



Digital makeover for insurance

Evolving digital ecosystem has touched all aspects of the insurance industry translating into simple and convenient offerings, says **AMITABH CHAUDHRY**

Digital technologies are touching and transforming all aspects of the insurance industry, including backend operations, all of which translates into offerings for the customer that are relevant, simple and convenient.

Offerings become relevant by providing the right product for each customer, without any ambiguity and at the right price. Each digital customer interaction is now a source of instantaneous feedback to the insurers. They provide a trail of data that can be understood to tailor the offerings better to each customer type. This is leading to two things. In the immediate-term, it is providing options on the fly to the customers. Be it the planners that help the customers articulate and quantify their needs or identifying and buying a product that satisfies such need, insurers are able to recommend relevant offerings. The customers can choose whatever fits their needs best. And in



the long-term it means ability for the insurers to design products with features that are valued by customers based on the wealth of information gathered from such individual interactions. It will thus force insurers to come up with offerings that target and cater to customers' needs, based on voice of the customer.

Post purchase dissonance, in the occasions that it happens in insurance, is largely due to a gap between what the customer understands and expects

the product to do and what it actually offers. And almost always, it is because of either deliberate or accidental miscommunication from person selling the product. It minimises possibility of dissonance due to increase in transparency. Customers can be better informed and can evaluate choices to take a decision. Product feature communication will become a sales person independent process.

Digital technologies are also lending themselves to a paradigm shift in

insurance industry's ability to scale cost effectively. They will do to insurance what mobile technologies have done for telephony—be able to reach the customer with just incremental investments for the last mile. Today all it takes is a handheld device and a robust internet connection.

Simplicity is the way in which the complicated offline purchase process is being deconstructed and is fast being replaced by an entirely frictionless digital model. Customers today have the right information available at the click of a button to understand the product and compare how it fares vis-à-vis their financial goals. The last step of buying the product, however, has until recently been paper and people intensive. But evolving digital ecosystems in India are beginning to change that. Earlier the customer

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was the only source of relevant information in assessing the customer's existence, financial situation and health. Now, the government's initiatives of digital and financial inclusion are easing most of the requirements. For example, *Aadhaar* has made it easier to perform the KYC requirements through eKYC. Similarly the Unified Payment Interface (UPI) and digitised insurance policies are moving transactions and documents online. This way, insurers can leverage digital technologies to handle one of the least value adding aspects of the sale from customers' perspective and make

Hot trends

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No navigation through non-customised IVR that is restricted to business hours, for simple servicing requirements is needed.

their lives a whole lot easier.

Convenience is in the way the customer has omni-channel access to services. The

customer no longer has to depend on the financial advisor or visit a branch or navigate through a non-customised IVR that is restricted to business hours, for simple servicing requirements. Going forward, customers will have access to 'Always-On' customer service. Service requirements that a customer might have during a policy life-time—be it knowing when the next premium is due, making a renewal premium payment, getting a premium paid receipt, tracking the fund value or even triggering a payout—almost all are already enabled by most insurers to be carried out from the comfort of

the customers' homes. In addition to the traditional channels for servicing, internet and mobile have added a completely brand new dimension to customer service.

Digital technologies will go a long way in addressing the concerns of complexity of offerings, iterative and inefficient processes, and difficulty to scale cost-effectively that have been weighing around insurance. The transformation has already begun and is most definitely the shot in the arm for the industry's efforts in increasing penetration and addressing the financial needs of a larger proportion of the population. ■

HEALTH INSURANCE

Health insurance for the young

The focus is to keep young Indians fit and healthy with health insurance, stresses **DR. S. PRAKASH**

I am young and healthy. I don't need no doctor, I don't need no physical. I don't need no tests, I don't need no tablets. So why do I need insurance?"

This could well be the signature tune of millennials or the Generation Y who worry more about their smartphones and latest

apps than their health and wellness.

Young Indians are so caught up in their 24x7 gadget-driven lifestyles that medics and medical insurance is the last thing on their minds. In fact, the very absence of insurance gives them the false notion that all is well and that they don't need to go to the

doctor and get a physical examination.

And yet, by an unusual logic, if one opts for insurance, then one automatically goes in for a check-up and blood and other tests—and gets a clean bill of health, or otherwise.

Health insurance can be transformative for it makes the insured aware

of the importance of wellness, switch from a sedentary to a more active lifestyle, and ensure good health throughout one's working life and beyond.

Fortunately, young people in urban and rural areas are becoming aware of the perils of unhealthy lifestyles on one hand and the need to improve physical and mental