

Covid: Digitisation new normal in insurance

More people likely to take a term and health cover: Experts



GOING ONLINE: Finding customers, onboarding them and completing KYC compliance will be through video conferencing and other digital channels.

B KRISHNA MOHAN
Hyderabad

More people will look to take a term insurance and an adequate health insurance cover in days to come. This is mainly because the perception of risk has changed due to Coronavirus. Also, most of the transactions will turn digital ensuring that there is no need for people to visit branches or the diagnostic centres. According to Ramani Vaidyanathan, head, Products and Innovations, Policybazaar.com, people are understanding that a vaccine for Coronavirus is not likely any time soon and it is better to have an adequate cover.

Among others, the sales channels of the insurance companies will see a sea change and most of them will be through digital channels. Telemedicals, where the risk as assessed remotely, is here to stay. Currently, about 15 per cent of the insurance business comes from the digital channels. Among other things, finding customers, onboarding them and KYC will be through video conferencing and other digital channels.

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— **RAMANI VAIDYANATHAN,**
HEAD, POLICYBAZAAR.COM

The underwriting processes will be standardised.

Will premiums rise?
Gurdeep Singh Batra, head - Retail Underwriting, Bajaj Allianz General Insurance, said: "In short-term of say 6 to 9 month period, we do not see any reactive changes for product price due to pandemic. We need to look at a reasonable longer period on how this virus infection prolongs."

However, average claim costs are going up due to additional medical care like pre-medical treatment Covid-19 tests, medical sanitisation and the like. Traditionally Indian consumers have been risk averse. Now, the risk perception has

changed and many are thinking they are susceptible and are opting to take a fresh cover or top-up the existing policies to save on medical expenses, said Vaidyanathan adding that less than 10 per cent of the people have health cover.

In terms of customer behaviour, uninsured population has become more sensitised on the need for health insurance with more inquiries coming in. Customers already insured are looking at increasing their base sum insured and availing top up cover so as to be cost effective. Batra added.

Along with other challenges, insurance companies had to battle the mindset of expecting returns on insurance premiums paid. For that reason, some companies have come up with policies that offer to return the premium at maturity, he said. "Health and wellbeing will be incentivised for policy holders," the Policybazaar official said. On the trends, he said more people will buy specific covers for swine flu, dengue and others as these are low priced and allow them to preserve main health cover limits.