

LIC may up digital sales to take on private players

Surabhi Mumbai | Updated on March 21, 2019 Published on March 21, 2019



Agents say need is for lower premium term plans

With private sector insurers selling online aggressively and gaining market share, state-owned Life Insurance Corporation of India is likely to expand its digital sales. It has also asked its over 10-lakh agent force to become more aggressive.

Currently, LIC has six products as part of online sales, including Jeevan Shanti, Cancer Cover and the newly-launched Navjeevan.

Sources said that with private sector insurers and insurance aggregators offering an entire bouquet of products online, LIC too is seriously considering such a move.

“With the young generation now keen to compare and buy insurance online as it is convenient and time saving, LIC too is looking at a strategy in this direction,” said a person familiar with this development.

A further decision on this issue is likely to be taken in the coming months.

The life insurer, which continues to lead the market with a share of over 66 per cent, has also been routinely asking its agent force to boost sales. “Most of the sales for LIC policies traditionally happen in the January-March quarter and

the response from customers is quite encouraging. We are confident that the company will continue to do well,” a top LIC agent told *BusinessLine*.

According to IRDAI data, LIC registered a growth of 42.2 per cent in its new premium at ₹12,055.81 crore in February, against the industry growth of 32.67 per cent. However, between April and February this fiscal, its new premium grew just 1.39 per cent against the industry’s 7.6 per cent.

The life insurer has now also rolled out a new plan, Navjeevan, which is a non-linked, participating Endowment Life Assurance Plan that offers a combination of protection and savings.

Agents’ plea

Meanwhile, agents have also been asking the life insurer to look at the possibility of a low- premium term insurance plan as a means to boost growth.

“The term insurance premium by private insurers is much lower due to a variety of reasons while for LIC it is comparatively higher. We have suggested that LIC should look at developing an alternative product,” said the agent.

However, the government is not worried with LIC’s loss of market share.

“With over 20 private insurance companies in the market, there will obviously be some impact on LIC. But the need is to expand the market, which will lead to growth opportunities for all,” said a government source.

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