

## **Amid lockdown, Life Insurers see 32% decline in new premium income in March**

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Life Insurance companies have reported a 32 per cent decline in new premium income in the month of March, as the business was practically shut for crucial parts of the month in the wake of the lockdown imposed by the government to tackle coronavirus. With the lockdown continuing in April, insurers have now started focussing on online business.

The overall premium income (new business) of 24 players in the segment fell to Rs 25,409 crore this March from Rs 37,459 crore a year ago, as per data released by the Life Insurance Council.

Life Insurance Corporation (LIC), the largest player in the business, witnessed a 31.11 per cent fall in the premium income to Rs 17,066 crore in March from Rs 24,776 crore in the same month last year. HDFC Life Insurance's premium income declined from Rs 2,551 crore to Rs 2,060 crore during the month, while that of ICICI Prudential Life fell to Rs 983 crore from Rs 1,451 crore.

However, for the full fiscal 2019-20, total premium income (new business) of the industry rose to Rs 2,58,896 crore from Rs 2,14,672 crore last financial year. LIC's premium income increased to Rs 1,77,977 crore in 2019-20 from Rs 1,42,191 crore in FY19.

"March, which typically is the key month for insurers, turned out to be tougher as the world went into lockdown mode. This impacted the industry growth, as it also got busy with realigning to the new normal. Life insurance is a long term investment and we continue to encourage customers to stay invested in their policies and prepare slowly for their life goals, as the environment changes around us," said Tarun Chugh, MD & CEO, Bajaj Allianz Life Insurance.

Insurers expect Covid-19-related disruptions to continue for the next quarter, with an increase in demand for protection products over the next few months providing some support.

Two significant changes are currently underway. "Face-to-face advisory, until recently, was the preferred mode of communication and customers were reluctant to buy products other than protection plans online. Now, with physical proximity posing a challenge, digital has become way of life. Customers have been compelled to experiment with online platforms," said Anup Seth, chief retail officer, Edelweiss Tokio Life Insurance.

He further said, "Keeping pace with this, insurers are now looking to ramp up efforts in digitising advisory to encourage customers to buy other product categories such as health, investment and savings, online."

### **EXPLAINED**

Focus now to be online biz

As Covid-19-related disruptions, especially the lockdown, are expected to continue in the months ahead, insurers are looking for ways to overcome the hurdles to their business. One of the approaches is encouraging customers to various product categories online.

"We are already seeing signs of increased customer interest in insurance as a category, with a 30 per cent jump in March in online new business logins from February. The online channel accounts for nearly 12 per cent of total business. During the year, we were also making efforts to scale up digital onboarding. Post-lockdown, we are at 100 per cent digital onboarding now and are focused on retaining this level," Seth added.