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The power to compare and choose



Insurance remains one of the most difficult products to buy because it is constructed to subvert comparison by retail customers. However, the birth of some online insurance portals are facilitating insurance buying through calculators and comparison software. Some also allow the final policy purchase online.

Buying insurance online is not as seamless as buying an air ticket to Goa or an attractive stock. There are underwriting procedures involved, which would require you to shift gears to an offline transaction. But being able to choose with a few clicks of the mouse is better than meeting a gaggle of agents and decoding agent-speak.

You can buy, renew and file a claim online.

When buying General insurance:

While most general insurance products, such as motor, health, house, travel and personal accident, are amenable to being fully online, offline intervention becomes necessary for people who fall off the normal curve. You could either go to a company's website or a common portal such as Click2insure.in or Policybazaar.com. Once you feed in your details, the policies that suit your needs are listed out. If you know what you want, you could go to the company's website directly and buy it online, provided the company offers the facility.

As soon as the payment is done, the system generates a "cover note", a legal document that works like a policy till

about a month; by then the original papers would reach you.

Offline, this process could take several days with no assurance of getting the best deal. Decoding agent-speak is an art not many of us know.

But, if the insurer sees you as a high-risk customer, the online world is not for you. So, if you are over 45 years of age want to buy a health insurance plan, you

can't escape a medical test. Says Rahul Aggarwal, CEO, Optima Risk Brokers, an insurance brokerage that runs Click2insure.com: "In such cases, the cover note is issued only after a thorough inspection is done."

Life insurance: These are largely offline. Says Kamesh Goyal, country manager and CEO, Bajaj Allianz Life Insurance Co. Ltd: "A high sum assured will always entail a medical test. Know your customer (KYC) norms are also done offline. Until we move to a unique identification number, buying insurance online will be difficult."

Some insurers offer exclusive online products. Aegon Religare Life Insurance Co. Ltd's iTerm is a term plan that can only be bought online. There is no intermediary cost involved here and premiums are lower, but the maximum sum assured is Rs10 lakh. If you want a higher sum assured, you may have to undergo a medical test.

Bajaj Allianz launched an online unit-linked insurance plan early this year, which again passes on the benefit of intermediary cost to the customer. Both the policies have an offline interface to collect your KYC documents or medical tests, if need be.

Yashish Dahiya, co-founder, Policybazaar.com, says: "Given the lack of data, it's possible for a person to lie about his condition, and that is a huge risk for insurance companies. So, pure online sales are tough for high-risk policies."

When renewing

While most life insurance companies let you pay your subsequent premiums online, few general insurance companies offer online renewals. Companies such as ICICI Lombard General Insurance Co. Ltd, Bajaj Allianz General Insurance Co. Ltd, Royal Sundaram General Insurance Co. Ltd and Cholamandalam General Insurance Co. Ltd are active in online renewals. This is easier to do than buying since the insurer already has your details and it is just a matter of moving money to keep the product alive. The onus is on you to remember to do it—the agent won't nudge with calls and mails. Most insurers now send a mobile alert when your policy is up for renewal.

However, if you plan to renew your policy with another insurer, the dynamics of the



Clickable

- Compare across companies, products and options
- Pay premiums
- Renew policies if continuing with the same insurer
- Register claims

Unclickable

- **KYC**, including proofs of residence, identity and income details, still paper-dependant
- **Medical** tests still at the lab
- **Physical** medical bills for health insurance, death certificate for life insurance and surveyors report for car insurance claims
- **Policy** document

game change. Says Kartik Jain, head (marketing and e-commerce), ICICI Lombard General Insurance: "We renew motor insurance policies from other insurers. We need proof of the previous policy to see if there is any

break in. If there isn't any, we even transfer the no-claim bonus. But, in health insurance, portability is still a issue. The customer needs to buy a new policy."

Insurance portals work more to enable comparison and renewals are still pretty much in the offline space. Says Aggarwal: "We have not integrated with all the insurers and, hence, offering renewals is difficult."

When making a claim

Apart from, maybe, lodging a request online, the claim process is largely offline. The online interface becomes difficult since a claim would mean an audit of the damage. For instance, a claim on

your car insurance policy will mean the insurer appoints a surveyor to confirm the damages. In case of your health insurance policy, you will have to call up the third-party administrator—an interface between you and the hospital—to settle your bills. You need to ideally inform the insurer within 24 hours of an incident if you are lodging a claim request online. The insurer should respond within two hours, but from there, the insurer will take the process offline.

These are early days for the insurance industry to transport itself completely to the online platform. However, the industry has begun to gain momentum with specially designed online insurance policies and common insurance online portals that let you shop for best deals. Says Goyal: "Mostly sales happen offline though a lot of customers surf the Internet for information. This is primarily because customers are more comfortable with a human face. As the insurance industry develops, more and more people will be using the online platform. However, this will take more than three to four years."