India InsurTech Stack: Vision Paper

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India InsurTech Association

Executive Summary

India InsurTech Association (IIA) is putting together India InsurTech Stack (IIS) for the insurance ecosystem in India with the aim to increase efficiency, enable innovation and enhance customer-centricity. India InsurTech Stack aspires to achieve this by defining principles, identifying Building Blocks (i.e. digital systems), and defining a set of technology and data standards and frameworks for our industry. The IIS aims to develop the backbone necessary to support the InsurTech infrastructure of the country. It will bridge the existing gap amongst different stakeholders of InsurTech ecosystem through digital highways.

IIA is focusing on drafting a comprehensive *India InsurTech Stack Paper* over a period of 12 months, which will be developed through open collaboration amongst all stakeholders of the InsurTech eco-system. We define these stakeholders of the Indian InsurTech eco-system as technology and data companies, insures, reinsurers, intermediaries, policy-makers, technical professionals, service providers or any other such stakeholder who would like to contribute to the growth of InsurTech in India.

After 12 months, post the launch of the *India InsurTech Stack Paper*, IIA will work with the right stakeholders (ie, IRDAI, DFS, IFSCA, etc) to support the implementation and roll-out of the various stack components.

Vision

India InsurTech Stack aims to

- enable rapid **growth** of insurance
- enable **efficiency**
- enable **rapid innovation**
- enhancing **customer centricity**

In an ideal state
the stack would help a new player to set up shop and begin operations through a fully digital process in a very short period of time (say in between 7-15 days)

- the stack would guide everyone, from new insurance companies to intermediaries, to create a digital company from the start, making Insurance as a Service the new norm

What does the end product look like?

Building Blocks based on "needs" of the Industry:

The steady-state version of India InsurTech Stack would have clearly identified digital systems as Building Blocks that when put together can enable the operators (i.e. insurers, reinsurers, startups, Brokers, TPAs, etc) to do all the operations in the insurance value chain digitally and efficiently.

Equally, each Building Block could also be capable of meeting specific business need(s). For example, a Needs Analyzer Building Block could help end-users identify their insurance needs, and when integrated with Building Blocks for Quote, Bind and Issue can be used to buy an insurance contract. We will identify these Building Blocks through active engagement with our stakeholders.

Establishing a set of Technology and Data Standards and Frameworks:

The *India InsurTech Stack Paper* would also identify the optimal technology and data standards required to support the stack as a whole, each Building Block specifically, and the interoperability between Building Blocks and stakeholders. The standards recommended would:

- Come from research on existing standards in India and global best practices
- Would define layers for data privacy, data security, and consent based on various GoI and IRDAI initiatives
- Be supported by appropriate data infrastructure recommendations for scalability

Principles

Some of the initial Principles are defined below. These will evolve over the next 12 months.

- ### Customer Centricity

  IIS shall keep the customer at the heart of the framework and highest priority would be to ease customer journey while maintaining security, confidentiality and privacy of customer data in compliance with applicable norms.

- ### Inclusiveness

  IIS shall be inclusive and would create a level playing field and cater to all operators (big or small) in the ecosystem. For example, an InsurTech start-up would be treated at par with a licensed re/insurer/insurance intermediary. IIS will create a win-win - identify and solve for building blocks which can help drive the entire industry forward

- ### Start Small, Scale Fast

  IIS, in its final avatar, would have all the Building Blocks in place. However, it would be built one block at a time starting with the ones which would create maximum impact

- ### Portability

  IIS, through its Building Blocks, would create mechanisms for smooth adoption and create incentives for early adopters. IIS would also leverage on existing data sources and align with similar initiatives from GoI (like National Digital Health Mission and UPI)

Stakeholders and Motivation to Adopt India InsurTech Stack

While all the key stakeholders are expected to gain out of IIS, IIA would further incentivize the early adopters of the framework. The key motivations of adopting the framework are identified below

- ## Re/insurers

  Re/Insurers stand to gain the most from the IIS in long-term given the implementation of IIS would increase efficiency, provide access to data and improve customer experience

- ## Intermediaries

  Intermediaries like Brokers and TPAs work directly with insurers and are currently challenged by lack of standardization when it comes to interacting with systems of insurers. IIS will promote standardization of Building Blocks increasing Intermediaries' efficiency of scaling connectivity to insurers

- ## InsurTechs

  InsurTechs, given limited access to industry, and lack of standardization in connecting with systems of re/insurer take longer to go to market. IIS will build upon the concept of technology sandbox that will foster innovation by allowing insurtechs to test their ideas seamlessly.

- ## Regulatory Bodies

  IRDAI and IIB are in process of creating standardized data repositories and mechanisms to collate data from re/insurers and intermediaries. To that end, IIS will be built to be in alignment with their vision to maximize industry impact.

  The National Digital Health Blueprint is a clear demonstration of the Government to increase digital adoption in India and IIS neatly fits in the vision.Similarly, IIS will also ensure the relevant Building Blocks are proposed in alignment with other initiatives such as the National Digital Health Blueprint and the India Stack.

Next Steps

A. Launch of *India InsurTech Stack Paper*

Version	Timeline	Milestone
v0.1	Month 1	Get buy-in on India InsurTech Stack Paper project plan and Vision document. Publish the vision document on IIA website and publicize
v0.2	Month 1-2	Create a working version of the paper (10-pager)
v0.3	Month 3-6	Split into work streams and create a more elaborate version of the paper (50-pager)
v0.4	Month 7	Open up working version to external stakeholders and gather feedback
v0.5	Month 8-10	Finalize the working version of the paper (65-pager)
v0.6	Month 11-12	Get final buy-in from the policymakers and make revisions on the working version
v1	Month 12	Launch India InsurTech Stack Paper to the ecosystem

About IIA

IIA is a not for profit that brings together the entire InsurTech eco-system of startups, insurers, reinsurers, policymakers, service providers, and insurance professionals onto a single platform. The IIA's goal is to facilitate technology usage across the insurance value chain in India. The association seeks to promote new digital business models, build collaboration between start-ups and all the other participants of the insurance industry.

For more details on our mission, vision, members, partners, and activities, please visit - www.indiainsurtech.com