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It was in August 2013, IMF Country Report No. 13/265, on “India: Financial Sector Assessment Program—Detailed Assessments Report on IAIS Insurance Core Principles” brought out a crucial bit of information on the status of skill-sets in Indian Insurance Industry. The exact excerpts from the report are as follows.

“12. The insurance sector employed 139,000 people in the life sector and 61,000 in the non-life sector at the end of FY10/11. A little over half held some form of relevant vocational or academic qualification. Slightly less than 10 percent had formal insurance related credentials. At the time of the assessment, there were 415 individuals with actuarial qualifications (including 82 IAA accredited Fellows) and approximately 5,700 accountants active in the insurance industry. More than 10,000 surveyors and loss adjusters are also employed in the sector. There is a need to increase the number of insurance professionals significantly due to rapid local growth. India is also a major supplier of skilled personnel to the emerging Middle Eastern markets.”

As it always happens, in India, none of the stakeholders in the the industry namely, the regulator, the government, the society, the education system have taken any steps to monitor this situation. Situation is grim and require immediate corrective steps.

Insurance industry is a technical domain

and to manage it efficiently would require razor-edge skillsets. A general graduate from a college will not have enough competencies to start performing on the first day of his job. Acute resource crunch has forced the players to cut their training budgets and forcing candidates to skill themselves at own cost. There are not many quality driven initiatives to support candidates who venture. Net-net the situation has not improved.

### Insurance Education:

Before we delve deep into the functional aspects of insurance, let us look at the educational aspects. Following are the organisations involved in insurance and actuarial education:

1. Chartered Insurance Institute (CII), UK  
[www.cii.co.uk](http://www.cii.co.uk)
2. Life Office Management Association (LOMA), USA  
[www.loma.org](http://www.loma.org)
3. The American College of Financial Services  
<https://www.theamericancollege.edu/>
4. Insurance Institute of India  
[www.insuranceinstituteofindia.com](http://www.insuranceinstituteofindia.com)
5. Academy of Life Underwriting (USA)  
<https://alu-web.com/>
6. Institute and Faculty of Actuaries (UK)  
<https://www.actuaries.org.uk/>
7. Society of Actuaries (USA)  
<https://www.soa.org>
8. Institute of Actuaries of India

## 9. Koushal Vikas Foundation (R)

[www.koushalvikasfoundation.org](http://www.koushalvikasfoundation.org)

Let us now start looking at what all options would be available in an insurance industry and who fits in where.

Opportunities in Insurance sector can be classified as below:

### 1. Non-Employment options:

These include “**Marketing**” of insurance products through agency mode and Surveyorship/Loss Assessor. Both these are highly paid, flexi-time professions. With the insurance penetration at abysmally low levels, there is enough potential that can be explored.

Now the question arises. What it takes to accomplish in this segment. First thing is “Attitude”. One needs to be social, well connected. It is said that three “R”s in Insurance marketing career is Relationship, Relationship and Relationship. Many of successful insurance sales personnel are connected with client families for even three generations. Second important trait for insurance salesman is “articulation”.

### 2. Employment options:

An Insurance provides huge employment opportunities in a developing economy. However, these jobs require special skill-sets for each of the jobs. There is acute shortage of skillsets in India and let us now see what are the jobs insurers offer and what talent it requires.

**Marketing** : hitherto what we have seen are only agents who represent the insurance

companies in the market. To effectively coordinate with these people a strong marketing organisation s required, which are managed by specialists in marketing of services., having knowledge of insurance products and processes.

In the current set-up, the positions available are Sales Managers, Agency Managers, Marketing Managers, AVP Marketing, VP Marketing, VP-Agency, VP-Bancassurance, VP-alternate channels, Director Marketing, Chief Marketing Officer etc.

Skill imparting for this segment is done by international bodies like LOMA/ LIMRA, CII, etc. “CLU” designation offered by the American College is internationally accredited.

**New-Business:** This function processes the applications procured by the marketing personnel. Job involves scrutiny of applications within the underwriting parameters.

Positions in this function are normally known as New-Business Coordinators or New Business Executives.

In the technology driven world where IT platforms are in place even for Point of Sale(POS) such scrutiny will need to be done by the sales person, before entering the data on the POS.

The functional diplomas offered by III will provide knowledge base required in this segment.

**Underwriting:** All the applications uploaded on the POS will be subjected to a review & evaluation process known as “Underwriting” . Till recently this was managed by technically qualified people who are known as “Underwriters.”

Again in the modern world this is a technology driven task. This whole exercise started initially as Global Underwriting Manuals(GUM). These documents provided the basis for risk evaluation. Insurers/Reinsurers have their own set of rules. As days passed by, this task was taken over by the “Rule based engines”, which are connected to the administrative platforms for “Automated Underwriting”. These engines have the rules built in them which were available in GUMs hitherto.

Underwriting as a profession is a real challenging one and is much coveted profession. It normally requires exposure to social,cultural,demographic, linguistic,legal, accounting,finance & Tax, related areas. Since it is difficult to get large number of people with this profile and being a costly proposition, technology has taken over the function to a greater extent, leaving a small segment of high end decision making for underwriters at home offices of insurers.

Positons in this functions are designated as Underwriting Coordinators, Underwriting Executives, Junior Underwriters, Financial Underwriters, Medical Underwriters etc

Academy of Life Underwriting,USA provides AALU, FALU professional designations for Life Underwriters. In India, Insurance Institute of India, provides

the academic base for underwriting. Koushal Vikas Foundation(R) through its professional programs, assists in pursuing these technical qualifications in underwriting.

**Policy Contract Issuance:** Once cases are underwritten, then contracts need to be generated and executed. This is a factory or shop-floor kind of environment. Policy administration systems helps in printing all the policy documents approved by the underwriters.

These documents need to be checked for accuracy by quality assurance team. After QC, cases are formalised by affixing company seals, singature of the competent authority and stamped appropriately under Indian stamp Act. Completed documents are then couriered to customers.

**Customer-Service :** Non-life contracts are generally annual contracts and would not need much of servicing. In Life contracts are normally long term ones, and customer would need lot of support, updations, modifications during the policy term. These could be like, name change, address change, change in the beneficiary details (Nomination), change in the owner details (assignment), alterations to policy contract, Revival and reinstatement of lapsed policies.

There seems to be huge dearth for Customer Service Officials. Though each of the company has its own service conditions, a general knowledge platform is provided by the programs of LOMA-ACS and Structured Programs of Koushal Vikas Foundation programs.

**Claims:** Policy moneys become payable when the insured event occurs. In Life insurance it may be completion of policy term- which is otherwise known as “Maturity” whereunder the policy moneys become due to the surviving insured or death of the insured, where the policy moneys are due to the nominee/legal heir as the case may be. If the death of the assured occurs in a suspicious manner, or within the first two years of the issue, then insurers may prefer to look into the claim and may call for an investigation by a qualified claim investigator.

Like Underwriting, settlement of a claims is an interesting but technical task. Service rules are specific to companies. ICA programs provide in-depth insight into the claims processes.

There is another important issue here. With the liberalised market, investigation of early claims, fraud claims, suspicious and suicide cases are being outsourced to private entities, whereas it needs to be managed by industry. Reason is these claims are only contractual cases and hence does not require detectives to go behind these cases. There is an urgent need to develop Insurance investigator’s profession to involve in the country. Koushal Vikas Foundation is launching a program on Investigation of Life Insurance Claims.

**Finance:** Finance is the life blood of the insurance organisation. For someone into Insurance Finance knowledge of cash flow, fund flow, budgeting is essential. Cash, Banking transactions need to be monitored minute by minute. So, any commerce

graduate has an opportunity here, if he has exposure into Insurance Finance. Expertise in financial management is a must, which can be learnt on the job.

**Investment:** Investment of the funds in a profitable manner is an absolute need in Insurance Organisation. There are investment norms fixed by the regulator. Currently there are no specific programs to train the candidates, but a few programs in LOMA will give an insight into this function, for an investment specialist.

**Actuarial:** Actuarial is the much coveted profession in the country. It is analytical, technical and decision making profile. Actuaries design the products in Insurance, pricing and valuation aspects of assets and liabilities in Insurance business . India was importing huge numbers of actuarial resources from developed markets, but recently with more influx of students into this profession situation is improving drastically. Very soon, India will have excess supply of actuarial resources and providing them employment options would become a challenge.

However there are immense opportunities for actuaries in India, not necessarily in Insurance but in many other allied sectors, where large number of consulting professionals would be needed. It is time that the profession starts widening its scope and not confine to home office processing.

Actuarial education is offered by Institute and Faculty of UK and Society of actuaries(SOA) of USA and in India by IAI.

Actuarial domain is seeing a sea-change with technology playing greater role. System Actuaries - are next-gen professionals in this segment where opportunities are many in the global job market.

**Information Technology:** Managing Insurance business has always remained a challenge. Since it is a technical industry dominated by volume of transactions, keeping transaction-cost lowest to augment profits has been a major decision for managements of all times. What started as stand alone tools and calculators, GUMs have now moved into the realm of digital world. Legacy systems are of the by-gone era and latest mobile, digital technology, telematics have been pushing the initiatives too far.

Systems in insurance world fall in the following categories.

- \*Point of sale systems(POS)
- \*Work Flow Management (WFM) systems
- \*Underwriting/Risk management engines(AUS)
- \* Policy Issurance/printing module
- \* Reinsurance Module
- \* Finance & Investment Module
- \* Claims module
- \* CRM Module
  
- \* HR/Payroll/Gen Admin Modules
- \* Actuarial Module: catering to the needs of Pricing and Valuation.
- \* MIS module for management reporting and data analytics

All these modules are integrated with the admin-platform and interact with each other on real time.

The positions in this function are for maintenance of the modules/front end systems. Backend systems are normally managed by Data Base Administrators. All the modules would be off-the-peg and will be customised to client needs on order as needs of each region are different. However, IT provides for huge work to both IT and business guys. Business Analysts will have time in writing rules for these systems and Quality analysts busy testing them for sign-off and implementation, including post-live hand-holding.

**Legal:** Insurance industry will have its own baggage of legal team which will be involved in legal, compliance, drafting of documents, and court matters.

**General Administration:** As required in any big organisation.

So, conclusively, insurance industry has the highest requirement of skilled resources and more so in a developing economy like India. What is really needed is professional approach to build competencies and industry-academia relationship.

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