

[Continuously exploring deep penetration in SME insurance: Sasikumar Adidamu, BAGIC](#)

Bajaj Allianz General Insurance’s Chief Distribution Officer – Institutional Sales, Sasikumar Adidamu shares the strategy on how they do institutional sales, impact of Covid-19 pandemic, how they’re tapping into SME business and the way forward.

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The pandemic has impacted the non-life insurance business never like before, while only health insurance is working out due to the nature of outbreak and people realising the uncertainty around health and the rising healthcare costs. Insurers have rapidly digitised and are focusing on larger markets.

Sasikumar Adidamu, Chief Distribution Officer for Institutional Sales at Bajaj Allianz General Insurance, shares the broad strategy on how they go about institutional sales, impact of pandemic & current conversations with corporates, SME penetration and way forward. Edited Excerpts:



Sasikumar Adidamu, Chief Distribution Officer - Institutional Sales, Bajaj Allianz General Insurance

Q. How’s the strategy with institutional sales?

Fundamentally, the strategy is to be customer centric by trying to understand about the clientele and their requirements. Essentially with help of our strong analytical capabilities we understand our customer’s requirements and needs, and then we are in a better position to line up our products, services, etc. We continue to bring curated products whenever there’s scope.

On the distribution side, our endeavor has been to reach out even in the remotest corner of the country. Here, we take advantage of our partners and then reach out to them with appropriate and proper solutions. We are reaching out to different states and through government schemes ultimately reaching out to lakhs of people. Fundamentally all of these things are possible only if investments in digital capabilities are in place.

Product, process automation & investments in digital capabilities are key pillars for institutional business. The idea is to simplify the process of buying insurance and servicing from thereon not only for us but partners as well.

Q. How's the trend across different segments considering the impact of the pandemic?

Bancassurance, Broking & Direct Corporate are three main channels. We observed a major shift in terms of digitisation of capabilities across our partners. The pandemic has disrupted incremental digitisation towards accelerated digital transformation. The transactions have picked up real momentum as compared to earlier times.

Large corporate customers are focusing on risk management and scope of the cover is some of the conversations which has picked up since the pandemic. That's because pandemic consequences and losses are not covered in many insurance policies especially in India. In the west, still some part of coverage is available but in Indian context protection is not available and that has sort of created a panic.

Corporates have started exploring how efficiently they can handle a lockdown like situation (if it happens again) and how they can transfer the risk and what exactly the policy covers among other things.

One product which got tremendous response is health product as the pandemic has made people realise the healthcare costs and how intense it can become on the health front. Here, our bancassurance channel played a key role in terms of good business across various means of phigital and digital modes of service.

Q. How actively are you tapping the SME base?

The MSME segment is extremely important and forms a significant part of institutional business strategy. 80% of MSME business comes through bancassurance channels only and the reason is because banks hold a key distribution part. As MSMEs were impacted the most during the initial days of the pandemic in India, off-late we have seen MSMEs bouncing back which might take some more time.

If the MSME revival continues, we will also get the full benefit out of it. MSMEs are dependent on banks and we work with banks so that's how the cycle works.

Most of the MSME entities are single person driven when it comes to administrative stuff the entrepreneur may have one or two people helping out. Most of them are hot pressed for time as these are small entities and can't spend enough time to look at what insurance is good. Other than intermediaries, there are agents and brokers for them the efforts are the same to conclude a SME deal or to conclude a mid-corporate or a corporate as the premium is different.

MSMEs are a good opportunity and we are constantly exploring how we can have deep penetration in this sector.

Q. What is the long-term strategy as economy revives?

Continuation of technology adoption and rigorous scalability is going to happen. In terms of products, health is definitely a focus considering the on-going pandemic and it will continue to do well. The other interesting products where we are receiving enquiries are around

pandemic insurance. While officially in India it is not there, we are looking at reinsurance markets whether we can bring in this facility.

Definitely we are bullish on the revival of the MSME businesses and benefits from there, motor sales have picked up so that's also a good sign. These positive signals in the economy make us hopeful to grow our business as compared to what we have in FY 2020-21 and we are confident for FY 2021-22.