A Study of Different Bancassurance Models at Apollo Munich Health Insurance, Gurgaon

Submitted By:
Prachi Sharma,
MBA Hospital & Health Management
IIHMR University,
Jaipur

Under the Guidance of:
Dr. Neetu purohit
Associate professor,
IIHMR, University,
Jaipur

INTRODUCTION

- Bancassurance is the distribution of insurance products through the bank's distribution channel.
- It is a phenomenon wherein insurance products are offered through the distribution channels of the banking services along with a complete range of banking and investment products.

Advantages for Banks

•As a source of fee based income
•Product Diversification:
•Building close relations with the customers

Advantages for Insurance Companies

•Rural Penetration
•Multi-channel Distribution:
•Targeting Middle Income Customers:

Need for the study:

- Enhance the sparse knowledge pool of bancassurance in the country then either it be a pure distributor or wholly owned insurer/bank.
- Assist bancassurers by providing a broad based perspective from their peers
- Views the critical success factors that exist in the sales and distribution of bancassurance in india
- Provide a platform for further research to be carried out in the field of bancassurance.

Study Methodology

Research question:

What are the different bancassurance models at AMHI and suggest solutions to make them more efficient?

Research objective:

- To identify the bancassurance models at AMHI and suggest solutions to make them more efficient.
- To recommend a transparent communication channel between insurers and customers.

Research objective:

1) To identify the bancassurance models at AMHI and suggest solutions to make them more efficient.

Data Collection:

- **Organizational process notes**

  The main source of information was the organizational process notes that includes the customer journey during a policy issuance. In addition, we looked at guidelines that address problems, gaps and potential solutions.

- **Corporate filings**

  To identify the key stake holders and technical compatibility (specifically IT) corporate filings such as Business Required Document was also referred.

- **Other Sources**

  To have in depth understanding of the process, members of the banca department were queried for identifying promising approaches to improve the issuance/onboarding process. Input included interventions being discussed in meetings with business excellence team and higher officials.

2) To recommend a transparent communication channel between insurers and customers.

<u>Data Collection:</u>

- **Contact Centre data**

  To formulate a new communication plan, the repeat calling data of past one year was referred and the repetitive queries were addressed.

Research Design

Descriptive (Cross-sectional)

Study Area

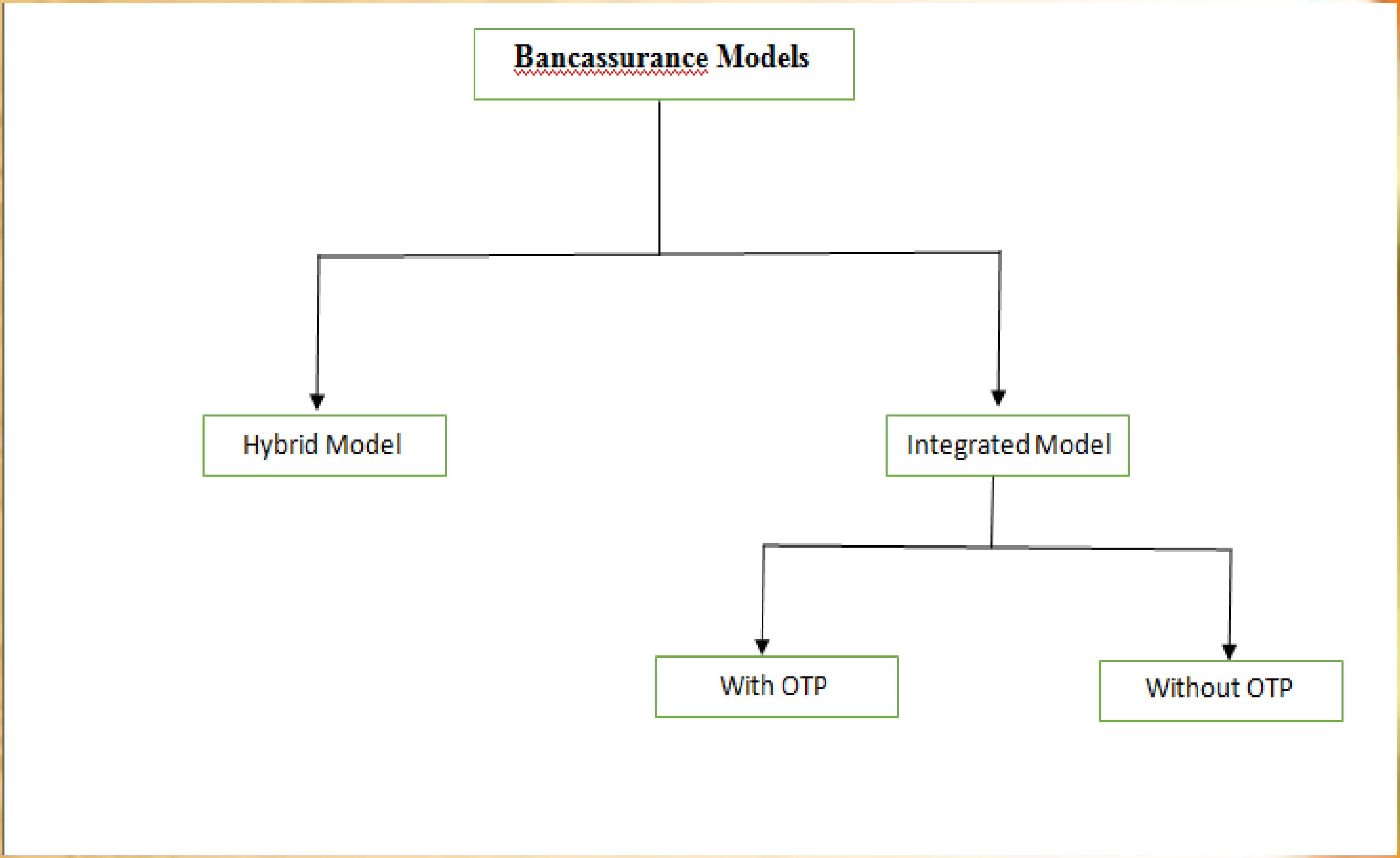
Gurgaon

Period of study

3 months

Research Findings

Group Bancassurance Models at AMHI



Hybrid Model:

- This is an offline Policy issuance model being used by one of their Business Partner's which includes Scanning of the applications from their locations, Quality and Data Checks at Vendors location and finally issuance being done by AMHI.

Integrated Model:

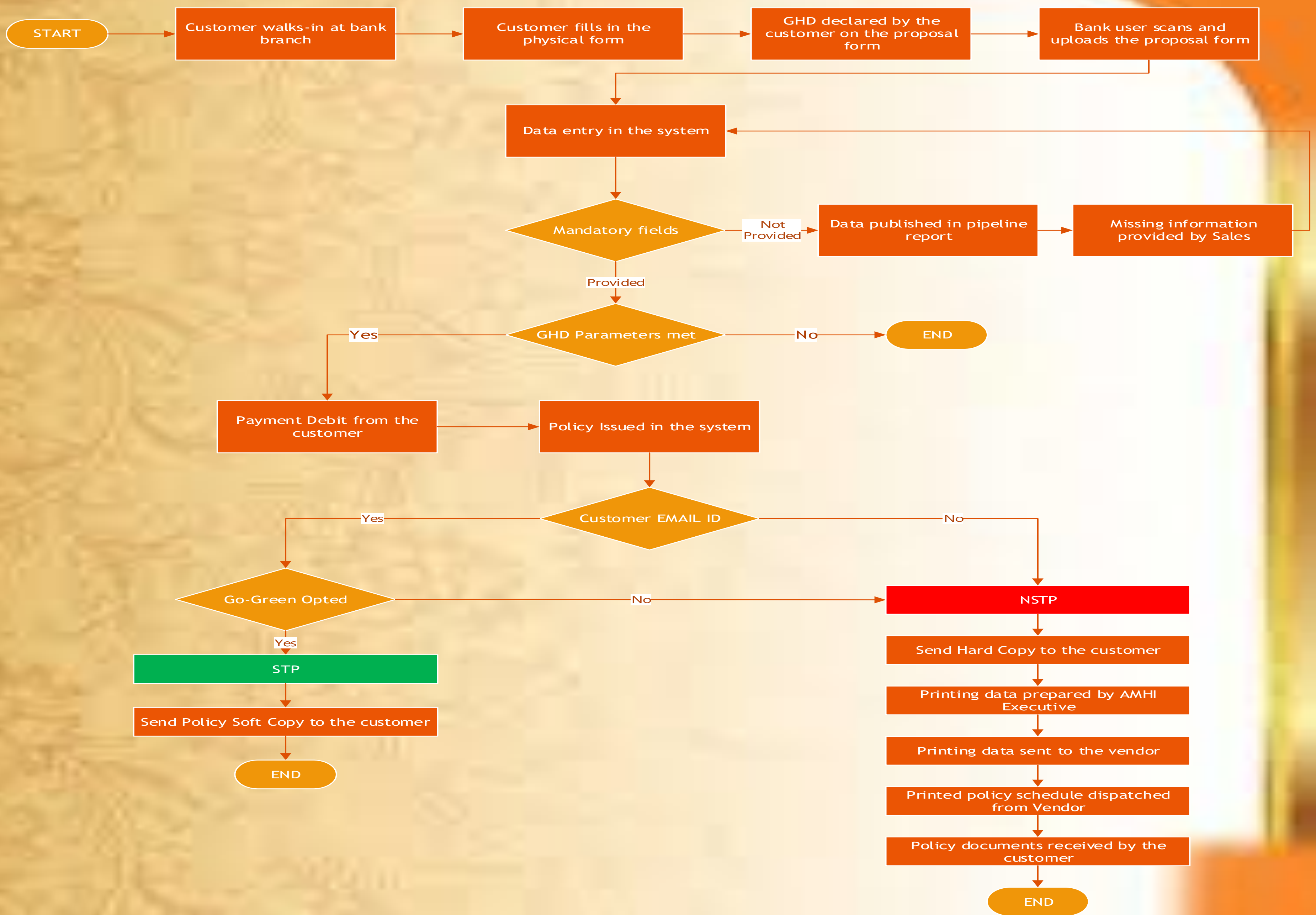
- This is an online integrated Policy issuance model wherein we can integrate the Partner Front and AMHI front end with our Policy issuance system. Policy Issuance can be done either by OTP generation or through Physical Signature on the forms.

Onboarding Models in Different Banks:

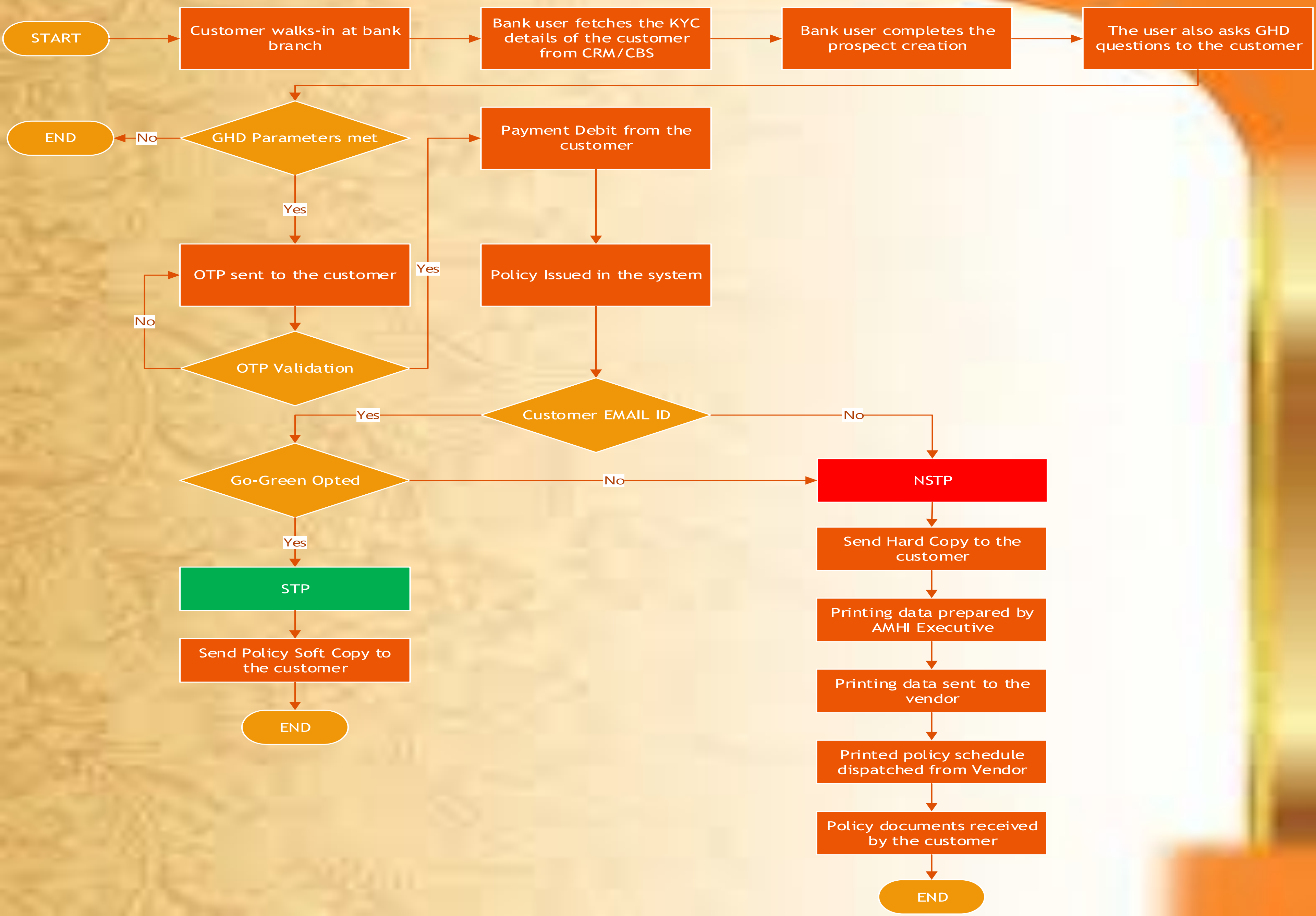
Bank/Partner	Current Onboarding Model
Canara Bank	Integrated with OTP validation
IOB	Integrated without OTP-Physical Signature on enrollment form
Dena Bank	Integrated with OTP validation – 45% Hybrid Model with scan & upload – 55%
Equitas Bank	Hybrid Model with scan & upload
Bandhan Bank	Integrated with OTP validation
Dena Gujarat Gramin Bank	Hybrid Model with scan & upload

EXISTING BANCASSURANCE MODELS

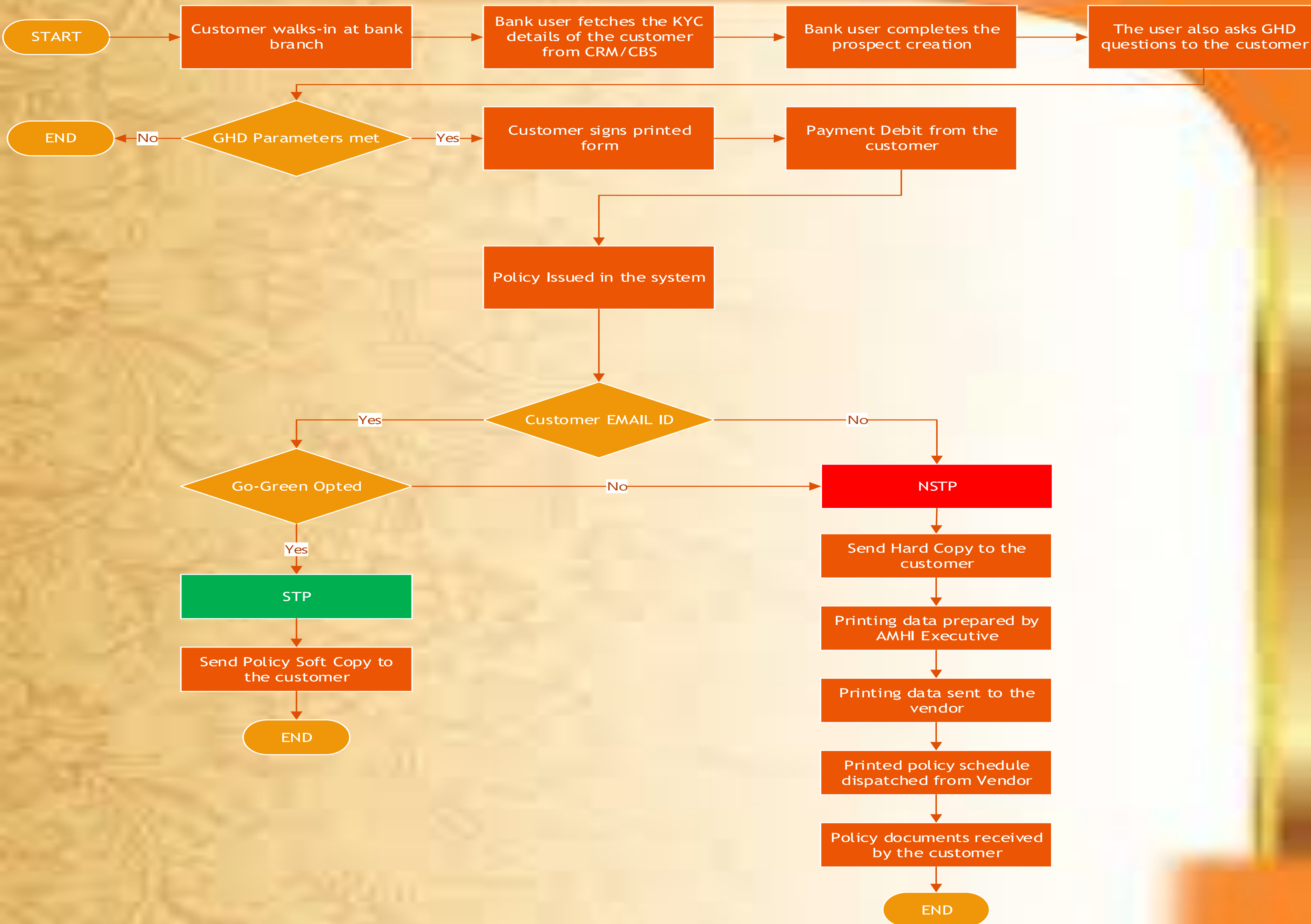
Hybrid Model



Integrated with OTP



Integrated without OTP



ROOT CAUSE ANALYSIS:

- Having a round of interaction with the members of the banca team and attending meetings with the business excellence team, it was inferred that each model has its own challenges.
- In order to understand the different challenges a root cause analysis has been performed stating a cause associated with different banks at each step of policy issuance.

ROOT CAUSE ANALYSIS

Bank/Partner	Model Followed	Customer Entry	Prospect Creation	Payment Processing	Policy Issuance	Printing	Dispatch
Canara Bank	Integrated – With OTP				Bank owned front end	Manual	Dispatch and Delivery update
IOB	Integrated – Without OTP		Signed enrollment form not received in archival		Bank owned front end	Manual	Dispatch and Delivery update
Dena Bank	Integrated – With OTP		Delayed prospect creation	Suspense payment	Policy issuance delayed	Manual	Dispatch and Delivery update
Dena Bank	Hybrid	Manual Data entry	Delayed prospect creation	Suspense Payment		Manual	Dispatch and Delivery update
Equitas Bank	Hybrid	Manual Data entry			Policy issuance delayed	Manual	Dispatch and Delivery update
Bandhan Bank	Integrated – With OTP					Manual	Dispatch and Delivery update
Dena Gujarat Gramin Bank	Hybrid	Manual Data entry		Unstructured remittance file received	Policy issuance delayed	Manual	Dispatch and Delivery update

RESULTS: According to CRM report and process walkthrough, the following challenges were identified in different models of onboarding. As per CRM report, it was observed that customers were also dissatisfied from existing printing process. The problems associated with printing process are also listed below.

Hybrid Model

- Manual data entry for enrollment form
- Inventory management required for printed enrollment form
- Mandatory fields might be missed
- In add info cases follow up required on mails
- Payment can be debited at the time of login or before prospect creation (as in Dena Bank)
- Manual Printing
- For any change we are dependent on bank
- No updates about dispatch and delivery

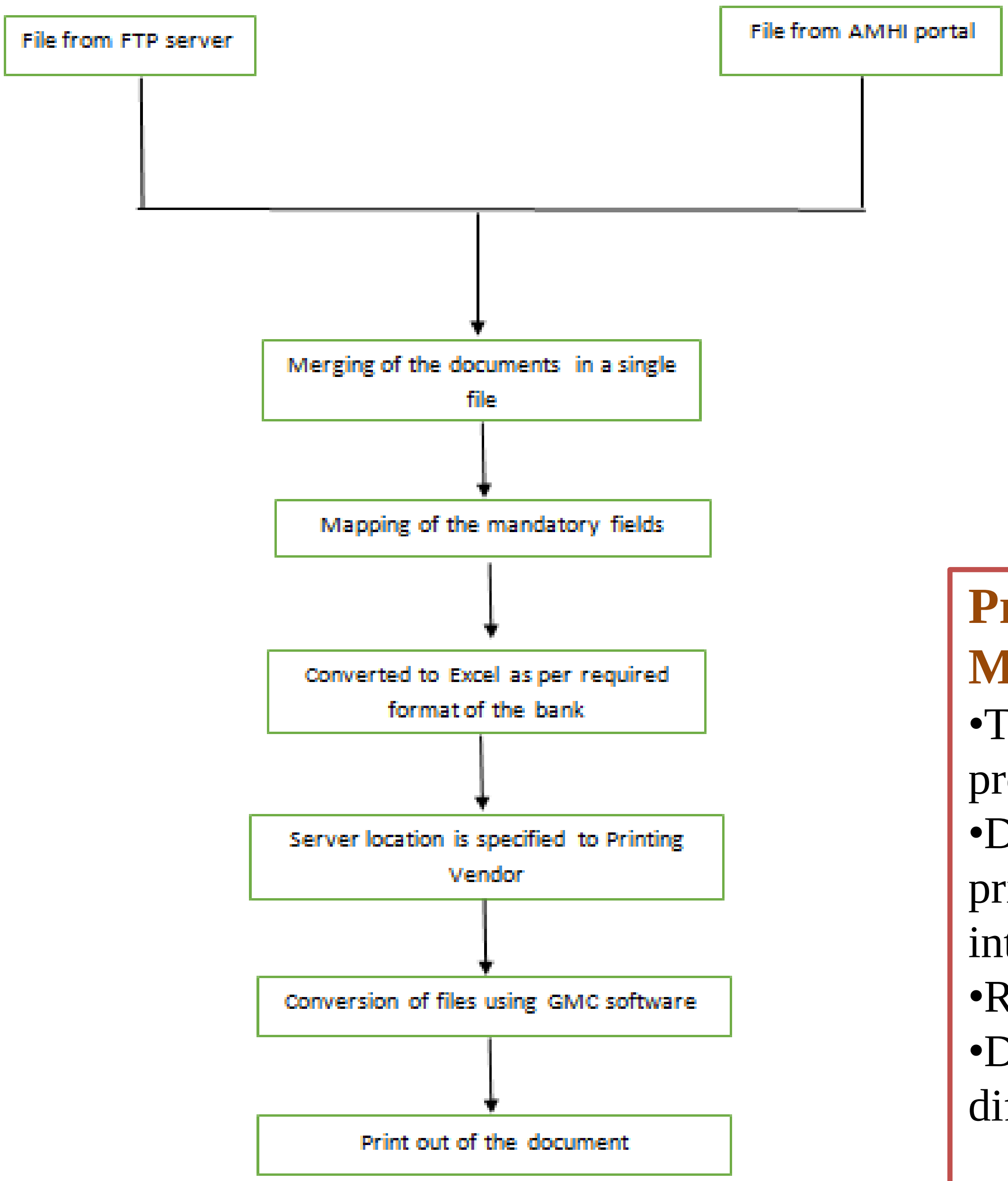
Integrated Model

- For any change we are dependent on bank
- Prospect created on system and validated by customer physical signature is not received in archival
- Manual Printing

- The printing process followed in the issuance of the policy is a bandwidth consuming process as the files coming from two different sources are merged and increases the risk of data variation. This is termed as manual printing and practiced in all the partner banks. This process includes a huge manual intervention and hence requires modifications to reduce the time taken for issuing a policy.

The current printing process and the required modifications are further explained:

Printing Process



Problems associated with Manual printing:

- Time and bandwidth consuming process
- Data is not directly shared with printer and requires manual intervention
- Risk for data variation exists.
- Different format of the data for different banks

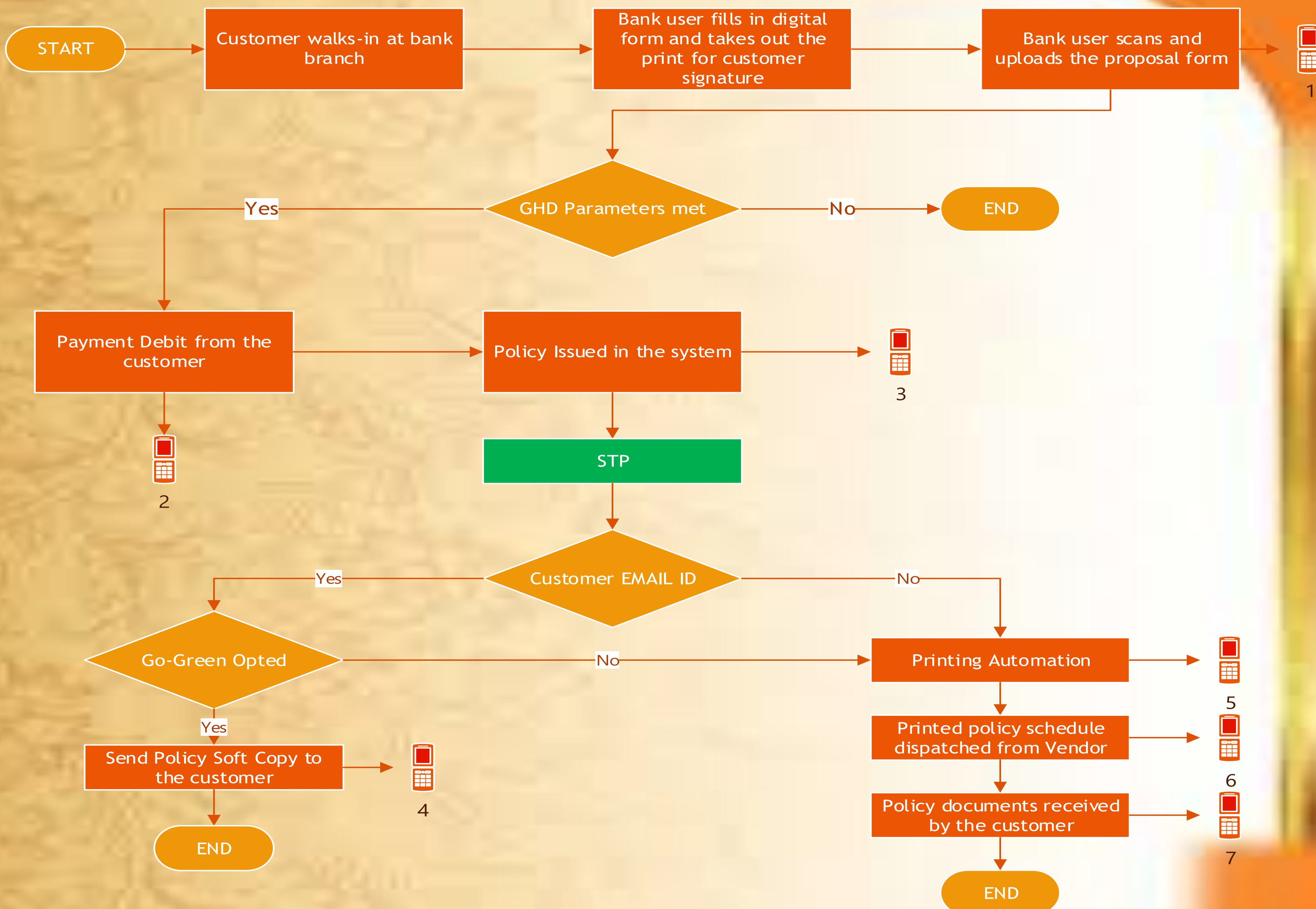
PROPOSED BANCASSURANCE MODELS:

A detailed research was conducted in light with the existing process challenges and root cause analysis was done to know the base of these problems. Post conducting a round of interaction with the relevant interested parties and discussing all the problems faced during the customer journey, it was envisioned to make it more customer centric and efficient in a manner that the customer feels a pleasure in getting the services done at AMHI. This discussion was also to promote the digitized interventions in the existing eco system to make it fast and error free. Having multiple rounds of discussions with the involved teams like Operations, Renewals, Onboarding, Printing, Dispatch and Business Excellence, it was envisaged that some modifications need to be incorporated in the current process. The process flow of the proposed models are dealt in detail in the following section.

Changes proposed in existing Hybrid model

S. No.	Process Activity	Existing Model	Proposed Model
1	Prospect Creation	Pre-printed enrollment form filled by customer Manual data entry for enrollment form Inventory management required for printed enrollment form For Add info cases follow up required on mails	System generated enrollment form No manual data entry required No Inventory management required No Add info follow up required
2	Payment debit	For Dena Bank hybrid process payment debited at the time of login or before prospect creation	Will debit the payment centrally post acceptance of case
3	Policy Kit Printing	Manual Print file creation	Automated print file created by system

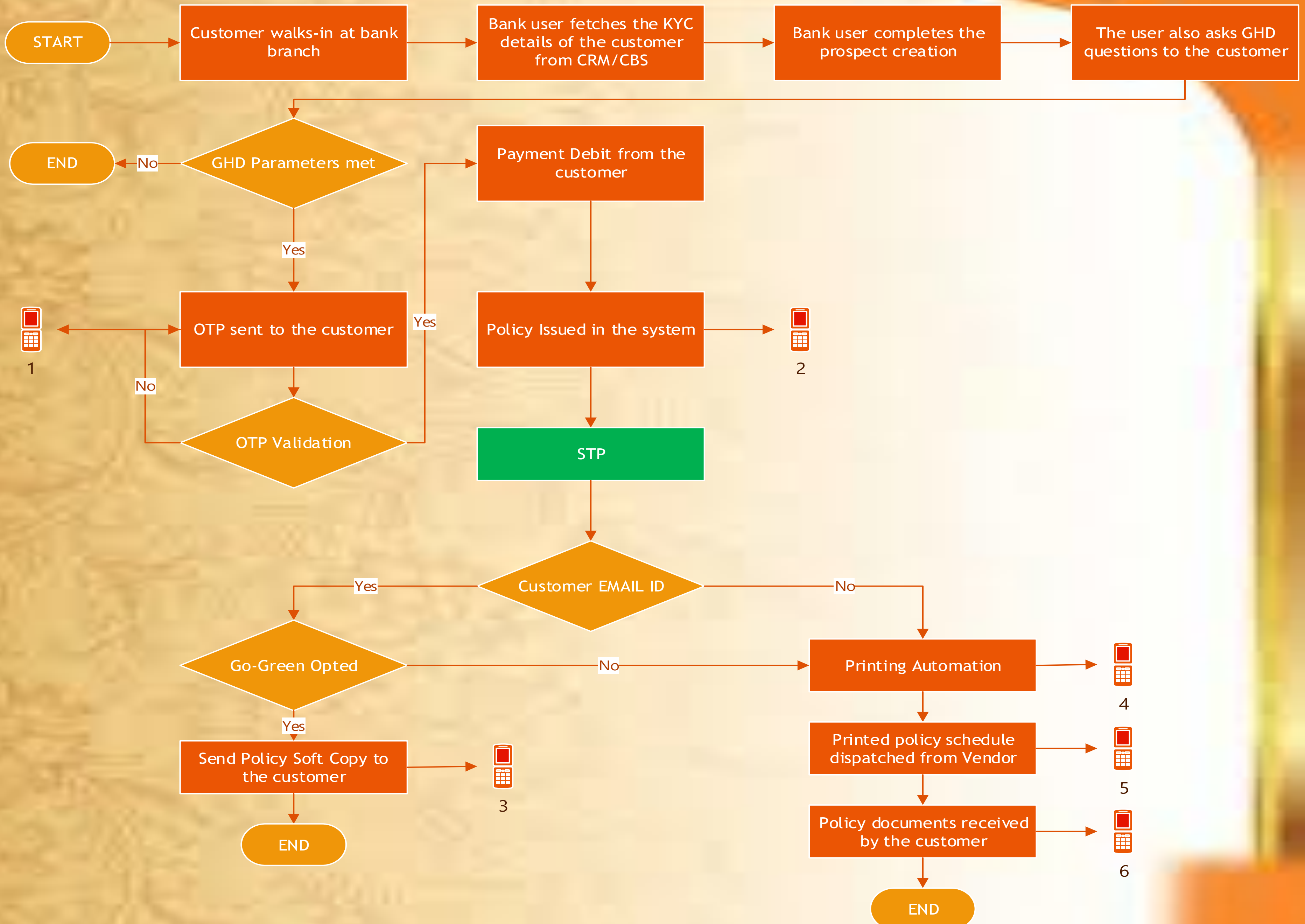
PROPOSED HYBRID MODEL



Changes proposed in existing Integrated model

S. No.	Process Activity	Existing model	Proposed Model
1	Prospect Creation (IOB Bank)	Prospect created on system and validated by customer physical signature	OTP validated enrollment form
2	Policy Kit Printing	Manual Print file creation	Automated print file created by system

PROPOSED INTEGRATED MODEL



Modifications for the Printing Process

Existing Printing Process	Automated Printing
Files come from two sources (Front End and Core system)	A single file enters into the core system
Different format of data for different banks as different fields required for different banks.	Requires a configurable print file in which a new tab is included where a userselect fields from available columns and move it to required columns that is to be included in print file
Manual transfer of the file to the vendor	Automatic transfer of the file
No option to generate print file for reprint cases	Flagging of the reprint cases to be done

- Hence it was found that there was a huge manual intervention in the current process but however with a step towards digitization, the customer journey could be simplified. The introduction of the configurable print file also eases the issuance process. However, it was also observed that the customers were not timely notified about the policy status. In order to make the process more customer centric the communication plan has to be modified.

The following section deals with an objective to recommend a transparent communication channel between insurers and customers-

COMMUNICATION PLAN

A communication plan is a policy-driven approach to provide information to the stakeholders. The plan formally defines who should be given specific information, when that information should be delivered and what communication channels will be used to deliver the information.

Current Communication Plan

Comm. No	To	Content	Frequency	Mode
1	Prospective Customer	By sharing OTP [OTP] for AMHI App No [ReferenceNo],you confirm that all information is correct including Health declaration.Ref link for details http://bit.ly/2oy7TR4	Once	SMS
2	Customer	Dear Mr. /Ms. [VAR1], Congratulations! This is to acknowledge that we have received your premium and your Apollo Munich Insurance Policy No [VAR2] has been issued. You will receive policy kit shortly on your email id if provided. Else the policy kit shall be dispatched shortly and should reach you within 2 weeks' time. In addition, you can also collect it from XXXBank Branch. Please check for all details carefully after receiving.	Once	SMS
3	Customer	Soft copy of Policy Schedule including PF copy, Soft copy of cards, T&C	Once	Email
4	Customer	Your Apollo Munich policy kit bearing Member ID. «MEMBER ID#» has been dispatched to you via AWB No. «AWB NO#» and is expected to be delivered to you within 10 working days.	Once	SMS
5	Customer	Policy Delivery Confirmation	Once	SMS

OBSERVATION:

- It was observed that the content of the current communication plan was lengthy and does not commits a timeline to the customer. According to repeat calling data at contact center, it was found that there were lack of options to digitally track the status of the policy and a limited information was provided about the policy kit in transit. For ex: the customer is informed when policy is dispatched and then directly gets a message when it is delivered. No information about shipping is provided to the customer.
- Hence a new communication plan has to be developed which is more customer friendly with an addition of digital options for live tracking.

Proposed Communication Plan

Comm. No	To	Content	Frequency	Mode
1	Prospective Customer (in case of approval)	Dear Customer, this is to inform you that we have received your proposal with Application No. XXXXXXXXXX for issuance of [Product Name] product offered by Apollo Munich. We will update you on further processing of your Application by DD-MMM-YYYY HH:MM AM/PM	Once	SMS
2	Prospective Customer (in case of rejection)	Dear Customer, this is to inform you that we could not complete processing your Application (No. XXXXXXXX) for issuance of [Product Name] offered by Apollo Munich due to incomplete information. Request you to please provide the same by DD-MM-YYYY for further processing. Please contact your bank branch for further queries.	Once	SMS/Email

Communication Plan at Dispatch stages

<table>
<tr><td>Sent For Printing</td><td colspan="2">Dear Customer, Your Apollo Munich Policy Kit with Policy#[MemberID/Policy No] has been sent for printing on [date], We will keep you updated. Team Apollo Munich</td></tr>
<tr><td>Printed/Handover to Dispatch Hub</td><td colspan="2">Dear Customer, Your Apollo Munich Policy Kit with Policy#[MemberID/Policy No] has been printed sucessfully and handed over to Service Provider Hub at [Place] on [date] for Dispatch, We will update you with dispatch details shortly. Team Apollo Munich</td></tr>
<tr><td>Shipped from Hub to Local Branch</td><td colspan="2">Dear Customer, Your Apollo Munich Policy Kit with Policy#[MemberID/Policy No] has been shipped to nearest Delivery Hub at [Place] wide AWB No. [1234567890]. This is expected to deliver You by [1-Feb-2019]. You can track the status at www.bookmypacket.com or call [1234567890] for any dispatch related query, Team Apollo Munich</td></tr>
<tr><td>Reached Destination Hub</td><td>Dear Customer, Your Apollo Munich Policy Kit with Policy# [MemberID/Policy No] shipped wide AWB No. [1234567890] has reached Your nearest Delivery Hub at [Place], it will be delivered to You by [Date]</td><td>You can track the status at www.bookmypacket.com or call [1234567890] for any dispatch related query, Team Apollo Munich</td></tr>
<tr><td>Dispatched from Hub to Customer</td><td>Dear Customer, Your Apollo Munich Policy Kit with Polic#[MemberID/Policy No] has been dispatched to Your registered Address wide AWB No. [1234567890], This is expected to deliver You by [1-Feb-2019].</td><td>You can track the status at [www.bookmypacket.com] or call [1234567890] for any dispatch related query. Team Apollo Munich</td></tr>
<tr><td>Delivered</td><td colspan="2">Dear Customer, Your Apollo Munich Policy Kit with Policy# [MemberID/Policy No] dispatched wide AWB No. [1234567890] has been delivered successfully. In case of any delivery related query please call 1234567890 Or Write to [Xyz@Service Provider]. Team Apollo Munich</td></tr>
<tr><td>Delay in Delivery</td><td colspan="2">Dear Customer, We regret informing you that the delivery of your policy kit has been delayed, We will attempt delivery by [24-Jan-2019] , In case of any delivery query please call 1234567890 . Team Apollo Munich</td></tr>
<tr><td>Undelivered RTO</td><td>Dear Customer, Your Apollo Munich Policy Kit with Policy# [MemberID/Policy No] has returned Undelivered and now same is getting delivered to respective Branch Office.</td><td>In case of any delivery related query please call 1234567890 Or Write to [Xyz@Service Provider]. Alternatively download your policy soft copy by registering on Health jinn App. To download, Android users click http://bit.ly/2eT2QnD and IPhone http://bit.ly/2fXCyD3. Team Apollo Munich</td></tr>
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Recommendations

- Shifting of the existing processes from hybrid process to integrated OTP validated process
- No manual print file creation required for reprint cases
- System shall provide the data to Vendor for printing without any manual intervention.
- Integration with our delivery partners to ensure the detailed tracking of the package
- Detailed policy related updates should be sent to the customer
- Introduction of e-repository for policy documents i.e. they are to be stored on a virtual space.

Conclusion:

- This study attempted to understand the different bancassurance models in Apollo Munich Health Insurance. An in-depth study was conducted to know the challenges of the existing process. It was concluded that the existing process was a way more complicated and requires a huge manual intervention at different steps of the policy issuance. In order to ease the policy issuance process and make it more customer centric, a step towards digitization is taken. It was also observed that the limited information to the customer about the policy kit in transit was provided**.** Therefore, a new communication plan was proposed specifying options to digitally track the policy status**.** Hence, it was envisioned that integration of the system is required in order to make the process customer centric and more efficient in a manner that the customer feels a pleasure in getting the services done at AMHI.


Thank you!