

COUNTRY PROFILE – INDIA

General insurance – in their own words

Bridging the protection gap, underwriting risks at the right price and making insurance simpler and empathetic is what the Indian general insurance industry is looking forward to in 2019. *Asia Insurance Review* spoke to some Indian general insurance CEOs about their agenda for 2019 and how the New Year might shape up.

By Anoop Khanna



Bajaj Allianz General Insurance: If something goes wrong with a person, we should not find that the person was not insured for it

Bajaj Allianz General Insurance CEO and MD **Tapan Singhel** said, “General insurance penetration of less than 1% for a country like India is very low. I wish that anybody who goes through any unforeseen circumstances which derails a person, be it heavy medical expenses, be it a loss due to some natural catastrophe or be it a road accident; should be insured.”

“Insurance companies cannot make up for the emotional trauma, they can at least put them back to the same financial position they were in before suffering the loss.”

Mr Singhel said, “Natural disasters destroy our homes. A mass index-based home insurance could be

introduced, which can compensate for the damage caused by a natural disaster where the triggers will be predefined.

“We have around 400 deaths every day due to road accidents in India. Despite third-party motor insurance being mandatory, more than half of the vehicles plying our roads are uninsured,” said Mr Singhel.

He said, “To address this issue, Regional Transport Office’s (RTO) data and data of the insurance companies which is sent to Insurance Information Bureau can be matched. This will help identify the vehicles which are uninsured irrespective of the number of years they have been



registered. RTO can then send a notice to vehicle owners based on the record of uninsured vehicles.”[▲]

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DHFL General Insurance: Industry should evaluate the merit of a business proposal rather than garnering market share

DHFL General Insurance MD and CEO **Vijay Sinha** said, “Competition in the industry has largely remained price driven and, in the process, underwriting principles are seeing a dilution. In some of the lines of business the industry is encumbered with increasing underwriting losses and claims ratios are not very palatable.

“We hope 2019 is the year when the general insurance industry goes back to the drawing board sincerely, with a definite emphasis on evaluating the merit of a business proposal rather than from the perspective of garnering market share.”

“Good product underwriting will be directly proportional to better

consumer value for ‘preferred risks’. Today the ‘preferred risks’ may be subsidising (proportionately higher) than prudent in lieu of ‘bad risks’ in the race for top line,” said Mr Sinha.

He said, “The insurance industry has witnessed a high degree of collaboration in areas like more consistent products and distribution reforms and creation of entities like IIB.

“However, there are opportunities to do more in terms of raising the industry profile, defining common standards and self-regulation mechanisms, and building more industry-wide utilities. A clear differentiator that will be harbinger



of profitability for the general insurance industry will be exceptional underwriting performance.”

Go Digit: Insurers should get more empathetic towards insureds

Go Digit CEO and principal officer **Vijay Kumar** would like to see ‘simpler insurance’ in 2019. He said, “Insurance should be simple enough for people and business partners to understand, to experience and to reap the real benefits of insurance.”

Making changes to the documents, processes, use of technology, launching simpler and more relevant products – yes, all of these can help make insurance simple but “the real change will come only by bringing in ‘empathy’ and by putting oneself in the consumer’s shoes and then

seeing what changes are required,” said Mr Kumar.

“On the technology front, a lot of redundancies in processes should be removed, especially in the claims and on-boarding process. This can be achieved by using the access to smartphones that people have and using simple features like cameras and video calling to reduce the need for any physical documentation, inspection and thereby reducing the turnaround time for claim approvals,” said Mr Kumar.

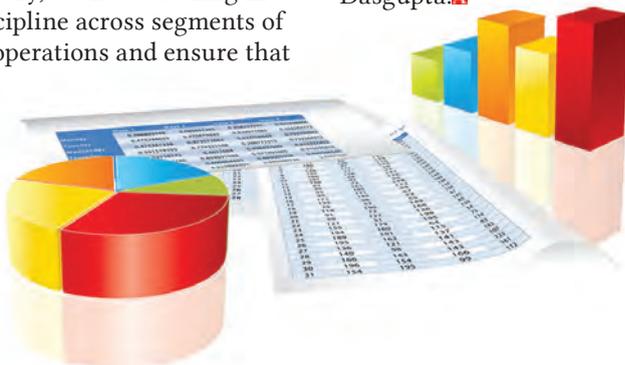


ICICI Lombard General Insurance: Pricing discipline across segments to ensure that sector growth is sustainable

ICICI Lombard General Insurance managing director **Bhargav Dasgupta** said, “In 2019 I wish we, as an industry, could realise that to ensure sustainable and viable growth of the industry, we need to bring in pricing discipline across segments of insurance operations and ensure that

it is maintained in the long term.”

“This will also ensure that customer service benchmarks are continuously enhanced, facilitated by robust business models,” said Mr Dasgupta.



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IFFCO Tokio General Insurance: Focus on 'right' pricing and shun the recklessness that has become the trend of the industry

IFFCO Tokio General Insurance

MD and CEO **Warendra Sinha** said, "I wish that in 2019 insurers would focus on 'right' pricing and shun the recklessness that has become the trend and malady of the industry.

"Indiscriminate pricing and reckless underwriting are pulling the margins of insurers. InsurTechs are already disrupting the market which will add to the profitability woes. We have to get our priorities right, if we wish to sustain growth coupled with profit," said Mr Sinha.

He said, "I also wish that the industry launches innovative

products in line with the 'sharing economy' and the changing consumer behaviour. The industry has taken baby steps in this regard, though it is also being encouraged by the regulator.

"The rise in wealth accumulation and robust consumption trends lead to increase in demand for protection of assets and lifestyle. This trend will be an ideal catalyst for the industry to continue its growth in the coming years. However, the industry has to look inwards in terms of competition through self-regulation, to reap the benefits of a growing market." 



Universal Sompo General Insurance: In 2019 develop insurance products for natural disasters as per geographical requirements

Universal Sompo General Insurance

MD and CEO **Rajiv Kumar** said, "Limitations of public and private sector disaster risk prevention and growing concentration of assets and population, especially in urban centres, have significantly contributed to the rise in disaster-related losses.

"At this juncture, the general insurance industry needs to evolve further to support people at the time of distress by developing natural disaster insurance products as per geographical requirements."

He said, "In many advanced nations, government agencies provide information on various types of

natural hazard (floods, earthquake, cyclones and more) and the data on the history of disasters in various region and insurance products are designed as per regional and personal requirements."

Mr Kumar said, "This kind of system has supported millions of. In India, a collective effort of both government and the insurance industry may be desirable to achieve this worthy mission. An information campaign for people to create awareness may also be collectively done at the general insurance industry level."

"I wish, as an industry, by moving a simple step forward, we will be able



to nurture millions of lives not only in 2019 but also beyond that." 

The top 10 general insurers 2017-18

	Company	INR bn	\$ bn
1	New India Assurance Company	226.96	3.48
2	United India Insurance Company	173.00	2.65
3	National Insurance Company	164.72	2.53
4	ICICI Lombard GIC	123.57	1.89
5	Oriental Insurance Company	114.52	1.75
6	Bajaj Allianz GIC	94.45	1.4
7	HDFC Ergo GIC	72.90	1.2
8	IFFCO Tokio GIC	56.34	0.865
9	TATA AIG GIC	54.37	0.835
10	Reliance GIC	50.69	0.778

Source: Insurance Regulatory and Development Authority of India (www.irdai.gov.in)

US \$ conversion rate used as on 31-03-2018 1 US \$ = INR 65.09