

Date: 2.7.2020

Publication: The Hindu Business Line

Page no.: 10

Edition: Bengaluru | Chennai | Hyderabad |
Mumbai | New Delhi | Pune | Kochi

70% of those who can afford health insurance don't have it, says Bajaj Allianz General CEO

SURABHI

Mumbai, July 1

The Covid-19-led economic crisis will not lead to a shrinking of business for the general insurance industry, believes Tapan Singhel, Managing Director and CEO, Bajaj Allianz General Insurance.

In an interview with *BusinessLine*, he was upbeat that motor insurance growth will come back by July. While there has been increased awareness of health insurance, he noted that demand remains muted. Excerpts:

How has the Covid-19 pandemic impacted the insurance industry and the company?

Covid-19 meant that overnight, people went digital. We issued close to 30 lakh policies and settled 17-18 lakh claims, all digitally. Second, the awareness level of

people on health insurance has gone up compared to earlier times.

Third, even distributors are now looking at how they communicate with their clients and partners digitally.

From a pure business perspective, motor insurance has been down by 50 per cent, but it is getting better at about 35-40 per cent.

This was predominantly because of commercial vehicles (which formed the bigger chunk of the decline and fell by 60-70 per cent), and then to some extent private cars, which are recovering.

Other lines of business have seen positive growth. I don't think the general insurance business will have a massive impact in terms of the industry shrinking, but it was used to double-digit growth.



If we have an insurance and banking regulator, something as important as treatment of people should also be regulated

TAPAN SINGHEL
Managing Director and CEO,
Bajaj Allianz General Insurance

(contraction) that we saw in motor insurance was not because car sales were down; it was because people were not insuring their vehicles due to the lockdown. Now, we will see a surge again. I think it will improve by July.

Are health insurance sales seeing a surge since the pandemic?

About 70 per cent of the people who can afford health insurance don't have it today. Covid often requires expensive medical treatment if things go wrong.

Also, the risk of contracting the infection is there for

everybody. In such a scenario, the servers of insurance companies should be crashing.

In April, retail health growth was down by 3 per cent; in May it grew by 8-9 per cent. This is an industry issue. The problem is that either customers don't have faith in us or we haven't been able to communicate well with customers.

There are concerns about overcharging for Covid treatment by many hospitals...

We can't paint all the hospitals with the same brush. But I am disappointed with the hospitals, and there has to be a regulator for hospitals. If we have an insurance and banking regulator, something as important as treatment of people should also be regulated.

It is not fair and there should not be extraordinary profits made in this crisis.

THE
BL
INTERVIEW

What do you make of the downturn in motor insurance?

Motor insurance is about 43-44 per cent of the industry. From what we read, car sales were down by 80 per cent. Insurance of new cars contributes about 7-8 per cent of total business, so it will have an impact of 5-6 per cent on the total book.

Now, we see some recovery in June. But the de-growth