

# INSURANCE INDUSTRY ON tech drive to expand coverage

FC BUREAU  
New Delhi

**T**ECHNOLOGY is the new friend in town for insurance industry as it strives to add more customers in a country that still remains largely under-insured, after a year full of reforms and introduction of easier-to-understand products.

The list of reforms undertaken in 2018 is long -- diseases such as HIV and mental illness were brought under policy covers, long-term third-party motor insurance became mandatory and the government launched its ambitious scheme Ayushman Bharat that seeks to cover almost 50 crore people.

It was also a year of digitisation and launch of customer-friendly products as there was a rapid growth in online channel, Canara HSBC Oriental Bank of Commerce Life Insurance's MD and CEO Anuj Mathur said.

The sectoral regulator Insurance Regulatory and Development Authority of India (Irdai) proposed to encourage companies to develop new technologies, asked insurers to make their products more attractive and customer friendly.

"With increased use of digital mode... There was increased focus on point of sale products and simple to use channels to increase penetration of life insurance products in sub-urban and rural areas," Mathur said.

Government's massive health insurance scheme Ayushman Bharat will go a long way to bring the poorer segment of the society under policy cover, he said.

Mathur expects health insurance sector to see more innovative and customised products in coming years due to efforts of the Irdai.

HDFC Life's executive director Suresh Badami said private sector has continued to gain market share in last three years and industry should continue to see growth momentum as the regulator is taking very positive steps towards increased transparency and benefits to customers.

"Insurers will introduce simpler products which will provide customers with the maximum value for their hard-earned money.

The exposure draft on the new product regulations has been circulated with the member companies... The insurance industry at large has shared its comments with the regulator and hopefully, the recommendations would be incorporated in the notified regulations," he said.

However, he said, the protection gap is a serious concern that is being addressed through various financial protection products designed for the changing lifestyles of Indian consumers.

According to a survey, life insurance penetration in India is less than 3 per cent as compared to other developing nations.



"Insurers are making continuous efforts to address the challenge. The government has been taking concrete steps towards this direction as well," Badami said.

**T**he private life insurance industry witnessed a 20 per cent compound annual growth rate (CAGR) during the year.

"I expect the industry to continue to leverage the benefits from several initiatives it started in 2018. We will see companies invest more in product inno-

uations using the sandboxing platform, to offer more value-packed products for customers," said Bajaj Allianz Life MD and CEO Tarun Chugh said.

There will be robust adoption of technology-backed servicing initiatives for customers, sales force and agents alike. With the opening up of payment banks, small finance banks and other similar partnerships, life insurance products will reach many more Indians and help them secure their and their family's future, he said.

Ashish Mehrotra, MD & CEO at Max Bupa Health

Insurance, said some key trends to be watched in 2019 will be greater technology integration in health insurance products, with wearable playing a significant role.

**I**ntegration of wearables in health insurance products will allow insurers to curate tailor-made products as per a person's current health records, thereby curbing the need for pre-policy checkups and charging premiums more appropriately as per an individual.

During the year, health

insurance policies were made more comprehensive and easy to understand for consumers. The industry hopes that the reform measures taken by Irdai may come into action within the next 12 months.

The double-digit growth of the Indian insurance industry was aided by enhanced penetration, increasingly informed and aware customers, efficient distribution channels and government schemes, global insurance brokerage firm Willis Towers Watson's India Head Rohit Jain said.

The regulatory and legislative dynamism across the spectrum of life, non-life and health insurance is paving way for newer possibilities. There is a continuous blurring of line between the digital and physical space, indicating the tectonic shift the industry will be witnessing in the coming years, Jain said.

"With a healthy capital flow, the insurance markets continued to price the risk softly and generated a bit of consolidation activities too," he added.

Bajaj Allianz General Insurance MD & CEO Tapan Singhel said 2018 was also a year of consolidation as many regulations were introduced by Irdai on motor insurance, health insurance, crop insurance which were focused on customer centricity and simplification of products and processes for them.