



Tapan Singhel, MD, CEO, Bajaj Allianz General Insurance

The year gone by brought in a lot of learnings for the insurance industry, not only in terms of devising insurance products, but also how it can better its services for customers. In FY21, the health and fire insurance segments done well for the industry. Whereas, the motor insurance took a hit considering new sales gone down and commercial vehicles like school buses are not plying on the road affecting their renewal. **Tapan Singhel, MD & CEO, Bajaj Allianz General Insurance, in an exclusive interview with Bizz Buzz shares the trends that will shape insurance sector in coming decades**

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HOW do you see the industry's growth in past two decades?

The general insurance industry has come a long way from nine players in 2000-01 to 33 players in FY-21, from a premium of Rs10,087 crore in 2000-01 to Rs1,98,735 crore in FY 20-21. The industry has evolved with changing risks and customer behaviour, leading to new products and transformation in services. We have also seen technology disrupting the entire insurance value chain, which has enabled the industry to issue policies and settle claim within minutes. Customer queries are being settled instantly and customized products are being introduced to take care of their needs.

We are seeing increase in awareness about insurance with government working towards increasing the penetration of this important risk mitigation tool on grass-root level through crop insurance and health insurance schemes.

While a lot has been achieved, the industry along with other players in the ecosystem need to work towards making insurance a pull product and ensure that more people come under the ambit of insurance and are prepared to face uncertain risks.

Which segments have registered better growth?

In FY 2020-21, the health insurance and fire insurance segments done well for the industry. Health insurance owing to increased awareness and need created due to the Covid-19 pandemic and fire insurance due to upward revision in premium rates. However, I feel, in terms of health insurance, there is a lot more which can be done

towards increasing its penetration to ensure better financial security and life expectancy for the citizens of our country.

I feel that liability insurance has a huge potential. We have seen cyber-attacks becoming more frequent than before, thus making it cru-

Travel Insurance witnessed a setback due to travel restrictions imposed both on domestic and international level, once the vaccination drive ramps up in our country and restrictions are eased, we will soon see improvement in customer sentiments which will lead to normalcy in motor and travel insurance segments

cial for individuals and organizations to have an appropriate cyber insurance cover. In fact, we have seen renewed interest from all sectors with clients increasing the sum insured of their cyber insurance policy.

Which segments demonstrated de growth and why?

Motor Insurance and travel insurance took a hit considering new sales are down and commercial vehicles like school buses are not plying on the road affecting their renewal.

How do you see the next decade for the industry?

I feel innovation, resilience, relevance and empathy will be the key to sustain in the insurance industry. We're seeing risks evolving and chang-

ing at a faster pace and as an industry we need to stay ahead of the curve to offer appropriate and timely solutions to these risks. Moreover, the customer behaviour and expectations are also rapidly changing.

Hence, it becomes important to offer them the right solution, at the right time on the right touch point. For this, we need to expand our horizon and enhance our distribution. The penetration of general insurance industry in our country is less than one per cent of GDP and this clearly shows the untapped market that we need to focus on. Going forward, customization of products, instant resolution of customer queries along with understanding of the right risk will determine the success of the industry in making insurance a pull product.

The industry missed the bus again as it couldn't cross 2 T mark in the year gone by. Your comments.

I feel that registering a growth of 5.2 per cent even in such challenging times was commendable. Instead of looking at the misses, I think we should focus on the hits. Products like Corona Kavach were introduced in the market in a record time considering the immediate need of the customers.

Adoption of digitization across the entire insurance value chain happened at a rapid pace, right from tele-underwriting of health policies, e-issuance of policies to addressing customer

Irrespective of the pandemic and the natural calamities faced, the industry did well to stand by the customers in these times of dire need, this will go a long way towards changing the perception of the industry

queries instantly. The year gone by brought in a lot of learnings for the industry, not only in terms of devising insurance products, but also how we can better our services for our customers.

Your company has completed 20 years of existence. Your comment?

We were a start-up 20 years ago and are a start-up today as well with an additional edge of 20 years of experience. We have certainly come a long way from barely any office to work

from to presence in over 1,000 locations pan India. I'm proud to say that today we have close to 11 crore customers who trust us and all of this has been possible with the help of our employees and partners.

Throw some light in the recently launched products like pet dog insurance, health infinity?

At Bajaj Allianz General Insurance, we have always believed in understanding the customer requirements before launching any product or service. Our first question for anything we do is - How will it benefit our customers? Considering the changing needs of customers we introduced industry's first retail comprehensive Pet Dog Insurance policy and also a health insurance policy with unlimited sum insured i.e. Health Infinity.

How do you see the Company's performance in FY 20-21?

In FY 20-21, Bajaj Allianz General Insurance registered a Gross Written Premium (GWP) of Rs12,624 crore. Even in such challenging times, the company reported 33.2 per cent growth in net profit which stood at Rs1,330 crore. The underwriting profit of Rs237 crore and a combined ratio of 96.9 per cent showcase our prudent underwriting process and risk management.

According to you, what is the future outlook of the company?

Covid-19 may not be the last virus which can have an impact on such a large scale. Hence, it's important for businesses, society and the country to prepare for the unprecedented future. Our focus areas would be to be better prepared for eventualities like pandemics and natural calamities, considering the increase in their frequency.

Additionally, if you see the Government schemes have gradually started providing universal health coverage to citizens of a particular State or Union Territory like in J&K, Rajasthan, etc. This I feel will lead to increase in demand of super top policy as people will look at enhancing their coverage beyond what's provided as a part of the scheme. Moreover, with increase in economic activity in Tier-II and Tier-III cities, we intend to enhance our distribution in these areas.

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Risk mitigating insurance tools penetrating fast on pandemic-driven awareness

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