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[Redefining claims experience in Indian insurance](#)

Apart from a strong digital presence, the insurance industry must provide omni-channel access have empathy and touch elements through its physical presence and employee network on a people to people touch basis

Tapan Singhel

The insurance business is fundamentally about keeping promises and maintaining trust. It is a pledge to customers to honour the contract when they face an adversity. Hence, it is prerogative of the insurers, to ensure that the benefits promised to the customer are paid quickly with utmost transparency.

The 'litmus test' for the insurer is at the time when the customer reaches out to them to make a claim. Given the lengthy checklist for claims management to weed out fraudulent transactions insurance is often perceived as archaic. This is also one of the reason for it being perceived as the least popular financial instrument despite being the most critical given its benefits. If the insurance industry wants to change this perception, they need to ensure that after the customer has faced a misfortune, he does not have to chase the insurer for settling the claim for which he has paid premiums.

The Indian insurance industry is undergoing a fundamental transformation with a variety of technological breakthroughs enabling insurers to be agile and directly engage with their customers. It helps them provide convenience to customers at their fingertips and offer them tailored products which suit to their needs. Technological developments such as blockchain, artificial intelligence, telematics, cloud computing, the Internet of Things (IoT), advanced analytics, and smart contracts, are providing new ways to improve efficiency. It helps by cutting down on the need for physical documentation and enabling real time settlement of claims by providing new avenues to measure, control and price risks.

The proliferation of smartphones, widespread data connectivity and new software development tools have further facilitated the emergence of innovative digital insurance platforms. These platforms provide an immense opportunity to insurers to provide deliver a seamless end to end offering- from purchasing an insurance policy to the claim settlement process. They are also enabling the creation of new customer centric services, products and business models. Technology today can essentially help insurers transform this moment of truth, namely the crucial area of claims experience proposition for the customers.

In the case of motor insurance claims, advanced data analytics tools available today and connected devices like IOT are helping insurers get real time-data and feedback and immediately assess the damage. As the model evolves further, it will be the biggest enabling factor for ensuring customer satisfaction and happiness by enabling real time settlement of claims without the need for physical documentation.

In a step in this direction, we have recently launched a facility where customers can self-inspect and settle their own motor insurance claims. By leveraging our expertise of 15 years in the insurance industry and settling more than 4.5 lakh motor insurance claims in FY 16-17, we will use data analytics tool to recommend immediate liability to the customer and suggest repair workshop within

turnaround time of 20 minutes. After receiving customer consent, we will immediately approve the claims payment which will get credited within 30 minutes into the customer bank account.

Interestingly, it would have been hard to predict that insurers could also use blockchain technology to provide customer service. Blockchain is typically associated with contracts or digital ledgers to record transactions. However, integration of Blockchain technology using smart contracts will help insurers change the entire outlook of the claims initiation process. For the first time, the claim settlement process starts even before the customer initiates it in an entirely automated process, without the need for insurance companies to spend resources on the verification and processing of their claims.

Leveraging on this, we have recently launched an application which will enable us to proactively notify the customer on their pay out eligibility in case of overseas flight delay. All the customer has to do is click on the app notification to invoke the application and fill in the account details and the claim amount will be disbursed within minutes. In the near future, we plan to extrapolate this framework to other lines of insurance as well.

While digitisation is a great tool to change perception about insurance, I believe that a pure digital play will not be the sole means to the end for insurers in India. Human intervention will continue to play a role in our country. If we look at behaviour of Indian consumers, they still need someone in times of loss which instils trust and faith, which on the other hand is a limitation to technology.

Therefore, apart from a strong digital presence, the insurance industry must provide Omni-channel access have empathy and touch elements through its physical presence and employee network on a people to people touch basis. Insurers not only innovate digitally with a strong thrust to reach out to the maximum number of customers to offer risk management solutions for their everyday lives but will also in this process create jobs and a myriad of opportunities as we grow.

Insurance in India has a very old history as early as 1800 yet the benefits of insurance are yet to reach the masses with retail penetration for non-life insurance standing at just 3 percent. While the privatisation of the insurance industry in 2000 and the entry of new private players and a series of regulatory efforts has spurred competition and innovation in products and distribution, a lot needs to be done to address this issue of low retail insurance penetration to take it to a level where customers throughout the country feel very secure and comfortable and get very good service at the same time. Digital interventions can help insurers reach out to the interiors in a cost-effective manner to rapidly fill this gap.

An ideal combination of technology and physical presence will help insurers deliver on a truly delightful insurance experience to the customers and help take insurance to the last mile.

The writer is MD and CEO, Bajaj Allianz General Insurance

How Useful are Value-added Benefits of Health Insurance?

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Health insurance companies today offer a range of value-added benefits that enhance your base coverage. We look at some of the most common offerings to understand how they work and whether they are useful.

WELLNESS PROGRAMMES

Wellness programmes are nothing but the reward points that you get from your insurer for staying fit and healthy. Of course, the main motive is to lower the insurer's costs in the long run. "Not only would these wellness programmes inculcate a healthy lifestyle among the customers, but shall also reduce the incoming claims for the insurers," says Sasikumar Adidamu, CTO - Non-Motor, Bajaj Allianz General Insurance. You would need to work hard to keep yourself physically active to earn those reward points. For one, ICICI Lombard offers you maximum 100 points for quitting smoking based on self-declaration. Likewise, there are maximum 5,000 reward points per insured for other fitness activities like gym, yoga, marathon, etc. Each reward point is equivalent to 25 paise. That means, if you to gain all 5,000 points in a year, you will get ₹1,250 as benefit. This can be used for reimbursing expenses that are not covered under your basic policy such as consultation charges and dental expenses.

Cigna TTK, on the other hand, offers you reward points for the number of steps taken on a daily basis under its 'Get ProActiv India' wellness programme. For every 12,500 steps or

more daily, you get 1.25 points. One reward point is equivalent to ₹1, which makes to ₹1.25 for 12,500 steps. The programmes and benefits vary from one insurer to another.

OUR ASSESSMENT

Difficult to get rewarded as benefits do not come easy.

AYUSH BENEFIT

AYUSH stands for Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy. It is an alternative form of treatment and the benefit is available as an in-built feature under some health insurance policies. "In India, a lot of people believe in the Ayurveda and Homeopathic system of medicine and are not inclined towards allopathy especially for chronic care. This benefit is useful for treatments which would be otherwise non-payable under a basic policy," says Puneet Sahni, head - product development, SBI General Insurance.

Adidamu concurs: "AYUSH may be particularly beneficial for those suffering from lifestyle related and chronic diseases and those who may be allergic to allopathic drugs." While AYUSH can be beneficial, it comes with its own terms and conditions. First, the coverage is subject to a sub-limit which is either specified as a percentage of the sum insured or a maximum amount that you can avail. For instance, Apollo Munich's Easy Health policy offers AYUSH benefit of maximum up to ₹50,000 only, depending on the plan variant and the sum insured. Second, the AYUSH benefit is rarely available on an outpatient basis. One has to stay for a minimum 24

DIFFERENT APPROACH
AYUSH is an alternative treatment & the benefit is available in-built under some health insurance policies

THE RIGHT FIT Understand the range of offerings made by cover companies: how they work and their benefits



hours in the hospital offering AYUSH treatment. "The premium is also higher by about 5-10% for plans offering AYUSH benefit as compared to basic policies," says Harjot Narula, CEO, ComparePolicy.

OUR ASSESSMENT

Stringent rules, useful for Ayurveda and Homeopathic treatments.

MEDICAL REPATRIATION

This used to be a feature for travel policies, as the patient may be required to be moved to the nearest available facility or sometimes the nearest country. But nowadays this benefit is also being offered under some health insurance policies. Medical emergencies overseas could be really expensive or facilities may not be available for the right treatment. In such cases, this benefit can come handy.

But like other benefits, it comes with strings attached. For instance, Max Bupa offers emergency medical evacuation benefit under its Heartbeat Family First - Platinum Plan. The cover is available worldwide but excludes locations such as the USA and Canada. Aditya Birla's Activ Health policy covers worldwide emergency assistance services, but for outside India, hospitalisation and surgery expenses are not covered. "One should also note that such evacuation expenses become payable only when the main claim for hospitalisation is payable," cautions Roy.

BETTER COVERAGE
Health claims hardly get fully exhausted. You could be better off purchasing a top-up or super-top up plan

OUR ASSESSMENT

Limited and conditional coverage.

SUM INSURED RESTORATION

With this benefit, you can restore the base sum insured to the original amount in the event of its exhaustion. For instance, if you exhaust your base cover, you can restore it back to

100% in a year. But is it any useful? Industry numbers show that health claims hardly get fully exhausted. You could be better off purchasing a top-up or super-top up plan to enhance your cover. Though it may come at a comparatively higher cost, it gives you better coverage. Not only is the sum insured available beyond the selected threshold of the deductible amount, but also there are no restrictions on the same illness.

OUR ASSESSMENT

Top-up or super top-up plans provide better coverage and enhancement than a restoration option.

CUMULATIVE BONUS

Cumulative bonus in health insurance is like no claim bonus in motor insurance. It is a reward given to the policyholder in the form of increased sum insured in specified percentage for every claim-free year. For instance, Bajaj Allianz's Health Guard Individual Plan offers a cumulative bonus of 10% of base sum insured per annum and the maximum is limited to 100% for 10 years.

OUR ASSESSMENT

Can be useful for increasing base sum assured.

How useful are value-added benefits of health insurance?

Health insurance companies offer various benefits to enhance your coverage, but all of them may not be useful.

YOGITA KHATRI

Health insurance companies offer a range of value-added benefits to enhance your base coverage. Here's a look at some of the most common offerings, how they work, and whether they are useful.

Wellness programmes

A wellness programme is a system of reward points awarded to you by your insurer for staying fit and healthy. The main motive behind companies offering these programmes is to lower their own costs in the long run, since you are likely to make fewer claims if you stay healthy. "Not only would these wellness programmes inculcate a healthy lifestyle among customers, but they will also reduce the incoming claims," admits Sasi-kumar Addamu, Chief Technical Officer-Non-Motor, Bajaj Allianz General Insurance. While policyholders can benefit too, it doesn't come easy. For instance, ICICI Lombard offers you maximum 100 points for quitting smoking based on self-declaration. Likewise, there are maximum 5,000 reward points per insured for other fitness activities such as gym, yoga, running marathons, etc. Each reward point is equivalent to only 25 paise. This means, even if you manage to gain all 5,000 points in a year, you will get a benefit of ₹1,250. This can be used for reimbursing expenses that are usually not covered under your basic policy such as consultation, dental expenses, medicines, etc. The programmes and benefits vary from one insurer to another.

AYUSH benefit

AYUSH stands for Ayurveda, Yoga & Naturopathy, Unani, Siddha, and Homeopathy. The AYUSH benefit is available as an inbuilt feature under some health insurance policies. "In India, a lot of people believe in the Ayurvedic and Homeopathic systems of medicine, especially for chronic care. This benefit is useful in case of such treatments which would be non-payable under the basic policy," says Puneet Sahni, Head - Product Development, SBI General Insurance. Adidamu concurs: "AYUSH may be particularly beneficial for

those suffering from chronic and lifestyle related diseases and those allergic to allopathic drugs."

However, the benefit comes with its own terms and conditions. The coverage is usually subject to a sub-limit which is either specified as a percentage of the sum insured or the maximum amount that you can avail of. Further, the AYUSH benefit is rarely available on an outpatient basis. One has to stay for minimum 24 hours in the hospital offering AYUSH treatment. The treatment also has to be provided by a recognised government hospital accredited by Quality Council of India or National Accreditation Board on Health. "While plans with AYUSH benefit have lower premiums, plans without the benefit are generally more comprehensive and offer wider coverage," says Harjot Narula, CEO, ComparePolicy.

Second opinion

As the name suggests, this benefit covers getting a second opinion from a different doctor. This can help make the final decision on further course management of an ailment, especially critical illnesses. "Revalidating the diagnosis always has a positive outcome for the patient," says Sahni. Anand Roy, Executive Director and Chief Marketing Officer, Star Health and Allied Insurance concurs: "This is particularly helpful in the case of a planned surgery or treatment." Most companies offer it as an embedded benefit at no extra cost. It can also be useful for someone with a hereditary history of or predisposition to certain illnesses.

Medical repatriation/evacuation

This benefit comes in handy for managing medical emergencies faced overseas, which can be very expensive. Further, the or the necessary facilities for treatment may not be available. But like most other value-added benefits, this too comes with strings attached. For instance, Max Bupa offers emergency medical evacuation benefit under its Heartbeat Family First-Platinum Plan. The cover is available worldwide, up to the sum insured, but it excludes USA and Canada. "Keep in mind that such evacuation expenses are payable only when the main claim for hospitalisation is payable," says Roy.



GETTY IMAGES

AYUSH vs. Non-AYUSH Plans

While the premium for AYUSH plans is lower than that of non-AYUSH plans, the latter is more comprehensive.

Insurer	Plan with AYUSH benefit	Premium in ₹ (inclusive of GST)	Plan without AYUSH benefit	Premium in ₹ (inclusive of GST)
Apollo Munich	Easy Health	7,218	Optima Restore Individual	8,431
Star Health	Medi-Classic Insurance	6,432	Star Comprehensive Insurance Policy	10,832
Universal Sompo	Complete Health Insurance	6,523	Individual Health Insurance	5,331

Premiums are for a 30-year old male non-smoker, for a cover of ₹5 lakh and policy term of 1 year. Source: ComparePolicy

Sum insured restoration

This benefit restores the base sum insured to the original amount if it's exhausted. However, industry numbers show that health claims are hardly ever fully exhausted. You would be better off purchasing a super-top up plan to enhance your cover. Though it may come at a comparatively higher cost, it provides better coverage. Not only does it make the sum insured available beyond the threshold of the deductible amount, it also does not restrict the use of the cover for the illness for which the sum insured was exhausted, unlike restoration.

Cumulative bonus

Cumulative bonus is a reward given to the policyholder in the form of increased sum insured in specified percentage for every claim-free year. For instance, Bajaj Allianz's Health Guard Individual Plan offers a cumulative bonus of 10% of

Top-ups work better than restoration

A combination of a basic plan and a Super top-up provides wider coverage than sum insured restoration, at a slightly higher cost.

Plan Type	Plan Name	Premium in ₹ (inclusive of GST)
Sum Insured Restoration	Apollo Munich Optima Restore Individual	8,431
Basic Health Plan (A)	Apollo Munich Easy Health Individual - Standard	7,218
Super Top up Plan (B)	Apollo Munich Optima Super	2,425
A+B	Basic Plan + Super Top up	9,643

Premiums are for a 30-year old male non-smoker, for a cover of ₹5 lakh and deductible of ₹2 lakh, for policy term of 1 year. Source: ComparePolicy

the base sum insured per annum, up to 100% for 10 years. However, if a claim is made during this period, the cumulative bonus is reduced," says Adidamu.

While cumulative bonus can be useful, experts say it should not be

seen as a cost-saving tool. "It should be treated as additional coverage instead" concludes Roy.



Please send your feedback to etwealth@timesgroup.com

THE S-FILES

Robots to help people with spinal disorders walk Designed, delivered for differently-abled

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For Erode-based Mohan Kandasamy, aged 25, his world was his wheelchair; when he got afflicted by a spinal disorder. But things have taken a drastic turn for the better after he started using Cybolimb last year.

A pair of robotic legs that can be strapped onto one's torso and legs, Cyboclimb has been helping Kandasamy walk in and around his house. "I never thought this would be possible. Today, I walk around at least five times a day. I feel confident and good about myself," said Kandasamy.

Cybolimb is the dream project of STM Veerabahu, founder of Cybernoid Healthcare. It all started when Veerabahu met a polio-affected person in 2009. "About 30%-35% of the medical expenses for such individuals are because they are seated most of the time. If they can save on this, it will be a huge boost for them," said Veerabahu.

Starting from scratch, Veerabahu with a few others began designing a basic robot that would help people with spinal disorders walk. With a crude prototype in hand, he approached the technology business incubator at the Madras University for funding — and they supported him with ₹5.5 lakh. In 2014, his efforts were bolstered with Sridhar Swamy, Ranga Iyer (former MD, Wyeth India) and Babu Srinivasan joining his board and investing an undisclosed amount.

In 2015, Cybernoid entered into an Memorandum of Understanding (MoU) with Sree Balaji Medical College and Hospital for clinical trials. Over the past year, as many as 13 people have used Cyboclimb and two have purchased it.

Made of aluminium alloy,



HERE I COME :
No more confined to the chair

a six-point strap feature enables the user to attach the equipment to their body. Powered by rechargeable batteries, Cybolimb supports the rate of walking with one step per second. Fully charged, it can be used up to 1 hour or a 2km distance. A joystick helps the user control the equipment while intelligent controls and wireless networks measure movement, tilt etc which can be remotely detected by a doctor.

Critical to the use of Cyboclimb is strength of one's hands. Veerabahu advises individuals beyond the age of 55-60 years not use the equipment. His work is a tightrope walk, Veerabahu says.

"We are in the area of rehabilitation. It is not as if one can start sprinting with our equipment. It is a gradual process and a combination of physical activity, medical treatment and physiotherapy through which one can make a change in their lifestyle," he said.

Veerabahu aims to sell at least six machines by the end of the year. "This is a product

made in India. We are well aware that such equipment needs to be affordable too. Our machines are about 1/7th the cost of those available abroad," he said.

Cybernoid Healthcare is also looking at other mobility options such as robotic hands, assistance for knees etc. "It is a slow process. One has to build from scratch, invest in technology and building the IP," he said.

From obtaining the materials to securing funding and undertaking the clinical trials, it's been an uphill climb. "There are hurdles at every step. Banks don't give you credit easily when you are in the initial stages. Some others expect a registered IP. We have applied for intellectual property (IP) rights in 2010 and are still awaiting progress to that end. Insurance companies are not open to insuring those who are part of the clinical trial. We were lucky to have Bajaj Allianz support us in this," said Veerabahu.

(This series captures the startup ecosystem in the state)

ON THE MOVE

TECH-DRIVEN SOLUTION

Founder | TSM Veerabahu

Initial Capital | ₹ 1.5 crore

What they do | Mobility solutions for the differently abled

Funding | TBI, University of Madras and private investors

Strength | 10

STARTUP
CYBERNOID
HEALTHCARE