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BPI-Philam plans domination of bancassurance business

ONE of the largest bancassurance companies in the Philippines, BPI-Philam Life Assurance Corp., intends to fortify its presence across BPI branches, covering a majority of the bank's branches by year-end.

Surendra Menon, newly appointed CEO of the company, said the distribution of bancassurance sales executives (BSEs) will heighten the awareness of bancassurance in the country and the importance of insurance for long-term risk protection. The growth of BPI-Philam will heavily depend on the number of branches that BPI has.

"There's no fixed goal, it depends on the number of branches. The more branches, the more touch points," Menon said.

At present, some 800 BSEs are posted across the lender's more than 800 branches nationwide. BPI-Philam said it aims to reach more than 90-percent coverage by the end of the year.

Aside from BPI branches, the CEO said products will be made available in different distribution centers and remittance centers, which he refused to disclose.

Menon said these movements are part of the effort to sustain its spot as the top bancassurance company in the country.

Meanwhile, BPI President Cezar Consing said in an interview at the BPI-Philam Tower, that in the long-run the company expects to be the number one life-insurance provider—besting even its parent company. "We're already the number one in bancassurance and that's using the insurance company products, but you distribute it via the branches. In that area we're already No. 1. So the hope is that overtime, we become the number one life-insurance company," Consing said.

According to BPI-Philam, of 102 million Filipinos, only 2 million have life insurance, with the majority lacking proper coverage.

Regardless of the low penetration number and below-average rate of financial literacy, Menon sees continued growth in the local insurance market with the growing population and expansion of the middle class as main drivers.

"Growth in population, as well as the banking population. As the middle income grows, more people will open bank accounts. As the population grows, more people will open bank accounts. So you have growth in numbers and growth in affordable [services]. That means you're [hitting a] double impact," he told financial journalists.

He added there are more products lined up for all the banking segments, from the high-up private banking to the microinsurance level where BPI-Philam caters to a customer base with a balanced mix of all segments.

Menon said the company expects bancassurance to perform better than conventional insurance distribution based on the trends seen in neighboring Asian countries. *Mia Rosienna Mallari*