

Arrival of Bima Sugam, a watershed moment for Insurance Industry: Leaders



On the news around IRDAI pushing to onboard Bima Sugam by 1st August, 2023, Insurance leaders said that the forthcoming platform will mark a watershed moment for the Insurance industry and will help in solving the low penetration of insurance in India. Leaders are calling Bima Sugam, the 'Amazon of Insurance'. Here's what they said.

The Insurance Regulatory and Development Authority of India (IRDAI), last week shared its plan to soon roll out Bima Sugam , a one-stop online marketplace where all life and general insurance policies will be listed.

The platform, which is expected to be live by 1st August, 2023, could be a UPI-like (united payment interface) moment for the industry, Debasish Panda , Chairman, IRDAI said at the CII Annual Session 2023.

"We are working with insurance councils to create a UPI-like moment for the insurance industry. The conceptual framework is in place. The execution will start soon," he said. Insurance leaders believe the arrival of Bima Sugam , which they are also referring to as the 'Amazon of Insurance', to be a watershed moment for the Industry.

According to Tapan Singhel, MD & CEO, Bajaj Allianz General Insurance, the revolutionary initiative of IRDAI, the Bima Sugam will help in streamlining processes, increase accessibility for the policyholders, and bring in transparency.

"The underlying objective is to provide customer-friendly initiatives, simplify processes and products, and enhance convenience for the policyholder which will eventually increase insurance penetration in India."

The platform will be responsible for sales, servicing and claims from the insurance policies. Aggregators like PolicyBazaar, brokers, banks and insurance agents will act as facilitators in terms of selling insurance policies through Bima Sugam to individuals.

The implementation of Bima Sugam is a remarkable development in simplifying the insurance buying process. By providing a common, digital platform, Bima Sugam will ultimately increase insurance penetration in the country, echoed Bruce de Broize, Managing Director & CEO of Future Generali India Life Insurance.

"The initiative aligns perfectly with our commitment to customer-centricity and innovation. We stand ready to collaborate with IRDAI and other stakeholders to ensure the successful implementation. We will continue to invest in technology, data analytics, and streamlined processes to optimize our operations within the new, digital framework," he said.

The tech-enabled distribution and servicing platform, Bima Sugam, will roll out in phases where initially it will enable buying and selling of insurance policies but going forward, will facilitate servicing of policyholder requests and also settlement of claims.

Sanjeev Mantri – Executive Director, ICICI Lombard, pointed out that the regulator in the past year has announced a slew of revolutionary reforms and now the much anticipated roll out of Bima Sugam on Aug 1 will truly mark a watershed moment for the insurance industry.

Bima Sugam, potentially the first of its kind online insurance marketplace globally, will serve as the 'Amazon of insurance' for the customers offering convenience, wide access to products, seamless digital journey and better pricing, he said.

The launch is expected to happen in the next few months. The General Insurance Council, Life Insurance Council, brokers associations, among others will collectively be the key stakeholders, and efforts are underway to develop the platform, highlighted Adarsh Agarwal, Chief Distribution Officer, Digit Insurance

Bima Sugam will immensely bring down co-dependencies of various systems and improve turnaround times of the entire insurance journey. This will hugely benefit customers as their buying decisions will improve. Rapid adoption of the Bima Sugam platform will surely boost growth of insurers, he added.

Applauding the proactive and forward-thinking approach taken by the regulator, Sharad Mathur, MD & CEO, Universal Sompo General Insurance also said that the industry recognizes the importance of adapting to changing market dynamics and evolving customer expectations.

Bima Sugam initiative introduced by the IRDAI marks an important milestone in the evolution of the insurance industry and driving positive transformation in the sector, he added.