Understanding the needs of customers and offering them superior products and service
- Leveraging technology to service customers quickly, efficiently and conveniently
- Developing and implementing superior risk management and investment strategies to offer sustainable and stable returns to our policyholders
- Providing an enabling environment to foster growth and learning for our employees
- And above all, building transparency in all our dealings.
The success of the company will be founded in its unflinching commitment to 5 core values- Integrity, Customer First, Boundary less, Ownership and Passion. Each of the values describes what the company stands for, the qualities of our people and the way we work. We do believe that we are on the threshold of an exciting new opportunity, where we can play a significant role in redefining and reshaping the sector. Given the quality of our parentage and the commitment of our team, there are no limits to our growth.

THE COMPANY:

ICICI Prudential Life Insurance Company is a joint venture between ICICI Bank, a premier financial powerhouse, and prudential plc, a leading international financial services group headquartered in the United Kingdom. ICICI Prudential was amongst the first private sector insurance companies to begin operations in December 2000 after receiving approval from insurance Regulatory Development Authority (IRDA).
ICICI Prudential's equity base stands at Rs. 1085 crore with ICICI Bank and Prudential pic holding 74% and 26% stake respectively. For the half year ended September 30, 2005, the company garnered Rs 820 crore of new business premiums for a total sum assured of Rs 7,131 crore and wrote 283,818 policies. For the past four years, ICICI Prudential has retained its position as the No.1 private life insurance in the country, with a wide range of flexible products that meet the needs of the India customer at every step in life.

DISTRIBUTION:

ICICI Prudential has one of the largest distribution networks amongst private life insurance in India, having commenced operations in 95 cities and towns in India, stretching from Bhuj in the west to Guwahati in the east, and Amritsar in the north to Trivandrum in the south.

The company has seven banc assurance tie-ups, having agreements with ICICI Bank, Federal bank, South India Bank, Bank of India, Lord Krishna Bank and some co- operative banks, as well as
about 290 corporate agents and brokers. It has also tied up with NGOs, MFIs and corporate for the distribution of rural policies and organizations like Dhan for distribution of Salaam Zindagi, a policy for the socially and economically underprivileged sections of society. ICICI Prudential has recruited and trained about 60,000 insurance advisors to interface with and advise customers. Further, it leverages its state-of-the-art IT infrastructure to provide superior quality of service to customers.

**PRODUCTS:**

**Insurance Solution for Individuals:**

ICICI Prudential Life Insurance offers a range of innovative, customer-centric products that meet the needs of customers at every life stage. Its products can be enhanced with up to 5 riders, to create a customized solution for each policyholder.

**Savings Solutions:**

- **Secureplus** is a transparent and feature-packed savings plan that offers 3 levels of protection.
• **Cashplus** is a transparent, feature-packed savings plan that offers 3 levels of protection as well as liquidity option.

• **Save’n’ Protect** is a traditional endowment savings plan that offers life protection along with adequate returns.

• **CashBak** is an anticipated endowment policy ideal for meeting milestone expenses like a child’s marriage expenses for a child’s higher education or purchase of an asset.

• **Life Time & LifeTime II** offer customers the flexibility and control to customize the policy to meet the changing needs at different life stages. Each offer 4 fund options—Preserver, Protector, Balancer, and Maxi miser.

• **lifeLink II** is a single premium Market Linked Insurance Plan which combines life insurance cover with the opportunity to stay invested in the stock market.

• **Premier Life** is a limited premium paying plan that offers customers life insurance cover till the age of 75.

• **Investshield Life** is a Market Linked plan that provides capital guarantee on the invested premiums and declared bonus interest.
- **InvestShield Cash** is a Market Linked plan that provides capital guarantee on the invested premiums and declared bonus interest along with flexible liquidity options.

- **InvestShield Gold** is a Market Linked plan that provides capital guarantee on the invested premiums and declared bonus interest along with limited payment terms.

**Protection Solutions:**

- **LifeGuard** is a protection plan, which offers life cover at very low cost. It is available in 3 options – level term assurance, level term assurance with return of premium and single premium.

**Child Plans:**

- **Smart kid education plans** provide guaranteed educational benefits to a child along with life insurance cover for the parent who purchases the policy. The policy is designed to provide money at important milestones in the child’s life. Smart kid plans are also available in unit-linked form both single premium and regular premium.
Retirement Solutions:

- **Forever life** is a retirement product targeted at individuals in their thirties.

- **Secure Plus Pension** is a flexible pension plan that allows one to select between 3 levels of cover.

Market-linked retirement products:

- **Life Time Pension II** is a regular premium market-linked pension plan.

- **Life link Pension II** is a single premium market-linked pension plan.

- **Invest Shield Pension** is a regular premium pension plan with a capital guarantee on the investible premium and declared bonuses.

- **Golden Years** is a limited premium paying retirement solution that offers tax benefits up to Rs 100,000 u/s 80c, with flexibility in both the accumulation and payout stages.

ICICI Prudential also launched ‘**Salaam Zindagi**’, a social sector group insurance policy targeted at the economically underprivileged sections of the society.
Group Insurance Solutions:

ICICI Prudential also offers Group Insurance Solutions for companies seeking to enhance benefits to their employees.

**ICICI Pru Group Gratuity Plan:**

ICICI Pru’s group gratuity plan helps employers fund their statutory Gratuity obligation in a scientific manner. The plan can also be customized to structure schemes that can provide benefits beyond the statutory obligations.

**ICICI Pru Group Superannuation plan:**

ICICI Pru offers a flexible defined contribution superannuation scheme to provide a retirement kitty for each member of the group. Employees have the option of choosing from various annuity options or opting for a partial commutation of the annuity at the time of retirement.

**ICICI Pru Group plan:**

ICICI Pru’s flexible group term solution helps provide affordable cover to members of a group. The cover could be uniform or based on designation/rank or a multiple of salary. The benefit under
the policy is paid to the beneficiary nominated by the member on his/her death.

**Flexible Rider Options:**

ICICI pru life offers flexible riders, which can be added to the basic policy at a marginal cost, depending on the specific needs of the customer.

- **Accident & disability benefit:** If death occurs as the result of an accident the term of the policy, the beneficiary receives an additional amount equal to the sum assured under the policy. If the death occurs while traveling in an authorized mass transport vehicle, the beneficiary will be entitled to twice the sum assured as additional benefit.

- **Critical Illness Benefit:** protects the insured against financial loss in the event of 9 specified critical illnesses. Benefits are payable to the insured for medical expenses prior to death.
• **Income Benefit:** This rider pays the 10% of the sum assured to the nominee every year, till maturity, in the event of the death of the life assured. It is available on Smirked, Secure plus and Cash plus.

• **Waiver of premium:** In case of total and permanent disability due to an accident, the premiums are waived till maturity. This rider is available with Secure plus and cash plus.

• **ABOUT THE PROMOTERS**

**ICICI Bank** (NYSE:IBN) is India’s second largest bank and largest private sector bank with over 50 years of financial experience and with assets of Rs. 1812.27 billion as on 30th June, 2005. ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialized subsidiaries and affiliates in the areas of investment banking. Life and non-life insurance, venture capital and asset management. ICICI Bank is a leading player in the retail
banking market and has over 13 million retail customer accounts. The Bank has a network of over 570 branches and extension counters, and 2,000 ATMs.

Established in London in 1848, Prudential plc, through its businesses in the UK and Europe, the US and Asia, Provides retail financial services products and services to more than 16 million customers, Policyholder and unit holders worldwide. As of June 30, 2004, the company had over US$300 billion in funds under management. Prudential has brought to market an integrated range of financial services products that now includes life assurance, pensions, mutual funds, banking, investment management and general insurance. In Asia Prudential is the leading European life insurance company with a vast network Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand and Vietnam.

OM KOTAK MAHINDRA LIFE INSURANCE :

June 15, 2005, Mumbai : Mr. Gaurang Shah, Managing Director of Kotak Mahindra Old Mutual Life Insurance Limited, in
his first press meet at the Capital announced bullish future plans for Kotak’s Life Insurance joint venture with Old Mutual plc. On the back of two successive years of about 200%+ growth, Mr. Shah has all reasons to believe that Kotak Life Insurance has got it right.

“Most successful financial services company around the world offer products in all sectors ranging from consumer and investment banking, insurance, asset management, securities, asset management, securities, asset financing, etc. Kotak over the past 20 years has become one of the examples of Indian Entrepreneurship in the field of Financial Services by extending itself across various offerings”

Kotak Life Insurance saw its First Year Premium income jump from Rs 126 cr in 2003-04 to 375 cr in 2004-05, a growth of 198%. This follows a 246% growth in the previous year. “The last two years have seen us grow very fast. This was largely due to exploiting our existing relationships and building up our organization. The loss has also reduced from Rs 49 cr in 2003-04 to Rs 45.6 cr in 2004-05.

Today the key challenge for us is to strengthen our organization by
building superior execution culture and result orientation. Our energies will be directed towards delivering superior value to our key stakeholders in our long term growth and profitability targets - the customer, the distributor, the shareholder and the employee."

Kotak Life Insurance is likely to maintain its aggressive growth of infrastructure with sales Managers numbers planned to grow from 450 in 2004-05 to 850 in current financial. Correspondingly, the Life Advisor base of 7000 in 2004-05 is planned to move up to 12000 by end of this financial. Even the Alternate Distribution Channel and the Group Insurance Sales Teams has been expanded. However all this shall be done with the focus on getting more out of the current structure. "The important element of current year strategy is how we sweat the infrastructure that we have put in place over the last couple of years. It is imperative that we make our money go longer than the competition to ensure we breakeven faster." Kotak Life Insurance plans to achieve this Break Even within the next three years.
Kotak Life Insurance shall continue with its pilot project in Kerala of trying out the all Full Time Advisor model of Old Mutual, the South African Insurance Major and its JV partner. This coupled with drives to strengthen presence in high potential states is Kotak Life’s key steps in Insurance Geographical presence. “Our belief on segmented approach selecting target markets and segments shall continue and I believe that with higher penetration in states like Tamil Nadu and Punjab we will be able to exploit the opportunity that the vibrant economy is offering in even smaller towns and rural markets.”

Kotak Group is building a strong financial services offering under the banner of “Think Investment. Think Kotak.” And Kotak Life Insurance’s lead products, Kotak Safe investment plan II and Kotak Flexi plan have captured a significant share of the business. Built around the promise of Capital Guarantee, both these products offer excellent opportunity for their customers and embody the brand promise perfectly. “Kotak Life builds around the same innovative streak for which Kotak has been famous in other segments of the financial services earlier. Our offerings in the market are rated highly
by both the distributors as well as the customers. We are committed to build stronger and better products in the future too.”

Kotak Life Insurance is very bullish about its future. Built around the three pillars of stronger leverage on group synergies, greater focus on quality execution and innovative product offerings, Mr. Shah is confident that Kotak Life will be a key player in the Indian insurance market.” I believe that our challenge will lie in channel sing our accumulated learning across the group to our advantage and build a culture which encourages performance linked growth. Kotak is and shall remain a company that encourages people to take challenges and build value for all the stakeholders”

About Kotak Mahindra Old Mutual Life Insurance:

Kotak Mahindra Old Mutual Life Insurance is a joint venture between Kotak Mahindra Bank Ltd. And Old Mutual plc. Kotak Mahindra Old Mutual Life Insurance is one of the fastest growing insurance companies in India and has shown remarkable growth since its Inception in 2001.
Kotak Mahindra believes in offering its customers a lifetime of value. A commitment that has made it a leading financial services group with net worth of around Rs. 1700 cror as well as a market leader in the areas of investment banking and distribution of financial products.

Old Mutual, a company with 160 years experience in life insurance, is an international financial services group listed on the London Stock Exchange and included in the FTSE 100 list of companies, with assets under management worth US $270 billion (as on 31 December 2004). For customers, this joint venture translates into a company that combines international expertise with the understanding of the local market.

Birla Sun Life Insurance:

Birla Sun Life Insurance (BSLI) today announced its annual results for the year ended 31 March 2005 at a press conference in Mumbai. The company has delivered strong results for its shareholders in an extremely challenging and competitive environment.
Remarked Mr. Kumar Mangalam Biria, chairman, BSLI, "It is very encouraging to see that Birla Sun Life Insurance continues to show consistent value-based growth. The company is set to become one of the most efficient life insurance companies in India and is on track in achieving its breakeven."

**Key highlights:**

- Premium income of Rs. 915.5 crore, registering a growth of 70 per cent.
- Annualised premium of Rs. 627.4 crore, recording a year-on-year growth of 32 per cent.
- Total sum assured of Rs. 22,715 crore since inception.
- Maintained leadership position among private insurance in alternate channel segment.
- Has the highest premium persistency level at 95.5 percent as against industry range of 75 to 85 per cent.
- Has one of the highest averages annualized premium size (Rs. 34,550 per policy) in the industry.
Ranked as the best private life insurer in India for 2004 by outlook money

Leadership Status:

BSLI completed a successful fourth year of operations. The premium income at Rs. 915.5 crore has registered a robust growth of 70 per cent powered by a 75 per cent growth in the individual life business. The annualized sales for the year stood at Rs. 627.4 crore recording a growth of 32 per cent. The total number of policies sold in the current financial year was close to 200,000.

The company has cornered a market share of 3.3 per cent (YTD February 2005 based on annualized premium with 10 per cent credit for single premium) in the industry, a growth in market share of 32 per cent.

BSLI has single-mindedly pursued a strategy of product innovation and multi distribution channels. The company bolstered its product portfolio during the year with the launch of the ‘Woman first’ plan and ‘Flexi Secure Life II- Retirement Plan’ in the individual life
segment and the 'credit Guard’ plan in the group business. In the individual life segment the proportion of ‘Women’ policyholders (life insured) increased to 30 per cent of the total, during the year.

The multi distribution strategy pursued by BSLI has been a major success. In the individual life business the direct sales force and the alternate channels contributed almost in equal measure to the total sales. The company has achieved leadership status in the industry in the alternate channels of distribution where it has a tie-up with 114 corporate agents (10 banks, 50 corporate agents and 54 brokers). BSLI increased its branch strength from 33 to 44, which will be significantly enhanced during the current year. Through its branch network, outstation centers, corporate agents and banc assurance partners, the company has a presence in over 300 locations across the country.

The quality of BSLI’s filed force and its training processes is reflected in the fact that 242 of its insurance advisors qualified for the Million Dollar Round Table (MDRT). Eighteen of the company’s
advisors qualified for the Top of the Table (TOT), with another 38 qualifying for the Court of the Table (COT).

BSLI continued to make considerable inroads in the rural segment with the total sales of rural policies crossing 48,000, which was 24.3 per cent of the total policy sales as against 16 per cent as specified by IRDA. Similarly BSLI covered 22,020 social lives as against 20,000 lives specified by the regulation.

An extremely pleased Mr. Nani javeri, CEO, BSLI, said, "BSLI has always believed in setting benchmarks in the industry in terms of transparency, innovation and customer benefits. Our endeavor has been to show strong and consistent growth with particular emphasis on the quality of business."

BSLI’s focus on the quality of business is reflected in the increase in the average premium per policy to Rs. 34, 550 – a growth of almost 50 per cent over that of the previous year (Rs.23, 120), despite an increase in the policy base. The average sum assured
jumped to Rs. 3, 86,000 (previous year Rs.2, 98,000). A first year premium persistency ratio of 95.5 per cent was well over the industry range of 75 to 85 per cent. The operating expenses as a percentage of the premium declined to 19.4 per cent from the previous year’s 26.9 per cent. BSLI continues to manage its capital very effectively with a Cumulative New Premium / Capital Ratio of 2.93, which is one of the best in the industry, during the year the capital of the company increased by Rs. 60 crore. The company had a paid up capital of Rs. 350 crore as on 31 March 2005. The capital of the company has increased by another Rs. 20 crore today. Commented Mr. Anil J. Jhala, CFO, BSLI, “The consistently high growth coupled with judicious expense management has led BSLI to manage its capital efficiently”. BSLI derives its success from its over 1700 strong highly motivated employee force, which has acknowledged the company’s commitment to the development of its people. The company was among the top three contenders in the category of ‘Strategy to Execution’ at the 5th Aditya Birla Awards for outstanding achievement, 2004. BSLI has been ranked in the top 20’ Best Places to Work’ in the grow Talent survey in association with the best places to
Work institute. The company is the only insurance company to feature in the top 25 in the Hewitt ‘Best Employers’ survey. The company was adjudged the best private life insurer in the Outlook Money awards for 2004. The Asia Insurance industry Awards 2004 ranked BSLI amongst the top 5 life insurance in all of Asia. BSLI was ranked number one amongst all private players on the parameters of image and visibility in PR coverage in the Cirrus rankings for the financial year 2004-05.

**TATA A.I.G LIFE INSURANCE:**

India’s insurances industry has moved into competitive and exciting times with the arrival of private players in the market. Although the Life insurance Corporation of India (LIC) reigns supreme in terms of market share, private insurance companies are gearing up to woo the consumer.

A recent ORG-MARG study indicates that ICICI Prudential, HDFC Standard Life and Tata AIG have experienced an increase in their market shares by 8, 3 and 2 per cent respectively. This is a
remarkable achievement, considering that the doors were thrown open to private players only in 2000. Private players have recorded a 312 per cent growth this fiscal, and are expecting over 20 per cent growth this fiscal, and are expecting over 20 per cent year-on-year growth over the next three years.

At the moment, India is one of the best markets to be in. Over 75 per cent of its vast population has no insurance. Global reinsurance major, Swiss Re, point out that the industry will touch a growth of up to $50 billion in the next 10 years, with individual life insurance accounting for almost $40 billion. Little wonder, then, that top global names such as AIG, Allianz, AMR Aviva, ING, Metlife, New YorkLife, old Mutual, Prudential, Standard Life and Sun Life are here in joint ventures with eminent Indian companies such as Tata, Birla, HDFC, Kotak and ICICI, among others. The insurance Regulatory and Development Authority (IRDA) regulations too encourage best practices in the marketplace.
The Indian customer, like his global counterpart, buys policies for tax benefits and to ensure secure savings for the future. Although he is price sensitive, he still deserves value and sound services for his money. This has not been available to him. To fill this void, many private players have initiated education campaigns the benefits and need for insurance.

In its first year Tata AIG sold 33,000 policies. This fiscal the company is expected to sell more than 1 lakh policies. The success of private players has been attributed to their innovative offers, customer-centric products, increasing awareness levels of consumers through a need-based, structured approach of selling, sound risk-management practices, enhanced service standards, reaching out to the customer through a number of distribution and communications channels, and providing advice to the customer.

The Customer Challenge:

It is believed that one needs to protect 10 times of one's present income through insurance, so that the family can be free of financial
difficulties in the event of the insurer's untimely death. Few in this country buying more than one policy have not taken off yet. Herein lays the challenge of the insurance company; to retain business and ensure that customer service transfers into customer comfort.

Today most products offered by private players are homogeneously packaged, but they are distinct at the micro level. For instance, most endowment plans offered by private companies offer different benefits, but the overall structure remains largely similar. However each product has certain unique features. In Tata AIG's whole life policy, Maha life the company pays 5 per cent of the sum assured as income to the policyholder through the policy period after the 12-year premium payment term. Other private players lack this feature, thereby making Maha life a niche product of sorts.

Tata AIG life has forayed into the corporate pension management business, where a corporate house can outsource its pension management system to the insurance company. Companies are also introducing investment-linked company schemes and credit-
card insurance, where the bill is insured against death of the cardholder. These product innovations were not available in the past.

As the market grows, more generic products will be put out, but there will be a differentiation in individual products as compared to similar products in endowment policies, whole life and pension plans. Currently, LIC dominates the endowment market. Private players are major stakeholders in whole life insurance pension’s plans and term insurance. They have made a sizable dent by capturing 40 per cent of the market.

Efficient customer service channels differentiate private players from the traditional model. Many companies provide better service today than they did two years ago. The customer gets quicker turnaround of claims and has access to faster processing. This is a welcome change for a customer who was used only to LIC previously.

Agents of Change:

Insurance is a private affair in the US and Japan, almost 90 per cent policies are sold through one-to-one discussions. Insurance agents
will remain key figures in the industry. The profile of the insurance agent too has undergone a transformation, with private players in the marketplace. Companies have strengthened their internal regulatory training programmers.

Agents spend 100 hours of training here, and a further 50 hours are spent in securing education. This covers the rudiments of insurance, claims, policy protection and an exhaustive background study on the insurance industry. Later these agents are trained to interact with the customer. Private players have full-time, ongoing training programmers across the country. It is essential to import uniform because agents come from disparate walks of life.

The task at hand is not to merely sell policies. Instead it is up to the agent to gauge the customer’s need and to guide him towards the right choice. Eventually the customer must have confidence in the ability of the agent LIC has close to 8.50 lakh agents and is adding more while private players like Tata AIG are planning to grow to 20,000 agents by the end of 2003. In sharp contrast to LIC private
players have invested in multiple and innovative distribution strategies. Internet and direct mailers are the easiest ways to reach the consumer. Bancassurance, or distribution of insurance products through the branches and multiple communication channels of banks, including ATMs, tale banking and Internet banking is slowly gaining popularity. India’s 27 public sector banks account for almost 92 per cent of the entire network spread. This network has 33,000 rural and 14,000 semi-urban branches, where insurance company distribution costs and helps increase the customer product offerings for the bank. The credibility of the bank makes it easier to win customers.

**Rural difference:**

The majority of India is rural. This market cannot be ignored. In small markets, the credibility of the India partner goes a long way. The Tata name is valuable here. However, since the level of awareness is much lower than in urban India, the distributing strategy has to different. Distinct strategies have to be formulated for cash collection and medical facilities.
In the absence of this, companies tend to offer simple and easy to buy and sell policies in most centers. This market demands tailored and dedicated products. Insurance, for them, is a matter of secure savings to the future.

Mindsets are changing, but purchase patterns are not. The months of February and March still are the busiest at LIC. The traditional hook of tax incentives and savings will take a long time to change. Private players need to step up their selling in terms of need and protection.

The life insurance industry is growing at 15 to 20 per cent, and that there is enough space for all players to thrive—because there is no such thing as too much insurance.

**S.B.I. LIFE INSURANCE:**

SBI Life insurance company Ltd. is a joint venture between India’s largest bank, State Bank of India and Cardiff S.A., a leading Life insurance company in France. State Bank of India (SBI) is a
household name, and it stands as the last word for financial strength and security in the country. SBI's illustrious background dates back to the year 1806 when it started business, as a presidency bank, known as Bank of Bengal. Over the long journey, it has learnt to combine the best of banking practices handed down from the imperial management with the more dynamic ways of doing in the modern India. It has grown as a responsible giant in the banking field over the years.

Today, it has a branch network of over 9000 branches, an aggregate deposit base of nearly Rs196821 crore (US$45,121mm) and a total balance sheet size of Rs.261504 crore (US$9,950 mm). Together with its 7 Associate Banks, SBI commands about 30% of the market share in banking. SBI is the strongest and most profitable bank in the country. It has a tangible net worth of Rs.12146 crore (US$2,784mm) as at March 2000, and it earned a pre-tax profit of Rs.2051 crore (US$470 mm) for the fiscal ending that date.

Cardiff is a wholly owned subsidiary of BNP Paribas, which is one of the top 10 banks in the world, and the third largest in Europe.
BNP is one of the oldest foreign banks with a presence in India dating back to 1860. It has 9 branches in major metros across the country. Cardiff came into being in the year 1973. Since then it has grown into a vibrant insurance company specializing in personal lines such as long-term savings, protection products and creditor insurance. Cardiff had a premium income of over US$ 4 billion in 1999, and more than US$ 23 billion of funds under its management. Cardiff has been specializing in the art of selling insurance products through commercial banks in France and 23 other countries.

France is the mother of banc assurance in the world. Over 65% of life insurance business is done through banks and financial institutions’ counters in France, and the trend is rapidly catching up in other countries, such as Brazil, Chile and the Czech Republic.

SBI life insurance Ltd is registered as a life insurance company with the insurance Regulatory & Development Authority of India (IRDA) and has been issued License number 111 on 29th March 2001. The Company’s authorized capital is Rs. 250 crore, and the paid-up
capital at present is Rs. 125 crore. SBI owns 74% of the total equity, and Cardiff the balance 26%.

**ING VYSYA LIFE INSURANCE:**

**ING Vysya Life in India:**

ING Vysya Life Insurance Company Private Limited (the Company) entered the Private life insurance industry in India in September 2001, and in a short span of 3 years has established itself as a distinctive life insurance brand with an innovative, attractive and customer friendly product portfolio and a professional advisor force. It also distributes products in close cooperation with the ING Vysya Bank network, currently; it has over 10,000 active advisors working from 46 branches (in 30 cities) across the country and over 1200 employees.

The Company with a customer base of over 1,50,000, is headquartered at Bangalore and as has established a national presence in the following cities; Ahmedabad, Bangalore, Baroda, Belgaum, Bhopal, Calicut, Chandigarth, Chennai, Cochin, Coimbatore, Delhi,
Goa, Guntur, Gurgaon, Hubli, Hyderabad, Indore, Jaipur, Kolkata, Ludhiana, Mangalore, Mumbai, Mysore, Nagpur, Pune, Secunderabad, Surat, Trivandrum, Vadodara, Vijaywada, Vizag.

The Company aims to make customers look at life insurance afresh, not just as a tax saving device but as a means to add protection to life. The one thing we hold in highest esteem is life itself. We believe in enhancing the very quality of life, in addition to safeguarding an individual's security. Our core values are therefore defined as professional, Entrepreneurial, Trustworthy, Approachable and Caring.

The company's portfolio offers products that cater to every financial requirement, at any life stage. We believe in continuously developing customer-driven products and services and value being accessible and responsive to the needs of our customers.

In fact, the company has developed the LifeMaker™. A simple method which can be used to choose a plan most suitable to a specific
customer based on his needs, requirements and current life stage. This tool helps you build a complete financial plan for life, whether the requirement is Protection, Savings or Investment.

**BAJAJ ALLIANZ LIFE INSURANCE**:

Allianz Bajaj Life Insurance Co. Ltd., India’s fastest growing private life insurance company, announced that it has changed its corporate name to Bajaj Allianz Life Insurance Co. Ltd., effective from August 3, 2004.

Polling existing and prospective customers, business associates and other stakeholders indicated a higher comfort level and recollection level with the Bajaj name placed before Allianz.

Bajaj Allianz General Insurance Co. Ltd and Bajaj Allianz Life insurance Co. Ltd. will now have a common logo and branding which will help increase the companies’ visibility and familiarity. The new logo incorporates the new Bajaj Auto logo.
Commenting on this occasion, Sam Ghosh, Allianz Country Manager and CEO of Bajaj Allianz life insurance, said: “We are not only acquiring a new name, but have put in motion a new level of energy and commitment to delivering the best products. The name change coupled with aggressive strategic market initiatives to reach and service customers better will give us an unbeatable position in the insurance market in this country. Both life and General Companies together can unleash the ‘Power of one’ and be the leader in the insurance industry.”

Over 100 New Satellite Branches:

Bajaj Allianz life insurance recently launched over 100 satellite branches and new products. This has helped the company to log in one billion rupees (about 18 million euros) gross written premiums (GWP) in the first 100 days of this financial year.

With this, Bajaj Allianz life has leaped from seventh to third position at the end of the financial year (according to figures issued by the Indian Regulatory and Development Authority IRDA in June 2004).
Bajaj Allianz Life Insurance: Poised for growth:

Bajaj Allianz Life Insurance Company has developed insurance solutions that cater to every segment and age-income profiles. Bajaj Allianz Life Insurance is poised for an accelerated growth in the market and has already become the fastest-growing private life insurance company in India. Bajaj Allianz Life Insurance has a wide pan-India office network in 156 cities and is aided with a strong network of over 27,000 trained agents. Bajaj Allianz has also forged strong bancassurance and continues to build on new tieups for fast track growth and deep market penetration. Bajaj Allianz Life Insurance has launched a slew of need-based products to cater to the varied customer needs. Currently, Bajaj Allianz Life Insurance has a product portfolio of 18 products and more need-based products are in the pipeline.

MetLife India Insurance:

The Metropolitan Life Insurance Company, (MetLife ®) is the number one insurer in the U.S. based on over US$ 2.1 trillion of life insurance in force. MetLife ® serves approximately 10 million
individual households in the U.S. as well as 88 of the Fortune 100 companies; MetLife’s institutional clients have approximately 33 million employees and members. Headquartered in New York, MetLife through its affiliates, subsidiaries and representative offices operates in 13 countries throughout the Americas, Europe and Asia.

MetLife India Life Insurance Company Private Limited was incorporated in India on April 11th, 2001. As a joint venture between MetLife International Holdings Inc. The Jammu and Kashmir Bank, M. Pallonji and Co Pvt Ltd. And other private investors. MetLife India has developed and distributes a range of life insurance products in India.

MetLife India benefits its parent company’s global presence in the Field of insurance, track record of establishing successful insurance operations in emerging markets and the unique strengths of its other Indian promoters. Drawing from these experiences, MetLife India will be able to address the needs of the Indian customers. MetLife India aspires to build on MetLife’s history of meeting
policyholder and contract Obligation and the ability to withstand the impact of adverse economic factors. The MetLife brand, Known for empowering people to feel protected, guided and hopeful about their lives, will do the same for its Indian customers.

**Headquartered in Bangalore**, MetLife India delivers value and world-class service to customers through its Financial Advisor and Corporate Sales Representatives. The mission of MetLife India Insurances is to build financial freedom for all. MetLife India now has offices in 7 cities and an additional 1000 outreach points through its channel partners.

**Products & Services**:

- Limited Pay Whole Life Insurance
- Money back Assurance
- Endowment Assurance
- MET Riders like
- Accidental Death Benefit
- Term
- Want Tax premium
Limited Pay Whole Life Insurance

MET 100

AMP SANMAR LIFE INSURANCE:

A Joint venture combining AMP’s life insurance expertise and Sanmar’s Indian Business Expertise. The life insurance joint venture company between AMP of Australis and the Sanmar Group of Chennai will create a better future for you and your family, by helping you build and manage your wealth.

AMP Sanmar offers a comprehensive range of life insurance Products that will enhance your savings and provide financial security to people who need your support. AMP is a leading international financial services group with over 150 years with core business in Insurance, Asset Management and financial planning.

The Sanmar Group is a leading industrial group in South India and one of the top corporations in the country that helped pioneer industrialization in India for over six decades. Both AMP and Sanmar
are deeply committed to this life insurance joint venture and to create a long-term relationship with the customer.

Terms and Conditions:

Insurance if the subject matter of solicitation. AMP Sanmar is a fully licensed life insurance company registered with the insurance Regulatory and Development Authority (Registration No: 121) in accordance with the provisions of the insurance Act 1938.

INDIVIDUAL PLAN

1. Subha Shree
2. Yava Shree
3. Nitha Shree
4. Divya Shree
5. Bhagya Shree
6. Kanaka Shree
7. Kaksha Shree

Group term insurance
AVIVA LIFE INSURANCE:

Aviva Pic is UK’s largest and the world’s sixth largest insurance Group. It is one of the leading providers of life and pensions products to Europe and has substantial businesses elsewhere around the world. With a history back to 1696, Aviva has a 30 million-customer base worldwide. It has more than £291 billion of assets under management.

In India Aviva has a long history dating back to 1834. At the time of nationalization it was the largest foreign insurance in India in terms of the compensation paid by the Government of India. Aviva was also the first foreign insurance company in India to set up its representative office in 1995.

In India Aviva has a joint venture with Dabur one of India’s oldest and largest Group of companies. A professionally managed company office Dabur is the country’s leading producer of traditional healthcare products. In accordance with the government regulations Aviva holds a 26 per cent stake in the joint venture and the Dabur
group holds the balance 74 per cent share. With a strong sales force of over 5000 Financial Planning Advisers (FPAs), Aviva has initiated an innovative and differentiated sales approach to the business. Through the “Financial Health Check” (FHC) Aviva’s sales force has been able to establish its credibility in the market. The FHC is a free service administered by the FPAs for a need-based analysis of the customer’s long-term savings and insurance needs. Depending on the life stage and earnings of the customer, the FHC assesses and recommends the right insurance product for them.

Aviva pioneered the concept of Bancassurance in India and has leveraged its global expertise in Bancassurance successfully in India. Currently, Aviva has Bancassurance tie-ups with ABN Amro Bank, American Express Bank, Canara bank, the Lakshmi Vilas Bank Ltd. And Punjab & Sind Bank.

When Aviva entered the market most companies were offering traditional life products. Aviva started by offering the more modern Unit Linked and unitized with Profit products to the customers
creating a unique differentiation. Aviva's products have been designed in a manner to provide customers flexibility, transparency, and value for money. It has been among the first companies to introduce the more Unit linked products in the market. Its products include: whole life (Lifelong), endowment (Life Saver, Easy Life Plus), child policy (Young Achiever) Single premium (Life Saver, Easy Life Plus), child policy (Young Achiever) single premium (Life Bond and Life Bond plus), Pension (Pension plus), Term (Life bond5). Aviva products are modern and contemporary unitized products that offer unique customer benefits like flexibility to choose cover levels, indexation and partial withdrawals.

Aviva's Fund management operation is one of its key differentiators. Operating from Mumbai, Aviva has an experienced team of fund managers and the range of fund options includes Unitized With-Profits Fund and three Unit Linked Funds:- Secure Fund, Balanced Fund and Growth Fund. Aviva has 40 Branches in India (including rural branches) supporting its distribution network. Through its Banc assurance partner locations, Aviva products are
available in 220 towns and cities across India. Aviva is also keen to reach out to the underprivileged that have not had access to insurance so far. Through its association with Basix (a micro financial institution) and other NGOs, it has been able to reach the weaker sections of the society and provide life insurance to them.

For two consecutive years in 2003 and 2004 Aviva has had relatively high scores on the parameters of Credibility Respect Fairness Pride and Camaraderie in the survey administered by Geow Talent Company Ltd. Along with Great Places to work® Institute, Inc and Business world magazine.

Aviva Life Insurance Ties-Up with 11 Co-Operative Banks Across India:

Aviva Life insurance today announced its partnerships with 11 cooperative Banks in Gujarat, Maharashtra, Rajasthan and Jammu & Kashmir under the Aviva Sahakar Programme. Aviva has now emerged as a market Leander with the largest number of Banc assurance tie-ups by any private insurer present in India. Aviva has yet
again established its leadership into a new segment, which offers tremendous growth opportunities. The Company has ambitious plans of selling 6000 policies in the first year of operations.

Speaking on the occasion Mr. Stuart Purdy Managing Director Aviva Life insurance said “This is a big day for Aviva in India. Rural and semi-urban areas in India have immense business potential and with these partnerships we are confident that we will be able to reach out to the length and breadth of the country.”

“Banc assurance is a major distribution channel for Aviva in Asia. Since the time we entered the life insurance market in India, we have been on the road of fast-paced growth and expansion. We pioneered the Banc assurance channel in the country, which now contributes to 65% of our total business. These tie-ups are yet another strategic step towards establishing Aviva as the leading Bancassurer in the country,” added Mr. Purdy. Rajesh Relan, Director- Banc assurance & Business Partnerships, Aviva Life insurance said, “Aviva has found partners that are not only India’s most reputed banks but
also share its vision of providing world class financial solutions to its customers. Through these tie ups the Company has gained a footprint in those areas and locations which were so far not being tapped by its existing bank partners. By establishing its partnership with these banks in these areas and locations Aviva would be able to create a network that will pave the way for the expansion of its distribution network in the hinterland.”

**Names of the banks Aviva has partnered with:**

1. Prime Cooperative Bank—Surat
2. Citizens Cooperative Bank – Jammu
3. Jammu Central Cooperative Bank—Jammu
4. Shree Warna Sahakari Bank- Kolhapur
5. Rajkot Nagrik Sahakari Bank – Rajkot
6. Bhagyalakshmi Mahila Sahakari Bank- Nanded
7. Ichalkaranji Janata Sahakari bank-Ichalkaranji
8. Sabarkantha District Cooperative Bank-Sabarkantha
9. Surat District Cooperative Bank-Surat
10. Ganganagar Kendriya Sahakari Bank-Ganganagar
11. Krishna Sahakari Bank- Karad
Products like Amnol Suraksha (a traditional endowment product with guaranteed benefit), Easy life Plus (a unit-linked endowment product), Lifelong (a flexible whole life plan), Pension Plus (a retirement solution), Life Bond 5 (unit-linked with limited premium payment term of 5 years) will be available to customers through the above mentioned banks. The business model with these 11 cooperative banks will be similar to the existing Banc assurance relationships that Aviva already has in place with its current partners-ABN Amro AMEX Punjab & Sind Bank Canara Bank and Lakshmi Vilas bank.

**Aviva India:**

Aviva Life Insurance is a joint venture between Dabur and Aviva. Current paid up capital amounts 320 Crores. Dabur are the 74% shareholder and Aviva the 26% shareholder. Aviva plc is the UK’s largest insurance Group and the world’s oldest insurance Group, with a history dating back to 1696. Today it is the sixth largest insurer worldwide with 30 million customers and €291 billion assets under management. Prior to nationalization, Aviva was the biggest of the foreign insurance operating in the Indian market?
Founded in 1884, Dauber is one of India’s oldest and largest groups of companies with the Group’s consolidated annual sales in excess of Rs 1,537 crores. A professionally managed company it is the country’s leading producer of traditional healthcare products.

Aviva pioneered the concept of Banc assurance in India and has leveraged its global expertise in this area successfully in India. Banc assurance has been contributing close to 65% of the total sales of Aviva India. Through its branches and its Banc assurance partner locations, Aviva products are available in 224 towns and cities across India.

Aviva’s products have been designed in a manner to provide customers flexibility transparency and value for money. We have been among the first companies to introduce Unit Linked products in the market. Aviva has a unique need based sales approach the “Financial Health Check” (FHC). The FHC is a free service administered by our FPAS (Financial Planning Advisers) for a need-based analysis of the customer’s long-term savings and insurance needs. Depending on the
life stage and earnings of the customer the Financial Health Check assesses and recommends the right insurances product for them.

Aviva is also keen to reach out to the underprivileged that have not had access to insurance so far. Through its association with BASIX (a micro financial institution) and other NGOs, it has been able to cover

**Products & Services**

The right investment strategies won’t just help you plan for a more comfortable tomorrow-they will help you get Kal Par Control. At Aviva, life insurance plans are created keeping in mind the changing needs of you and your family. Our life insurance plans are designed to provide you with flexible options that meet both protection and savings needs. We offer our customers a full range of transparent flexible and value for money products that include whole life(Lifelong), endowment (Lifesaver, Easy Life Plus), child policy(Young Achiever) single premium (Life Bond, Life bond Plus), Pension (Pension Plus), Term (LifeBond5). Aviva products are
modern and contemporary unitized products that offer unique customer benefits like flexibility to choose cover levels, indexation and partial withdrawals.

We also offer you a choice of investment options. You can choose between our Unit Linked Fund and our With Profits Fund.

The With profits Fund guarantees that the selling price of the units will never fall. The unit value of this fund is increased by crediting bonuses on a daily compounding basis. The fund provides investment security to your capital. The Unit Linked Fund is designed to provide relatively more progressive capital growth wherein you automatically receive the benefit related to the investment performance of the fund. Under Unit Linked Fund on some of our products we offer a choice of fund options:

**Secure Fund**: The investment objective of this fund is to provide progressive return on your investment with a capital guarantee on maturity. The fund comprise of debt securities in the range of 50-
100%, equities in the range of 0-20% and money market and cash in the range of 0-20%. Initially the equity exposure will be 10%.

**Growth Fund:** The investment objective of this fund is to provide high capital growth by investing higher element of assets in the equity market. The fund will comprise of debt securities in the range of 0-50%, equities in the range of equity exposure will be 75%.

**Balanced Fund:** The investment objective of this fund is to provide capital growth by availing opportunities in debt and equity markets and providing a good balance between risk and return. The fund comprises of debt securities in the range of 50-90%. Equities in the range of 0-45% and money market and cash in the range of 0-10%. This is Aviva’s flagship fund with the current asset mix on December 31, 2003 being equities 42.67%, government securities 52.89% and cash money market 4.44%. Aviva also offers a whole range of group insurance products and corporate solutions. We have a dedicated team that works with corporate across the country.
Financial Planning:

The uniqueness of life insurance products is that you can combine protection and long-term savings enabling you to safeguard and provide for your family.

Aviva Life Insurance provides you three easy-to-use tools:

- 60 sec Financial Health Check will give you an indication of how healthy your finances are. Lifecycle Guide will take you through different stages of life and possible financial needs. Record Sheet is useful to record details of all your investments.

These tools are designed to give you an overview of your financial needs. To fully plan for your future please contact our Financial Planning Adviser.

SAHARA INDIA LIFE INSURANCE COMPANY Ltd.:

Sahara India Life Insurance Company Ltd. First Wholly-Indian –Owned Private Life Insurance Commenced operations w. e. f. 30th October, 2004 with four products viz. Sahara Nidhi (Endowment),
Sahara Sampan (Money Back), Sahara Nischint Bhavishya (Term Assurance with return of Premium), Sahara Amar Jeevan (Pension) Plans. Accident benefit and permanent disability is also offered as a rider with the above products. The company also proposes to launch shortly other products Unit Linked Plan.