

**BW LIFE INSURANCE SUMMIT**

# INSURING A

*BW Businessworld's first Life Insurance Summit unveiled the immense possibilities in the insurance space*

**By BW Team**

Praveen Nijhara, Executive Director, Kantar IMRB & Head of Stakeholder Management Business



**W**ITH THE ADVENT of technology, transparency in products and the arrival of new marketing channels, the insurance industry is on the cusp of new growth. Life insurance spends amount to a mere 3.5 per cent of the GDP, and going by international standards that is quite tiny. Needless to say, the sky is the limit when it comes to the insurance sector's growth.

Seeing this immense potential, *BW Businessworld* hosted industry stalwarts and channel partners in a first of its kind Life Insurance Summit that aimed at addressing the challenges and opportunities facing the industry.

The Summit kicked off with an insightful presentation on the sector. While presenting exclusive insights from the Kantar IMRB Insurance India 2017 Report, Praveen Nijhara, Executive Director, Kantar IMRB & Head of Stakeholder Management Business observed, "Customers today are exposed to multiple products and categories and are seeking lot more information. This makes it difficult for insurance companies." Nijhara noted that there is a need to educate the customers on digital initiatives.

On the distribution front, there has been an effort to address the grievances of customers. "There has been some positivity in the holder protection rights. But the

most important change involves addressing to trust deficit and resolving customer grievances. In the current year we have been improving in that field as well," pointed Kapil Mehta, Founder & CEO, SecureNow Insurance Brokers in a discussion on Nurturing a Healthy Distribution Ecosystem.

Adding on the issue of trust, Vighnesh Shahane, CEO, IDBI Federal Life Insurance said, "The greatest challenge according to me is trust deficit at this point of time. We need to distribute right knowledge then the right product to the customers."

Elaborating on the need for best practices to retain customers Nilesch Parmar, COO, Edelweiss Tokyo Life Insurance noted: "If we as an



# BETTER FUTURE



(L-R) Aniruddha Bose, Editorial Consultant, BW Businessworld; Nilesh Parmar, Chief Operating Officer, Edelweiss Tokio Life Insurance; Shirish Pathak, CEO, Fintelekt; Kapil Mehta, Founder & CEO, SecureNow Insurance Brokers; Vighnesh Shahane, CEO, IDBI Federal Life Insurance

(L-R) Clifford Alvares, Mumbai Bureau Head, BW Businessworld; Girish Malik, Director, Insurance Brokers Association of India; Sushobhan Sarker Director, National Insurance Academy; Pankaj Mathpal, Managing Director, Optima Money Managers

insurance industry fail to see what the customer is buying, then in a way we may be held responsible for not providing accurate information. Hence, there should be a combined industry effort to focus on customer retention rather than acquisition."

Shirish Pathak, CEO, Fintelekt noted that a need based approach is the way forward. "It is feasible to build a business in today's market if we follow 100 per cent need based approach. Information providing gateways are also strengthening and educating more and more customers



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to understand the types of policies that are available and their benefits."

A key to higher insurance spends is better distribution. And one new engine that has been added in the field of insurance distribution is allowing insurance marketing firms or IMFs.

Speaking on how IMFs are a harbinger of holistic financial services, Girish Malik, Director, Insurance Brokers Association of India said, "Today we have multiple options to join as partners in selling insurance products; be it in life or general. The advantage is that we can sell multiple products under one roof."

While welcoming the move that insurance marketing firms will open more avenues for distributors to streamline and strengthen

(L-R) Roy Varghese, Associate Editor, *BW Businessworld*; Dr. Anjana Grewal, Director - Centers of Excellence, MISB Bocconi - Bocconi India; Rohit Kumar Sharma, Country Manager, Financial Services Sector, IBM; Niraj Jain CEO, Lambach Insurance Brokers; Vikash Khandelwal, CEO, SREI Insurance Brokers; Ashish Vohra, CEO, Reliance Nippon Life Insurance; Yashish Dahiya Co-Founder & CEO, PolicyBazaar

distribution, one challenge for insurance marketing firms will come when it comes to choosing a name noted Pankaj Mathpal, Managing Director, Optima Money Managers. "No established company will opt for giving up an established name and brand to set up another company to sell insurance products," he observed.

On the concept of having locals in an IMF, Sushobhan Sarkar, Director, National Insurance Academy noted, "One of the objectives may have been to develop local entrepreneurs and local skill development"

But another way forward for

the insurance industry is digital distribution, which enables customers to buy insurance on their own thus reducing the need to pushing the products through insurance agents.

Mahavir Chopra, Director and Head - Health, Life and Strategic Initiatives, Coverfox said: "We would like a customer to buy on his own. Today, processes can be simplified. It must be un-assisted sale is that the customer must come on his, and choose a product on his own."

Noting that in times of emergencies, the right policies serve as useful products, Alok





(L-R) Dr. Anjana Grewal, Director -Centers of Excellence, MISB Bocconi - Bocconi India; SV Ramanan, CEO, CAMS Insurance Repository; Alok Bhatnagar, CEO & Principal Officer, EasyPolicy; Mahavir Chopra, Director, CoverFox; Adit Parekh, Principal, Blume Ventures; Manik Nangia, Director Marketing & Chief Digital Officer, Max Life

Bhatnagar, CEO & Principal Officer, Easy Policy said, "Only thing that matters is the moment of truth. In times of emergencies the right policy can serve as the most useful product taking health matters into consideration. At EasyPolicy since the last 5 years, not even a single miss selling has taken place from our side"

But pointing out that in countries like China a large number of sales still take place through agents, Adit Parekh, Principal, Blume Ventures noted: "I do believe that for more complex sale you need assistance."

On the issue of persistency, "In

today's time 100 per cent renewals are processed on few policies and people know what they are buying. Mis-selling takes place in various formats and nearly 95 per cent of policy sales would not exist without the concept of mis-selling. The reason why persistency is a problem in the life insurance business is because the product that is being sold technically does not exist."

Noting that insurance education is the need of the hour, Ashish Vohra, CEO, Reliance Nippon Life Insurance elaborated: "India is not a high finance literate country and I'd rather say we have complexity in products."



Ashish Vohra, CEO, Reliance Nippon Life Insurance

Rohit Kumar Sharma stated that the policy sellers are not going in the wrong direction but it is the market conditions that drive the wrong practices. "We need to market the products we are selling very well and with utmost transparency in order to resolve the persistency issue," he opined.

Dr Anjana Grewal explained that persistency and profitability go hand in hand for insurance companies.

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