

National Technology Day: Leaders on how emerging tech is reinventing Insurance

In the occasion of National Technology Day, ETBFSI talks to Industry leaders about how technology is reinventing buying and selling of insurance. According to experts, companies who embrace emerging trends like predictive modeling, telematics, IOT, blockchain etc. will be more suited to succeed in the rapidly evolving insurance industry.

Technology has always been thought of as an enabling function to do business, especially in the BFSI space. But now as technology is evolving, it has become central to all businesses today. The Indian Insurance industry is going through dynamic times and technology is reimagining how insurance is bought and sold, in ways unthinkable before. On this National Technology Day, Insurance leaders see technology not just playing the role of partner but also a driver and orchestrator of business going forth.

According to Suhail Ghai, Chief Digital & Information Officer, Max Life Insurance, the pro-industry regulatory guidelines, customer openness to digitization, and the growth of partner ecosystems are catalysts that are helping insurers find new business models and growth avenues. "Major insurance companies today are modernizing core legacy systems by leveraging the power of new component-based architecture and cloud-native services. Additionally, the selling process is being digitized by leveraging smart nudges, geo-analytics, modern CRM Systems, and analytics," he said.

On a similar line, Avinash Naik, Chief Information Officer, Bajaj Allianz General Insurance highlighted how technology is driving the entire insurance life cycle from policy issuance to underwriting to claims management. "With further advancements in technology, insurers are offering customer-centric personalised products and services by leveraging data analytics, AI & ML. Moreover, tools such as chatbots and virtual assistants are revolutionizing customer service by providing 24/7 support and real-time assistance," he said. According to Naik, technology will continue to play a more active role in almost absorbing business in its entirety and becoming the business itself.

Today, customers can already discover, decide, purchase, and manage insurance completely online, without needing to upload a single document or meet an agent. CKYC and other government-

supported APIs have enabled customer identification to be done with the click of a button, while adding that AI has powered zero-doc underwriting and on-the-spot issuance, Srinidhi Shama Rao , Chief Strategy Officer, Aegon Life Insurance pointed out. "Bots have made policy management all the more seamless, interactive, and personalized. In short, thanks to technology, in the new world order, what a customer would experience on a food delivery app or ride-hailing app is what they would experience in insurance as well," he said. Rao strongly feels that the next wave of technology adoption in insurance will see customer experience (CX) taken to the next level with hyper-personalization, dynamic purchase journeys, intelligent policy management, proactive claim settlement and more.

Predictive modeling, telematics, risk profiling and more

The technology has revolutionized the insurance industry by making it more customer-centric and data-driven, thus efficient, said Rakesh Jain , CEO of Reliance General Insurance while also adding how AI has enabled better understanding of customers' behaviors, needs, and risk profiles by helping create predictive modeling.

"Such cohorts have enabled us to offer personalized products and services to meet customers' insurance requirements fast and efficiently. Telematics has also helped us develop highly customizable yet pocket-friendly products. All these have made the insurance selection and purchase process easy and convenient for customers," he said.

Maturing AI algorithms creating risk profiles, Telematics, Integration with Internet of Things (IoT) devices will also help identify risk in a much more granular and sophisticated way, Venkatesh Gurumurthy , SVP – Engineering, ACKO added.

This will lead to a new wave of mass-market instant issue insurance products, he said while also highlighting how blockchain will enhance the insurance processing and payment verification, thereby reducing customer acquisition costs for insurers.

By leveraging AI, IoT, blockchain, chatbots, and data analytics, insurers can offer better customer service, improve risk assessment, prevent fraud, and develop innovative insurance products that meet customers' evolving needs, echoed TM Shyamsunder , COO of Royal Sundaram General Insurance.

With IoT-enabled devices such as telematics, sensors, and wearables, insurers can collect vast amounts of data on policyholders. This data can be used to improve risk assessment and tailor insurance products to individual needs, he explained.

While AI-powered tools such as chatbots and virtual assistants can provide quick and personalized responses to customer queries, offer guidance on policy options, and help customers with claims processing.

Also, data analytics and predictive modelling allow insurers to identify new growth opportunities and develop innovative insurance products, he added.