Insurance to get a digital makeover soon

Aparna.Ramalingam
@timesgroup.com

Chennai: Documentation heavy insurance business will move digital; right from issuance of policies to admittance of claims to settlements, if a proposal of the Insurance Regulatory and Development Authority (IRDA) on ecommerce and insurance becomes a reality. The insurance regulator has constituted a life and general insurance group comprising subject matter experts from the regulatory body, insurers, intermediaries and insurance repositories. The said group would identify opportunities of ecommerce in the insurance sector, recommend technology solutions and suggest regulations and other facilitation measures for growth in ecommerce in insurance. The panel was formed on July 2 and will submit its report soon. "Work has begun. The current structure of doing business in insurance is still traditional. The eco system always asks for physical documents whereas ecommerce is a new business development," CEO of Bajaj Allianz General Insurance, Tapan Singhel said. He is a member of the general insurance group constituted by the IRDA. This move is also in alignment with the government's Digital India initiatives. Sing-

AUTOMATION-AHOY

hel added that the idea was a replicate the airline ticketing model, where the passenger gets the boarding pass when he or she shows the mobile ticket. "We are evaluating a similar model in general insurance, for hospital admission and eventual claim settlement in health insurance and electronic correspondence between the garage shop, policy holder and surveyor in case of motor accidents." While use of technology has been prevalent in the insurance sector, be it keying in of customer details in tablets by agents or customers purchasing or renewing their policies online, this initiative is expected to connect the dots together. "The idea is to connect all stakeholders on a common platform. This will lead to process simplification," Singhel said. If an individual has a motor policy in a digitized format, this would be accepted by the concerned government authorities as well. Work is underway on this front too. These initiatives will help create an insurance repository for policy holders, an account where they can buy and keep policies in electronic form (e-policies) and also encourage use of analytics to curb and prevent frauds. Importantly, costs of policy issuance are also expected to come down once online issuance becomes mainstream. Currently, the issuance cost of a paper policy ranges is around Rs 70 (that includes postage and courier). Claims processing is also set to get better. "It will bring in better transparency and frauds are expected to come down. We anticipate this result in the claims ratio coming down by 15% to 20%," Singhel said.