

Cyber insurance biggest opportunity: Singhel

Recently the insurance major Bajaj Allianz General Insurance renovated its office at Pato and the MD and CEO, Tapan Singhel, was present to inaugurate it. The senior executive spoke to AJIT JOHN about the company, his views on the business and his plans for the future

HERALD: How would you rate the insurance industry in India?
TAPAN SINGHEL: One has to note the penetration of insurance in India is very low. Insurance and surplus income has a co-relation. Times have certainly changed. When we were kids and if we asked our parents for money at the end of the month, it would be difficult even if they were doing well for themselves. The ambition then was to buy a car, build a house and provide the kids with a good education. Today by the time the kids are 30, they are already having it. Income is increasing, wealth creation is taking place and that is where the tipping point of insurance starts coming into play. Now look at health insurance, it is witnessing a growth of 30%, home will be the next big thing. Cyber-crime is picking up so there will be insurance for that too. I personally

believe that for the next 10 to 20 years, insurance will be very exciting. I see high growth and many customer friendly schemes being launched.

HERALD: What is it that is going to drive business is it going to be home insurance, car insurance? One has to consider that technology is radically changing the face of mobility.

TS: Let me take you back 300 years in history. 97% of all insurance was marine, followed by fire, then automobile which then came into the picture. Today automobile insurance is 45% and marine is just 3% of all business. In the future automobiles will be that 3% and liabilities will drive business. In the future even if there is autonomous cars coming through and if there is an accident, who is going to pay for it. It will be the manufacturer. He will be buying a liability cover. Do you know the biggest risk is cyber cover. You can fall for phishing or cyber-attack. It is happening, I was reading an article in the paper which claimed that there was a three percent increase in cyber crime. We were the first to launch a product for this market. This to me will sell more than cars, health. The biggest risk



BOARD ROOM

With Tapan Singhel, MD and CEO, Bajaj Allianz General Insurance

is cyber. Earlier if you did not step out of the house, chain snatching would have not happened but now

you can be sitting at home and still be robbed. So risks are changing. We are here to provide cyber insurance.

HERALD: How has the market reacted to such products?

TS: Very excited. For a cover of Rs 1 lakh you pay a premium of approximately Rs 670 a year. It is negligible. In three minutes flat you can buy it. It covers things like cyber stalking, phishing, malware, extortion etc. Hacking will take place. Even the Pentagon was hacked so better safe than sorry.

HERALD: Technology is overhauling industries like banking. How do you think your industry will be affected?

TS: Insurance is triggered at the time of need. Banks when you want money, you interact and that's it. The emotional connect is low. In insurance it does not happen. You want that comfort. You want to know that they will be present in your corner. Though they are part of the financial sector, they are both very different. I believe that insurance should always have an office with staff and sell though emotional connect. By talking the individual will learn about the risks present for eg

cyber crime. Insurance has to be talked about. Somebody has to discuss it. Look worldwide only automobile insurance happens on a digital platform. Most of the other products, people have to talk and convince.

HERALD: You said in 10 to 20 years automobile insurance will drop to 3% and it will be liabilities that will drive business, what are the other trends you foresee?

TS: Health will be big, personal covers like cyber insurance will be big, lot of focus will be on personal covers. As the population grows up with disposable income, huge percentage will fall in the ambit of insurance, that will be big.

HERALD: How do you find the Goa market?

TS: It is very interesting. Every state has its flavour. In Goa, the openness of the people is very good. Compared to other markets it is easier to understand where you are. If they commit to something, they will stand by it. If Goa can handle the problems of drugs or whatever one reads in the paper, it has a wonderful culture and if it can move up the value chain so to speak, it will be great.