

Outlook Money Conclave

Simplicity - A Big Innovation

The panel on 'Innovations in Insurance' deliberated on issues affecting customers' interests and newer approaches insurers are adopting to serve them better



(From left) KG Krishnamoorthy Rao, MD & CEO, Future Generali India, Tapan Singhel, MD & CEO, Bajaj Allianz General Insurance (moderator), Kshitij Jain, MD & CEO, Exide Life Insurance and Vineet Arora, MD & CEO, Aegon Life Insurance

At a discussion on 'Innovations in Insurance', one would typically expect the topics to be centred around technology-led innovations that are likely to propel the industry forward in the next decade.

While the Outlook Money insurance panel, which comprised KG Krishnamoorthy Rao, MD and CEO, Future Generali India, Tapan Singhel, MD and CEO, Bajaj Allianz General Insurance, Kshitij Jain, MD and CEO, Exide Life, and Vineet Arora, MD and CEO, Aegon Life, touched upon the topic of tech-enabled innovations, the discussion opened with a rather unexpected subject – simplicity in insurance policy wordings.

"The policy wordings are difficult to understand even in personal insurance policies. Lay policyholders perhaps do not even read this (fine print). Innovations need to start from there. Even the regulator needs to start from there," said Rao, after reading out a

complex paragraph from a policy document. Echoing his views, Singhel, the moderator for the panel, emphasised on the need for simpler clauses. "One of the challenges that I throw to my people and the industry is whether we can issue a policy which is like an SMS," he said. "Can we compress it to a level where a customer understands what he is getting? If we look the future now, no one has the patience to read a paragraph. If we do not have policy wordings in an SMS format, I don't think we are getting there. That I think it is one of the innovations we need to look at."

While acknowledging the growth in technology-enabled digital distribution channels, Jain emphasised the importance of traditional channels. "Intermediaries will not go out of business. Insurance requires connect – even online channel in the life insurance space is still an assisted online model. Customers today, even in metros, are not able to take decisions without the

counsel of intermediaries," said Jain.

On the other hand, Vineet Arora, whose company Aegon Life now relies primarily on the direct model to sell policies, contended that the digital channel was the future. "We have been going directly to the customers, largely through the digital route. To our surprise, it has been a great journey, he added.

The discussion progressed from distribution to claim settlement, where Singhel and Rao spoke about the newer techniques being employed to settle claims faster. "If frauds are eliminated using big data, claims can be settled faster," said Rao. "Claim settlement will be done in ten minutes – that is the future," concurred Singhel. "Companies now use blockchain technology to settle claims faster. A flight delay happens and customer is not even aware of it, but gets a message saying that this is the claim you are entitled for. Times are changing rapidly. Policy issuance and claim settlement are becoming much easier." □

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