

[How insurance companies and InsureTech partnerships are shaping up](#)

While insurance companies have customers and scale, InsurTechs bring new ideas, solutions, different ways of looking at the product, and means to cater to customers faster and smarter. ETBFSI talked to a few industry leaders to understand why this partnership is important.

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Industry leaders expect partnerships between insurers and InsurTechs to work very closely over the next two years, and bring new, innovative and financially inclusive insurance products, which is essential to tackle the emerging “digital wave”.

These collaborations will also integrate more tightly than ever before through their tech stacks, underwriting and pricing models, claims adjudication, and compliance, leaders said.

"Insurers are partnering with InsurTechs for the adoption of technologies such as Automation, Big Data, AI/ML, Blockchain, etc. to drive excellence across their value chain in areas such as personalized product design, digitally enabled salesforce, proactive risk management etc.," Prerak Sethi, Co-Founder, India InsurTech Association told ETBFSI.

Sethi highlighted that the industry is also seeing a number of new InsurTech startups coming out of India, who are building world-class SaaS, analytics, and deep tech companies with global reinsurers and insurers as clients. "Over the next 3-5 year horizon, we can anticipate that we would have at least 5 InsurTech unicorns in these categories," he said.

India has seen a number of new and funded InsurTechs come up since 2020, which has enabled digital distribution in spaces like employee benefits, embedded insurance, and rural

insurance, and led to more innovative digital experiences for customers at the point of sale and servicing. Also Read: Top 10 InsurTechs that raised the most during Apr 2021-Feb 2022

Sarbvir Singh, chief executive officer of Policybazaar.com, feels that as consumer awareness grows, the role of InsurTechs goes beyond being a digital interface and is crucial in expanding the scope of products.

"It has now become easier to offer personalized offerings and multi-channel touchpoints for an exceptional customer experience. Also, insurers trust InsurTechs with assessing the cumulative risk accurately and achieving cost-efficiency together. This helps provide the customer with a customized product at a competitive price," he explained. The Digital Wave

Technology has moved beyond being just another fancy "addition" and is now a necessity, according to Vivek Chaturvedi, Head of Direct Sales, Digit Insurance.

Insurers are either building systems internally for better tech integration or onboarding partners who offer advanced tech solutions at different points across the value chain

"Integrating proficiencies makes immense sense in the ever growing and insatiable field of technology, and here's where partnerships help" he added.

Since the COVID-19 outbreak, segments across-the-board have seen a massive technological transformation, which led to the emergence of InsurTechs.

According to leaders, these companies can work hand-in-hand, and will together witness a "sea of change". According to Bikash Choudhary, chief risk officer at Future Generali India Life Insurance, insurers have experienced a sea change in the way business was solicited with most having an end-to-end digital buying process.

"Evolution of hyper personalization etc. has become possible only because of the involvement of technology. In days to come, one may expect dynamic pricing based on the customer profile. Ever-evolving API ecosystems such as the Account Aggregator (AA) framework, which can provide easy access to financial data across different parties, can further ease the policy issuance process," he said.

The government has also been pushing the Digital India initiative and other Digital-based policies and schemes, and with it comes a host of opportunities for insurance partnerships to thrive, said Dipak Nair, Chief Technology officer, Tata AIG General Insurance.

"From traditional channels, business models and partnerships, the insurance sector has transformed into one that is multi-channel, has digital business models and relies on an ecosystem of partnerships. Many industries and segments like Fintech, AgriTech, Health-tech, e-commerce, payments platforms, and other startups such as garage aggregators, travel portals, e-retailers, logistics and even edtech etcetera, are involved with how insurance is sourced and serviced making it go beyond the traditional boundaries and capabilities," he added.

Symbiotic relationship

Sourabh Chatterjee, Head - IT, Web Sales & Travel, Bajaj Allianz General Insurance believes that there is a symbiotic relationship between insurers and InsurTechs, and the latter can be classified into 3 core categories – solution providers, distribution partners, and Insurance OEM.

"Insurance companies and Insurtechs which provide solutions and even those which are distribution partners have a symbiotic relationship and both benefit from each other. While Insurance companies have Customers and scale, Insurtechs bring in new ideas, solutions, different ways of looking at the product, and ways and means to service the Customers faster and smarter," he said.

Embedded Insurance

Today's value conscious customer is wanting to pay only for what they use and do not want to be locked in for a long time, said Rakesh Kaul, Chief Distribution Officer, Edelweiss General Insurance, who strongly believes that embedded insurance could address this trend.

"Say for example, flight cancellation - a moment when insurance can safeguard the customer's financial interest. Digital collaboration in this space will ensure the right product is made available at the right time and at the convenience of the customer," he said.

The digital wave is clearly changing the way products are researched, bought, and consumed, which is why it is inevitable for insurers to adopt a digital lens in providing simple and convenient solutions to address preferences of the new age customer, be it in metros or Bharat, Kaul added.