

# Insurance goes digital

With the Covid-19 pandemic having upended traditional ways of functioning, insurers are going the extra mile to adopt paperless processes, writes **Subrata Panda**

The insurance industry has always depended on "touch" to engender trust among its customers. But the Covid-19 pandemic, and the new norm of social distancing, has hugely altered the way it functions, prompting insurers to make the leap from manual, paper-bound processes to digital-based selling.

The industry had already embraced a variety of new technologies to enhance customer experience, tap into new customer bases and reduce costs. But the push to go completely digital came from the stringent lockdown imposed in March to contain the spread of the coronavirus, which disrupted traditional distribution channels.

General insurer ICICI Lombard, for instance, was already using digital platforms for most of its sales partners, including distribution tie-ups, agents, brokers for policies and other transactions, as well as for claim settlement. The lockdown only accelerated the adoption of some of these platforms.

"During the lockdown, we printed almost no paper. We were only sending electronic versions of policy documents through mediums such as email and WhatsApp," says Girish Nayak, chief, service, operations and technology, at ICICI Lombard. "We are leveraging technologies such as natural language processing and robotic process automation for quick policy issuance and servicing, and artificial intelligence and machine learning for claims and policy servicing."

ICICI Lombard says almost 90 per cent of its policy issuance for certain products aimed at small and medium enterprises is made through an automated platform. The company has provided customers with an insurance app, which makes it easier for them to transact. Their queries are addressed through a chatbot which is part of the app.

"We have also provided consumers with an option of having a two-way video chat at the time of claims. This helps us service claims faster," Nayak adds.

At ICICI Lombard's sister concern, ICICI Prudential Life Insurance, some 98 per cent of new business was logged online and 92.5 per cent of all transactions were done digitally, between April and June 2020. "Digital enablers like

WhatsApp, Chatbot LiGo, Mobile App and the website have ensured uninterrupted service delivery, and claimants can use them to raise claims," says Ashish Rao, chief, customer experience and operations. The company also makes most payments electronically.

Another life insurer, PNB MetLife, launched a "co-browsing" facility to better educate customers about its products, since insurance sales require a high level of interaction between customers and salespersons. A prospective customer and a sales agent can log in to the same web platform and speak to each other over video conferencing and screen-sharing.

To acquire customers, it is important for insurers to pitch products that match the customer's financial goals. To this end, Max Life Insurance takes the help of the social data of prospective customers, which is available on various platforms.

"We use smart algorithms and machine learning to segment our customers, and artificial intelligence models on right risk selection and pricing," says Suhail Ghai, executive vice-president & head of information technology at Max Life Insurance.

"We also undertake real-time integration with bancassurance partners, customer relationship management and industry databases to deduce more about the customers. This helps us cut journey times for new customer onboarding to less than 10 minutes, with minimal documentation."

Another major challenge before insurers during the pandemic has been to carry out medical tests of customers, as most are reluctant to visit diagnostic centres. Aditya Birla Sun Life Insurance therefore uses tele-medicals to conduct medical check-ups wherever possible.

"A visit to a diagnostic centre is arranged only in cases where medical tests are absolutely required," says Kamlesh Rao, managing director and chief executive officer, Aditya Birla Sun Life Insurance.

ICICI Lombard on its part uses a medical underwriting bot that asks customers health-related questions through an interactive voice system and, based on the responses, applies the underwriting lens to segment them. This helps decide which customers are safe from



## WHAT DIGITISATION IS BEING USED FOR

**Key technologies used:** Cloud, Big Data & analytics, artificial intelligence, Internet of Things, machine learning

**Customer acquisition:** Virtual platforms powered by chatbots, co-browsing with clients remotely, with real-time voice and video support. Information provided through barcoding; policies generated

using automated software

**Faster conversion:** Social profiles of prospective customers compiled; AI and ML are used to pitch the right product to them to close deals faster

**Health checks:** AI-powered voice-enabled B0Ts help collect health data from prospective clients, and identify health risks; tele-consultation for

those at higher risk

**Claim settlement:** AI-powered chatbots and apps are used in raising claims and settling them faster, based on quicker access to digital data

**Fraud management:** Enhanced forensic capabilities to analyse data helps detect, predict and prevent fraud; predictive analytics used in collecting data and understanding customer behaviour.

risk and can be directly issued a policy, and which need to be evaluated further by a medical professional.

In most cases, the medical evaluation is done by a doctor over the phone. "This process has, in many cases, eliminated the need for medical tests to be done by prospective customers," says Nayak of ICICI Lombard.

Even though the lockdowns have now been lifted, most insurers plan to stick with digital selling platforms. Earlier, they used digital platforms to engage with only those customers who

came to them online; now, they interact with even offline customers digitally, to minimise travel and ensure faster customer onboarding.

"After the unlocking, we opened our branches as per government norms. However, we were conscious that people are wary of touching documents. Which is why we try to provide them with a touchless user interface," says KV Dipu, head, operations and customer service, at Bajaj Allianz General Insurance.

The company also provides voice-based services by integrating its chat-

bot with Alexa and Google Assistant. Moreover, it has deployed barcodes. Customers merely need to scan the barcodes, and their requests — policy issuance, refund processing or claim filing — get fulfilled.

"Digitisation has been a great hit with our customers. Digital adoption has been significantly ramped up to 80 per cent, while grievances have fallen by 90 per cent. We were able to sell close to 3 million policies and settle around 1.5 million claims digitally during the lockdown period," Dipu adds.