

IndiaFirst eyes tieups with SHG, MFIs for micro insurance foray

SANGEETHA G

Chennai

INDIAFIRST Life Insurance, the youngest among life insurance companies, seeks entry into the micro insurance market. Growing share of retail insurance business and that of group protection plans will also remain focus points for the company.

"Micro insurance is potentially a large market in India. Micro insurance needs simple products that can be easily understood, sold and that can penetrate the lower middle class segment of the society. It is a high volume, low-margin business," said R M Vishakha, managing director and CEO of IndiaFirst Life Insurance.

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"We have the expertise of managing the pradhan mantri jeevan jyothi bima yojana using technology for a completely integrated and low-cost distribution model. We have insured 25 lakh lives under the scheme. These are premiums as low as Rs 50 or Rs 100 per month. As of now it is mainly a push product. As awareness levels increase there will be good

uptake for the products," she said.

Since its inception, the company has been largely focusing on fund-based group products for corporates. They account for 50 per cent of premiums. Retail insurance is 35 per cent of the business and remaining comes from group protection plans.

"Companies, even the public sector ones, are going slow on retirement

plans. Even banks and PSUs have moved away from defined benefit plan to defined contribution plan. The onus of retirement savings is now on the individual. On the other hand, retail insurance has been growing at a rate 30 per cent and is expected to make for 60 per cent of the business in five years," said Vishakha.

Bank of Baroda and Andhra Bank being investors in the company, the insurer is heavily dependent on bancassurance channel for distribution. As these banks have over five crore customers, the company still has scope to explore the bancassurance channel. "Banks have all types of customers and we have opportunity to cater to different segments," she added.

sangeethag
@mydigitalfc.com