NOVEL IDEAS

Drive cool as insurance cos ideate, test cooler products

PRADEEP PANDEY @ Mumbai

TWO innovative ideas put forth by insurance companies stood out amongst the proposals approved by the Insurance Regulatory and Development Authority (IRDAI) under its regulatory sandbox project. One, Bajaj Alliance General Insurance's proposal related to 'co-pay' under health insurance and two, Reliance General Insurance's own manage motor floater policy. Bajaj also has bagged approval for its 'pay as you drive' policy under the own damage category.

The IRDAI had introduced the regulatory sandbox and invited applications from insurance and tech-driven companies between September and October last year. The sandbox enables these firms to ideate, experiment and innovate with financial products. Of the 173 proposals it had received, the regulator approved 33.

"We welcome IRDAI approval on our proposals related to 'co-pay' under health insurance and 'pay as you consume' for motor insurance," said Tapan Singhel, MD and CEO, Bajaj Alliance General Insurance.

Co-payment or co-pay is a fixed amount paid by an insured for covered services. Insurance providers often charge co-pays for services such as doctor visits or prescription drugs.

"Under the co-pay model, we are associating with GOQii, wherein based on the engagement level of insured on the health platform offered by GOQii, the percentage of their co-pay will be decided," he said.

Under its 'pay as you consumer' proposal, the general insurer will come up with a product that will help vehicle owners pay premium based on the usage of the vehicle. The model will have premium based on the kilometers utilised by the insured or the amount of time they intend to drive the car. "This will encourage more people to opt for Motor OD insurance since majority of the vehicles only have Third Party Liability policy as mandated by law." Singhel added.

Reliance General Insurance

Maximum projects

The IRDAI approved 33 out of the 173 proposals it received under its regulatory sandbox project introduced to boost innovation in insurance. Of these, ICICI Lombard General Insurance has bagged the maximum approvals, with five schemes.

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> **Tapan Singhel, MD and CEO, Bajaj Alliance General Insurance**

has introduced an all-new Motor Floater Policy, which enables coverage of multiple vehicles owned by a customer under a single policy. The sum insured will be defined according to the value of the higher sum insured vehicle, and the customers can add or delete vehicles under the policy.

It entails documentation for multiple policies under one umbrella. This helps save time, reduces paperwork and other hassles for policyholders. Also, all communication and personal details of the policyholder can be clubbed under one policy; any information can be changed any time in one go, if need be.

"We are thankful for IRDAI's unique sandbox platform... A multi-motor floater coverage model has the potential to achieve mass penetration of motor insurance in India. It enables the policyholder to manage multiple policies with just a single cover and is therefore, easy and convenient to use," said Rakesh Jain, chief executive officer, Reliance General Insurance.