

**The future of  
distribution in  
India: agents will  
remain powerful**



**Building a better  
working world**



Even though digital channels have become a more significant method for selling insurance across India, brokers and agents continue to be the dominant point of sale. In fact, this reflects a unique legacy in a country where the life insurance industry was under monopoly government control until liberalization in 2001.

The public life insurer still controls about 70% of the life insurance market, and its near-complete reliance on agents to sell policies has created challenges for the competing private insurers to sell directly to their customers.

In 2017, direct sales by private insurers accounted for just 10.2% of private life insurance sales. Though low, this number reflected significant growth from a base of 4.4% in 2012.

This data re-emphasizes that while the younger generation of Indian consumers is increasingly going online to evaluate and assess insurance products, the actual sale is still usually completed only after a face-to-face conversation with the agent.

This makes it imperative that agency sales are completed efficiently and that the key priorities articulated by top management are well-understood by the sales force interacting with customers.

Digital tools can also help agents make in-person sales more effective. By developing a detailed sales tool that assists front-line sales staff, EY professionals are helping Indian firms develop a robust “hybrid model” where digital tools help agents find the right products to sell, to the right customers.



## Digital technologies make agents more effective

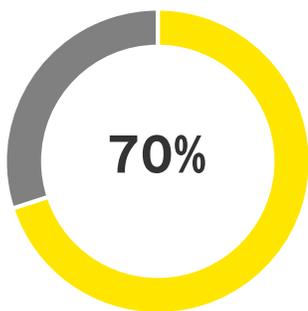
Working with these new digital assets, a front-line agent on the ground today can create a new policy for a customer in under five minutes.

By being able to authenticate the customer's identity a selfie taken with a mobile phone and creating a policy on a mobile application, the digital solutions help improve the quality of the sale, boosts the efficiency and productivity of individual agents, and gives the upper management better visibility of the pipeline of new policy sales coming in. It also improves the customer experience by shortening the amount of time it takes to complete the transaction.

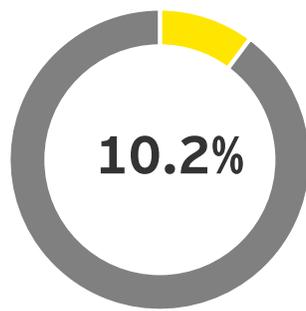
In a nation where mis-selling and fraud have become an issue, technology helps take guesswork out of the process. The new digital tool makes it easy for an agent to send a text message to a client, log into the company site to develop a policy even if leased lines are not operating and send a confirmation notice to clients once the policy has been completed.

**In 2017, direct sales by private insurers accounted for just 10.2% of life insurance sales.**

## How private insurers are boosting sales



70% of life insurance sales are through India's public insurer.



10.2% of life insurance sales are direct sales through private insurers.



EY professionals are helping firms develop a robust "hybrid model" where digital tools in the background help agents find the right products to sell.



Digital tools help agents store customer data that will, over time, allow them to change their sales approach and use their relationships to lead to cross-selling opportunities.

Equally significant, the move to digital sales allows agents to develop and store customer data based on their daily interaction with clients. Over time, this will allow the agents to change their sales approach and move from a service delivery model to one in which they own and manage client relationships, which in turn can lead to cross-selling opportunities.



## Harnessing digital to drive growth

While it is true that customers for non-life policies, like travel insurance or motor coverage, are rapidly moving to embrace digital solutions, agents will continue to be an important part of the life insurance market. However, harnessing digital applications on mobile phones can reduce friction, boost efficiency and improve the quality of sales. Embedding digital tools in a conventional agency structure may be the optimal means of serving the Indian market and will aid Indian insurers as they begin to develop more analytical insights from the data they can now gather electronically.

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