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[Only 20% Of Two-Wheelers Plying On The Road Are Insured: Bajaj Allianz's Tapan Singhel](#)

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In a wide-ranging interview with RupeeIQ, Tapan Singhel, MD and CEO of Bajaj Allianz General Insurance, talks about the pervasive lack of coverage in two wheeler and other insurance segments. Singhel also introduces the concept of 'Cyber Insurance' to protect people against the modern-day threats of bank account hacking, data and identity theft. Excerpts:

A 95% of the average Indian household's assets are in physical rather than financial form (according to the RBI Household Finance Committee Report 2017). This primarily means homes and vehicles. In your view, do Indian households insure these assets sufficiently? What are the insurance options available to them?

I feel that one should have an all-round insurance coverage which helps people save their hard earned money in times of distress. Inadequate insurance cover can be a setback in your life where all your savings are washed away because of one major illness in family/damage to your property. In the unpredictable lives that we lead and the evolving risk patterns, it has become vital to reassess the basic covers one must have. One should have a comprehensive health insurance to avail the best possible treatment. It is important to have a home insurance cover to safeguard your house against theft, peril damages, and so on. It also enables people to insure all the assets inside the house.

Over and above the mandatory Third Party cover for your vehicle, one must have a comprehensive motor insurance cover to protect the damage to the vehicle. A personal accident cover ensures that your family doesn't go off track due to an unfortunate accident leading to death or disability. Lastly, one must have a cyber-insurance cover against the increasing risks like phishing, e-mail spoofing, IT theft, etc. All these covers ensure you have a 360-degree protection against various exigencies in your life and that you don't have to dig into your savings.

A home is the single largest investment for a lot of people and yet many of them simply don't bother to insure their homes. How much does a typical annual premium cost compared to the value of a home?

We build a house by putting in our entire life's saving and paying huge EMIs, yet a majority of Indians usually neglect buying home insurance to safeguard it from natural perils, thefts and so on. Home insurance ensures that your 30 years of labour doesn't go in vain due to a catastrophic event. These days, the assets and contents inside the house are sometimes more valuable than the cost of the house, for instance curios, electronic items like television sets, mobile phones, etc. It is vital to insure these contents under home insurance. Unlike the prevalent misconception, home insurance is not expensive, especially when compared to other means that one invests in to secure their home or property. The premium of home insurance varies as per the market value of the house, location, and contents of the house.

You introduced a long-term insurance cover for two-wheelers in 2016. Do a lot of people fail to renew shorter term policies out of sheer forgetfulness or apathy? To what extent will long-term cover tackle the problem?

Every year, a large number of two-wheeler owners do not renew their insurance policies. You can call it sheer negligence or maybe they are willing to pay the cost of damage from their own pockets. As a result, India today has the highest number of uninsured two-wheelers plying on the road. This long-term policy that provides cover for three consecutive years will not only ensure that they are covered for a longer period of time, but will also help save their outgo towards their annual motor premium in comparison to a single year policy. We have seen a rising demand for the long-term two-wheeler policies.

Around 5% of the total two-wheeler policies sold are long term. This policy comes with 24x7 roadside assistance that includes an array of services for assistance in case of a flat tyre and flat battery as well as fuel assistance, delivery of spare keys, towing, minor repairs facilities, accommodation, medical coordination, and so on. Additionally, people often talk about insurance coverage for damage to their vehicle and seldom understand the importance of having a third party cover where the claim amount can run into crores.

The IRDA recently announced third-party premium rates for cars and two-wheelers. In the two-wheeler segment, rates were cut for smaller vehicles but raised for larger ones. What is your view on the rates announced for FY 2018-19?

I welcome the move by the regulator and it is a step in the right direction. This cover is compulsory as per law and yet only about 20% of all two-wheelers are insured on the road. Till such time that this does not increase, a rate increase in third-party premium is inevitable. There is a sense of balance where premium has also been reduced for some categories where losses observed have been lower.

Choosing a health insurance policy seems like a complicated task with customers having to read through long lists of conditions and exclusions. What parameters should a person look at while choosing a health insurance policy?

There is a clear correlation between a good health cover and increase in expectancy of life. If you don't have a good health cover there may be a delay in treatment or the quality of treatment is compromised. While opting for an adequate health insurance cover, one should remember that there's a medical inflation of 15% Year on Year. If you don't increase your sum insured according to the rising inflation YoY, after some years you become inadequately insured even if today you are adequately insured. Additionally, one should have a holistic health cover with a base cover, super-top

up plan, Critical Illness cover and a cover which gives daily reimbursement. I would also suggest that one should take a health insurance policy early in life before the pre-existing diseases start setting in as you grow old.

The government has announced a nationwide 'National Health Protection Scheme' to provide 5 lakh health insurance cover per family. How will this affect the health insurance sector? Will Indians need private health insurance after NHPS is rolled out?

It is a great initiative towards securing the health of crores of Indians, though the structure of the scheme and its execution is yet being discussed and finalised. The NHPS target population is the people who are socially deprived and can't afford to buy health insurance. This move by the Government shall certainly help the insurers to reach out to the yet to be tapped segment of the population through a well-defined and regulated healthcare model. Currently, the health insurance industry is growing at the rate of 20% YOY basis and we expect that the NHPS scheme to add to this growth rate aggressively.

Private mediclaim will be required as prima facie the scheme is covering only socially and economically deprived population of the country as of now. Also once we do have a scheme that covers all citizens, a super top-up policy further enhancing this cover would be a good option. It will also depend on the treatment expectations, type of hospitals and extent of coverage required for the family.

Major breaches of public databases such as the recent alleged EPFO hack repeatedly bring home the fear of data theft and identity theft. People worry about hackers emptying bank accounts online. You introduced a 'Cyber Safe' policy to protect people against these types of risks. Can you tell us a bit more about this product?

We live in an increasingly connected digital world and the amount of personal data being generated, transmitted, and stored on to various digital devices is growing at an exponential rate. Earlier we used to live in fear of getting our pocket picked, which is now replaced by someone hacking into our account and swiping away the money. Cyber risks today are getting more sophisticated and prevalent, which led us to introduce the cyber insurance cover to protect individuals from such risks.

At Bajaj Allianz General Insurance we are committed to providing innovative new-age risk solutions to our retail customers. This industry-first cover provides comprehensive protection against various cyber risks. It covers financial loss resulting from being an innocent victim of e-mail spoofing and phishing, losses and expenses related to defence and prosecution cost related to identity theft, IT theft loss, restoration cost to retrieve or reinstall data or computer program damaged by the entry of malware. Moreover, it also provides coverage for expenses incurred on counselling services treatment, claim for Damages Against Third Party for Privacy Breach and Data Breach, Cyber Extortion Loss and transportation for attending court summons.

Is it cheaper to buy home, vehicle, health and cyber insurance online rather than through an agent? How much can an online buyer save in percentage terms?

There would be some price difference in buying online compared to offline because as per the regulations one can have different pricing for products on different platforms. Typically the difference is that agents provide services for which they are paid commission. The customer decides the kind of services he/she is looking for and decides the distribution mode through which he wants to be insured. As a company, we respect the customer's decisions and serve him through all distribution modes.