BENORI

Changing Face of Life Insurance Industry

August 2022

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Executive Summary

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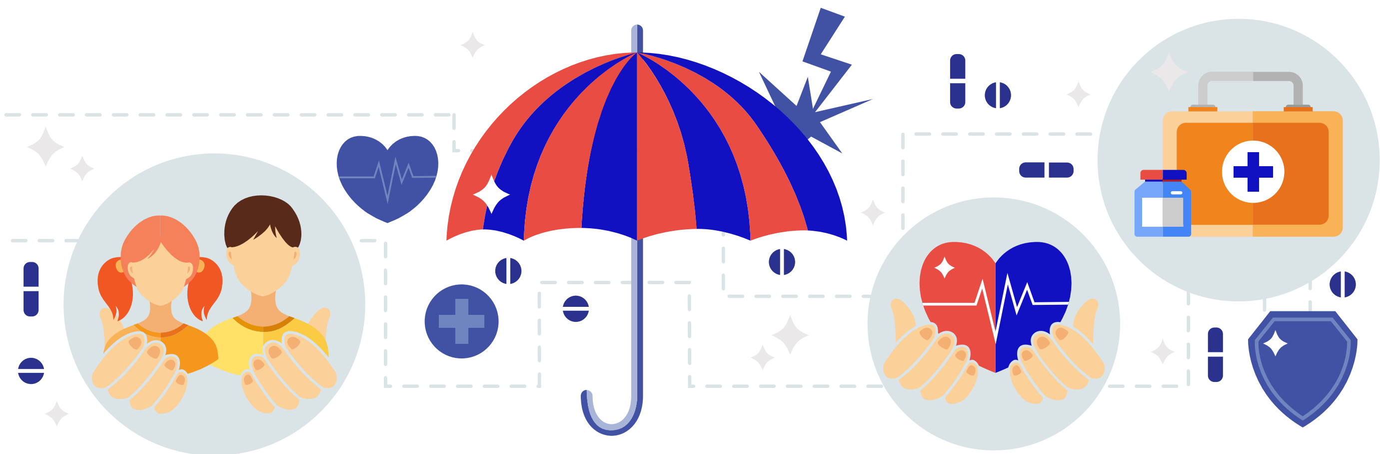
The report, **Changing Face of Life Insurance Industry, 2022**, outlines how the life insurance industry in India has performed in the last five years and how it responded to the COVID-19 pandemic. Furthermore, it explores the emerging trends in the industry and looks at the road ahead.

After experiencing significant turbulence and uncertainty due to the COVID-19 pandemic, insurers worldwide have shown marvelous resilience in dealing with these unexpected developments. **The life insurance penetration rate in India increased to 3.2% in December 2021 from 2.8% in December 2019 (closer to the global average of 3.3%).** The penetration is expected to increase in the coming years due to various factors — changing consumer perception and realization of financial security, easing of IRDAI regulation regarding product approval and distribution, efficiency and trust built by companies on claim settlement during COVID (along with IRDAI push), customization of products, balanced channel mix, and digitization efforts by companies.

The industry grew at a CAGR of 11% in terms of total premium over the last five years (2017-2022) and is estimated to grow further at a CAGR of 9% in the next five years. It has evolved and the share of the private sector has increased. This was further accelerated by COVID-19 as the private players were quick to adapt to digital channels of distribution, reached out aggressively, and serviced customers effectively when physical movement was limited due to lockdown and social distancing. Furthermore, these players offered attractive and innovative products, customizable to the channel and the region they serve. For example, they offered non-par insurance in rural areas via banca/non-banca collaborations, which was faster than their public sector counterpart. **The share of the private sector grew from 28% in 2017 to 38% in 2022 and is expected to increase by around 6–8% in the next five years.**

The bancassurance channel emerged as the most promising and most utilized channel for insurers. This is also expected to grow in the future since it provides a hassle-free experience for its customers based on their specific needs rather than a generic solution. Customers' trust in banks and their perception as ideal caretakers for any financial need coupled with banks' capability of a holistic understanding of wealth management for their customers has boosted the growth of the channel. This is one of the prominent reasons for **the declining share of agency channels (among private insurers) from 30% in 2017 to 23% in 2022.** Nevertheless, the agency channel is still touted to be one of the top two channels by industry experts in the coming years as it is expected to play a significant role in the Tier II/III markets that the industry is trying to break into.



Online distribution is in its nascent stage accounting for only 3% of the entire distribution channel outlook among private players. Although this channel has a low contribution to premiums currently, it has seen some noticeable rise. Players such as TATA AIA, Kotak, and SBI Life showed stellar business growth of more than 45% from last year (2021) within this channel. HDFC Life exhibited a 24% growth (inclusive of both HDFC direct online and PolicyBazaar) and ICICI Pru posted a 7% growth over last year. HDFC Life is the leader in the online distribution space, with 11% of its sales coming from this channel (which witnessed a major surge during the pandemic). Experts believe that, although the online channel appears to be a growing avenue, most insurers are still on the fence about investing in it due to a significantly high cost of acquisition of the business and its unsteady returns as compared to banca channel.

Pure protection plans such as term insurance have become the most preferred product. Another trend is observed wherein these products are bought more as single premium policies as consumers tend to avoid getting on long duration, annual premiums while saving some costs. The companies are also focusing on having a balanced mix of products to cater to large customers. Furthermore, there is also a visible trend of channel mix driving the product mix, for instance, insurers are capturing more of the growing non-par market through banks. These banks have been focusing on distributing non-par and ULIPs to their customers, especially the high-net worth individual customers.

Insurers and customers are both getting on the digital revolution bandwagon. Investment trends of FY22 point toward increased spending on IT and Data Analytics for insurers as they try to leverage the digital channel for business. The industry has also seen multiple Insurtech start-ups working with top insurance firms. All life insurers are trying to work on the limitations of their distribution channels and free themselves from traditional methods. Industry disruptors, together with the pandemic hangover, are expected to give the insurance industry the long-expected push.

To gather insights on life insurance usage, trends, and preferences among consumers, Benori conducted a snap poll asking about the importance of buying life insurance policies after COVID-19 during July-August 2020. The key highlights of the poll are:

91%

of the respondents feel that life insurance is extremely important. The product, which was earlier seen as a way of investment, is now considered as protection.

70%

of the respondents mentioned that financial safety for the family is the main motivation behind buying a life insurance policy.

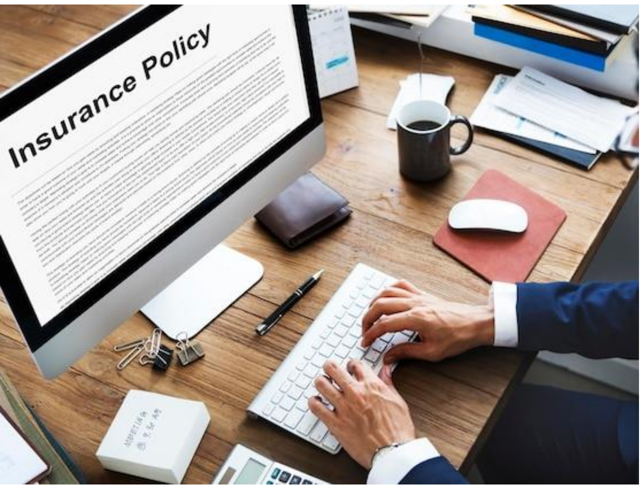
55%

of the respondents bought life insurance policy through an insurance agent, while

23%

bought it online (including bank portals, web aggregators, and direct purchase through websites).

Benori suggests the following focus areas for capturing the opportunity in the life insurance Industry:



Increasing digitization efforts across companies:

Companies must work on leveraging advanced tech stack such as, Artificial Intelligence/Machine Learning (AI/ML), Customer Segment Analytics using Data Analytics, which derive insights on customer behavior and interests to serve a better-suited product line. It should be simple to understand and useful product, which satisfies the needs of a customer (according to his age and profession), ensures better delivery, and service. It also helps in developing intelligent process automation that can significantly reduce underwriting errors. This can also be achieved through effective partnerships with emerging Fintech/Insurtech companies.

Flexibility in product portfolio:

Insurance companies must develop a flexible product portfolio that targets scenario-based needs. For example, small ticket insurance products, which cover specific issues for a shorter duration and are less expensive, channel-based product lines such as those focusing on non-par products for rural expansion and small-scale health products for localized expansion through Insurtech/Fintech companies. These further help in building an insurance ecosystem.

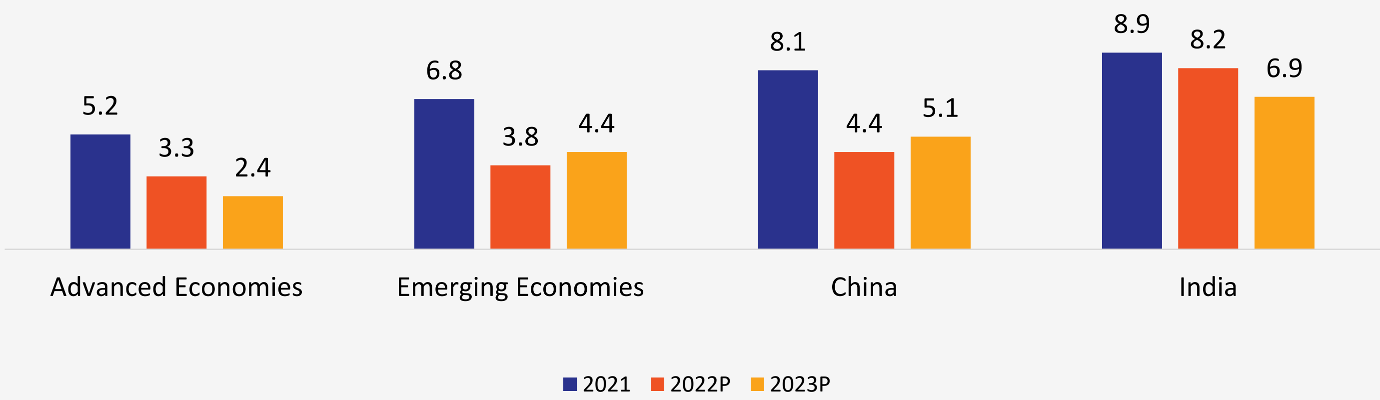
Omnichannel distribution:

Companies must focus on building a profile of omnipresent channel distribution consisting of an intelligent mix of multiple channels which offsets each other’s risks. For example, B2B2C (Insurtech) model’s risks in claims can be countered by a significant investment in direct B2C channel using end-to-end tech applications, which is also likely to increase customer awareness. Furthermore, companies must leverage the ecosystem approach to reach out to their customers. There cannot be one channel to win all the customers. Therefore, omnichannel is the need of the hour.

India Catching up on the Global Scale

The global economy suffered significantly during the pandemic, followed by a slow and weary recovery in 2021–22. Although vaccine deployments and stimulus injections for domestic and business needs have saved the global economy, in 2021, the recovery is still uneven due to the prolonged pandemic status and global inflation. Furthermore, the war in Ukraine plunged the world economy into more distress. According to the World Economic Outlook, the global GDP growth was recorded at 6.1%, with a prediction of 3.6% growth for 2022 and 2023. The sanctions on Russia and restrictions on oil and gas have resulted in increased commodity prices, disruptions to supply chains, and tight financial conditions leading to inflation and amplifying the negative impact on global activity.

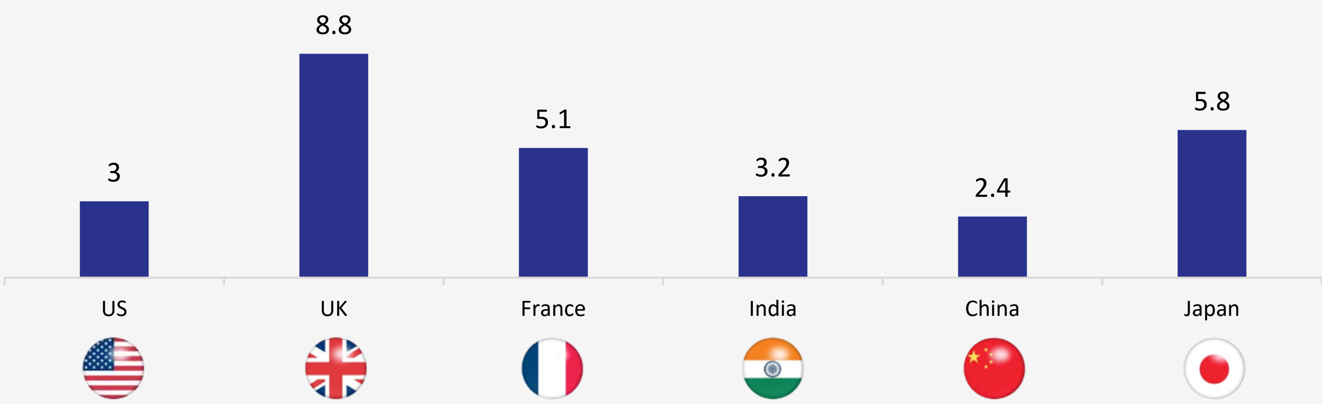
GDP growth, %



Source: P-Predicted. IMF, World Economic Outlook, April 2022

According to the Swiss Re Insurance report, India ranks 10th in the global life insurance market with a share of 2.9% during 2020. Several government schemes, relaxed IRDAI regulations, and an aggressive approach of private insurers have led to its increase to 3.2%, which is close to the global average of 3.3%.

Insurance Penetration 2021, %



Source: SBI Research, March 2022, Insurance Penetration is measured as a ratio of premium to GDP

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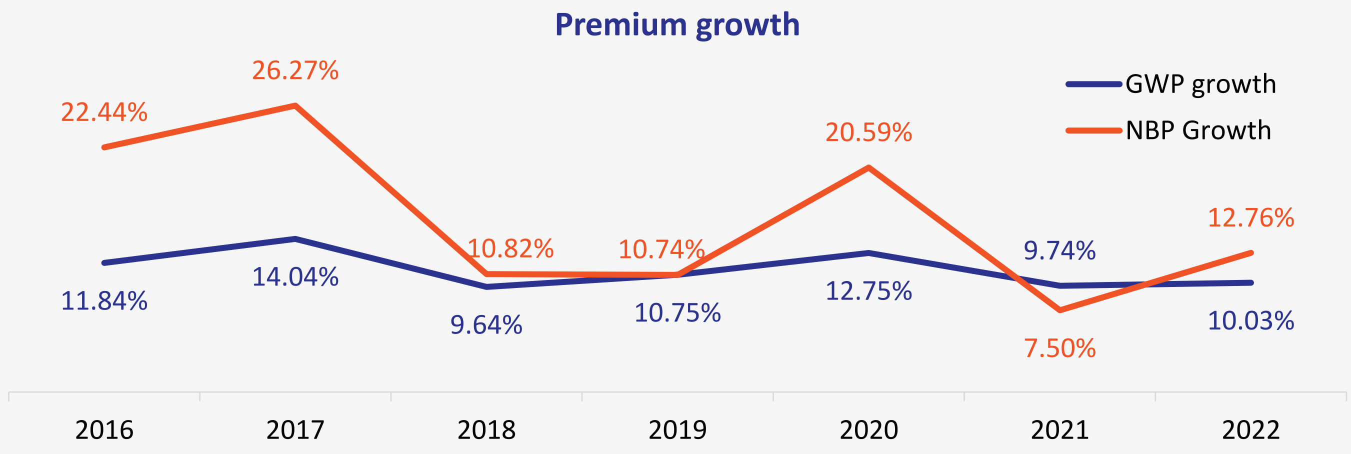
Life Insurance Industry Growth (2017–2022)

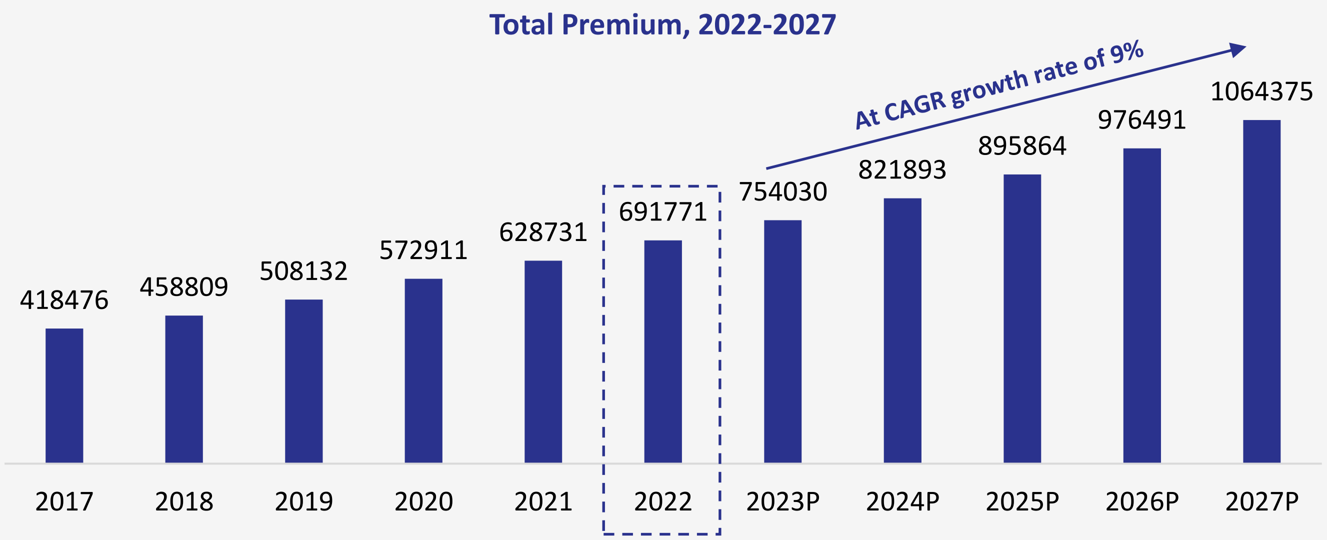
The Life insurance industry in India has witnessed a transformation in the last five years or rather the last two years, when COVID struck. The industry was already registering double-digit growth before COVID-19, with segments such as new business premium reporting 24% YOY growth in January 2020. However, this experienced a steep decline after March 2020, which was well reflected in its business metrics such as premium, persistency ratio, and cost efficiency. The pandemic affected businesses, limiting the policy uptake, and lowering profitability due to increased death claims (FY20–21).

During 2017–22, the industry has expanded at a CAGR of 11% in total premium and 17% in new business premium. The industry did experience a decline in overall premium growth during 2020–21, yet the premium values increased (but marginally). This recovery can be attributed to the pandemic, which acted as a catalyst for new business premium, thereby achieving a growth of 10% in total premiums and 12.76% in new business premiums from last year. This was also evident in the SBI survey that revealed 44% of Indians bought life insurance for the first time after March 2020. The industry was swift enough to respond and came out of the crisis in a few months. However, the crisis accelerated some changes in the industry structure and the way the business was conducted.

India Life Insurance Industry premium growth (Y-O-Y)



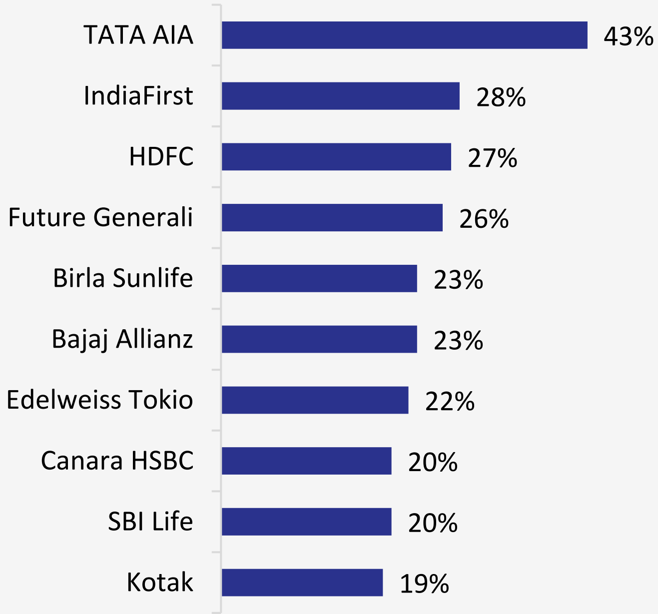
Source: IRDAI



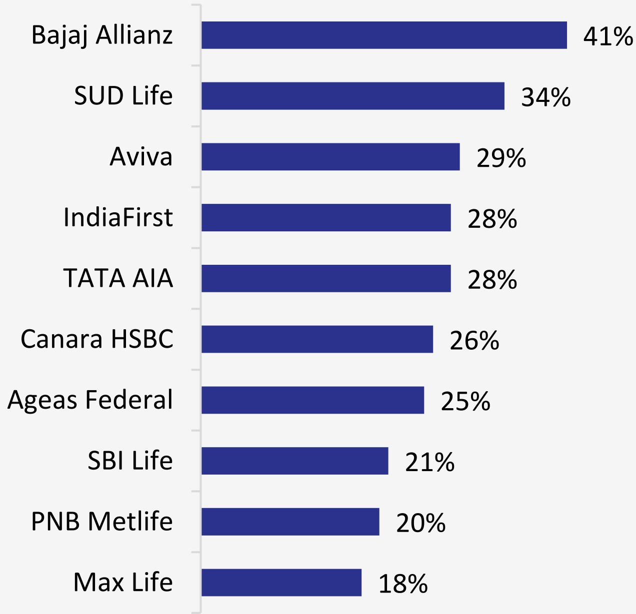
Source: IRDAI and Benori Analysis

Furthermore, the NBP trend compared between pre and post-covid era have shown interesting insights. The companies which were not in top 5 before Covid-era rose to the top-3 spots on NBP growth metric after covid (2-year CAGR). Bajaj Allianz, SUD, Aviva emerged as the top 3 performers in terms of NBP growth, post COVID. They showed more than 25% CAGR growth during COVID (2020-22), because of their innovative digital services, comprehensive range of products and robust distribution network. India First is stable at 28% pre and post pandemic era due to its merger with Bank of Baroda and Union Bank, and their venturing into agency and broking.

Top 10 Performers in NBP CAGR Growth (pre Covid), 2017-20



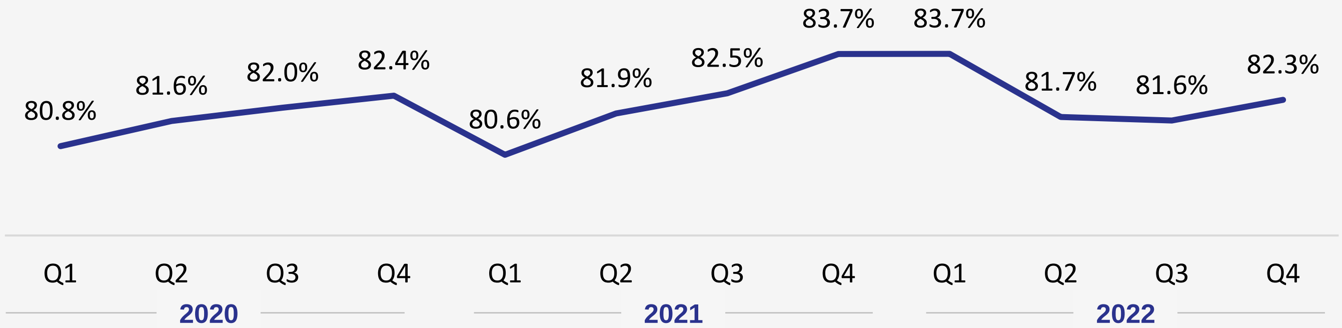
Top 10 Performers in NBP CAGR Growth (post Covid), 2020-22



Source: IRDAI NBP Monthly Reports

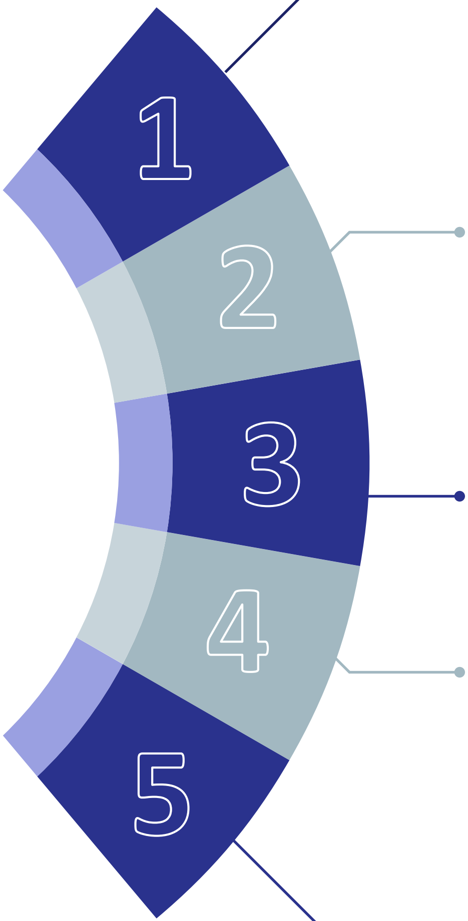
13th month persistency ratios[1] were hit at the onset of the COVID in Q1, 2020, when it dropped marginally. This was due to the concern that people were wary and wanted to save for unforeseeable circumstances. The ratio then rebounded as the lockdown opened. Such a trend was observed in the first quarter of FY22 as well when the COVID cases peaked and people conserved cash. The present persistency ratios are stable for the industry showing confidence in the product and the company.

13th month persistency ratio



[1] For 12 top private players

Growth Propellors for the Life Insurance Industry



1. Rising awareness about life insurance products, not from savings standpoint but from financial security standpoint especially after COVID-19 shocks. People have also shown faith in the companies and IRDAI specifically as claim settlement turned out to be very efficient during COVID-19. The pandemic has worked in favor to accentuate the need for term and health plans, especially among the Tier II/III regions, which felt the burden of COVID-19.

2. The increase in life expectancy within the Indian population is in line with the world. The increase in longevity, accentuated by advanced aging research, can help the life insurance industry to transform its products accordingly.

3. IRDAI recently relaxed its regulation on insurers as far as their corporate agency and bank tie-ups are concerned. Now, any financial institution such as banks can tie up with nine insurers in each category of life, health, and general insurance, which is expected to bring in a plethora of tie-ups among banks and life insurance companies.

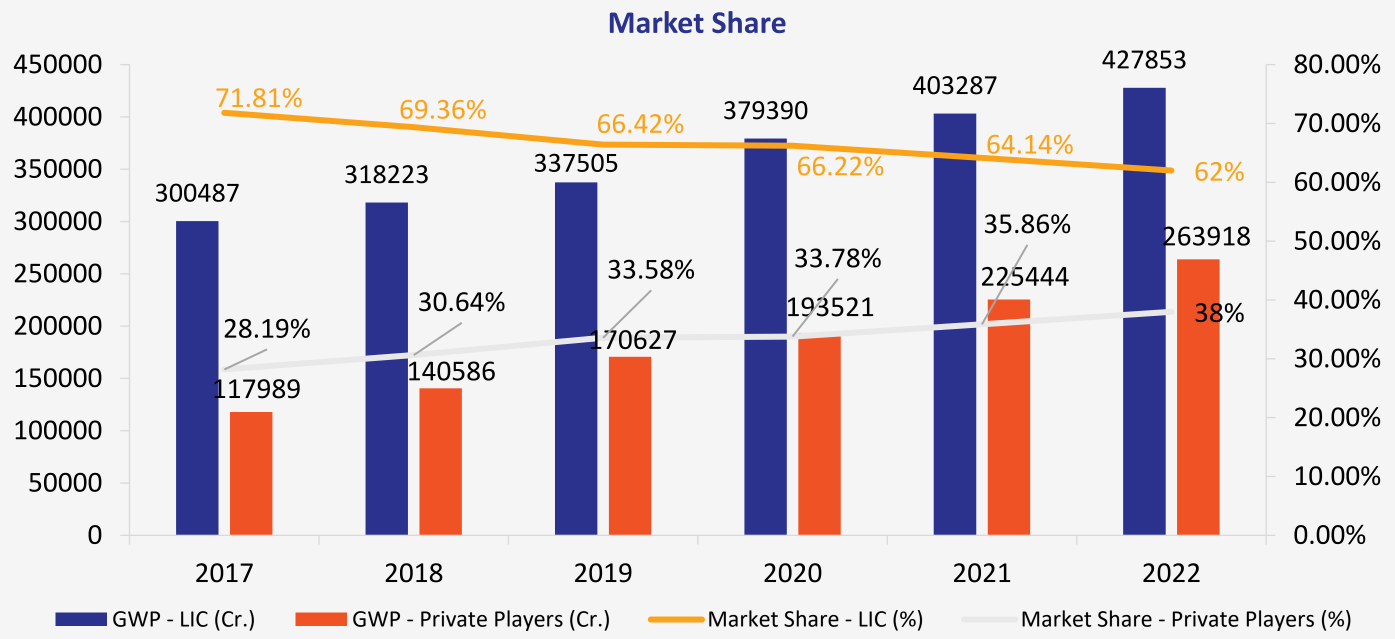
4. The speed of digitalization, its impact on product innovation, customer outreach (delivery through online mediums), and automation in processes such as onboarding, and claims settlement has paved the way forward for the companies.

5. Furthermore, Insurtech tie-ups, for example with the likes of Policybazaar and other online aggregators are proving useful for simple products. Insurers are also showing an increased interest in partnering with local fintech/Insurtech companies which are serving specific markets in the Tier II/III regions.

Private Players Gaining Market Traction in the Life Insurance Ecosystem

The industry's structure have evolved, wherein the private sector companies gained traction and reported an increase of 10% over the last five years. Their market share increased from 28% in 2017 to 38% in 2022. The public sector player, Life Insurance Corporation of India (LIC) continues to be the leader in the industry, followed by SBI Life, and HDFC Life. This increased traction can be attributed to their customer acquisition strategy, which was primarily targeting metro cities. The companies have started offering a product mix where they have sold an increased share of protection plans with a higher sum assured. Digital competence proved to be an added advantage as transactions at both customer and company ends became more prevalent and preferred through digital channels and apps.

Private players – SBI is the top player in the market followed by HDFC Life and ICICI Pru

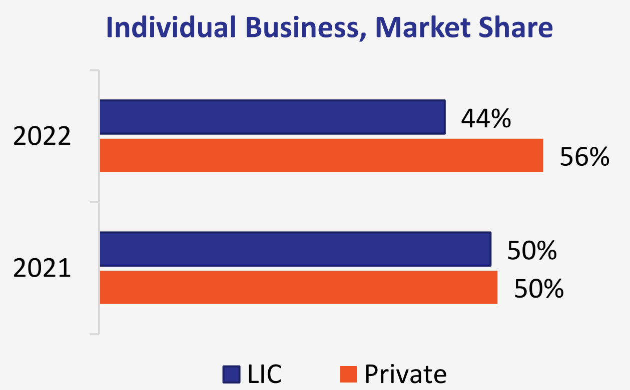


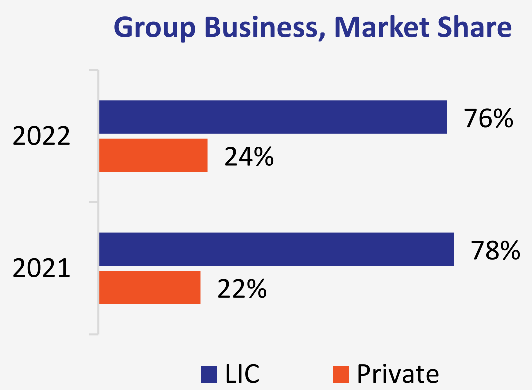
Source: Economic Times, IRDAI Annual Report 2020-21, IBEF Report

The growth in group premiums outpaces growth in individual premiums. Individual business premium had a 10% growth in FY22, with the private insurance companies clocking in a 23% growth. On the other hand, group business had an overall industry growth of 14.93% in FY22, with private companies witnessing a growth of 23%.

In Group Business, **HDFC Life is the dominant player with 6.7% market share**, registering 24% growth from 2021, whereas other players witnessed =<10% growth (from 2021). Private insurers are also increasingly offering group life policies as an employee benefit. Such policies, where the risk pool is diverse leading to lower premiums, are cost-effective employee retention measures.

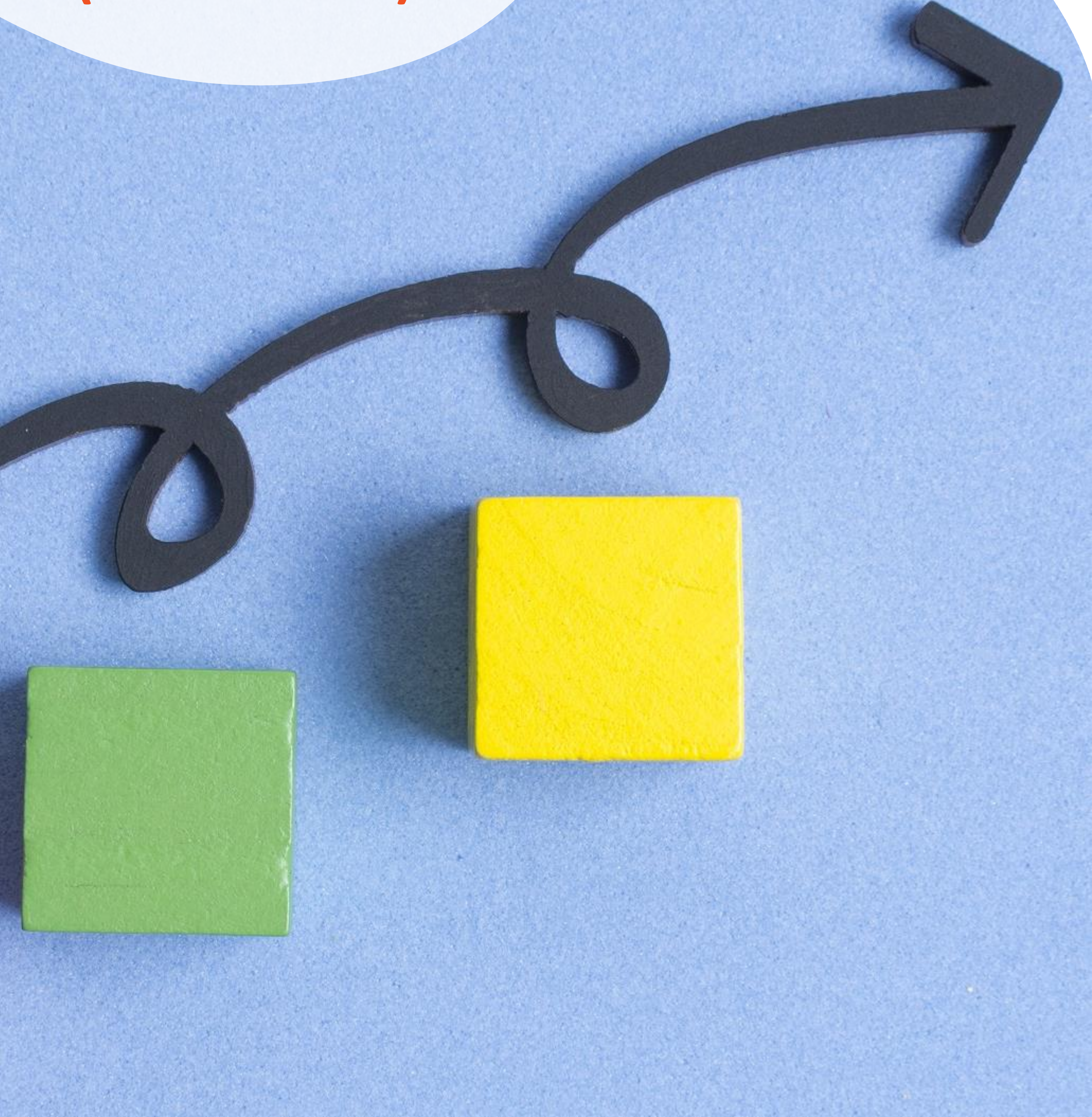
Among private players, in individual NBP performance, **SBI Life was the top player with 13% market share** (and 32% growth from 2021), followed by HDFC with 9% market share and ICICI Pru at 7% (registering 15 and 18% growth from 2021, respectively).





Source: IRDAI Reports, FY21 & FY22

Transition in the Life Insurance Industry (2017–2022)



The industry has been on a phenomenal journey over the last two years, when the customer perception of life insurance completely changed. The companies in the ecosystem responded to the need that arose because of the pandemic and took some quick strategic decisions for those difficult times. This has now created a large headroom for insurance penetration. Additionally, government plans such as the Pradhan Mantri Jeevan Jyoti Bima Yojana for low-income customers are adding to the impetus.

The industry, which is primarily relationship-oriented and dependent on personal meetings to sell products, changed the format because of travel restrictions and social distancing norms. The industry's selling activity moved from a system of physical handshakes to a virtual set-up. This required upgrade of the IT infrastructure as well as people management. The companies were quick to adopt latest tools and platforms to address evolving needs of customers. Various aspects that saw a sea change include:

Use of AI models, predictive analytics for underwriting and claims processing, policy administration and risk assessment, customer relationship management, and more. Insurers are offering pre-approved sum assured products which are built on AI/ML models. In addition, some insurers are speeding up claims processing where a ceiling amount is fixed. Claims of amounts below the ceiling are processed automatically.

Use of technology to service customers, for example, integrating business systems with Aadhar, CKYC, IIB, credit bureaus, and account aggregator platforms to assess the financial profile of customers, helps to onboard the customers faster

Demand for the Protection Plan and Tailored Product Solutions

COVID changed the perception and behavior of people about health and security. It made consumers re-think their financial planning to deal with such crisis. Cutting down on discretionary spending, saving for emergency funds, and getting insurance for self and family became a priority for many. A snap poll conducted by Benori, asking about the importance of buying life insurance policies after COVID-19, indicated that 91% of the respondents feel that it is extremely important. Furthermore, it revealed that 66% of the respondents find financial safety for the family to be a major motivation behind buying a life insurance policy. The product, which was earlier seen as a way of investment is now considered as protection.

The industry witnessed strong growth in the protection business along with single premium policies to avoid committing to long-duration annual premiums while saving some costs. Guaranteed as well as annuity products also saw good growth during this period (2021–22), while unit-linked products witnessed muted growth. Although ULIPs have declined they are expected to improve as there is an appetite for wealth creation along with life cover. According to a survey by Bajaj Allianz, affinity toward ULIPs will grow as investors want more flexibility to manage funds and growth wealth. 92% of respondents in the survey mentioned increased affinity toward ULIPs after the pandemic.

Looking at the industry scenario for product choices, players are trying to strike a balance with their product mix. Major players have now reduced the ULIP portfolio to give way to protection plans. ICICI Pru, HDFC Life, and Max Life have reduced the share of ULIPs in their mix during the last five years. ICICI Pru had 82% in ULIPs in 2018 and now have around 48% in 2022. HDFC Life and Max Life insurance have an equally distributed product mix and boast of an innovative product suite catering to specific customer needs at different stages of their life. LIC is also revamping its product mix to compete with its peers.

Furthermore, some life insurers are now taking the next step toward product innovation. This personalization of products happened in 2021 and some differentiated products tailored to customer needs to enter the market. The insurers are playing on various mixes/combination of protection and savings components in a product, according to the age, choice, and other characteristics of a customer, which is giving them an extra edge over others. This type of flexibility allows companies to target a wider segment of people than just a small and specific one. Another example is Bajaj Allianz, which launched value-packed products namely, Bajaj Allianz Life Smart Protect Goal and Bajaj Allianz Life Guaranteed Pension Goal, their term and annuity products, respectively.

Another important trend noted by many experts is the channel mix slowly driving the product mix within companies. For example, it is observed that major par contribution in the product mix among agency-driven companies because of higher commission on par products. Experts believe this is bringing forth a change in the company strategy to move toward more popular, non-par products as mentioned above. Bancassurance, the most popular channel, is primarily dealing in ULIPs and non-par and the direct channel (DST) are focused on ULIPs. The share of non-par products in Ind. APE rose to 22% in FY22 from 18% in FY20. Experts mention that, although the mobile penetration which leads to knowledge generation is increasing, knowledge about par products in rural India is still lacking. Non-par products are expected to thrive there.

The consumer realization about life insurance products and financially securing future will continue to hold fort with term plans and guaranteed return plans. Plans such as child products and retirement solutions is also expected to have demand in the future. As innovative products are making their way to the market, insurers might look at bundling offers with hybrid features, customized/customer-centric solutions to suit customers' needs.

Bancassurance is the Most Prominent Distribution Channel, and a Vehicle to Drive Further Penetration

Bancassurance as a distribution channel has proved to be very effective and profitable for insurance companies because of the reach of banks across the country. Better NBP performance by the bancassurance-driven companies is another booster for channel growth (as compared to non-banca-driven companies). Following are some reasons for customers gravitating toward banca:

Bancassurance provides hassle-free experience to its customers based on their specific needs instead of offering them a generic solution. Moreover, customers already have relationships with banks for a long time which makes them put faith in the banks.

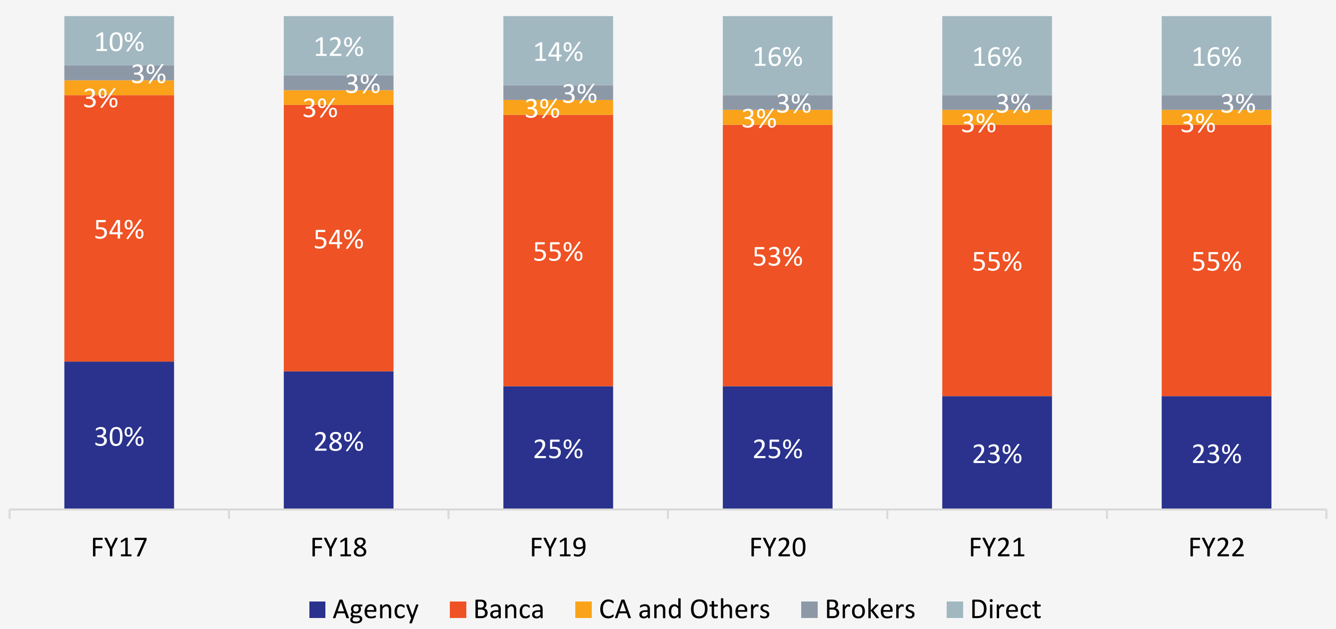
Banks do not shut shop, which goes on to solidify the trust level of the customers and provides service consistency for insurers.

Banks have a more holistic understanding of a customer's wealth management and their credit journey than a regular agent who only sells a specific line of business. Therefore, banks are in a better position to understand the customers' needs at different life stages and align them with a matching product.

Banks are also the best channels (along with agency) to gain trust in Tier II, and III and below areas where people have high faith in banks and bankers. Customers' perception about banks, even if the staff is changed/posted out of the branch, is positive.

Direct channel is also a growing sector along with bancassurance. They are replacing the traditional agency channel, which has been declining consistently within the channel mix for the last five years.

Distribution Mix

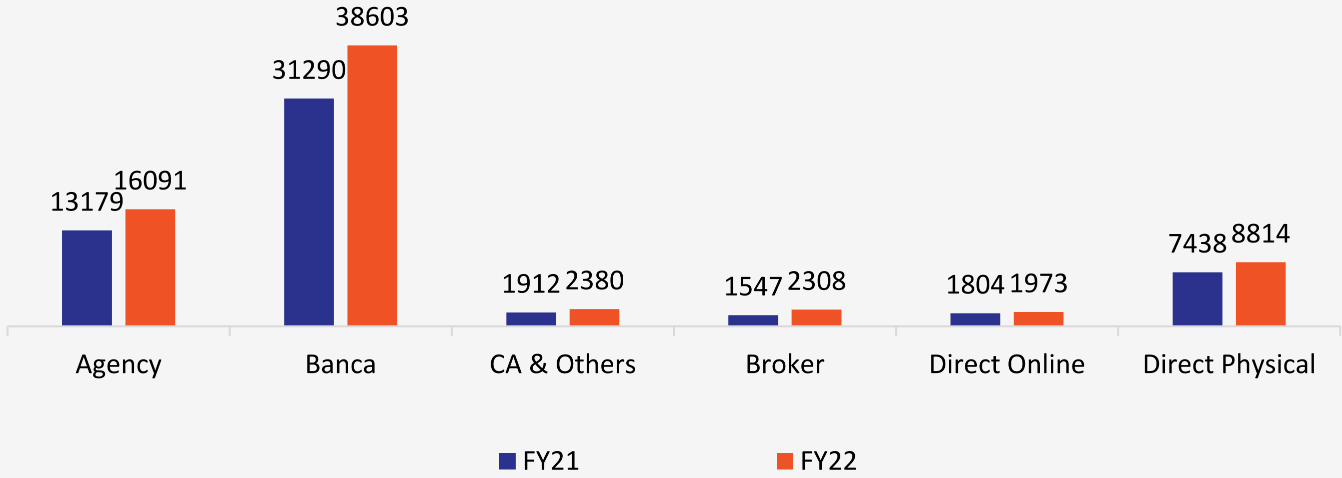


Source: IRDAI Public Disclosures, FY22; HDFC Life FY22Q4 Investor Presentation

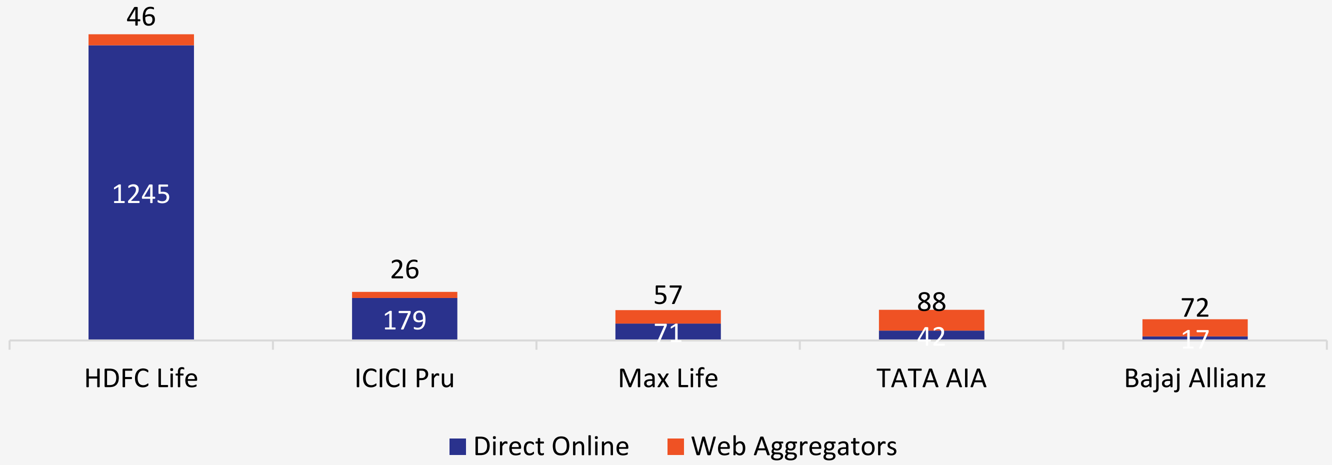
The top 10 insurers in the industry have garnered maximum business from the bancassurance channel. Agency is generally the second-most popular distribution channel among the companies except some such as HDFC Life, Kotak, PNB MetLife, and Canara HSBC where the direct channel has been slowly gaining traction with an industry growth rate of 9% from last year. HDFC Life has a strong online distribution space, with 11% of their sales coming from the channel. This is the highest in the industry, except for Aegon (70%) who is practically an online insurer.

The Life Insurance Corporation of India (LIC) is looking to ramp up its bancassurance channel by increasing the share to 8–10% of its total premium in the next 4–5 years. Bancassurance currently accounts for 3.6% of their total premium. LIC is also focusing on its digital channels, associating with Insurtech companies for distribution and digitizing its operations/IT infrastructure to be future ready.

Private Companies: Channel Growth, FY22 Vs FY21



Online Channel Split: Direct Vs Web Aggregators



Source: IRDAI Public Disclosures, all Ind NBP values are in Cr.

The agency channel has experienced a decline from 30% in 2017 to 23% in 2022. This is because, banca enjoys a trust by virtue of the relationship it has with customers, wealth management expertise, and product mix it sells. Banca primarily sells non-par and ULIPs that have a high demand as compared to the products that agents sell (par product-line). Although the agency channel is losing its market share, it is believed that it will stay relevant in future as well because the rural expansion of the business is driven by them. They are also a very fast medium to create awareness in the market about the need of insurance. Local insurance agents play a significant role in developing the much-needed trust among the Tier II/III population, wherein, although there is a high mobile/digital penetration, the knowledge base is still based on information circulated in the community. This is very evident in our snap poll regarding the popularity of various channels in life insurance which indicated that 60% of the respondents buy life insurance policy through an insurance agent. The agency channel is also moving toward selling non-par products to be in sync with the market demand.

All channels have witnessed significant growth in the industry: -

Within the Agency channel, SBI Life (+27%), ICICI Pru (+32%), HDFC Life (+24%), Bajaj Allianz (+34%) have the most business among all private insurers, when compared to LY FY21. Also, India First showed exceptional growth of 89%

All private insurance firms have around 6,000 branches together, countrywide with an estimated individual agent number of around 11 Lakhs. Of the 28 states and 8 UT's, 24 states have all the districts with life insurance coverage

All companies, except three, have seen growth in their business through bancassurance channel. Bajaj Allianz, previously a non-banca company, have shown exceptional growth in the channel with 98% growth in business

SBI Life witnessed a historic high (10.7K Cr) in business gains through banca channel, its most dominant distribution channel, with more than 2 Lakh branches across the nation. This growth is also due to its several banking partnerships with non-SBI PSU banks like Allahabad Bank and Indian Bank along with bancassurance partnership with private banks like Yes Bank

FY22 saw a significant growth of banca channel among private insurers, clocking at 23% from last year

Corporate Agents: Non-Banks and Broking channel had a steady growth from last year with rates of 24% and 49% respectively

Furthermore, mobile penetration in India is at around 90%, of which around 65% are smartphone users, as data is the cheapest in the world. This is acting as a catalyst to growth in market-specific Fintech/Insurtech companies, which are serving different Tier II/III regions and proving to be viable partners for insurance firms to get an opening in these markets.

Insurtech is emerging as the latest and rapidly growing distribution channel. According to a report published jointly by IIA and BCG, global funding for Insurtech companies have grown seven times, even during the pandemic. Number of Insurtech unicorns have also risen steadily across the world.

The presence of omnichannel is what needs to be driven by insurers to reach out to its customers along with the technology inclusion. A good example is Bajaj Allianz, which is aggressive in all the channels. It recently tied-up with Department of Post to sell its point of sale (PoS) products. This will enable Bajaj to access a network of 1.57 lakh post offices, driving deeper penetration into rural markets.

Insurtech — Driving Innovation Across the Value Chain Using Advanced Technology[2]

The effect of COVID-19 crisis has encouraged customers to switch to Big Techs and new-age Insurtech . In India, the digital revolution is bringing in companies that are leveraging IoT, AI, Big data analytics to understand changing markets, risks, and creation of innovative products.

Insurtech firms are the new-age drivers of the insurance industry, and they are set to play a central role in the post-pandemic industry scenario. The new features driving this changing landscape of the Indian insurance industry are as follows:

Providing customers, a complete package of services beyond insurance, like a one-stop shop for financial advisory

Data-driven decision making – operating with an extensive data repository to target new segments

Effective use of technology to enhance customer experience and channel partner onboarding process

According to the data by IBEF, there are currently more than 110 Insurtech start-ups operating in India. S&P Global Market Intelligence data says that in the Asia-Pacific region, India is the second-largest insurance technology market. The country accounts for 35% of USD 3.66B of Insurtech-focused venture investments.

India has three Insurtech unicorns, namely Policybazaar, Acko and Digit Insurance in addition to seven emerging players. Key reasons for this unprecedented growth in Insurtech in the last three years, include rising awareness in Tier III cities and beyond, widespread use of women-centric insurance products and better SME participation.

Few key areas where Insurtech's are disrupting the traditional insurance market include:

Automated underwriting process using advanced AI algorithms

Faster application process using advanced technologies and user-friendly mobile applications

Automated claims process

Insurers are fast realizing the need for advanced tech-related capabilities of Insurtech companies which are using AI and Machine Learning (ML) among other technologies to make customer targeting and onboarding smoother. Localized Insurtech companies are encouraging new ecosystem for partnerships in under-served or unserved segments, especially from rural India. **Currently, the Insurtech market is dominated by Policybazaar (~93%).**

Before collaborating with Insurtechs, the insurers are gauging if the specific market, that the Fintech/Insurtech is serving, is representative of their client base and the robustness of their underwriting system. One recent example is agri-tech startup, nurture.farm, an open digital platform for growers, farming communities, and food systems, which collaborated with SBI General and Future Generali to offer insurance solutions to around 2M farmers in their network. This is an example of a niche market that insurance players are trying to break into.

Another example is of DigiSafe, a bootstrapped Pune-based local digital Insurtech startup that works with rural farmers to provide insurance policies customized to their needs. DigiSafe primarily function with on-the-ground, person-to-person sales. Already tied with 10 insurance firms, its product stack includes affordable products that is present across motor, health, livestock, crop, and life insurance.

[2] Survey conducted by Capgemini Research Institute

Life Insurance Industry Outlook: Potential Opportunity

The industry is set to grow at a CAGR of 9% during 2022–2027. According to a Swiss Re sigma study, India is poised to be among the top 10 largest insurance markets in the world. Future trends in life insurance, which will define the industry in the coming years:

Protection will continue to be the focus. The industry will continue to witness increased demand for pure protection products (term plans) across age groups and demographics, despite the hike in its prices. ULIP will grow as well.

Customer engagement will take the center stage in forming strategies. Novel ways of interacting with customers through hyper-personalization and more intimate digital sales interaction will encourage companies to explore new ways to enhance customer engagement and experience.

Investments in data science and analytics are on the rise. AI and machine learning technologies are leveraged to better understand customer personas and needs. Appropriate security measures to safeguard customer information are also the need of the hour.

Ease of access and on-the-go insurance will be an important business objective for life insurers. Insurers are working toward omni-channel partnerships to build a multi-channel capability system. Speed will emerge as a differentiator, and companies are looking to rely on technological advancements and intelligent automation for quick turnaround.

Partnerships with market specific Insurtech/Fintech companies is expected to increase following the relaxation of regulations from IRDAI. Insurance firms are looking to partner with fintech companies or Insurtech start-ups which function in markets that overlap with their customer base. Local start-ups can also assist insurance companies to increase their rural footprint and help to offset their agency-based expense. The multi-channel distribution architecture has enabled insurers to expand their models to include web aggregators (mainly PolicyBazaar), insurance marketing firms, and corporate agents such as digital/fintech companies.

About Benori Knowledge

Benori Knowledge is a global provider of custom research and analytics solutions across industries, including consumer & retail, technology, media & telecom, internet & e-commerce, professional services, financial services, healthcare, industrials and education & social. We offer solutions aimed at supporting our clients' strategic needs that are critical to accelerate their growth and value creation.

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