

Mahila bank may have failed, but insurers bet on all-women branches

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NEW DELHI: Despite Bharatiya Mahila Bank's (BMB) failure with the all-women employee and consumer model, private insurers in India are replicating the model to expand their businesses.

Bajaj Allianz General Insurance and Reliance Life have launched branches exclusively run and managed by women employees. Industry data also revealed that there has been an over 35% increase in women participation in the agent force.

Sources said that several other companies are waiting in the wings to open similar branches.

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SAM GHOSH, CEO, Reliance Capital

BMB, the ₹1,000 crore experiment of the UPA government remained a non-starter. The bank, launched in 2013, was aimed to be managed and run by women while also catering primarily to female customers. However, the bank did not manage to do either.

BMB's exclusive appeal started eroding after it started recruited male employees based on their performance in nation-

al-level eligibility tests. The bank's mounting losses has led to the initiation of its merger with the State Bank of India.

But private insurers believe the idea has potential.

"Women agents, when provided with structured training and disciplined routine, have demonstrated superior commitment. This is evident from the fact that this channel has one of the lowest complaint ratio and

high persistency of over 80% - among the highest in the industry. We intend to grow this channel to a nearly 3,000-strong sales force across 110 branches in this year," said Sam Ghosh, CEO, Reliance Capital said. Nippon Life Insurance, which has a joint venture with Reliance, uses the same model in Japan.

"The idea was to provide women with a platform that would help them be entrepreneurs and build or re-start their professional career. These branches are run by women employees who hire, recruit and train women and further facilitate them in selling general insurance products," Tapan Singhel, CEO, Bajaj Allianz said.