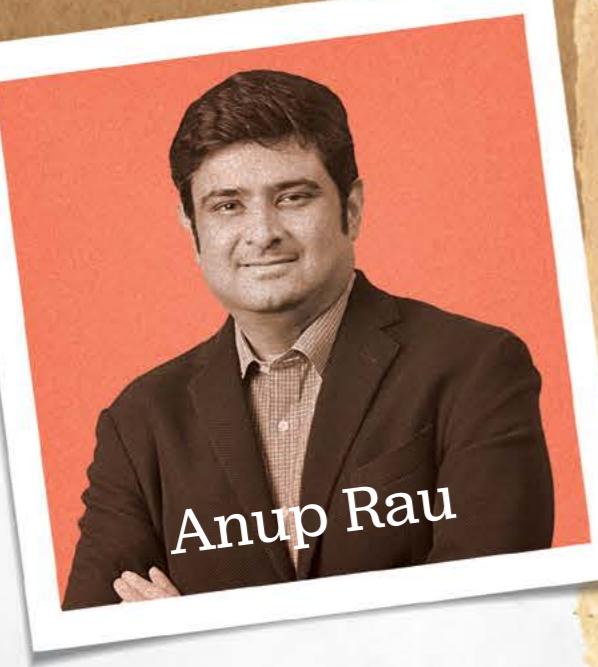


## MESSAGE FROM THE MD &amp; CEO

# Driven by People, Products and Partnerships



Anup Rau

## FY 2020-21 was an eventful year in every respect. How did it shape up for FGII?

Like several other industries across the globe, the insurance sector was deeply impacted by the COVID-19 pandemic. There was a major shift in consumer behaviour—people woke up to the realisation that health is an asset that needs financial protection—and as the year progressed, there was a greater appreciation for insurance as a category.

We recognised that disruption magnifies outcomes, which could skew results in our favour disproportionately if we got the strategy and execution right. This meant that FY 2020-21 was a good time to test waters, seed and introduce radical ideas, and reinforce the core values that we believe in. And we managed to do exactly that in the last 12 months by adapting to the new norm and pushing boundaries.

Our employees, distribution partners, and claims servicing teams were trained to leverage our technology platforms and attend to customer requests remotely from their homes to ensure seamless client servicing. Owing to our proactive approach and future preparedness, we could navigate the evolving operating environment much better than many of our peers.

Through our disruptive marketing, differentiated products, and expanding distribution, we were able to gain market share in our key product categories, registering more than a 12% y-o-y increase in Gross Written Premium. We incurred higher claims during the year due to the extraordinary environment. Overall, Profit After Tax (PAT) increased by 34.8% to ₹134.2 crores.

## What are the drivers of FGII's success?

Following a three-pronged approach, we invested heavily in developing relevant and affordable products, creating a nurturing work environment for our employees, and adopting digital technology to support our agents and partners, which helped expand our customer segments.

We are constantly innovating with our products to target newer customers from different age groups. Customer experience is a key priority for us. Our unwavering focus on customer service and satisfaction has ensured that our NPS scores are best in class in the industry.

Being an employee-centric organisation, we invested in our people and focused on their growth—we did everything from ensuring that employees got their due credit, bonuses, and increments on time to even starting a helpline to offer confidential counselling sessions. Our employee-first approach paid off when we bagged the 'Great Place to Work' certification for the second year in a row in 2020.

Our vision and preparedness also gave us an edge. During the pandemic, we reacted quickly by moving resources to people's residences and preparing for the long haul. Leveraging technology, underwriting was done remotely, and a vast majority of claims were processed digitally. We want to ensure that our use of technology is just like our other practices—best in class.

## Can you give a cross-sectional view of your customer profile in your key segments? What are your priorities for key customer groups?

We cater to a diverse segment of customers. We have a 64/36 split between urban and rural markets and are well diversified across Health, Motor, and Non-Motor insurance, with Non-Motor contributing to a very healthy 33.8% of our retail business. The median age of an insurance customer is 35 years. And while we ensure we are relevant to the core TG, we have our eye on Gen Y and even Gen Z. Noticing the need for a product that specifically targets the evolving needs of the younger demographic, we launched the Health Super Saver plan—a unique insurance product that offers unprecedented flexibility and price advantage. Our goal is to extend insurance penetration to a newer, younger audience for the Health Insurance category and start a conversation around the importance of taking insurance cover at a young age. We are also communicating with them in their language—digitally, via social media sites, email, on OTT platforms, etc., and most recently, launched a rap song on 'Return on Health' (ROH). We have already

started seeing a fair amount of success in our choice of audience profiling. We are a clear outlier—the demographic segment of 25-35 years is our largest customer segment today in Health insurance.

## Which segments do you expect to drive maximum growth in the coming years?

There has been a sea change in how customers perceive insurance since the onset of the pandemic. Health as a category has seen the highest interest and attention. Thanks to our targeted efforts to directly address our core segment, our brand-building strategy and rapid expansion of our distribution reach, our topline in retail health has nearly quadrupled between FY 2017-18 and FY 2020-21, and our market share has more than doubled in the same period. We also have plans to expand to underdeveloped segments such as SMEs, mom & pop store owners, and household insurance—segments we expect to grow in the future.

Segments are going to get narrower and sharper as the market grows. Hyper-segmentation has evolved, especially with the emergence of e-commerce and accelerated due to COVID-19. Therefore, a new reality will be developing innovative products targeted at micro-segments—more customised, specific, and relevant to individuals. We plan to adopt the winning combination of hyper-segmentation, innovation, digitisation, personalisation, and strong customer service orientation to address evolving customer behaviour and needs.

## How has digitalisation become a key enabler? What further benefits do you foresee?

The pandemic has made companies accelerate the digitisation of their customer and supply-chain interactions and their internal operations by several years. It has also changed the way goods and services are consumed, transforming everything from the products that businesses sell to how brands are built and how they interact with customers. We have deployed capital into digitising existing processes and systems and investing in emerging technologies. This helped us transition seamlessly from a physical work mode to remote working without compromising productivity and data privacy. We adopted digital technology that was cheap, scalable, functional, and replicable, investing in digital technology assets and collaborative tools like social media, WhatsApp, Zoom, Microsoft Teams, etc. All of this translated to easier adaptability. All our marketing collaterals were digitised, and we revamped our website. We made enhancements in the mobile apps, effectively used social media, chatbots, YouTube videos to reach, target, and disseminate information about services and products to customers, who were increasingly spending more and more time online. This helped us create a lot of brand awareness. We also provided our customers

with an end-to-end online experience, enabling our agents and partners to service customers remotely without any hindrance. Our vision is to seamlessly make products and services available across all touchpoints, resulting in a superior customer experience.

## What does innovation mean at FGII?

We, at Future Generali, believe that innovations should address and solve real-world problems—sometimes, it could be a problem that even the customer or the ecosystem is not aware of. We'd rather offer a great innovative solution than making a minor tweak in product features, price, or distribution channels. Like I said earlier, going forward, innovation will bring in an increasingly greater degree of customisation, even addressing extremely narrow customer segment needs.

Digitisation has made a huge amount of data accessible for our analysis, helping us understand our customers better and, in turn, making our products and services more relevant to their needs. We hope to channel the ability and flexibility to solve multiple problems for multiple stakeholders with access to data and information.

## What are the challenges and opportunities you foresee in implementing your strategy?

With digitisation and the use of Artificial Intelligence (AI) comes an obvious risk—that of cybersecurity, which needs to be taken seriously. Another challenge the insurance industry faces is from InsurTechs. However, we see their presence as an opportunity to challenge ourselves to improve our market access, product creation, simplify our processes, leverage data and analytics—and while we do that, we will maintain the highest standards in customer data privacy. We also see a huge opportunity to explore a new demographic—the tech-savvy Gen Y and Gen Z—a growing customer segment we are targeting now.

Overall, taking a customer-centric approach and putting the customer at the centre of product design is a different approach to the way most of the industry has traditionally dealt in its offerings, but doing so reaps rich, tangible rewards. With the able guidance of our Board and the staunch support of our shareholders, we are confident about seeing exponential growth in the quality and scale of our services. We hope to continue to stay true to FGII's core philosophy—leading with a human touch—as we move closer to our goal of becoming the most preferred General Insurance provider in India.