

Health, motor insurance policies too may go paperless from January

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Move will eliminate risk of losing physical document

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After life insurance, it is now the turn of health and motor insurance policyholders to be able to hold their policies in the electronic format, doing away with the paperwork.

Insurance repositories will extend the facility of storing such policies on electronic platforms by January 2014, said industry officials. Policyholders will not be charged for this facility as the insurance repositories will be paid directly by the insurance companies.

Currently, insurance repositories offer the facility of holding e-insurance accounts only for life insurance.

The benefit of holding policies electronically is that there's no risk of losing the physical document. Also, policyholders can pay their premiums online and renew policies through the portals.

Recently, the Insurance Regulatory and Development Authority permitted five companies to act as insurance repositories – NSDL Database Management, SHCIL Projects, Central Insurance Repository, Karvy Insurance Repository and CAMS Repository Services.

S.V. Ramanan, Chief Executive Officer of CAMS insurance repository, said the company is currently in discussions with

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general insurance companies and the general insurance council to offer e-insurance services. "By December end, we will have our systems ready. Initially, we will offer it for health and motor insurance. Subsequently, we will offer e-insurance accounts for other general insurance products as well," said Ramanan.

CAMS Insurance repository has tied up with five life insurance companies – ICICI Pru-

dential Life, Reliance Life, PNB Metlife, Kotak Life and India-first Life. CAMS insurance repository is also in discussions with Life Insurance Corporation for offering e-insurance accounts to its policyholders.

"Electronic record keeping is just the start of the relationship with the policyholder. What you need is to service the customer through the life-cycle, which we will provide," said Ramanan. "At present, while

agents offer these services, we will be a support to them. While insurance agents can focus on the sales aspect, repositories can provide the services part to policyholders," said Ramanan.

Life insurance companies bear the upfront cost of tying up with insurance repositories. However, it is estimated to cut costs significantly for the life insurance industry in the long term. According to industry estimates, a life insurance company now incurs about Rs 600 to acquire a new customer. But if the policy is held in an e-insurance account, the cost can be brought down to Rs 100 a year.

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