

MAHINDRA INSURANCE BROKERS LTD

A TRUSTED NAME FOR
INNOVATIVE, COST EFFECTIVE
INSURANCE SOLUTIONS

By Nandini Mukherjee

Dr. Jaideep Devare - Founding Member and Managing Director, Mahindra Insurance Brokers Ltd.

Dr. Jaideep Devare joined Mahindra & Mahindra Ltd. in 1992 and has been involved in various assignments across different businesses of the Mahindra Group. In 2002, he was appointed as Head – New Initiatives at Mahindra & Mahindra Financial Services Ltd. (MMFSL), a subsidiary of M&M. After successfully setting up the insurance distribution business at MMFSL, he played a key role in forming the insurance broking company, Mahindra Insurance Brokers Ltd. (MIBL) which commenced operations in 2004 and was subsequently appointed as the Managing Director of MIBL in 2009.

At MIBL, Jaideep has conceptualized and built, along with his team, a sustainable business model to deliver the benefits of insurance to millions in rural India. Under his leadership, the gross premium generated by MIBL in F2017-18 was INR 20.49 Billion with a compounded annual growth rate of over 40% since 2004-05.

With the aim of driving positive change, Jaideep has contributed significantly to promote insurance awareness. Jaideep earlier served as a member on the Life Insurance & Pensions Committee of the Bombay Chamber of Commerce and Industry (BCCI) from F2004 to F2006 and as a member of the Managing Committee of the BCCI for the year F2016. He is currently a member of the Insurance Institute of India's (III) Committee on Research Grants. He is on the Governing Body of the Indian Institute of Cost Management and Research, Pune, and a member of the Governing Council at Fr. C. Rodrigues College of Engineering, Mumbai.

Jaideep has been awarded the Asia Pacific Entrepreneurship Award in Financial Services Industry by Enterprise Asia in 2017, and in 2018 he was ranked amongst '50 Most Influential Rural Marketing Professionals of India' by the Rural Marketing Forum.

To be able to play a predominant role in the insurance broking industry in India, with a focus on value to customers, innovative solutions, superior services, professional manpower and Corporate Social Responsibility, is what remains the driving force behind Mumbai-based Mahindra Insurance Brokers Ltd. (MIBL). An 80 percent subsidiary company of Mahindra & Mahindra Financial Services Ltd., MIBL is one of the few insurance broking companies in India to have been awarded the prestigious ISO 9001:2015 Certification for Quality Management Systems - Adopting Quality Management Systems ensures standardization of validated processes, measuring and monitoring of customer satisfaction levels for improvement, and setting and achieving quality objectives for excellence.



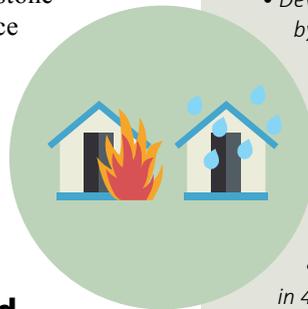
A commitment to provide value to customers, by understanding their insurance needs and risk profile, is what Mahindra Insurance Brokers Ltd. is best known for. MIBL team, after understanding customers' insurance needs and risk profile, provides innovative, cost-effective, customized solutions to ensure total customer satisfaction.

“Our role, in short, encompasses various activities right from risk profiling to claims administration for customers. Our aim is to play a predominant role in the insurance broking industry in India, with a focus on giving more value to customers, innovative solutions, superior services, a professional team, and corporate social responsibility,” says Jaideep Devare, Founding Member & Managing Director.

The Building Years

In the year 2004, MIBL was granted a Direct Brokers License from the Insurance Regulatory and Development Authority of India (IRDAI). The company has spread its wings and upgraded its license to a Composite Broker License in September 2011, thus foraying into Reinsurance Broking business along with Direct Broking. Through its Direct Broking, MIBL primarily services the rural and semi-urban markets in India with more than 400 branches, and has business relations with insurers and reinsurers in over 40 countries for its Reinsurance broking business.

Till date, MIBL has served over 10 million retail customers and spread across 2 lakhs villages. The MIBL team leaves no stone unturned to provide direct insurance broking for Corporate, SMEs and Retail customers and offers a range of products for the Non-Life and Life insurance segments. In addition, they also offer value-added services like Insurance Diagnostics, Risk Management.



Innovative + Customized Solutions = Success

In line with its strong focus on customer centricity MIBL offers services to its customers through B2C as well as B2B business models. In B2C, they serve retail customers for individual needs related to

MIBL'S THREE- PRONGED STRATEGY

Customer

- Grow existing lines of business in Retail, Corporate and Reinsurance
- Enhance customer centricity by addressing customer pain-points and engaging them through on-ground activities
- Customer lifecycle management through Customer Relationship Management (CRM)
- Brick vs Click - The focus of Brick and Mortar business model is on Mahindra Finance and Mahindra & Mahindra customers in the Retail vertical. This ensures low cost of operations. Customers outside the Mahindra ecosystem will be reached through digital model (B2C/ B2B2C model) instead of physical reach

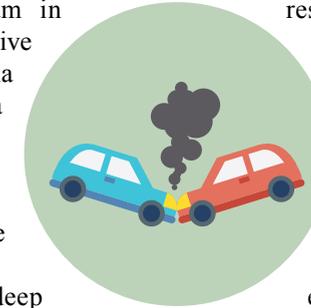
Competition

- Enroll dealers as Motor Insurance Service Provider (MISP) thus adding value to customers
- Build competitiveness through Product and process innovation
- Partnership Approach -Post introduction of MISP guidelines by IRDAI, MIBL could have worked for motor insurance with the customers directly in order to gain higher margins. Instead, MIBL partnered with the automobile and tractor dealerships to enable customers to get value from various services from the dealerships and enrolled the dealerships as MISPs, thus sharing the margins with MISPs and ensuring customer services
- Post introduction of MISP guidelines by IRDAI, MIBL could have eliminated dealership channel for motor insurance in order to gain higher margins. Instead, MIBL partnered with these dealerships to leverage synergies in Mahindra & Mahindra ecosystem and preferred higher volumes and lesser margins

Capabilities

- Develop capabilities in the online space for B2B and B2B2C by utilizing our branch network
- Build People capability development by mentoring, training and on-job experience
- Product capabilities - A few years ago, MIBL had built capabilities for life insurance, but, did not enter this line of business due to high costs of customer acquisition. These capabilities were utilized in building the health insurance vertical
- Distribution capabilities - Currently, MIBL operates in 400 locations out of 1200 Mahindra Finance branches. Based on the business volumes, these locations have been shortlisted for their economic viability. For expanding distribution of retail products in other geographies, MIBL is building distribution capabilities for Point of Sale Person (POSP) instead of hiring new people

health, life and motor, whereas through the B2B business model, they cater to corporate and SMEs for their group health and asset insurance requirements. In B2C (Retail), MIBL has a philosophy of designing innovative solutions for the rural market, which is often deprived of adequate insurance coverage. The team in fact has developed several innovative solutions like Mahindra Loan Suraksha (MLS), and Mahindra Arogya Suraksha (MAS), specially designed to adapt to the prevailing conditions in the rural and semi-urban areas, and which provide these customers with comprehensive coverage to meet their lifecycle needs.



Throwing light on the solution, Jaideep explains, “MLS is a customised, innovative insurance solution offered to Mahindra Finance vehicle and tractor loan customers through which in the unfortunate event of the customer's death, the outstanding loan amount is waived off and the vehicle or tractor can be retained by the customer's family. We have co-created this unique solution along with Mahindra Finance and an insurance company with a focus on customer-centricity.”

To facilitate the process of claim settlement for the customer's family, the team has further evolved innovative practices along with insurance companies to facilitate faster and hassle-free claims.

In the B2B (Corporate Solutions) segment, MIBL caters to 1000+ corporates and SMEs and insures their employees and physical assets. The company additionally offers value-added services like Risk Management/Audit which includes risk inspection and gap analysis, and portfolio management which includes claims consulting. Customized insurance programs are designed with partner insurance companies to cover most of the insurance needs of their organization.

“Through our Reinsurance vertical, we cater to insurers and reinsurers in 40+ countries. Reinsurance broking services are used by insurance companies to transfer their portfolio risks to reinsurers, protecting the insurer's balance sheets, reduce captial infusion, and enabling continuity of business operations. Our Reinsurance broking team uses their international domain knowledge and expertise to provide innovative and customized solutions to insurance companies, nurturing long term business relationships with them,” adds Jaideep.

Being Good in Business

The Insurance industry has seen dynamic changes in recent times due to introduction of new IRDAI regulations, change in consumer behaviour, increase

in competition, new entrants, innovation, and adoption of technology in the sector. IRDAI introduced Motor Insurance Service Provider (MISP) as a new class of intermediaries which changed the commission structure and the distribution model for motor insurance. As a result, there is a shift in industry commission structure. To stay strong, the team is planning for innovative business models, like Pay-As-You-Can. Here a network of large service providers like telecom companies or banking institutions can be leveraged for distributing affordable and need-based insurance solutions.

In reference to this scenario, Jaideep elaborates, “The recent Point of Sale Person (POSP) regulation by IRDAI provides a new opportunity for insurers and brokers to sell basic insurance policies through individuals. We are planning to leverage the Mahindra ecosystem as well as the open market for enrolment of individuals as POSP. This would help in reducing manpower cost and expand penetration in the market.”

TEAM MIBL IS CURRENTLY WORKING ON PREDICTIVE ANALYTICS MODEL TO UNDERSTAND CUSTOMER LIFECYCLE BETTER AND BRING THEM PRODUCTS THAT SUIT THEIR NEEDS

While technical innovations are increasingly playing an important role for determining growth of insurance industry, team MIBL is currently working on predictive analytics model to understand the customer's lifecycle better and offer them products that best suit their needs. “Insurance industry is highly regulated and regulator IRDAI strives to increase consumer awareness. We have always given the highest priority to compliance and adherence to government rules and regulations,” he adds.

Since inception, MIBL has an impeccable record for corporate governance as evident by continuous renewal of license every three years by IRDAI.

AWARDS

1. Porter Prize for *Creating Shared value in 2018*
2. "Strong Commitment to HR Excellence" Award at the CII - 8th National HR Excellence Award Confluence 2017-18
3. Maturity Level 5 of The CMMI Institute's People Capability Maturity Model (People-CMM) in Jan 2018
4. CSR Award under Women Empowerment category in May 2017
5. Ranked among India's 15 Best Workplaces in BFSI-2018 by Great Place to Work Institute India, and among Top 100 India's Best Companies to Work for 2016 & 2018
6. A Maturity Level 3 to the People Capability Maturity Model (People-CMM) in Dec 2015
7. EDGE – Enterprises Driving Growth and Excellence (using IT) Award in the Mobility category in 2014
8. Celent Model Insurer Asia Award 2015 in the "Data Mastery & Analytics" category in Singapore
9. Asia Insurance Industry "Broker of the Year" Award for 2014

Values that Make Up MIBL

The need to continuously develop employees across all roles & positions to ensure that they are equipped with relevant skills and competencies is well recognized by MIBL. In line with the same, they make efforts to design and develop programs to help build the skills of their employees. The robust competency framework encompassing functional knowledge, skills and behaviours forms the premise, based on which the training plans are developed and developmental inputs for employees are extracted. Besides the competency framework, emerging growth areas, regulatory changes/requirements and manager inputs are taken for designing and developing training programs.

The effectiveness of such training and its impact on business is measured through shift in competency proficiency levels between the 2 competency assessment cycles (6 months interval) "As a practice, we measure the effectiveness of training programs based on shift (increase/decrease) in target competencies, post learning interventions. Improvement in competency results depicts that the learning and development programs targeted to technical competencies - Claims knowledge, Product knowledge, Insurance business knowledge - have improved the proficiency levels of our employees," informs Jaideep. In F2018, MIBL has been appraised and rated at Maturity Level 5 of the CMMI Institute's People- Capability Maturity Model (P-CMM) thus becoming the first company in the BFSI sector globally to achieve this international benchmark. "This is a re-endorsement of the significant emphasis we place on developing our existing competencies and creating a globally competitive learning and development culture. It reiterates our focus on adopting and aligning Global HR and Business process standards and

ensuring sustainability of business," he adds.

Also acting as a responsible corporate, MIBL is committed to create a cleaner, greener and better future for the generations to come. The company has been a part of 3 assessment cycles and has been accredited as A+ in terms of GRI index for Sustainability initiatives. Some of their CSR initiatives taken up in rural India are saving water, electricity, saving paper, planting trees/saplings.

MIBL has further worked on Women empowerment by providing professional training to fully equip 40 women from rural villages of Jaipur to become self-sustained drivers. "We were awarded with the prestigious India CSR Award in the category of Women Empowerment," he further adds.

Striking Out on New Paths

Commencing its operations with an equity capital of around USD 100,000, and all of 14 people, today MIBL numbers over 1,000 people with income of INR 245 cr. in FY 2017-18. Its solutions now reach over 2,00,000 villages across India, serving over 10 Million customers.

As a licensed composite broker, MIBL has demonstrated noteworthy growth and profitability over the past 13 years, with current valuation of Rs.1,300 crores (approx. US\$ 200 million). XL Group, a leading global insurer and reinsurer operating under the XL Catlin brand acquired a 20 percent minority stake in MIBL in 2017. The XL Group will help support MIBL's endeavours to increase insurance awareness and penetration in under-penetrated markets and across under-served customers in rural India.

By 2020, MIBL aspires to be the first Indian company amongst the Global Top 100 Insurance brokers in Revenue. 