

INSURANCE BUSINESS

How two Bajaj companies found success

WHAT'S UNIQUE? BAGIC and BALIC may be operating in different segments, but their business approach has a commonality

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The quick progression of Bajaj Allianz General Insurance Company (BAGIC) and Bajaj Allianz Life Insurance Company (BALIC) makes an interesting case study. Both operate in different segments — BAGIC in non-life insurance and BALIC takes care of life.

The striking commonality is their strong parentage led by Sanjiv Bajaj's Bajaj Finserv jointly with global behemoth Allianz. Interestingly, the CEOs of both businesses also have a common ring to their names — Tapan Singhel (BAGIC) and Tarun Chugh (BALIC).

We did a deep dive into their transformation journey.

THE BAGIC STORY

Asked about the company's secret sauce, Tapan Singhel, MD & CEO, BAGIC — a founding employee since its inception in 2000 — noted that the organisation was built brick-by-brick with a clear focus on customers and prudent underwriting.

"Our approach was to building not just a sustainable business, but a business that is innovative to its core and principally to really go out there to make a difference to society. We have always tried staying ahead of the curve, whether it is innovative products, state-of-the-art services, or being the insurer of choice for distributors," said Singhel.

BAGIC now has close to 14 crore customers and has positively impacted the lives of more than 1 crore customers by settling claims over ₹50,000 crore. BAGIC is the first insurer to start cashless as a concept with an in-house health administration team. Now, these innovations have almost become industry norms. It revolutionised the industry by launching a digital distribution channel called Virtual Sales Office.

"We now have more than 240



In our journey thus far, I don't attribute the lows as failures, but only learnings. It has been our endeavour to define the market as leaders, rather than following others

TAPAN SINGHEL
MD and CEO, BAGIC



Over the last five years, the company has transitioned from an agency-centric organisation to a multi-distribution company, which enables it to reach wider range of customers, and respond to their life goals.

TARUN CHUGH
MD and CEO, BALIC

transformation process. BALIC's claims settlement ratio at 99.04 per cent and an unbeatable 516 per cent solvency ratio of as on March 31, 2023, reflect the success.

What deeply motivated BALIC, though, was its brand promise to get customers' life goals done in 2018. This positioning was radically opposite to the old limiting idea of a life insurance as a product that comes into play after the death of policyholder.

THREE ASPECTS

The insurer focused on three aspects — designing innovative customer-centric products and services; powering solutions with a robust technology backbone; and creating an agile, responsive, and high performance workforce to drive transformation.

Its results were: Bajaj Allianz Life Goal Assure — a low-cost ULIP — with the industry-first feature to return the mortality charges; Bajaj Allianz Life POS Goal Suraksha, which enabled distribution network to sell value-packed insurance products over the counter; Bajaj Allianz Life Long Goal, which introduced the concept of systematic withdrawal that offered innovative tax-free income and many more.

BALIC was the first to launch zero charge ULIP and return of mortality charges for ULIP and an early player to have leveraged AI, ML and Big Data while maintaining customer-centricity to the core.

Despite having travelled a long journey, Chugh feels there's more to do, especially on educating and increasing the penetration of life insurance — more so, among women. Gen-Z is equally his focus. "We have to design products to stay relevant to the young generation and first-time income earners," he said.

But at the core, Chugh wants his products to be simple to understand. "That is an area we are continuously making progress."

Score card (in ₹ crore)

	GWP (FY22-23)	AUM as of Mar 31, 2023
BAGIC	15,487	27,909
BALIC	19,461	90,584

difference in the lives of customers, Singhel believes more insurers are needed not just to meet the demand, but also to bring in better products, solutions and services.

BAGIC has a simple aspiration for the future. "Today, we are roughly at about one in four households. We aspire to make it to every household because insurance is about making a difference," said Singhel.

THE BALIC STORY

Threading on similar lines, BALIC is one of the fastest-growing new-age life insurers. BALIC serves over 2.76 crore individual customers

and many more through its group plans, and occupied the sixth rank in FY23. BALIC's secret ingredient is its continuous diversification of its product portfolio through innovation. The case in point being the recent launch of an exclusive term plan, Bajaj Allianz Life Diabetic Term Plan Sub 8 HbA1c. This is the first-of-its-kind protection plan in the Indian life insurance industry, designed specially for Type 2 diabetic and pre-diabetics.

BALIC had a distribution network of 511 branches and over 1,25,912 agents as on March 31, 2023, comprehensive set of trusted partners, and its proprietary sales channels, both online and offline. "Over the last five years, the company has transitioned from an agency-centric organisation to a multi-distribution company," said Tarun Chugh, MD and CEO, BALIC, while attributing this as a key success factor in the