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MCCI Insurance Forum 2019

Indian Insurance Industry: Navigating the Changing Landscape

Wednesday, 18 December 2019 | at Hotel Hindusthan International, Kolkata

The MCCI Insurance Forum 2019 was organized with prominent leaders from the insurance industry and regulators with an aim to trigger meaningful deliberations on the insurance sector. The current trends and outlook for the insurance sector were also deliberated upon.

Executive Summary

Despite phenomenal growth, with premium for the general insurance industry rising from Rs. 11,800 crore in 2002 to more than Rs. 1,70,000 crore in 2019, growing at a CAGR of 15 per cent, the Indian insurance industry continues to be under penetrated with a penetration of 3.69 per cent which is below the world average of 6 per cent. The penetration rate, which is the ratio of premium underwritten in a particular year to the GDP is 2.76 per cent for life insurance and 0.93 per cent for non life insurance. The low penetration rate in India is a matter of concern, as the social security benefits are inadequate in the country. Only 36 per cent of Indians have any form of health insurance.

The per capita life insurance premium is only USD 55 in India compared with USD 225 for China. The protection gap is the difference between economic losses and insured losses and it is high at 92 per cent in India.

India with 17 per cent of the world's population accounts for just about 2 per cent of the global insurance business. Thus, there is scope for rapid growth in the Indian insurance industry. If there is rapid growth in the Indian insurance industry then it must be fuelled by Gen Z (those below 22 years of age who form 46 per cent of the total population) and the rural population, which constitutes two-thirds of the Indian population.

Digital insurance is gaining ground. Insurers are moving toward offering solutions. Moving ahead, technology and Big Data will continue to play an important role in the metamorphosis of the Indian insurance industry.

Merchants' Chamber of Commerce & Industry

MCCI Insurance Forum 2019

'Indian Insurance Industry: Navigating the Changing Landscape'

18 December 2019 at Hotel Hindusthan International, Kolkata

A Report

Opening Session: 'Changing Face of Indian Insurance Industry'

The speakers at the Opening Session were

- Welcome Address: **Shri Vishal Jhajharia, President, MCCI**
- Theme Address by Conference Chairperson: **Smt. Tajinder Mukherjee, CMD, National Insurance Co. Ltd.**
- **Shri Sajja Praveen Chowdary, VP, Policybazaar.com**
- **Smt. Jayashree Ranade, DGM, General Insurance Corporation of India**
- **Shri Rushabh Gandhi, Dy. CEO, IndiaFirst Life Insurance Co. Ltd.**
- **Shri Ashish Kumar Srivastava, MD & CEO, PNB MetLife India Insurance Co. Ltd.**
- Key Note Address by the Chief Guest: **Shri K. Ganesh, Member (Life), Insurance Regulatory and Development Authority of India (IRDAI)**
- Vote of Thanks: **Shri Subodh Kumar Agrawal, Chairman, Standing Committee on Capital Market & Insurance, MCCI**

(L to R) Subodh Kumar Agrawal, Chairman, Standing Committee on Capital Market & Insurance, MCCI, Jayashree Ranade, DGM, General Insurance Corporation of India, Tajinder Mukherjee, CMD, National Insurance Co. Ltd., Vishal Jhajharia, President, MCCI, K. Ganesh, Member (Life), Insurance Regulatory and Development Authority of India (IRDAI), Sajja Praveen Chowdary, VP, Policybazaar.com, Ashish Kumar Srivastava, MD & CEO, PNB MetLife India Insurance Co. Ltd. and Rushabh Gandhi, Dy. CEO, IndiaFirst Life Insurance Co. Ltd.

Tajinder Mukherjee, CMD, National Insurance Co. Ltd. addressing the gathering. Seated (L to R) Souvik Banerjee, DG, MCCI, Rushabh Gandhi, Dy. CEO, IndiaFirst Life Insurance Co. Ltd., Vishal Jhajharia, President, MCCI, K. Ganesh, Member (Life), Insurance Regulatory and Development Authority of India (IRDAI), Ashish Kumar Srivastava, MD & CEO, PNB MetLife India Insurance Co. Ltd., Sajja Praveen Chowdary, VP, Policybazaar.com, Jayashree Ranade, DGM, General Insurance Corporation of India and Subodh Kumar Agrawal, Chairman, Standing Committee on Capital Market & Insurance, MCCI

Shri Vishal Jhajharia

Shri Vishal Jhajharia, President, MCCI in his welcome address said that post-liberalisation, the insurance industry in India has recorded significant growth. The Indian insurance industry is expected to grow to Rs. 19,56,920 crore (USD 280 billion) by FY20, owing to the solid economic growth and higher personal disposable incomes in the country. Overall insurance penetration in India reached 3.69 per cent in 2017 from 2.71 per cent in 2001. Gross premiums written in India reached Rs. 5,78,000 crore (USD 82.8 billion) in FY19, with Rs. 4,08,000 crore (USD 58.5 billion) from life insurance and Rs. 1,69,000 crore (USD 24.3 billion) from non-life insurance. Today, there are 24 life insurance and 33 non-life insurance companies in the Indian market who compete on price and services to attract customers. There are two reinsurance companies. The industry has been spurred by product innovation, vibrant distribution channels, coupled with targeted publicity and promotional campaigns by the insurers. The market share of private sector companies in the non-life insurance market rose from 13.12 per cent in FY03 to 55.7 per cent in FY20 (up to April 2019). In life insurance segment, private players had a market share of 25.29 per cent in new business in FY19.

It is encouraging to note that the Government of India has taken a number of initiatives to boost the insurance industry. Some of these pro-active measures include: the launching of the National Health Protection Scheme under 'Ayushman Bharat' in September 2018 to provide coverage of up to Rs. 500,000 (USD 7,723) to more than 100 million vulnerable families; the rolling out of the Pradhan Mantri Fasal Bima Yojana (PMFBY) which benefitted over 47.9 million farmers in 2017-18, etc. The National Health Protection

Scheme is expected to increase penetration of health insurance in India from 34 per cent to 50 per cent.

Also, the IRDAI plans to issue re-designed initial public offering (IPO) guidelines for insurance companies in India, which are looking to divest equity through the IPO route. IRDAI has allowed insurers to invest up to 10 per cent in additional tier 1 (AT1) bonds that are issued by banks to augment their tier 1 capital, in order to expand the pool of eligible investors for the banks. Government has approved the ordinance to increase Foreign Direct Investment (FDI) limit in Insurance sector from 26 per cent to 49 per cent which would further help attract investments in the sector. As per Union Budget 2019-20, 100 per cent foreign direct investment (FDI) will be permitted for insurance intermediaries. In 2017, insurance sector in India saw 10 merger and acquisition (M&A) deals worth USD 903 million.

However, despite these positive developments, insurance penetration in India continues to be one of the lowest in the world at 3.69 per cent, according to the annual report by IRDAI. During the first decade of the insurance sector liberalisation, the sector reported a consistent increase in insurance penetration from 2.71 per cent in 2001 to 5.20 per cent in 2009. Since then, the level of penetration has been declining and dropped to a level of 3.30 per cent in 2014. However, it started increasing from 2015 and showing an increasing trend onwards viz. in 2015 (3.44 per cent), in 2016 (3.49 per cent) and in 2017 (3.69 per cent).

It is without any doubt that technology will be able to enhance the sector's reach and growth, and it is heartening to note that now we are steadily moving into the era of digital insurance or insurtech. Insurance providers have witnessed the changes that new technology could bring to other industries. Indian consumers have accepted the idea of online shopping in under a decade, for instance. These behavioural changes tell us that Indian customers are now ready for insurtech. Hence, we are seeing giants such as Amazon committing investments into a range of digital tech—bots, AI, ML and IoT—to create a strong foundation as they move toward digital transformation. Today, insurance providers, along with other stakeholders of the ecosystem, are making well-thought-out investments in leveraging technology to drive better customer experience, faster closure of claims and ease of buying insurance policies.

It is now a common trend to see insurance companies launch mobile apps for providing round-the-clock support to customers and tools that allow for better and swifter engagement with the company. It is true that the insurance sector has been a late adopter of technology, but it is now witnessing disruption. With the use of chat bots and AI, insurance companies are able to provide support to their customers, agents and other third-party service providers. With the customer data being collected, the accuracy of the data is helping companies understand market dynamics better and launch more user-friendly products with easy premium options. Additionally, the acceptance of tech by insurance companies has also given rise to many new start-ups in the fintech space which have already attained unicorn status. The adoption of tech, including IoT, robotic process automation, advanced analytics, AI, and blockchain to name a few is having far-reaching effects on established business and giving birth to new business models and potentially sustainable, scalable business ideas.

Smt. Tajinder Mukherjee

Smt. Tajinder Mukherjee, CMD, National Insurance Co. Ltd. said that MCCI has brought together different players from the industry and it has successfully given a voice to the industry. The theme for the Forum is apt as change is the only constant and the industry has recently undergone tremendous change. Change in the last few years outpaces change in earlier decades.

The reach of the insurance sector must be enhanced, distribution costs need to be lowered and there needs to be 'ultra customisation' of products and services.

The insurance industry was opened up and IRDAI was set-up in 2004. Thus, the policies of the industry came under the scrutiny of regulators. De-tariffing of major lines of business took place in 2007. The industry has transformed from seven PSU insurers to 69 players and four or five more companies are under the consideration of IRDAI.

The penetration rate of the insurance industry is low at 3.69 per cent, which is below the world average of 6 per cent. The penetration of life insurance is 2.76 per cent while it is 0.93 per cent for non life insurance.

Premium from general insurance rose from Rs. 11,800 crore in 2002 to more than Rs. 1,70,000 crore in 2019, growing at a CAGR of 15 per cent, which is a remarkable feat for any industry.

The need for general insurance arises in areas such as property, machinery, health and motor liability. Each of these segments is facing disruption which can lead to changes of the paradigm. Protection gap is the difference between economic losses and insured losses in the event of a calamity. India suffers from a significant protection gap which needs to be addressed. The protection gap is highlighted as India is prone to natural disasters. Many steps have been taken to ensure that there are enough intermediaries to cover the uninsured.

Delivery of service can be effective only if it is driven by technology. Technology will be a game changer and it is altering delivery of service. Technology must be used to reach out to the uninsured for minimum health cover. The health status of beneficiaries can be checked by using technology so that low risk beneficiaries pay lower premium. Insurtech is a radical idea and technology will allow at your place sales. Every disruption brings opportunities and challenges.

Claims settlement will be revolutionised by AI, block chain and algorithms. Algorithms are changing marketing practices of insurance companies and algorithms will reduce marketing cost of insurance companies for getting new business. The cost of insurance will come down due to technology.

Worries remain about using the electronic platform due to hacking, identity theft, etc. So, cyber security will be a focus area.

Just 9 per cent of the Indian population (individual and corporate) has voluntarily purchased health insurance and 27 per cent is covered under various government schemes. Hence, 36 per cent of the population has any form of health insurance.

Shri Sajja Praveen Chowdary

Shri Sajja Praveen Chowdary, VP, Policybazaar.com spoke about the rise of digital insurance. Digital insurance is growing due to convenience and instant policies. Digital insurance is being driven by

- comparison
- price savings
- transparency. In this regard, when online what you see is what you get which is not the case in the physical world

The right products for digital insurance include

- term life insurance
- motor third party

- retail health insurance

The seller of insurance products today must survive on low premium. Online allows insurers to survive with low margins on policies. When insurance products are bought by understanding the policy, the renewal rates are high.

The evolution of customers is marked by

- rise in their awareness
- rise in their expectations. In this regard, consumers do not understand the need for a lot of forms and paperwork
- buying insurance as insurance for death, disease and disability
- e-Commerce is changing the ways people think about delivery, refunds, claims and KYC. KYC has implications on cost of policy

The evolving value chain and role of web aggregators is marked by

- pushing the limits of customer experience. Being a direct to customer platform, Policybazaar.com will continue to push for the limits
- risk and experimentation with better pricing versus risk and best channel for experimentation
- technology advancements such as self video inspection for claims and driver score. In fact, one insurance company is paying motor claims up to Rs. 30,000 based simply on photographs of the dented vehicle and the word of the customer
- ability to disrupt - creating an eco system that did not exist. With their presence, web aggregators are a disruptive force

In traditional insurance, it is hard to figure out when the customer has arrived. This is known on the online channel and so pricing is better. Insurance companies can experiment a lot with online insurance.

Emerging trends indicate that both online and direct insurance will grow. In future, losses will not be entirely borne by insurance companies and as in Western countries, a part of the risk will be borne by intermediaries. Also, as data bases in India stabilise, insurers will study more data for pricing policies. In fact, the social media behaviour of a person can help determine the terms for their insurance.

Shri Rushabh Gandhi

Shri Rushabh Gandhi, Dy. CEO, IndiaFirst Life Insurance Co. Ltd. said that life insurance penetration is only 3 per cent in India and India is an under penetrated market. Secondly, technology will be key in future. Thirdly, this is the age of ultra customisation of products.

The per capita life insurance premium is among the lowest in India compared with other countries. It was only USD 55 for India in 2017 compared with USD 6,756 for Hong Kong, USD 2,411 for Japan and USD 225 for China. The protection gap is high at 92 per cent in India, 88 per cent in China and 78 per cent in Thailand.

The life insurance industry is at an inflection point in India and it will probably experience high growth rate in the coming decade. Growth will be driven by demographics, as 70 per cent of 130 crore Indians are below 38 years and 46 per cent are Gen Z, meaning that they are under 22 years of age. Life expectancy of Indians will increase from 67.6 years in 2015 to 75 years in 2055 and this will impact the insurance industry. 66 per cent of Indians live in rural areas and 34 per cent live in urban areas. So, if there is unprecedented growth in the Indian insurance industry, then it will be driven by Gen Z and rural India.

There are multiple market drivers such as

- product innovation for optimum coverage
- technological innovation for customer delight
- HR innovations for employee satisfaction
- building robust distribution
- marketing innovation for brand building

Generation Z behavioural traits include

- freedom to choose when they want to pay for insurance
- products that are not one-size-fits-all
- want to pursue their dreams
- freedom to customize the existing insurance with changing lifestyle
- hassle free processes

The solutions to Generation Z behavioural traits are

- on & off cover, micro-duration cover and pay per use cover
- dynamic pricing basis for health insurance – IoT wearables and fitness apps for real-time health monitoring
- premium holidays
- prototype insurance profile to customize at will
- access to central database for detailed customer information

66 per cent of Indians live in rural India and 34 per cent in urban areas. The population density per square km is 299 in rural areas and 2,067 in urban areas. Financial literacy is low in rural areas and high in urban areas. Variability in income is high in rural areas and low in urban areas. Per capita income is Rs. 40,772 in rural areas and Rs. 101,313 in urban areas.

Due to above mentioned factors, 66 per cent of Indians who live in rural areas may be getting ignored by insurance companies. The solutions will be impacted by factors such as:

- on the positive side, India has the highest digital data usage in the world per smartphone at an average of 9.8 GB per month
- India's mobile subscriber base is 120 crore
- wireless tele-density in rural India is 57 while wireless tele-density in urban India is 156
- easy to understand products with simple documentation
- tech enabled seamless journey for remote customers who can use social media platforms such as WhatsApp for insurance needs
- financial awareness and coaching for onboarding customers
- sachet or bite size insurance targeting mass market
- lapse-free products with pay-as-per-use feature

To sum up, rural India presents a huge opportunity for insurance companies but there will be challenges due to lower population density and lower per capita income in rural areas as compared to urban areas.

Life style benefits include the following

- life expectancy to increase from 68 years to 75 years in the next 30 years
- 370 per cent increase in health expenditure from 2000 to 2014
- 136 per cent increase in household expenditure per capita from 2000 to 2016
- 86 per cent increase in primary / secondary education cost from 2005 to 2011
- online retail sales in India grew at 70 per cent CAGR from 2012 to 2017
- Uber completed 500 million trips in India in the first four years of operation
- 84 per cent parents rely on their income to support their child's university education, with 41 per cent having no specific education savings fund at all

Shri Ashish Kumar Srivastava

Shri Ashish Kumar Srivastava, MD & CEO, PNB MetLife India Insurance Co. Ltd. said that insurance today is all about the instant. Communication has changed lives and it is all about living well today and letting insurers carry the burden. Charles Darwin said that 'it is not the strongest or the most intelligent who will survive but those who can best manage change'. Insurance companies have evolved and customers are the catalyst. In a world that is Volatile, Uncertain, Complex and Ambiguous (VUCA), the need to survive is forcing people to innovate.

Insurance companies are enhancing the customer experience with

- a simplified purchase journey (end to end online)
- improved and faster customer service using Artificial Intelligence, machine learning and block chain
- advanced analytics to build propensity models
- customised and even personalised communication

MetLife has an innovation centre in Singapore which gives help to PNB MetLife in products, actuarial practices, etc. This innovation centre is called Human Lab and it is run with help from National University of Singapore. Human Lab selects 100 – 200 companies engaged in insurance, FinTech and other areas and these companies collaborate with PNB MetLife.

PNB MetLife is using robots which are making the company more efficient. While the robot may be disruptive, PNB MetLife is ensuring a seamless customer journey. The Company launched the first insurance app, 'Khushi' which is both voice and text enabled.

Insurance companies are moving from customers to solutions with

- new age, affordable protection plans
- need based selling
- simplified products with less documentation

Insurance companies are getting active involvement of regulator and Government. The Government is taking life insurance to the grass roots with Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Atal Bima Yojana. As people become more aware of insurance, they buy more insurance. The regulator has created a sandbox along with transparency in products. The sandbox approach means that the regulator will allow insurance companies to experiment with new products. A customer awareness campaign has been created in the life insurance industry, namely 'sabse pehle life insurance'. New age communication involves simplified and de-jargonised content.

PNB MetLife concentrates on the 3Ds, namely Data, Digitisation and Disruption. Data is a powerful tool and the company is using data to build propensity models which are enabling it to better serve customers. PNB MetLife is integrating the back end in order to give the customer a seamless journey. Products are changing and the company is moving from products to solutions and propositions.

Smt. Jayashree Ranade

Smt. Jayashree Ranade, DGM, General Insurance Corporation of India said that the topic for the Forum is relevant. Charles Dickens said 'it was the best of times, it was the worst of times' and it appropriately describes the insurance industry. The performance of the insurance industry has been bumpy and it operates in a Volatile, Uncertain, Complex and Ambiguous (VUCA) environment. Trade wars, the rising price of oil and fall in the value of the INR to USD are areas of concern.

Digitisation is leading to an explosion of data. Environmental concerns and issues regarding global warming are becoming harder to sweep under the rug. This year, Indian insurance companies have paid a heavy price due to natural catastrophic events across India. Smt. Ranade added that 'our greatest glory is not in ever falling, but in rising after every fall.'

The insurance industry is modernising as new age customers want simpler policy terms, transparent underwriting, easy to comprehend benefit structure and low human interaction. New concepts such as driverless cars are making their presence felt. Digitalisation is leading to an explosion of data.

The Pradhan Mantri Fasal Bima Yojana is now in its eighth season. Agriculture suffers from an inherently catastrophic nature. India wants to double productivity in agriculture. There is a need for climate resistant technology. GIC supports the Indian agriculture sector and it will continue to support crop protection.

Lifestyle diseases are rising in India with higher incidence of cancer, diabetes and high blood pressure. The number of cases of cancer are up by 33 p.c. across the world. Diabetes has increased by 50 p.c. in India and 200 million Indians suffer from high blood pressure. The Indian non life insurance market is under penetrated and the insurance sector has a good opportunity to sustain its growth momentum.

As India graduates from a low income to a middle income country, there is an opportunity to reduce poverty and there will be formalisation of the economy. The insurance industry in India is on a growth path and despite challenges, the future is bright.

Shri K. Ganesh

Shri K. Ganesh, Member (Life), Insurance Regulatory and Development Authority of India (IRDAI) said that although both penetration level and insurance density have increased in the country, there still exists a huge protection gap that needs to be bridged. As of March 2019, there were 930 products on life insurance with 33 crore policy holders, total premium was Rs. 5.08 lakh crore and total assets were worth Rs. 35.33 lakh crore, which is around USD 500 billion. Life insurance companies, in 2018-19 made claims settlement of Rs. 2 lakh crore with policy holders.

It is important to cater to different expectations of younger and older people simultaneously along with coping with rapidly changing technology, environmental risks and cyber threats. Though the life insurance penetration level in India is 2.7 per cent as compared to 2.88 per cent in US, 2.3 per cent in China and 2.1 per cent in Brazil, the social security benefits in these countries are much higher compared to India.

India is a low penetrated insurance market. Earlier, Indians had guaranteed income for a lifetime. Today, people do not want to work that long, and they can be unemployed. So, how do they pay their insurance premium?

Two thirds of all Indians live in non Metro areas. IRDAI has rules which make it mandatory for insurance companies to meet rural and social sector obligation benchmarks. In other words, a certain minimum benchmark must be attained by insurance companies in social and rural areas. This will ensure that urban residents are not the sole beneficiaries of insurance.

Mortality rates are falling and people are living longer. So, policies get periodically re-priced to reflect greater longevity. Digitisation of data helps to improve risk pooling and creation of Big Data leads to more accurate risk pricing.

The challenges will come from health risks which are rising and people are living longer, climate change, changes in technology and cyber risks. We should be aware of cyber risks and ransomware is happening.

The Demographic Dividend in India means that more youngsters will enter the workforce. Insurance companies realise that demand for products is changing, along with changing expectations. There is greater interest in protection products and people are looking for standardised products. In other words, people are looking for plain vanilla insurance products for protecting themselves.

Health insurance has been growing at a CAGR of 20 per cent in last 10 years. It is expected to continue to rapidly grow. People's expectations have increased following Ayushman Bharat. Going forward, health insurers will place emphasis on wellness, diagnostic centers, disease management, fitness centres and primary clinics. Better fitness will lead to lower premiums. Wearables and fitness devices will provide opportunities to improve lifestyle. Our lifestyles will have to change so that degradation of the environment is reduced.

On and off insurance will come into vogue as we do not need insurance all the time. In the future, we will see usage based insurance which will have an advantage as cost will come down. Also, insurers are recognising that customers want simple products.

IRDAI may review the ban on life insurance companies from offering indemnity health products, popularly known as Mediclaim or hospitalisation health plans. Now, only non-life insurance companies and stand alone health companies can offer this product. (The insurance regulator had barred all life insurance companies from offering indemnity health products in 2016.) Many life insurance companies have written to the regulator about restoration of indemnity (hospitalisation policies) health covers for life insurance companies. IRDAI will write to both life and general insurance councils to seek their views on the matter and it will take a call on the issue after it gets their replies.

Shri Subodh Kumar Agrawal, Chairman, Standing Committee on Capital Market & Insurance, MCCI gave a hearty Vote of Thanks.

Panel Discussion: 'Integrating Technology & Big Data to enhance Customer Experience, Distribution Channel & Marketing Strategy'

The speakers at the Panel Discussion were

- Moderator & Panellist: **Shri Amit Roy, Director, PwC India**
- **Shri Vikas Mittal, Dy. CEO, Magma HDI General Insurance Co. Ltd.**
- **Shri V. Sai Kumar, Head – Life (Vertical), Insurance Information Bureau of India (IIB)**
- **Shri Ankit Goenka, Head – Customer Experience, Bajaj Allianz General Insurance Co. Ltd.**
- **Shri R. Seshadri, Head – Operations, CAMS Insurance Repository Services Ltd.**
- **Smt. Jayati Chatterjee, VP, Intellect Design Arena Ltd.**

Shri Amit Roy

Shri Amit Roy, Director, PwC India said that a Gen Z person will buy a cover after purchasing an iPhone or a car, just in case something bad happens. This cover is similar to acquiring an insurance cover. Insurance companies have a tendency to create insurance for the masses instead of tailoring it. In structured data, the owner has given consent to capture the data.

Penetration of insurance is improving thanks to technology. Today, all micro finance companies are selling insurance. Uber and IRCTC are tech enabled and you can buy insurance for a ride.

Policymakers are closely looking at recommendations of panels such as MCCI. Sandbox is the outcome of a panel initiative.

Shri Vikas Mittal

Shri Vikas Mittal, Dy. CEO, Magma HDI General Insurance Co. Ltd. said that we should remember that the customer is first a human being who will compare their experience with buying insurance with their experience with buying other products and services, such as a ride on Uber. The customer experience begins with the start of a policy and ends at the time when the policy is extinguished.

Structured data, or transaction data, can be information on credit rating, policy data, etc. Unstructured data is with respect to behavioural landmarks. For example, someone may comment on politics in Facebook which can become unstructured data. In general, unstructured data is more useful than structured data, as unstructured data tells more about the customer. Unstructured data enables an insurance company to better profile a customer which helps the company more accurately target customers.

Today, an insurance company can sell a policy to a person based on the profile obtained from unstructured data. In other words, insurance companies are able to offer the right proposition by using unstructured data. So, engagement may be based on structured data from IIB or unstructured data. There remains an issue about how ethical is it to use unstructured data?

A collaborative approach between life and non life insurance companies would be a win-win situation for everyone. Non life insurance penetration is less than 1 per cent which is scary.

About 60 per cent of India's population resides in rural areas. So, it is important to cover a farmer for loss of crop. Both crop and health insurance are important and problems in these sectors will gradually go away.

There is enough digital asset protection but we need more digital information protection.

Shri Ankit Goenka

Shri Ankit Goenka, Head – Customer Experience, Bajaj Allianz General Insurance Co. Ltd. said that insurers ask if the customer is buying insurance or a solution for a worry. If insurance is purchased to solve a worry, then distribution will automatically take place, as you are not pushing the product, which is rather getting pulled. It is important to care for a customer and solve his / her worry. Trust at both ends is important. The insurance company needs to know if the person has revealed all diseases. The customer must trust the insurer to pay claims.

The one size fits all approach will no longer work in insurance. The sandbox approach will help insurance companies to test ideas. We can have rapid innovation with the sandbox approach. Unstructured data can be used to give customised / personalised products to customers.

Smt. Jayati Chatterjee

Smt. Jayati Chatterjee, VP, Intellect Design Arena Ltd. said that there are two points to consider firstly, veracity of data and secondly, velocity of transactions. Till now, most improvements have

been on the velocity side, which means that paper work is being done faster. Today, the stress is on the veracity side or how much can the customer be trusted? To gauge this, insurance companies are using Artificial Intelligence, Big Data, etc.

All insurance companies are trying to reach the unorganised sector. The question is whether the paradigm is changing for the unorganised sector with respect to claims and distribution? The high penetration of mobile phones and the large amount of digital data that is being consumed indicate that things may be changing. Banking is a transaction intensive industry and insurance not so much.

Shri R. Seshadri

Shri R. Seshadri, Head – Operations, CAMS Insurance Repository Services Ltd. said that there are many insurance companies and a customer can buy policies from several companies. The insurance repository configures the data of the customer who gets a holistic view of their data. Thus, the customer gets a consolidated view of their data. Customers can update their contact data on the platform of the repository. Plus, KYC is with the repository. So, customer can be onboarded in a seamless manner. CAMS enriches the data for insurance companies so that insurers can better reach out to customers.

In other words, CAMS has created a platform where the customer gets data from all insurance companies. So, CAMS is integrating the whole industry. Experience is now based on consolidated data from CAMS and CAMS can enable the industry to pay claims on time.

To sum up, CAMS enables the customer in a trusted and transparent manner and it acts as a bridge between the customer and the insurance company. CAMS has about 2.5 million customers.

Shri V Sai Kumar

Shri V Sai Kumar, Head – Life (Vertical), Insurance Information Bureau of India (IIB) said that IIB is promoted by IRDAI and it was set up in 2012. IIB is a data hub that performs data analytics and it possesses a vast amount of data. In fact, IIB has as many as 200 crore records. For general insurance, namely health, motor, property and fire insurance, IIB has a record of every policy sold in the last few years. For life insurance, IIB has data going back to 2012.

Data can be of two types. Structured data is where the customer has given permission to use the data. Data can be unstructured such as information gleaned from social media sites.

Today, there is a lack of coordination between life and non life insurance companies. In a year or two, there will be coordination between life and non life insurance companies.

Key Take Aways

- It is encouraging to note that the Government of India has taken a number of initiatives to boost the insurance industry. Some of these pro-active measures include: the launching of the National Health Protection Scheme under 'Ayushman Bharat' in September 2018 to provide coverage of up to Rs. 500,000 (USD 7,723) to more than 100 million vulnerable families; the rolling out of the Pradhan Mantri Fasal Bima Yojana (PMFBY) which benefitted over 47.9 million farmers in 2017-18, etc. The National Health Protection Scheme is expected to increase penetration of health insurance in India from 34 per cent to 50 per cent.

- Insurance penetration in India continues to be one of the lowest in the world at 3.69 per cent, according to the annual report by IRDAI. The penetration of life insurance is 2.76 per cent while it is 0.93 per cent for non life insurance.

- Premium from general insurance rose from Rs. 11,800 crore in 2002 to more than Rs. 1,70,000 crore in 2019, growing at a CAGR of 15 per cent, which is a remarkable feat for any industry.

- Protection gap is the difference between economic losses and insured losses in the event of a calamity. India suffers from a significant protection gap which needs to be addressed. The protection gap is highlighted as India is prone to natural disasters.

- Just 9 per cent of the Indian population (individual and corporate) has voluntarily purchased health insurance and 27 per cent is covered under various government schemes. Hence, 36 per cent of the population has any form of health insurance.

- Digital insurance is growing due to convenience and instant policies. Digital insurance is being driven by comparison, price savings and transparency.

- The seller of insurance products today must survive on low premium. Online allows insurers to survive with low margins on policies. When insurance products are bought by understanding the policy, the renewal rates are high.

- If there is unprecedented growth in the Indian insurance industry, then it will be driven by Gen Z and rural India.

- Insurance companies are moving from customers to solutions with new age, affordable protection plans, need based selling and simplified products with less documentation.

- Lifestyle diseases are rising in India with higher incidence of cancer, diabetes and high blood pressure. The number of cases of cancer are up by 33 p.c. across the world. Diabetes has increased by 50 p.c. in India and 200 million Indian suffer from high blood pressure. The Indian non life insurance market is under penetrated and the insurance sector has a good opportunity to sustain its growth momentum.

- Though the life insurance penetration level in India is 2.7 per cent as compared to 2.88 per cent in US, 2.3 per cent in China and 2.1 per cent in Brazil, the social security benefits in these countries are much higher compared to India.

- People's expectations have increased following Ayushman Bharat. Going forward, health insurers will place emphasis on wellness, diagnostic centers, disease management, fitness centres and primary clinics. Better fitness will lead to lower premiums.

- Today, an insurance company can sell a policy to a person based on the profile obtained from unstructured data. In other words, insurance companies are able to offer the right proposition by using unstructured data. So, engagement may be based on structured data from IIB or unstructured data.

- If insurance is purchased to solve a worry, then distribution will automatically take place.

- There are two points to consider firstly, veracity of data and secondly, velocity of transactions. Till now, most improvements have been on the velocity side, which means that paperwork is being done faster. Today, the stress is on the veracity side or how much can the customer be trusted?

- CAMS has created a platform where the customer gets data from all insurance companies. So, CAMS is integrating the whole industry.

- IIB is a data hub that performs data analytics and it possesses a vast amount of data. In fact, IIB has as many as 200 crore records.

CCI Insurance

SPONDENT

22/--/Merchants' merce & Industry surance Forum 2019 surance Industry: anging Landscape', otel Hindustan olkata. The Forum

enhance Customer Experience, Distribution Channel & Marketing Strategy: Dwelling on the Inaugural Theme, K Ganesh said that although both Penetration level and Insurance Density have increased in the country, there still exists a huge protection gap that needs to be bridged. He informed that there were as in March 2019, there ere 930 products on life insurance ith 33 cr. policy holders, total emium was Rs. 5.08 lakh cr. and total ssets were worth Rs 35.33 lakh cr.

The Statesman
KOLKATA, THURSDAY 19 DECEMBER 2019

Irdai to seek councils' view on life insurers' plea

KOLKATA, 18 DECEMBER

Insurance regulator Irdai will seek views of the life and general insurance councils before deciding on the appeal insurers to offer indem- based health plans, an l said on today. e life insurers have t permission from ulator to launch indem- eimbursement based cover products and will take a call soon matter, the official

ill be writing to Life Council and Gen- ance Council in a to seek their views tter. We will exam- ecommendations call soon," Irdai fe) K Ganesh said elines of a pro- ganised by MCCI

লেনী তক

আনন্দবাজার পত্রিকা Friday 20 December 2019
XXCE

ায় স্বচ্ছ ক্ষ্য নয়া

নিজস্ব সংবাদদাতা

মার्ग

ास्थ्य कवर उत्पादों को लॉन्च करने के लिए नियामक से मांगी गयी अनुमति

काता : बीमा नियामक आरडीएआई जीवन बीमा नियों की क्षतिपूर्ति-आधारित स्थ्य योजनाओं की पेशकश पर य लेने से पहले जीवन और रल इंश्योरेंस काउंसिल के यों की तलाश करेगा। मर्चेंटस बर आफ कामर्स की ओर से योजित इंश्योरेंस फोरम 2019 में हा गया कि जीवन बीमाकर्ताओं ने तिपूर्ति या प्रतिपूर्ति आधारित वास्थ्य कवर उत्पादों को लॉन्च करने के लिए नियामक से अनुमति मांगी है और आईआरडीएआई इस मामले पर जल्द ही विचार करेगा। "हम एक सप्ताह में लाइफ इंश्योरेंस काउंसिल और जनरल इंश्योरेंस को लिखेंगे।

एमसीसीआई इंश्योरेंश फोरम 2019 का उद्घाटन करते एमसीसीआई अध्यक्ष विशाल झाझरिया, नेशनल इंश्योरेंश की सीएमडी तजिंदर मुखर्जी, पोलिसी बाजारडॉटकाम के उपाध्यक्ष प्रवीण चौधरी, जनरल इंश्योरेंस कार्पोरेशन की डीजीएम जयश्री रानाडे, इंडिया फर्स्ट लाइफ इंश्योरेंस कंपनीके सीईओ रुपम गांधी, आईआरडीए के सदस्य के.गणेश

करने की अनुमति देने से बाजार में प्रतिस्पर्धा बढ़ेगी। उन्होंने कहा कि निर्णय लेते समय इस मुद्दे को ध्यान में रखा जाएगा। गणेश ने कहा कि बीमा कंपनियों को अपने उत्पादों के पुनरीक्षण की प्रक्रिया को पूरा करने के लिए 31 जनवरी, 2020 तक का समय दिया गया है। मौके पर नेशनल इंश्योरेंस कम्पनी की सीएमडी तजिन्दर मुखर्जी, पीएनबी मेट लाइफ इंडिया इंश्योरेंस के एमडी सह सीईओ आशीष कुमार श्रीवास्तव, इंडिया फर्स्ट लाइफ इंश्योरेंस के रुपम गांधी, जेनरल इंश्योरेंस की डीजीएम जयश्री रानाडे, पालिसी बाजार.काम के वीपी सज्जन प्रवीण चौधरी, पीडब्लयूस के निदेशक अमित राय व अन्य गण्यमान्य मौजूद थे। स्वागत भाषण चेम्बर के अध्यक्ष विशाल झाझरिया ने दिया।

जीवन बीमाकर्ताओं को क्षतिपूर्ति- आधारित योजनाओं की पेशकश

कोलकाता, गुरुवार
19.12.2019 | प्रभात खबर

बीमा खर्च नहीं, आज की आवश्यता है

K. GANESH

कोलकाता. जीवन के हर क्षेत्र में बीमा महत्वपूर्ण है. बीमा एक ऐसा साधन है, जो प्रतिकूल परिस्थितियों में आपको और आपके परिवार को वित्तीय सुरक्षा देता है. हालांकि, समय के साथ जिस तरह से लोगों की जरूरतें बढ़ रही हैं, उसे देखते हुए बीमा कवर बेहद जरूरी है. उक्त बातें एमसीसीआइ के अध्यक्ष विशाल झाझरिया ने कहीं. बुधवार को एमसीसीआइ बीमा फोरम 2019 को संबोधित करते हुए श्री झाझरिया ने कहा कि बीमा इस समय बड़ा मुद्दा है. हमारे देश में इसे ज्यादा महत्व नहीं दिया जाता है. देश के नागरिक हो या फिर व्यापारी इसके बारे में सोचने के लिए उनके पास समय नहीं है. कार्यक्रम को संबोधित करते हुए कार्यक्रम के मुख्य अतिथि इंश्योरेंस रेगुलेटरी एंड डेवलपमेंट ऑथोरिटी ऑफ इंडिया के सदस्य (साइफ) के. गणेश ने अपने संबोधन में कहा कि आजादी के इतने दिनों बाद भी हमारे देश में इंश्योरेंस को लेकर जागरूकता में कमी है. हालांकि विदेशों में इंश्योरेंस को लेकर हर व्यक्ति जागरूक है. इसके लिए वहां हर व्यक्ति अगल से प्लान तैयार करता है. कार्यक्रम में नेशनल बीमा कंपनी लिमिटेड की सीएमडी तजिंद्र मुखर्जी, पॉलिसी बाजार.कॉम की सज्जा परवीन चौधरी, ... ऑफ इंडिया की ... पनी लिमिटेड के ... धिकारी उपस्थित

EXPRESS, THURSDAY, DECEMBER 19, 2019
WWW.INDIANEXPRESS.COM

Indemnity plans: IRDAI to seek view

ta: The Insurance Reg- y and Development ity (IRDAI) will seek the life and general e councils before n the appeal of life offer indemnity- h plans, IRDAI fe) K Ganesh ay.

The Telegraph
DECEMBER 2019

...alth plans

A STAFF REPORTER

Calcutta: Insurance regulator IRDAI will seek the views of both life and general insurance councils before taking a decision on allowing life insurance companies to offer health plans.

"The life insurance companies are asking permission to offer indemnity-based health plans. We will be writing to the Life Insurance Council and the General Insurance Council in a week or so to seek their views on the matter. We will examine their recommendations and take a call soon," IRDAI member (life) K. Ganesh said on the sidelines of a programme organised by the MCCI here.

Non-life companies feel that allowing life insurers to offer health plans will increase the competition further in the market, he said.

At present, a person can buy indemnity-based health plans from non-life insurers, including standalone health insurance companies.

Ganesh said insurers have

ন বিমা প্রকল্প বিক্রির সময় না হয় মেয়াদ শেষে কত পাবেন। তবে তাই নিয়ে র তাতে কিছুটা পর হল বিমা ডিএ। জানাল, মেয়াদ করত পাবেন, তা না। প্রিমিয়ামের প্যের অঙ্ক কতটা ও কিছুটা আভাস প্রিমিয়ামের টাকা বাজারে কোথায় খাটিয়ে তা আসবে, সেই ইঙ্গিতও।

মার্চেন্ট চেম্বারের এক আইআরডিএ-র অন্যতম গণেশ জানান, ফেব্রুয়ারি সছে নতুন বিধি। প্রতিটি ক তা বাধ্যতামূলক ভাবে তে হবে। তাঁর দাবি, নতুন সির মেয়াদ শেষে গ্রাহক ড়াও অতিরিক্ত কত টাকা পারেন এবং কী ভাবে, ক তার ইঙ্গিত দিতে হবে সময়েই।

জানান, দু'টি হিসেব । একটিতে থাকবে মোট য়ামের বাড়তি ৪% টাকা সেবে। অন্যটিতে বাড়তি । তবে গ্রাহক শেষে কত নির্ভর করবে পলিসির

অনুচ্ছেদ

বিমা সংস্থাগুলো ইন্ডেমনিটি-বেসড হেল্থ প্রোডাক্ট বা ক্ষতিপূরণ-ভিত্তিক স্বাস্থ্যবিমা তাদের র চালু করতে দেওয়ার অনুরোধ নিয়েছে। আমরা এ ব্যাপারে আগামী ১০ দিনের মধ্যে সমস্ত বিমা সংস্থাকে ঠি দিয়ে তাদের মতামত জানতে বে। তাদের মতামত পাওয়ার পর মরা তা পর্যালোচনা করে আগামী য়ক মাসের মধ্যে সিদ্ধান্ত নিতে পারব ল আশা করছি।' ভারতে জীবন বিমা সংস্থাগুলির

ইন্ডিয়ায় ডেপুটি বর্তমান বছরের সুবিধা জীবন গেলে ক্লেইমড হওয়ার পান না স্বীকার গণেশের

বিমা

জীবন (এনডা ফেরতে পলিসি টাকা বলা ভাবে বিক্রির দিতে যাতে প্রকল্পে ইত্যাদি কোন উপরে দেওয়া বোঝা

১ ফেব্র জীবন নিয়ম কার্যক

এখন মোট

নতুন পড়লে সাজা

ইতিম

THE TIMES OF INDIA, KOLKATA
THURSDAY, DECEMBER 19, 2019 | TIMES

IRDA may review health plan bar for life insurance cos

TIMES NEWS NETWORK

Kolkata: Insurance Regulatory and Development Authority (IRDA) may review the ban on life insurance companies from offering indemnity health pro-

Merchants' Chamber of Commerce & Industry

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Report written and compiled by Rajiv Mukerji, Deputy Secretary, MCCI