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“Insurers should learn to trust their customers”



Tapan Singhel

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If insurers start trusting their customers instead of suspecting frauds, it will be the biggest step in the direction of ensuring customer satisfaction and delight, says Tapan Singhel, in a conversation with
Preeti Kulkarni.

How would you rate the general insurance industry's record in customer satisfaction?

The tendency in the non-life insurance sector is that whenever there is a claim, it is looked upon with suspicion. This is not a good approach. It is important to treat claims as genuine and pay them gracefully. You can use analytics to spot frauds. Now, 98% of the population is put through trouble for just 1-2% of fraudsters. All the processes that are in place are meant to curb frauds, but everybody is put through the same tests. This is where the challenge comes in. For instance, we came out with a home insurance product—My-Home—which eliminated discrepancies in the earlier product. The previous one paid compensation only for the value of the structure destroyed. So, even if the house was worth ₹1 crore, the policyholder would be entitled to only say ₹30 lakh. Similarly, they had to go through the hassle of maintaining serial numbers of electronic gadgets at each renew-

al, failing which they would lose out on the claim for damage. Our new product doesn't push you to make lists. The claims are paid on a first loss basis.

What has been your experience with frauds?

We received cautionary advice from many quarters on how we would lose money due to frauds. However, I fundamentally have faith in my countrymen. Since the product launch, the response from customers has been good and importantly, the claim ratio is not something that we had not imagined. So, the fundamental issue is that of trust. When you talk of policyholder protection, these are issues that have to be corrected. This is how you can ensure genuine customer delight.

What are the innovations you foresee in the non-life space?

After the Nirbhaya case, we introduced 24X7 road assistance services to our women customers. For example, in case of a flat tyre, all they need to do is intimate the call centre and someone will come to do the needful. They do not need to step out of the car at night.

Even in case of health insurance, though it has evolved well and fast, insurers do not provide end to end solutions, but only a piece of it—there is no customer delight. For instance, a policyholder in the North East is likely to travel to Kolkata to avail of good treatment facilities. However, our health policies do not pay for the airfare, only hospitalisation expenses. This is not exactly insurance, but policyholder protection must take care of these issues. We should aim to be a one-stop shop for worry-elimination. That is the innovation I see the market moving towards.

Technology will play an important role. Ease of buying and making a claim will be enhanced. As a company we have always been at the forefront of this. We were among the first ones to introduce cashless facility for motor and health. We did away with external TPAs. Now, we are also working on providing end-to-end solutions—compensation for airfare—in retail health insurance. We will be the first to allow settlement of claims by customers themselves. We will be rolling it out by the end of this year or early next year.

How will it work?

If you have to make a car insurance claim, you will just have to click the pictures of your (damaged) car and send it to us. Isn't that what the surveyor does too? In case of doubts regarding the date of accident, I can ask the policyholder to click the picture of the car alongside that day's newspaper. He can quote an estimate and get the claim settled directly. See, you can always find solutions if you have the right intention. But the tenden-

cy is to think that customers will defraud us. It is true that insurance companies have faced a lot of frauds. Now they are paranoid. I am trying to challenge this extreme view. You can always put in place checks and balances. Technology will make it easier.

Which are the new product segments that could come up in future?

Cyber liability insurance will be the key. It has to be designed for individuals too. There is so much data on phones. Your password gets hacked and money gets stolen. It is a matter of time before such covers are introduced.

Is the demand for home insurance up?

After the Nepal earthquake, I was a bit disappointed with the response. Initially, the number of enquiries were huge, after 10 days, there were fewer, and there were hardly any conversions to sales. People assume that things can go wrong for everybody but us. You spend 10-15 years acquiring a house and one cylinder blast in a neighbour's home can wipe it all away. A home insurance policy will not cost as much as one dinner with family. Yet, we are ready to risk 15 years of hard work. I think all individuals should have personal accident, home and health insurance policies. The priority should not be to buy a cover that is cheap. They should look for an insurer with sound financial strength and good claim settlement record.

What are likely developments in the e-commerce space?

The regulator is forward looking and a committee has been formed to look at all the issues concerning this space. With so much data available, why not set up proper analytics units? Frauds can be pursued only if the analytics system throws up something untoward. Similarly, with electronic storage of documents, costs can come down. Now, we have repositories and CSCs. How do you put it all together so that insurance can be provided to the poor is what we need to look at.

What has been your experience with the Pradhan Mantri Suraksha Bima Yojana?

The response has been very good. A lot of people had doubted the pricing, but now it seems appropriate.

Will you participate in any government-backed health insurance scheme?

Yes. A lot of insurers make losses in the group health insurance segment. Why not do it for poor people? It will earn you blessings.

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