

Business Standard

Coming soon: Life insurance policies on a real-time basis

Tata AIG Life set to approach regulator soon on the 'e-life' tablet to be launched in metros initially

Niladri Bhattacharya | Mumbai July 03, 2012 Last Updated at 00:00 IST

Don't be surprised if an insurance agent walks into your home with a 'tablet' in his hand and offers a life insurance policy of your choice instantly, on a real-time basis. Tata AIG Life, to be renamed as Tata AIA Life, has developed a tool that would facilitate instant delivery of all kinds of life insurance policies.

Called 'e-life', the tool will be carried by agents who would suggest an insurance product suiting the need of the customer based on the information provided to him. The data, which are based on discussions with customers (on their financial goals and aspiration), would be uploaded on to the tablet. The system would then run an algorithm that would instantly come out with the total insurance need of the customer.

Based on this analysis, agents would then suggest an insurance product.

Life insurance policies, barring simple term plans, are not available on a real-time basis in India. Typically, an insurer takes at least three days to issue a policy.

ENUMERATING E-LIFE

- Tata AIG Life has developed a tool through which all life insurance policies could be delivered instantly
- This tool, 'e-life', will be carried by agents who will suggest an insurance product suiting the need of the customer
- The data, based on discussion with the customer (on their financial goals and aspiration) will be uploaded on the tablet
- The system would then run an algorithm that would instantly come out with the total insurance need of the customer
- Based on this analysis, agents would then suggest an insurance product

“Once the customer decides to choose a particular product, the agent would be able to fill up the proposal form, take pictures, scan the requisite documents and issue the policy instantly,” said Suresh Mahalingam, MD & CEO Tata AIG Life, which has posted a more than five-fold jump in its net profit at Rs 260 crore in 2011-12, from Rs 52 crore reported a year ago. The customer would be able to pay

premiums through the application, he added.

The insurer is set to approach the regulator soon on the tool. Once approved, it will be launched in the metros initially. Going forward, the company would then develop the tool in vernacular to make it viable across the country. "We have invested in this technology as this is the way ahead," Mahalingam said. "This would save time and cost for the agents. The tool is almost ready, we will be approaching the regulator for approval soon."

This is a part of the new agency structure that Tata AIG Life has undertaken in recent months. It has started a concept of "premiere agents" based on the global best practices of AIA its foreign partner, with 5,000 new agents in November 2011.

The company claimed that the productivity and income of the agents have, under the new programme, increased by more than 20 per cent in the last three months.

Tata AIA Life is the new name

After becoming independent publicly listed company since its initial public offering in 2010, the promoters have decided to rename the company as Tata AIA Life from July 3.

"To create a uniform identity of AIA-owned companies after this IPO, the two promoters of this joint venture have chosen to change the company's name to Tata AIA Life Insurance Company Limited," Mahalingam said. "However, we make this transition just in our name. Everything else remains unchanged."

The shareholding remains the same: Tata Sons holding 74 per cent and remaining 26 per cent with AIA.

"AIA was a wholly-owned subsidiary of AIG, and there was another joint venture between Tata group and AIG in India in Tata AIG General. So, at that time, the two partners chose to go with the global name of AIG in India," he added.