

Summary

Microinsurance Conference 2007

13–15 November 2007, Mumbai, India



Parallel Session 12 – Improving efficiency and enhancing benefits Information technology 2

Vijay Athreye, TATA AIG Life Insurance Company Ltd., India
Cash collection and receipting system

Goals and expected outcome of the session

To present an innovation from TATA-AIG Life which has developed a hand held machine to address front end concerns in remote rural locations.

Replication of this model could be expected from organisations/ individuals involved in micro insurance/ micro finance/ other financial transactions.

Benefit of the specific proposal

With the present system of equipping the NGO partners with handheld devices that can issue receipts seamlessly, we have empowered the Ngo partners to issue receipts on collection of money and also get real time information every 24 hours on the collection details. The agent will also not incur postal charges and additional copying charges of sending in filled in batch renewal sheets This helps in several ways:

- A drastic improvement in persistency by reducing the lag between collection of premium from customers and payment to TATA-AIG from NGO partner members due to the van collection system and capture of information real-time information.
- A front end cash receipt system would also enhance the credibility of NGO field staff.
- Customers not willing to pay money to NGO members with out receipt earlier will now pay without hesitation;
- To capture and transfer all the details of customers on a daily basis with no additional cost to the NGOs. Since data is electronic errors will also be reduced.
- Claim investigation is also simple as far as latest information on premium collection goes.
- Once the credibility on ground improves the confidence of customers to purchase higher premium products would increase which will then have an impact on commission income levels of NGOs as well as sustainability of an Micro insurance program
- Reduce moral hazard by NGOs specified members as remittances can be tracked closely.
- This is currently a servicing application and once the agents are comfortable with usage a sales support application is also envisaged.

Supported by:





**Munich Re
Foundation**
From Knowledge
to Action

CGAP WORKING GROUP ON

MICROINSURANCE



Microinsurance Conference 2007

**13-15 November 2007
Mumbai, India**

Agenda

Page 2 of 2

- In combination with smart cards/ bio metrics the hand helds could be used to replace some of the conventional stuff i.e. paper contracts, customer ID, medical history etc. but that's an application that is planned for later.

Lessons learnt

Hand held machines have just been deployed in the field and we expect the learning's to be documented and ready by the time the conference starts.

However we foresee some of the following:

1. Connectivity issues in remote locations
2. Critical training needs of the SPs as well as the NGOs on using technology
3. A dedicated helpline would be required to resolve field level queries with regards to data synchronisation as well as handheld issues.
4. Price point of the hardware will remain a challenge unless it can be passed on to the agent by replacing the hand held with a low cost mobile phone with printer..