



Covid pushed us to explore and expedite our technology-driven initiatives: Siddharth Kaushik, CRO, Canara HSBC OBC Life Insurance



The ongoing pandemic situation is bringing everyone's focus to technology-enabled capabilities and once we regain normalcy it would be imperative to further capitalize on tech-based initiatives. As a Company, we are leveraging the technologies using Artificial intelligence, mobile internet, optical character recognition, Intelligent Character Recognition, tele/mobile telephony-based services to ensure risk mitigation. This will help the Company to work upon having a robust control framework in line with the needs of the current times and have in place effective customer communication plans thus mitigating the risk of non-traceability of the customers, says **Siddharth Kaushik, Chief Risk Officer, Canara HSBC OBC Life Insurance, in conversation with Elets News Network (ENN).**

1. The insurance sector needs a lot of face-to-face interaction for product selling. What major challenges are you witnessing due to the outbreak of Covid?

Owing to the pandemic outbreak, in the initial day's field sales activities were adversely impacted largely on account of customer focus on social distancing and restrictions on travel and intercity movements. Considering the situation at that time Company worked upon its business solicitation model with focus shifting to the non-face-to-face selling process and digital sales to ensure continuity of business. This is also critical and important at the same time in the new world as customer behavior is changing rapidly considering the ongoing evolving situation.

To address these challenges, we increased focus on a customer-friendly online sales solicitation journey on our website and our fleet on street workforce was completely tech-enabled wherein they have been equipped with requisite hardware and software tools to carry out their day-to-day operations. To sum it up technology-backed empowerment facilitated the Company in having an end-to-end customer acquisition lifecycle without any physical face-to-face interaction. This helped us avoid any business disruptions and run our business as usual.

2. Social distancing and extended lockdowns have escalated digital dependency by many folds. How are you handling the fraud-related concerns?

I agree that the current situation increases the possibility of escalation and increased exposure in fraud risk, however considering that conduct risk and sales quality has always remained a focus area for us, we had requisite controls already institutionalized in the Company. As an additional measure, we had undertaken an assessment of the current processes in light of the ongoing situation and increased our oversight in this area with continuous monitoring to avoid any unwarranted incidents during the pandemic period. As an ongoing process, the Company has always been focusing on digitization on the sales solicitation process along with adequate controls to ensure the mitigation of fraud-related risks. This situation led us to further explore and expedite our technology-driven initiatives.

As a Company our endeavor has always been to ensure that adequate focus is on having satisfactory front-end and back-end controls to ensure that there is no escalation in the risk. Additionally, enhanced emphasis was laid on robust monitoring mechanism being in place to identify any emerging trends and take actions as deemed necessary in a timely manner.

3. What are your views on the traditional Business Continuity Plan? Do you feel the requirement to upgrade them completely?

A pandemic such as the coronavirus (COVID-19) outbreak challenged existing business continuity management initiatives at any organization. Typically business continuity plans are made on leveraging alternate options or locations to continue the business but such a situation wherein there is complete lockdown and the mobility is impacted to the extent that office premises or even disaster recovery sites were not accessible is a 1 in 100-year event. This was further coupled with the overall uncertainty and lower sentiments in general with paramount importance being on health and safety of the employees of the Company and outsourcing partners; so the situation demanded that traditional business continuity plans are not only upgraded but required overhauling change in the way we have managed our business models so far.

The situation demanded quick decision making, optimum utilization of resources available and a calm head, with an objective to create a blended work environment, using physical and virtual collaboration tools.

In our Company, we institutionalized a comprehensive Company-wide business continuity plan that provided for the recovery of critical business unit operations, hardware, software and networks, including the provision of alternative sites from which to work and the ability to work at home securely. Within a span of a week the Company enabled all critical employees to work remotely from home encompassing both laptop and desktop users either through VPN or through virtual environments ensuring adequate safeguards are also maintained from an Information Security perspective.

4. Video KYC is gaining fast popularity lately and the regulator is also supporting its adoption. How do you see it as a development of the sector?

Video KYC is a forwarding step towards end to end digitization of solicitation process in the Insurance Industry. While such technology driven solutions were envisaged to be the future of the Industry, this pandemic situation expedited the entire process. Video KYC will be a welcome step towards digitization wherein it shall help in completing the KYC requirements upfront along with the complete validation which is a great step towards eliminating possibility of frauds as well. Video KYC will give impetus to non face to face selling processes and will also enable and facilitate the customer to fulfill the document

requirements as per his or her convenience sitting at home. From the Company's perspective, Video KYC process will authenticate all the documents submitted by the customer which will work as an effective control in procuring the valid documents from the customer and shall further enforce strong governance.

5. Which technologies, in your view, will help in risk mitigation across the insurance sector in near future?

Learning's and experience emanating from this situation is changing the way we work, the way we plan and the way we execute. The situation has led all the Companies to focus upon technology backed strategies embedded in their eco-system with digital footprints and eliminating single points of failures to ensure continuity of all facets of business. We as a Company continue to focus on digitally enabling the sales and business operation. This adversity has proved to be an opportunity in disguise and helped business process owners find new ways to maintain & sustain the business. While online channels are seeing an increased uptake and the same is gradually picking up momentum, the traditional sales process is also being customized to overcome the current challenges.

The current ongoing situation is making everyone focus on technology-enabled capabilities and once we are back to normalcy it would be imperative to further capitalize on these initiatives. As a Company we are focusing on leveraging the technologies using AI (artificial intelligence), MI (mobile internet), OCR (optical character recognition), ICR (Intelligent Character Recognition), tele/mobile telephony-based services which will ensure risk mitigation through upfront validations and verifications and help in capturing correct contact information or location of the customers. This will help the Company to work upon having a robust control framework in line with the needs of the current times and have in place effective customer communication plans thus mitigating the risk of nontraceability of the customers.

Link - <https://bfsi.eletsonline.com/covid-pushed-us-to-explore-and-expedite-our-technology-driven-initiatives-siddharth-kaushik-cro-canara-hsbc-obc-life-insurance/>