

Take Cover, Swipe Card, Relax

by Pramod Thomas

Kochi: You can buy an insurance policy without real cash in hand. The digital era is truly transforming the way people purchase a policy in the country. Now, an insurance agent will be at your doorstep, on demand, to explain you about the policy. If you like it you can purchase the policy almost instantaneously. Just swipe your debit or credit card, you will get the payment details on your mobile phone and the policy document on your email inbox.

Insurance companies like Bajaj Allianz, Bharati Axa and SBI Life have tied up with a Bengaluru-based startup Ezetap, a mobile-based payments service provider, to enable their customers to purchase policy, cashless.

Recently, HDFC Ergo, Religare Health Insurance and ICICI Prudential have partnered with mobile wallet company Paytm to facilitate cashless payment of renewal of premiums.

"The idea of a cashless insurance policy is nothing

short of a revolution in the insurance industry. Issuing a policy on the spot by accepting card payments at the customer's doorstep is not something that exists anywhere in India. The customer can now instantly buy and issue a new policy without using a single piece of paper. This is an example of how companies in India are using the cashless payment system to leapfrog the de-

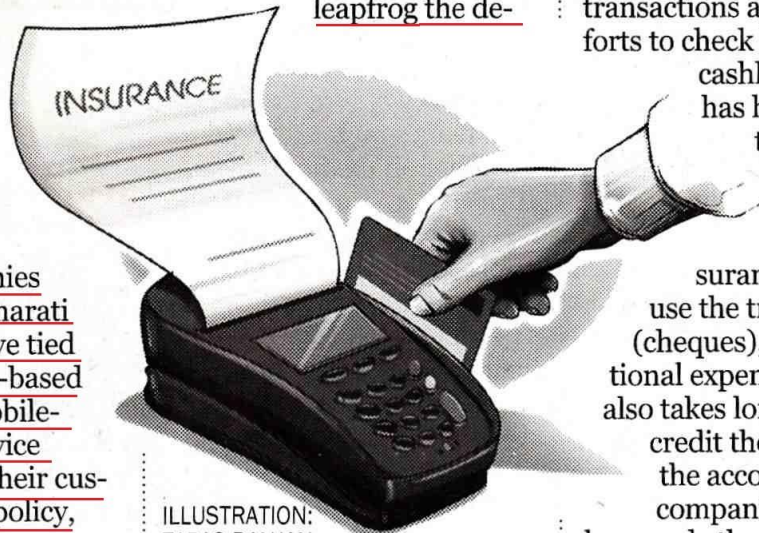


ILLUSTRATION:
TAPAS RANJAN

veloped markets, and set the new bar in customer service," said Aditya Sharma, National Head – Strategic Initiatives, Bajaj Allianz General Insurance.

According to a recent industry report, most insurance

companies are looking to increase investment into technology to grow their businesses in the domestic market. Insurance companies are expected to spend ₹14,080 crore on IT products and services in 2016, a 9.6 per cent increase over 2015. With more and more Indians using smartphones to make purchases and government looking for ways to discourage cash transactions as part of its efforts to check black money, cashless payment has huge scope in the country, experts point out.

"When insurance companies use the traditional way (cheques), their operational expense is higher. It also takes longer time to credit the money into the accounts of these companies. But in cashless mode the time delay is completely wiped out and the customers and the company gets the policy and cash within minutes. More and more companies will be forced to shift to the cashless mode sooner or later," said Tamal Das, Senior Director-Products, Ezetap.