

Star Union Dai-ichi Life hopes to break-even this fiscal

Company to recruit 4,000 agents this year

KR SRIVATS

New Delhi, June 30

Star Union Dai-ichi Life Insurance Company Ltd expects to break-even this fiscal, Managing Director and Chief Executive Officer Girish Kulkarni said.

It is significant as the company would achieve this milestone within five years of its launch.

Star Union Dai-ichi – a three-way joint venture between Bank of India, Union Bank of India and Dai-ichi Life – is primarily riding on bancassurance offered by the two public sector bank shareholders of the joint venture.

“I attribute this (likely quick breakeven) to our promoters. We are leveraging on their 9,000 bank branches. Our strength lies in these branches as they reduce infrastructure expenses and customer acquisition costs,” Kulkarni said.

Also, the life insurer has focused on being a “frugal operator” and “not being flashy” about the location of its 67 offices in the country.

Multi-channel

Although bancassurance will continue to be the mainstay, the company is gradually unfolding its multi-channel aspirations.

The insurer had last year rolled out a pan-India agency network and currently has 6,000 agents across 60 locations. “This year, we



Girish Kulkarni, CEO and MD

On an overall basis, the company is eyeing a 24-25 per cent growth trajectory in individual new business premium this fiscal

will add another 4,000 agents, taking the overall strength to 10,000,” Kulkarni said. Also, plans are afoot to launch an online term product by September.

On an overall basis, the company is eyeing a 24-25 per cent growth trajectory in individual new business premium this fiscal.

Capital raise

Kulkarni said Star Union Dai-ichi Life has no plans to mobilise capital this year. Currently, Dai-ichi Life Insurance has a 26 per cent stake in the joint venture. It can go up to 44 per cent if the foreign direct investment limit in the insurance sector is hiked to 49 per cent, according to Kulkarni.