

**INTERVIEW WITH MD & CEO OF BAJAJ ALLIANZ GENERAL INSURANCE****‘After Ayushman Bharat, govt should think of parametric solutions for loss from floods’**

WITH THE frequency of floods across the country increasing over the last few years, there is a need to create awareness around it and cover the losses. TAPAN SINGHEL, MD & CEO of Bajaj Allianz General Insurance, told SANDEEP SINGH that while “we as a country is not realising how big a social issue it can become, we need to think of parametric solutions”. He added that India as a country needs to become more obsessive about environment, law and order, health-care and public transport to create a happy society. Excerpts:

**Does the economic growth concern you?**

Economic growth is critical as it results in upliftment. But to link economic parameters with external factors is not right. We have to see how to increase domestic consumption, how do we focus on societal aspect and get a more inclusive growth. I feel that if we focus more on health and happiness of people, and get these parameters right, then as a society and nation, we will be happier.

**So you are worried that economic growth is not leading to a better society?**

If you see, even though the consumption has risen and people have more disposable income, they are getting more meals, but the overall happiness seems to be missing. I believe that the measurement and indexing of economic growth are wrong. So, if you are not getting happier with more money coming to you, then you should not worry about what the GDP growth is, but we need to introspect as to whether we are on the right path. The economy, for me, is something that is self-fulfilling. I am not saying that we should get cut-off from the world. No, we should be open, but we have to set our benchmarks right and we must see what kind of economic growth we want.

**So where should the priority lie?**

Look at the pollution levels and its effects. If Singapore can control the number of vehicles on roads, why can't we decide on the number of vehicles that should ply on the road? Why can't we make public transport much better and conducive? Why can't we make law and order better so that people can live freely without any



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fear and at the same time do things that improve the economy? I think the obsession and priority about these factors should be much higher.

**Do you think the Ayushman Bharat scheme is helping on inclusiveness?**

Because of Ayushman Bharat, now a common man has a sum insured of Rs 5 lakh and many hospital chains are saying that they will open 200-300 more hospitals. Earlier, they were not doing so because they did not know how they will get their revenue. The scheme makes that viable now and will help improve the healthcare across the country.

Hospital chains will open, there would be better healthcare available and more healthcare spend. So everyone benefits. In fact, those who can't afford are better placed today as they are covered under the government scheme. On the other hand, the penetration of health insurance among people who can afford is only 15 per cent.

**After universal health, where do you think the government should focus?**

Now we see that floods are going very frequently and I don't think we are realising how big a social issue it can become. If the home of an average man in the age of 50-60 years gets destroyed

by flood, he loses everything and at that age there is no way he can get it back.

However, if you add Rs 200-300 in the house tax and provide a cover, then all individuals impacted by flood can get money into their Jan Dhan account against the loss. There should be no survey etc. It is called parametric solution. If the loss by flood comes to around Rs 20,000 crore and insurance covers losses of around Rs 3,000 crore and government gives around Rs 1,000-Rs 2,000 crore, the total uncovered loss is around Rs 15,000 crore. Who has lost it? Its the poor and the kind of societal pressure that will come on that person is too big and there is no way to address that. If a parametric solution is provided, it will benefit millions of people and the nation as a whole.

**How do you see growth for the industry in the absence of green shoots and lack of fresh investments in the economy?**

General insurance is asset-based insurance and there is a direct correlation. However, while new business is slow, the old ones continue to be there and several areas are hugely under-penetrated and that will bring growth for the industry. I feel that the industry will continue to grow in double digits. If, somehow, the slowdown sustains for the next four-five years, then you will have a crunch in general insurance, because then the old vehicle numbers will also go down.

**What role can the government play?**

We have to look at government intervention. If you look at crop insurance, the claim outgo is 90-120 per cent. It is a very effective mechanism of distribution of government subsidy as the entire amount is going to the end user. My belief is that in a societal issue such as flood, government should take steps to create that kind of insurance programme which leads to massive awareness. It will not only lead to money flowing into the system but also solve these societal issues. In US, it is mandatory to have a cover for flood and cyclone and so penetration of home insurance in US is 95 per cent, here we have 1 per cent. Insurance and government have to work together to provide solutions that benefit the society.