

Date: 12.4.2019

Publication: Businessworld.in

[Our Aim Is To Provide Seamless Customer Experience & Insurance Solutions: Bajaj Allianz General Insurance](#)

In an interview with BW Businessworld, Tapan Singhel, MD & CEO, Bajaj Allianz General Insurance, talks about the nitty-gritty of the insurance sector



12 April, 2019 | By Aniruddha Bose

How did fiscal '19 shape up for Bajaj Allianz GI? Tell us about a few business highlights of the year.

We have maintained a strong financial position in the industry by posting 14.5% growth in revenue to Rs 7,694 crore in 9M FY 18-19 and posted a net profit of Rs. 696 crore in the same period. The company also reported a healthy combined ratio of 94% and a solvency of 281% for the period. We added more than 12 million customers this year and now we have over 68 million customers in total. We have some of the highest Net Promoter Score (NPS), and in fact one of the highest when it came to claims related to mobile phones. This can be accredited to our focus on top line growth in the right areas by being prudent in our risk selection. One of the major highlight for us in the current fiscal is the launch of our new brand identity 'Caringly Yours', which positions the company as the one that cares for its customers and addresses their worries.

We kick-started the year by launching 'Smart Schools' initiative, addressing one of the biggest worries of children's safety especially when travelling to and from school. We came up with the solution of group personal accident cover for school kids, which also uses IoT that helps parents track the whereabouts of their children and similarly also helps the school in monitoring the movement of students. We also launched 'M-Care', which is a unique health policy against 7 vector-borne diseases which is easy to understand, affordable and pays customers upfront in case of a claims scenario. We have a clear product strategy, we try to

make it relevant to today's time and address the needs of our customers according to new-age risks.

We are also focusing on scaling up our existing digital initiatives, like our chat bot BOING was launched on Google Assistant and Amazon's Alexa that addresses customer queries in voice format.

Tell us about how innovations and digitization will influence the GI space in the next 5 years.

I think digitization is already influencing the general insurance industry space as we speak. The next 5 years will see the full-scale use of AI and ML towards refining business models and gain greater insights into customised business solutions. Voice is already on the upward curve and will play a major role in insurance research and servicing as well. Big data and analytics plays a critical role today, but this role will only be further extenuated in the future. As the industry grows, there will be a lot of data which will be generated. This data will give further insights into better risk management, better products and better fraud identification. Analytics will move from the erstwhile diagnostic, to predictive and even prescriptive models, leading to easier decision making. Some work has already started on the connected space, but this too will mature with better connectivity and acceptance of such devices. This sort of a symbiotic arrangement will provide customers with options for better lifestyle and health management, in addition to possibly saving insurance costs in the future.

What's the key to profitability in the GI space in India? You seem to have cracked the code...

At Bajaj Allianz General Insurance, we have always emphasized on establishing and maintaining a good relationship with our customers through our product offerings and services. Our aim is to provide seamless customer experience and provide insurance solutions as per their needs.

We believe in not just staying relevant to the current times, but also thinking ahead of the curve and reinventing ourselves to offer solutions for the risks that might arise in future. Our prudent underwriting norms, better expense management, innovations in terms of products and claims management along with focus on providing best customer experience have been instrumental in maintaining profitability. If you keep customer convenience at the centre of all your activities, profits are incidental. Only profitable companies have a sustainable future.

With digitization picking up in the GI space, do you see the role of the middleman diminishing over time? What's your distribution model going to be like over the next five years?

If you look at general insurance space, nobody really gets up to buy insurance. With this attitude, there will always be a need for someone to explain the importance of insurance, a person who ensures security of others. That person is not a middleman for me, but s/he is the agent of security whose value and expertise will not diminish in the industry according to me. Harnessing the power of digitization has surely enabled insurers to introduce innovative products and reduced claim settlement time, but it won't take over the servicing side of insurance. Machines learn as they evolve, but they can't compete with humans when it comes to handling new situations and understanding specific needs of the customers. Both will

continue to co-exist in the 'phygital world'. Moreover, people still need someone in times of loss that instils faith and trust, which I feel is a limitation to technology. Hence, human intervention will continue to play an important role in the insurance industry.

At Bajaj Allianz General Insurance, we have adopted an Omni-channel model which takes in the best of both worlds. There's empathy and touch elements through our physical presence and employee network along with instant solutions with the help of digitization, together taking care of customer's needs. I think online is the future, however it might not solely be the way forward for insurers. We will move to a space of collaborative partnerships with players who have better understanding of customers and coupled with our insurance expertise, together we should be able to provide the right solution to the right customer and at the right time. However, traditional distribution will continue in parallel.

Tell us a bit about your new campaign – “Caringly Yours”. What are the objectives of this campaign?

We have adopted a new brand identity 'Caringly Yours' with an objective to reposition Bajaj Allianz General Insurance in the minds of consumers as a company that protects and cares about all their financial worries around their most prized possessions - their health, home & content, vehicles, businesses etc. As a company, we have always believed in innovating insurance solutions to address the worries of our customers and be there with them when they need us. Only care builds trust especially in an industry which is otherwise perceived negatively. With 'Caringly Yours', we aim to change this perception about the industry and make insurance a seamless part of the customers lives by being there with them throughout their policy period and not just during purchase of policy or at the time of claim. With this, customers will be able to relate their worries to the products and services provided by the company as a solution.

Do you see new age, direct to customer models like ACKO and Digit as viable competitors to established insurers over the next few years?

I have always believed that it's good for customers to have more players entering the market. I saw that in banking industry as more players came in; a simple thing like an ATM transformed the customer experience to the next level. Existing big banks which were old, transformed and started pushing much stronger than they were earlier. Competition is good, both for the new entrants and for existing players. Here, the issue is not about the new players, it is about the organization which has the DNA to be relevant to the time and thinking ahead from customer's perspective to provide solution that nobody has thought about. I have always maintained that 'the more the merrier' and still believe that we should have 100-200 insurance companies in the market. It is a good start that new companies are entering the industry.

Lastly, do tell us about your business goals for the new fiscal.

At Bajaj Allianz General Insurance, we are constantly looking at innovations not only in terms of product offerings, but also in services that enhance customer experience. Our target for FY 2019-20, before that and for the years to come will always be to gain the trust of customers and redefining their experience by addressing their worries through customized insurance

solutions. We will continue to deliver superior value to our customers and come up with simpler, innovative and need based products & services for securing each and every citizen of our country. We are also increasing our footprint by tapping newer geographies and avenues every day to serve our customers in a better manner.