



## Insurance Watch

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# There is light at the end of the insurance tunnel

Another difficult year for the life insurance industry has passed and those of us counting keenly for the dark days to end see a sparkle of hope.

Hope for sure is there, not just for the shareholder but also for all those who believe in creating genuine value. We can still get distracted by product approval delays, regulatory activism, shrinking margins, decaying agency and talent drain from the industry or take time to appreciate the new rules of the game with energy and enthusiasm.

If we look closely, we can see the writing on the wall in a positive light. It's no longer possible to pass off fat organisational structures as span breaking efficiency enhancers, expensive TV commercials as customer awareness campaigns or all-expenses-paid sales incentive trips as critical motivators to the sales community.

It's also not feasible to parade NAV-guaranteed products as best of the class, create profits by usurping plump surrender margins from the needy customers who fail to see value in the long-term continuity of their policies.

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True, customers may still be hassled by shrill calls from dubious tele-callers doing brazen mis-selling, venue marketers inducing them with gifts to force-sell policies they don't need and the cancerous pyramid schemes operating with impunity. One may still be wondering why no one traces them to their principles and takes exemplary punitive and preventive action.

But light at the end of the tunnel is clearly glowing. Efforts to improve front-end technology, lean structures enhancing employee productivity, emerging online and new distribution channels focusing on customer value, etc., would change the industry for better.

The harsh criticism of Ulips is slowly wearing off. As the markets look up, customers would realise they can invest in Ulips and still not be fleeced. In fact, Ulips are better priced and more value-oriented than their traditional counterparts.

The theme of life insurance providing “long-term locked-in savings for emergency financial needs” is the pivot of this important business. This is a powerful theme that can improve not just the family, but also the national economy through systematic and disciplined savings. For the common man, savings-linked life insurance is the best bet for accumulating steady wealth in a disciplined way, provided the charges are fair, service is efficient and intentions of all are sincere.

A manageable number of agents, focused on promoting this core theme in a professional manner to sell and service policies in a worthy manner, is a task the industry is yet to accomplish. But the new era has begun and the old methods are giving way to the new awakening. Customers, distributors and the shareholders of the industry can look forward to more enduring value in this business that deals with death, but actually supports life.

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