

## Insurance

# Insurance Goes Paperless

Video-based tools are providing face-to-face customer interaction for selling insurance policies and claim settlements

By **Nirmala Konjengbam**

**T**he COVID-19 outbreak has not only bruised the economy, but has also changed the business dynamics. However, the insurance industry has smartly adapted to the challenging environment by going paperless, which is reflective in their growth.

It is only natural that life and health insurance products witness a surge in demand during a health crisis. The insurers had to be ready to fulfil all the demands digitally with social distancing. The investments that insurers had made over the years in Artificial Intelligence (AI), digital payments, and sales platforms proved to be vital but potential innovations were introduced to make things function.

One of the first steps towards being digitally-able was to empower the employees.

"The first step was to ensure all our employees are safe and we enabled them to work from home on a short notice. App-based tools for servicing customers, cloud telephony for renewal calling, inbound emails, and video-based servicing were handled by staff, restricted to their homes," recalls Parvez Mulla, Chief Operating Officer, HDFC Life Insurance.

The entire policy-life cycle has been digitised by insurers, including underwriting claims, to ensure customer's support is not hampered.

"Our IVRS facility has been moved to homes of call centre agents so that customer queries can be addressed without delay. Our servicing and underwriting teams are also enabled to work-from-home so that they can continue to do necessary post-sale and underwriting activities," claims

Yusuf Pachmariwala, EVP and Head of Operations, Tata AIA Life Insurance.

Reliable digital processes across different value chains of insurance including policy search, issuance and claims have played a big role in the growth of insurance sales. Protection plans grew by 77 per cent in Q1 FY21 over Q1 FY20 for TATA AIA. A similar trend has been witnessed by general insurers too.

"At Bajaj Allianz General Insurance, digital issuance of policies across different distribution models has increased to 85 to 90 per cent, up from 50 to 60 per cent before the pandemic," says Sourabh Chatterjee, President, and Head – IT, Web Sales and Travel, Bajaj Allianz General Insurance.

Human interaction has always played a major role in insurance sales, as it captured the nuances and complexities of customer engagement. However, insurers have now introduced video-based sales tools to provide face-to-face customer experience. One of the biggest gaps in digital selling has been the inability to complete the medical process. That has now been addressed through telemedical procedures, where the diagnosis is done over the phone. More

## PARVEZ MULLA

Chief Operating Officer, HDFC Life Insurance



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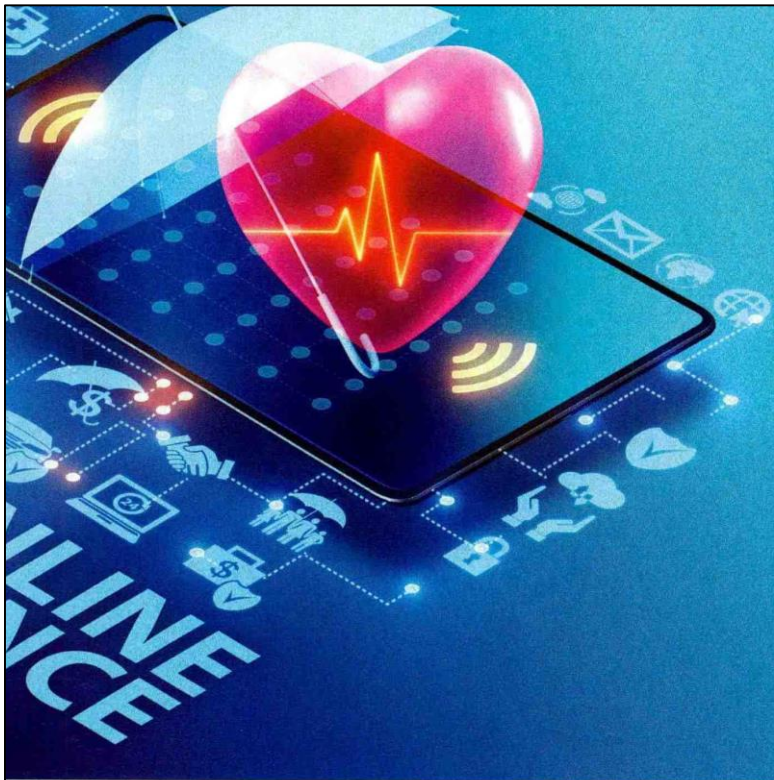
insurers are adopting this medium to expedite and smoothen sales processes along with focusing on paperless procedures.

"Inbuilt digital pre-issuance verification, eKYC via Aadhaar XML, and integration with bank systems for KYC (Know-Your-Customer) has helped us address two major pain points. Also, online validation of PAN and bank accounts, income assessment with the help of credit bureau tie-ups, and tele medicals in place of physical medicals have made the process of buying and selling easy and simple," explains Pachmariwala.

On the services front, insurers have ensured customers are not required to step out of their homes. Chat-bots, mobile apps and email interactions are some digital options available to customers to address their service requests in case call centres are compromised.

"We have 24X7 self-service options for customers and 91 per cent of the chats via our chat-bot are self-service in nature. We have resolved approximately 15 lakh queries. Our robotic process automation handled more than 200





processes remotely. We saw a ten-fold increase in the usage of our mobile app during lockdown,” adds Mulla.

The digitisation of value chain and growth in smartphones also played a significant role in expanding the footprint of insurers beyond metro cities. Online issuance and claims would only bridge the gap between insurers and potential customers at places where proper sales support was not available.

“Our online channel showcased positive growth in Q1 FY20. It has been our fastest-growing channel over the past three financial years. More than 50 per cent of our online business comes from non-metros indicating increase in geographical presence,” reveals Mulla.

The Insurance Regulatory and Development Authority of India (IRDAI), in its recent circular dated September 18, 2020, allowed insurers to use video-based identification process for KYC norms. This will provide a further boost to the industry and online sales.

Vijay Kishore, a media professional based out of Mumbai, bought two

#### SOURABH CHATTERJEE

President & Head – IT, Web Sales and Travel, Bajaj Allianz General Insurance



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policies since COVID-19 gripped the world. Owing to the restriction, Kishore completed the whole process of buying the policies online. If not for the pandemic, he would want to see more clarity on helpline numbers.

“I bought two insurance policies in the last few months - Kotak e-Term Plan and HDFC Ergo Critical Illness Policy. Both policies were bought online and all the inquiries were made digitally with interactions on email or WhatsApp. The chat-bots were of not much help,” admits Kishore.

One of the most critical parts of

#### YUSUF PACHMARIWALA

EVP and Head of Operations, Tata AIA Life Insurance



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the insurance value chain is claims - a reason why people buy them. The speed of claim settlement is also extremely important. Insurers have made the whole process online, including settling claims and submitting documents. If more clarity is required then video calls are arranged by insurers, while all the formalities are managed through WhatsApp.

“We recently launched a unique customer-centric initiative - Express Claim - where we process claim pay-outs within four hours of receiving the claim documents. This facility is provided for non-unit-linked and non-early claims,” says Pachmariwala.

The push for the digital model has also resulted in a surge in digital payments, a behaviour that many customers have taken time to adopt. “Around 90 per cent of our renewal premium payments are made online or via direct debits for HDFC life,” says Mulla.

Industry experts and officials are also of the view that paperless process and digital engagement are here to stay. The customer’s response to digital progress has been overwhelming. Insurers are already taking various safeguards to address the cyber-risk of regular digital engagement.

The role of physical agents, however, is not going to be obsolete in the new normal as human interaction adds a new dimension to the whole process. Insurance agents have now taken to technology to adapt to the circumstances and this would further enrich the insurance value chain. ■

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