

Winning strategies in Bancassurance

Overcoming Mindset Differences

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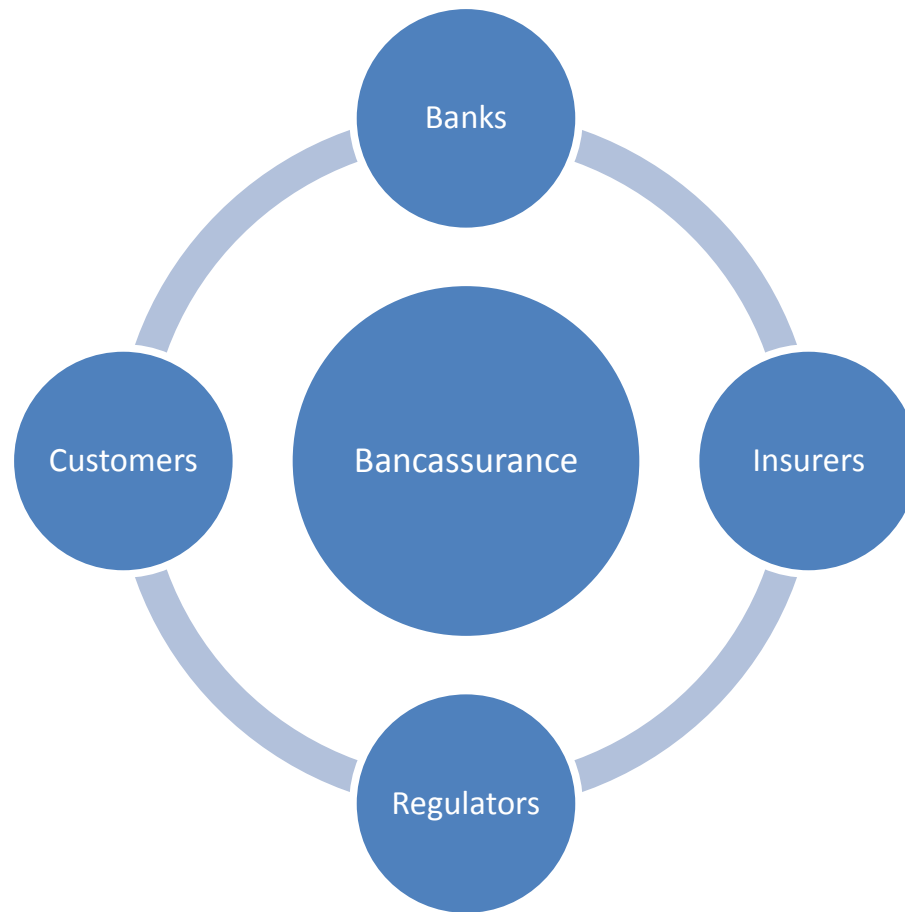
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Strategy



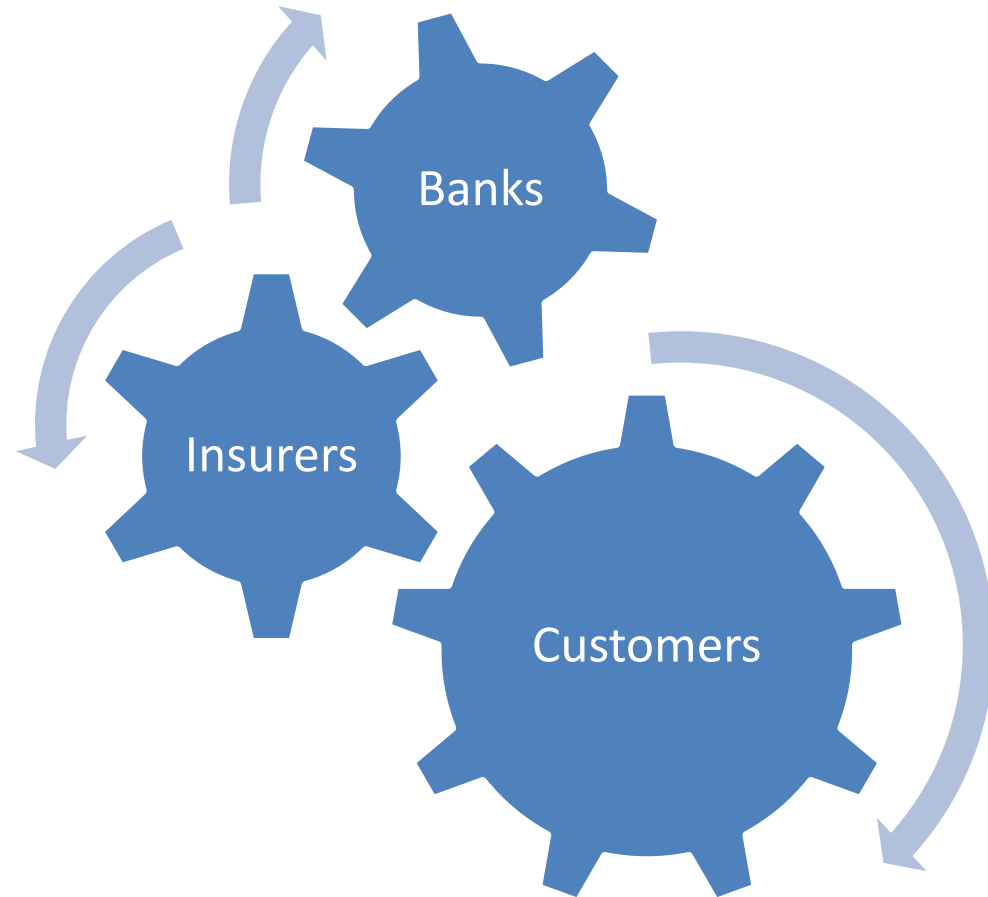
Bancassurance: Forces at work



Agenda

- Bancassurance – Forces at work
- Goal Congruence
- Right Partner – selection process
- Right Product
- Right Distribution Channel
- Change Management – overcoming mindset differences
- Doha Bank Case Study
- Challenges

Goal Congruence



Right Partner

- For Insurance Companies
 - Bank with a substantial customer base
 - Good brand equity
 - Long term commitment
 - Ready to commit resources
 - IT Solutions
 - Marketing
 - Exclusivity

Right Partner

- For Banks
 - Reputed Insurer
 - Creativity / Product Innovation
 - Product exclusivity
 - Long term commitment
 - Ready to commit resources
 - High commission

Partner Selection Process



Right Product

- ▣ Depends on the following factors:
 - Bancassurance Life Cycle
 - Customer Segment
 - Customer Profile
 - Distribution Channels

Right Product

Products as per Bancassurance Life Cycle

▣ Early Stage: PA, Home, Travel, Car

▣ Youth Stage:

- Child Education
- Pension Plans
- Growth Plans

▣ Matured Stage:

- Bonds
- Mutual Funds
- Structured Products

Product Mix

Segment-wise Product Mix

▣ Retail Customers

- Homeowners'
- Motor
- Travel
- Medical
- Investment Products

▣ Corporate Customers

- Fire
- Engineering
- Marine

Product Matrix

Type of Products	Bancassurance Life Cycle		
	Early	Youth	Mature
Simple Products	√	√	√
Complex Products		√	√
Structured Products			√

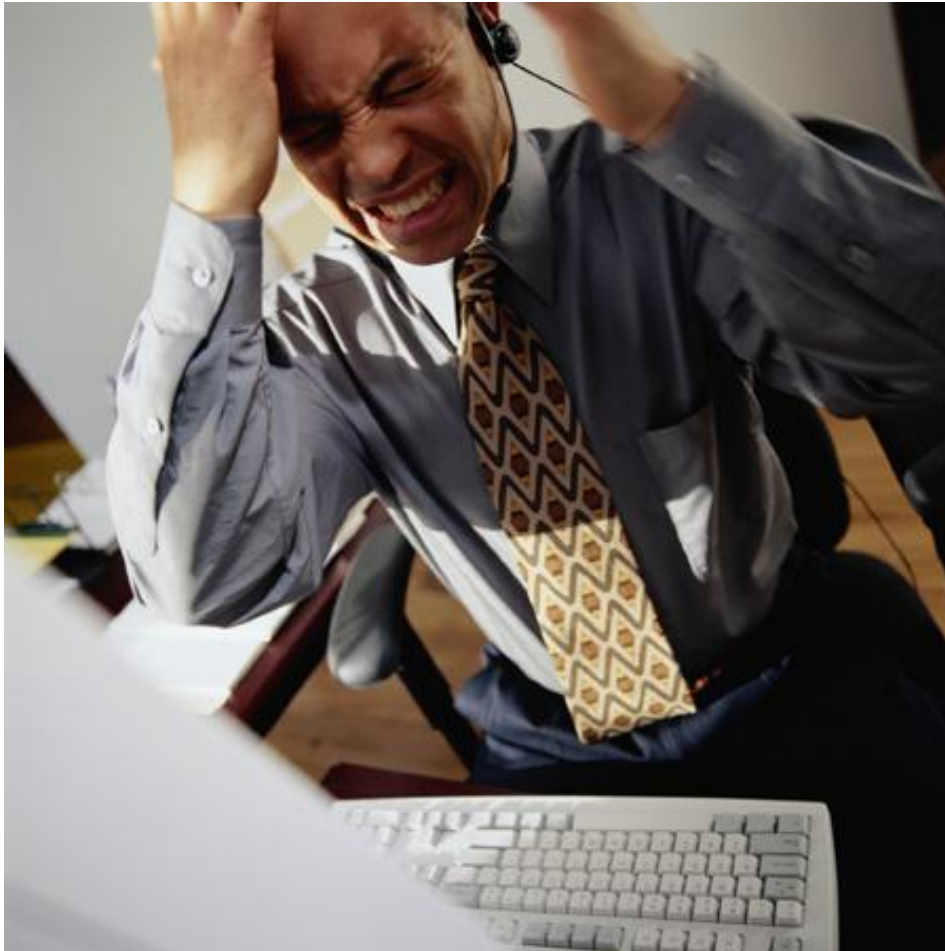
Right Distribution Channels

- ATM
- Statements
- Inbound Tele-calls
- Direct Mailers
- OTC - Branches
- Platform Banking
- E-Insurance
- Direct Sales

Convergence



Managing Change



Managing Change

Issues

- Insurance not a Core Function
- Profit Centre concept
- Resistance to process change
- Doubts over management's intention and future move
- Performance appraisal
- New reporting structure
- Career growth

Managing Change

- John Kotter's 8 steps to successful change
 - **Increase urgency** – inspire people
 - **Build the guiding team** – right people
 - **Get the vision right** – simple vision & strategy
 - **Communicate** – de-clutter communication
 - **Empower action** – remove obstacles, training
 - **Create short-term wins** – set easy goals
 - **Don't let up** – ongoing change
 - **Make change stick** – make it a culture

(Leading Change – 1995 by Kotter)

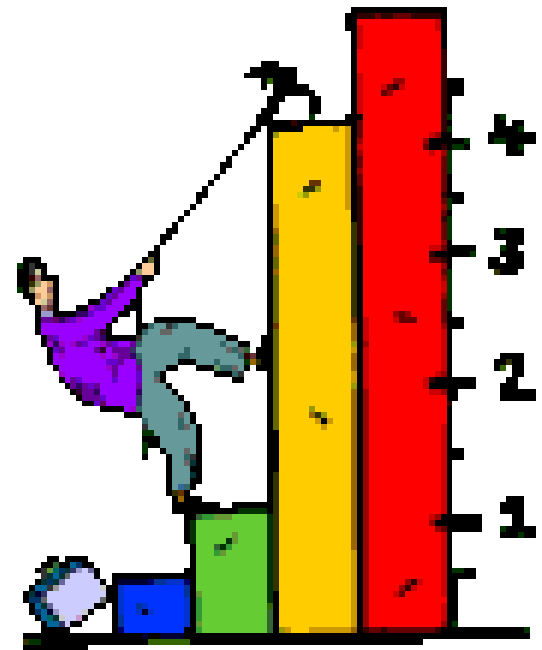
Managing Change



Doha Bank

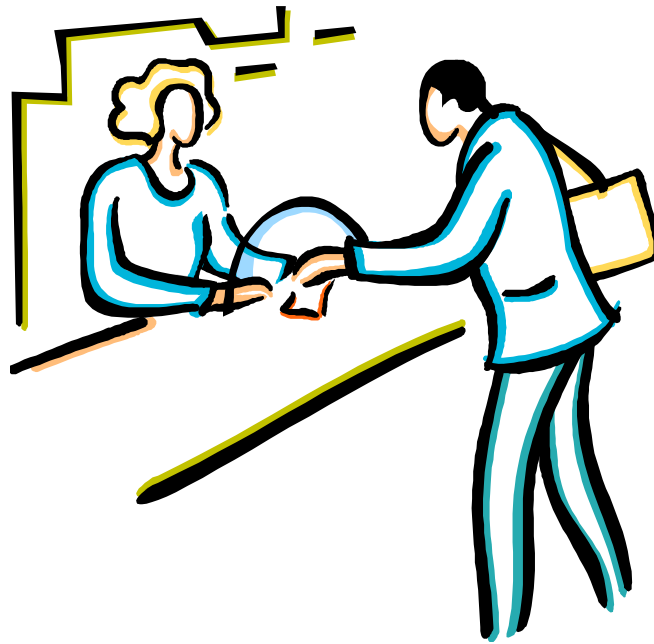
- Leading Qatari Bank (rated A- by S&P)
 - International presence
 - Winner of several awards
- Set up Bancassurance unit in Sept 2004
- Customer-centric products
- Life as well as general products
- Innovation – product development
- Multiple distribution channels
- Skilled personnel
- Multiple providers
- From distributor to risk taker
- Set up Doha Bank Assurance Company in 2008

Challenges Ahead!



Challenges Ahead

From a Banker



Challenges Ahead

To become a Financial Consultant



Challenges Ahead

From a Seller



Challenges Ahead

To a Marketer



Challenges Ahead

From a Broker



Challenges Ahead

To Risk Taker (Insurance Company)



