



THE BOSTON CONSULTING GROUP

## **INDIA: INSURANCE @ DIGITAL – 20TIMES BY 2020**

Report By Boston Consulting Group & GOOGLE

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- By 2020, 3 out of 4 insurance policies will be influenced online
- Internet, mobile & social media are helping create the popularity for digital insurance like never before
- Digital is becoming a core part of increasing number of consumers across India
- The megatrend is growing exponentially
- Digital has disrupted sectors after sectors from travel, commerce, music to publishing etc.
- Digital disruption is not a possibility, it is a certainty
- Insurance is on the verge of digital disruption
- In India, digital influence over purchase decisions is increasing and in some sectors it already matches the mature markets
- In insurance, online term plans and travel insurance have taken off
- Customers prefer online because of better pricing, increased transparency & convenience of purchase

Digital is shaping up around 4 megatrends:

1. World is going mobile
2. Micro-transactions are the new norm
3. Man is a social animal
4. Big data leverage

### **FUTURE OF DIGITAL INSURANCE IN INDIA**

- Online insurance market in India is Rs. 700 crore
  - Life insurance - Rs. 300 crore
  - Motor insurance - Rs. 250 crore
  - Health and travel - Rs. 150 crore
- BCG projects that by 2020
  - Life insurance new business to grow to Rs. 125-150K crores - Growth 2-2.5x
  - Life insurance renewals to grow to Rs. 550-700K crores - Growth 2-2.5x
  - Non-life insurance to grow to Rs. 200-230K crores - Growth 3-3.5x
  - Online sales growth is expected to be more than the above

- Digital influence on new insurance sales is already Rs. 7000-8000 crores
  - Life - 12%
  - Health - 14%
  - Motor - 10%
  - Travel - 19%
- BCG estimates that by 2020, Rs. 1,10,000 to 1,20,000 crores of new insurance sales will be digitally influenced
  - Life - 50%
  - Non-life (Health, motor, travel) - 75%
- Life insurance renewals
  - Currently - 10-15% online - Rs. 15,000-25,000 crores
  - 2020 - 35-50% online - Rs. 1,75,000-3,00,000 crores

### **INDIA - DIGITAL ALREADY UNDERWAY**

- One of the largest digital user population in the world:
  - 900 million Mobiles (Globally #2)
  - 200 million Internet users (Globally #3)
  - 92 million Facebook users (Globally #2)
- Digital adoption in India is faster
- Digital Influences Insurance Deeply
  - Globally, insurance is amongst the Top 5 product and service categories shopped via internet
  - In US, for motor insurance, digital influence has reached 75% and 25% sales come through digital channel
  - In India in insurance
    - Digital influence is 6x of digital sales
    - Digital footprint in categories
      - Motor - 43%
      - Life - 38%
      - Health - 57%
      - Travel - 42%