

**You can buy policies and pay renewal premiums at any of the 1.57 lakh Common Service Centres, which are multi-service platforms set up by the government**

# A BIG INSURANCE UMBRELLA OPENS

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Samith Rana residing in Bishnupur, West Bengal, never had such a wide choice of insurance product basket to choose from. Two years ago when he was looking for insurance for his car, he had hardly two options of the companies that offered services in the region. Today, a wider offering available as handful of Common Service Centres have sprung up in the area, who not just collect premium, remind him of the renewals, but also offer claims servicing.

After Rana purchased his motor insurance policy from the CSC, 533 others did in less than four months. Most of these are people tasting insurance for the first time as at least 12 insurance companies have been offering their simplified products to people like life insurance, cattle and crop insurance, health, fire, accident, motor and property insurance.

Many other insurers are collecting renewal premiums through the 1.57 lakh strong CSCs, which are digitally-enabled multi-service platforms set up by the government under its National e-Governance Plan (NeGP). "Marketing and sale through CSCs address the risk needs of customers from small towns and rural markets and therefore improving the insurance penetration in India," says O N Singh, executive chairman,

Universal Sampo General Insurance.

It has been three years since the Insurance Regulatory Authority of India (Irda) opened the floodgates of CSC to the insurance industry. Special, over-the-counter, simpler insurance products with lower sum assured have been devised for the rural Indian population sold only through this channel.

As on May 15, 2016, fresh 25,441 poli-

cies have been sold worth Rs 26,206,198, while renewals for 3.28 lakh policies have been serviced amounting to premium collection worth Rs 97.29 crore.

However, the life insurance industry is yet to train their guns to go full throttle on the CSC platform. The product category has been acting as a dampener for life insurers. Vishakha R M, CEO, India First Life Insurance, says, "In-

stead of a variable insurance product other simple products that have a one-minute elevator pitch would be better for the channel. We have exchanged some ideas with the regulator, discussing the kind of changes that would improve the efficiency of the channel. A simple term product with return of premium, may be even single premium products would be workable as they are

simple and straight forward products for the RAPs to explain and the consumers to comprehend."

While walking in tandem with several regulatory changes is what is keeping other insurers too busy to focus on CSC channel training and engagement. "The insurance industry has been pre-occupied with a lot of other regulatory changes including the FDI increase to 49%.

Adapting to the regulatory changes have put CSC initiatives on the back burner," says Vignesh Shahane, CEO and whole-time director at IDBI Federal Life Insurance.

But general insurance players are investing resources and hence are gaining increased penetration deeper into the country through the CSC initiatives, especially in the motor insurance category.

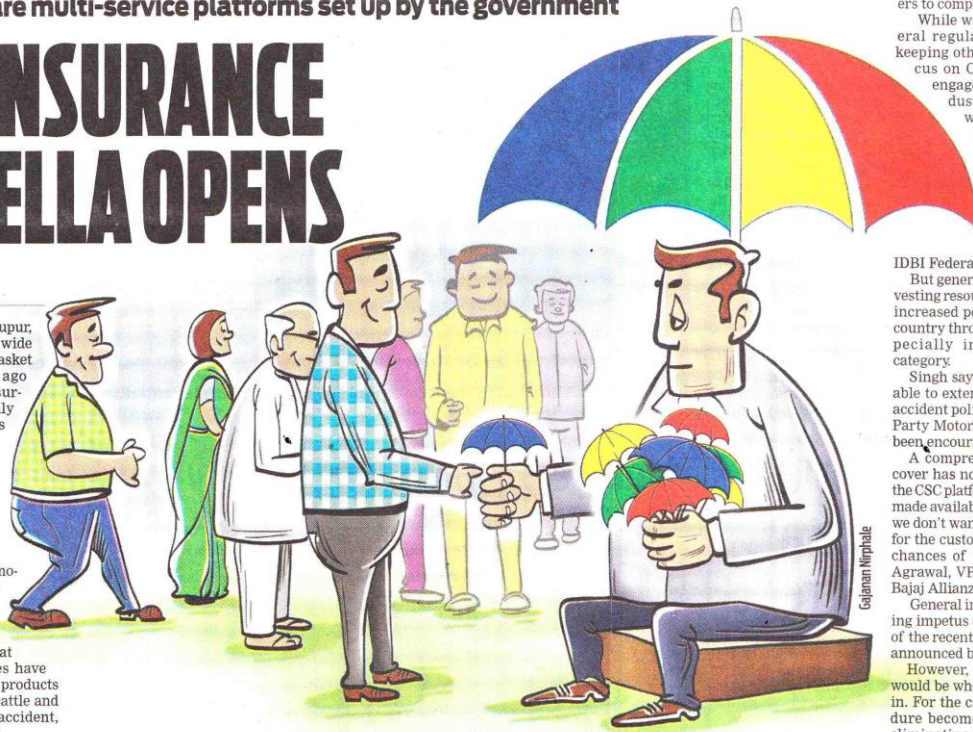
Singh says, "In March 2016, we were able to extend 650 individual personal accident policies. The demand of Third Party Motor Liability products too has been encouraging."

A comprehensive motor insurance cover has now been made available on the CSC platform. "Add-ons too have been made available, but we are going slow as we don't want to complicate the product for the customers and want to curb the chances of misselling," says Ashish Agrawal, VP & head - agri business at Bajaj Allianz General Insurance.

General insurers would place a growing impetus on the CSC channel in lieu of the recent business expenditure caps announced by the regulator Irda.

However, the real test for insurers would be when the claims start flowing in. For the customer the claims procedure becomes less taxing with CSCs eliminating the need for them to visit insurance branches. Insurers on the other hand would have to build their servicing network, especially in the health and motor insurance category.

"So far very few claims have been reported, but we are looking to even out any glitches on the service front. We will have to work on claims servicing as currently we don't have a well-built garage network in the rural locations," says Agrawal.



Gajanan Nirphale