

General Insurance Services-Innovation through Virtuality

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Abstract: *The paper describes the importance of 'Virtual Office' provided by Bajaj Allianz- General Insurance services in India. The goal in presenting this paper is to understand the importance of virtual office in general insurance business and its benefits derived by the company in providing insurance services and to bring awareness about leveraging real time platform in offering instant services to customers as well as non-customers. The study shows that major innovations had taken place since 2013 with the introduction of 'Tablet based applications' and 'Tweet insurance'.*

This paper will also study the various Innovative Techniques used by the company such as Mobile applications, Tablet applications and Tweet insurance to cater to the needs of the customers with improve insurance penetration and to bring in enhanced customer experience and transparency. With the use of Digital channel in the insurance sector, people have been experiencing a wide change in their perspective towards insurance services unlike where people were not aware of insurance services.

With over a billion people having relatively youthful population, India is fast becoming a Global economic power. Insurance industries have been through the cycle involving high economic growth and modernization. This study helps us to know about the various services offered to various kinds of customers at their door-step through different innovative ideas. The company has been harnessing the power of digital technology for providing insurance information and hassle-free customer service like never before. Bajaj Allianz aims to consistently modernize communication channels and deliver right solutions and assistance instantly through customer-centric innovations.

Keywords:

1. Virtual Office
 2. Tablet based Applications
 3. Tweet Insurance
 4. Digital Technology
 5. Customer-centric innovations
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I. Introduction:

Company profile:

Bajaj Allianz General Insurance Company Limited is a joint venture between Bajaj Finserv Limited (recently demerged from Bajaj Auto Limited) and Allianz SE. Both enjoy a reputation of expertise, stability and strength.

Bajaj Allianz received the Insurance Regulatory and Development Authority (IRDA) certificate of Registration on 2nd May, 2001 to conduct various businesses (including Health Insurance business) in India. The Company has an authorized and paid up capital of Rs 110 crores. Bajaj Finserv Limited holds 74% and the remaining 26% is held by Allianz, SE.

As on 31st March 2017, Bajaj Allianz continues to be one of the most financially robust insurers in the industry by maintaining its growth as well as profitability. The company has made a profit before tax of Rs. 1,078 crore and emerged as the most profitable insurer recording a profit after tax of Rs. 728 crore. The company reported a GWP of Rs. 7,687 crore, which has grown by 30.3% compared to the last fiscal year.

The Company lists 97 filed and approved products, of which 27 are health products. In January 2014, the company announced it would open up all-women branches. As of 2015, the company has 30 such branches in India. The management of the company consists of:

1. MD & CEO
2. Senior President - Channels & Agency
3. Head - Operations & Customer Service President & Head - IT, Digital Marketing, Direct Marketing and Web sales
4. Chief Financial Officer Head - Human Resources
5. Chief Technology Officer - Non Motor
6. Senior President – Zones

Achievements of the company:

Bajaj Allianz General Insurance has received “IAAA” rating from ICRA, indicating the highest claims paying ability and a fundamentally strong position in the industry in 2005-06. Bajaj Allianz GIC was awarded by the “best Health Insurance Providers” of the Year by Outlook Money Awards 2015, for best-in-class and innovative products and services. And was recognized as the “Aon Best Employer 2016” and also was conferred the “Economic Times Best Corporate Brand” Award by Economic Times Best Brands Survey 2016. Bajaj Allianz GIC was ranked 2nd topmost health insurance brands in the country by Indian Market Research Bureau (IMRB) and was awarded “The Silicon Valley Business Award 2015” for its innovation - Insurance Wallet. The company had also won the “Insurer Claims Team” of the Year Award 2014 for superior Health Claim Management practices and “Claims Innovation of the Year” Award 2013 for introducing ‘Tablet Based Application’ for settlement of Motor Claims.

Introduction to general insurance:

Insurance industry has always been a growth-oriented industry globally. The Insurance has always recorded noticeable growth vis-à-vis other Indian industries.

Triton Insurance Co. Ltd. was the first General Insurance Company to be established in India in 1850, whose shares were mainly held by the British. The first General Insurance Company to be set up by an Indian was Indian Mercantile Insurance Co. Ltd., which was established in 1907.

The Indian Insurance industry saw a new ray of sun when the Insurance Regulatory & Development Authority (IRDA) invited the applications for registration as insurers in

August, 2000. With the liberalization and opening up the sector to private players, the industry has presented promising prospects. There are 23 insurance companies from private sector in the country.

The Insurance Regulatory Development Authority Act of India (IRDAI) Act, 1999 has the following functions:

To regulate, promote and ensure orderly growth of the insurance and reinsurance business, to prepare code of conduct for the agents, surveyors or the intermediaries in the development of insurance business, to control and regulate the rates, advantages, terms and conditions that may be offered by the general insurance business, to prescribe the form and the manner in which books of accounts will be maintained and to regulate investment of funds by insurance companies.

General insurance companies have willingly catered to the increasing demands and have offered a plethora of insurance that covers everything other than life insurance. It comprises of:

Insurance of property against fire, theft, burglary, terrorism, natural disasters etc., personal insurance such as Accident Policy, Health Insurance and liability insurance, Errors and Omissions Insurance for professionals, credit insurance. Marine insurance covers goods in transit by sea, air, railways, waterways and road and insurance of motor vehicles provides against damages or accidents and theft. The insurance policy also covers machinery against breakdown or loss or damage during the transit.

Objectives of the study:

- To study the importance of Virtual Office in the general insurance sector.
- To understand how various innovations help in leveraging real time platform in providing general insurance services.

Scope of the study:

The scope of the study confines to BAJAJ ALLIANZ – General Insurance services.

Sources of data:

The study on the topic “General Insurance Services-Innovation through Virtuality” is based on secondary data.

Meaning of virtual office:

A virtual office provides address services for a fee, without providing dedicated office space. It differs from "office business centers" or "executive suites", which do provide physical office space and/or meeting rooms.

The virtual office idea came from a combination of technological innovation and the Information Age. The virtual office concept is an evolution of the executive suite industry.

A virtual office is a business location that exists in cyberspace. A virtual office setup allows business owners and employees to work from any location by using technology such as laptop, computers, cell phones and internet access. A virtual office provides significant savings and flexibility compared to renting a traditional office space. Meetings can be conducted via ‘teleconferencing’ and ‘video conferencing’ and documents can be transmitted electronically.

How company uses virtual office:

To reach out to the customers in the remotest corners in the country, Bajaj Allianz General Insurance has launched an innovative distribution initiative - Virtual Office in August 2014. The idea behind this initiative was to offer insurance solutions to the customers at their doorstep, thereby enabling employees and agents to make policy related decisions independently with the help of technology.

Virtual Office is being headed by Mr. Aditya Sharma, Head Strategic Initiatives, Bajaj Allianz General Insurance. Virtual office implies to the tablet based application through which the insurer will serve people with the following:

- Issue policies
- Receive premiums
- Settle claims

1. The **Health insurance industry** is going through a wave of transformation with introduction of innovative and customized products and services attributed to technological advancements in the medical & insurance industries. The Mobile application will enable the customer to seek medical advice from the selected list of doctors, and get answers to their health related queries or take second opinions. It will include features - monitor your blood pressure, sugar levels and other key health check points. It will allow the users to upload diagnostic report and also get medicines delivered at their doorstep. **Bajaj Allianz's 'Doctor on Call' mobile app available on Google Play offers some of these features.**

Bajaj Allianz General Insurance has launched three new products - Travel Ezee - a travel insurance claim app, Boing – a intelligence chatbot platform for 24x7 customer service support and Motor On The Spot (Motor OTS) – a mobile based self-survey application for motor insurance claim settlements on the spot.

2. **Travel Ezee** – the travel insurance claim app is built around Block chain technology and works using the OCR - ICR (optical character recognition & intelligent character recognition) technologies. It helps the customer to easily buy travel insurance as well as make claim settlements in case of flight delays in just three simple steps.

- a) First the customer needs to scan his boarding pass and passport.
- b) Select the plan
- c) Make the payment. The policy copy is sent to the registered email ID instantly.

At present, the app only supports all international travelers but is expected to support domestic travellers in near future.

3. **Boing** is an AI (artificial intelligence) powered chatbot platform that offers 24/7 customer assistance and instantly respond to their queries. The chatbot service will be available on the website, mobile app and on the company's Facebook page. It helps customers to address range of queries:

- a) Register a motor claim
- b) Get policy soft copy,
- c) Check policy (motor & health) and claim status
- d) Locate branches, hospitals and workshops or garages.

4. **Motor On The Spot** (Motor OTS) – is a mobile based self-survey service for motor insurance claim settlements on the spot. It allows customers to register as well self-inspect their motor insurance claims of up to Rs. 20,000 through the company's self-service mobile app – “Insurance Wallet”. It reduces the claim settlement period to less than 30 minutes from the current average time of 7 days for motor claim settlement.

The policyholder has to upload the damaged vehicle's pictures along with the requisite claim documents on the mobile application. Following that, company using data analytics tool will recommend immediate liability to the customer and suggest repair workshop within turnaround time of 20 minutes.

This facility is currently available only for private cars.

The company finds workable to operate through virtual offices as it is a feasible option when the products are of lesser-revenue-generating nature.

With this innovation, Bajaj Allianz General Insurance is doing away with the brick and mortar model of offices and bringing the entire office in a tablet. The tablet enables the user to access any information pertaining to a policy, its features, policy issuance, payment, etc. at the click of a button, at the customers' doorstep. The tab also enables the agents and employees to conduct primary inspection and the concerned documents can directly be sent to the offices via image mailing. Another feature supported by the tab is that it also permits payments at the time of policy issuance using a detachable dongle to swipe debit or credit cards or

carrying out an online payment. As all transactions are done at the customer's doorstep, without involving a third party, the initiative has helped in substantially reducing frauds.

5. **Tweet insurance:** Through easy steps on Twitter you can get quotes, policy status, claim status, policy PDFs, branch locations, and network hospital locations and even buy insurance.

All you have to do is follow @BajajAllianz and avail services by sending a tweet or DM (Direct Message) with the relevant hashtags and you will get instant updates.

The responses will be sent as a DM (Direct Message) which only client can view, so privacy is protected.

There is no need to register for this service separately, as long as you have a Twitter account. To get the entire list of hashtags, tweet using #TweetInsurance.

Finally the "Virtual Office" was advantageous for customers as follows:

- Creating awareness about insurance in Tier II & Tier III cities.
- Reducing the potential for fraud with the help of technology.
- Provide quotes and policies immediately with on the spot payment collection through our tabs.
- Time taking processes like pre inspection which traditionally takes 2-3 days in remote areas is now a hassle free 10 minutes process.
- Minor claims settled in 24 hours.
- Paperless transactions.
- Deliver best in class service surpassing geographical limitations.

Tier I: Ahmedabad, Bangalore, Chennai, Delhi, Hyderabad, Kolkata, Mumbai and Pune.

Tier II: Agra, Ajmer, Aligarh, Allahabad, Amravati, Amritsar, Asansol, Aurangabad, Bareilly, Belgaum, Bhavnagar, Bhiwandi, Bhopal, Bhubaneswar, Bikaner, Bokaro Steel City, Chandigarh, Coimbatore, Cuttack, Dehradun, Dhanbad, Durg-Bhilai Nagar, Durgapur, Erode, Faridabad, Firozabad, Ghaziabad, Gorakhpur, Gulbarga, Guntur, Gurgaon, Guwahati, Gwalior, Hubli-Dharwad, Indore, Jabalpur, Jaipur, Jalandhar, Jammu, Jamnagar, Jamshedpur, Jhansi, Jodhpur, Kannur, Kanpur, Kakinada, Kochi, Kottayam, Kolhapur, Kollam, Kota, Kozhikode, Kurnool, Lucknow, Ludhiana, Madurai, Malappuram, Goa, Mangalore, Meerut, Moradabad, Mysore, Nagpur, Nanded, Nashik, Nellore, Noida, Patna, Pondicherry, Raipur, Rajkot, Rajahmundry, Ranchi, Rourkela, Salem, Sangli, Siliguri, Solapur, Srinagar, Surat, Thiruvananthapuram, Palakkad, Thrissur, Tiruchirappalli, Tiruppur, Ujjain, Vijayapura, Vadodara, Varanasi, Vasai-Virar City, Vijayawada, Visakhapatnam, Warangal.

Tier III: All other cities other than Tier I and Tier II falls under this category.

Disadvantages of virtual office:

1. Loss of efficiency:

Most of the employees will see an increase in individual efficiency but allowing your employees to choose their own working hours can lead to headaches and, in a crisis, a major panic. If you're website crashes and your webmaster not available, then the task will not be complete. Likewise an emergency meeting is out of the question when your employees work remotely.

2. Negative perception:

While more and more companies are switching to virtual setups, customers, investors and business partners may still look down their corporate noses at you asking endless questions such as whether the office is genuine or not? In case of emergency will the company meet personally? etc... Nothing gets a customer over the negative stigma of a virtual office environment faster than saving money!

3. Compliance difficulties:

The compliance issues that a virtual office presents to a large, publicly-traded company are unimaginable. Even for small, private companies it can be unnerving to not have that immediate oversight that comes from a physical office environment. There is a necessity to provide your virtual staff with a list of guidelines that keep them as compliant as possible such as avoiding open Wi-Fi networks, no tweeting company profiles, and if they keep client details in their home, they should use a locked filing cabinet.

4. The battle of trust:

You see, when you have a physical office it's very easy to take the corporate stroll. You know the one where you check in on everyone and everything. It's easy to become a micro-manager when your employees work remotely. No matter how tempting it may seem, avoid any kind of hourly or daily reporting requirement. You'll just suffocate your employees and ruin all the benefits you may get from letting them work to the beat of

their own drum. Trust that they are working hard and you'll typically find that trust is rewarded...often more so than you expected.

II. Conclusion:

- 1.) Virtual office has led to hassle-free services to people residing in remote areas in the most economical manner.
- 2.) Twitter insurance has been very useful for people to avail insurance services without getting them registered as per traditional format.
- 3.) In today's world of technology, Bajaj Allianz have been very innovative in providing insurance services through phone applications with user friendly ways of using it.
- 4.) At the end I would conclude that Virtual Office has been more advantageous, despite having many disadvantages. And advantages outnumber the disadvantages.

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Thank You