

## IndiaFirst Life banks on technology, innovative products for growth



**Karni Arha**  
Chief Financial Officer  
talks to Girja Shankar Kaura

One of the youngest and fast-growing life insurer in the country, IndiaFirst Life, celebrated its fourth successful year of operations in the Indian insurance sector.

With a paid-up share capital of Rs 475 crore, IndiaFirst is today present in over 1,000 cities and towns across the country through 5,000+ partner bank branches.

Having launched its operations on November 16, 2009, the company has successfully differentiated itself through simple, easy to understand products that are fairly priced and efficiently serviced. Karni Arha, Chief Financial Officer, IndiaFirst Life Insurance, talks about the company's future plans.

**Q. To what extent has IndiaFirst gained from the strengths of its two Indian promoters - Bank of Baroda and Allahabad Bank?**

A. Tremendously, the combined reach of two of the largest public sector banks in the country is phenomenal. Both banks are expanding massively this year and are likely to have a combined branch network of 6,000. An additional 2,000-odd branches of regional rural banks (RRBs) attached to them strengthen their reach in the rural and semi-urban areas.

**Q. What sets IndiaFirst apart from other life insurers in the public and private sector?**

A. We are constantly conscious of the fact that we are a relatively new entrant in the field of life insurance and need to do something drastic and different to be counted among the top few life insurers in the country. We are banking on technology, innovative, simple and customer-friendly products and superior customer service at the point of sale to have a cutting edge over our competitors. Each one of our salespersons carries a tablet with him or her, products are explained to a customer in a digital format and policies are issued on the spot. We are also an employee-friendly organisation, encouraging concepts like work from home and flexible working hours, which, we believe, gives our employees an edge over others.

**Q. Life insurance industry in general has been floundering as it tries to find its feet, with charges of rampant mis-selling over the past few years, forcing the regulators to tighten the screws. What has IndiaFirst as a newer entrant done to ensure it steers clear of this dubious reputation? How have the new regulations impacted the life insurance industry in India?**

A. The regulatory changes, which came into being as early as in October 2010, are for the benefit of customers. We, on our part, have put clear-cut checks on the tendency towards mis-selling with the use of technology. Every salesperson now carries a tablet on which he or she shows a video of the product. This, along with other cross-checks, helps control mis-selling. We have also made our products simple and transparent to further cut down on salespersons trying to misguide the cus-

tomers into buying a particular product. The regulator's restrictions on agents' commission have also impacted positively on this practice. Still, a complete turnaround is likely, to take time and would require life insurance companies to invest heavily in retraining of employees, technology and processes. We have already done that to a large extent and will keep doing more.

**Q. Though it is still in early days, how have various instruments of IndiaFirst performed financially so far from the customer's point of view?**

A. We compare favourably with our more experienced competitors. For example, our top-selling equity fund would clearly be among the top 25% among all funds in the market. And our ranking in this field has been pretty consistent, which is a clear reflection of our steady performance.

**Q. Has the tendency among life insurance companies to lure customers with promises of unrealistic returns damaged their cause in the ultimate analysis? And is it course-correction time for the life insurance industry - maybe to go back to traditional instruments with assured but realistic returns?**

A. Yes, there's a perceptible shift towards more traditional products with life coverage and reasonable bonuses. While investors in the rural and semi-urban areas, and to a certain extent even urban areas, are wanting not guaranteed returns, but safety of their principal amounts first. But in the metros, people are still inclined to go for market-driven products for better returns.



A Joint Venture of

