YOUR APP JUST GOT SMARTER!

Accelerate your business with the new Business Easy 2.0 app that comes armed with an array of features.

PLUS

Anytime Money Card!

Tighten your Purse Strings

Digital Push for Affordable Housing

A Plan for Everyone

“We, at Reliance Capital, are proud of the journey over the past two years that has seen our diversity ratio jump from 12 per cent to 30 per cent.”

- Anmol Ambani

SUCCESS STORY

Chinna Manikandan
AN OVERVIEW
Reliance Capital is among India’s leading and most valuable financial services companies in the private sector. It has interests in asset management and mutual funds; life and general insurance; home, consumer and commercial finance; equities and commodities broking; wealth management services; distribution of financial products; asset reconstruction; proprietary investments; and other activities in financial services. It is a listed entity on The Bombay Stock Exchange and the National Stock Exchange of India.
Connecting with the Reliance Capital family at the turn of the financial year brings me great pleasure! This is a time when most people take a hard look at their finances to maximise on investments and save taxes. Investment behaviour in India, however, is changing with the tide. With a plethora of investment options and a high level of customisation available, a growing number of people are leveraging money to meet wealth creation goals. Earlier, love for physical assets resulted in diversion of a large chunk of people’s incomes towards savings, real estate or gold. However, millennials are breaking away from traditional savings and investment options, creating, for instance, a surge in the number of mutual fund folios and demat accounts. Despite a volatile market, mutual funds have added a tremendous ₹4 trillion to the asset base in 2018. Ninety-one per cent of millennials believe in making their own financial decisions. This means starting early, doing multiple kinds of financial planning—short, mid, or long term—and not using traditional instruments as the only place to save or invest money. Effective usage of technology is also becoming increasingly important. However, as people become more active with their finances, they also become increasingly vulnerable to financial traps and bad decisions. The need of the hour is a comprehensive and unified platform that helps people make informed decisions by breaking down the complexities of the securities and investment domain with the expertise of a veteran, while making transactions possible on one’s fingertips.

With our expertise as one of India’s largest retail broking houses, we are addressing precisely this need with reliancesmartmoney.com. As a neutral financial services marketplace, we bring an innovative and tech-oriented approach to money for the 21st century investor. Customers can access a diversified range of 20,000+ products, including mutual funds, stocks, loans, insurance, PMS, corporate FDs and bonds, on a single platform. They can also transact across asset classes with ease and get customised and personalised recommendation services with the help of Robo-Assist, our smart assistant. Our ‘Buckets’, categorised on macroeconomics-influenced themes and events, and keyword search enabled by filters, can help users discover the right investment and savings options. Third-party rating from an independent research house, Value Research, adds trust and credibility. In 2018, reliancesmartmoney.com has helped over 8 lakh customers and enabled over 2.5 crore transactions.

In FY19, the securities and broking industry will continue to witness robust growth. At 46 per cent of the current workforce, millennials will be the investor base to tap into, and investing on autopilot is what they are likely to look for. Accordingly, products and services will evolve and players in the market will have to innovate. To help us expand and grow in the dynamic environment, a strong network of diverse alliances forged in a strategic manner will be integral. We will appreciate your insights and ideas and explore possible partnerships to continue to bring a better value proposition to new-age consumers—we look forward to hear from you!

B Gopkumar
ED & CEO, Reliance Securities
Your app just got smarter!

Accelerate your business with the new Business Easy 2.0 app that comes armed with an array of features.

The new Business Easy 2.0 (BE2.0) app launched recently by Reliance Mutual Fund, exclusively for partners, promises to accelerate their business. The new revamped version of the Business Easy app—which, when launched four years ago, was the first transactional app offered by any mutual fund for independent financial advisors (IFA) partners in the industry—augments user experience.

The revamped app incorporates many suggestions made by our IFA partners to make the first-generation app more user-friendly and the interface more interactive. High-speed functionality in the 2.0 version was incorporated through backend enhancements, while the in-app architecture makes it very light yet fully functional and useful, ready to be used across all connectivity environments. Indeed, BE2.0 boasts an impressive user interface and user experience (UI/UX), which while being best in class is simple enough for even a new user to grasp comprehensively and initiate transaction from day one.
The app also has artificial intelligence quotient built in, providing interactive inputs, making the users aware of business opportunities in various segments and initiating closure with just a few clicks.

Some additional features of BE2.0, including some industry firsts, are:

- Triggering systematic transfer plans (STP) and systematic withdrawal plans (SWP)
- Complete investor details required for any new feature addition or report an error by uploading a screenshot.
- Another highlight is an inbuilt ‘helpdesk’, where the partner can ask for any new feature addition or report
- Within just a month of its launch on Android, the faster, smarter and better new Business Easy 2.0 app had over 10k downloads, among the fastest in the industry.
- Offering investor segmentation for various business opportunities in various segments and initiating closure with just a few clicks.

**REVENUE OPPORTUNITIES FOR CROSS-SELLING**

<table>
<thead>
<tr>
<th>MUTUAL FUNDS</th>
<th>VALUE OF ₹ 1 CRORE INVESTMENT AT THE END OF YEARS (IN CR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RELIANCE MUTUAL FUND</td>
<td>ASSUMED RATE OF RETURN</td>
</tr>
<tr>
<td>15%</td>
<td>20%</td>
</tr>
<tr>
<td>3</td>
<td>1.52</td>
</tr>
<tr>
<td>5</td>
<td>2.01</td>
</tr>
<tr>
<td>10</td>
<td>4.05</td>
</tr>
<tr>
<td>15</td>
<td>8.14</td>
</tr>
<tr>
<td>20</td>
<td>16.37</td>
</tr>
</tbody>
</table>

| TRAIL COMMISSIONS ON ₹ 1 CRORE IN YEARS (IN LAKH) |
| RELIANCE MUTUAL FUND | ASSUMED RATE OF RETURN |
| 15% | 20% | 25% |
| 3 | 2.00 | 2.18 | 2.38 |
| 5 | 3.88 | 4.47 | 5.13 |
| 10 | 11.68 | 15.58 | 28.78 |
| 15 | 27.36 | 43.22 | 68.55 |
| 20 | 58.91 | 112.01 | 214.34 |

| CUMULATIVE TRAIL COMMISSIONS OF 1 SIP OF ₹ 5,000 AT THE END OF YEARS |
| RELIANCE MUTUAL FUND | ASSUMED RATE OF RETURN |
| 15% | 20% | 25% |
| 3 | 1,985 | 2,050 | 2,120 |
| 5 | 5,610 | 5,895 | 6,310 |
| 10 | 26,700 | 31,725 | 37,880 |
| 15 | 79,435 | 1,07,165 | 1,46,535 |
| 20 | 1,95,625 | 3,06,045 | 4,90,430 |

**COMMERCIAL & CONSUMER LOANS**

<table>
<thead>
<tr>
<th>BRAND</th>
<th>FUNDING SEGMENTS</th>
<th>TYPE OF ASSOCIATION*</th>
<th>% PAYOUT</th>
</tr>
</thead>
<tbody>
<tr>
<td>RELIANCE MONEY</td>
<td>SME &amp; B2B</td>
<td>Dealer DSA</td>
<td>upto 1.25%</td>
</tr>
<tr>
<td></td>
<td>Used Car</td>
<td>Dealer DSA</td>
<td>1.50%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CONNECTOR</td>
<td>No connectors</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RELIANCE HOME FINANCE</th>
<th>FUNDING SEGMENTS</th>
<th>TYPE OF ASSOCIATION*</th>
<th>% PAYOUT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Loan</td>
<td>DSA</td>
<td>0.74% - 1.99%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CONNECTOR</td>
<td>0.39% - 0.84%</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RELIANCE LIFE INSURANCE</th>
<th>FUNDING SEGMENTS</th>
<th>TYPE OF ASSOCIATION*</th>
<th>% PAYOUT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional</td>
<td>ULIPs</td>
<td>1.5%</td>
<td>upto 25%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>upto 7.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HEALTH INSURANCE</th>
<th>CATEGORY</th>
<th>SUB-CATEGORY</th>
<th>COMMISSION RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>RELIANCE HEALTH INSURANCE</td>
<td>Retail Health</td>
<td>15.0%</td>
<td></td>
</tr>
</tbody>
</table>

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* Terms and conditions apply
Reliance Balanced Advantage Fund will optimise equity investments by adapting to market changes regularly

Reliance Balanced Advantage Fund (RBAF) attempts to reduce the volatility associated with equity investments and provide a better investment experience. Using a model-based asset allocation, RBAF minimises ‘emotional bias’, realising the ‘buy on lows and sell on highs’ principle.

The model uses a combination of valuation and trend metrics to determine the relative attractiveness of markets, and accordingly choose the net equity exposure in the 30 per cent to 85 per cent range. While the core equity portfolio is large-cap oriented, the debt portfolio is managed conservatively, focusing at the shorter end.

The fund is positioned to deliver consistently superior risk-adjusted returns across market cycles through downside risk management in falling markets and upside participation in rising markets.

**VOLATILITY IN EQUITY – A MAJOR DETERRENT**

Though equity as an asset class has delivered phenomenal returns in the long term (Sensex has generated 16 per cent CAGR since its inception in 1980), household ownership of equities remains very low (estimated to be <6 per cent) owing to its inherent volatility. The reason for low ownership may have much to do with the experience of investing into equities. Consider this,

- 50 per cent of the times in the past 10 years, equity returns have been <10 per cent
- 40 per cent of the times since 2000, monthly returns have been negative
- 40 per cent of the above times, monthly returns have been negative by >5 per cent

**Losing less**:

Protecting the downside is more important than (not just equal to) gaining. Think about this: a 50 per cent loss would require a 100 per cent gain to recoup the losses. Losing less can add alpha.

**Having a fundamentally robust portfolio**:

The choice of securities should be value-accrating.

RBAF adopts the above principles of investment to generate superior risk-adjusted returns.

**THE STRATEGY**

- Core asset allocation (net equity) is determined through an in-house proprietary model.
- Portfolio is rebalanced on a monthly basis.
- Equity investment universe includes all listed large-and mid-cap stocks that have derivatives—primarily, the top 200 companies.
- Net equity allocation range is 30 per cent to 85 per cent.
- Equity portfolio is large-cap oriented with minimum 65 per cent equity exposure from the largest 100 companies based on market capitalisation.
- Equity portfolio is well diversified across stocks and sectors.
- Debt portfolio is managed conservatively and is focused at the shorter end of the yield curve.
- Debt portfolio is managed actively and provides a palatable experience.

**IDEAL INVESTORS**

RBAF is suitable for investors seeking higher returns than traditional fixed income avenues over the medium to long-term horizon. The attempt is to reduce volatility and generate consistent superior risk-adjusted returns over a period. In terms of risk-return, RBAF is positioned between Reliance Equity Savings Fund and Reliance Equity Hybrid Fund.

Contact your financial advisor for further details or call 1800 300 11111 / www.reliancemutual.com

**MODEL-BASED ASSET ALLOCATION**

Asset allocation is determined based on an in-house proprietary model, which uses a combination of valuation and trend metrics to determine the relative attractiveness of markets and, accordingly, choose the net equity exposure. This aids in maximising upside potential and limiting downside. According to the model, for valuation, one year forward PE, and for trend, a combination of short- and intermediate momentum is considered. Lower valuations and higher momentum lead to higher equity (net equity) allocation and vice versa.
Mutual funds provide a simple, convenient and efficient mechanism for retail investors to gain from the growth of the economy by letting them participate in the capital markets without the risk of direct exposure. Highly transparent and well-regulated, they are arguably among the most affordable investment products. Investors are now increasingly beginning to realise the benefits of investing in mutual funds to meet their financial objectives. An emerging market such as India is expected to experience a sustained higher growth rate, along with a high household savings rate. But, currently, the amount of household savings channelled into capital markets is less. The mutual-fund industry, therefore, has an opportunity for further growth and expansion.

AN UNDERUTILISED TOOL

Though investing in mutual funds holds enormous benefits for investors, participation at present is relatively low. As of 2018, the total assets under management (AUM) in mutual funds is only 21.3 lakh crore compared to 39.4 lakh crore in savings deposits and 70.8 lakh crore in fixed deposits.

According to studies, two frequently raised concerns of retail investors relate to the perception of mutual funds and accessibility/convenience. Mutual funds are still perceived to be risky, with investors generally associating them with equity investments, although there are also other asset classes such as fixed income products like fixed maturity plans (FMPs), monthly income plans and gold savings funds that are ideal to earn returns that could be better than returns from fixed deposits and small savings schemes, while not assuming large risks. Convenience in accessing investments was another sore point, which is now getting addressed by facilities such as instant redemption, whereby investors can redeem up to ₹ 50,000 instantly from their investments in liquid funds.

YOUR MONEY, ANYTIME

Long before instant redemption became an industry-wide facility (incidentally, even the concept of instant redemption was pioneered by us), we asked ourselves how wonderful it would be if we could provide instant access to investors’ money, the way banks do. After all, it’s your money and you should be able to access it ANYTIME! Thus, we have introduced a unique proposition called ‘Reliance Any Time Money Card’, which provides instant access to investments, 24×7×365! And unlike instant redemption, Reliance Any Time Money Card can be linked to almost all the schemes offered by Reliance Mutual Fund.

Reliance Any Time Money Card combines the benefits of mutual-fund investments with the convenience of a debit card. While traditional mutual-fund investments offer the potential to earn market-linked returns with the benefits of diversification, relatively low cost, liquidity and professional management, accessibility to investments in these funds, mostly provided through physical redemptions, though high, is not instantaneous. The Reliance Any Time Money Card offers instant access to your investments, 24×7×365, just like a regular debit card in India.

Daily purchase limit of 50 per cent of the balance in the primary scheme account or ₹ 100,000, whichever is lower

Daily Visa-enabled ATM cash withdrawal limit of 50 per cent of the balance in the primary scheme account or up to the permissible limit determined by the bank or ₹ 50,000, whichever is lower

Fuel surcharge waiver

Free SMS and email alerts on every transaction

Cash withdrawal facility at Visa-enabled ATMs and purchase transactions at merchant establishments just like a regular debit card in India

A Visa-powered card that can be used to withdraw cash at over 2 lakh ATMs and 3.3 million merchant outlets across India
You can park your surplus money in any of the primary schemes and access it whenever you like either through an ATM, just like a regular bank account, or by swiping your card while shopping or paying utility bills. Accessibility and liquidity to investors of mutual funds. This translates into access to your investments around the clock. While your investments are earning their returns, they are also available to you all the time at your convenience.

Various schemes can be linked to the card, with liquid fund being one of them. While mutual funds do not guarantee returns, liquid funds have been delivering stable and steady returns of about 7-8 per cent, making them a better alternative to money lying in a bank account that earns a lower rate of interest.

INVEST RIGHT

Most of us receive our monthly salary from which payments are made towards house rent or home loan, long-term investments, insurance and other fixed household expenses such as school fees for children. The rest of the money just lies in your savings account, earning minimal interest, in most cases just about 4 per cent.

But what if we were to tell you that this money, which you normally keep in your savings account, has the potential to earn a significantly higher return, every single day?

Thus, you can park your surplus money in any of the primary schemes—Reliance Liquid Fund, Reliance Ultra Short Duration Fund or Reliance Low Duration Fund as well as other mutual fund schemes—and access it whenever you like through an ATM, just like a regular bank account, or by swiping your card while shopping or paying utility bills. The primary schemes are relatively low-risk products, which could compare well with a savings bank account. You could also link the card to your other debt and equity schemes. Essentially, you would be able to enjoy all the benefits of investing into various types of mutual funds, while having instant access to your investments all the time. As we would like to say, ‘ RETURNS BHU; instant access bhii.’

SAFETY FEATURES

- Cash withdrawal facility at Visa-enabled ATMs and purchase transactions at merchant establishments just like a regular debit card in India
- Daily Visa-enabled ATM cash withdrawal limit of 50 per cent of the balance in the primary scheme account or upto the permissible limit determined by the bank or ₹50,000, whichever is lower
- Daily purchase limit of 50 per cent of the balance in the primary scheme account or ₹1,00,000, whichever is lower
- Fuel surcharge waiver
- Free SMS and email alerts on every transaction
- A Visa-powered card that can be used to withdraw cash at over 2 lakh ATMs and 3.3 million merchant outlets across India.

This innovative product is offered only by Reliance Mutual Fund, and represents a highly evolved service offering—simplifying the process of redemption significantly with numerous benefits such as:

- Anytime, anywhere redemption
- Availability of mutual-fund investments during emergencies and exigencies
- Reassurance that your hard-earned money will be available as and when required, without restricting the growth potential of investments.

Best of the best

It was a night to remember for Reliance Mutual Fund (RMF), which emerged a big winner at Asia Asset Management’s annual Best of the best Awards ceremony held recently. RMF won Best Fund House (India) and Best Application of FinTech (India), while Sundee Sikka, ED and CEO, Reliance Nippon Life Asset Management (RNLM), won CEO of the Year (India). Meanwhile, Sundee Sikka has added yet another feather to his cap. He has been recognised as one of the ‘Most Promising Business Leaders of Asia’ at the 3rd edition of The Economic Times Asian Business Conclave 2019, held in Hong Kong recently.

Another milestone

Further, Reliance General Insurance has also been making waves for its #FaceThePace and #HelloNotHolliganism campaigns. #FaceThePace won at the Talient Awards 2019 in the Best Digital Content Development and CSR categories, while #HelloNotHolliganism won the Customer Experience Award for Best Contact Centre and Best Use of Experiential and Innovative Media at the Customer Fest Show. These awards are reflective of our relentless efforts in entrenching the culture of service excellence at the organisation while innovatively harnessing our brand power to create a positive difference to society.
A REP TO PROTECT!
In this digital era, your online reputation can make or mar your business

The concept of online reputation management (ORM) has gathered much steam of late, with businesses increasingly making investments to ensure their ORM is on the right track.

According to a study, 97 per cent of business owners felt ORM is a key to their business. So, why is ORM important and what are the resources you can deploy to make sure you have a positive online reputation? Let’s find out.

In the digital age, where customers are more vocal than ever before and don’t shy away from voicing their grievances online, a negative comment or statement can dent the image of your company and hurt your long-term objectives. Interestingly, a negative word, thought or comment spreads faster than a positive one. It’s estimated that a single negative online review can cost a business an average loss of about 30 customers. On the other hand, a positive online reputation takes your business to newer heights by:

**Attracting top-notch talent:** As a business owner, you need to attract top talent to ensure smooth operations and boost productivity. Good ORM helps you entice quality people. Encouraging reviews from previous employees act as a feel-good factor for potential candidates. A poll found that only one in five job seekers consider employment with a company that has a 1-star rating.

**Maintaining a positive online reputation:** Maintaining a positive online reputation is a combination of many things. It involves constant monitoring of your brand on the Internet, gauging reviews on various sites, closely analysing social media channels and addressing negative statements at the earliest.

While you, as the head of your venture, can do it on your own, it may be a little taxing, considering your other business commitments. This is where you may need to rope in professionals to do the job on your behalf.

There are various companies offering integrated ORM services. These firms have the latest tools and technology to track and monitor your online presence and counter negative statements.

To become a Reliance Money DSA/Connector, call us on 022-39484900 / 044-30787400 or email us at CUSTOMERCARE@RELIANCECOMMERCIALFINANCE.COM.

All loans will be at the sole discretion of Reliance Commercial Finance Ltd. Conditions apply. Available in select locations only.

*On contacting us, you may receive a call from Reliance Commercial Finance Limited or any other Group Company of Reliance Capital Limited.

The Brand Reliance Money is presented by Reliance Commercial Finance Limited. (Formerly Reliance Gilts Limited). Reliance Commercial Finance Limited is a Reliance Capital Limited Company. Any products or offerings may be subject to change without prior notice.
TIGHTEN YOUR PURSE STRINGS

Expense management software helps cut down overspending and exercise fiscal discipline

C

ash flow management is one of the top factors that determine the success or failure of businesses. Payroll, operations, utilities, marketing and rent are some recurring heads under which companies incur ongoing expenses. Spending more than a few hours a week on expense management will help rein in expenses.

You need to ensure every penny spent is accounted for. This is crucial even after the company breaks even and turns profitable. While professional accountants can help you stay focused, they come at a price. Now, with expense management software, expense tracking and management can be streamlined for greater efficiency in a cost-effective manner.

Besides automating the process of tracking and reviewing business-related expenses, expense management software is designed to interface easily with enterprise payroll and accounting tools, making it possible for senior managers to routinely audit and control expenses.

HERE ARE SOME OF THE SOFTWARE OPTIONS IN THE MARKET:

Zoho Expense: One of the most widely used expense management tools today, it allows you to record expenses on the go, so you gain visibility in real time. It allows you to auto-scan receipts, saving essential details such as name of the business, time and date along with merging similar entries to avoid duplication. The software also provides insightful analytics that help you know where your business has incurred major expenses.

Certify: Known for its intuitive design and compatibility with multiple accounting platforms, Certify has been consistently recognised as one of the leading expense management tools. It allows for multilevel approval workflows to be created and enables access to reports on demand. The Certify suite also includes an app-based interface for on-the-go expense logging and receipt capture. It enables small and medium businesses to consolidate their expense tracking without the need for expensive enterprise-level solutions.

Float: An online cash management and forecasting application software, Float seamlessly integrates the latest accounting systems to give you real-time insight on your cash flow. It also provides future cash flow projections that allow you to take actionable insights to ensure the success of your business. You can set budgets and formulate short and long-term cash flow strategies with this software.

XPenditure: Positioned as an environment-friendly paperless expense reporting solution, XPenditure is also relatively inexpensive. It lets you download reports in a variety of formats, after categorising and extracting data. Leveraging AI-based algorithms, it identifies and highlights trends in expense reporting that may require attention.

Concur: It is designed for large-scale enterprise-level users and is HMRC-compliant. It has dedicated enterprise resource planning (ERP) capabilities that allow you to analyse, forecast and build complex data models. Data is transmitted and stored securely using high-grade encryption. It simplifies approval workflow management and improves transparency reporting for large corporations with offices spread across a wide geographical area.

Using the insights gained from expense management software, one can develop better budgets, reduce overspending and exercise fiscal discipline. This helps utilise scarce resources more effectively, thus contributing to the success of your business.

DIGITAL PUSH FOR AFFORDABLE HOUSING

This year, Reliance Home Finance is all set to give a big push to the housing market using the digital lending platform (DLP). This will allow clients to self-generate a loan sanction letter online without any paperwork, by just assessing their income details.

The company plans to attract the convenience-seeking salaried segment. “For Reliance Home Finance, affordable housing (AH) comprises approximately 20 per cent of the overall asset under management (AUM). The majority of AH clients belong to the self-employed non-professional category. We have focused on this segment ever since our inception and have proven expertise in analysing their credit worthiness,” said Ravindra Sudhalkar, ED and CEO, Reliance Home Finance.

Indore-based real estate analyst Vinay Dharmakar points out that most nationalised banks focus only on the salaried segment. For the past one year, banks have been extremely cautious when it comes to lending to housing finance companies (HFCs) and non-banking financial companies (NBFCs). To add to the woes, 11 of India’s 21 listed government banks are under the Reserve Bank of India’s (RBI) prompt corrective e-action framework, and hence their lending activities have been restricted.

Funding avenues of a non-deposit taking HFC are limited to traditional borrowing routes such as bank borrowings and capital market and off-balance sheet routes such as securitisation. In the current scenario, where traditional routes are unable to meet the credit requirement, HFCs such as Reliance which do not have a deposit-taking license are forced to rely on securitisation as the major source of funding.

“Compared to our peers, we had an insignificant portion of funding through commercial paper (CP). Hence, we did not face the redemption pressure our peers faced in the months of October and November last year. As a company, our focus has always been on net income margins (NIM). Our NIM stands at 3.8 per cent for Q2 FY 19,” said Sudhalkar.

Credit: Outlook Money
“WE WILL FOCUS ON TECHNOLOGY TO IMPROVE CUSTOMER EXPERIENCE”

Health insurance is no longer a ‘push product’ but a ‘pull product’, says Ravi Vishwanath, ED and CEO, Reliance Health Insurance

Noting that the opportunity in health insurance is massive at an estimated ₹ 38,000 crore, which is projected to touch ₹ 1 lakh crore by 2021, Ravi Vishwanath, Executive Director and CEO, Reliance Health Insurance, says the new standalone health insurer is focused on creating a better customer experience. Excerpts from an interview:

What are your plans for the company as a standalone health insurer?
We started operations as a standalone health insurer on 10 December last year. All our systems are running and we already have one product in the market. Our key focus is on using technology disruptively to improve the customer experience in three ways: at the time of choosing the policy, buying it, and then during claims. We realised that customers feel health insurance companies should deliver a better experience on the lines of digital platforms such as Amazon, Uber and Zomato. That’s the challenge we have taken up.

What kind of a sales and hospital network do you have?
Our sales process is completely digitalised, paperless and technology-driven. We are multi-channel and sales depend on what the customer wants: online, talking to someone on the phone, or face to face to buy a policy. We have a direct sales team and are building an agency. Currently, we have a direct sales team in 10 cities and we will expand it significantly. We are building our agency network. In terms of these face-to-face channels, we will be in about 100 locations by the end of 2020. We have about 4,000 hospitals, and our goal is to have a quality hospital within 10 km of every customer. We don’t have a third-party administrator (TPA); we do it completely inhouse.

How will you differentiate from Reliance General Insurance?
The two companies have very distinct brands. We are a retail-focused company; our focus is on using technology to improve customer experience. The old method of funding for healthcare through savings, and out of pocket, is becoming less attractive, and more people are realising that it makes sense to use a small amount of money to buy protection or insurance. Heath insurance is now becoming a ‘pull product’ and people are actively buying it, as they understand that the cost of medical insurance is rising. Also, more and more people are getting afflicted by hypertension and diabetes, and people understand it will have an impact on their health and finances. The old method of funding for healthcare through savings, and out of pocket, is becoming less attractive, and more people are realising that it makes sense to use a small amount of money to buy protection or insurance.

What kind of products will you focus on?
The first product we have is focused on the mass affluent market. Over time, we will go deeper in terms of demographics and income level, covering ultra HNIs to rural customers. We also want to go horizontal: today, we are covering hospitalisation, which is one part of health, but there are other expenses people have, such as maternity, dental, outpatient, etc. We want to cover that too. Within two years or so, we will have a very comprehensive product suite across income segments and healthcare expenses.

Sourced from The Hindu BusinessLine

“The old method of funding for healthcare through savings, and out of pocket, is becoming less attractive, and more people are realising that it makes sense to use a small amount of money to buy protection or insurance”
A PLAN FOR EVERYONE

A unique customisable term plan, Digi-Term has terminal illness benefits

Digi-Term is a product that offers further customisation benefits. It is available for customers in the age group of 18-65 years and covers life till the age of 80 (except the whole life option where the cover extends for the whole life). The variants available under this plan are as follows:

LIFE & INCOME SECURE: This product variant is targeted at newly transitioned youngsters offers life cover that grows at 5 per cent to ensure it keeps pace with inflation, income growth and growing responsibilities. This option is not only a hedge against inflation but eliminates the need to buy additional insurance later in life as responsibilities grow.

LIFE SECURE WITH RETURN OF PREMIUM: Some policyholders across all age groups consider life insurance products investment options and, therefore, tend to ignore term life insurance coverage as the policy does not yield any returns on survival. The return of premium option has been introduced to appeal specifically to such customers. Such plans usually have higher premiums than regular term plans, but come with the advantage of return of premiums on survival. A sub-variant of this option offers 50 per cent return of premium to customers on survival through the policy term. This option is akin to the concept of placing a deposit for lesser rent. The part of the premium (50 per cent) is similar to a deposit that helps reduce effect cost of coverage through the policy tenure.

LIFE SECURE: This base plan targeted at early-stage customers offers very high coverage at affordable rates. It provides the sum assured on death, or on diagnosis of terminal illness in the policyholder. This variant has an embedded option for young customers who are at the cusp of a life-stage transition, to increase the coverage on life-stage transitions such as marriage and birth/adoption of a child.

WHOLE LIFE SECURE: This option has been crafted specifically for customers closer to retirement (in the age group of 50-60) who have relatively fewer liabilities. It offers life cover for the whole life while premiums need to be paid till the age of 65. Given that longevity beyond age of 100 is rare, this option practically assures a legacy for children/grandchildren. For a healthy life, the sum assured is at least 2.17 times the premiums paid.

A unique terminal illness benefit that is premised on paying the sum assured to the policyholder in case of diagnosis of any terminal illness, which can be used for either seeking alternative treatment and/or planning the legacy for survivors. This benefit is embedded into the product at no extra cost to customers.

Digi-Term, therefore, is a unique bouquet of plans for customers across all ages, depending upon their needs and financial expectations. However, it is prudent to opt for the benefits of this product at an early life-stage to avoid escalated premiums at a later stage.

Disclaimers:
*Comparison between case 1: Life Secure - Return of Premium Option (100%), SA - 1 Cr., PT - 35 years, Male, Non-smoker, Age 25 years (Premium - `12,992) and case 2: Life Secure - Return of Premium Option (100%), SA - 1 Cr., PT - 35 years, Male, Non-smoker, Age 30 years (Premium - `16,501). Premiums are exclusive of applicable taxes and levies.
**Comparison between case 1: Life Secure - Return of Premium Option (100%), SA - 1 Cr., PT - 35 years, Male, Non-smoker, Age 35 years (Premium - `22,892) and case 2: Life Secure - Return of Premium Option (100%), SA - 1 Cr., PT - 35 years, Male, Non-smoker, Age 40 years (Premium - `25,110). Premiums are exclusive of applicable taxes and levies.

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In the past few months, volatility has gripped the Indian financial market, wiping out gains, leaving investors pondering over questions such as: Where to invest in the current market scenario and how to build an all-weather season portfolio?

Clearly, equity markets through the year have been hit by global and macro headwinds, political uncertainty, currency depreciation and NBFC issues. And in the debt market, interest rates have been hit by negatives concerning fiscal slippage, rising global yields, minimum support price (MSP) hikes, crude price volatility and NBFC-led liquidity. Therefore, from an investor perspective, it has been challenging.

Voluations are the key in equity investing. Here, one does see that excesses remain, and valuations have been volatile closer to average.

On the other hand, we would recommend that a new portfolio have a balanced approach to investing with an outlook of a minimum of two years and an asset allocation that would tactically be more conservative than ideal allocations for investors with a balanced profile in such volatile times.

To ensure a healthy return, first, allocate a 35 per cent exposure to equities, primarily through a mix of large and multi-cap funds at 15 per cent and hybrid funds with 20 per cent exposure of the portfolio. Second, allocate a 50 per cent exposure to fixed income with 40 per cent exposure to accrual, credit funds and structured products and 5 per cent exposure to equity savings funds. Third, allocate 15 per cent exposure to alternate assets, 10 per cent being in high yielding debt and 5 per cent being in short-term products.

Opportunities in the alternate space are being played via high-yield, real-estate debt strategies. Empirical evidence suggests that over five to 10-year investment horizons, commercial real estate has outperformed most other asset classes across the globe. A blend of growth strategies, dynamic allocation and fixed coupon ideas should serve well in client portfolios in the alternate space.

One must appreciate that investment recommendations and styles are individual-specific and tend to be customised. It is important that investors remain patient and plan a three-year outlook to their investment strategy to optimise returns.

Source: Outlook Money
I’m a great believer in destiny. If it hadn’t been for a providential meeting with a Reliance sales manager in 2007, I would still be a hardware engineer stuck in the assembling unit of a company, putting together personal computers. But today, I’m a ‘wealth doctor’, responsible for the financial health of my clients. For someone whose father was a bank employee in charge of jewel loans, foraying into the financial market was an adventurous step. Naturally, my family was rankled, with my father even calling it a “total waste of time”.

As I mentioned earlier, it was just a chance meeting with a sales manager, who spoke of the opportunities in the financial market business, which got me enthused. But more than that, it was the incentive I pocketed merely by sharing two references with him that made me think seriously about pursuing a career in it. Without any hesitation, I plunged in headlong, setting out on a journey that has brought me satisfaction, respect, rewards, recognition and happiness.

In the initial years, I was an average performer, managing barely five to six businesses annually. While attending one of the seminars organised by Reliance, I was motivated seeing top performers share the stage. I decided I wanted to be in that privileged group and started working towards that goal.

In 2013, I opened my office, Wealth for Life, in Pondicherry with just one employee. Today, we have a strong team of employees, whom I call “supporting pillars”, who help me manage over 2,000 clients. We also have an online platform, www.wealthforlifemani.com, which services customers across the globe. Ours is perhaps the only portal that allows customers the freedom to check the valuation of any company investment done by them through us, ensuring transparency in the business. In 2016, the entry of my better half Arthi happened to be the turning point not just in my personal life, but professionally too. She helped move my business digitally to the next level.

In 2017, I was acknowledged with the Million Dollar Round Table (MDRT), an international recognition. Following this, I was sent on a trip to the US by Reliance to attend a seminar, exposing me to global trends in the industry. This was particularly enriching given the fact that I’m in a profession where knowledge is my only investment.

Today, my company is a leading firm in Southern India. Besides Reliance, we handle many mutual funds and health insurances. The trust and confidence placed in me by my clients have got me this far on my financial journey. I hope the ride ahead is smooth as well!
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