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'Our aim is to help people drive better'



TAPAN SINGHEL

MD & CEO, Bajaj Allianz

Private general insurer Bajaj Allianz General Insurance has launched a USB-based telematics device to monitor car usage and driver behaviour, which is the first such product in the sector. In an interview with M Saraswathy, **TAPAN SINGHEL**, managing director and chief executive officer, Bajaj Allianz General Insurance talks about this and their business plans. Edited excerpts

Telematics as a concept has not been introduced in India, except for some pilots. What was the idea behind this launch?

The issue with the Indian market is when we do the pricing for vehicle insurance, we look at the year of manufacture, vehicle model and the geographic location where it will be driven. However, the most important aspect is driving behaviour which is being missed out. Here, those who are safe drivers are subsidising for those who are not, which seemed unfair to us. We thought of having a mechanism to distinguish between safe drivers and those who are not.

How will the device work? Was data privacy a concern?

This will be a USB device that can be fixed into the vehicle. Not only does



it measure driving behaviour, it also has features such as setting speed limits. If one sets a speed limit and it is breached, an alert is sent on their phone. We also have geo-tagging which ensures one gets an alert, if a car is towed away or stolen.

The aim is to have a monitoring device to help one drive better. More than insurance saving, this will also help save fuel and reduce accidents.

Since we respect customer privacy, one can de-link themselves whenever they want. They can decide when to transmit data.

Bajaj Allianz General has seen profitable growth in Q4FY16 as well as Q1FY17. Have combined ratios remained low?

The combined ratio for Q1 slightly crossed 100 per cent and we are hopeful to bring it back to below 100. Our philosophy is to underwrite risks that we understand and provide services. We wish to be known as a claim paying company, not a premium collecting company.

Will retail continue to be the key focus?

For us, retail segment has been and will always be the focus. In

the overall industry, motor, health and agriculture contribute 80 per cent. Only niche players focus on commercial segment. Being a large insurer, we would want to remain big in the retail insurance space.

Here, we will bring out very short term covers, which could be on a per-hour basis. We are in discussions with the regulator on this and such covers will be launched whenever they are approved by the Insurance Regulatory and Development Authority of India.

You had started digital branches. How has it been performing?

We have opened 600 plus digital branches and wish to take it to about 5,000. Currently, we are not expanding more into physical branches, especially in Tier-II and Tier-III places since costs to set up physical infrastructure is high. The aim is to provide customers the best price and service.