

Take it easy!



Online Rural Kiosks Distribution Beyond Mobile

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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	FY14-15	FY 15-16	FY 16-17
Rural Sector (% of Gross Direct Premiums)	12% (Limit :7%)	9% (Limit :7%)	34.67% (Limit :7%)
Social Sector (no. of lives)	100,049 (Limit : 55,000)	78,790 (Limit : 55,000)	46,40,227 (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 Insurance 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%



- Owned and operated by a village level entrepreneur (VLE)
- Present mostly in villages and tier 3 cities
- A typical kiosk is enabled with
 - PC(s), printer(s), scanner(s), UPS, digital/web camera and broadband connectivity.
- Provides a gamut of online services
- Primarily a small shop which acts as the rural finance mall for the customers
- Both Government backed and Private model exists in the market
- Digital India campaign of Indian government is powering the sudden spurt of this model
- Currently there are more than 250000 such centers across India

FY 19	
Channel	Active Touch points*
Common service center (CSC)	39116
Vakrangee	3464
ITZ Cash	569
Paypoint	45
Total	43194

•Active points are those who do Insurance

Channel	Number of Companies Active
CSC	12
Vakrangee	3
ITZ cash	3
Paypoint	1



Common Service Centers (CSC)

PPP Model & Services Offered

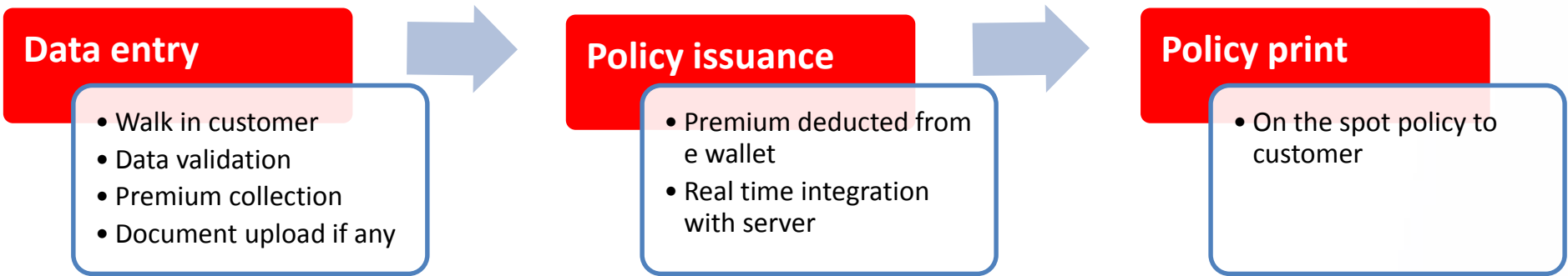
- Government of India under NeGP (National eGovernance Plan) program proposed to setup 200000 Common Services Centers (CSC) in rural India in PPP mode
 - NeGP envisions “web-enabled Anytime, Anywhere access” to information and services in rural India, through three infrastructure pillars
- **CSC is the 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**

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

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

Insurance Process

Instant Policy



- Company system integrated with Kiosks
- Analyse the customer need
- Select the product
- Data entry and policy issuance

Rural Kiosks

Benefits & Challenges

Advantages

- Increased authorized channel of insurance sales – Around 11000 active points
- 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 center owners are localites known to them.
- Generating large scale employment in rural areas
- Enhancing reach of insurance companies
- Claims support at door step

Challenges

- Training
- To keep them active
- To get the mind share for Insurance sales

- Started Model via CSC in August 2014
- New private model channel partners got added in 2017
- Premium UW in FY18 – \$2.8 mn
- Premium UW H1 FY19 - \$2.1 mn
- Number of policies issued H1 FY19 – 1,10,756
- Products offered – Motor, Personal Accident, Crop, Health, Fire & special perils (Home)
- [..\..\HDFC ERGO CSC.mp4](#)

Thank You