

ICICI Lombard



Girish Nayak, Chief of Customer Service, Operations & Technology at ICICI Lombard



Insurer sells record-breaking 300,000 policies in a single day

By Debkumar Debnath, Program Director - TCS BaNCS, TCS Financial Solutions

ICICI Lombard GIC Ltd. was founded in 2001 through a joint venture between ICICI Bank Limited, India's largest private sector bank, and Fairfax Financial Holdings, a Canada-based diversified financial services company.

In FY 2005, gross written premium (GWP) was Rs 8.85 billion. That year, ICICI Lombard adopted a technology solution from a TCS subsidiary, CMC Ltd., later merged into TCS.

In FY 2018, GWP reached Rs 123.57 billion (USD \$1.8 billion) — a remarkable 22.5 percent compound annual growth rate (CAGR) continuing over 13 years. In the last fiscal year alone, the number of policies increased by 32.5 percent — from 17.73 million in FY 2017 to 23.52 million in FY 2018.

Throughout this journey, TCS has expanded its role as ICICI Lombard's largest technology partner.

Revved Up

As a stunning illustration of the scale of ICICI Lombard's business and the capabilities enabled by TCS BaNCS, last year the insurer sold more than 300,000 insurance policies in single business day. "During the months of September and October, there's a significant spike in the business," explains Girish Nayak, Chief of Customer Service, Operations &

Technology at ICICI Lombard. "For an internal contest, we set an ambitious sales motivation target, and on the last day in October 2017 we were able to reach that target by selling more than 300,000 policies in a single business day."

Even though ICICI Lombard is the fourth-largest insurance company in India, it outsold its larger rivals by selling over two million policies in a single month.. With a high market share in motor insurance for two-wheeler vehicles, ICICI Lombard offers policies with premiums costing as little as \$15 to \$20 per year. These low prices, combined with ICICI Lombard's high-profile standing in the marketplace, contributes to record-breaking numbers of policies sold. "I believe it was the highest number of policies that anyone has processed in a single month," says Nayak.

Handling a high volume of small-ticket policies requires a highly-scalable, automated, and low-cost platform for technology and operations. To that end, ICICI Lombard has digitized all direct sales through its website or agent systems, which are 88 percent of policies issued. "It's all digitally processed, so we don't need to process paper," says Nayak. "In the last five years, the number of policies issued has increased almost fourfold, whereas the headcount for the operations staff has only increased by 10 percent."

Single-day switch to GST

ICICI Lombard also relies upon the highly-configurable flexibility of TCS BaNCS. Normally, most change requests are bundled into scheduled quarterly releases, which allows the synchronization of testing and approval across multiple business lines.

Last year, ICICI Lombard had to act fast to comply with the new requirements of India's Goods & Services Tax (GST). The new GST system came into effect on July 1, 2017, replacing several other taxes and duties. The GST rules, which were formulated just months before the changeover date, required insurance companies to switchover from the previous services tax, to track interstate transactions for reconciling GST with each state, and to apply many other adjustments throughout the supply chain across several different system modules and products. "The system had to undergo significant changes to capture all those details," says Nayak. "This was quite a complex exercise, and we had to do it in a formal manner."

Moreover, ICICI Lombard had to prepare to switch over from the old services tax to the new GST without missing a beat. "TCS was a key part of the entire process, and through a couple of very intense months, they were able to quickly turnaround modules for testing," remarks Nayak. "What really measured the success of the project was that on July 1st, we were one of the few insurers who were all systems go on day one." (For more on the GST switchover, see article on p32.)

ICICI Lombard will continue to work with TCS to enhance the capabilities and reach of the TCS BaNCS deployment. "Our relationship with TCS is quite healthy, and we hope we can keep this relationship going as it has for the past twelve years," adds Nayak. "Any changes that we do, TCS will be a part of it." ■



AT A GLANCE

Company
ICICI Lombard
General Insurance Company

Headquarters
Mumbai, India

Business Challenge
Handling record-high volumes and implementing GST

Solution
TCS BaNCS for Insurance

FAST FACTS

- ICICI Lombard is the largest private-sector non-life insurer in India based on gross direct premium income (GDPI).
- In 2017, ICICI Lombard became the first private sector general insurance company in India to cross the Rs 100 billion (USD \$1.5 billion) mark in premium income.
- The company issued approximately 23.52 million policies in the fiscal year ending March 2018.

A QUICK NOTE OF APPRECIATION

Would like to take a minute to thank you and your team for the work and effort you have put in over the last year in effectively managing both the developments and support initiatives. Managing the core Application without break during the business hours requires a commendable effort & dedication and such achievements deserves a special appreciation. This year we had reached all-time high numbers in terms of policies issued, with maximum per day through put reaching 3 lakh policies in a single business day and 20 lakh polices in a month. This was possible only due to the team's active and continuous support and robustness / scalability of the Core Application from TCS.

One of the biggest projects that we had executed for the GST implementation this year requires an explicit mention here as it was delivered in a very short span considering the scope of the implementation. The attitude and approach of the team towards addressing the challenges faced during the GST implementation displays the strength of the support team.

Attaining these milestones was possible only since all of us had been aligned collectively towards the first time correct approach and the measures we undertook in reaching the goal. Please express our sincere thanks to the rest of your team too. Once again, we would like to thank you and congratulate you and the team for your hard work and dedication. I wish that you continue the spirit in the upcoming projects also.

Best regards,
Siva Subramanian.R | VP - Technology