INDIA

# INSURTECH LANDSCAPE

INDIA INSURTECH
ASSOCIATION

India InsurTech Association (IIA) is a not-for-profit that brings together the entire Insurtech eco-system of startups, insurers, reinsurers, policymakers, service providers, and insurance professionals onto a single platform. IIA's goal is to facilitate technology usage across the insurance value chain in India. The association seeks to promote new digital business models, build collaboration between start-ups and all the other participants of the insurance industry. For more details on our mission, vision, members, partners, and activities, please visit - www.indiaInsurtech.com

# Rapid growth in Insurtech funding has continued across the globe, has seen strong momentum in India

- Global funding in Insurtechs has grown 7X in the last 5 years;
- Continued momentum was seen even during COVID – 19; India has shown very strong momentum - funding has doubled in the last 2 years
- GI and B2C focused Insurtechs continue to see strong funding in India
- India will be the sixth-largest insurance market within a decade, leapfrogging Germany, Canada, Italy and South Korea.

# Favourable policy measures aid the sector

- Amendment in Foreign Exchange Management Act (FEMA)
- ‘Ayushman Bharat PMJAY SEHAT’ scheme
- ‘COVID-19’ Insurance Policy
- National Export Insurance Account (NEIA) scheme
- Pradhan Mantri Jeevan Jyoti Bima Yojana

# Growth Drivers Of the Industry

**EMERGENCE OF NEW DISTRIBUTION CHANNELS**

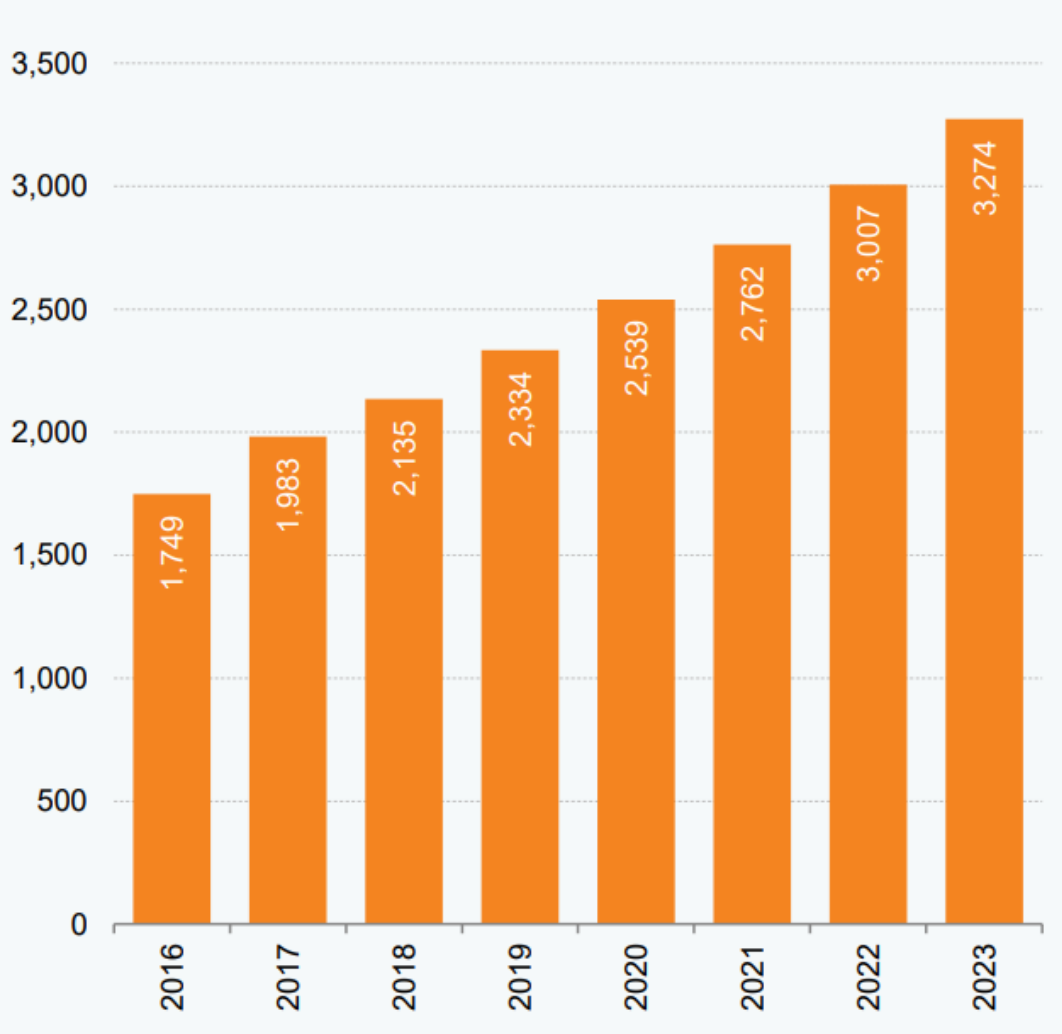
**GROWING MARKET SHARE OF PRIVATE PLAYERS**

**•Drive operational efficiencies**

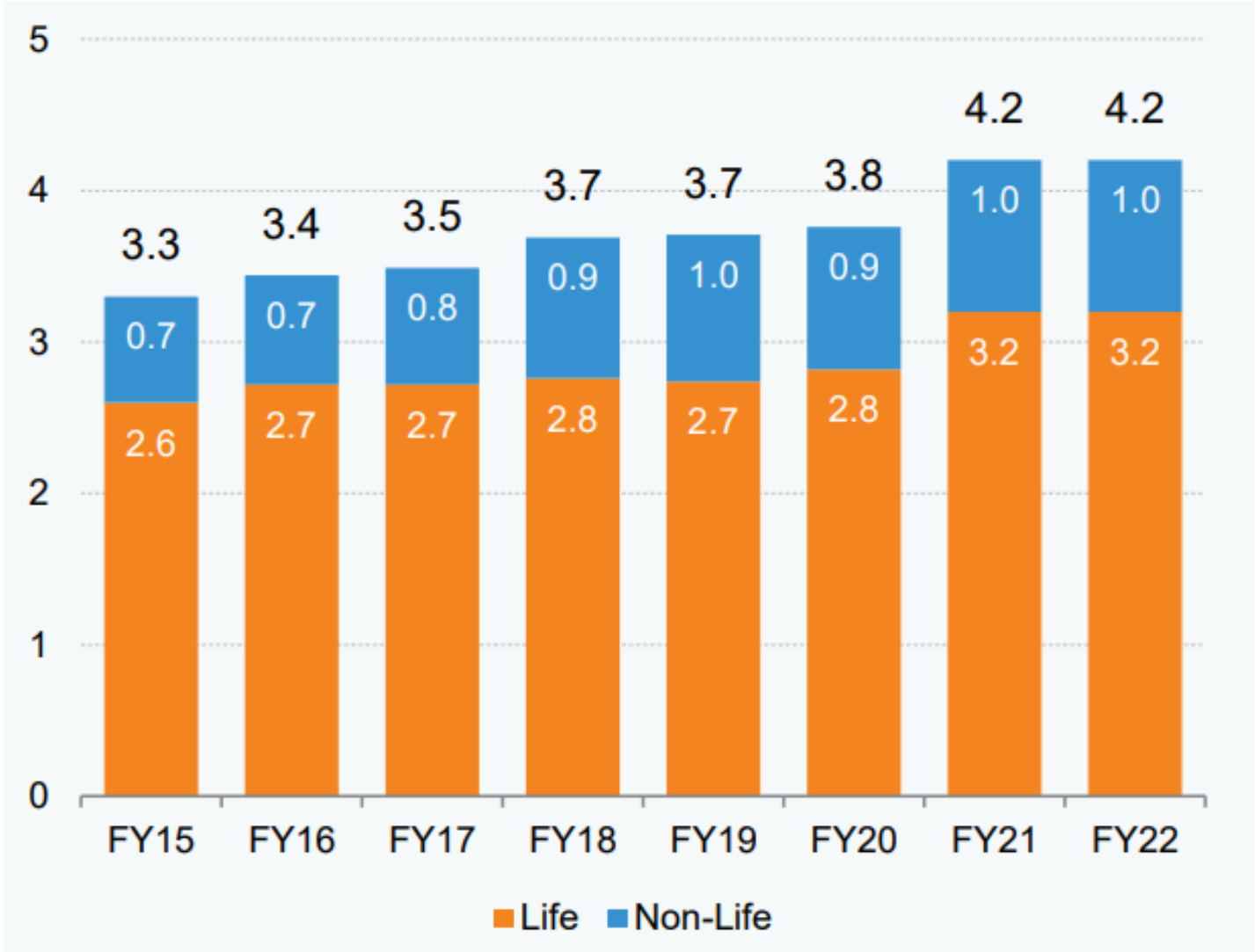
**•Enhance pricing proposition**

**Emergence of the National Health Stack driving further emphasis on health insurance**

# GDP Per Capita



# Insurance Penetration (as a % of GDP)



# Rapid growth in Insurtech funding

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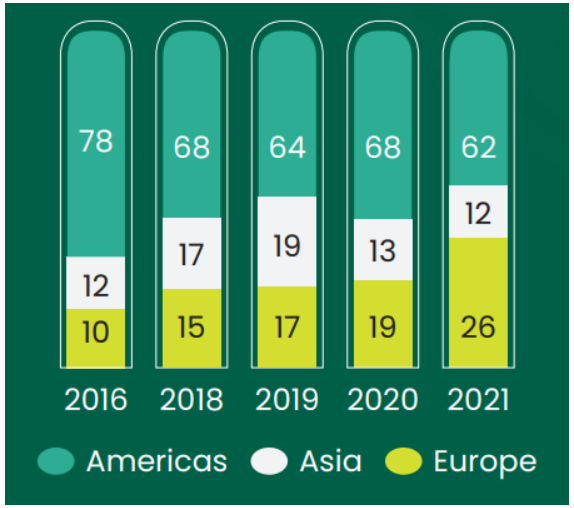
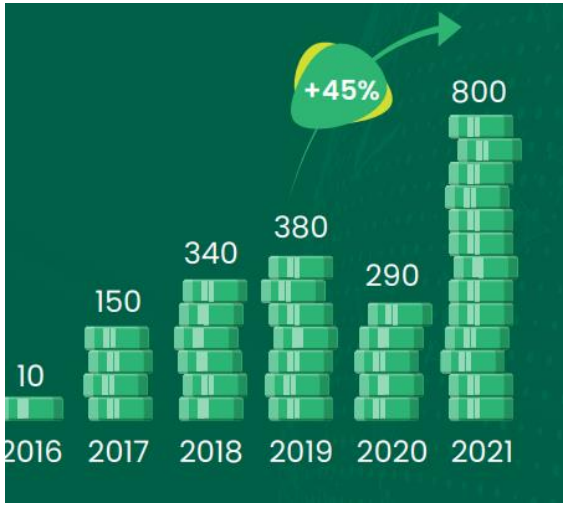



Global Insurtech funding:

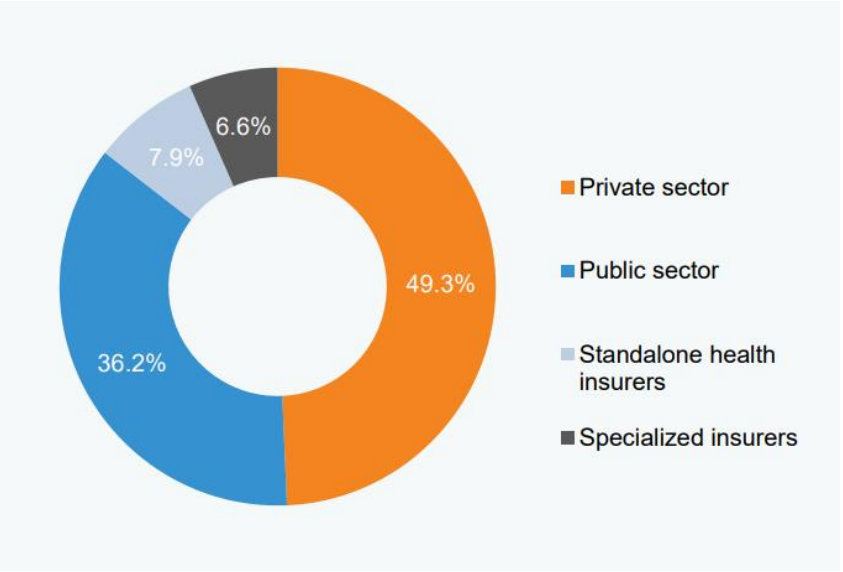



India: Equity funding in Insurtechs

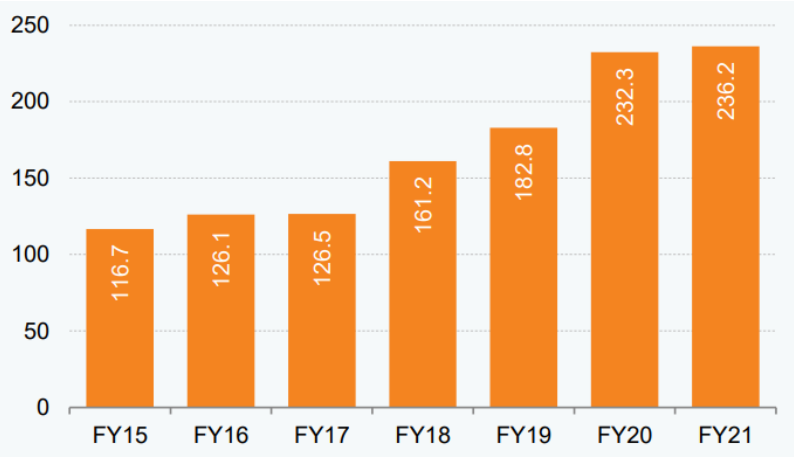
# Increasing share of Pvt Sector Insurers - Non-Life insurance Market

Key Players

- New India
- ICICI Lombard
- United India Agricultural Insurance Company of India Limited
- Bajaj Allianz
- Oriental Insurance
- Others




Market Share in Non-Life Insurance




No. Of Policies

# Factors Playing out in Insurance Industry

- Importance of higher distribution penetration and reach; Insurance penetration for key products such as health and life insurance continues to remain low in India vs global leaders (~3% for life insurance, ~35% for health insurance)
- Data and Analytics as core capabilities
- Criticality of enhanced customer experience
- Emergence of New customers segments; Tier 2 and below to contribute to 70% of consumption by 2030
- Further emphasis on health insurance through the National Health Stack; Insurance receiving strong thrust from the government.

# Key Elements - Insure Tech

Integrating the product with customer journeys; targeted & personalized – Aligning with customer behaviour

Augmented advisors; AI-enabled agent lifecycle management

Acceleration of direct-to-customer digital sales with simpler products

Digital for enabling sales teams, for building new channels, for automating processes

New capabilities ; Digital marketing, User experience design, Tech( eg, martech), Agile

# Underlying of Digital Insurance

Embrace AI capabilities at Scale; Engage with customers in targeted ways leveraging AI to detect new purchasing patterns, tailor offering and optimize sales processes

Build digitally enabled & seamless distribution; Manage high-value activities, to ensure an outstanding customer experience.

Creating personalized propositions in real life customer context

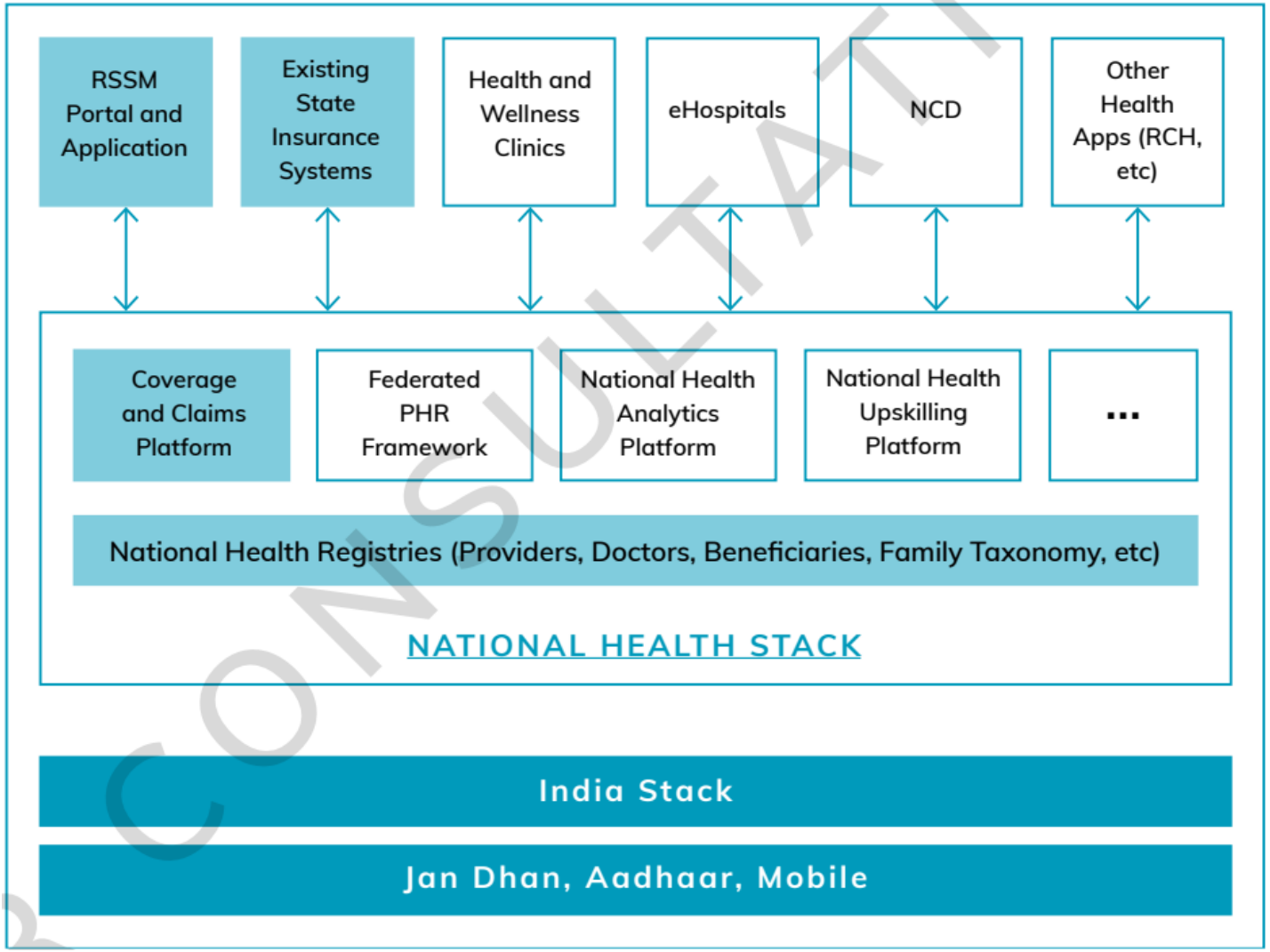
# Use Cases

| REVENUE BOOST | UNDERWRITING EXCELLENCE | CLAIMS SUITE | CUSTOMER SERVICE | OTHERS |
|---|---|---|---|---|
| Sales force reactivation | Renewal Prize Optimizer | Claims Optimization | Maturity Reinvestment | Attrition Management |
| Product Optimization | UW Fraud Detection | Fraud Detection | Complaints Analytics | Investment Risk Modelling |
| Need Analysis & Targeting | Medical Waivers | Data driven claims Assignment | Capacity Planning | Vendor Risk Profiling |
| Churn Predictor | | Risk Prevention | Categorization | |

# Emergence of National Health Stack

- The National Health Stack is designed to provide the foundational components that will be required across Ayushman Bharat and other health programs in India. The Health Stack is a nationally shared digital infrastructure usable by both Centre and State across public and private sectors.

# The National Health Stack— High Level Architecture



| Company | USP | Funding | Revenue | Profit | Valuation |
|---|---|---|---|---|---|
| PolicyBazaar | Insurance aggregators<br>Offer comparisons of the various market-available schemes | $766.6M | 2558 Cr.<br>(up 79%) | -487 Cr.<br>(from –833 Cr.) | $ 4 Bn. |
| Digit Insurance | Coverage for flight delays of 75 minutes and more. Automobile insurance, which they call “Pay as you Drive” | $458M | 4535 Cr. (up 58%) | -296 Cr. (from –123 Cr.) | $ 1.1 Bn |
| Acko Insurance | First digital general insurance firm. Analyses the communication styles and customer behavior to make personalized suggestions | $585.6M | 1344 Cr. | -483 Cr. | |

# Onsurity - Providing affordable healthcare to SMEs and emerging businesses

## Opportunity

Affordable health care for employees of small and medium enterprises remains an unaddressed segment

Opportunity to provide holistic health and wellness and enable SMEs to improve employee retention

## Solution

Digital monthly subscription-based platform for SMEs to care and protect the health and life of their employees and contractual workforce

- Affordable
- Paperless, completely digital
- Single platform for healthcare (teleconsulting, medicine, health check-up, insurance)
- Customized plans as per employer and employees' needs

## Impact

- 25+ partner association
- 1600+ SMEs and startups, with a total user base of 1.25L+
- 80% HR cost reduction towards management of benefits
- 97% CSAT Score
- 85% of the members are new to healthcare
- >40% savings for organizations on working capital costs & benefits pricing

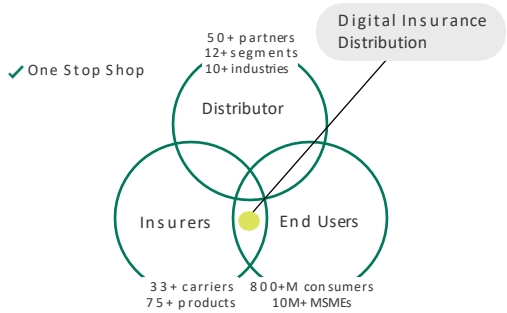
# Riskcovry | Enabling embedding insurance seamlessly into user journeys through API integrations

## Opportunity

The growth of the insurance segment can be unlocked by addressing and building a solution around the following two themes

- Customers have a limited set of trusted channels/partners
- Technology is a key barrier in terms of deepening insurance penetration

## Solution




- Super Distributer
- Platform approach to digital distribution
- Strategic partnerships to integrate deeper to deliver Immersive CX for B2B2C use cases

- Product and Experience
- Relevance Invisible

End to end API driven insurance platform

Embedded insurance enabled platform

- Seamless embedment of insurance into existing user journeys
- Underwriting engine with option to configure insurer rules to accurately price customer's risk
- Quick and convenient claims processing via whatsapp bot

## Impact

- 60+ active partners.
- 5L+ policies, covering 7L+ lives
- 70% faster time to market

# eBaoTech | InsureMO platform enabling faster digitization, better distribution and easier connectivity with stakeholders in ecosystem

## Opportunity

3 Key challenges in Insurance industry pertaining to distribution & data: 3V – Volume, Velocity & Variation
Insurers face limitations in core systems:

- Inflexible legacy technology limiting connectivity with players in ecosystem
- Slower data update cycles (Months/Yrs vs hours/days)

## Solution

Cloud-native and microservices based architecture platform (InsureMO) to provide scalability

Insurance & Non-insurance APIs to support various product lines & admin processes

Service orchestration tools to help develop custom apps & connect to dynamic digital ecosystem

## Impact

- $20B+ USD Gross premium across 30+ countries in 2021
  *(89% YoY premium growth transacted purely on public cloud)*
- 40% YoY growth in # of policies issued in year 2021
- 3000+ SKUs covering all lines of businesses (incl. traditional products)
- 5000+ channels and 300+ carriers ecosystem with 100+ new partners in marketplace

### Case Study: Large Insurer in China with eBaoTech

eBaoTech CCIC

China Continent Insurance Company (CCIC), 5th largest insurer in China adopted eBaoTech's InsureMO platform for its digital transformation

**Impact Generated**

- Replaced 15 legacy systems
- 300+ insurance products deployed across business lines
- 1-3 days for new channel integration; 2 days for new product launch
- 400k+ policies issued in single day (60Mn USD)
- 100+ new channels connected via API
- <1 sec for elastic search of 70M+ policies; <2 mins to upload group policy of 100K+

# SKALEUP | Enabling end-to-End digital journey with omni-channel experience

## Opportunity

Distribution penetration can be scaled up by addressing the following key themes

- Absence of Omni-channel, end-to-end customer experience
- People intensive & time-consuming reconciliation process
- Distributed & disconnected platforms for customers, employees & Insurers leading to broken customer ownership
- Loss of opportunity to cross-sell/up-sell owing to manual & cumbersome process

## Solution

- Omni-channel platform for enabling end-to-end digital & assisted Insurance distribution
- Real-time reconciliation with dynamic market & regulatory environment shifts
- Unified platform for customers, employees & Insurers to drive growth at Scale
  - Embedded real-time capabilities like policy issuance, business dashboards, regulatory reports multi-fold efficiency increase, empower employees & create superior customer experience
- Automate & Accelerate Cross-sell/ Up-sell

## Impact

- 50+ traditional & 400+ bite-sized products on a single platform
- Grew from processing 200K to 500K applications per month
- 2X uptake in DIY conversions & 40% increase in conversions
- 15% reduction in customer drop rate
- 70% improvement in lead-to-fulfilment TAT

# OneAssure | Marketplace to deepen penetration of health insurance

## Opportunity

Customers today face some key challenges related to health insurance

- Insurance Purchase: 80% have difficulty understanding benefits, pricing, coverage and thus have trust issues
- Service/Claim: 47% find it difficult to file claims/paperwork
- Insurance Closure: 46% have an overall poor experience leading to closure

## Solution

Marketplace complemented with insurance advisors to drive higher health insurance penetration

OneAssure's marketplace model enables

- Informed purchase of health insurance basis comparison
- Modification of insurance plans during renewal
- Claim support

Complemented by insurance advisors/ partners

- Expand into Tier 2,3 locations
- Comprehensively trained on product and selling process
- Transparency through reviews

## Impact

- 8 + key health insurers already on platform
- 2.3X growth in retail premium & total policy issued in Q3'21 vs. Q4'20

# Aureus | Understanding customer sentiment in real-time to enable insurers to act promptly and effectively to enhance customer experience

## Opportunity

Insurers rely on customer feedback to understand customer sentiment, but only a small fraction of the customer base provides explicit feedback.

- No insight into customer sentiments
- Impact of customer interaction not tracked
- Lack of real-time/quick access to customer information
- Lack of data standardization, large volumes of data spread across multiple systems and in different formats

## Solution

Aureus has built a Sentimeter to capture customer feedback

- Real-time sentiment score, using both explicit and implicit feedback
- Scores every customer basis a comprehensive set of touchpoints/ interactions
- Swift time to market through API based technology architecture
- Additional insights–single view of customer

## Impact

SentiMeter score can help predict:

- Repeat purchases
- Lapse revivals and win-back behavior of maturing policies

Insurers can build key processes around the insight

Impact

- 3% points increase in retention
- 5% points increase in cross-sell
- 30 points increase in NPS

# Bajaj Allianz–Digi-Sampark | End-to-end digital platform for digital customer service

## Opportunity

- The lockdown has brought to light the importance of transitioning from a highly physical customer service model to a digital model
- 24*7 customer service delivered digitally is the need of the hour

## Solution

- End-to-end digital approach (Digi–sampark program)
- Caringly yours app - One stop shop for our customers
- BOING (AI Chat bot) on WhatsApp
- "BAGICARE" (CRM) on "CRMNEXT" platform enabling a "True Omni Channel Experience"

## Impact

- Increased digital servicing adoption
- Increased digital servicing from 37% (pre COVID) to 80% (COVID) & call-center down from 63% (pre COVID) to 20% (inbound @ 3% and outbound at 17%)
- Significant cost optimization
- "Lowest Grievances @0.81% (per 10k policies)" and "Highest Net Promoter Scores @65".

# Artivatic | Data driven underwriting platform for seamless and personalized risk assessmentcustomer service

## Opportunity

Traditional insurance follows a one-size fits all approach

- Lack of personalized risk assessment, premium and coverages
- Limited data driven decision making
- High cost of scaling the business due to high operating, customer acquisition and maintenance costs

## Solution

- Unified platform for customer acquisition, risk profiling and underwriting
- Data driven & personalized risk assessment using data from historical, internal and external sources
- OCR capability for medical information extraction
- Insights and personalized product recommendations

## Impact

Operational Efficiency

- 30% cost reduction
- Up to 40% risk reduction
- 10X real-time decisions
- 3M+ policies and 300K+ claims processed

# Edelweiss General Insurance, Bajaj Allianz General Insurance, ICICI Lombard | Multiple examples of players introducing usage-based pricing

| Features | Description |
|---|---|
| Premium | Upfront premium<br>Cover based on either kilometer slabs or daily rate<br>Option to buy top-ups for kms or days of usage |
| Tracking and Duration | Kms tracking: Odometer or telematics device<br>Days of usage: Mobile app based switch-on/switch-off |
| Other Features | Mobile app based cover applicable only on days cover is switched on; can register authorized drivers;<br>Coverage for fire, natural disasters, theft etc. even if vehicle not in use |

| | Mobile App | Odometer | Telematics |
|---|---|---|---|
| Tech | On User | In Car | In Car |
| Usage | Days, kms also feasible | Kms | Kms |
| Devices Needed | No | Yes | Yes |
| Switch on/off | Yes | No | No, but feasible |
| Data Tracking | No, but location data feasible | No | Driving behavior, major crash data |

# Aditya Birla Health Insurance | Comprehensive Digital health ecosystem for shifting focus towards "Health" & "Wellness" from "Health Insurance"

## Opportunity

- Traditional players follow a conventional approach towards Health Insurance
  - Tool for protection
  - Hospitalization cover
- Customers do not have an end-to-end solution/platform to offer holistic view on wellness

## Solution

- Shift the industry focus from "Health Insurance" to "Health" using disruptive technology & build complete Digital health ecosystem – Health App & Portal
- Simple, intuitive & engaging user interfaces, user flows across 4 themes of holistic program
  - Know your Health: Activ Age, Healthy Heart score
  - Improve your Health: Activ dayz[1]
  - Get Rewarded: Health returns[2]
  - Stay Protected: STP Insurance online, Heath Assessment, Specialized Claims corner
- Scale & sustainability through holistic ecosystem & partnerships (30+ system integrations & 60+ features)
  - Distribution
  - Healthcare & Wellness Services
  - Process Improvement
  - Analytics

## Impact

Customer engagement:

- 15% onboarding - retail customers
- 30% success rate in Health Assessment test (industry avg. 8%)

App Usage:

- 75Bn+ steps tracked
- 21k+ wearable devices connected
- 7Mn+ HealthReturns[2] earned

NPS:

- Best-in-class NPS at 44%

1.Activ dayz earned by linking app to 3k+ supported wearables/tracking apps or 1.2k+ affiliated fitness centres
2.Awarded to customers automatically at month-end based on Healthy Heart score and Activ Dayz.