

'We are selling right and selling long'

PNB MetLife India Insurance is selling long-term products, on the back of strong bank tie-ups. **TARUN CHUGH**, recently appointed the managing director and chief executive, talks to M Saraswathy & Priya Nair about plans for growth. Edited excerpts:



TARUN CHUGH

Managing Director & Chief Executive Officer, PNB MetLife India Insurance

PNB MetLife has seen growth in both profitability and premiums. How important was it to have Punjab National Bank (PNB), which has more than 4,000 branches, as a partner for this?

We have been profitable since FY11. We are in a sweet spot with the PNB tie-up that happened a couple of years before. We are selling right and selling long. We sell mostly individual regular premium long-term plans (minimum 10 years). This comprised close to 90 per cent of our total portfolio.

We are clear that when are in a partnership with a bank, we are in conjunction with them; banks do not sell any of their products with a duration of more than five years and we hardly sell anything that is less than 10 years. So, it is a symbiotic relationship. Be it PNB, Karnataka Bank or Jammu & Kashmir Bank, we have made it clear that we will not compete in their business space.

The new guidelines on traditional products, which came into effect from January, impacted your sales adversely.

January was tough under the new guidelines. But during February and March, we came back into better numbers.

Through the PNB MetLife Circle of Trust campaign, we address four financial needs of a customer – fam-

ily protection, wealth management, child education and retirement. We are also getting into the salaried class and self-employed class in a big way.

Peers in the sector have used technology in a big way for policy sales and servicing. What are some of your initiatives on that front?

We are putting the customer at the centre. The innovation will be around technology and providing comfort to customers. Most of it will be around customer on-boarding experience. We are investing more into customer-facing technology and customer relationship management. We have MetSmart, which is there in all PNB branches. It is like a branch within a branch, where a PNB branch can service a PNB MetLife customer for any service requirements that would be available in our offices.

We also have an e-branch where we onboard a customer through a need analysis, show them the product and its details and easily onboard them. For need-based analysis, we will have tablet-based applications. Mobile is the second phase of this development and it could be advisor-facing.

You have stayed away from launching niche life insurance products for segments like women. Will you launch any such products this financial year?

Women-specific products are not on the anvil. We have 13 products approved, including group and retail. We could give more choices to retail customers. Once basic needs like wealth creation, pension, child education, protection and health are taken care, we will look at other products.

The insurance sector as a whole is betting big on the online segment. When will you enter this space?

We will launch products in this (online) space when the time is right. We will enter this space and are bullish on this channel.

Since FY14 ended on a positive note with respect to premiums, is double-digit growth anticipated in FY15?

When the new government comes in, and if it is stable, it gives us a directional support to get GDP (gross domestic product) going. If GDP (growth) moves to six per cent, that would quite a fillip. FY14 has ended on a positive note for us, both on profits and premiums. For the life industry as a whole, the growth might not be very significant, since household savings as a part of GDP has come down from 25 per cent to 22 per cent. Financial services as a part of household savings has also come down, which squeezes out the pie available for life insurance. But the second half of the financial year might show more positivity.

