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[Bajaj Allianz to continue adoption and scaling of AI, ML and IoT](#)

For Bajaj Allianz, the combination IoT, ML, and AI will create new business models, products, and services, improving its top line, productivity and also help in bringing down operational expenses

Pankaj Maru | ETCIO | Updated: May 29, 2018, 11:05 IST

Bangalore: India's insurance sector, comprising of personal and general insurance companies over the last one year or so, have been quiet forward when it comes to embracing and experimenting with the latest technologies.

The Pune based Bajaj Allianz General Insurance Company, is among India's top private sector insurance providers that have taken key digital transformation led business initiatives last year.

It has started to leverage Cognitive technologies such as Artificial Intelligence (AI), Machine Learning (ML), chat and voice bots, Internet of things (IoT), blockchain and others.

Adoption and Scaling

"Whatever we have introduced in 2017, we are actually trying to take that to scale in 2018-19. We have introduced the technology; it has started to gain good traction with customers, partners, and employees," Sourabh Chatterjee, Bajaj Allianz General Insurance's President & Head -Technology, Direct Sales and Travel, told ETCIO.com

"Everything that we have done, we want to take it to a scale – make it really big as part of the core. So adoption as well as scaling, is our core focus area," added Chatterjee.

During 2017, the insurer launched first of a kind digital initiatives like AI-powered 24x7 customer assistant chatbot BOING, Travel Ezee – a blockchain based instant travel claim offering, Buddy – an HR assistant chatbot for employees and Eve – an automated talent acquisition portal.

"While we continue to make our AI enabled digital assets smarter with more data coming in and more insights getting generated, but our primary objective is adoption and scaling," he emphasized.

The Significance of AI, ML and IoT

According to Chatterjee, the role of AI, ML and IoT will be very significant in the insurance sector.

"AI and ML will continue to play a big role. We have just scratched the surface of AI and ML. The applicability of these two technologies across the insurance value-chain is going to increase day by day. And the other two will be RPA and IoT," he said.

RPA is catching among enterprises and organisation, according to Chatterjee because it helps to bring down operational expenses and also improves productivity.

"Because we are in the insurance sector and we insure things. The IoT will continue to play a big role and will become mainstream rather than being on the periphery, driving some innovation here and there," he noted.

"I think IoT will become mainstream this year because new business models will come up and the entire value chain will be redefined using IoT," opined Chatterjee.

Interestingly, when it comes to digital initiatives specifically to new technologies, organisations struggle to find the right resources, which do affect their technology-led business initiatives.

Partnerships

However, Bajaj Allianz did not face such situation as it formed partnerships with experts in the industry.

“We believe in partnerships. As we are an insurance company, so we don’t believe in doing things ourselves. But we believe in partnering with the experts whether it be insuretech, fintech or IT companies,” informed Chatterjee.

But in Chatterjee’s view, the challenge is not about the resource, but finding right use cases. “I think the resource is not a challenge, but use cases are more of a challenge. Experts are available in the market, but the bigger challenge is finding the right use cases and scale it up,” he believed.

Digital initiatives and Business impact

It’s been over a year since Bajaj Allianz announced those digital initiatives. However, Chatterjee stated that it’s difficult to put any percentage or amount in terms of business impact.

“But two things are very clear. It (digital initiatives) will definitely help us in reducing the cost and improving productivity. Secondly, the combination IoT, ML and AI, will create new business models, products and services and that’s where our top line will get impacted,” he said.

“So cost reduction and top-line improvement are the two areas where we will see some impact, however, it’s difficult to quantify,” added Chatterjee.

For Bajaj Allianz, the combination IoT, ML, and AI will create new business models, products, and services, improving its top line, productivity and also help in bringing down operational expenses.

India’s insurance sector and Digital transformation

Like Bajaj Allianz, other insurance providers in India like HDFC ERGO and HDFC Life Insurance also have embarked on major digital transformation initiatives. The trend of digitalisation and digital transformation is growing in India’s insurance sector.

“I think companies which won’t go on this path will not exist – as simple as that,” observed Chatterjee. He explained that today customers are demanding lots of digitally enabled services and products, which has made his organisation tech savvy also.

“Companies, which not provide digital services and products, their customers will move away from them. There’s heavy involvement and investment (in technology and digital) by different companies and it’s already happening,” he viewed.

Further, Chatterjee pointed out that the key will be who gets the use cases right. He advised to keep experimenting and try to get the use cases right. “And once you get the right use cases, then scale it up very fast because speed will be very important in terms of execution,” he said.

Bajaj Allianz, according to Chatterjee will continue those initiatives over the next 3 to 5 years and expect them to become big. “Basically, insurance companies across the world are typically digitally laggards. Even for us to move forward, we need to use these technologies for scale,” he added.

“In my view, we should continue focusing on these technologies, find more use cases, build them up, impact the lives of customers and partners around us and that’s the journey at least for 2018-19,” concluded Chatterjee.