

Look out for cyber risk insurance plans

GENERAL INSURANCE

The insurance industry today is witnessing a paradigm shift from the regular product based approach to a more dynamic customer centric approach. This shift can be attributed to changes in the technological, regulatory and socio-economic-political scenario, which have let insurers to reboot their traditional ways of doing business.

The year 2016 has been a dynamic year for the insurance industry which saw some large players in the process of consolidation to achieve scale and bring in better synergies in expenses. Regulatory moves like listing of public sector insurers and allowing reinsurers to set up businesses in India indicate the industry's thirst for expanded growth and penetration. The year also saw insurers embracing digital transformation with companies digitising several customer touchpoints, especially policy servicing and claims registration.

The new year shall usher in a new set of challenges for the insurance industry as it looks at digitising the entire value chain and interactions with customers. As the nation moves towards a cashless economy, retail and corporate cyber insurance plans are going to gain traction addressing the new age risks that Indian consumers are now exposed too. It will also see insurers introducing new modes of paperless and cashless transactions as digital insurance offices gain more prominence in 2017.

Going forward, focus would be on providing wellness solutions to customers that encourage healthy living, rather

than just servicing claims. Rising popularity of connected devices and Internet of Things (IOT) has enabled insurers to introduce usage based insurance offerings. The platform was set in 2016, when our company introduced a connected solution for motor insurance customers. In the coming year insurers are likely to introduce more IOT based solutions in the health and home insurance space. A simultaneous rise in demand for these policies that offer more customised solutions is also projected.

The insurance industry is also expected to embrace the latest technologies for risk management and claim settlement such as using drones for agricultural land and other non-motor inspections or introduction of applications that allows customers to inspect and settle their own motor claims.

On the regulatory front, with public sector insurers allowed to list, it is expected that profitability of insurance companies will take center stage and pricing

would be made more sustainable through risk based underwriting. This will bring back profitability in the industry and will provide thrust to customer centric initiatives as companies plough back the profits towards innovations in this space. Regulations have also paved the way for flow of more capital. Besides, it is expected that the government along with the regulator will continue working towards bringing out more affordable insurance schemes to increase insurance access and extend the financial security net to the masses, especially in tier 2 and 3 cities and rural areas. This collaboration between the center and the industry will further propel the growth story.



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