

Take it easy!



Common Service Centers - A rural financial mall in India

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Rural Insurance an Introduction

Rural Landscape in India

- Rural population >65%
- Rural Population below poverty line >25%
- Average Monthly per capita consumer expenditure <16 euros
- Accessibility to safe drinking water <25%
- Poor access to basic health care services leading to high infant mortality rates, malnutrition, diseases and female health issues

Rural Insurance in India

- Protection of low income group against specific perils with an affordable premium
- Products offered in the market
 - Health insurance
 - Crop Insurance
 - Personal accident insurance
 - Group Hospital Cash
 - Kisan Sarv suraksha
 - Cattle insurance
- IRDA (Insurance Regulatory Development Authority) is the regulatory body

Our Rural Journey

- 2008-09 – Rural agents
- 2010 - Tractor insurance, Arogya Raksh Yojana (ARY)
- 2011 – Weather based crop Insurance (WBCIS), HDFC BANK
- 2012 - WBCIS, ARY, IFMR, HDFC BANK
- 2013- WBCIS, IFMR, HDFC Bank
- 2014 – WBCIS, MNAIS, CSC
- 2015 – NCIP, CSC
- 2016 - PMFBY

Our Rural & Agri Business Capabilities

| IRDA Requirement | FY13-14 | FY 14-15 | FY 15-16 |
|---|------------------------------------|------------------------------------|-----------------------------------|
| Rural Sector (% of Gross Direct Premiums) | 12% (Limit :7%) | 12% (Limit :7%) | 9% (Limit :7%) |
| Social Sector (no. of lives) | 113,200 (Limit : 55,000) | 100,049 (Limit : 55,000) | 78,790 (Limit : 55,000) |

- One of the few companies to have a dedicated rural team
 - Vertical formed in 2009
 - Portfolio - bigger than the stipulated requirements of IRDA
- Innovative channels with strong rural distribution network through PACS, Rural Kiosks, NGO, MFI, Co-operatives

Rural Distribution Challenges

- Geographical and infrastructural constraints
- Social/demographical barriers
- lack of product awareness
- Overdependence on conventional channels of distribution

- Needs of rural market
 - Physical presence of channel
 - Trustworthy intermediary
 - Proximity for service
 - Impart product awareness

- Conventional channels cover hardly 25%



Way out

Common Service Centers - CSC

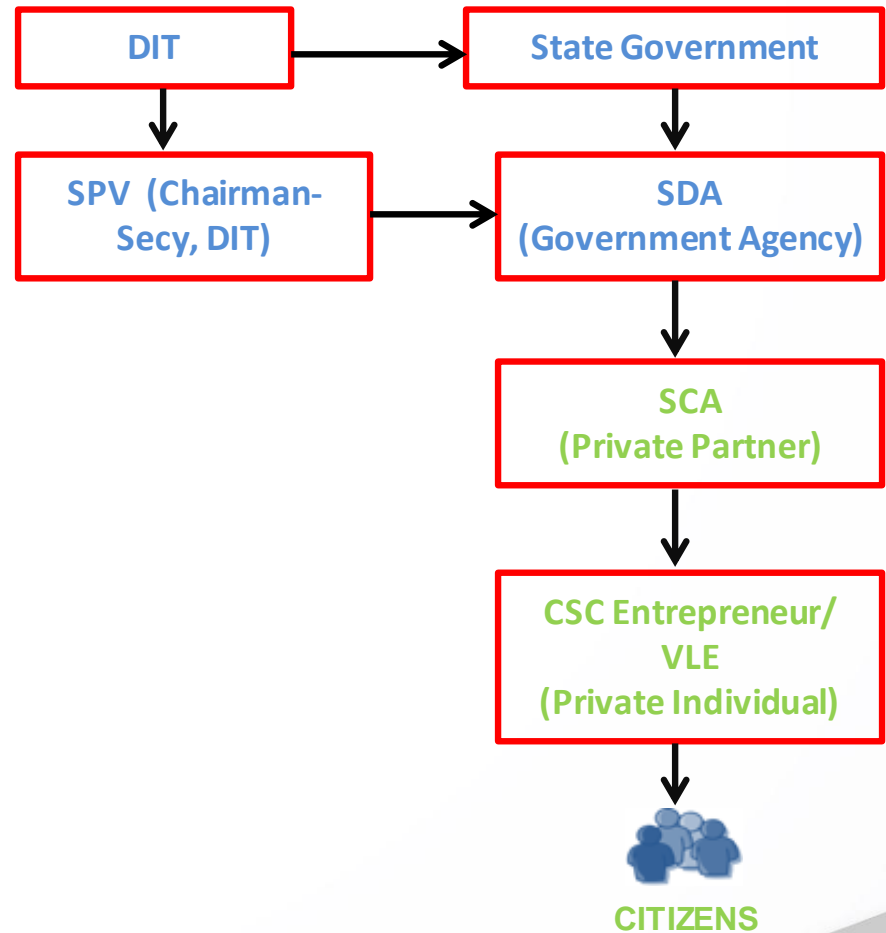
Common Service Centers

- Government of India under NeGP (National eGovernance Plan) program proposed to setup 1 lakhs Common Services Centers (CSC) in rural India in PPP mode
 - NeGP envisions “web-enabled Anytime, Anywhere access” to information and services in rural India, through three infrastructure pillars
 - A typical CSC kiosk is enabled with
 - PC(s), printer(s), scanner(s), UPS, digital/web camera and broadband connectivity.
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- **CSC is the front-end delivery points for Government, private and social sector services to rural citizens of India**
 - **Unique PPP initiative accepted by all the state government**
 - **Essence of CSC is its equitable spread geographically**
 - **Centralized planning and decentralized Implementation**
 - **Private entities identified in all the states without exception – value at the bottom of the pyramid**

CSC-SPV – Organization Profile

Special Purpose Vehicle has been incorporated for CSC Scheme i.e. “CSC e-Governance Services India Ltd”

ORGANISATIONAL STRUCTURE



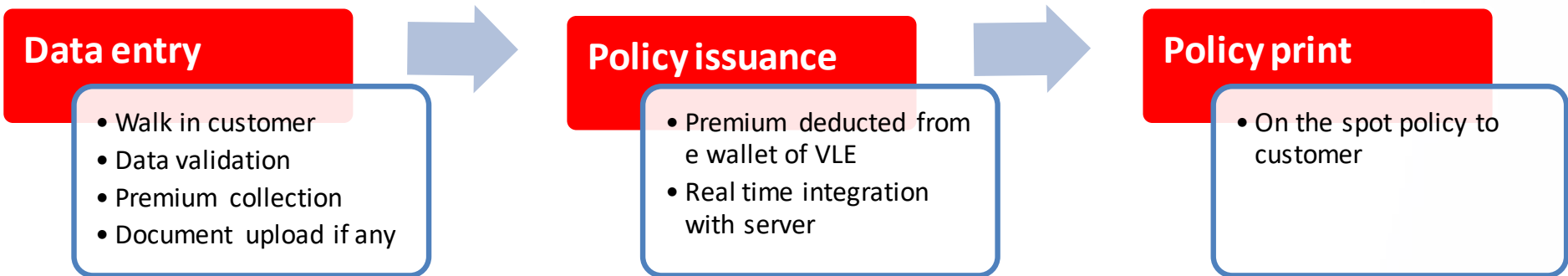
CSC – Rural Financial Mall

■ Services Provided

- ✓ Election Commission of India (EC) Services
- ✓ Unique identification Authority of India (UIDAI) Services
- ✓ Passport Services
- ✓ Banking Correspondent (27 banks)
- ✓ National Institute of Open Schooling (NIOS) services
- ✓ PAN Card Services
- ✓ Pension Fund Regulatory Development Authority (PFRDA) services
- ✓ NIELIT services
- ✓ Agricultural Services
- ✓ Health Care Services
- ✓ E District
- ✓ SSDG
- ✓ Mission Mode projects
- ✓ Insurance services

- ✓ Data Card Recharge
- ✓ DTH Recharge
- ✓ CSC Bazaar – e commerce/shopping service
- ✓ Mobile Bill Payments
- ✓ Mobile Recharge
- ✓ Entertainment
- ✓ E learning

CSC – Insurance Process

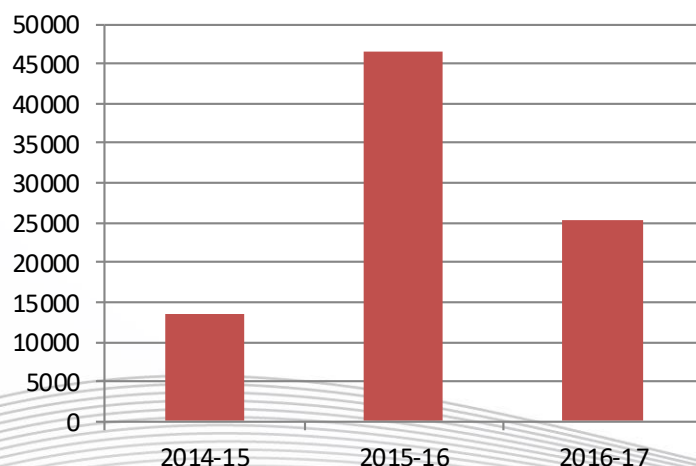


- Company system integrated with CSC
- VLE has to become RAP (Rural authorized person) to sell insurance
 - IRDA mandate – Training and exam
- VLE can choose any company from the drop down list
- Select the product
- Data entry and policy issuance
- Hardly takes 5 mins to complete the entire process

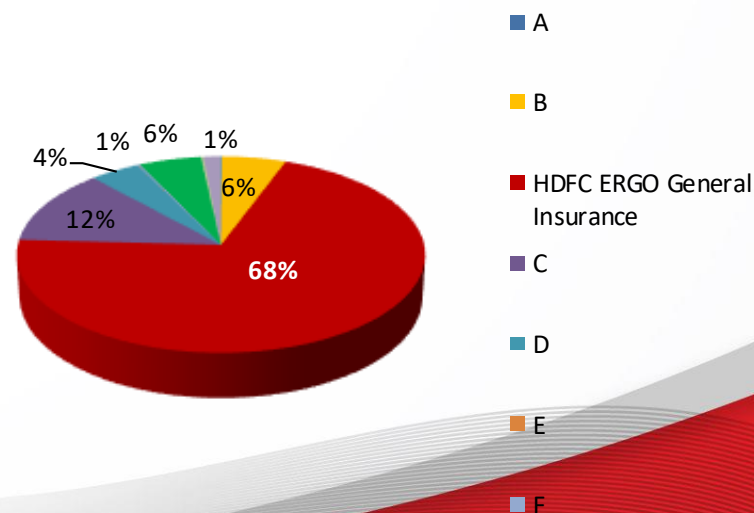
- Increased authorized channel of insurance sales – around 11000 VLEs are already converted into RAPs
- Instant policy delivery to customer
- Reduced cost of operations
- Instant payouts credited to channel partners
- Spreading insurance literacy in rural locations
- Increased trust amongst the rural customers as VLEs are localites known to them.
- Generating large scale employment (as VLEs) in rural areas
- Enhancing reach of insurance companies

- Started CSC project in August 2014
- HDFC ERGO is the market leader in CSC channel – general insurance
- Current RAP count - 11320
- Already issued more than 100000 policies
- Products offered – Motor Liability, Personal Accident, Kissan Sarva Surakhsa, Fire & special perils
- Products to be introduced – Crop insurance, Comprehensive motor, Health

No of Policies



■ No of Policies



Thank You