

MetLife mulls raising stake in PNB joint venture

'India a good market'; pleased with change in insurance law, says top executive

KR SRIVATS

New Delhi, August 26

MetLife, a US-based insurer, is "evaluating options" for raising stake in PNB MetLife India Insurance, a top visiting official of its Executive Group has said.

"India is a good market. We are evaluating options now that foreign investment limit has been enhanced. We are pleased with the change in insurance law," Maria R Morris, member of MetLife's Executive Group and head of its Global Employee Benefits business told *BusinessLine*.

MetLife is doing the necessary "due diligence" before taking a final decision, she said.

As on date, MetLife has 26 per cent stake in PNB MetLife India Insurance. Punjab National Bank (PNB) is the largest shareholder with 30 per cent stake in the Indian life insurer.

India had recently amended its insurance law enhancing the foreign investment limit to 49 per cent from the earlier 26 per cent.

Employee benefits survey

Morris, who is responsible for expanding MetLife's employee benefits business in over 40 countries, was visiting India for the release of the findings of an Employee Benefit Trends Study (EBTS). This is the first time MetLife has



Maria Morris

done an EBTS focused on India. The main objective of this study is to understand how employers and employees in India perceive employee benefits as part of the overall organisational experience.

One of the unique aspects is that employers' views have

also been taken as regards provision of benefits. This study covers the perspectives of both employees and employers and thus, differentiates it from any other survey on the same, Maria said.

Financial security

The study - conducted by Nielsen in India - concluded that employers who help and guide employees to improve their overall financial security, not just their pay, could reap significant rewards in terms of workplace commitment.

When employees ranked their top financial concerns, the highest rated (with 65 per cent agreement) was "having financial security of family in the event of premature death".

Life insurance was top on

the wish-list of employees. As many as 73 per cent of the employees surveyed sought life insurance as a key benefit, and 61 per cent would buy life insurance even without the employer's contribution.

However, the research revealed a major mismatch between employers and employees on the provision of life insurance - a fundamental need that employers' may be overlooking.

While only 30 per cent of employers claim to be offering life insurance as a benefit, 63 per cent of employees say their employers provide life insurance to them.

Offering guidance on the types and extent of life cover could make a big impact for increasing employee financial security, the study has revealed.