

Technology Initiative of the Year and  
Digital Insurer of the Year (joint-winner) –  
21st Asia Insurance Industry Awards 2017

## Human touch is still important despite digitisation

As India progresses economically and country's insurance penetration rises, what does the Indian insurance customer expect from the insurers? Can technology and digitalisation be a 'cure-all' solution for the customers' expectations? How to come true on all these expectations and still be profitable?

**Mr Tapan Singhel**, Managing Director & CEO, **Bajaj Allianz General Insurance Company**, shares his views on these crucial issues with *Asia Insurance Review*.

By Anoop Khanna



There is a distinct relation between economic prosperity of a country and its insurance penetration. Insurance penetration keeps pace with economic development.

Explaining that it is a question of affordability and surplus income, Mr Tapan Singhel said: "People opt for insurance only after generating assets that they are worried of losing. When they have surplus income and can afford the insurance products in the market, insurance penetration goes up."

### Cost, coverage and convenience are important

Like any other insurance customer across the world, Indian insurance customers expect the maximum protection of their health, wealth and other risks and high levels of service from the insurance provider to add value to their everyday levels.

"As like anywhere else, cost, coverage and convenience are going to play

a major role in the uptake of any insurance product in India too," he added.

### Omni-channel access necessary

Speaking about digitisation, he said: "It will continue to play a strong role in transforming the customer service proposition in the insurance industry and help insurers reach interiors of the country in a cost-effective manner, but it will not be the sole means to insurance servicing."

Apart from a strong digital presence, the insurance industry must also provide omni-channel access, have empathy and touch elements through its physical presence and employee network.

Consumers in India still need someone to be with them in times of loss as it instils trust and faith, which is a limitation with technology. "Human intervention will therefore continue to play an important role in our sector," he said.

### Technology and analytics help deliver customised solutions

Insurers cannot just be risk-transfer providers. With access to various market trends, which help them to predict, analyse and provide predictive solutions to many risks before they occur, they can be excellent risk management experts to their customers.

Referring to emerging new age risks such as cyber-risks, he said: "Insurers need to be present as risk management experts to help their customers understand and gauge these risks and offer unique customised solutions to prevent them."

Some of the recent technological initiatives such as telematics in motor insurance and wellness solutions in health insurance also help insurers engage with their customers and provide risk avoidance solutions and prevention tools before they occur.

He said: "We have received good response to our telematics initiative in motor insurance. Being a new

concept, it has raised inquisitiveness amongst the Indian customers. With features such as setting speed limits, geo-tagging and others, it has not only helped on premium saving, it has helped reduce fuel costs and accidents and is increasingly helping customers drive better.”

“By use of blockchain technology in travel insurance, our customer is empowered to self-settle claims. Our Chatbot service ‘BOING’ which leverages artificial intelligence is successfully responding to customer queries - instantaneously and 24/7,” he added.

### National Health Protection Scheme (NHPS) can be a game changer

On health insurance, Mr Singhel said: “I have often emphasised on the need for appropriate National Health Cover for all the citizens which has now been considered in this Union Budget with the launch of National Health Protection Scheme.”

The Government of India had announced NHPS in its budget for 2018-19 which is expected to revolutionise the healthcare delivery ecosystem in the country, besides boosting insurance penetration in the country. The scheme will provide a hospitalisation cover of INR5 lac (US\$7,770) to around 10 crore (100 million) poor families.

“Countries which provide higher health insurance cover for their citizens, have people with a higher life expectancy. The same will happen in

**“Till there’s a tear in a person’s eyes because of financial losses which can be made good, till we have covered every Indian and till we provide employment to at least 20 million people as an industry, my job is not done.”**

India now with this announcement. As an insurer, we will deliver exceptionally good services & facilities for people who are covered and make it a great success,” he said.

### Disciplined pricing

While the Indian insurance industry is indeed growing remarkably, however, it is struggling to make its core business profitable.

Pricing discipline continues to elude the insurance industry. In the quest for growth, the industry has been overlooking the two most critical aspects - profitability and combined ratio, both being measures of an insurer’s financial stability.

Bajaj Allianz General Insurance which reports underwriting profits, however, stands out as exception.

Mr Singhel said: “At Bajaj Allianz General Insurance, our focus is on efficient claims management and growth

with profitability. We follow a risk-based pricing model where the price is commensurate with the risks that are being undertaken and have never succumbed to the ongoing price war in the industry.”

### Still a long way to go

To conclude, he said: “I strongly believe that there is still a lot more for me as an individual to accomplish and for the overall insurance industry to fulfil. We still have to go a long way, primarily to highlight and offer the benefits of insurance throughout the country and create a myriad of job opportunities as we grow.”

“Till there’s a tear in a person’s eyes because of financial losses which can be made good, till we have covered every Indian and till we provide employment to at least 20 million people as an industry, my job is not done,” he said. ■

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