



## Birla Sun Life strategy pays off

### OUR SPECIAL CORRESPONDENT

Mumbai, June 4: Birla Sun Life Insurance has benefited from a change in its distribution strategy made three years ago that focussed on guiding customers to buy a policy rather than pushing the policy.

As a result, the life insurer reported improved performance on some key indicators of its performance.

Firstly, the growth in new business premium improved substantially for the insurer — a joint venture between the Aditya Birla group and Sun Life Financial Inc of Canada.

Birla Sun Life witnessed a 35 per cent growth in individual new business premium during 2016-17, which exceeded the industry's retail weight-

ed new business premium growth of around 21 per cent.

Second, the 13th month persistency ratio, or the percentage of policies that continue paying premiums, jumped to around 71 per cent from 63.5 per cent in the preceding year and 58 per cent in 2013-14.

Third, productivity across its advisors has risen more than 50 per cent. During 2016-17, the overall premium of the insurer stood at Rs 2,495 crore with individual business premium at Rs 921 crore and group business premium, Rs 1,574 crore.

Pankaj Razdan, managing director and CEO, Birla Sun Life Insurance, indicated to **The Telegraph** that the life insurer was likely to maintain the industry leading growth



Razdan: Reaping the benefits

rates in the current year, as well.

A major factor that has contributed to the strong growth rates was the change in the distribution strategy carried out in 2014-15. Accord-

ing to Razdan, the main objective of the revision was to empower the customer and eliminate mis-selling. As part of this process, the focus was on the quality of products sold by advisors or agents and not the quantity.

"In 2014-15, we realised that the industry had suffered due to trust deficit among customers. The reasons for this were many-lot of products were mis-sold, many of these products were non-transparent and the retail individual did not understand them," he said.

Razdan added that Birla Sun Life created a new business model which took a qualitative approach to the way in which insurance policies are sold. The insurer has also created a matrix for its advisors, where the relationship quo-

tient with customers is measured.

"We took steps that did not force a customer to buy a product. Instead, the customer went through a discovery process on what his needs were. The result was that the confidence of the customer increased and there was also the feeling that he is not being pushed to buy a product.

"All this meant that there was no mis-selling, it also meant empowerment for customer. When all this happens, the customer buys a particular product for the right reason and also stays as well," he said.

The measures have resulted in boosting the productivity of its advisors. Razdan added that the customer-centric model has led to strong loyalty among clients.