

# Overview of the portfolio of products of a large GI company in India and its evolution over time

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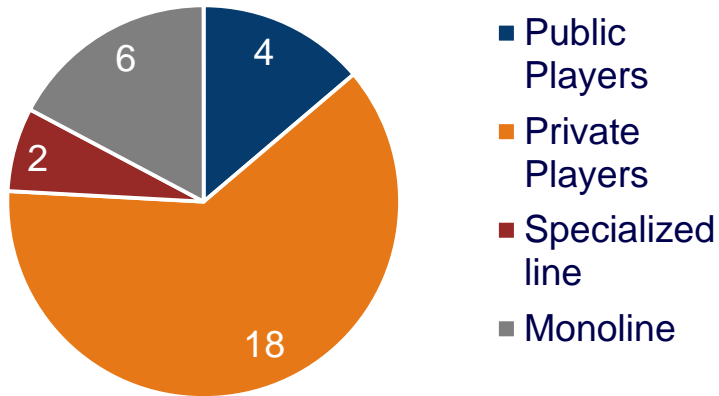
# Key outlines

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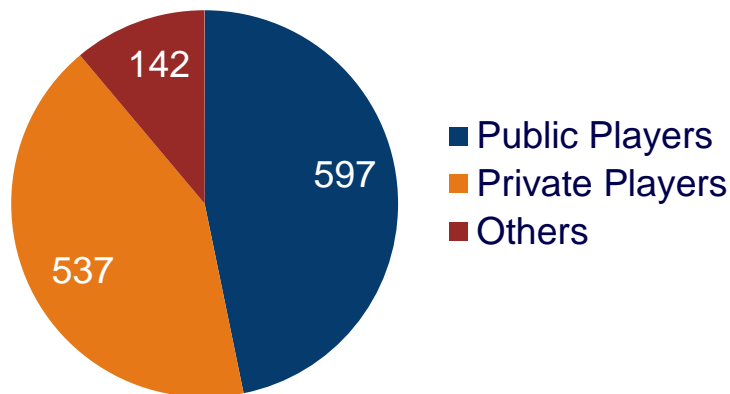
- **Industry Overview**
- **Product Evolution**
- **Impacting Factors & Evolving data sets**
- **Way Forward**

# Overview of Indian Insurance Industry

## No. of Players in GI Industry



## Market mix (figures in billion)

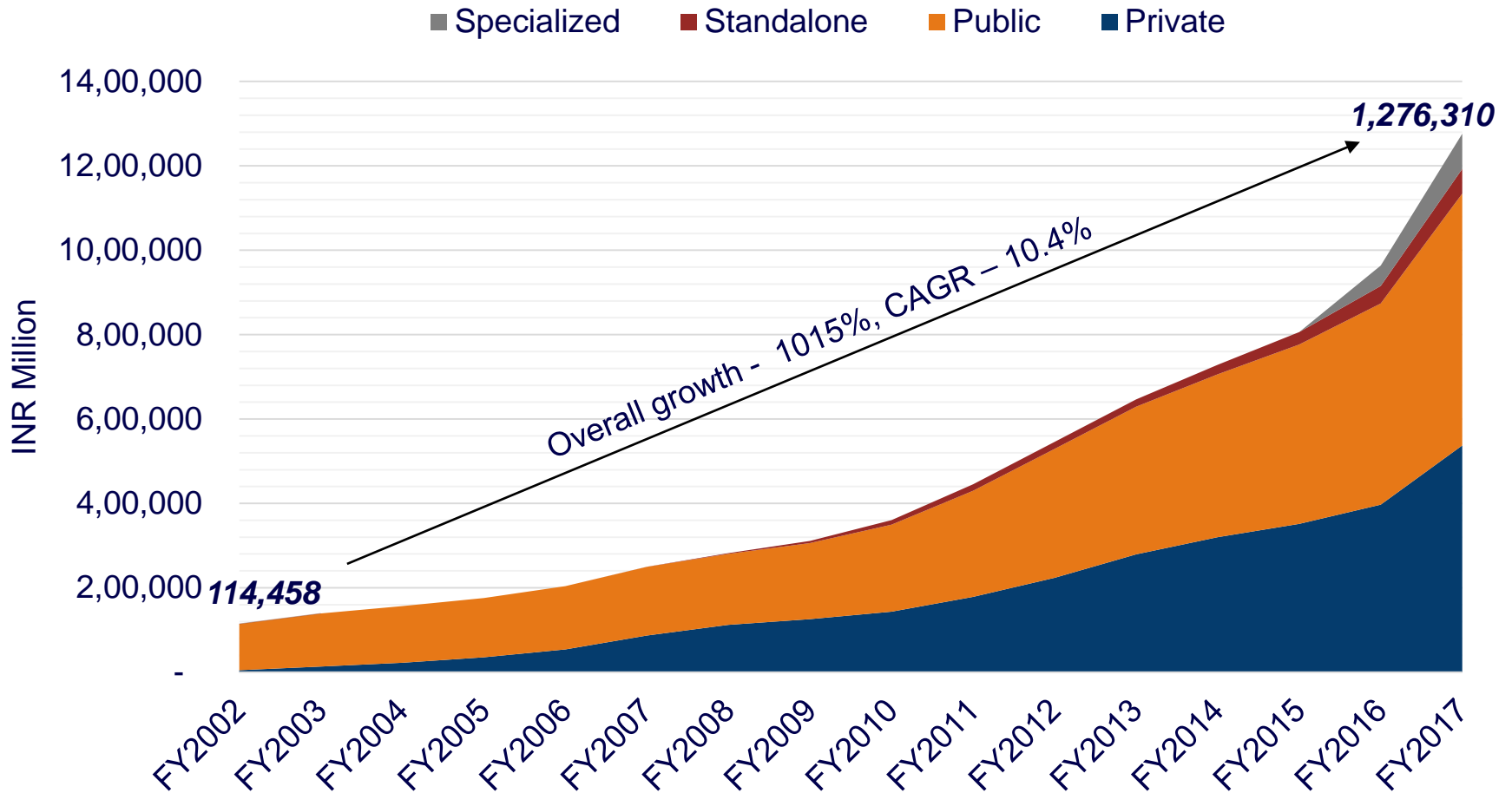


## ICICI Lombard

- A venture by ICICI Bank in GI Industry
- GI industry size 1.27 trillion at FY2017
- Market share stands at 8.4% at FY2017
- Largest Capitalization in Private Sector
- Gross Premium of 107.25 Bn in FY 2016-17.
- Net worth 2016-17: 37.25 Bn
- First GI company to be listed in 2017

\*Industry numbers are as on FY'2017 as per IRDA disclosures

# Industry growth from 2001

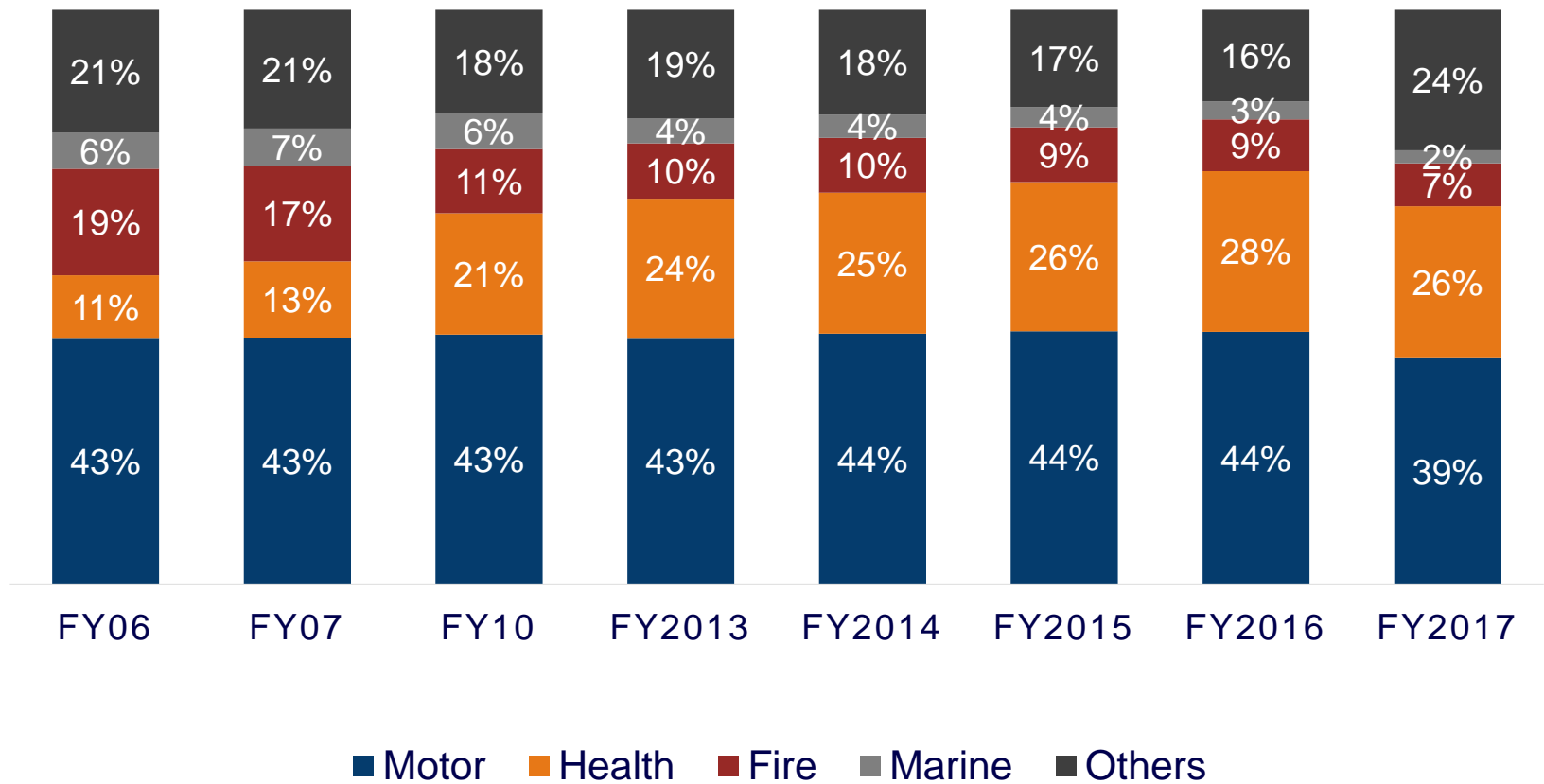


# Underwriting Journey Post Detariffing

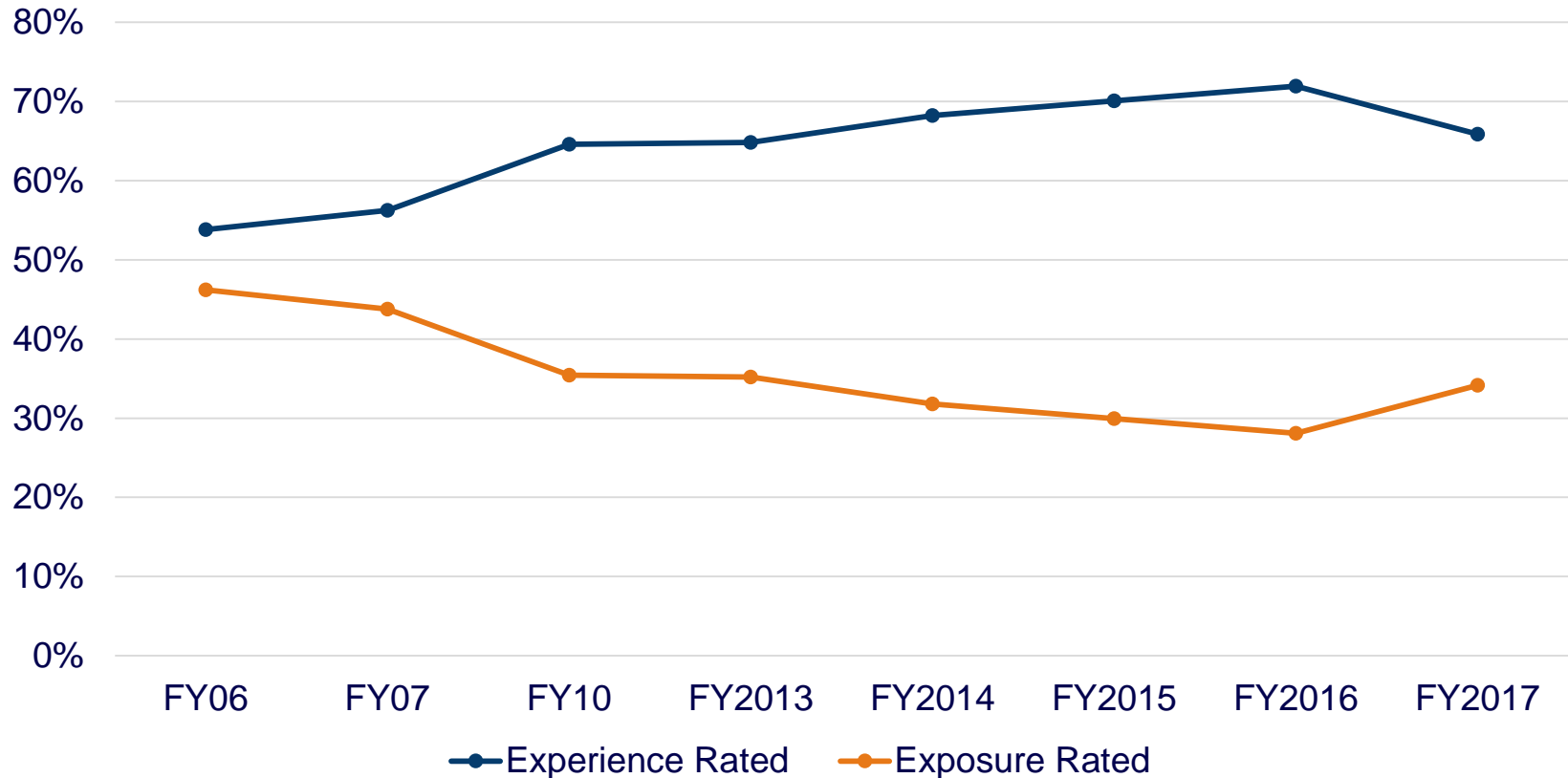


- **Tariff-based pricing moving towards Risk-based pricing**
- **Transition from erstwhile Insurance Products approach to a Risk Management Solutions approach**

# Industry Product Mix

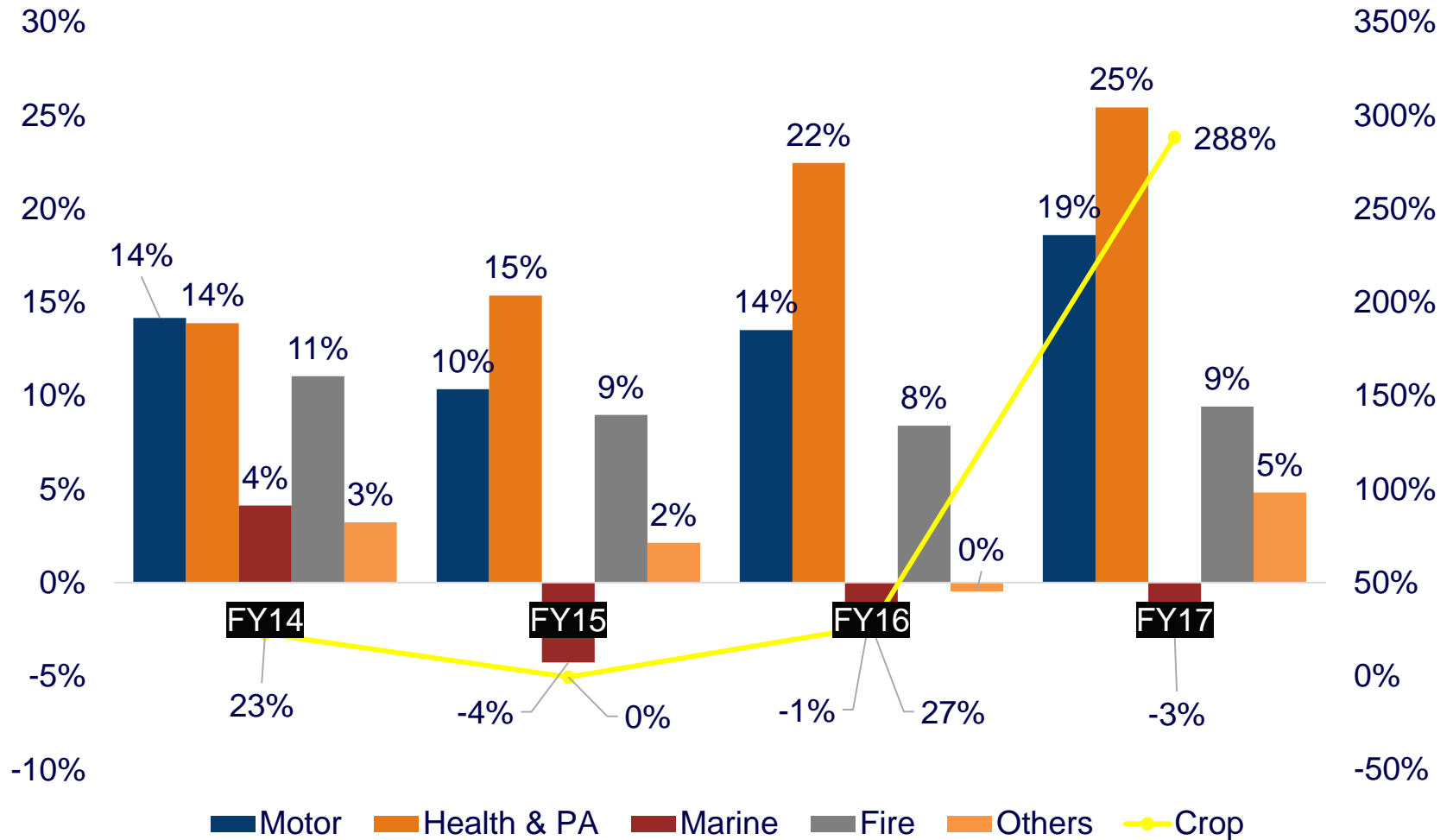


# Industry Product Mix



- **Proportion of GDPI for products under each category**

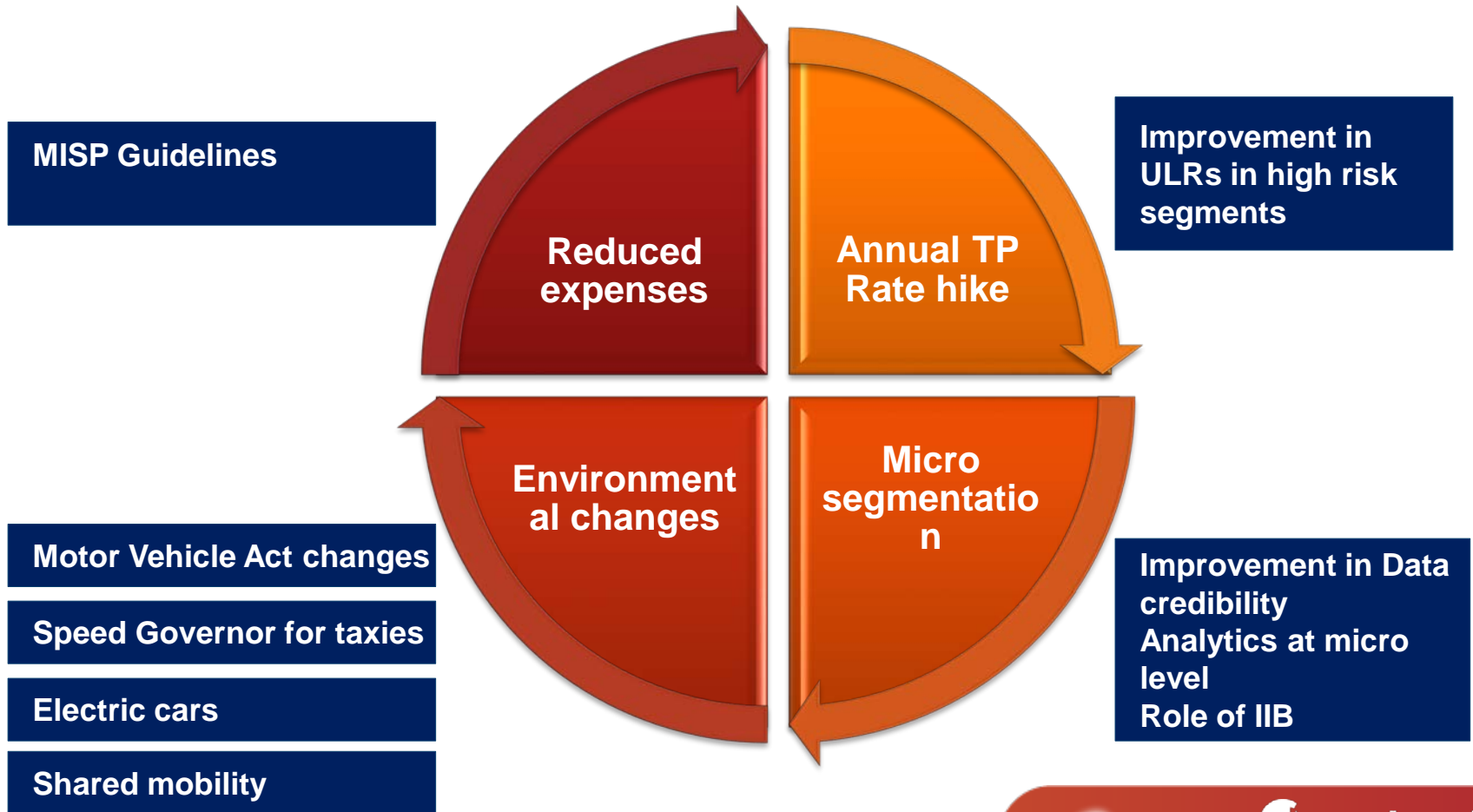
# Industry Product Category Growth





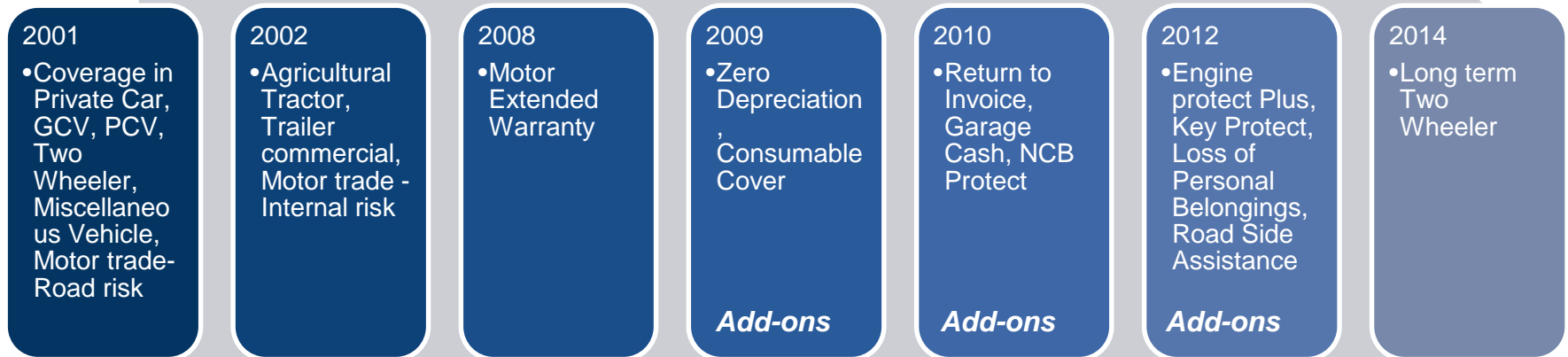
# Motor Insurance - Market Environment

Opening up of new markets due to changes in following market conditions



# Motor Insurance Evolution

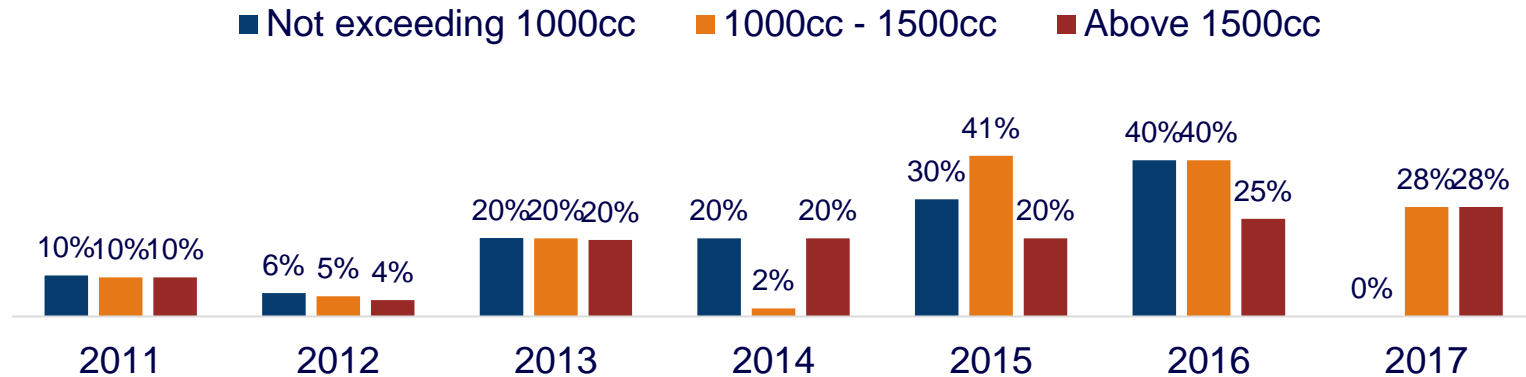
- Covers classified in Package and TP only
  - TP Insurance is still a tariffed industry



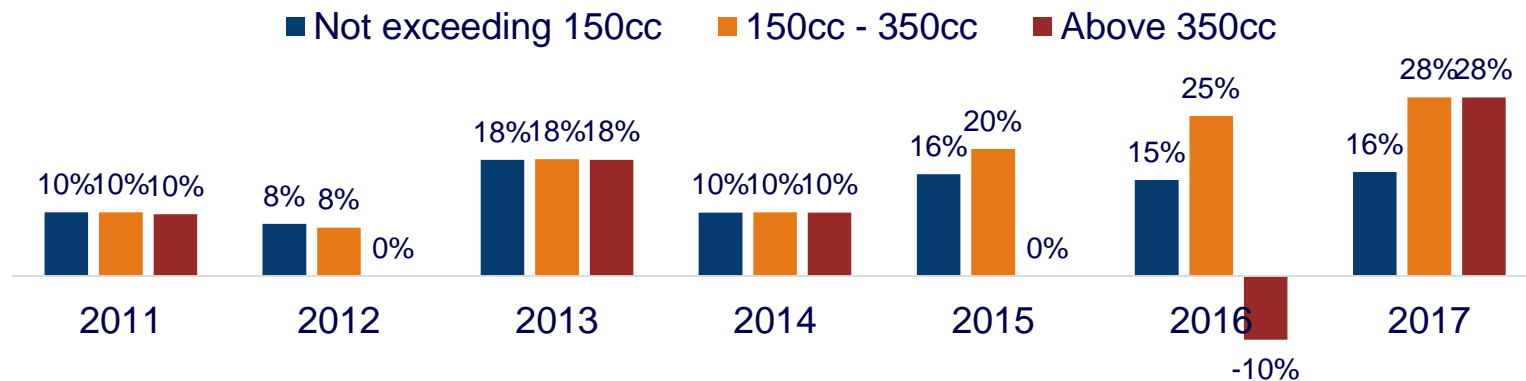
- Exclusions of the past have become add-ons of the future such as depreciation, tyres, Mechanical/Electrical breakdown
- More information will lead to even more coverage's in the future

# Continuous increase in TP Tariffs

## Private Motor



## Two Wheeler

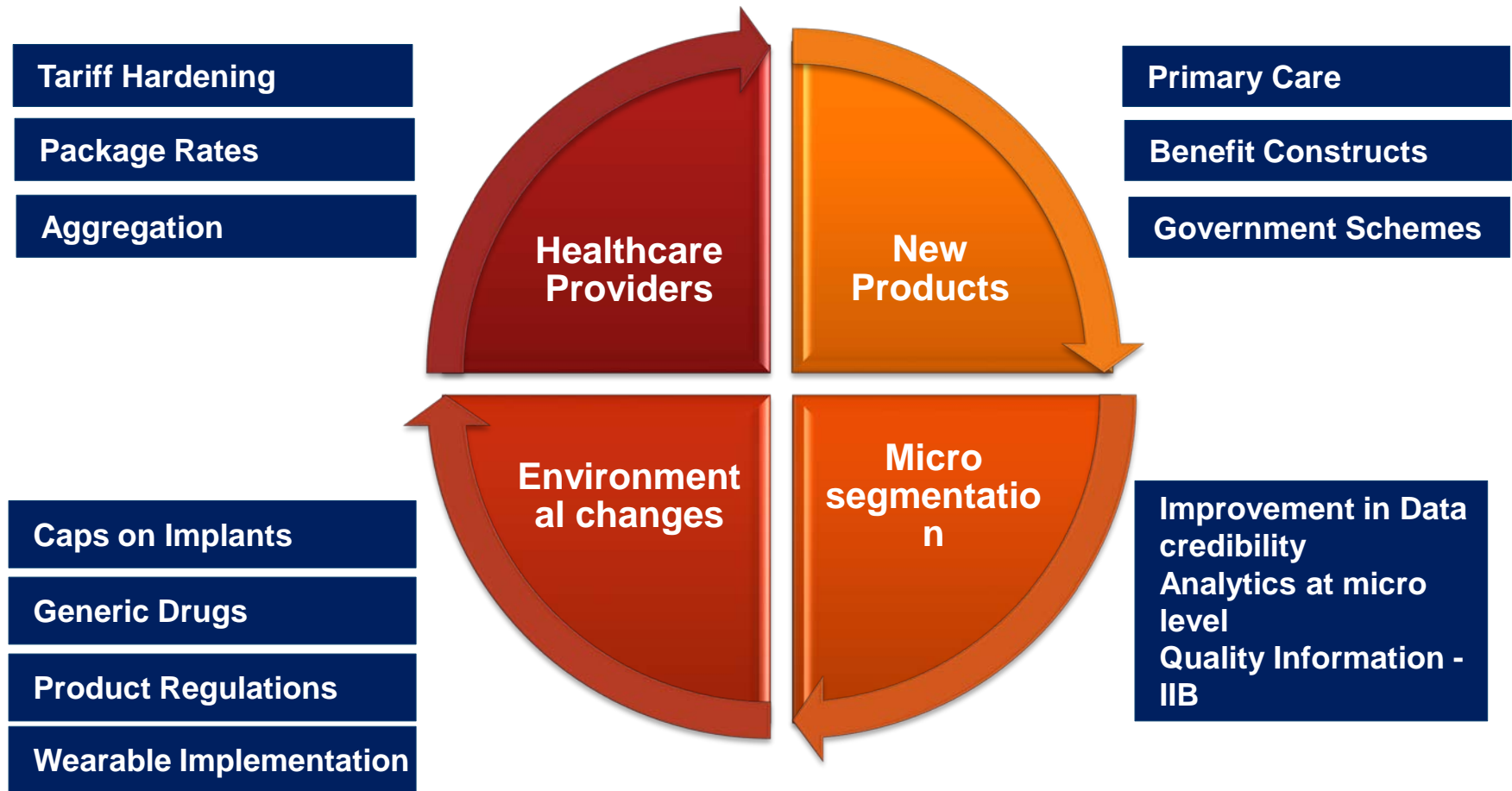


# Impacting factors and evolving data sets

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- **Practices**
  - **Models, location & Age Restriction, IDV deviations**
  - **Add-ons to manage premiums and risk**
  - **Regulatory Impacts on Tariffs, Deductibles**
- **New Data Sets**
  - **Telematics – Usage based insurance**
    - **Mileage, Driving Score, Accident Impact, Speed, Towing and breach of Safety parameters, Customer profiling**
    - **GPS, Route Data, Location**
  - **Auto claims settlement & Fraud triaging: More accurate cover identification and claim applicability**

# Health Insurance - Market Environment



Touch points across continuum of care in customer lifecycle gives a lot of opportunity to Insurers

# Health Insurance Evolution

- Covers classified in Indemnity and Benefit across Retail, Group and Mass Segments

## 2001- 2004

- Health Insurance - Group and Individual, Personal Accident, Hospital Cash, Critical Illness, Micro Insurance

## 2005 - 2009

- Loan Protection, Floater Cover, Top up, Domiciliary Cover

## 2011 - 2014

- Wellness, OPD, Donor Expenses, Compassionate visit, Reinstatement of SI, Cumulative Bonus, International cover, Super top up, Disease specific products

## 2016 - 2017

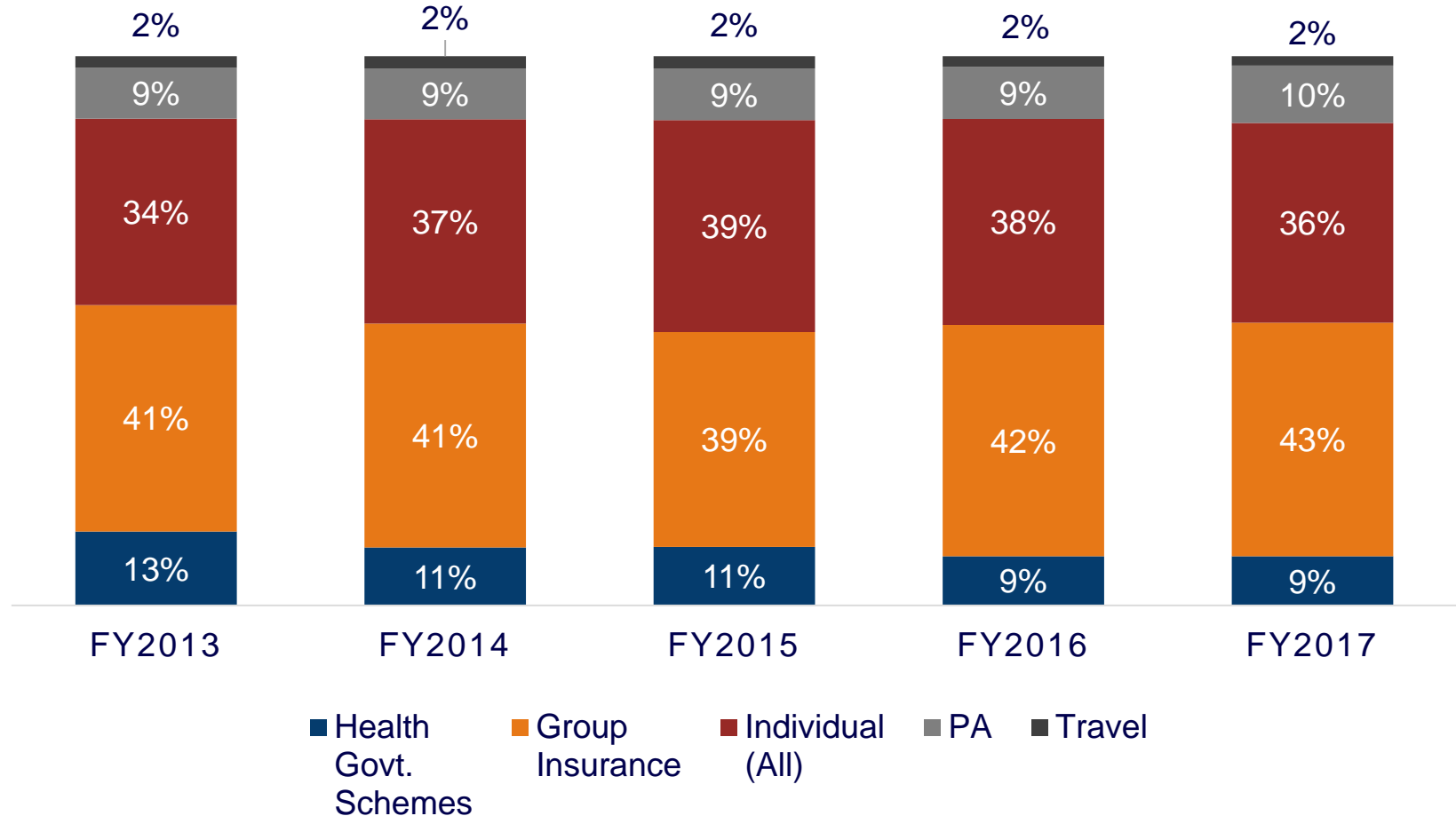
- Claims service guarantee, Wellness linked products, Life long renewability, AYUSH, Long term cover

## 2018

- Standalone Dental, Wearable linked products, Minor procedures under OPD

- Exclusions of the past have become add-ons of the future such as Outpatient cover, Pre existing diseases, domiciliary hospitalization
- Disease specific coverage's' is on the rise
- More information will lead to even more coverage's in the future

# Industry Health Insurance Segmentation



- Proportion of GDPI for products under each category

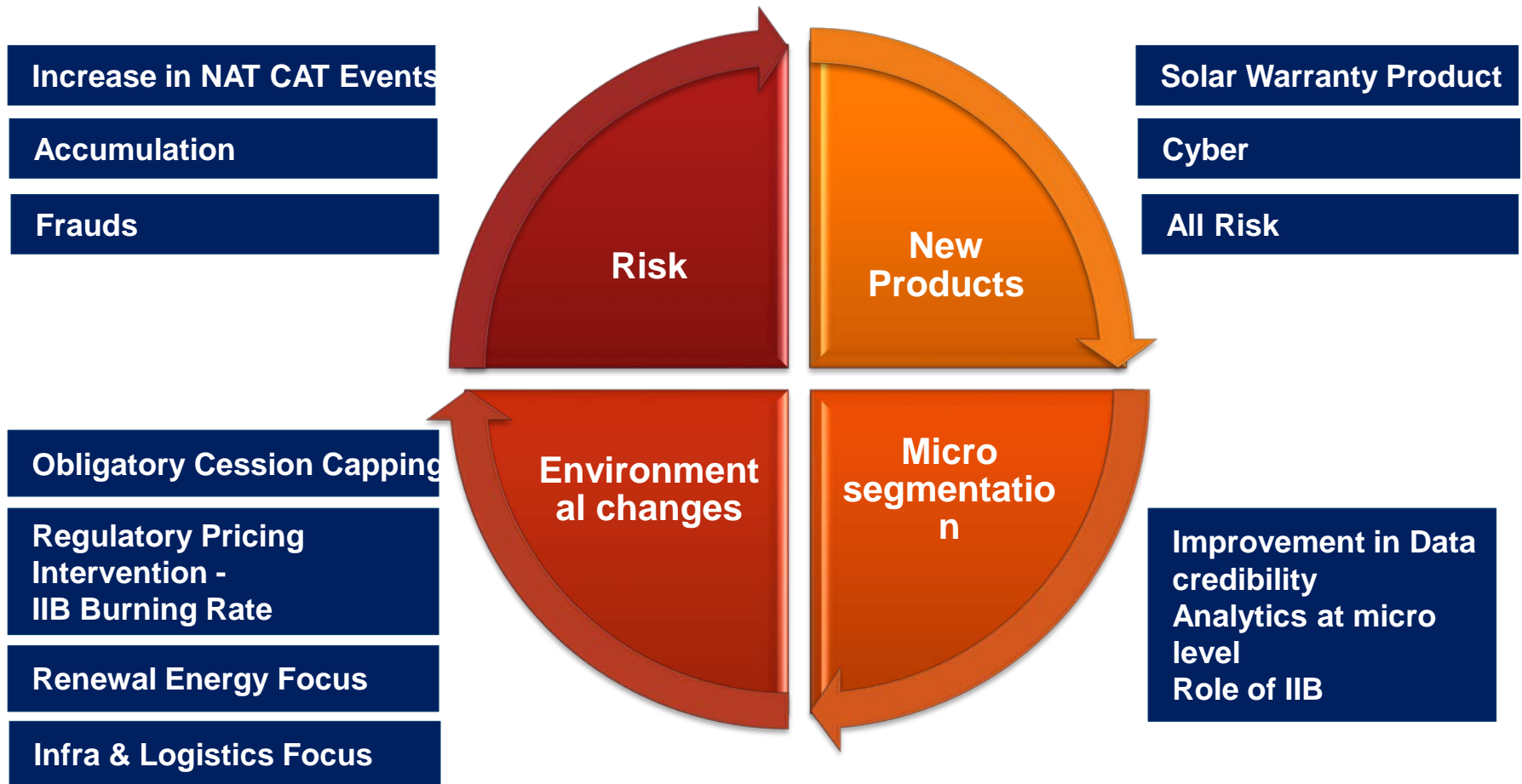
# Impacting factors and evolving data sets

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- **Practices**
  - **Customer profiling and Risk rating**
  - **Exclusions- risk based, Waiting periods and Continuity of benefits for non related ailments (SI Reset)**
  - **Customized cover such as Baby Day1 cover, Surgery Cash, Compassionate visit etc.**
  - **Changes in regulatory environment**
- **New Data Sets**
  - **Insurance to customers classified under anti-selection through disease specific products and programs**
  - **Wearable linked products: Data on fitness, medical parameters, co-relation with diseases**
  - **Primary Care Insurance – History tracking, Progression of disease**
  - **Evidence Based medicines**



# Commercial Lines Insurance - Market Environment



**Risk Selection and Management through monitoring at various levels is changing the current landscape**

# Commercial Lines-Property Insurance Evolution

## 2001 - 2002

- All Risk
- Burglary, Money, Home, Credit / Debit / ATM
- Standard Fire and Special Perils
- Fidelity Guarantee, Inland transit, Export-Import, Merchants Cover
- Plate Glass,
- Baggage, Event
- Civil engineering risks Tea, Windmill
- Contractors all Risks

## 2005 - 2006

- Hull, Port, Stocks
- Art, Jeweler's Block,
- Banker's indemnity, Commercial Political Risk
- Plant and Machinery, Equipment, Construction, Extended Warranty,
- Employment Practices, Protection & Indemnity, Loss of earnings or hire,
- Mega Risk, Delayed Start Up
- Plantation, Energy, Aviation, Cellular Network

## 2007 Onwards

- Autoguard, Automobile Trade Secure, Consequential loss
- Educational Institutions, Employer's Liability,
- Enterprise, Hotel, Industry, Malls/Multiplex, Medical Establishments, Religious Institution, Amusement Park
- Petrochemical, Petrol Station
- Pharma guard, Business Guard
- Wallet, Electronic Equipment

- Covers classified in Fire, Engineering, Marine, and Misc lines of business
- New types of risks come forward every period and the covers follows. Latest one being **Solar Panels Extended Warranty**

# Commercial Lines- Liability & Credit Insurance Evolution

## 2001 - 2003

- Industrial & Non-Industrial Risks- Public Liability
- Product Liability
- Professional Indemnity for Doctors, Engineers, Architects, Consultants, Medical Establishments etc.
- Comprehensive General Liability

## 2006

- Carrier's Legal, Directors and Officers, Employee Dishonesty
- Clinical Trials, Product recall, Brand Protection, Technology
- Kidnap and Ransom
- Public Offering of Security

## 2007 Onwards

- IPO cover
- Premises Pollution
- Crédit
- Cyber Risk
- Insolvency Professionals cover

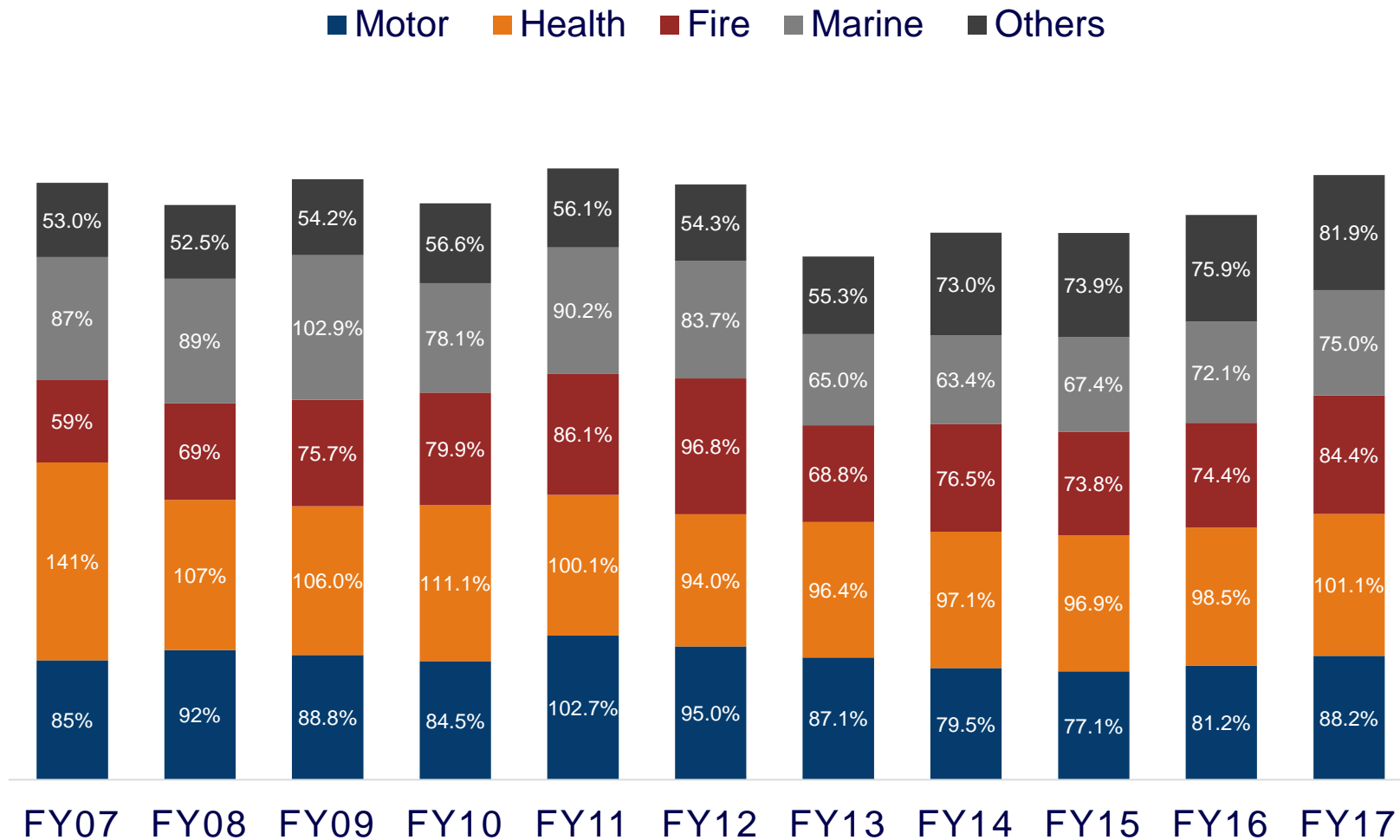
- Covers classified in **Liability and Credit** lines of business
- New types of risks come forward every period followed by adequate
- More risks will lead to even more coverage's in the future

# Impacting factors and evolving data sets

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- **Practices**
  - **Risk Inspection and Management solutions**
  - **Managing NAT CAT and other exposures through reinsurance**
- **New Data Sets**
  - **Cyber Insurance products and evolving risks**
  - **Monitoring data from digital devices**
  - **Exposure Monitoring of risk location through event tracking and heat map generation**
  - **Data from Image Processing**
  - **Exposure data from NAT CAT tracking solutions such as Weather, Flood, Risk score of the location**

# Incurring claims ratio across products



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**Thank You**