



PHOTOGRAPH BY RACHIT GOSWAMI



## A BILLION LIVES CAN BE INSURED ONLY THROUGH DIGITISATION”

Life insurance products should be dejargonised and the ecosystem must become transparent to attract millennials, **Sanjeev Nautiyal**, Managing Director and CEO of SBI Life, says in an interview with Naveen Kumar. He also shares his views on how the segment has evolved, leading to significant changes in products and customer service. Edited excerpts:

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### How do you feel about selling through a digital-only channel?

It is a fast-growing segment and we have seen a high level of consumer interest. Our monthly web traffic grew 152 per cent in FY2018/19, compared to the previous year. Our products are also available on the portals of various aggregators. Online channels have growth potential, but we need to invest big in digital marketing to drive traffic, and the conversion rate is low compared to the online queries coming in. Nevertheless, going digital helps influence customers, and that works well when they buy products offline. Keeping in mind how things work for online consumers, a digital channel must be supported by on-ground presence. SBI Life operates a pan-India network, including its 922 branches and offices. We also run a bancassurance channel that works with SBI and other banks and offers a 1.21 lakh-strong agent network. Then there are corporate agents, brokers, insurance marketing firms and intermediaries.

### Historically, the reach of life insurance was among the lowest in India. Has digitisation helped?

There is a huge scope for insurance penetration to go up. Insuring a billion lives will only be possible if we adopt digitisation wholeheartedly and implement new ways of distribution by using technology. In 2018/19, SBI Life saw a sixfold rise in digitally sourced policies. So, digitisation is certainly helping life insurers expand their reach. Also, consumers today put great emphasis on overall customer experience. And digitisation provides numerous opportunities for that – from instant sourcing, underwriting and issuance and faster query resolution to quicker claim settlement and seamless handling of business processes by all units.

### Did your term plans change as well? What about their growth?

Nowadays, buyers are spoilt for choice, thanks to a host of new and improved term plans. People can get coverage until they are 85 years old and some policies can be converted into whole-life plans which will run until you are 99 or 100. As for payouts, one can choose a one-time lump sum amount or go for a monthly option or select a combination of lump sum and monthly payouts. You can also add riders for additional cover or get an advanced plan such as SBI Life Poorna Suraksha that combines term plan (life cover) and critical illness cover. This innovative plan comes with an auto-balancing feature which ensures that the critical illness cover will increase with age and the life cover diminishes with each passing year. In 2018/19, the number of term plans sold more than doubled and accounted for 12 per cent in new business premium.

### Are people keen to buy riders?

Riders are yet to become popular as additional benefits of term plans. But they are bound to witness greater interest and adoption as they provide extra protection at an extremely nominal cost and keep the total premium down. An accidental death benefit rider finds a higher uptake, but others like critical illness and premium waiver also offer great value and their demand will rise.

### Have you digitised claim and settlement? Are they available online?

Insurers are digitising processes across all areas of a life insurance contract. Data analytics, artificial intelligence,

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machine learning, automation and other technological advancements have helped us with faster claims processing. Therefore, a policyholder can file for claim settlement online. A big chunk of our claim settlement process is now paperless, and a customer only has to scan the relevant documents and send it across to get it done quickly.

### What do millennials think about it?

They want the industry to be more flexible and interactive so that their voices are heard. Product simplification is necessary to connect with the millennials. In fact, products should be de-jargonised and the ecosystem should be made transparent to cater to them. They also prefer quick gratification. So, SBI Life's Insta Secure policy, launched on SBI's banking app YONO (You Only Need One), has been an instant success as a customer gets a life cover in just three clicks. More than 41,000 lives were insured within the first six months of its launch in the last fiscal. Millennial customers also value clear and honest communication. So, insurers have to put that into perspective and reimagine a customer's journey. Going forward, there will be more innovations in this space as the IRDAI has come up with a regulatory sandbox to ensure a conducive environment.

### Leading life insurers have good market valuations. What is the reason?

There is a shift in consumer mindset as people increasingly recognise the need for insurance. This is creating a demand for pure protection and other policies. Besides, there are innovative ways of selling pure protection products and they have broadened our horizons. Growth in new business premium and the increasing value of new business (VONB) margins have led to healthy valuations. Other demographic factors, including a growing middle class, young and insurable population, and growing awareness regarding protection and retirement planning have further bolstered our growth opportunities. **BT**

@naveenkumar80