Insuring India By 2047: New Landscape For Insurance Sector

An Industry Compendium

December 2023

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Foreword

The Insurance Regulatory and Development Authority of India (IRDAI) has taken several steps to enhance penetration and density of insurance cover and thereby provide insurance coverage to every citizen by 2047. As a result, it has created a huge potential to invest in the insurance sector given the size of the market, and low insurance penetration.

This vision is not merely ambitious, it is profoundly meaningful. At its core, this vision seeks to ensure financial security is accessible to all, irrespective of their socio-economic background. Insurance for All by 2047 objective not only serves as a catalyst for industry growth but also broadens the horizons of the insurance market.

The Insurance industry is a strong pillar of the Indian economy, providing financial protection against a wide range of risks. However, the industry is facing a number of challenges, including rising costs, rising claims, increased competition and changing consumer preferences.

Traditionally, the insurance industry has been perceived as a conservative giant, deeply embedded in established practices and resistant to swift change. However, this perception is rapidly evolving through courtesy of insurtech. Insurtech, the blend of insurance and technology, is the driving force propelling the insurance industry into uncharted territory.

Keeping this imperative in mind, ASSOCHAM is organizing its 15th Global Insurance Summit & Awards under the theme of "Insuring India By 2047: New Landscape for Insurance Sector".

ASSOCHAM & EY have jointly prepared a comprehensive detailed industry compendium which highlights the steps required for India to reach this cherished goal. We hope this industry compendium, along with the discussions during the summit, will help the regulators, market participants, government departments and research scholars for the further development of the financial services.

I thank the Knowledge Partner for their valuable contribution and convey my best wishes for the success of the summit.

Shri Deepak Sood

Secretary General, ASSOCHAM

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Preface

As we witness India's ascent to becoming the third largest economy by 2030, it is imperative to reflect on the current state of the insurance landscape and anticipate the transformative journey that lies ahead. From being the 10th largest in terms of total insurance premium, India is set to become the 6th largest insurance market by 2032 according to Swiss Re Institute. However, this accomplishment comes against the backdrop of a stark reality which is also an opportunity, that India's insurance penetration ratio stands at a mere 3.9%, lagging even some emerging markets.

In the pursuit of fortifying our nation's financial resilience, the Insurance Regulatory and Development Authority of India (IRDAI) has undertaken commendable initiatives in the past year. IRDAI's 'Insurance for All' mission by 2047 aims to notably raise insurance penetration, fostering business ease and enhancing the sector's appeal for investments. Amendments in regulations relating to solvency, raising capital, increasing distribution tie ups, use of sand box, product 'use and file' and general move towards a more principal based approach of regulating, is fostering an environment of healthy competition that is poised to elevate affordability and accessibility.

The insurance sector has been continuously evolving with ongoing product innovation, expanding distribution, embracing digital technology, and adopting the India Tech Stack to address diverse and evolving customer needs, increase reach and enhancing customer experience while improving risk management.

The sector continues to be shaped by multiple disruptive forces and the pace of change is expected to remain high, demonstrating future growth potential to address the penetration gap. The next phase is expected to be driven by rise of embedded products, ecosystems, harnessing artificial intelligence and digital innovation with focus on building societal value.

The views of industry leaders in the ensuing articles will give you an insight into some of the best innovations already implemented leveraging technology and adoption of insurtech. The articles also provide foresight into their plans to catalyse penetration by building trust through transparency, resulting in a resilient industry model across all lines of business.

Shri Rajeev Arora

Partner, Business Consulting, Insurance Sector

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The issue of low insurance penetration and high protection gap has been engaging the minds of policy makers and the insurance industry for quite sometime. Large section of Indian population depends on agriculture and unorganised sector and with very little social security support. Insurance is therefore very important for our country to provide protection to people in the event of unexpected events. The issue is further accentuated by repeated climate events causing huge losses across the country.

The Government and IRDAI have been working hard on series of policy initiatives to make sure that India becomes a fully insured society. The Regulator has articulated a vision of Insurance for all by 2047 meaning that every individual and business will have adequate and necessary insurance coverage by that time. This is a challenging task but achievable if all the stakeholders join hands in meeting this goal.

Increasing Awareness: There is a huge need for creating awareness about the importance of insurance and various insurance products that are available. The Regulatory initiative of allocating states to insurers and utilising state government machinery for spreading insurance awareness could pay rich dividends. The insurance industry also needs to carry out sustained campaign on spreading awareness about insurance products. The concept of insurance and insurance products could be taught to students in schools as part of financial literacy initiatives.

Creating Trust: Insurance is a business of trust and absence of the same could be a mental barrier for people to take insurance. People need to feel comfortable in taking insurance and getting benefits of insurance. Simplification of products, simple procedures for claims settlement and an effective grievance redressal system are essential pillars for creating this confidence in the minds of people.

Technology: Technology plays a key role in reaching out to people in a huge country like India. The insurance sector needs to play a pivotal role in use of technology in distribution, customer connect and improving various areas of service. The technology tools need to be simple and user friendly . Technology can also help in simplifying processes and demystifying insurance. The Bima Sugam initiative could be a game changer in creating an electronic marketplace.

Distribution: Insurance will continue to be a push product and hence a vibrant distribution ecosystem is essential for increasing insurance penetration. The distributors need to bring in lot of professionalism and transparency in their approach. The instances of mis selling need to be eliminated as it brings down the trust of people on insurers. We need innovative distribution models which is cost effective to reach out to people.

Product Innovation: The insurance sector needs to capture the mind space of people in terms of their offering. The approach of standard products for all is not acceptable to the customers. There needs to be clear understanding of the needs of the customers and products designed to suit their needs. Technology can help in customers designing their own products. The current product construct is very complex and contributes to large customer grievances. There is a need for simplification at least for personal lines of business with lesser and clearer exclusions . The insurance sector needs to come out with very simple pre underwritten products which can be distributed over the counter across the country.

Customer Grievance Resolution: Insurance tends to give rise to grievances and hence grievance resolution machinery needs to be strengthened as it gives confidence to the customers that insurance can really help them in times of need. While Ombudsmen are playing this role to some extent, we need a strong independent machinery which can handle all grievances in quick time and give resolution and prevent any need for customers to use the legal system. Even in commercial disputes of large value, time bound arbitration should be compulsorily used to provide quick relief to the customers.

Capital: The big expansion of insurance sector needs large amount of capital both domestic and global. The sector needs to engage with investing community in a big way to create interest in the sector. There is also need for simple regulations and approval process to attract investments. Reinsurance can also help in risk transfers and provide temporary capital to grow the sector. We need a strong and open reinsurance industry for insurers to access the capacity easily and at an economic cost.

Regulations: There is a need to move towards global best practices in the regulatory environment. Principle based regulation as against Rule based regulation could contribute to ease of doing business and reduce the compliance cost and time. The current attempt to amend the Insurance Act to bring it line with needs of the country is a welcome measure.

Insurance for all is something all stakeholders of insurance sector need to work together to achieve. It requires out of box thinking and sustained efforts. A vibrant insurance sector will be a great contributor to economic growth and will also provide solid security to people and businesses as they face new and emerging risks.

G Srinivasan, Advisor

ASSOCHAM National Council for Inurance

Insuring India By 2047: New Landscape For Insurance Sector

Evolving & re-inventing into more advanced insurance model: Role Of Insurance 2.0

Life Insurance is an essential part of financial planning. It acts as a shield against unforeseen risks while also serving as a tool for long-term wealth creation. Despite its crucial role, India still remains far behind in terms of insurance penetration, with only a fraction of the population buying insurance coverage compared to global standards. Recognizing the need for the perception of insurance to change, IRDAI has embarked on a mission to achieve "Insurance for all by 2047" for all the insurers to tap on the penetration in a more systematic manner. In this quest, the regulator has taken steps to foster innovation, competition and distribution efficiencies within the insurance sector and make it more robust in order to bridge the gap of insurance selling and uptake.

The regulatory landscape is also undergoing series of transformations, most of them steering towards a principle-based regulatory regime of sector overhauling. The demand on the other side is being driven by young millennials, a cohort seeking instant accessibility and customization in products tailored to their specific needs. This demographic's inclination towards a Do-It-Yourself (DIY) approach, emphasizing self-service solutions, has spurred the widespread adoption of tech tools and digital assistance. Illustrating this shift, UPI transactions surpassed 10 billion in August 2023, signifying a transformative moment reminiscent of the financial industry's UPI adoption. Over the past 15 years, marked by the proliferation of smartphones and increased accessibility of internet, the insurance industry finds itself at a pivotal juncture, compelled to align with these evolving consumer preferences and technological advancements.

In line with this vision, IRDAI has adapted technology in the insurance industry to reach larger customer base. The key focus is on creating an ecosystem conducive to growth and customer-centricity, ushering in what can be termed as Insurance 2.0.

Driving Force Behind Insurance 2.0

- **Bima Sugam, Bima Vahak, and Bima Vistaar**

Some of the most notable initiative in the Insurance 2.0 direction is the launch of Digital platforms - Bima Sugam (DIY) and Bima Vahak, which shall allow customers to directly interact with multiple insurance companies at once. Supported by the regulator, the platform aims to offer customers a secure and convenient way to select and purchase insurance products. Bima Sugam shall acts as a comprehensive hub for all insurance-related inquiries, combining the essentials of insurance purchasing and claims processing in one place. In addition, Bima Vahak, another initiative by IRDAI, enables insurers to expand their reach and increase insurance penetration. Designated individuals at each Gram Panchayat serve as Bima Vahak, responsible for selling and servicing insurance in remote areas of India.

These initiatives are strategically designed to bridge the gap in insurance coverage, particularly in rural regions. By leveraging technology and establishing localized touch points, Insurance 2.0 aims to make insurance more accessible and understandable to the general public.

- **Embracing Digitization: From "Good to Have" to "Must to Have"**

As the insurance industry moves towards a more technologically advanced future under the guidance of IRDAI, the importance of digitization has shifted from being a "good to have" to a "must to have" for insurers. Technology has become an integral part of every insurance institution, reflecting a broader trend in the financial sector. The focus on digitization is in line with changing customer behavior influenced by new-age technologies and the need to adapt to financial and geopolitical uncertainties that are reshaping the insurance landscape.

This digital transformation is a crucial strategic move for insurers to remain relevant and competitive in the years ahead. It not only improves operational efficiency and reduces costs but also enhances the overall customer experience. By incorporating advanced

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technologies, insurers can streamline their processes, analyze data for better risk assessment, and offer more personalized products.

The Road Ahead: Transforming Challenges into Opportunities

The journey towards Insurance 2.0 is accompanied by various challenges, despite several advancements. Adapting to the rapid pace of technological change, addressing cybersecurity concerns, and ensuring inclusivity in the adoption of digital tools present both challenges and opportunities for innovation and collaboration.

Insurers are taking proactive steps to invest in up-skilling their workforce, embracing technological advancements, and forming partnerships that foster innovation. The evolving landscape necessitates an integrated approach that combines regulatory support, industry collaboration, and technological expertise.

As India progresses towards a more advanced insurance model, the role of Insurance 2.0 becomes increasingly crucial. It ensures that insurance is not merely a financial product but also a catalyst for socio-economic resilience and long-term prosperity. The convergence of regulatory foresight, technological innovation, and a commitment to inclusivity is reshaping the trajectory of the industry. The vision of achieving universal insurance coverage by 2047 propels the insurance industry into a new era – Insurance 2.0, characterized by a more structured and agile approach.

Anuj Mathur, MD and CEO

Canara HSBC Life Insurance

New Landscape for Crop Insurance

The ancient Indian literature like Manusmrithi, Dharamshastra and Arthasashtra mention pooling of resources, which could be redistributed in times of calamities. This ancient practice resembles present day insurance, which is more organized. Crop insurance is a risk transfer mechanism to protect the farmers against financial losses arising out of uncertainties of crop production due to natural factors, beyond the control of farmers. It is also a risk management mechanism, which minimizes the uncertainty of loss in crop production by factoring and pooling in large number of similar uncertainties having adverse impact on crop yields, thereby distributing the burden of loss. In a country like India, where crop production is predominantly subjected to vagaries of weather and large-scale damages due to attack of pests and diseases, crop insurance assumes a very vital role.

Need for rural insurance in India:

More than 65% of population in India resides in rural areas. Agriculture and allied activities are the main occupations and source of rural household livelihood. The dependence of Agriculture on monsoon exposes it from the associated vagaries viz. flood, drought, etc. leading to crop failures, uncertain yield and fluctuating prices. The effect of monsoon is even more on Indian Agriculture as about 60% of cultivable land is rainfed.

Existence of predominantly small and marginal farm holdings coupled with low financial literacy make the Indian rural household more vulnerable to risks associated with agriculture. Apart from affecting the livelihood and incomes of small farmers, failure of agriculture also affects the food security of the nation and impacts the overall economy.

Thus, target segment of rural insurance consists largely of low-income households or individuals who have little savings and limited financial capacity. The Risk management of the rural population through need-based, simple, and affordable insurance products will help in building a robust agrarian economy. Although the Govt. of India's flagship crop insurance programme encompassing PMFBY and RWBCIS provides insurance protection for most of the crops, many crops and cropped area are still outside the scope of PFMBY and still remains uninsured. Similarly, agriculture and allied activities predominantly carried out in rural areas other than crop husbandry viz livestock rearing, poultry, fisheries, Sericulture, apiculture etc are currently not being protected by any structured pan India Govt. sponsored Insurance schemes as of now. These can be served through different tailor made indemnity based /weather index-based products.

Crop insurance in India:

Comprehensive Crop Insurance Scheme (CCIS) in 1985 was the natural outcome of a long and varied chain of events in crop insurance history of India. The CCIS was based on the area approach and was linked to the crop credit system. National Agricultural Insurance Scheme (NAIS), a central sector scheme, was launched in 1999, replacing CCIS. to provide insurance coverage and financial support to the farmers in the event of failure of any of the notified crop as a result of natural calamities, pests, and diseases and to encourage the farmers to adopt progressive farming practices, high value inputs, and higher technology in agriculture and to stabilize farm incomes and restore creditworthiness of farmers, particularly in disaster years. To include crops not covered under NAIS, Weather Based Crop Insurance Scheme (WBCIS) was also piloted in Kharif 2007 and is still being implemented. To overcome the budgeting issues and to make the crop insurance scheme more farmer friendly, Pradhan Mantri Fasal Bima Yojana (PMFBY) was launched from Kharif 2016, which is still under operations.

Several modifications have been incorporated in PMFBY during the course of its implementation to adopt and use technology right from enrolment process to claim settlement. Use of Remote sensing technology and weather data, capturing real time picture

of crops for yield computation in selected crops have been introduced from Kharif 2016. Loss intimations through National Crop Insurance Portal (NCIP) is making the loss assessment faster and use of smart phone for capturing and sending yield data to the insurance companies have definitely increased transparency and decreased the disputes. One of the important inclusion under PMFBY is individual loss assessment of crops due to some named perils. However, some of the limitation besides moral hazard during loss intimations, loss adjustment in the field and accessibility of the field are:

i. **Design constraint:** Loss assessment is a key element of standard insurance. With crop insurance it is essential that prudent and indemnity-based loss assessment procedures be designed for the crop and the perils involved. This is not always the case. A common problem is when a loss occurs which could have been caused by more than one peril. Further, it is vital that the process of loss assessment is made clear, so that in the event of a loss, the assessment process can start in a manner which has the prior agreement of both insurer and insured. The first element is to check that the loss falls within the scope of the policy. This is not always a straight-forward issue, since some losses have more than one cause, and some of these might be covered by the policy, others not. The whole process of assessing the loss, determining the indemnity and paying it is known as loss adjustment. Unlike other types of insurance, when a loss can be assessed objectively ", crops and trees have the capability of revival and recovery after a damage incidence to a certain extent and therefore the exact loss many times cannot be ascertained with one survey.

ii. **Compensatory growth:** Compensatory growth or Crop Revival is a plant's response to damage. Compensatory growth is something that a crop loss assessor will take into account, drawing on the considerable research which has been done on the more important field crops, which gives an indication of the extent to which some of the loss is made up by natural processes.

iii. **Qualified and trained Manpower:** Intimation of huge number of localised losses by the farmers even at an insignificant incidence of adverse weather like excess rain or lack of rain. In many cases these exaggerated intimations are due to local political pressure. The trend is very disturbing as it requires large number of qualified Manpower for a very short time window, which is a challenge in most times.
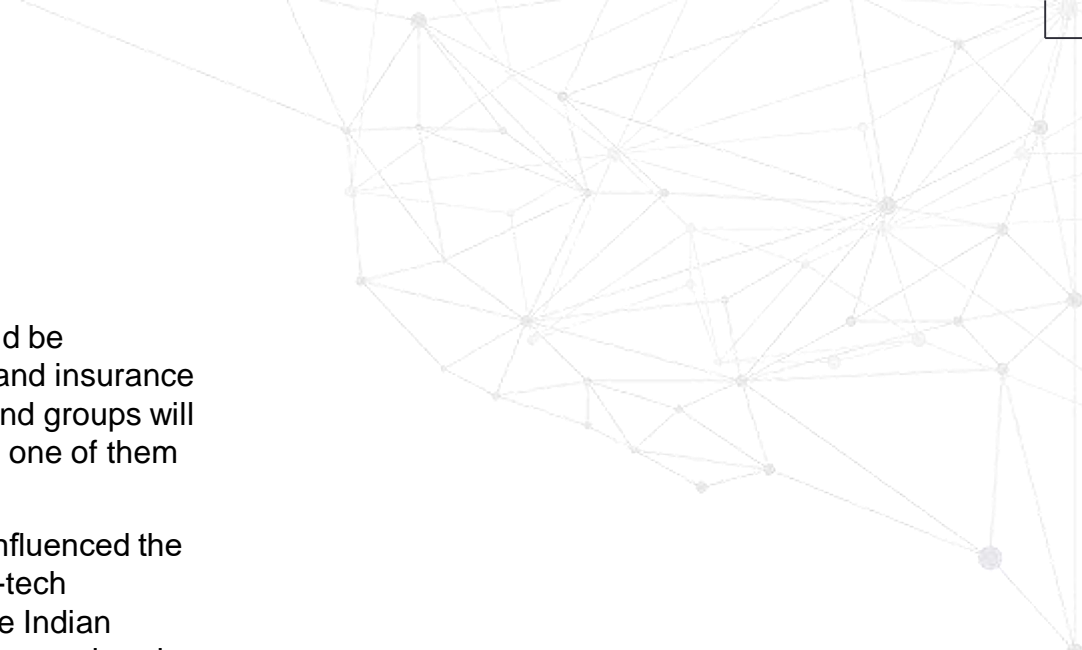
Besides above, lack of insurance awareness, limited insurance products, lack of confidence towards insurance companies in claim settlement mechanisms, weak network of intermediary in rural areas, non-availability of customized need-based pocket friendly products and low / slow pace of modern technology adoption in the rural insurance distribution are also some of the factors limiting the spread of insurance cover to agriculture and allied activities.

Enabling steps:

Considering the low income in rural areas, low-ticket size premium products with flexibility for choice of risk protection offering adequate risk coverage in rural areas can attract the rural population towards insurance. Doorstep availability of insurance, policy distribution, servicing and loss assessment will further give boost to this process. Tech-based innovative products, low/zero distribution cost especially package policies / weather-based covers/ indemnity-based covers flexible to accommodate various needs of crops, livestock, farmers, farm labourers, rural artisans, etc. will further help in increasing insurance penetration in rural areas.
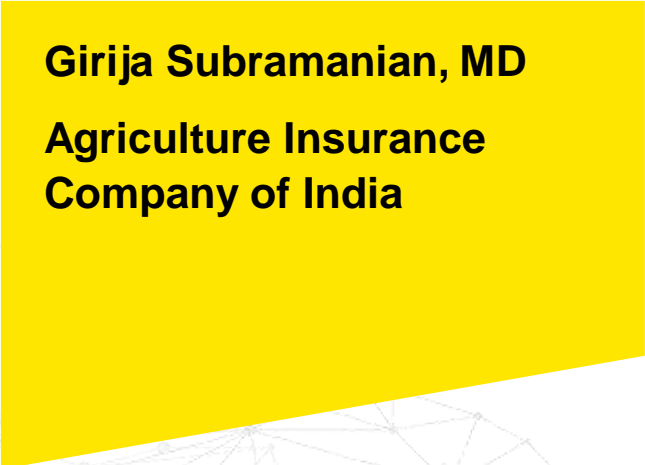
Role of Rural Distribution Channels:

Besides the traditional intermediaries, which although have not been able to reach the rural masses at desires levels, individuals and groups working in rural areas viz. postman, rural health workers, primary school teachers, youth

club members CSC-VLEs etc. could be identified as potential agents/PoS and insurance intermediaries. These individuals and groups will have added advantage as they are one of them having wider social acceptability.

The digital revolution in India has influenced the insurance industry and new insure-tech companies are now operating in the Indian insurance market. Digital technology can break the traditional barriers of the insurance sector like product awareness level, limited customer touchpoints, access to knowledge, service availability and payments.

Recent advances in technology operations will in near future surely provide a platform from crop and other allied products where farmers will have choice of buying insurance with minimum or no intermediation cost like other lines of insurance business. This platform may even be hosted by Government by developing a State-Based Marketplace (SBM) platform, making the agriculture and allied insurance product available with transparency and low cost.

Girija Subramanian, MD

Agriculture Insurance Company of India

Insuring India by 2047: New Landscape for Insurance Sector

"Insuring India by 2047: New Landscape for Insurance Sector" highlights the humongous task ahead, which is evident from the timeline and at the same time acknowledges that the present landscape may need complete overhauling to successfully achieve the task that lies ahead.

India has overtaken China as far as population is concerned with over 143 Crore Population. Also, India is the 5th largest global economy and very soon poised to be 3rd largest global economy. However, life insurance penetration is very low being at 3.2% of GDP and hence there is huge gap as far as life insurance is concerned. Life insurance helps to restore the lifestyle of the family and helps to mitigate the financial risk after the unfortunate event of loss of the breadwinner. As the penetration is low, it is evident that there is huge gap which is to be filled up. It is therefore necessary to have each and every Indian insured. The Regulator has therefore taken upon itself the huge goal of "Insurance for all by 2047."

Life Insurance Corporation of India was formed in the year 1956 with the objective of Spreading Life Insurance widely and in particular to the rural areas, to the socially and economically backward classes with a view to reaching all insurable persons in the country and providing them adequate financial cover against death at a reasonable cost. Since its inception, LIC has been working relentlessly to achieve these objectives. The Corporation is having over 29 Crore Policyholders. LIC has emerged as the 4th largest life insurer in the world according to ranking based on life, accident & health reserves by S & P Global market Intelligence, for which we thank our customers.

However, a huge task still lies ahead to cover the untapped market with every passing day. While India ranks 10th in the Global Insurance business having market share of 1.90% in 2022, it has been projected to be the 6th largest market by 2032. IRDAI's commitment to enable "Insurance for all by 2047" is expected to aid the entire Insurance eco-system to grow rapidly by bolstering the ease of doing business and ultimately improve insurance penetration with inclusion of women and innovative products for rural folk.

Chairman IRDAI, Shri Debasish Panda has mentioned regarding focus on three areas viz., availability, affordability and accessibility to enhance the growth of the industry, so that insurance reaches the masses. Initiatives by the Regulator like Bima Sugam, Bima Vistaar and Bima Vahak are steps in this direction.

Govt. of India has introduced the Pradhan-Mantri Suraksha Bima Yojana (PMSBY) and the Pradhan-Mantri Jeevan Jyoti Bima Yojana (PMJJBY) to provide insurance security to the poor and low-income section of the society at a minimum possible premium rate.

The insurers are taking initiatives by making digital innovation or cutting edge digital transformation. LIC has launched a comprehensive digital transformation project named DIVE (Digital Innovation and Value Enhancement) as a major step in this direction.

LIC of India has a plethora of products catering to every need and every segment e.g. Endowment plans, Whole life plans, Money back plans, Children plans, Term assurance plans, Pension plans and Unit Linked Plans, i.e. total of 37 plans in the basket. LIC, thus has plans starting from age 0 years to 75 years. LIC has also come up guaranteed products in today's uncertain times. Product mix is one area which will help to cover the population.

The India Ageing Report 2023 notes that by 2050, the share of senior citizens — aged 60 years and above — will rise to 20.8 per cent of the population. However, the number of senior citizens who have a pension facility or a social security facility is very low. So, there is a huge gap in the pension market. Hence lot of pension products are being devised by each and every insurer and being marketed. So, this is one area where there is huge scope for improvement. These products will ensure that the senior citizens can continue their lifestyle in the same way as they were when in their earning years.

Micro insurance is also an important product to cover the population at an affordable price, so as to ensure that each and every person is covered with at least minimum insurance.

The other area where we need to look is the distribution network. The industry's primary focus is to offer insurance to every insurable individual in the Country. Hence, the importance of intermediaries is felt as Insurance is a push product and not a pull product. Intermediary is an important component and that's why LIC is where we are. With its widespread network of 2048 branches, 1580 Satellite offices, over 95000 employees and with a strong army of over 13 lakh agents, plethora of products in its kitty for every target group, LIC will play a significant role in reaching this goal.

In conclusion, "Insuring India by 2047" is not just a vision; it is a commitment to steering the Insurers towards a future where insurance is synonymous with empowerment, inclusion, and resilience. LIC's strategic roadmap encompasses cutting edge technological innovation, inclusive practices, sustainability, trust-building, and regulatory collaboration. As the insurance sector transforms, so will the lives of millions of Indians, as they find security and assurance in a landscape shaped by the visionaries of today.

We at LIC, are making efforts towards contributing to realize the vision to make India an Insured Society well before 2047 with an all inclusive approach. LIC of India remains committed to its motto **"YOGAKSHEMA VAHAMYAHAM – Your Welfare is our Responsibility."**

M. Jagannath, MD

Life Insurance Corporation of India

Adoption of InsurTech: Improving Services & Reducing Fraud

InsurTech or insurance technology is the use of technology to improve insurance processes and services. It is a rapidly growing field, as insurance companies around the world seek to improve their efficiency, customer experience and profitability. As per a report by Grandview research, the global InsurTech market is expected to expand at a CAGR of ~53% from 2023 to 2030

The InsurTech market in India is still in its early stages of development, but is growing rapidly. Owing to the significant untapped opportunities and innovative InsurTech models, the space is witnessing rapid growth in funding.

InsurTech firms leverage latest technology infrastructure (including Micro-services architecture, Cloud services, APIs, AI, ML, Blockchain, GenAI) as well as India Stack elements (including UID, Digilocker, eKYC, UPI) to provide a delightful customer experience and efficiency in risk management.

Improvement in Customer Services & Reducing Fraud

Technology implementation in the insurance industry enhances customer service by adopting chatbots that assist policyholders in a self-service model. Customers receive 24X7 support for their policies from insurers. At the issuance stage, financial & KYC documents can be collected seamlessly (with consent from the customer) by integration with account aggregator platform, ITR and eKYC/CKYC portals.

Use of Artificial Intelligence / Machine Learning (AI/ML) in the insurance industry helps detect potential anomalies and patterns in structured and unstructured data to check for fraudulent activities. ML helps in analysing the social profiles of the users to identify fraud rings and prevent them from happening.

HDFC Life is at the forefront of InsurTech adoption. The company has invested heavily in new technologies to improve its services and manage risks.
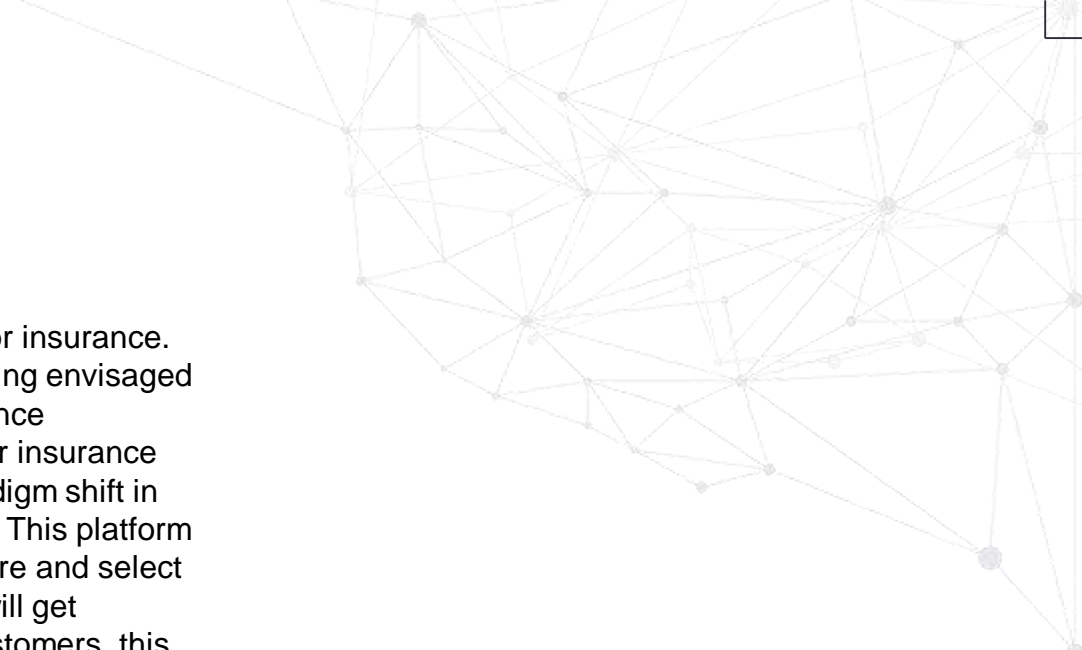
Service Improvement

HDFC Life is using AI to automate the underwriting process. AI can synthesise large datasets in different formats thus reducing the probability of errors, making it faster and more efficient. It has also enhanced customer on-boarding by enabling quote engine for the distributors which fetches the real-time product features and premium prices based on customer details. Financial & CKYC document collection are done seamlessly with consent from the customer by integrating with account aggregator, ITR and CKYC. It has also enabled a seamless payout journey by sharing the link with the customer through SMS, WhatsApp & email for better accessibility. Service has been simplified further with provision to submit life certificate anytime, anywhere, online. The leads are also effectively allocated to call centre agents to improve renewal collection efficiency.

Fraud Management

To detect and prevent fraud, such as fake claims and identity theft, a specialised Payout Intelligence Unit (PIU) was set up in FY23. It is mandated with proactive detection and prevention of probable frauds in customer-related payouts using ML. This unit also ensures that customer interests are protected during the payout process. A monthly dashboard has been created that identifies high-risk salespersons, whose selling procedures might lead to fraudulent activities. The dashboard is supported by a bot that enables large scale data collation, assimilation, analysis, and reporting. The information analytics help identify fraud and malpractice cases related to nondisclosure of medical, demographic and financial issues.

InsurTech is rapidly transforming the insurance industry in India. The InsurTech market in India is still in its early stages of development, but it is growing rapidly. Insurance marketplaces and digital insurance portals that support comparison, claims, and support have the potential to bring insurance to tier 2 and tier 3 cities in India. Technology enabled customisation, and transparency are set to

reduce fear and invoke the need for insurance. One such InsurTech platform is being envisaged by the regulator – Bima Sugam. Once implemented this e-marketplace for insurance sales and service will bring a paradigm shift in the way insurance is bought today. This platform will allow new customers to compare and select best suited insurance plan which will get delivered instantly. For existing customers, this platform will work as a single window portal to interact and transact against all their existing policies across insurers.

Today, Insurers in India are not permitted to operate an InsurTech subsidiary. The industry has made representations to the regulator to allow setting up a step-down subsidiary. InsurTech distribution will increase reach to remote geographical locations and thus enabling growth. InsurTech distribution will also offer a more comprehensive suite of services to customers and enhancement of the value proposition. This will enable insurers to provide holistic solutions to customers based on age, income level and life stage. Insurers can thus become a one-stop destination for a customer's financial needs and in a way that supports the Government's initiative of financial inclusion for 'Bharat'.

Vibha Padalkar, MD & CEO

HDFC Life Insurance Co. Ltd.

Navigating Change, Building Trust through Transparency

The life insurance industry is unique in its mission. It helps protect families financially, aids individuals to build wealth to achieve financial goals and lead financially independent retired lives. It serves as an emotional anchor, providing peace of mind knowing that one's family will remain financially protected even in their absence. It's a promise to shoulder a family's dreams, aspirations and most importantly, their emotional well-being.

Life insurance through its suite of health, life, wealth creation and retirement income products serve the core societal needs of protection and saving. Significantly, there are no substitutes for products offered by the life insurance. The industry brings its expertise and commitment to make a real difference in the lives of consumers.

The life insurance industry, a critical component of our nation's economic framework, has demonstrated substantial growth and resilience. By virtue of managing long-term funds, capital is channelised towards economic growth. Since 2012 life insurance companies have invested approx. INR 4 trillion in Housing & Infrastructure development projects in the country, a CAGR of 15%.

This trust, integral to the life insurance sector, has been steadily fortified over the years. For instance, as per IRDAI reports the Indian life insurance industry quickly settled COVID-19 claims amounting to INR 420 billion. This is particularly impressive as this was the time when lives and livelihood were severely impacted.

The increase in the total sum assured, from INR 11.8 trillion in 2002 to INR 205.5 trillion in 2022, growing at a CAGR of 14.5%, is indicative of both the sector's growth and the deepening faith of consumers. Initiatives such as paperless buying processes, real-time underwriting, smooth and quick claims experiences, introducing innovative products among others have played a key role in the success of the industry.

Building Customer Awareness – Industry

Imperative

The value of a well-informed customer cannot be overstated. It is the responsibility of the insurance sector to ensure customers are thoroughly educated about life insurance products and processes. As customer preferences evolve, it is imperative that life insurers remain nimble footed to meet these expectations and effectively manage experiences.

The success of any industry largely pivots on its ability to iron out complexities and the life insurance industry is no exception. Providing clarity on the features, benefits and rights of policyholders can go a long way towards ensuring 'Insurance for All'. Customers are increasingly looking for products that are simple and enable them to address their life-stage needs.

To provide customers with instant gratification, which is the new normal, the life insurance industry must leverage the India Stack eco-system to do away with the physical documentation and offer customers an end-to-end digital fulfilment journey. Simplifying life insurance and making it as easy as opening a fixed deposit using internet banking should be the goal of the industry.

Life insurance enables customers to achieve long-term financial goals. Therefore, providing customers with visibility on the maturity benefit assumes importance. It aids customers to plan their savings journey and exercise better control over the financial outcomes.

Moving forward, the life insurance industry must focus on three key areas to further bolster customer trust: cultivating efficient processes, providing certainty, and instilling peace of mind. It is through seamlessly aligning these three elements that we can offer customers unparalleled experiences and products. Just imagine the reassurance customers get in knowing their policy will be issued within a single day or that their claims will be settled in a matter of hours. This will bring them invaluable peace of mind in a world where instant gratification is the norm. By

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addressing their deep-rooted desire for peace of mind, we can build lasting relationships founded on trust.

Innovations like the product recommendation engines are pivotal in the journey of building customer awareness. For instance, asking customers simple questions – about their responsibilities towards the family, preference for lumpsum or income, the timing of their needs and the amount required. Based on the answers, a range of products can be recommended. Customers can further refine their choices based on factors like guarantees or market linked, opting for additional coverage options like accidental death benefits, critical illness coverage and more.

The Moment of Truth – Claim Settlement

The claim settlement ratio is a critical factor in building trust. It is essential for the industry to emphasize the importance of this parameter. It reflects the percentage of insurance claims settled by a company compared to the total claims received. It is crucial because it indicates an insurer's reliability in fulfilling its promise to policyholders.

Along with this, the industry should highlight the average time taken for settling genuine claims. It is important for claimants to receive the claim proceeds, simultaneously it is vital they receive it instantly. Some customer-centric life insurers offer one day claim settlement.

Transparency is key to establishing trust and should be at the forefront of a customer's decision-making process. Ensuring that claim settlement ratios and turnaround time to settle claims are publicly disclosed will not only foster trust but also educate consumers, empowering them to make informed choices.

Trust and commitment are the foundational blocks of the life insurance industry as customers look up to life insurers to provide a financial safety net to self and family while aiding fruition of long-term financial goals.

Anup Bagchi, MD & CEO

ICICI Prudential Life Insurance Company Ltd.

Trust & Transparency – Making "Insurance for All" by 2047 A Reality

India's dynamic insurance landscape is undergoing a transformation, driven by the government's ambitious vision of achieving "Insurance for All" by 2047. This process rests on two critical pillars: Trust and Transparency. The foundation of these pillars' rests on awareness of insurance, its need, and its advantages. Regulatory and government support to achieve this target is already under way.

Insurance penetration in India stood at 4.2% in 2021, lower than the world average of 6.8%. The government plans to cover this untapped potential over the next 24 years, insuring every Indian. It's an ambitious plan, but not an impossible one.

"Insurance for All" by 2047

The "Insurance for All" by 2047 objective not only serves as a catalyst for industry growth but also broadens the horizons of the insurance market. The government's commitment to the vision is evident through several regulatory changes that have been recently implemented, ushering in a new era for the sector.

Let's look at the two main factors that are likely to drive the vision – A Conducive Regulatory Environment and Awareness & Willingness to buy insurance.

A. A Conducive Regulatory Environment

1. Regulatory Changes: The government has introduced several changes for the insurance industry, including:

- Facilitating capital availability by allowing Private Equity investments of up to 25% under investor status .

- Expanding distribution channels by granting corporate agents, including banks, the option to have nine partners each in the Life, General, and Health insurance categories.

- Liberating commissions from micromanagement constraints by relaxing Expense of Management (EOM) limits.

2. Easing Product Norms Under the Use and File Model: IRDAI has expanded the 'Use and File' procedure to include a wider range of life insurance products, allowing insurers to introduce products first and submit details to the regulator later. This move facilitates business ease, fosters quicker market responsiveness, promotes innovation, and provides customers with better product choices.

3. Regulator Approval for 20 New Licenses in 2023: IRDAI's approval of 20 new licenses in 2023 indicates the regulator's resolve towards increasing insurance coverage. This will compel insurers to elevate their product quality, customer service, and overall operational efficiency, ultimately fuelling industry growth. IRDAI emphasizes the need for existing insurers to expand, new entrants to enter the market, diversification of distribution networks, broadening of product portfolios, and the adoption of advanced technology to address the emerging risks and fostering innovation.

B. Awareness & Willingness to Buy

While the government is taking definite steps to enable last mile availability, the bigger challenge is awareness and willingness. People are hesitant as they are unaware of the importance and benefits of life insurance. Indians let emotions guide their investments. They tend to largely buy savings-linked products that have elements of savings, money back or interest income.

C. Awareness & Willingness to Buy

Let's look at some of the factors that are likely to drive and influence awareness and willingness:

- **Product Simplification & Standardisation to Reach the Last Mile:** IRDAI's recent initiative to establish a committee for simplifying insurance policy language reflects the dedication to enhance insurance accessibility and transparency. To support the rural population to make informed decisions about insurance, the regulator has also been encouraging standardization of products like Saral Jeevan Bima for life insurance and Arogya Sanjeevani for health coverage. Government initiatives, like

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Pradhan Mantri Jeevan Jyoti Bima Yojana, Pradhan Mantri Suraksha Bima Yojana, Rashtriya Swasthya Bima Yojana, Pradhan Mantri Jan Arogya Yojana, Ayushman Bharat, Aam Aadmi Bima Yojana, and Central Government Health Scheme have further expanded insurance access to underserved populations. With simple, standardized products, insurance penetration is likely to continue rising and help establish trust and transparency.

- **Digital & Tech-Enabled Ecosystems:** Almost 65% of India's population resides in rural regions. The advent of technology has made it possible to distribute insurance safely and affordably to the last mile by reducing costs, increasing efficiency, and providing better service models to customers. With the widespread availability of the internet and smartphones, it is now possible to facilitate secure, remote buying to through multi-factor authentication. This technological revolution in distribution channels is a vital enabler for expanding insurance reach, facilitating remote policy issuance, claims processing, and premium payments.

- **Integral to Nation Building:** Insurance significantly contributes to the nation's stability and success by mitigating risks, measured as a percentage of Gross Domestic Product (GDP). Remarkably, insurance penetration has burgeoned from 2.7% of the GDP in 2001 to 4.2% in 2020 and 2021, with insurance density hitting a historic high of USD 91 per person. This progress signifies the dawn of a far greater good to come.

- **Insurance Education:** Increase in awareness through insurance education, will help us create a better space to operate in. Insurers along with the regulators and industry bodies should work more aggressively to drive insurance awareness. To induce life insurance awareness and penetration in rural India, state governments are deploying individuals to take the benefits of life insurance to the village and panchayat level.

The Indian insurance industry has a unique opportunity to achieve the government's visionary goal. Trust and transparency will continue to be the guiding principles in this transformative journey. This can be facilitated through relaxed product regulations, faster regulatory approvals for new licenses, simplified insurance policies, technological advancements, standardized products, and driving insurance awareness. With these elements in motion, India is well poised to make significant progress towards "Insurance for All" by 2047, marking a milestone year for the industry and the nation.

Vishakha RM, MD & CEO

IndiaFirst Life Insurance Company Ltd.

Insuring India By 2047: New Landscape For Insurance Sector

Healthcare for All is a Shared Responsibility

India's G20 Presidency marks a significant milestone in its history, as the nation takes on the responsibility of finding practical global solutions for the well-being of all. Our honorable Prime Minister Narendra Modi, during the G20 Summit in Indonesia last year, emphasized the importance of health, alongside food security, energy security, and digital transformation. This recognition of health as a fundamental aspect of India's prosperity is crucial. As we approach the fifth anniversary of Ayushman Bharat - Pradhan Mantri Jan Aarogya Yojana (AB-PMJAY), it is truly a time for celebration and reflection.

A healthy India requires access to clean drinking water, clean air, sanitation, and more. The government's dedicated initiatives such as Jal Jeevan Mission, Swacch Bharat Mission, and National Clean Air Programme have yielded encouraging results and continue to benefit society at large through their multiplier effect. Another notable initiative is Ayushman Bharat (PMJAY), launched as a significant step towards achieving Universal Health Coverage (UHC), ensuring that all individuals have access to quality healthcare services without facing financial hardships. As India remains committed to achieving Universal Health Care for all by 2030, it must be viewed as a collective responsibility.

Healthcare is a Gradient for All

Healthcare for all is an important and a necessary goal for the country. A demographic dividend can only be achieved if we have jobs, skills, and healthy people. The health of a nation not only reflects the well-being of its citizens but also impacts its economic progress. After all, the GDP of a country is dependent on how healthy its population is. Therefore, ensuring healthcare coverage for every citizen is of paramount importance.

According to a recent study by KPMG, 17.3% of people in India spent more than 10% of their household expenditure on healthcare. This resulted in over 5.5 crore Indians being pushed into poverty within a single year due to out-of-pocket expenses (OOPE), with 3.8 crore individuals falling below the poverty line solely due to spending on medicines. These figures are alarming and highlight the urgent need for collaboration and understanding between healthcare and health insurance (HI) stakeholders to promote broader adoption and accessibility.

With India officially becoming the most populous country in the world, achieving UHC becomes an arduous task. Currently, India has a mixed multi-payer universal healthcare model, funded through a combination of public and private health insurance funds, alongside entirely tax-funded public hospitals. The country follows a three-tier healthcare service delivery model, with primary health centres (PHCs) in rural areas, secondary care centres at the district level, and tertiary care centres in most cities. The coexistence of public and private healthcare systems, supported by private investments, will be crucial for ensuring healthcare access across the nation.

Paving the Way for a Future-fit India

To achieve the crucial milestones of Affordability, Accessibility, and Availability (the 3As) on the path to a future-fit India, we must adopt a two-pronged approach that encourages stakeholders to come together in true partnership.

The rising medical inflation and increasing cost of healthcare means that health insurance players need to reassess and revise their premiums periodically to keep up with the high cost of healthcare services. For healthcare providers and hospitals to make health insurance more affordable, they will need to share the burden, find ways to optimize medical expenses and lean-in more on evidence based medicine.

Another way could be to consider lowering the high 18% GST which is currently levied on health insurance premium, which not only makes in-patients expensive but is also a serious impediment in building out-patient products into health insurance, which actually constitutes around 50-60% of healthcare

spends. This creates a mismatch in availing healthcare services directly vis a vis insurance funding.

Simultaneously, it is imperative for the government, healthcare providers, and health insurance players to foster a dialogue by establishing collaborative forums. These platforms can facilitate discussions on past experiences, effective execution strategies, development of collaboration charters, building flexibility for sustained partnerships, and establishing central agencies for evaluating Public-Private Partnership (PPP) models and monitoring their impact. For instance, private partners could develop public sub-centers and primary care centers in a hub-and-spoke model, leveraging telemedicine, point-of-care diagnostics, and IT systems to optimize resource utilization.

Another area of partnership is where the government and health insurance players join forces to standardize healthcare coverage and ensure quality services are available in all 100% of the pin codes across the country. Combining the strengths of both parties can bring economies of scale and foster the emergence and success of new PPP models.

Insurance players, whether public or private, can play a vital role in administering such schemes, while the government takes on the roles of payer and regulator. Many countries have successfully employed insurers to operate part or all of their national health insurance programs. In an insurance or hybrid model, the government can limit its financial liability, reduce managerial costs, enhance scheme monitoring, and benefit from the insurance players' experience in dealing with hospitals and developing robust IT systems to mitigate fraud. Insurance players are subject to prudent regulation by the Insurance Regulatory and Development Authority of India (IRDAI), which ensures compliance and safeguards the interests of beneficiaries and payers.

The role of emerging technologies, for the greater good, cannot be ignored. Technologies such as artificial intelligence, the internet of things (IoT), Blockchain, etc. can provide additional opportunities for facilitating a more holistic digital health ecosystem that can aid in increasing the equitable access to health services, improve health outcomes and reduce costs.

Painting a Picture of Health

The regulator is committed to enable 'Insurance for All' by 2047, where every citizen has an appropriate life, health and property insurance cover. To achieve this vision and to democratize quality healthcare, the government, healthcare providers, and insurance players must walk together with the best interests of the end consumer in mind.

It's about time we realise that we are moving towards the same destination, and our support can be wind to each other's sails.

Krishnan Ramachandran, MD & CEO

Niva Bupa Health Insurance

The Emergence of Life Insurance 2.0: Advancing Towards a More Dynamic Model

The world of life insurance is rapidly evolving, and models that have long governed the industry are gradually giving way to advanced and innovative approaches. Life Insurance 2.0 represents a significant shift in the way life insurance functions, leveraging technology, data analytics, and changing customer expectations to create a more personalized, efficient, and customer-centric model.

This next generation insurance model extends its reach to underserved population aligning with the specific needs and financial constraints of these communities. Utilizing digital platforms and mobile applications, it overcomes geographical and logistical requirements. This expansion of insurance coverage within underserved communities contributes to greater financial resilience and awareness among the population.

The Role of Life Insurance 2.0

Life Insurance 2.0 marks a fundamental transition from the traditional "one-size-fits-all" approach to a more personalized and dynamic model that takes into account individual behaviors, preferences, and risk profiles. The role of Life Insurance 2.0 is not just limited to providing financial protection in the event of unforeseen events. It is also about leveraging data and technology to proactively mitigate risk, enhance customer engagement, and deliver a more tailored and responsive experience.

One of the key aspects is its ability to harness the power of data and analytics. With the proliferation of connected devices, wearables, and advanced data analytics, life insurers can now gather and analyze real-time data to assess risk more accurately and offer pricing and coverage options. This data-driven approach enables insurers to base their decisions on real-time, individualized data, thus ensuring greater precision and fairness in pricing life insurance policies.

Moreover, Life Insurance 2.0 is increasingly focused on preventive measures and risk management. By leveraging data from various sources, including health monitoring devices and lifestyle data, insurers can gain better insights into customer behavior and health choices. This allows them to not only tailor life insurance products to fit individual needs but also provide incentives for healthier living and wellness practices. By promoting proactive risk management, Life Insurance 2.0 seeks to reduce the likelihood of adverse health events and contribute to the overall well-being of policyholders.

Evolving and Reinventing an Advanced Life Insurance Model

The evolution toward Life Insurance 2.0 also entails reinventing the model to make it more agile, responsive, and in tune with the needs and expectations of today's consumers. This involves a paradigm shift from a transactional to a relational model. We, at Pramerica Life Insurance, are engaging with customers in their life journey, offering personalized advice, support, and value-added services beyond just the provision of life insurance coverage.

We are constantly evolving and integrating avant-garde technologies to ensure superlative customer experience. Reshaping of operational excellence and business-led digital transformation will be critical. This shift toward digitalization not only enhances the customer experience but also enables us to streamline operations, reduce overhead costs, and improve overall efficiency in the life insurance sector.

Furthermore, the emergence of InsurTech companies has catalysed the evolution of Life Insurance 2.0. These innovators are leveraging cutting-edge technologies such as artificial intelligence, machine learning, and digital health platforms to create new life insurance products, automate underwriting processes, and enhance risk assessment for insurers. We are also undertaking proactive risk management strategy in action by introducing an ML Underwriting Predictive Risk scoring model which excels in singling out high-risk customers helping underwriters with the right information at the right time facilitating

accurate risk assessments. The advanced model is contributing to internal operational optimization, ensuring smoother workflows and efficient resource allocation ultimately enhancing customer experience.

Another vital aspect of evolving the life insurance model is the emphasis on transparency, fairness, and ethical conduct. Life Insurance 2.0 seeks to rebuild consumer trust by being more transparent in its operations, communicating clearly about coverage and terms, and ensuring fairness in pricing and claim settlements. Pramerica Life Insurance's claims guarantee program 'Pratigya Kavach' is a marquee initiative. Our turnaround time to settle death claims showcases our agility and assurance to deliver what we promise.

A More Advanced Role for Life Insurance

We believe that Life Insurance 2.0 is not just about reinventing the model; it is also about redefining the role of life insurance in society. Beyond being a financial safeguard, we aim to become a proactive partner in promoting health, well-being, and long-term financial advisor to our customers.

We are also focusing on imparting awareness on financial literacy and retirement planning supporting long-term financial security and well-being of policyholders.

In conclusion, the emergence of Life Insurance 2.0 represents a paradigm shift in the life insurance industry, ushering in a new era of personalized, data-driven, and customer-centric life insurance. By evolving and reinventing the model, Life Insurance 2.0 is not only improving the efficiency and effectiveness of life insurance operations but also redefining the role of life insurance as a proactive partner for financial security and societal progress. As we move forward in this era of unprecedented technological advancement, Life Insurance 2.0 holds the promise of creating a more advanced, inclusive, and sustainable insurance ecosystem for the benefit of all stakeholders.

Pankaj Gupta, MD & CEO

Pramerica Life Insurance Ltd.

Financing The Insurance Industry: Role Of Emerging Channels & Insurance Penetration

The insurance industry is a strong pillar of the Indian economy, providing financial protection against a wide range of risks. However, the industry is facing a number of challenges, including rising costs, rising claims due to unseasonal rains, covid, increased competition, and changing consumer preferences. India has 57 companies operating in the Insurance space that are regulated.In order to meet the challenges, there is a need for the insurance industry to find new ways to finance its operations.

Emerging channels and problem of Scalability:

One way to finance the insurance industry is through traditional channels, such as banks and capital markets. However, these channels are becoming increasingly expensive, and they may not be able to meet the growing needs of the insurance industry. As a result, the insurance industry is increasingly looking to emerging channels, such as crowdfunding and peer-to-peer lending, to finance its operations.

Emerging channels offer a few advantages over traditional channels. They are often more flexible and efficient, and they can provide access to a wider range of investors. Additionally, emerging channels can help to reduce the cost of capital for the insurance industry. However, scalability is a deterrent. In India, the Fee for starting an Insurance company is 100 crores, that is only available if you go to PE investors. Ministry of Finance has provided to Foreign Insurance companies to go upto 74% in the budget of May 2021, But a case that no Foreign company has opted for it, tells a tale,

Emerging channels are often less regulated than traditional channels, and they may not have the same level of experience or expertise. Additionally, emerging channels may be more susceptible to fraud and other risks.

Despite the challenges, emerging channels have the potential to play a significant role in financing the insurance industry. As the insurance industry continues to evolve, it is likely that emerging channels will become even more important.

Channels of Distribution:

In addition to financing, the insurance industry is also facing challenges in terms of distribution. Traditional channels, such as agents and brokers, are becoming increasingly expensive, and they may not be able to reach the growing number of consumers who are looking for online and mobile-based insurance products. As a result, the insurance industry is increasingly looking to emerging channels, such as direct-to-consumer platforms, to distribute its products.

Emerging channels offer a number of advantages over traditional channels. They are often more cost-effective, and they can reach a wider range of consumers. Additionally, emerging channels can provide a more personalized and convenient experience for consumers.

Another part is the rise of Embedded Insurance where it comes along with the main transaction. Suppose you pay an Electricity bill you have an Option to secure your digital appliances covering for Insurance. Or travel embedded insurance is something that has been made in the recent past.

Penetration of Insurance:

Insurance penetration is a measure of the percentage of the population that has insurance coverage. In general, insurance penetration is higher in developed countries than in developing countries. This is because developed countries have a higher level of economic development, which leads to higher incomes and more disposable income. Additionally, developed countries have more developed financial systems, which makes it easier for people to purchase insurance.

In recent years, insurance penetration has been increasing in developing countries. This is due to a number of factors, including economic growth, rising incomes, and increased awareness of the importance of insurance. Additionally, governments in developing countries are increasingly promoting insurance

as a way to protect people from financial risks.

The increasing insurance penetration is a positive development for the insurance industry. It means that more people are protected from financial risks, which can lead to a more stable and prosperous economy. Additionally, it means that the insurance industry is growing, which creates jobs and economic activity.

There are a number of challenges that the insurance industry faces in order to continue to increase insurance penetration. One challenge is that insurance products can be expensive, especially in developing countries. Additionally, people in developing countries may not be aware of the importance of insurance or may not have access to insurance products. Additionally, the insurance industry needs to be able to provide affordable and accessible insurance products to people in developing countries.

Despite the challenges, the insurance industry has the potential to play a significant role in promoting economic development and financial inclusion in developing countries. By providing affordable and accessible insurance products, the insurance industry can help to protect people from financial risks and can help them to build a more secure financial future.

Insurance penetration in India is low at 3.7%, but it is growing at a rapid pace. The main drivers of growth are rising incomes, increasing awareness of the importance of insurance, and government initiatives to promote insurance. The insurance industry is expected to grow at a compound annual growth rate of 15% over the next five years.

Pranshu Diwan, CEO

Paytm Insurance

Embracing the Future: Monocept's Vision for Insurtech and Digital Transformation

In the ever-evolving landscape of the insurance industry, change is not merely a constant; it is a powerful force that is fundamentally reshaping the very foundations of our sector. Having had the privilege of serving this industry as a tech solution provider, I have had the unique opportunity to observe it up close for several years. It is both exhilarating and enlightening to bear witness to the rapid transformation currently unfolding.

Monocept: Leading the Vanguard of Transformation

At Monocept, we find ourselves at the forefront of this remarkable journey. We offer cutting-edge digital transformation solutions to some of the industry's foremost insurance firms. With years of hands-on experience and a deep understanding of this dynamic sector, Monocept has positioned itself as a trailblazer, uniquely equipped to navigate the winds of change sweeping through the insurance world.

Our wide range of solutions encompasses Agent Onboarding, Customer Onboarding, Bank Onboarding, Bancassurance, Various Channels (Aggregators), Fraud Investigation Portal, Sales Portal, OCR, and Aadhar Masking. Powered by cutting-edge technology such as Cloud Native Architectures, API Gateway, DevSecOps, Performance Consulting, and Performance Optimization, our solutions and technological innovations empower the insurance industry to thrive in the digital age. We enable insurers to adapt to evolving customer needs and emerge as dynamic partners in the lives of policyholders.

Insurtech and Digital Transformation: A Collective Vision

In this article, I would like to share our perspective on the profound significance of insurtech and digital transformation as we collectively work towards realizing India's visionary goal of "Insurance for All by 2047."

The Winds of Change

Traditionally, the insurance industry has been perceived as a conservative giant, deeply entrenched in established practices and resistant to swift change. However, this perception is rapidly evolving, courtesy of the disruptive force known as insurtech. Insurtech, the fusion of insurance and technology, is the driving force propelling the insurance industry into uncharted territory.

Think of it as the gentle yet persistent breeze that rustles the leaves in a forest, signalling the arrival of something new. Insurtech represents the convergence of two seemingly disparate worlds: insurance, a sector steeped in tradition and risk management, and digital technology, a domain characterized by relentless innovation and rapid progress.

This convergence is not a mere marriage of convenience; it is a necessity. Confronted with evolving customer expectations, shifting demographics, and a digitally native generation, the insurance sector could not afford to remain stagnant. It had to adapt. And digital technology, with its immense potential to enhance efficiency, elevate customer experiences, and unlock previously untapped opportunities, emerged as the natural partner in this transformative journey.

Monocept: Pioneering the Transformation

Monocept, as a prominent tech solution provider, plays a pivotal role in this transformative journey. With our wealth of experience and expertise, we are uniquely positioned to navigate the winds of change sweeping through the insurance world. Our commitment to revolutionizing the insurance industry extends beyond process improvement; it is fundamentally about empowering insurance firms, agents, and policyholders alike.

These winds of change, fuelled by insurtech, have introduced innovative approaches to insurance. From the rise of telematics, which leverages data from IoT devices to customize auto insurance premiums based on driving behaviour, to AI-driven chatbots delivering instant customer support, the insurance landscape is evolving at an unprecedented pace. Monocept stands at the forefront of

exploring new digital and software technologies to enhance transparency, reduce claims processing fraud, and revolutionize risk assessment and underwriting processes.

A Visionary Goal: "Insurance for All by 2047"

India's vision of providing insurance coverage to every citizen by 2047 is not merely ambitious; it is profoundly meaningful. At its core, this vision seeks to ensure financial security is accessible to all, irrespective of their socio-economic background. This noble goal resonates with the broader ethos of inclusivity and social welfare.

To appreciate the scale of this vision, consider the numbers: as of 2021, India's insurance penetration stood at a mere 3.76%. While the insurance landscape has improved significantly in recent years, there remains a substantial gap to bridge in our journey towards 'Insurance for All.'

The Role of Insurtech

Insurtech emerges as the linchpin of this transformative journey. It is the bridge connecting the traditional insurance industry with the digital future. Insurtech harnesses technology to streamline operations, enhance customer experiences, and craft innovative solutions that can render insurance more affordable and accessible.

Vernacular Empowerment

The future of insurance is also inherently vernacular, recognizing the diverse linguistic fabric of our nation. Digital technology plays a pivotal role in making insurance more accessible by offering services in local languages. This approach enables individuals to better comprehend, purchase, and manage their insurance policies, fostering financial inclusion and promoting insurance literacy.

Tailored Solutions for Insurance Providers

In our pursuit of empowering this transformation, Monocept collaborates closely with leading insurance firms. We provide tailored digital transformation solutions

designed to address the unique challenges and aspirations of each insurer. These solutions encompass a wide array of facets, from operational efficiency to customer engagement.

Consider this: a survey by McKinsey revealed that 54% of customers who engaged with Insurtech-driven solutions reported higher levels of satisfaction compared to traditional channels. This underscores the pivotal role of digital solutions in meeting evolving customer expectations.

Empowering the Insured

Digital transformation is not just about simplifying processes for insurance providers; it is also about empowering policyholders. Monocept is committed to creating user-friendly digital platforms that make it easier for individuals to comprehend, purchase, and manage their insurance policies. This not only fosters financial inclusion but also promotes insurance literacy.

According to data from the Insurance Regulatory and Development Authority of India (IRDAI), the insurance industry in India paid out claims amounting to ₹1.76 lakh crore ($23.6 billion) in the financial year 2020-21. A more accessible and inclusive insurance landscape can ensure that a larger segment of the population benefits from these pay-outs.
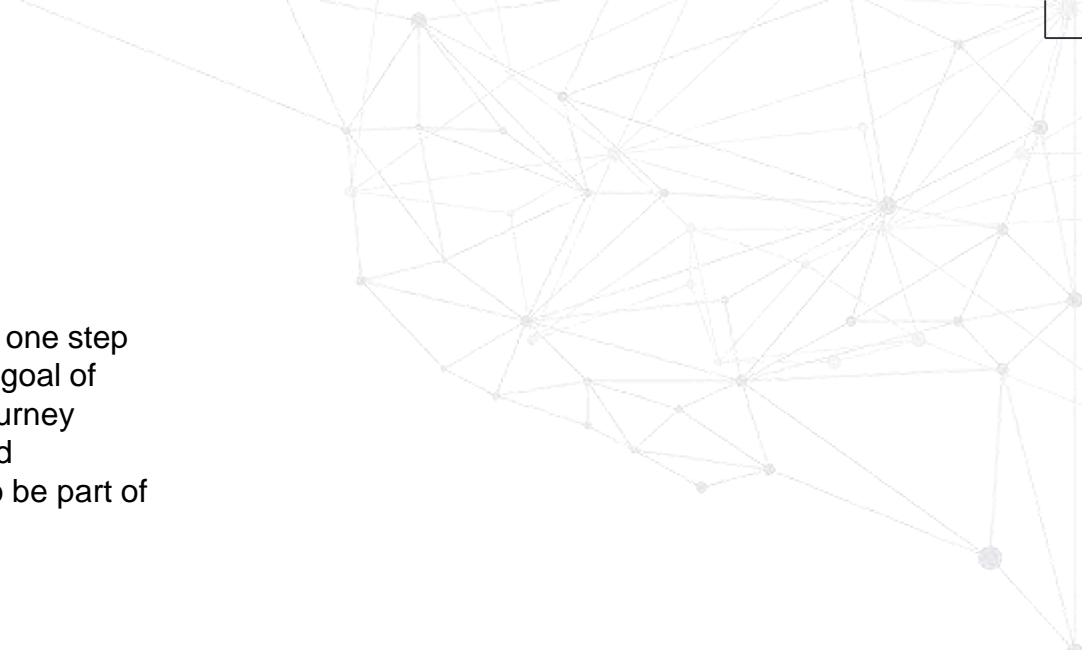
Collaboration: The Key to Success

Achieving "Insurance for All" is not a solitary endeavour. It demands collaboration among insurers, technology partners, agents, regulators, and society at large. Monocept actively seeks partnerships and collaborations that cultivate an environment conducive to this vision.

In Conclusion

In conclusion, the insurance industry is undergoing a profound digital transformation, and we at Monocept, with our years of experience and unwavering commitment, are dedicated to catalysing this change. As we embrace insurtech, digital transformation, and

vernacular empowerment, we take one step closer to realizing India's visionary goal of "Insurance for All by 2047." This journey requires dedication, innovation, and collaboration, and we are thrilled to be part of this transformative era.

Manav Gaur, CEO

Monocept

Insuring India By 2047: New Landscape For Insurance Sector

The Adoption of Insurtech: Improving Services and Reducing Fraud

India's insurance industry is vast and fast-growing, and in today's ever-evolving landscape of financial services, the integration of technology has sparked transformative changes, none more significant than the emergence of Insurtech. This revolutionary blend of insurance and technology has redefined conventional paradigms, offering a formidable promise of heightened efficiency, enhanced customer experiences, and persistent combat against fraudulent activities within the insurance sector.

As industries across the globe embrace digitalisation, the insurance domain stands at the precipice of a fundamental shift, propelled by innovative Insurtech solutions. As per an Inc42 report, India's Insurtech industry offers a market opportunity worth a whopping USD 339 billion. From streamlined policy management to advanced risk assessment methodologies, the adoption of Insurtech presents a myriad of opportunities for insurers to revolutionize their operational frameworks. However, amid this wave of transformation, the challenges and complexities inherent in this technological leap warrant exploration, underscoring the pivotal need for a comprehensive understanding of its implications and potential.

Streamlining processes: Less paperwork and swift issuance

Insurtech has significantly reduced the bureaucratic roadblocks that were once synonymous with insurance applications. The tedious paperwork has been streamlined, leading to greater accuracy and remarkably reduced turnaround times for policy issuance. This overhaul not only expedites the process but also translates into a superior customer experience. Policy editing and endorsements are swiftly accommodated, aligning with individual customer needs and preferences.

Creating a connected ecosystem: Efficiency and a cashless system

Technological innovations have fostered a connected system within the insurance domain. This connectivity facilitates swift, cashless transactions, setting a new standard for efficiency in handling claims. Additionally, the implementation of geolocation-enabled document uploads has revolutionized convenience, offering policyholders unprecedented ease in their interactions with insurance providers.

Quick processing: A testament to the Insurtech industry's efficacy

Insurtech companies have demonstrated remarkable efficiency in claims processing. Leveraging advanced technologies, they ensure expedited and seamless claim settlements, enhancing overall customer satisfaction and trust.
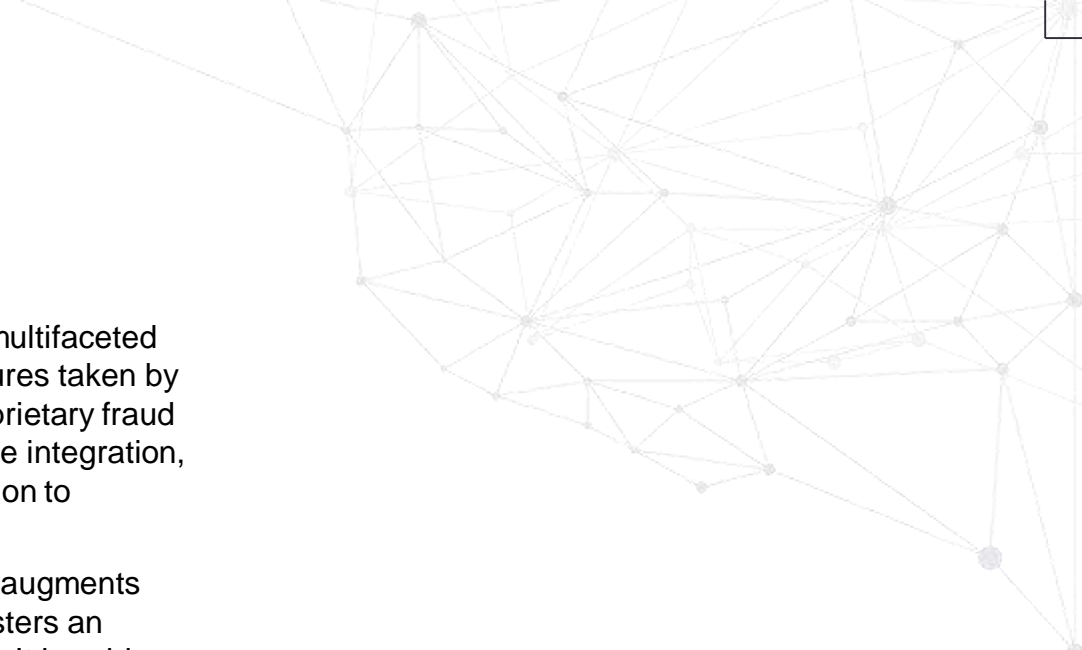
Minimising fraud: Insurtech's vigilant safeguards

Fraudulent activities pose a persistent challenge in the insurance sector. However, Insurtech brings robust solutions to the table. For instance, geolocation technology plays a pivotal role in minimising fraud. Further, there are also fraud management systems and customer profiling based on tenure, with which Insurtech companies fortify their defences against deceitful practices. Real-time integration with multiple entities allows for vigilant monitoring. Sudden surges in claim numbers trigger alerts, leading to the swift blacklisting of suspicious agents until their clearance.

Bottomline

To sum it up, the integration of Insurtech stands as a pivotal milestone in the evolution of the Indian insurance landscape. Its impact resonates profoundly through streamlined processes, expedited services, and an unwavering commitment to combatting fraud. The reduction in paperwork, swift policy issuance, and seamless customer experiences underscore the transformative power of technology within the sector.

Furthermore, Insurtech's ability to create a connected ecosystem, facilitate efficient claims processing, and fortify defences against fraudulent activities through geolocation and

vigilant monitoring exemplifies its multifaceted contributions. The proactive measures taken by Insurtech companies, such as proprietary fraud management systems and real-time integration, speak volumes about their dedication to upholding integrity and security.

The adoption of Insurtech not only augments operational efficiencies but also fosters an environment of trust and resilience. It heralds a new era where technology acts as a cornerstone, empowering the insurance sector to navigate challenges, enhance services, and safeguard the interests of both insurers and policyholders in an ever-changing landscape.

Ankit Agrawal, Founder & CEO

Insurance Dekho

Insurance for all: Building Resilience to Thrive in Digital Ecosystem

IRDAI's "Insurance for all by 2047" envisions an exemplary vision that goes beyond measuring penetration as a percentage of GDP. It calls for diverse offerings across all target segments.

Today, initiatives like the India Stack and JAM (Jan Dhan Yojana, Aadhar, and Mobile) have been strengthened with IRDAI's investments like Bima Sugam. In conjunction with ONDC (Open Network for Digital Commerce), PHR (Personal Health Record), and AA (Account Aggregators), these will help create industry standards. It will benefit commoditised offerings and standardise Insurtech microservices from the ecosystem players.

The proposed Insurance ecosystem requires a heterogenous market with:

- Products designed for different risks
- Innovative distribution and business models
- Fulfilment (sales and servicing) via emerging ecosystems

The Indian government's vision provides innovative growth opportunities across product, distribution, and operational dimensions. Insurers can zero in on their own niche (vertical or horizontal) to build unique strategic differentiators for each focus market.

For instance, the regulator can invite insurers to adopt a particular state for intensive market development. Or it can be in the form of collaborative embedded offerings. Niche opportunities are available for insurers like CreditAccess Life Insurance's micro insurance plans, or that of Plum Insurance in employee health. Riskcovry's plug-and-play distribution platform is another example.

Innovative insurer strategies may often face setbacks due to limitations in enterprise systems and architectures. It can be difficult to build resilient system environments that meet changing consumer behaviour, technology driven business models, and market ecosystem demands.

This is where an insurer's success in the emerging market ecosystem requires an organizational shift for:

- Innovative product design ability
- Resilient business and distribution model adoption
- Operational fulfilment capabilities, internal and external

Build innovative product design ability

"Insurance for all" requires simplified, customised, and bundled offers for each partnership. Advisors also need custom crafted DIY offering options to design and package offers. For insurers, this means a move beyond the operation of each product as an end-to-end coded system.

In this context, it may prove beneficial to see each product as a set of customisable microservices. Product offerings can be designed with selected features that address each niche segment's needs. This is easier in commoditised online D2C or retail annual transaction policies. It can be complex for longer term life and protection insurance products due to the orchestration of diverse micro features.

From a product design perspective, this shift entails significant out of the box thinking. Investments in holistic enterprise architecture and systems must accompany this change.

Craft resilient business and distribution models

Success of each niche segment requires a varied distribution model and channel. Insurers must fully leverage intermediaries like banks, IFAs, POS partners, brokers, aggregators, marketplaces, variable agencies, POS brokers, D2C, and new models. We can expect innovative models that combine micro-services and collaboration among partners.

Performance and compensation models must also mature to include split reward systems. These must factor in success, targets linked, and qualitative aspects. Every partner must be seen as a "segment of one" with differentiated capabilities that reward quality and profitability.

Seamless fulfilment of journeys

An increase in end-to-end fulfilment challenges will accompany "Insurance for all." Internal systems that leverage specialist Insurtech ecosystems address these bottlenecks. A case in point is Insurtech service partnerships that offer ready to implement global best practices. Specialist gateways like Account Aggregators (AA) open additional innovation possibilities.

For instance, many Insurtech providers offer single click embedded offerings for:

- Pre-issuance verification checks in complex products
- Intelligent underwriting services
- Multi-factor risk or financial scoring models
- Anti-money laundering (AML) checks
- Claims repositories

Orchestration of intermediaries, partner ecosystems and Insurtech may present unique challenges. Investments in orchestration of distributed microservices can be more beneficial instead of internal creation and reinvention of services.

Integrated KPI-based performance monitoring and reward systems are essential for all ecosystems. KPIs for STP closures, combination products, upselling, cross selling, or loss ratios will be integral to every journey's orchestration.

Incorporate global best practices

Insurers can benefit from global innovation best practices that are accessible through internal and external Insurtech partner services. This can be at levels like product, distribution, or operational fulfilment.

The first step is to invest in a resilient, intelligent orchestration and analytics layer that leverages microservices aligned to the business' core strategy. External best practices from Insurtech players enable insurers to create a journey specific to their business strategy.

Key caveats on the Digital Ecosystem journey

Insufficient holistic enterprise architecture readiness and a short-term view of agile rollouts can be detrimental to an insurer's

success in the digital ecosystem. Rapid roll outs and short-term solutions may limit the true longer term robust architectures that are necessary for an agile organisation.

Insurers are aware of how to leverage Insurtech/reinsurers' best practices and consolidated gateways to create industry-, market-, or insurer specific rules for more aligned underwriting risk controls. Standardisation will help in the case of mass products for insurers who cover large scale markets with a cost- focused strategy.

Insurers need investments in value added services to achieve high value and differentiated offerings. Insurtech capabilities enable such value-added products. Insights essential to underwrite the correct risks are often a concern for insurers. Indian insurers incurred an annual loss of Rs 45,000 crore every year due to insurance frauds (as of 2021). Data driven insights from specialists and intelligent services will become a norm for automated or bundled offerings as well as differentiated products.

To sum up

Success in the new "Insurance for all" market necessitates Insurers to address each niche protection or bundled financial offering using micro-granular services. This requires investments in a truly resilient enterprise architecture that allows flexible orchestration of internal, partner, and ecosystem microservices.

Mangesh Vaitla, Co-Founder and Executive Director

C2L Biz Solutions

Shaping the Future of Insurance: Trust & Transparency the Path to Success

Insurance is a product of trust. When a customer buys an insurance policy, all they get at that instant is an intangible promise. In exchange for the premium they pay, they get an assurance that at their hour of need, they will not have to worry about paying hospital bills or protecting their family's financial stability.

When a customer is faced with such a proposition, in an industry where scepticism often reigns, protecting their trust and being unwaveringly transparent with them is imperative. Policybazaar's recent pan-India report on How India Buys Insurance reaffirmed that trust and familiarity with agents is a key influencer for over 60% of buyers in India. The digital medium can go a long way in delivering this transparency to the end user as it is a highly trackable medium. The advent of insurtech has helped the insurance industry see customer experience as paramount. Starting from policy selection and plan purchase right up to the point of claim settlement, insurtech helps make the entire experience for a policyholder a reliable one.

IRDAI charting the way

Efforts within the regulatory framework have been directed at ensuring the protection of policyholders' interests. The facilitation of simplified policies, standardized claim procedures, and the systematic backing of online platforms and grievance redressal mechanisms has played a pivotal role in this endeavour. With IRDAI's vision aiming for "Insurance for all by 2047" and a strong emphasis on the digitalization of insurance services, the goal is to extend financial security beyond geographical boundaries and address the varied needs of customers in Tier-II and Tier-III cities.

Demystifying Insurance

Policy documents filled with jargon and legalese can be intimidating. Traditionally, the information available to the customers at this stage would be limited to the knowledge and preferences of their peers and family members.

This slippery slope of asymmetric information would be a disservice to customer trust. Today, digital platforms give customers empower customers with clear and understandable information available readily. This ensures that the customer's first touchpoint itself is rooted in reliability.

Even when it comes to pricing, hidden fees and complex pricing structures hinder customer confidence. In the digital realm, customers get access to straight forward pricing models, supported by tools like the Human Life Value Calculator. These help them be in charge and make informed decisions. .

Harnessing AI to understand customers better, avoid fraud

When the customer talks to an insurance advisor who is armed with a network of tech-led insurance tools, every conversation is encrypted and analysed. AI tied with the brand goal of customer centricity. For instance, a tool like Automated Speech Recognition (ASR) can convert a voice call to text, within a minute of call completion. It can capture overall call sentiment and requirements and be the perfect guide for creating customer-centric solutions. Through such innovative tools and platforms, one can provide real-time updates, policy comparisons, and personalized recommendations. This simplification of customer journey helps generate and build upon a positive sentiment towards insurance in general.
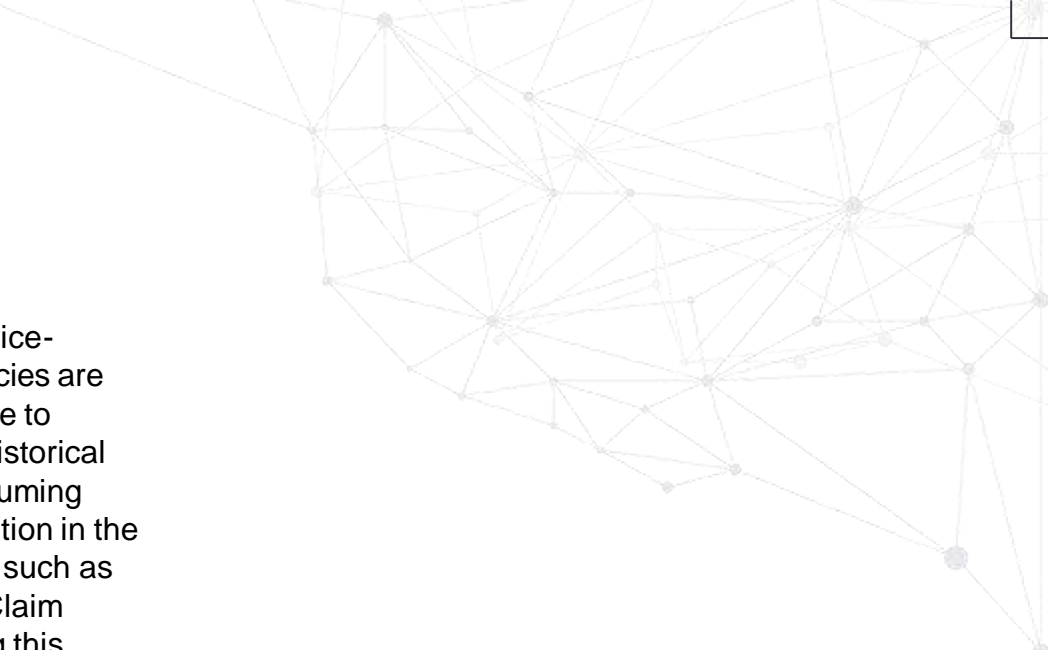
Collaborative rethinking of Insurance Products

A notable shift is underway in the development of insurance products, marked by collaboration among industry stakeholders, insurers, and regulatory bodies. Together, we can co-create policies tailored to diverse customer segments, showcasing a commitment to addressing evolving needs and providing a sense of security. Products like Term Insurance for self-employed individuals and mental health coverage in Health Insurance are cases in point.

A trust-based future of Insurance

The trajectory of insurance in India is

Insuring India By 2047: New Landscape For Insurance Sector

unmistakably steering towards a service-oriented paradigm. Personalized policies are gaining momentum, tailoring coverage to individual needs and lifestyles. The historical challenge of laborious and time-consuming claim processes too has found a solution in the world of InsurTech. Recent initiatives such as the "30-minute claim promise" and "Claim Samadhan Diwas" are revolutionizing this aspect. The commitment to swift claims not only fosters trust but also sets new benchmarks for the industry.

As the insurance sector continues to innovate and prioritize customer experience, it is poised to usher in an era where insurance transcends being a mere financial instrument, evolving into a holistic and enriching partnership. Through collaborative efforts and a shared vision, the promising future of Indian insurance ensures that individuals across even the remotest corners of the country can access security and peace of mind seamlessly.

Rajiv Gupta, President

PB Fintech Ltd. (Policy Bazaar and Paisa Bazaar)

Adoption of Insurtech to Insure India 2047

Technological innovations are extensive and all encompassing. Disruptions are not industry specific and insurance industry is no exception to this. Recent development of Sandbox committee encouraged carriers to innovate their offering to end user. This drive is led by fintech and insure tech companies and carriers have structured digital boards to take this revolution forward. With companies constituting digital boards, pandemic has only acted like a tailwind for the digital push wherein entire sales process is migrated to digital way of selling. This move has a multiplier effect on customer reach, cost efficiency and service precision. IRDAI objective of Insuring India by 2047, appears to be realistic, achievable and time-bound through digitization.

India currently has 931 Mn+ smartphone users, which is expected to reach 1.1 Bn+ by 2025, growing at a CAGR of 22%. According to research firm Statista, The smartphone penetration rate in India will reach close to 71% by 2023. Customers who are keen to have the best in terms of technological innovation will be delighted with the advancement in digital transformation. Newer technologies like AI and machine learning are facilitating companies register higher growth both on cross and upsell opportunities.
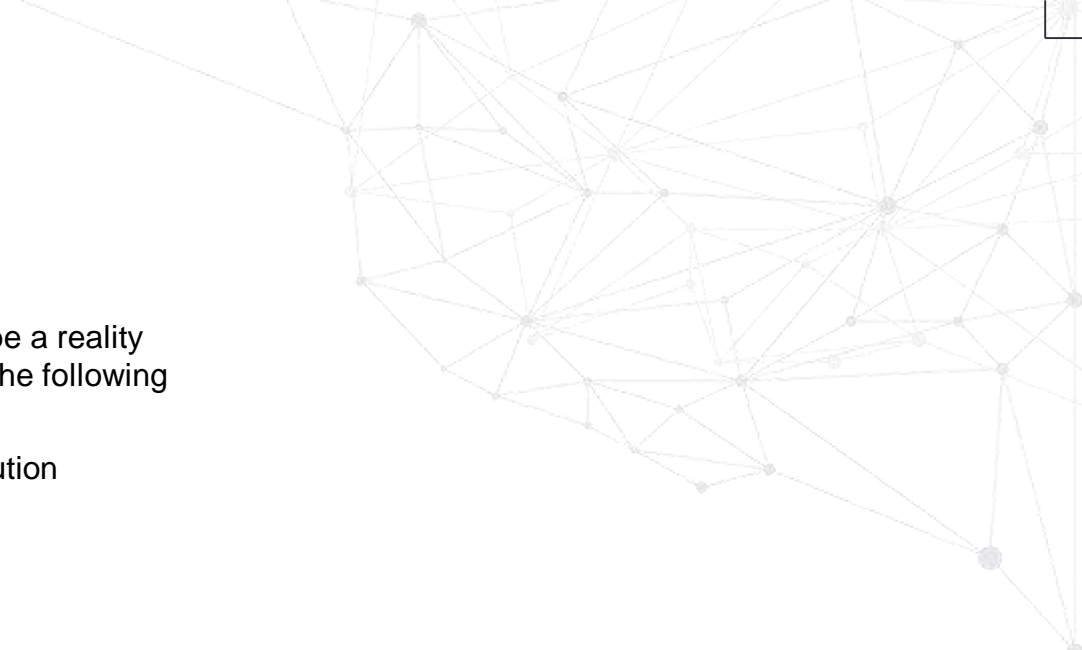
Digital revolution is disrupting every sphere and Insurance is no exception to this. Gone were the days when customer used to walk-in to an Insurance Office to buy a policy. With the advent of smart phones, digital payments and millennial customers, nothing seems to be unfeasible. Carriers are slowly but steadily transmuting from Brick and motor model to online operations. Policies are subscribed with a click of the button. Smart phone culture aided by Gen X & Gen Y customers is driving this radical change. Mobile-only insurance company can be reality soon. Also, made-to-order products and concise risk coverage utilizing technology are paving a way for context selling. Sachet type products with low premium and specific risk coverage are novel inventions.

Uptick in insurance product sales can be credited to renewed awareness among customers on the need for financial security and the digital transformation, which companies are focusing on to survive in this turbulence. With the dawn of Artificial Intelligence and Internet and Thing (IOT), Insurance Industry is marching towards a remarkable transformation digitally without evading focus on customer centricity and a commitment to excel. Cloud based technologies will permit us to store big data without devoting multiple servers. Newer technologies are also thrusting companies to do away with legacy applications and embrace modernization. IT Companies have confronting tasks in meeting the implicit and explicit needs of their customers. Programmers need to be innovative, futuristic and creators of disruption in digital space. Insurers to act like startups in their offerings. IRDAI initiated Sandbox committee to nurture innovations through insuretech and fintech companies, which work in alliance with insurance companies.

There is no dearth for innovativeness since we have many foreign partners with global operations and expertise. Sandbox committee is predominantly setup to tackle these needs since amending insurance laws is quite cumbersome and entails ratification from legislature.

With social distancing as a norm and a reality, gone were the days when companies would be looking at footfall of distributors and walk-in customers. COVID has effectively established a work culture wherein employees of different verticals are connected digitally, and trainings initiated through mobile learning and virtual classrooms viz. Zoom, Google meets. Branches with plush interior, spacious cabins to operate, meeting rooms and payment counters might disappear since branches go virtual way. With most of the payments happening online and meeting with customers initiated digitally, we will not be requiring palatial offices to perform operations. Companies only need to ensure that different verticals from sourcing to claims processing stay connected digitally through seamless integration.

Insuring India By 2047: New Landscape For Insurance Sector

Insuring India by 2047 is going to be a reality due to technological innovation in the following domains of insurance operations.

- Insurance Solicitation or Distribution
- Insurance Products
- Underwriting
- Policy and Claims Servicing

Digitization of sales process is near completion. Mobile wallets are into policy sourcing and offer micro term products, which are non-medical with a click of the button. They are primarily group products and are solicited instantly with KYC details. Speed and elegance are the trade secret since the expectations from customers at times are abnormal and quite demanding. Technological innovations are aiding track sales performance digitally, which is not only cost effective but also with higher standards of precision. Micro term plans are the other flavour of products. Metrics across various financial products indicate the need for more innovative solutions to target new-age customers. These products are best suited for digitally well-informed customers like sachet model in insurance. It will also fit-in the requirement of low and middle-income groups thus pushing higher penetration for insurance products. With Micro Term and Sachet products through digital way of selling, Insuring India by 2047 can be achieved with ease.

S. N. Satpathy, Secretary General

Insurance Institute of India

Adoption of InsureTech: Improving Services & Reducing Fraud

Life insurance, inherently a long-term commitment between the customer and the insurance company, necessitates enduring relationships amid the evolving landscape of rapid technological advancements, macroeconomic and geopolitical factors, variations in core products and changing customer and societal expectations. Consequently, the demand for new technology and the requisite expertise, in this context, knows no bounds. Customers, more discerning than ever, seek speed, accessibility, and personalised experience in their interactions.

Over the years I have seen the industry transition from an agent-centric model to a banking-centric approach and further where branches acted as pivotal hubs for servicing to one now, where customers want the entire branch-on-their-palm. A robust and harmonized framework is therefore critical to secure relevance and create a responsive presence precisely when the customer requires it. This is where emerging insure tech capabilities including artificial intelligence, machine learning, fintech, and automation, take centre stage.

Anticipating these changes, in the last few years, we have extensively used tech-driven innovation to fundamentally restructure and redefine our products, distribution, and processes throughout the organization. Keeping customer centricity as its goal, Bajaj Allianz Life has built an extensive on-ground distribution network backed by tech-enabled services and a robust digital ecosystem to create new and improved omnichannel experiences for customers. This has helped us not only deepen our customer engagement but also expand our reach to underserved markets, rapidly expanding our customer base.

Some of the key developments we have undertaken include:

- **Transitioning from legacy-bound systems to a microservices-based architecture**

As customers demand more personalisation and distribution channels expand to incorporate non-traditional partners, companies relying on old legacy systems can find it difficult to keep up. Hence one of the very first steps in our transformation journey was transitioning from legacy-bound systems to a microservices-based architecture.

The process involved a meticulous process of comprehensive evaluation, mining, and mapping of our insurance product portfolios to newer, simplified structures. Stripping away unnecessary complexity by transitioning applications into a low-code and configuration-based platform enabled us to create a consistent service layer. This strategic shift not only made our systems future-ready to accommodate evolving business models but also significantly reduced the time-to-market for product innovations and helped us deliver hyper-personalized customer experiences. Notably, this transformation is unique in South Asia and has similarities to only a few global projects.

Keeping customer focus central

Serving a large and highly segmented insurance market like India needs multiple personalized touchpoints and simpler delivery mechanisms for continuous customer engagement. Keeping customer centricity as its goal, Bajaj Allianz Life has built an extensive on-ground distribution network backed by tech-enabled services and an integrated digital ecosystem to drive effective customer communication and engagement. One integral component of our ecosystem is Meta's 24/7 WhatsApp Business Platform, showcasing the industry's first WhatsApp Conversational Chatbot.

This innovative solution serves as a convenient one-stop shop for all policy-related inquiries, enabling customers to swiftly access the information they need. It includes a 24/7 real-time human live agent connection to handle high-level queries efficiently. This platform has expedited various transactions, such as issuing policy bonds within 24 hours, notifying about upcoming policy renewals and auto-pay reminders, executing annual premium

certificate campaigns, informing customers about policy events, and generating upsell opportunities.

Presently, the WhatsApp Business Platform boasts over ~9.8 Lakhs of Active Customers, with 12% of total service transaction volumes handled through this channel. Remarkably, 46% of our sales teams actively use the BOT for their daily activities.

This initiative has not only transformed various customer service aspects but has also earned us recognition. Bajaj Allianz Life was the sole Indian company to win a Digital Insurance award for this initiative. In addition to this, we have introduced another self-service initiative – QR Code Enabled Services, an industry-first innovation. This simple and secure solution provides customers access to 15 popular services on their mobile phones. By scanning the QR Code available in our company branches, customers can self-service their life insurance policies. address this. Automating our claims process has resulted in settling a substantial amount of our non-investigative and on-early claims within 24 hours.

Leveraging AI & ML for risk management

The advent of big data technologies and intelligent systems is causing a transformative shift in how insurers approach risk management. The integration of AI and ML into life underwriting allows carriers to discern risk in a more granular manner. This paradigm shift is underscored by the deluge of new data emanating from various sources such as social media, multimedia, smartphones, computers, and other consumer and industrial devices, Importantly, this data is harnessed within the bounds of privacy guidelines serving as a rich, serving as a prolific source of behavioural insights for insurance companies.

Leveraging AI, insurance companies can harness predictive analytics to foresee future claims and policy trends. This foresight proves invaluable for strategic planning, effective risk management, and precise pricing strategies. In the evolving landscape, there is an inherent

risk of fraudulent activities surfacing. However, the substantial role played by AI and ML is pivotal in preventing fraud, ensuring a risk-free, safe, and secure environment for customers to engage. By aligning and integrating it with processes, ranging from data capturing to claims creation, authorizations, approvals, payment tracking, and recovery, AI and ML in insurance can be leveraged to streamline the fraud detection process, thereby optimizing both time and costs.

In conclusion, InsureTech has the potential to transform and enhance the entire insurance value chain, offering significant benefits to customers and the company. However, the increased accessibility of these tools requires a heightened awareness of associated risks. To maintain control over decision-making, a focus on data literacy and responsible AI practices is essential. We must continue to prioritize equipping our teams with the necessary knowledge and skills for a responsible and seamless integration of these new-age tools into their operations.

Goutam Datta, Chief Information & Digital Officer

Bajaj Allianz Life Insurance Ltd.

Digital Transformation in Indian Insurance: Paving the Way for 'Insurance for All' by 2047

The insurance sector in India stands at the precipice of a monumental transformation, one steered by the winds of digital innovation and guided by the visionary goals set by the Insurance Regulatory and Development Authority of India (IRDAI). The dynamic evolution of the Indian insurance landscape, fuelled by the forces of digital change, aligns with the ambitious target of achieving 'Insurance for All' by 2047, as envisioned by the IRDAI.

At present, the Indian insurance industry reflects a diverse landscape, encompassing life, health, and general insurance. However, challenges such as low penetration, complex processes, and limited outreach persist. The necessity for a comprehensive transformation is underscored by the need to address these challenges and cater to the evolving expectations of the Indian population.

Digital transformation has appeared as a response to these challenges ushering in a new era of efficiency, accessibility, and inclusivity within the insurance sector. The imperative for this transformation lies not only in streamlining processes and reducing costs but, more importantly, in extending the reach of insurance to the farthest corners of the country. A multitude of technological trends, including artificial intelligence, blockchain, and data analytics, are reshaping the insurance sector. These innovations are not only enhancing operational efficiency but also fostering a more customer-centric approach, aligning with the broader goal of 'Insurance for All.'

With a goal to take insurance products to every corner of the country, Government and regulatory bodies have introduced various regulations and initiatives to facilitate the adoption of digital technologies. One such initiative launched by IRDAI is Bima Sugam - a one-stop digital platform for all general and life insurance needs from policy sales, renewals, to claims settlements. This proposed portal will be a game changer and a 'UPI moment' for the insurance sector.

Insurtech initiatives play a pivotal role in supporting this vision, driving innovation, and creating tailored solutions for diverse demographics. Digital channels are becoming the streams through which insurance reaches the remotest corners of India. Mobile insurance apps are bringing coverage to populations that were once overlooked. Online distribution channels and marketplaces are simplifying the insurance buying process, while data analytics is enhancing risk assessment, allowing for personalized insurance offerings based on customers data and preferences. Partnerships between insurers and technology providers are at the forefront of driving digital transformation. Building a robust digital infrastructure is a cornerstone in achieving 'Insurance for All.' Cybersecurity measures are imperative to protect customer data, ensuring the reliability of digital insurance platforms.

The convergence of digital transformation and IRDAI's vision sets the stage for a transformative journey in the Indian insurance landscape. Through innovation, inclusivity, and regulatory support, the industry can redefine insurance not merely as a financial instrument but as a societal safety net accessible to every Indian. The journey toward this vision demands collaborative efforts, technological advancements, and a steadfast commitment from all stakeholders involved. As the digital winds of change continue to reshape the insurance horizon, the prospect of 'Insurance for All' by 2047 becomes not just a vision but a tangible reality in the near future.

Subramanyam Brahmajosyula, CTO

SBI General Insurance Ltd.

About Us

"The Associated Chambers of Commerce & Industry of India (ASSOCHAM) is the country's oldest apex chamber. It brings in actionable insights to strengthen the Indian ecosystem, leveraging its network of more than 4,50,000 members, of which MSMEs represent a large segment. With a strong presence in states, and key cities globally, ASSOCHAM also has more than 400 associations, federations, and regional chambers in its fold.

Aligned with the vision of creating a New India, ASSOCHAM works as a conduit between the industry and the Government. The Chamber is an agile and forward-looking institution, leading various initiatives to enhance the global competitiveness of the Indian industry, while strengthening the domestic ecosystem.

With more than 100 national and regional sector councils, ASSOCHAM is an impactful representative of the Indian industry. These Councils are led by well-known industry leaders, academicians, economists and independent professionals. The Chamber focuses on aligning critical needs and interests of the industry with the growth aspirations of the nation.

ASSOCHAM is driving four strategic priorities - Sustainability, Empowerment, Entrepreneurship and Digitisation. The Chamber believes that affirmative action in these areas would help drive an inclusive and sustainable socio-economic growth for the country.

ASSOCHAM is working hand in hand with the government, regulators, and national and international think tanks to contribute to the policy making process and share vital feedback on implementation of decisions of far-reaching consequences. In line with its focus on being future-ready, the Chamber is building a strong network of knowledge architects.

Thus, ASSOCHAM is all set to redefine the dynamics of growth and development in the technology-driven 'Knowledge-Based Economy. The Chamber aims to empower stakeholders in the Indian economy by inculcating knowledge that will be the catalyst of growth in the dynamic global environment.

The Chamber also supports civil society through citizenship programmes, to drive inclusive development. ASSOCHAM's member network leads initiatives in various segments such as empowerment, healthcare, education and skilling, hygiene, affirmative action, road safety, livelihood, life skills, sustainability, to name a few."

ASSOCHAM offices

EY offices

Ahmedabad
22nd Floor, B Wing, Privilon
Ambli BRT Road, Behind Iskcon
Temple, Off SG Highway
Ahmedabad - 380 059
Tel: + 91 79 6608 3800

Bengaluru
12th & 13th Floor
"UB City", Canberra Block
No.24 Vittal Mallya Road
Bengaluru - 560 001
Tel: + 91 80 6727 5000

Ground Floor, 'A' wing
Divyasree Chambers
11, Langford Gardens
Bengaluru - 560 025
Tel: + 91 80 6727 5000

Chandigarh
Elante offices, Unit No. B-613 & 614
6th Floor, Plot No- 178-178A
Industrial & Business Park, Phase-I
Chandigarh - 160 002
Tel: + 91 172 6717800

Chennai
Tidel Park, 6th & 7th Floor
A Block, No.4, Rajiv Gandhi Salai
Taramani, Chennai - 600 113
Tel: + 91 44 6654 8100

Delhi NCR
Ground Floor
67, Institutional Area
Sector 44, Gurugram - 122 003
Haryana
Tel: +91 124 443 4000

3rd & 6th Floor, Worldmark-1
IGI Airport Hospitality District
Aerocity, New Delhi - 110 037
Tel: + 91 11 4731 8000

4th & 5th Floor, Plot No 2B
Tower 2, Sector 126
Gautam Budh Nagar, U.P.
Noida - 201 304
Tel: + 91 120 671 7000

Hyderabad
THE SKYVIEW 10
18th Floor, "SOUTH LOBBY"
Survey No 83/1, Raidurgam
Hyderabad - 500 032
Tel: + 91 40 6736 2000

Jamshedpur
1st Floor, Fairdeal Complex
Holding No. 7, SB Shop Area
Bistupur, Jamshedpur – 831 001
Tel: + 91 657 663 1000

Kochi
9th Floor, ABAD Nucleus
NH-49, Maradu PO
Kochi - 682 304
Tel: + 91 484 433 4000

Kolkata
22 Camac Street
3rd Floor, Block 'C'
Kolkata - 700 016
Tel: + 91 33 6615 3400

Mumbai
14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (W), Mumbai - 400 028
Tel: + 91 22 6192 0000

5th Floor, Block B-2
Nirlon Knowledge Park
Off. Western Express Highway
Goregaon (E)
Mumbai - 400 063
Tel: + 91 22 6192 0000

Pune
C-401, 4th Floor
Panchshil Tech Park, Yerwada
(Near Don Bosco School)
Pune - 411 006
Tel: + 91 20 4912 6000

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