

Bajaj Allianz moots short-term general insurance covers

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Private general insurer Bajaj Allianz has moved a proposal before IRDA to launch short-term insurance plans. These are insurance schemes for home or accident cover, which can be purchased for a specific period. At present, a blanket cover for the entire year is available under various general insurance schemes. However, there are many who feel the need to get insurance only for smaller periods, when the risks are high, said Tapan Singhel, CEO and managing director of Bajaj Allianz. He was in the city for a business trip.

"For example, if someone wants to go out for a vacation, he may need a home insurance or may be an accident cover only for the days he is out. It can be made available in the new scheme. The same could be for vehicles. The proposal has been put up before the Insurance Regulatory and Development Authority (IRDA), and the company is hopeful," said Singhel. There are plans to sell the short-term plans through e-commerce websites once the IRDA approval is secured, he said.

Bajaj Allianz has also mooted a proposal to have technology-based surveillance of vehicle insurance. Having a third party insurance is mandatory for vehicle owners, but again the compliance is very low. RFID chips can be planted on the number plates. The moment a vehicle crosses a toll plaza or any other monitored point, the data can be captured and insurance details checked online. The police can later send a reminder or challan to the defaulters, he said. As part of moves on having innovative insurance products, such a proposal has also been submitted before IRDA, he said. New products like a cover for losses suffered due to cross-border shelling is also under discussion. "Though it is at a very primary stage at present," said Singhel

Singhel said lack of penetration of general insurance is a concern for this segment. An earlier plan to go for a major advertisement campaign did not work. Bajaj Allianz now plans to go for a large-scale recruitment drive of both agents as well as staffers to handle virtual selling outlets.

There are plans to hand out tablets to over 400 employees-cum-agents initially. The number will be taken to 10,000 in the coming months. "The company hopes to have a 2 lakh strong force selling insurance plans and also settling claims through hand-held devices in the next three years. This may help increase penetration of the insurance products," said Singhel.