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# **NEED TO SHIFT TO CUSTOMER CENTRICITY**

Every time a natural calamity strikes India, the reality regarding insurance penetration emerges. The affected areas experience huge economic and personal losses, of which only 10-12% are insured. There are major losses to public infrastructure followed by households, automobiles, commercial setups and manufacturing units. However, the insurance exposure is limited to industries, commercial setups, and automobiles. Isn't it ironic that those who insure their business units or automobiles do not insure their own homes, assets or their families and themselves? Be it the floods in Chennai, Mumbai, Uttarakhand, Jammu & Kashmir, or Cyclone Hudhud, the trend is the same.

Most Indians with higher disposable incomes are so intent on investing and building assets, that they forget to cover their risks. They have to break investments or sell their assets to recover from losses. So, the question remains as to why the industry has been unable to create the need for insurance, and why it still is a push product. Is it because the products are complicated, or the procedures archaic?

Insurers are facing fundamental challenges in improving insurance penetration in the country, owing to poor awareness regarding financial instruments. They not only need to create unique distribution and communication channels, but also emphasise on need-based products, flexibility and personalisation in all aspects of their propositions. This has to be done right from product delivery to claim settlement procedures or communication, to ensure more Indians are inclined towards availing insurance solutions.

We need to create transparent products that can be bought in easy steps with reduced data points and dynamic payment capabilities while transacting. Insurers could also look at designing variable terms in offerings. For instance, we could provide customers auto renewal options with flexibility to choose or change the payment interval—be it weekly, monthly or annually. With 500 million and growing Internet and mobile phone users in India by early next year, insurers

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will have to create a digital ecosystem that will enable online transactions. From research to purchase, customers today expect a convenient experience in insurance as well just as they have in other aspects of their lives. The Internet will allow us to provide usage-based insurance, especially in motor and health insurance, by tracking the customer's activity and offering rewards for healthy behaviour. Simplification of products and user interfaces with minimal manual intervention will act as an impetus for consumers to buy.

Besides innovations in product delivery, insurers will have to aim to be a one-stop shop to eliminate worries. That is the innovation I see the market moving towards. Insurers are already providing value-added services to health customers. The idea is to create a relationship beyond insurance.

Another challenge that needs to be addressed is seamless claims settlement to empower the customer to take claims-related decisions. Steps have been taken in this direction and the industry should be able to deliver to customers soon. Imagine a scenario wherein if you have to make a claim, you can take pictures of the damages and share it with your insurer via mobile apps. Insurers, with the help of data analytics and algorithms, would determine claim amounts instantaneously and relay the amount payable via the app. Technology will play a crucial role in this transformation.

But this will not happen overnight as insurers will have to look at avenues to collaborate with the right entities and service providers to offer these solutions. Look at online taxi hailing service, Ola. It changed the way urban Indians travel. It connects customers with drivers through a tech platform; it identified the opportunity, collaborated with the right entities and delivered the right solution.

From an insurance context, the biggest breakthrough has been the Pradhan Mantri Suraksha Bima Yojana. It is an example of how product simplicity, robust distribution network and mobile technology can help reach millions.

The need of the hour is to shift focus to customer centrality. Insurers cannot bring about this change individually. It needs collaborative efforts by all stakeholders so that insurance products and transactions are hassle-free. This will encourage more Indians to cover their risks.

As insurers, this should be our aim so that next time an unforeseen event occurs, nobody has to sell their personal assets to make ends meet.