PhonePe

Major Project and Comprehensive Viva - CSL8494

Motor Insurance Category Analysis

Under Supervision of :
Aditi Tibrewal
Manager, Motor Insurance Team
PIBS, PhonePe

Presented by :
Prabhat Ranjan
(2006228)

Supervisor at NITP :
Dr. Prabhat Kumar
Professor
Dept. of CSE, NIT Patna

Contents

- About PhonePe
- Customer App Journey Overview
- Business Metric Tracking
- Tools and Technologies used
- Competitive Indexing
- QSR Optimization
- Visibility Optimization -Insurer Wise Impact
- Insurer Portfolio Analysis
- Add-ons - Availability and Eligibility
- PIBS Internal Analysis
- Ongoing Tasks
- Synopsys

About PhonePe
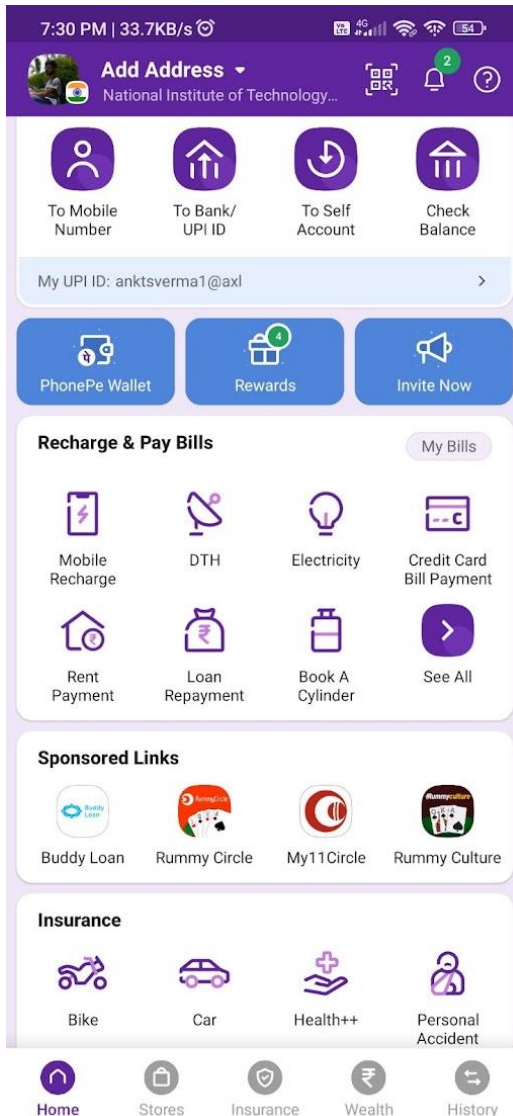
- PhonePe is an Indian digital payments and Financial services company with 400m+ users with 23+ billion transactions and captures ~50% of market share in digital payments.

- PhonePe has several financial products like Mutual Fund and Stock Broking, Gold, Insurance, Merchant Lending.

- Under Insurance Product I got an opportunity to work in Motor Insurance Category.

- Insurance started in PhonePe in 2021 and crossed total GWP of 600+ cr. till Date with Motor Insurance being the star performer.

- Motive as an Motor Insurance aggregator is to make the purchase journey paperless and convenient for the users.

Customer Journey Overview

A Summary of the Journey of the Customer to Purchase a Two Wheeler Insurance Policy on PhonePe

Customer Pre-Payment App Journey Overview

User Enters his/her Bike Number

User lands on Bike Details where he/she can verify their Bike & Previous Year Policy details

Gets Insurance quotes from Insurers with whom PhonePe has tied up, user selects a quote and proceeds

The User is Prompt to enter more Details corresponding to their Bike, the Owner Driver, their Previous Year Policy Information to fetch the accurate quote from the Insurer.

Customer Pre-Payment App Journey Overview

KYC Verification as per the mandate of IRDA is Initiated after the customer makes the Payment
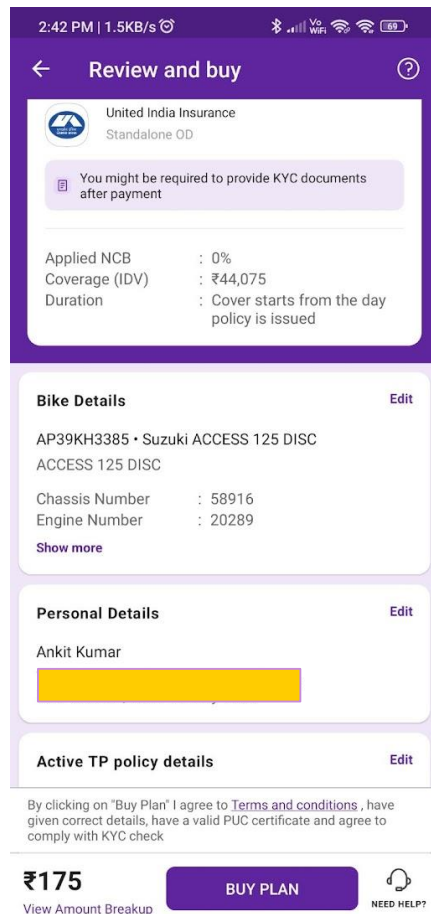
Land On Review and Buy Page where he/she gets an overview of their details.
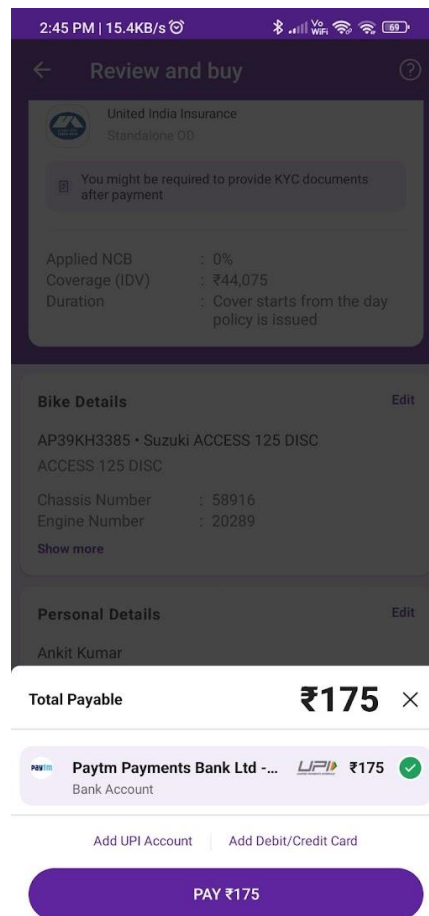
User makes the Payment via UPI, Debit Card and Credit Card

Customer Post-Payment App Journey Overview

cKYC: is an alternate process for to eliminate KYC across different financial products regulated by SEBI,RBI, IRDA. In this if user has done KYC once then a cKYC Number is associated with ID proof and KYC details are stored in a central server of CERSAI. In the next purchase of any financial product ID Number would be sufficient to get the required document need by authorized entity. It was Introduced in 2018 by Gov. of India to make the journey of purchasing financial products easier and convenient.

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Payment Done

10

cKYC Initiated

Failure

11

OVD Flow in which documents such as Aadhar,DL, Voter, Passport are uploaded by User Flow differs from Insurer t

Success

12

Policy Issuance

insurer issues the policy at their end returns a successful response to PhonePe via APIs

Success

Policy Issuance: insurer issues the policy at their end returns a successful response to PhonePe via APIs

Failure

Reversal

REVERSAL: Amount Paid by customer is Credited back to the Customers Account

My Work on Customer App Journey's End

- Track Historical data at each step of user journey and forming an hypothesis for any anomaly.

- Working with internal & external stakeholders to identify issues and enable their resolutions.

- Working closely with product, tech & analytics counterparts to problem solve on identified issues pertaining to funnel.

- Responsible for ensuring smooth flow to the customer on the app.

- Ensure various third party vendor service working across various funnel steps.

- In case of any Anomaly with the vendor alert the Product Team.

Business Metric Tracking

QSR : Quote Success Rate Is a metric that returns the percentage of Successful Premium Returned By Insurer

Reasons for QSR drops -
1. U/W Changes (Not serving quotes in certain regions/makes)
2. Tech issues at partners side

What I Track?
1. Insurer wise daily QSR
2. Compare it with the historical trend
3. If QSR has dropped then through SQL query identify the reason for the drop.
4. Check if the issue has been raised. If the issue has not been raised then to inform the internal stakeholders.

High QSR Indication-
1. Better visibility of Insurer hence better sales.
2. PhonePe as an aggregator serves more options to the user to compare and select the best deal

Business Metric Tracking

Sales: Number of Policies Issued by Insurer

Reversal: Amount Paid by customer is Credited back to the Customers Account

Potential Reasons for Sales drops -
1. Low QSR i.e. Lower Visibility.
2. High reversal rate/rejection rate
3. Change in Pricing/IDV
4. Tech issues

What I Track?
1. Insurer wise daily Sales & reversals
2. Compare it with the historical trend of Sales & Reversals
3. If Sales had dropped or Reversals have Increased then identify the Root cause of Sales and Reversals and update the internal Stakeholders

Potential Reason for Reversals-
1. Vehicle Class Validation
2. Rejections at partner's end
3. OVD Documents not submitted by customer.
4. Invalid or problematic OVD documents submitted by customers.

SQL

SQL is utilized for extracting, transforming, and analyzing data from databases

Excel

Excel serves as a versatile tool for data analysis, visualization, and reporting.

PIBS Dashboards

Dashboards provide interactive, real-time visualizations of key performance metrics and insights.

Tools and Technologies used

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Competitive Indexing

Analyzing various metrics and key performance indicators (KPIs) to evaluate how well a company fares in comparison to its rivals.

Terms

Quotes

Estimated prices for insurance policies.

Based on coverage type, risk profile, asset value, and other factors.

Initial cost estimates aiding decision-making.

Premium

Money paid to insurer for coverage.

Paid periodically (monthly, quarterly, annually).

Determined by coverage type, asset value, risk profile, etc.

Maintains policy validity and coverage.

IDV

Maximum payout in total loss/theft of insured vehicle.

Calculated from vehicle's listed selling price minus depreciation.

Basis for comprehensive coverage premium calculation.

Higher IDV implies higher potential payout and premium.

Competitor Analysis

1). Compared the Flow of Competitors platform and PhonePe.

2). Compared the Pricing of Competitor platform and PhonePe.

3). Compared the IDV to Price Ratio of the Competitors platform and PhonePe.

4). Compared IDV Range supported by providers on Competitors platform and PhonePe.

- Min IDV- Ensured user can get minimum IDV choice at PhonePe
- Max IDV- Ensured user can get maximum IDV choice at PhonePe
- Having min IDV leads to min premium - Sales ++
- Having max IDV leads to choice of promise of more financial assist in case of claim.

5). Documented product journey of the competitor and identified differences that could lead to a better customer experience.

QSR & Visibility Optimization

Problem Statement: Improve QSR of Providers to solve for better visibility, hence better conversions and sales

Approach: Took Top 5 providers (on the basis of sales), Analysed the U/W Reasons for Quotes Failures. Identified the Proportion of Each failure Reasons and studied the Impact it created on Sales and Quotes of those providers.

Action: Raised High Impact errors with the insurers and above resolution of the same leading to incremental sales.

Visibility Optimization -Insurer Wise Impact

(Kotak) Quotes with Premium >50k were rejected

(Kotak) 119 new MMV get ingested

(SBIG) 75 new MMV get ingested

(NIC) 79 new MMV get ingested

Impact

Kotak's QSR improved by ~1%

Kotak's QSR improved by ~3%

SBIG's QSR improved by ~3%

NIC's QSR Improved by 4%
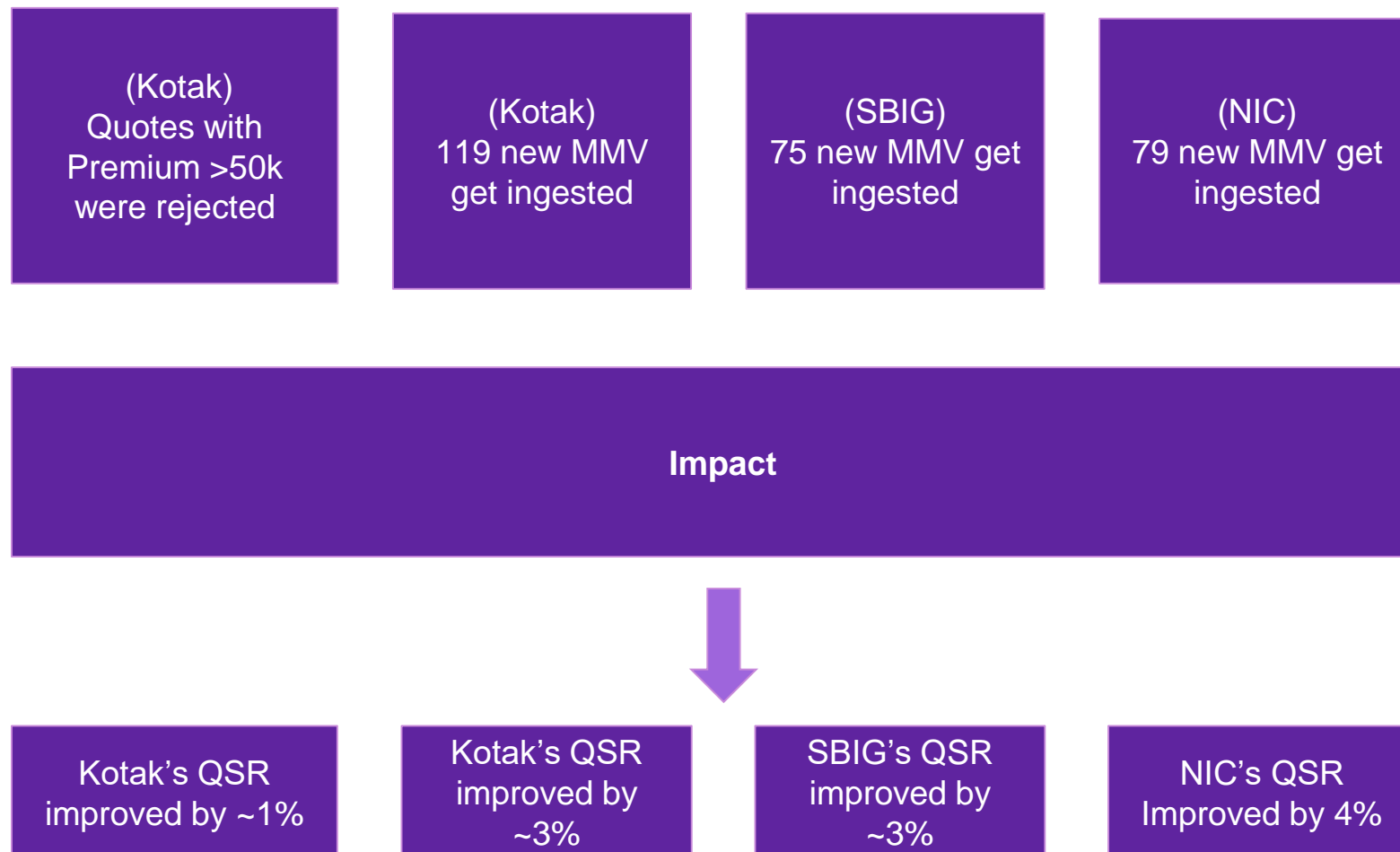
Masters Mapping: No mapping for MMV between provider and PhonePe Masters

Catalogue Blocking: Mapping present for MMV between provider and PhonePe Masters but no quotes on Prod

Portfolio Analysis and Review with Insurer

Why we do Portfolio Analysis?
 1. To run through the current metrics of the partner's portfolio with PhonePe.
 2. To identify areas where optimizations (better pricing, better IDV to price ratio, better quote coverage etc.) can lead to higher sales and margins for PhonePe and the Insurers.
 3. To identify areas of mutual synergy for both the parties to grow

My contribution to Portfolio Analysis -
To facilitate the team with data for partner presentations.

Data Points - Sales numbers, QSR, Quote Failure Data, Issuance Failure data, any other data points pertaining to any partner specific issues.

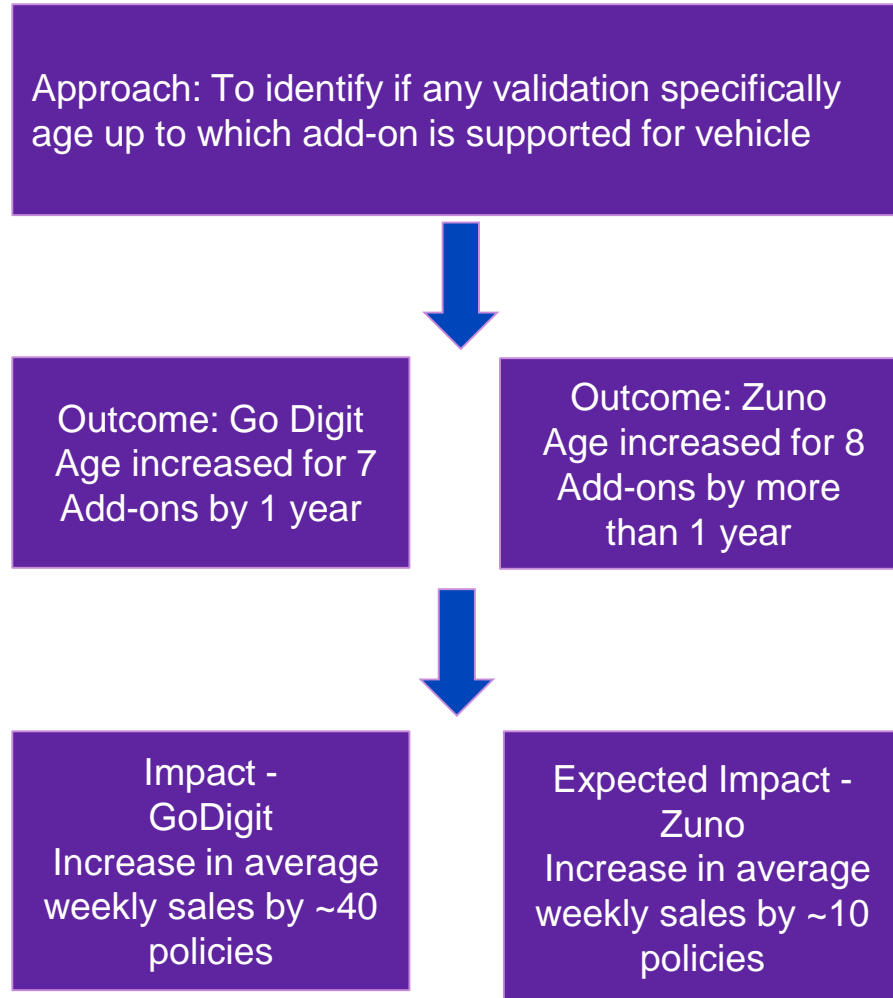Data Source - SQL Queries, Data Dashboards.

Objective
1. Recommendations to partners to drive higher sales.
2. Driving more business for PhonePe and better experience (showing better quotes) to the customers.

Add-ons — Availability and Eligibility

examining the availability, eligibility criteria, and the maximum age of vehicles for supporting add-ons.

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Eligibility Analysis

Availability Analysis

Approach: To identify if any validation specifically age up to which add-on is supported for vehicle

Approach: To identify if add-ons provided by any insurers across different channels is present on PhonePe's Platform or not

Outcome: Go Digit
Age increased for 7 Add-ons by 1 year

Outcome: Zuno
Age increased for 8 Add-ons by more than 1 year

Outcome: Standalone RSA integration for FGI

Outcome: Tyre Protect integration for Zuno

Impact - GoDigit
Increase in average weekly sales by ~40 policies

Expected Impact - Zuno
Increase in average weekly sales by ~10 policies

Expected Impact- Increase in Sales

3. PIBS Internal Analysis

Analyzing internal metrics and validations.

Eligibility Context Analysis

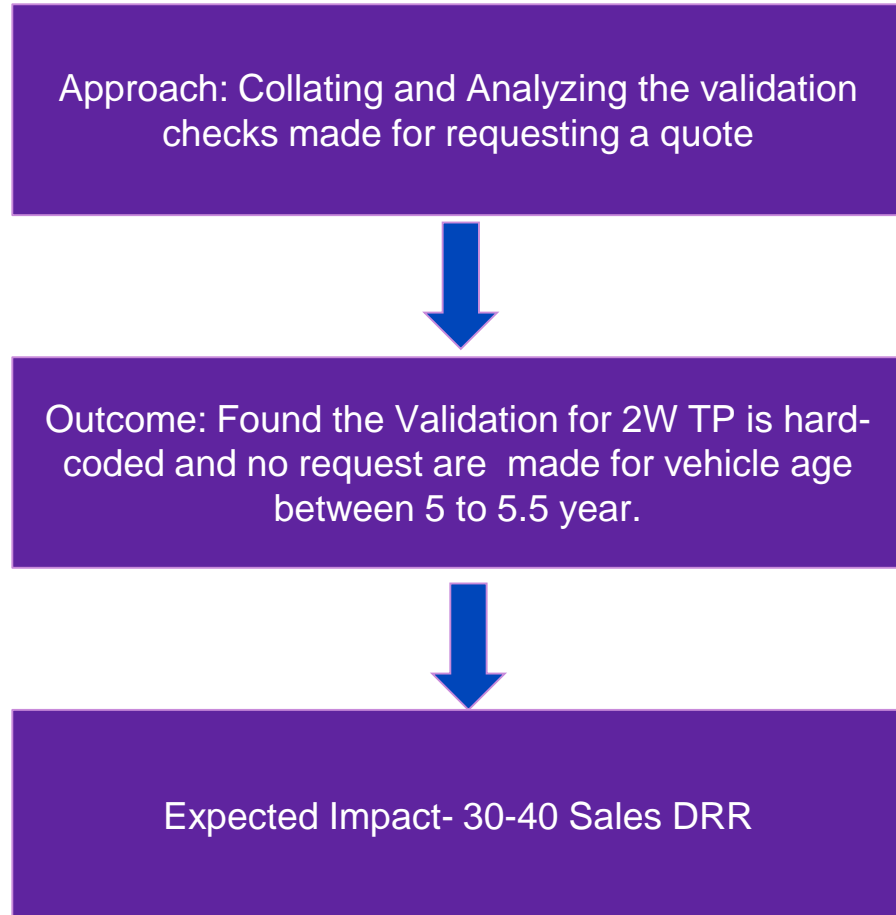To identify if any validation is incorrectly configured at tech end for requesting quotes

Approach: Collating and Analyzing the validation checks made for requesting a quote

↓

Outcome: Found the Validation for 2W TP is hard-coded and no request are made for vehicle age between 5 to 5.5 year.

↓

Expected Impact- 30-40 Sales DRR

IDV:Premium Ratio Analysis

To identify if any provider is showing premium as outlier as compared to other providers

Approach: To identify the provider with most deviated IDV/Prem Ratio from the average of others

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Outcome: Shared the cases most contributing providers where premium was inappropriate for a particular IDV

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Expected Impact- Configuration improvement for top insurers

Ongoing Tasks

1). QSR(Quote Success Rate) Optimization of top private Insurers.

2). Add-ons Coverage and pricing comparison across platforms

3). Market sizing & analysis of high-end resale Market in India

4). Source wise TOF composition analysis

5). Research for BH Series Insurance support integration

6). Vehicle Ownership Transfer research

7). Post go-live product feature performance Analysis

8).PAYD discounting Grid Analysis

Synopsis

1). Acquired Domain understanding of Motor Insurance.

2). Tracked impact of new integrations to the Motor Insurance product.

3). Understanding various business metrics to identify any anomaly.

4). Understanding how Insurance aggregator, Insurer and customer relationships works

5). In Depth study on u/w of Insurers and their resolution.

6). Involved in helping team with Partner and Portfolio discussion with data to make data driven suggestion to partners.

Thank you

PhonePe