

Health is the new motor, says IFFCO Tokio's Anamika Roy

IFFCO Tokio General Insurance's MD & CEO, Anamika Roy Rashtrawar is optimistic on the rural markets and growth that is coming in from Tier-2, 3 & 4 cities, riding on partnerships, customised products and sachet products. "We've our contact points and representatives today in over 800-odd locations tier 2,3 and 4 towns and try to expand further."

Ishan Shah, ETBFSI

Updated: July 13, 2020, 13:18 IST

In an insightful conversation with ETBFSI, IFFCO Tokio General [Insurance](#)'s MD & CEO, [Anamika Roy Rashtrawar](#) talks about her outlook on [general insurance](#) industry, business trends between Jan-June, [Covid-19](#) claims and the strategy ahead. She believes there's a possibility of a good upward curve for the industry as there will be a shift in the segment-wise proportion of products in the where health and property uptake would happen. She's optimistic on the rural markets and growth coming in from Tier-2, 3 & 4 cities, riding on partnerships, customised products and sachet products. Edited Excerpts:



Anamika Roy Rashtrawar, MD & CEO, IFFCO Tokio General Insurance**Q. Outlook on the general insurance industry?**

The industry growth will improve in the coming months though there was a blip if you look at the Q1 results of FY20-21. There is a negative growth of only 4.79%, as the industry is in the midst of a crisis of global proportion. [Health insurance](#) has picked up significantly.

In the coming years, health insurance will be the new motor for me as far as growth is concerned. [Motor insurance](#) will not disappear, it will be there, as much as it used to be at 40% of the insurance industry. Presently health is at 22%, soon I have a feeling that health will pick and touch 30% of the industry. Therefore for me, I'm seeing a possibility for a good upward curve coming up for the general insurance industry. Now, I feel that with every uncertainty and crisis, there's an opportunity and in our case, the opportunity lies not only in health but also in property insurance. People are looking to protect whatever assets they have.

I am positive that this industry will not be affected to the extent that we hear so much dismal stories.

Q. How has the Jan-June period been?

Jan-March wasn't that great as new vehicle sales were going down, however, we managed to sail through. During the lockdown, we received lots of fire claims which could be due to various reasons. I can't tell with uncertainty around each case, however, we observed many fire claims have come up. Once everybody publishes their quarterly results, we will know how it is moving. In our case we didn't find it so bad.

In motor insurance, 33% of losses have reduced though it's a very small reduction. Claims due to the COVID-19 [pandemic](#) were much higher than other claims and then comes property where we had seen significant claims this year. However this doesn't affect much as these property risks were reinsured.

The Combined Operating Ratio won't be bad for most companies including IFFCO Tokio. In fact, our combined operating ratio will be less than 100.

Q. How's the uptake in the motor business, considering there's an uptake in the rural market?

Rural market is directly dependent on crops and if there is a bumper crop rural consumption will go up. There was an uptake in the 2-wheeler and tractor business as per the industry reports.

In the month of June, the businesses started trickling in and have seen a slight uptake during the period.

Q. What's the impact and learning amidst lockdown?

The entire ecosystem was moving towards digital and in hindsight the decision that we took two years ago have paid dividends. We moved our digital assets & applications to cloud. So when this lockdown happened suddenly, it didn't hit us at all as most applications could be accessed from different devices without any downtime.

We were preparing for a digital shift and the lockdown accelerated it further and helped us do business in a very smooth and efficient manner. We didn't lose upon business due to offices being closed due to lockdown. We lost business because customers were not willing to pay as they were asking for instalments.

We were clear to keep everything digitally lite because, even if an agent doesn't have a good smartphone he can still operate on a lighter version of our apps. That decision paid us off during the lockdown as not everyone had high-end smartphones.

The entire industry did well and I will give due credit to my competitors as well.

Many claims were settled through digital mode, where we didn't have to send out surveyors for inspection and our customers could do it through their mobile phones.

Q. How're the Covid-19 claims looking like?

As industry estimates, claims related to COVID19 were low as roughly 4% of infected people had insurance. The only concern was that the claim size was high at Rs. 1.5-2 lakh which is

obvious as ventilators, etc are used.

So far around 593 claims have been reported for Rs 9.6 crore whereas 407 claims have been settled amounting to Rs 4.7 crore.

The outstanding claims are in various stages of claims process.

Q. There've been concerns with treatment cost, what are your conversations with your partner hospitals?

Frankly speaking, we are looking at claims on a case-by-case basis in the absence of a proper treatment protocol and being true to the customer. The claims are settled based on whatever rates we have negotiated with the hospitals we are honouring all of that. And so far we are going by the spirit of the policy and our philosophy of settling claims in a quick, fair and transparent way.

Q. Going ahead, what's your focus and strategy

I strongly believe in the power of partnership and we are increasing our partners, be it in the form of agents, bank-tie-ups, motor-dealers, etc.. I firmly believe until we increase these partnerships we cannot grow and there are many people who are in need of face-face service and we cannot reach them on our own. We, along with our partners, can service people better.

Urban-poor needs to be serviced, probably somewhere we forget that segment and that's where we are going to focus. Of course we will leverage our promoter IFFCO's strength in Tier-2,3 & 4 and will continue to keep serving the unserved. We've our contact points and representatives today in over 800-odd locations tier 2,3 and 4 towns and try to expand further.

On customised policies if you see, Covid-19 specific product is one of them and we were the first ones who came up with mosquito bite policy when large cases of dengue were coming 2-3 years ago. We would keep launching small ticket customised policies may-be for cancer, diabetes, etc. We are also open for co-branding. There's definitely something in the pipeline as we file for small sachet products and await regulatory approvals.

