Time allowed: 2 Hrs 30 Min
Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the Answer Sheet. All other instructions on the question paper / notifications should be followed meticulously.

Sections	No. of Questions to attempt	Marks	Total Marks
A	Minimum 3 question with internal choices and CILO (Course Intended Learning Outcome) covered Or Maximum 6 questions with internal choices and CILO covered (as an example)	3*10 Or 6*5	30
B	Compulsory Case Study with minimum of 2 questions	20	20
			50

Section A
Answer all Three Questions. There is a choice in each one of them. Marks 10X3=30

Question 1. Why the emerging technologies are becoming the driving force of disrupting Insurance industry. Explain your answer using new Laws od IT . (CILO1)

OR

 What are the Four Common Factors of Digital Transformation in Insurance from other Industries . What are the three categories of Insurtech Start-ups?
 (CILO1)

Question 2 : What are the applications of Artificial Intelligence in InsureTech industry . explain with examples. (CILO2)

Or

 What is the use of Robotic Process Automation in Insurance Industry. How does it benefit .
(CILO2)

Question 3 :   What is the use of Big data and Predictive Analytics in the growth of Insurance sector. You have been asked to give some real examples where Big data was found useful in Insurance Sector . (CILO2)
Or
What is Augmented Reality / Virtual Reality? How does it help the Insurance Industry ? Give examples.   (CILO2)

Section B
Read the case study and answer both questions.   Marks 10X2 =20

Question 4. What are main challenges presented in the report? Marks 10 (CILO3)

Question 5. The CEO of a leading Indian Public Insurance company wants you to identify action items based on these challenges. **Please give your recommendations which may not be limited to what they described in case study but more than that**. Marks 10 (CILO3)

Case study :

COVID-19 insurance operations challenges

Insurance is a highly complex business involving multiple processes to administer existing policies, price new business, sell new business, renew policies, address customer inquiries, and process claims. Adding to this complexity is the highly intricate interplay between insurers themselves and their external networks; e.g., brokers and agents.
It is no surprise, therefore, that the COVID-19 situation poses a wide-ranging series of challenges for insurers to maintain their operations as normal ways of working become severely disrupted.

So, how are insurers faring, what are the critical flashpoints - and what longer-term changes to operations may we see in the future as a result?

Shift to remote working

Across all of the insurers that we have been speaking with, one aspect immediately stands out: a mass shift to remote working. Many insurers have been looking at ways of increasing their operational digital footprint and connectivity, with a lower reliance on physical co-locations of people. That they have put this in place in only 2-3 weeks instead of 2-3 years is a huge achievement in itself in a timescale that most could not have imagined.

Dealing with channel overload

One of the biggest challenges is that all of this is happening at the same time as a huge spike in customer contacts. Whether it's about travel insurance, critical illness, health cover, business interruption, or another issue, customers are deluging insurers with queries over what they may or may not be covered for or to actually make a claim.   .

Digitized is optimized

Certainly, those insurers with more advanced digital underwriting, claims, and administrative processes are in a much stronger position than others, even if processing time is slower now than in normal conditions. Those who do not have these capabilities or who rely on cruder technology workflows are likely to be struggling more. There is a risk of losing customers to more digitally-enabled competitors moving forward, particularly in personal lines where many customers' patience with non-digitized processes these days is low.

To ease the pressure and to provide optimum levels of customer support, many insurers are facilitating the claims process by waiving certain requirements and simplifying the paperwork needed. However, it remains a challenge to deal with complex and/or high value claims where evaluating the physical evidence and obtaining expert reports in-person is frequently a key part of the process. There are no simple answers here in an unfolding situation - but we may see increasing use of drone or imaging technology to assist loss adjusters who are unable to conduct site visits.

Fraud risk mounting

All of these factors raise another prevalent issue: mitigating against the potential for fraud. We are already hearing of a growth in fraudulent claim attempts, for example around travel claims where customers, having been turned away by their travel agent or airline for cancelled travel, come to their insurer and fabricate an illness or other condition to try to secure compensation.

The fraud risk is by no means confined to customer claims, however. The remote working that is currently so widespread is likely to prompt a rise in hacking attempts by bad actors seeking to exploit vulnerabilities for various purposes - to obtain customer data, siphon off financial information, or disrupt services.

Offshore centers - weak links in the chain?

Another key issue that is rapidly coming into focus is the risk that some insurers are exposed to in their use of offshore service centers. There are at least five main locations commonly used across the industry for aspects of administrative processes such as back office underwriting, claims processing and policy administration: India, Philippines, Eastern Europe, Republic of Ireland and China.

Cracks in the system are already beginning to show. India has gone into a complete lockdown that is set to last for several weeks. Many employees in shared service centers simply don't have the equipment or connectivity needed to work from home yet.

Keeping the distribution channels working

Another key operational area is insurers' interactions with brokers and intermediaries. Some brokers that lack IT infrastructure are having more difficulty providing administrative services . Insurers should review the ways in which their operations support teams can work with brokers to help keep business flowing.

Social responsibility is on the rise

China was early in terms of being impacted by this virus and we see insurers stepping up to help their policyholders in new and different ways. For example, some are providing more flexibility in grace periods for premium payments, waivers for certain parts of their claims processing to expedite payments, reducing the needs for multiple documents, etc. We see this trend in other insurers all over the world. All of this will require operational processes to adjust and adapt with the times at a pace that was likely not imagined before COVID-19. as the "digital tipping point[1]".
Scenario planning becomes more complex - recognizing that even developing the baseline may be challenging, careful scenario planning around potential challenges like IT failure, additional staff reductions, further spikes in demand is needed .