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Bridging the Gap: Bharti AXA's Balancing Act between Customer Acquisition and Fraud Prevention

*In a world reshaped by digital innovation, insurance companies face unprecedented challenges in preventing fraud. Bharti AXA Life Insurance stands at the forefront of this battle, leveraging cutting-edge technologies to secure transactions and redefine industry norms. **Nitin Mehta**, Chief Customer Officer and Head – Marketing, Digital and Online Sales at Bharti AXA Life Insurance, in an exclusive interview with **Srajan Agarwal** of **Elets News Network (ENN)**, provides insights into their strategic approach, highlighting the impact of AI, successful customer retention models, impactful fraud awareness campaigns, and the company's forward-looking strategies in the evolving landscape of digital insurance*

In the rapidly evolving landscape of digital transactions and insurance sales, what advanced measures have you implemented to curb potential frauds? Can you shed light on any specific technologies or analytical tools that you have adopted to detect and prevent suspicious activities?

The rapidly evolving digital landscape has presented new challenges for insurance companies in preventing fraud. AI and related technologies have had a significant impact on all industries and especially in Insurance. With the success from AI related tools and technologies, everyone is now adapting to the changing needs of Business. From predicting early claims, to identifying risky and fraud profiles to underwriting and distribution, all functions can benefit from an end-to-end AI enabled decision-making system. AI has brought a cultural shift with more adoption and appreciation of the value of data and powerful models to enhance



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customer experience, increase profitability and reduce operational work.

At Bharti AXA Life Insurance, we have successfully developed and deployed multiple end to end ML enabled decision-making solutions at scale to impact revenue, persistence and cost efficiencies. Complex algorithms have been integrated at onboarding to identify risky and fraudulent profiles. This has led to reduction in early claims, improvement in sourcing quality and improved customer experience through reduction in issuance TAT for non-risky profiles. Good customer profiles help to improve business books and overall loss ratio of the organisation. Our pre-issuance risk verification model scores each profile and assigns a score which thereby dictates the entire flow of one’s on-boarding journey. This model has been extremely beneficial in reducing our early claim rate, fraudulent experience and has helped in re-defining underwriting rules. All functions involved in on-boarding journey- distribution, new business, branches, risk control unit, underwriting have adapted to the newer and more efficient ways of issuing a new policy. The model is also course-corrected through adaptive technology as and when required.

For any insurance company, customer retention measured through persistence and revival, is a very important performance indicator which indicates the quality of the

customers sourced. Our Persistence and renewal suite consist of >18 models which are integrated throughout the customer journey post onboarding. Separate models have been built for, based on the due portfolio, i.e., 13th month vs non 13th month that further have different AI-ML models to capture experiences of each distribution channel. We also have multiple separate revival suites for Lapse and RPU with channel granularity. Each model score determines the retention strategy which is created with the revenue assurance team

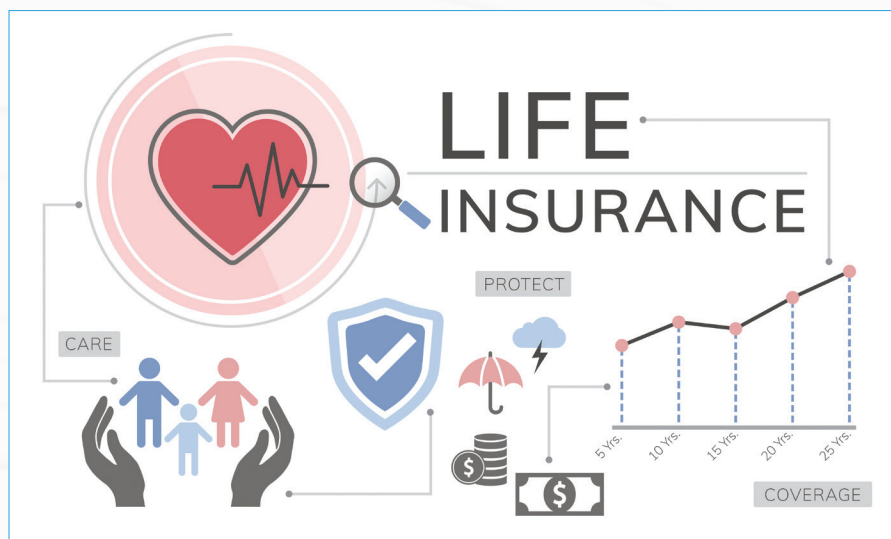
including no touch, medium touch and high touch (through calling/ messaging/ field interventions/additional due-diligence). With the end to end integration, we have been able to not only optimise the overall resources deployed for renewal collection but also increase the overall quality of the book, persistence and revival rates.

Bharti AXA Life Insurance has been at the forefront of numerous campaigns aimed at increasing consumer awareness against fraud. Could you discuss some of the most impactful campaigns you’ve led or been a part of? How do you measure their success in terms of reach and effectiveness?

We do a number of campaigns around all aspects of educating customers ranging from demystifying insurance jargons, myth busters, providing awareness with the intent of helping the customer take an informed decision and not fall prey to any fraud or mis-selling. We have led two of the most impactful campaigns in the recent past.

One was the basis of the most common Voice of Customer (VoC) on grievances in the insurance sector. Analysing the VoCs, we at Bharti AXA created innovative comic strips to increase the awareness against frauds or illegitimate inducements while making a sale. These creatives resonated well with the customers because of their simplicity, illustrative nature, and their catchy phrases and that led to increase in awareness around the terms and benefits of the products being sold thereby leading to a dip in complaints relating to mis-sell by ~40 per cent compared to same time last year.





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How do you balance the drive to acquire new customers with the necessity to instill practices and awareness campaigns against potential frauds? Are there instances where these two areas intersect, and how does Bharti AXA Life navigate these complexities?

While as a company we are driving and striving towards acquiring more customers and generating more revenue and value for the customers and shareholders alike, we

are prudent enough to ensure the quality of the lives onboarded while also ensuring the customers do not fall prey to any potential frauds as covered in the previous two questions. In the long term our objective is to ensure that happy customers buy more and stay longer.

The younger generation is getting tech-savvy and values digital-first solutions. How is Bharti AXA Life Insurance evolving its strategies and offerings to appeal to this demographic, ensuring not just acquisition but also long-term engagement and trust?

Bharti AXA Life has been working extensively around the entire lifecycle of a customer for a few years now. We have digitised our processes and back end operations from onboarding all the way to post issuance servicing and claims settlement via initiatives such as Shorter proposal journeys – 3 click buy; smarter and automated underwriting; target group based product propositions; end to end customer onboarding and servicing

online; sharp, simplified, and every step digital communications; multiple avenues to ease the access to servicing such as WhatsApp, app, website, tele-line, Branches across the country; and increased focus on digitisation and digital awareness.

By covering the entire customer and product lifecycle, we ensure that the customer is protected irrespective of whether there is a physical person or not.

As we look forward to the next decade, what major shifts or innovations do you anticipate in the insurance sector, particularly in the digital and online sales segment? How is Bharti AXA Life preparing to meet these challenges or harness these opportunities?

With rising incomes, improving tech and digital adoption, increasing financial literacy and evolving regulations, India's insurance industry is poised for strong growth in the coming years. Major changes around the following areas are expected in the next decade to come

ROPO – The concept of research online and purchase offline is picking up momentum and will become the norm in buying an insurance in the decade to come.

Customers will demand more tailored and flexible products and services that suit their individual preferences, lifestyles, and risk profiles. Insurers will need to leverage large data by integrating with bureaus, lifestyle/ health records, etc and analytics to offer dynamic pricing, modular coverage, and personalised recommendations to be relevant and useful to cater to the needs of the customers.

The other major change is going to be around offering user group specific, need based, insurance products which are inclusive to everyone, however niche the segment may be.

We will also see more of embedded, and sachet type/ bite sized insurance products which will be offered as an add-on to other offerings to enable easy access and allow for a faster and affordable protection. We are already seeing such trends in airlines, etc. For example, Bharti AXA is working with one such partner, to offer embedded products to the customers.

Another major industry wide shift could be around the consolidation of services and offerings to enable a customer to have ease of purchasing journey and to allow for the companies to offer a more holistic product brochure to the customers. •