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### [Increased digital adoption and new talent pool to reshape insurance industry in 2021](#)

2020 has been a unique year in the context of modern times, from total uncertainty in March when the Covid-19 pandemic-induced lockdown was imposed to now in December 2020 where there's a sense of optimism as the worst predictions of the economy and mortality rates have faded away. Insurance CEOs share their perspective on the year 2020 that was, key learnings, and how they are gearing up for 2021.

Ishan Shah | ETBFSI | Updated: December 30, 2020, 12:56 IST

Historically after every epidemic or pandemic there has been an upwards trend in insurance awareness and sales. Covid-19 pandemic is no different and has done the same; the other positives among negatives are lower costs, accelerated digital adoption, and entry of new talentpool among some sharp observations of Insurance CEOs.

#### **Increased Awareness**

The awareness around insurance, specifically the concept of protection — health and life — has incredibly significantly. From a push product it has become a nudged or pull product. Tapan Singhel, MD & CEO at Bajaj Allianz General Insurance, said, “With Covid-19, I believe that many have realized the importance of insurance and we see that this event coupled with various customer-centric initiatives introduced by insurers, will gradually lead to insurance becoming a pull product from push product as awareness increases.”

Vighnesh Shahane, MD & CEO, IDBI Federal Life Insurance echoed the same sentiments. He said, “The awareness among the general public which would've taken a long time has gone up for protection and health policies. Insurance, from a push product has become a nudge product and this trend is here to stay.”

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Digital platforms also saw a huge uptake for enquiries in purchase of insurance policies. Sarbvir Singh, CEO at Policybazaar.com said, “Protection, the real reason why insurance is used for unexpected events, that awareness and demand has gone up significantly. There are

many first time buyers who have come into this category and many of them are beyond the top 10-15 cities.”

Naveen Tahilyani, MD & CEO at Tata AIA Life Insurance said the uncertainty of the times coupled with the looming risks around life and health has prompted consumers to seek holistic solutions that offer not just life cover, but also cover critical illnesses and disability while also protecting their future savings.

### **Accelerated Digital Adoption**

While accelerated digital adoption has happened across industries, it's an important feat in the insurance industry as the physical channels with face-to-face industry was a dominant mode of distribution and business acquisition. Insurers had started issuing tablets and other phygital processes but the pandemic induced-lockdown has given a fillip to how agents and distributors interact with customers on video calls for selling products and customer engagement.

Singhel said they've seen hyper speed adoption and implementation of digital across processes which otherwise would've taken time to be implemented. He added, “We saw an increase in the number of people approaching us on our website to buy insurance policies. We saw rapid action from IRDAI in terms of quick product approvals, we were allowed e-issuance of insurance policy and also permitted obtaining customer consent on proposal forms without wet signature and taking it over email or through SMS for health insurance.”

**“ Digital policies are the norm; soft copy is good enough for everything, claims can be submitted electronically, some of these things where insurance companies were not agreeing to because systems were built in a certain way.”**

*~ Sarbvir Singh, CEO at Policybazaar.com*

Mayank Bathwal, CEO at Aditya Birla Health Insurance also believes the digital adoption by consumers and distributors is here to stay. It has allowed agents to connect with more number of customers in a day as compared to before and this accelerated digital adoption has shortened the time period by a few years.

Bathwal added, “Over a period of time productivity has increased and cost has come down. Medical underwriting can be done through Tele MER and in the video chat our underwriter feels a lot more comfortable because they know I'm talking to real customers.”

Insurers are of the opinion that the current environment is conducive to try out new things in a regulated environment because of the way the regulatory office has responded with relaxations.

Singh of Policybazaar.com said, “Digital policies are the norm, soft copy is good enough for everything, claims can be submitted electronically, some of these things where insurance companies were not agreeing to because systems were built in a certain way and fraud being an important aspect of the industry so there was lot of resistance to these changes and a lot of these changes have happened this year and insurers have realized it’s not much of difference.”

### **Lower Cost & New Talent Pool**

The work from home or remote working has allowed companies to cut some of the operating costs with digital and technology controls at disposal. Shahane of IDBI Federal Life believes that the insurance companies have learnt to deal with the lower operational expenditure and it cannot simply be underestimated.

He said, “I think every insurance company is operating at a lower 25% cost as a lot of costs have been saved like rent, office space, business travel, advertisement. The pandemic has thrust upon us. The industry is working at a lower opex at 25% as compared to last year and it cannot be undermined and is here to stay for a long time. In the last 20 years the OPEX has only gone up and this year you find a 25% drop, that's a big learning.”

Insurers believe a part of these savings could go a long way in strengthening the digital infrastructure and service customers in a better manner.

**“ In the new gig economy, we can hire anyone from anywhere in a remote working environment and we can have all technology driven control of what they’re doing from a security and productivity management perspective.”**

*~ Mayank Bathwal, CEO, Aditya Birla Health Insurance*

While lower costs and OPEX are one side of the digital adoption and remote working the other, the benefit is of a new talent pool available to work until now which was not available due to different constraints.

Bathwal of Aditya Birla Health Insurance believes women who were homemakers can now work from home as the traveling time was a constraint before, people with physical challenges or disabilities can work from and so can retired people. “In the new gig economy, we can hire anyone from anywhere in a remote working environment and we can have all technology driven control of what they’re doing from a security and productivity management perspective.”

Bathwal added, “A new category of people is ready for employment, it is going to make a huge difference in the Indian context. I’m very excited as I look ahead next year and how I can

get a different kind of set of people for employment and therefore talent quality will increase  
it will go through a transition period but it's a big shift."