

Many Insurers, Insurtechs & OEMs will be entering UBI in India

Telematics Wire interviewed Sourabh Chatterjee President, Head- Technology, Digital Marketing and Sales. In the interview Mr. Chatterjee talks about various aspects of Insurance Telematics Industry in India.



Sourabh Chatterjee
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Sourabh Chatterjee is the Head of IT, web sales, digital and direct marketing at Bajaj Allianz General Insurance. He has over 15 years of IT expertise as well as a successful track record in creating business value through innovative use of technology in the life and general insurance space in the US and India.

to the drivers such as tracking and emergency services.

At present, Motor Insurance in India is primarily being sold on the basis of make and model of the vehicle and typically, adoption of new advancements will happen at its own pace. Being the only insurer offering telematics insurance in the country we feel that we are still in a nascent stage and a lion's share of the market is still need to be tapped in order to create the requisite awareness about telematics' usage. Country is at the cusp of digital revolution and the number of drivers acquainted with IoT and connected ecosystem still is not humongous in number.

Q Bajaj Allianz had launched 'Drive Smart' last year, how has been the response and what it tells us about the insurance telematics market in India?

A Sourabh: It has been over a year, since we launched Drive Smart in September 2016, the response has been overwhelming and with time the number of requests that we are

receiving for Drive Smart device is also moving upwards. We have also launched Drive Smart Lite - a device-less version of the product in August this year. With this app based version, all our private car policy customers can take the benefit of Drive Smart Lite by just downloading Bajaj Allianz Mobile app Insurance Wallet.

The company also launched mobile application version of Drive Smart in August this year, which is industry's first device-less telematics based value added service that can be availed through its self-service app - Insurance Wallet. The application extends the experience of DriveSmart. 'DriveSmart Lite' is a free value-added service for all private car policyholders. It is an app based solution where the car owners can record their trips to get details of kilometres travelled, fuel economy, and other non-hardware related information, specific to make and model of their car.

Q What steps should regulating agency in India take to help increase the penetration of

Q Insurance telematics has been successfully tried and tested in other parts of the world, what are the challenges faced by it in the Indian market?

A Sourabh: Insurance Telematics has been successfully implemented in US and UK with more than 12 million policies being issued already. Markets such as Italy have penetrated really well despite venturing late into the technology. In UK telematics in insurance is mostly used for Usage Based Insurance (UBI), while in US it is used for offering curator services



I believe that the Telematics and UBI market in India is at a very interesting junction and will take a sharp turn with many Insurers, Insurtechs and OEMs entering it in a big way.



insurance telematics?

A Sourabh: IRDAI recently issued a paper inviting dialogue over Pay As You Drive (PAYD)/ usage based pricing for telematics insurance in India. As of now, we are also looking forward to specific guidelines that the regulatory body decides to introduce in order to help increase the penetration of insurance telematics. Actuaries can actually use these IoT connected devices to assess individuals' lifestyles choice for better precision in pricing of insurance policies. Also, this will ensure that a good driver does not subsidize for a bad driver.

Q Where do you see Indian insurance telematics market in next 5-6 years?

A Sourabh: Telematics insurance presents prospects for a real time and consistent involvement with the customers and over a period of time this engagement is surely going to increase along with amplifying number of users. In the times to come, sales pitch of an insurance policy will include how the price is optimized in line with the car safety and security features. Features like Geo Fencing, real time tracking and accidents prevention and automatic claim initiation are going to be the real eye catchers. In times of claims, insurers have already introduced technologies that enable them to know about the damages and the real situation through the mobile apps.

During next few years-

- Infotainment Services may get clubbed with the Telematics device such as radio, video, news, emails, calls, while navigation based services like parking, fuel prices, weather, traffic and journey times are going to be more comprehensive.
- Safety based services addressing remote monitoring, tracking of stolen vehicles, emergency services provided through Connected Car services along with convenience.
- Benefit based Services such as toll



Picture Courtesy: Bajaj Allianz General Insurance

Bajaj Allianz has
TELEMATICS-BASED OFFERINGS,
for car insurance policy buyers.

fees, green and eco driving, saving fuel through habit optimisation, car sharing, driver behaviour tracking for insurance premium savings with models like Pay As You Drive (PAYD), Pay How You Drive (PHYD) and the more advanced Control Your Driving (CYD) can be implemented.

Q What are your views on privacy of data and its ownership?

A Sourabh: We take a concurrence from the customer towards collecting data and analyzing it. As an insurance company we are a part of a regulated industry. The regulator takes privacy of each and every customer very seriously and we too being part of this ecosystem abide by all laws strictly and ensure that data is only used for purpose of insurance analysis and remains accessible to our organization only. All the customer driving data has been hosted on to a secure cloud and the ownership vests with BAGIC. We follow stringent compliance norms with respect to data collection and storage. We make sure we collect data only with respect to driving behaviour which translates to reduced data management cost and granular analysis.

Q What are your views on much talked about approach of forging partnerships with

OEMs and other players of the automotive ecosystem for adding more Value added services and hence increasing profit margins and RoI?

A Sourabh: We have already forged such partnerships in the insurtech space, with startups to deliver us a greater level of customization and agility. Such partnerships help us not just leverage the latest and best in technology, but also reduce our time to market. The end point is better engagement, and better retention of customers, in the long run.

The efficiencies that we derive out of this will help the profits as well as justify the return on investments. Right selection of partners would help us provide holistic solution to customers thereby enhancing customer experience. This would also help us with more customer information which would help us price and design customized products. I believe that the Telematics and UBI market in India is at a very interesting junction and will take a sharp turn with many Insurers, Insurtechs and OEMs entering it in a big way. Only time will tell who will do well in this space and who will not. But I can forecast that whoever gets the 'Connected Ecosystem' right and makes the Customer Value proposition strong, will definitely have an edge over the others...■