



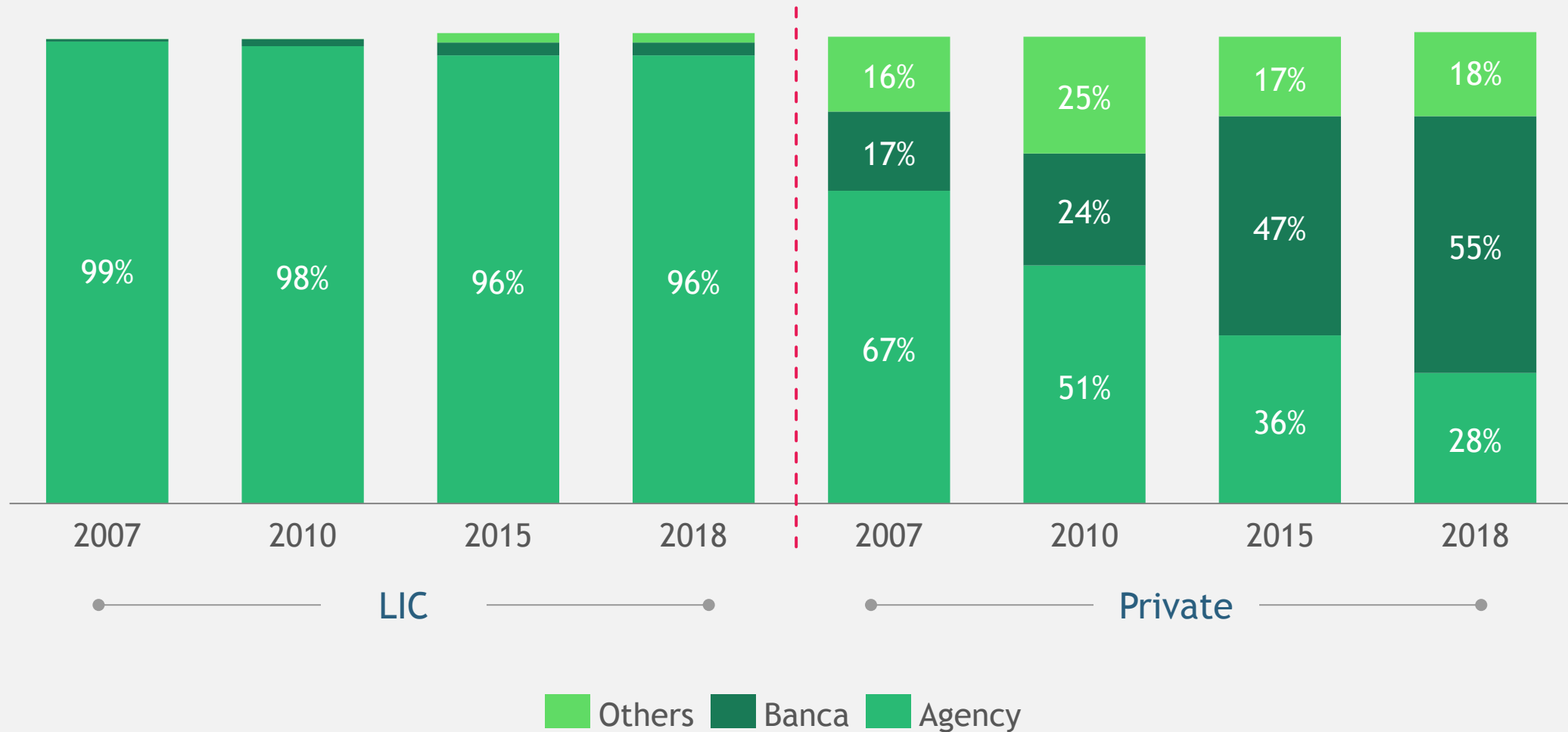
Evolving Distribution Dynamics

FINCON 2019

MUMBAI, 03 MAY 2019

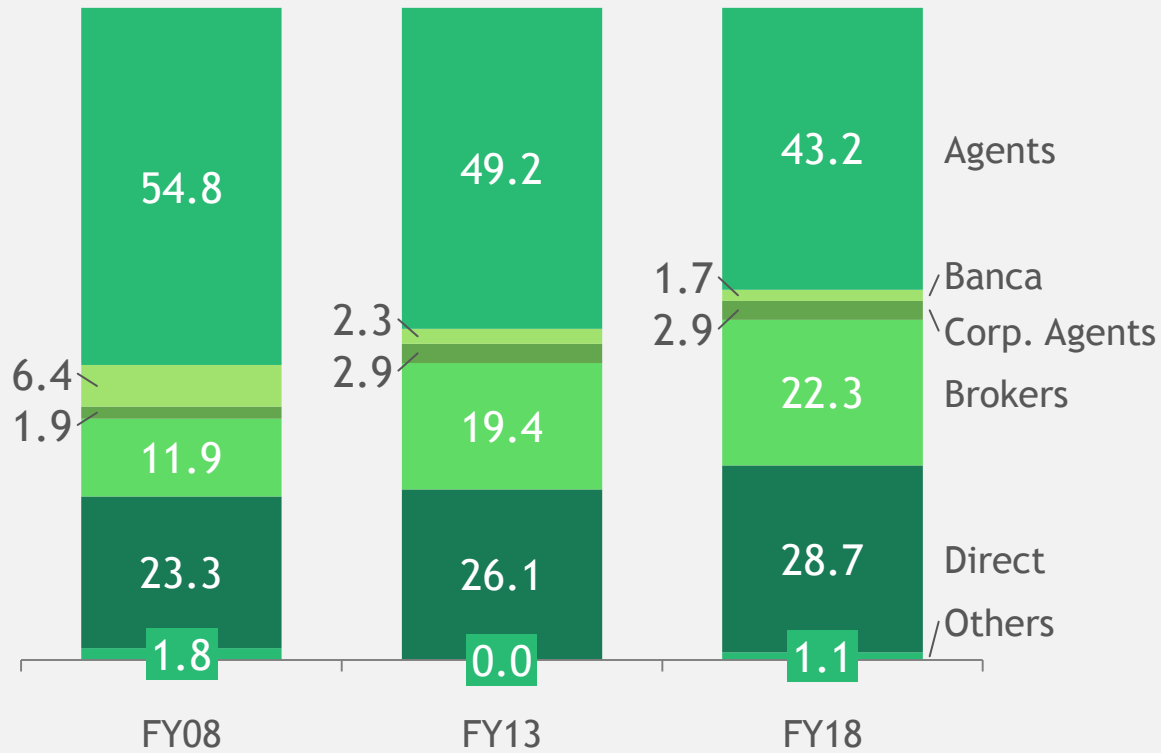


LI channel mix is shifting towards bancassurance

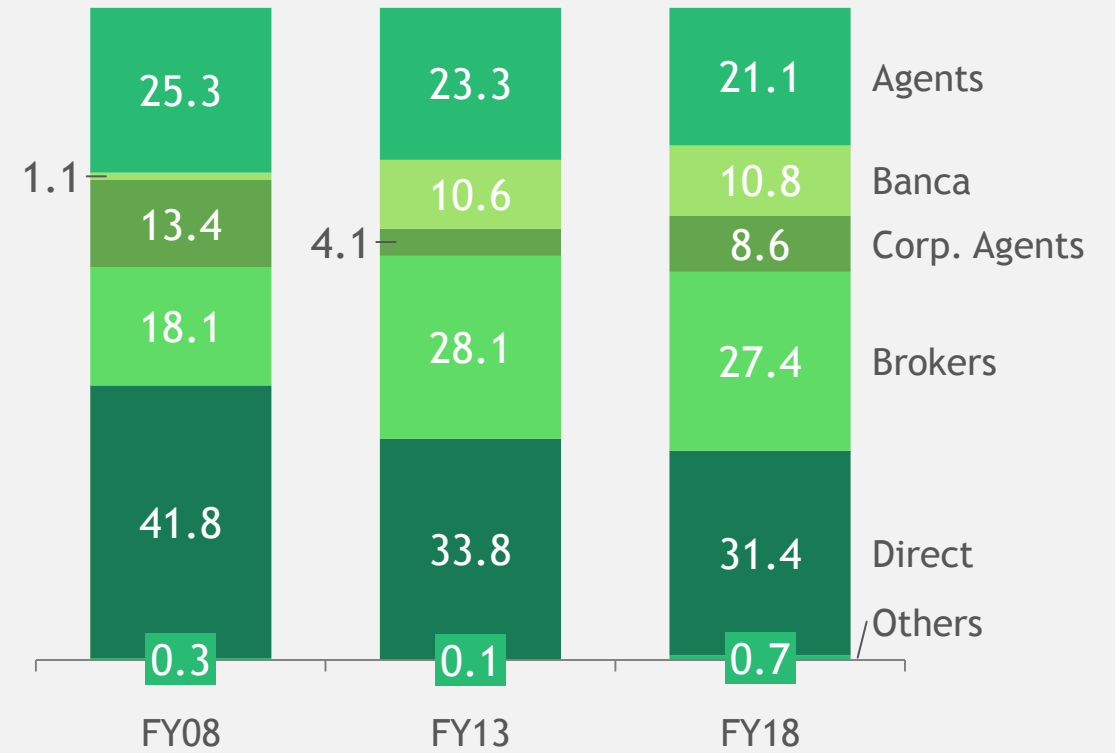


Relatively small shifts in GI channel mix

PSUs distribution mix - last 10 years



Pvt. players distribution mix - last 10 years



Source: IRDAI, public disclosures, BCG analysis

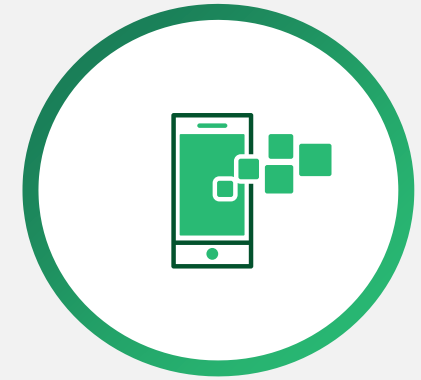
Three key themes emerging in GI distribution



Change in
Dealer- Agency mix after
MISP and 3-year Motor
product



Prominence of
Banca increasing
PSB's warming up ?



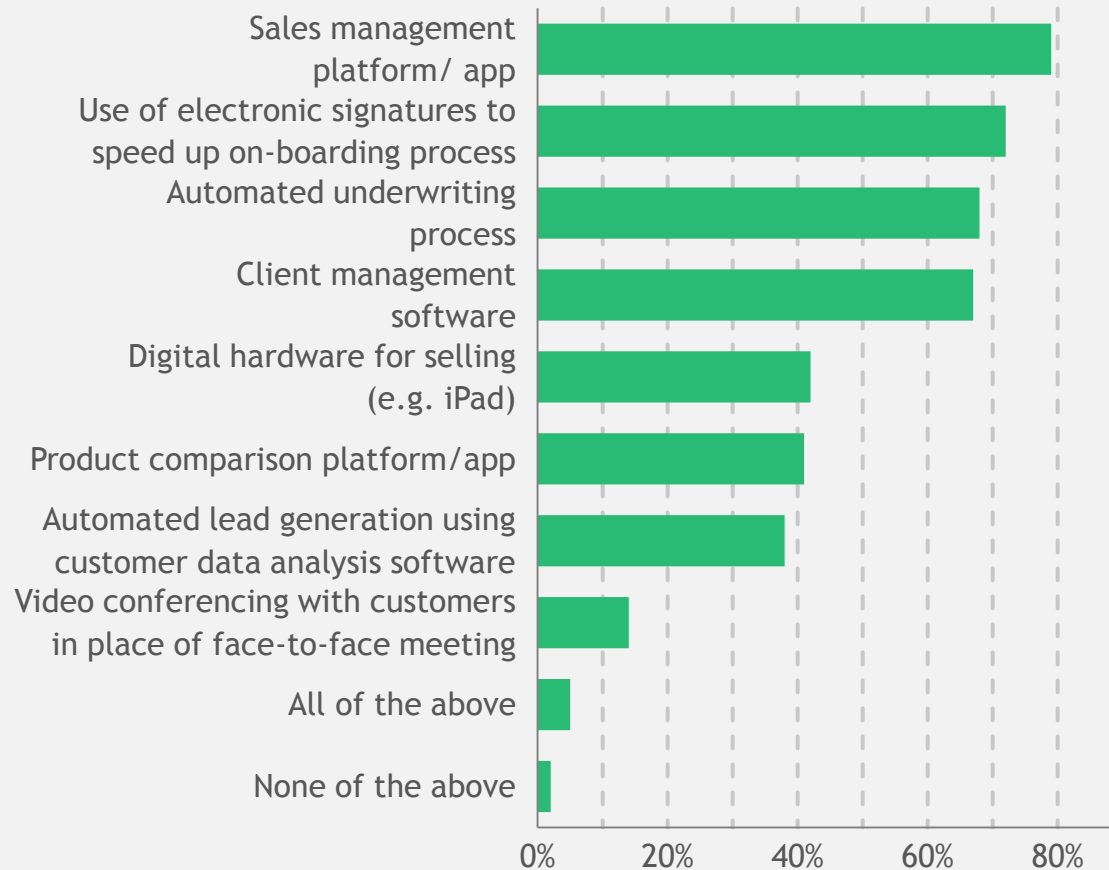
Digital channels
and partnerships
accelerating

Agency is a key channel - entails multiple challenges

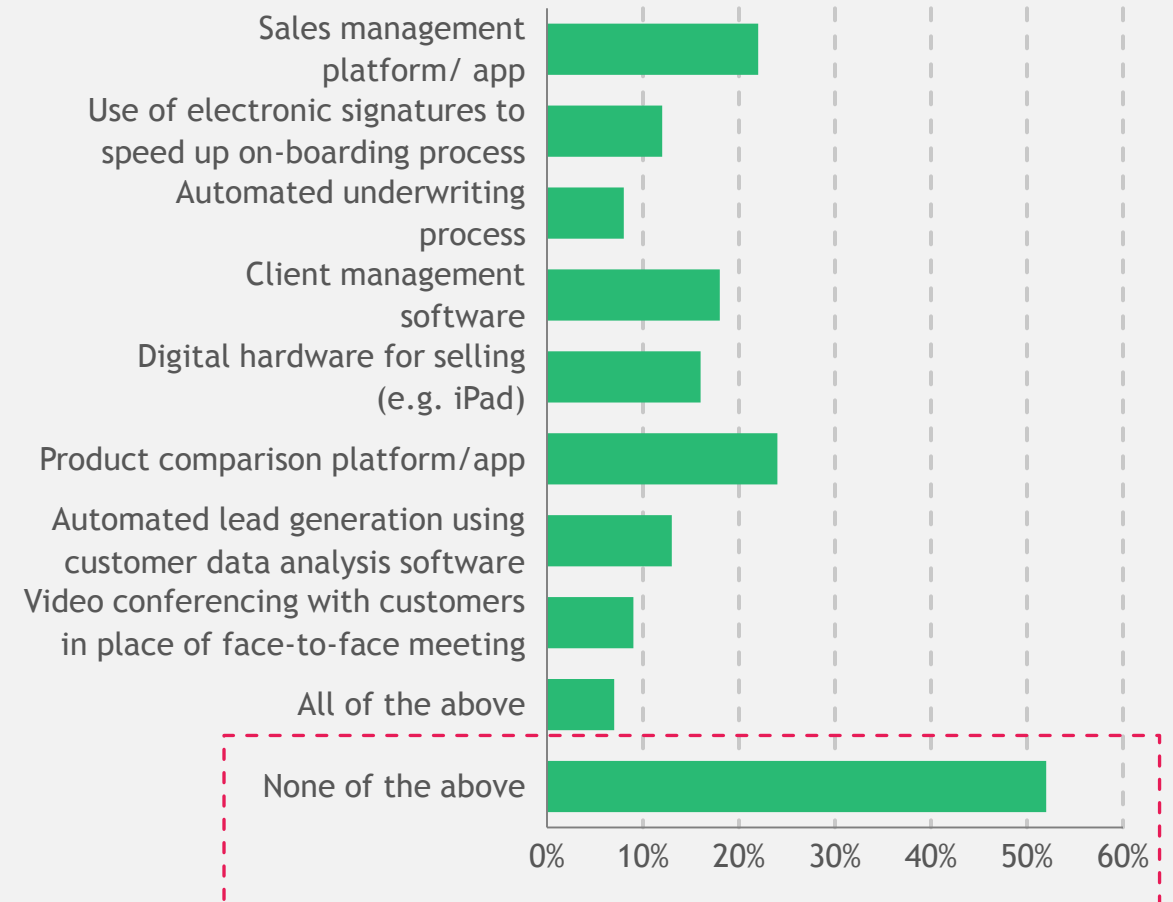
- High agent churn, part-time agents
- Agency productivity stagnant
- Lengthy and cumbersome processes
- Digitization yet to go beyond sales processes
- Limited focus on holistic solutions

Digital interventions - much journey to be covered

China: Digital Services Offered in agency



India: Digital Services Offered in agency



Banca 2.0: winning in open architecture



Winning with the SP: need a more structured & digital led engagement model



Best in class journeys for customers & distributors



Penetrate deeper in branch branching vertical; fortify other channels



Embed digital and drive adoption in value chain to drive higher FLS productivity and SP engagement
(eg: Skilling)



Embed analytical use cases into value chain to drive higher efficiency, productivity
(eg: SP segmentation)

Digital channels will significantly grow in prominence

77%

Customers willing to buy non-traditional products, e.g. wedding, spectacles, watch

88%

Customers comfortable to buy from non-traditional channels, e.g. E-commerce, social media, wallets

BCG FICCI Quantitative survey (2019), n = 3300

Non-traditional products: Pediatric, dental, wedding, jewelry, commercial auto, watch, tablet/computer, mobile screen, spectacle, eyes

Non-traditional channels: Ecommerce portal, chat platforms, cab aggregators, payment wallets, telecom providers, multi product stores, neighborhood shops

Topics for Discussion

- 1 Agency: Excellence in core levers and digital interventions
- 2 Banca: Succeeding in open architecture banca and increasing penetration
- 3 Leverage data analytics for improving channel effectiveness
- 4 Improving channel profitability
- 5 Channels for future - going beyond traditional insurance distribution



BCG BOSTON
CONSULTING
GROUP

bcg.com