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[We are not neither overweight nor underweight on crop insurance: Bajaj Allianz General CEO](#)

The insurer has taken a conscious call to not be overdependent on one single segment like crop which has been driven by the Fasal Bima Yojana.

By M Saraswathy

At a time when the general insurance industry is battling underwriting losses, private general insurance company Bajaj Allianz General Insurance has posted underwriting profits in FY17. In an interview with Moneycontrol, Tapan Singhel, MD & CEO, Bajaj Allianz General Insurance talks about their business strategies and path ahead. Edited Excerpts:

How have you been able to achieve underwriting profit in FY17?

We have seen not only underwriting profit, but even a good profit after tax as well as a healthy combined ratio. All you have to do is to be disciplined, settle claims on time, get pricing right, and you will get there.

Only when you get reckless and chase topline without any discipline or without servicing the consumer properly, you will start losing.

But some discipline seems to have come into the market?

The discipline is being seen in the mega risks and in group medical covers. But even in the group health space, the pricing is still below claims. While it has moved up, it has not gone up to a level which is comfortable. The industry needs to have a discipline.

The non-life industry has seen premium growth primarily driven by crop insurance. Have you seen a similar growth in the agri book as well?

In crop insurance, it is the markets where we are already present in the main business where we are writing it. We are neither underweight nor overweight on crop insurance, but we don't have overdependence on it.

In this market, overdependence on any product, geography or channel is not healthy. A risk should be evenly spread.

Bajaj Allianz General is investing heavily into the digital channel. With that be a core focus going forward?

Digital is one of the mechanisms of delivering customer experience and it is transforming and giving several avenues to do that. If you look at telematics or our other digital offerings, this is what they offer. The customer is of the view that the insurance industry does not pay claims. However, the reality is we are.

We wanted to see how we could pay claims even before somebody lodges a formal application for it. When we saw that we could use technology like block-chain and help redefine the consumer perception about us, customers could get a service that they are not expecting. Even in the automobile space, at the spot of accident, we looked at whether we can instantly transfer money. We have solved the problem of giving customers a choice to go wherever they want to repair their vehicle. Further, we are also using machine learning to address their problems much faster.

You launched telematics-based insurance for the motor cars. How has the response been?

We have been able to get a reasonable amount of data. We also made it device-free and a mobile application can be used to generate data.

Telematics has been popular in Italy, the UK and US, especially because cost of insurance is very high. In India, cost of insurance is very reasonable. Here, more than the cost benefits, it offers features like safety to drive and better driving behaviour. But, it takes time to develop to be made a habit.

Would you be able to offer discounts to customers based on the data collected?

If driving behaviour is good and if consumer has shared all the data, then we can offer discounts in pricing. The renewals of these policies will soon start coming in and we are working on the pricing.