

'Covid-19 opens scope for a pandemic cover in future'

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The novel coronavirus pandemic has shown how vulnerable businesses, corporates and even individuals are to a major downturn. The pandemic insurance cover, which currently doesn't exist, may help people and companies deal with these types of crises in future.

In an interview with *Mint*, Tapan Singhel, managing director and chief executive officer (CEO) of Bajaj Allianz General Insurance, said the pandemic cover could be made a mandatory add-on cover, along with the property policies for corporates and on a retail basis. Individuals could also buy this as an add-on cover, along with their home insurance policy, he added. Edited excerpts:

How did digitalization help the industry face challenges that emerged due to the coronavirus and the lockdown?

Adversity or crisis always generates opportunities and, in this case, it's the way our business models have evolved. The endeavour is to make the entire insurance experience—from policy issuance to claims settlement—smooth and hassle-free for our customers, for which we have come up with several app-based solutions that settle



motor, health and property claims within minutes, without the customer having to visit a company branch to file claims. In the long run, this transition will exponentially enhance the customer experience.

INTERVIEW

With the pandemic came job losses and also business losses. What is the lesson learnt in safeguarding citizens from an insurer's point of view?

Most factories, institutions, commercial establishments and constructions sites had to shut

down during the lockdown period, leading to job losses or salary cuts. This pandemic helped us identify the problems and look for solutions to these problems. I am a strong advocate of the pandemic pool, which is pooling funds by both private and public sectors that can help cover the economic losses caused due to a pandemic-induced lockdown.

We can make the pandemic cover a mandatory add-on cover, along with the property policies for corporates. Under this add-on, various standing charges of corporates can be covered—like employee salaries, rent of premises, etc. This can be a maximum indemnity cover for the initial months of the lockdown, along with a maximum liability limit, thus, avoiding a situation of salary cuts, lay-offs, business losses and helping companies recuperate from the pandemic and bringing in stability. On a retail basis, individuals can buy this as an add-on cover, along with their dwelling/home insurance policy.

Can you explain how pandemic insurance cover will work?

First of all, this cover won't be mandatory, and it will be a customer's choice whether to opt



for it or not. Here the insurers can pay the monthly equated monthly instalments (EMIs) to the customer for their home loan for the initial months—up to a certain extent of liability, in case of a job loss scenario due to the pandemic, thus reducing the financial burden on an individual by taking care of their home loan during the lockdown period.

Tapan Singhel
CEO, Bajaj Allianz General Insurance