

**Insurance**

## Emerging Trends Post COVID Era

Embracing technology has enabled everything - from selling insurance policies to verification to claim settlement - in real time

By **Nirmala Konjengbam**

**Y**ear 2020 will be remembered for one big thing - bringing everything to a screeching halt - be it health or economy. September 28, 2020 saw India with over 60 lakh COVID cases and about a lakh dead. While majority is recovering from the virus, fresh cases to the tune of 80,000 to 90,000 every day is indeed a thing to worry. Life, like time and tide, waits for none and it is back on track despite the virus spreading like a wildfire.

Being a health crisis it has managed to wake the insurance sector up with a jolt - witnessing a massive surge in the number of claims for COVID-19 treatment. According to ICICI Securities, just health insurers could end up receiving COVID-19-related claims worth more than ₹10,000 crore in 2020. A recent survey by Max Bupa, shows 71 per cent of the people are considering health insurance as a "necessity" as against 10 per cent, before the pandemic.

The pandemic has led to a rapid surge in demand for life, non-life and term insurance. Where there is no certainty of life, people are opting for term insurance to protect near and dear ones.

A data collated by insurance aggregator Policybazaar.com reveals more people going for term insurance with a cover of ₹1 crore or more to protect their families financially.

The report says, "Calculating data for those who bought ₹1 crore term cover, we found out that 50 per cent of the customers bought during April to August 2020. This reflects how people are investing in higher cover policies that are available at very affordable prices of around ₹1,000 per month only."

With the rise in casualties, it is important to have a term insurance plan that covers the financial needs of the family in case of death of the person insured. If the individual is unmarried, the term insurance will ensure financial needs of ageing parents and if married, then the plan will take care of dependants like spouse and children. It is an investment for life and this is the apt moment to opt for term and health

insurance cover. The Insurance Regulatory and Development Authority of India (IRDAI) has asked non-life companies to mandatorily offer standard COVID-19 health insurance policies. It has allowed both life and non-life companies to offer optional defined benefit plans and short-term health insurance plans to ensure more people are insured against COVID-19-related medical expenses at an affordable rate.

## GOING DIGITAL

One legacy of the crisis could be that it actually propelled insurers to go digital as the new normal did not allow any physical contact, be it in selling insurance, validating documents or settling claims. According to a KPMG report, "Actuarial modelling software, for example, often sits on individuals' computers, as there are deemed to be security issues with putting it in the cloud. But with today's cloud services offering enhanced security protocols, perhaps the time has come for more of the industry to make the move."

Today one can buy a policy and access information through chat bots, WhatsApp and video calls, without having to step out.

## INSURANCE CLAIMS:

Quick disbursement of insurance claims is the need of the hour. As the new normal doesn't allow physical paper-based claim settlements, insurers swiftly moved to digitising the process. All service request facilities have been made online.

One can raise a claim and settle the same through the website, insurer's app or WhatsApp.

HDFC Life connects with customers through WhatsApp to raise a claim. The process is simple. The WhatsApp bot takes customers through the whole digital claim journey. "Based on the nature of the claim the customers are guided

by the WhatsApp bot for the documentation process. Majority of our non-investigation claims can be completed over WhatsApp bot within five minutes with minimal documentation," says Parvez Mulla, COO, HDFC Life.

To simplify the process and expedite payment, insurers are settling claims on soft copies of bills. Customers are only required to fill a claim form on either website or mobile app and upload a list of documents such as discharge summary, diagnostic tests and reports, treatment charges and doctor's prescription for COVID-19-related claims.

"With COVID-19 picking up pace in the country, the health insurance sector has seen a sharp rise in the number of COVID-related claims

## ANIKA AGARWAL

Chief Marketing Officer and Director-Digital Business, Max Bupa Health Insurance



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over the past few weeks. So far, at Max Bupa we have received about 3,425 claims, with an average claim size of ₹2 to 2.5 lakh. As a responsible health insurer, we continue to stand by our customers in these difficult times and prioritise all such claims. Over 98 per cent of the COVID-19 claims we have received so far, have been authorised within 30 minutes," adds Anika Agarwal, Chief Marketing Officer and Director-Digital Business, Max Bupa Health Insurance.

In the era of multimedia phones, mobile apps assume a lot of responsibilities and insurers are providing almost all the services through apps. In cases of claims, customers could use the apps to raise and track claims.

"We have introduced self-service claims registration and approval process on our 'Caringly Yours' mobile app. This has been done for both motor and health insurance. Simple steps, like keeping the claimant informed about the status of the claim through the mobile app and other communication mediums like SMS, email, customer service bot, ensure customer satisfaction," mentions Sourabh Chatterjee, President and Head – IT, Web Sales and Travel, Bajaj Allianz General Insurance.

A few insurers have started initiatives where claims are settled



### IRDAI GUIDELINES

Insurance regulator IRDAI was also quick to come out with guidelines to ensure COVID-19-related claims are settled expeditiously.

Insurers have been asked to maintain continuity of business operations through possible alternate modes including telephonic and digital contact.

They have been instructed to display alternate arrangements for premium payments, renewal, settlement of claims and lodging of other service requests on their respective websites. According to IRDAI, all claims reported under Coronavirus shall be handled as per the following norms:

- Where hospitalisation is covered, insurers shall ensure that the cases related to COVID-19 shall be expeditiously handled.
- The cost of admissible medical expenses during the course of treatment including treatment during quarantine period shall be settled in accordance to the applicable terms and conditions of policy contract and regulatory framework.
- All claims under COVID-19 shall be thoroughly reviewed by the claims review committee before repudiating the claims.

**To ensure all health insurance claims are responded to quickly, insurers should to comply with the following timelines:**

- Decision on authorisation for cashless treatment shall be communicated to the network provider hospital within two hours from the time of receipt of authorisation request and last necessary requirement from the hospital either to the insurer or to the Third Party Administrator (TPA), whichever is earlier.
- Decision on final discharge shall be communicated to the network provider within two hours from the time of receipt of final bill and last necessary requirement from the hospital, either to the insurer or to the TPA, whichever is earlier.

at the customer's doorstep, if the claimant is not comfortable with the digital route. Tata AIA Life Insurance is providing such a service. A video conference facility is also available for detailed investigation of claim documents.

"Another unique initiative of ours - Easy Claim - helps deliver claim services at the claimant's doorstep. Our representatives visit the claimants to assist them with the necessary

claim-related documentation so that the nominees do not need to make trips to a Tata AIA branch to register a claim. We offer them services at their doorstep," says Yusuf Pachmariwala, EVP and Head of Operations, Tata AIA Life Insurance.

### FINANCIAL SUPPORT:

Apart from easing up the claims process, insurers are also proactively providing larger financial help to customers during crisis. Some insurers have raised the sum insured while insurers like ManipalCigna Health insurance have waived off the mandatory 20 per cent co-payment obligation for COVID treatment of senior citizens.

Co-payment in health insurance is an arrangement in which the policyholders need to pay a portion of the medical expenses on their own. The remaining amount will be paid by the insurance company. ManipalCigna Health Insurance has also launched 'WeCare4U' initiative for senior citizens, to help improve their awareness and self-care for good health, thereby protecting them against COVID-19 and other infectious diseases.

If you are a customer, all you need to do is to get in touch with your respective insurer, either through the website chat bot or call centre, and avail the desired service.

The stiff competition in the market has only created an environment where insurers are always vying to ensure hassle-free experience for customers.

The claims, which usually involved a lot of paperwork with a lengthy process, have undergone a stupendous makeover. It can now be completed from home in no time. Settling claims also include investigation to avoid fraudulent practice. It is done digitally in real time to ensure highest order of customer satisfaction. ■

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### SOURABH CHATTERJEE

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



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