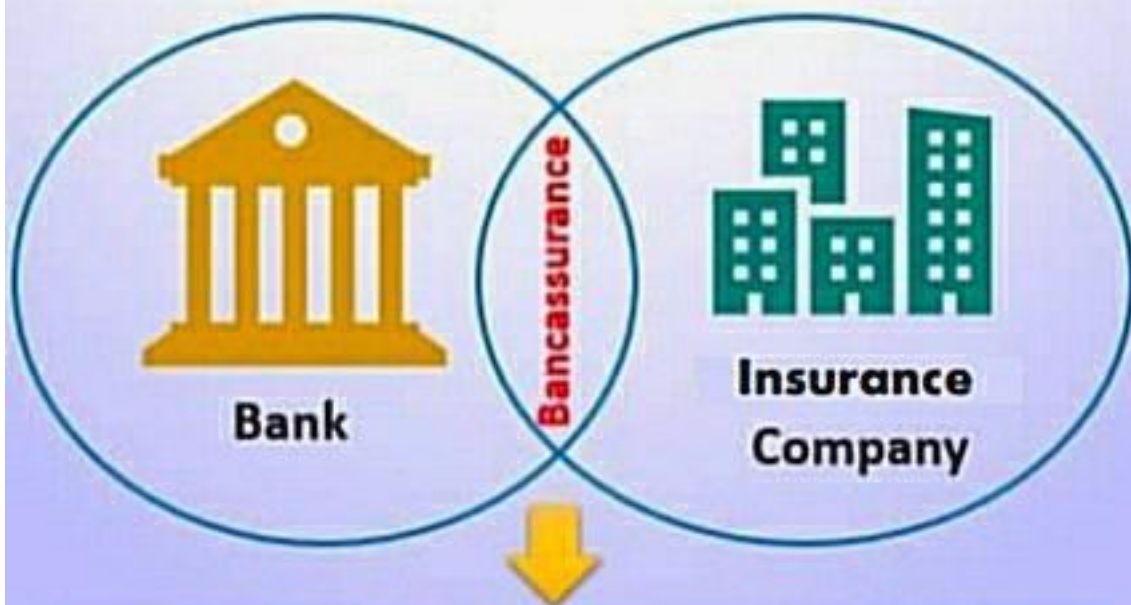


Bancassurance



To sell products like life assurance, and other insurance products to a bank's client.



BANK



INSURANCE



BANCASSURANCE

- Bancassurance is a French term.

- Bancassurance is a relationship between a bank and an insurance company that is aimed at offering insurance products or insurance benefits to the bank's customers.

- According to IRDA, 'bancassurance' refers to banks acting as corporate agents for insurers to distribute insurance products.

- It is an arrangement between a bank and an insurance company allowing the insurance company to sell its products to the bank's client base and by doing this both companies earn a profit.

TYPES OF BANCASSURANCE

Life Insurance Products

- Term insurance plans
- Endowment plans
- Unit linked insurance plans



Non-Life Insurance Products

- Health insurance
- Marine insurance
- Property insurance
- Key men insurance

MODELS OF BANCASSURANCE



Full Integration Model:

This model entails a full integration of banking and insurance services. The bank sells the insurance products under its brand acting as a provider of financial solutions matching customer needs. Bank controls sales and insurer service levels including approach to claims. Under such an arrangement the Bank has an additional core activity almost similar to that of an insurance company.

Joint Venture Model:

In this model, the bank participates in product and distribution design. There are joint decision-making and high system integration for infrastructure utilization.

Strategic Alliance Model:

Under this Model, there is a tie-up between a bank and an insurance company. The bank only markets the products of the insurance company. Except for marketing the products, no other insurance functions are carried out by the bank.

Financial Service Group:

In this, all the facilities of financial activities are under one roof.