

IndusInd first to junk tied agency tag, partners with Rel General

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Mumbai: IndusInd Bank has become the first bank to break away from the 'tied' agency model and partner multiple insurance companies. The private lender has entered into a second distribution arrangement with Reliance General Insurance in addition to its partnership with Cholamandalam General Insuran-

ce. The general insurer is in talks with a few public sector and private banks and more tie-ups are on the anvil, Reliance General CEO Rakesh Jain said.

From April, insurance regulator IRDAI allowed banks to follow an 'open architecture' where they can sell insurance plans of multiple companies. IRDAI officials said that around 40 banks have shown inter-

est in selling policies of multiple companies. DBS is one of the lenders which has gone public with its intent to adopt 'open architecture' for insurance distribution.

With curbs on commissions and charges, banks are emerging to be a key distributor of insurance. In the case of life insurance, the share is close to half, while in the case of non-life the share is lower.