Digitalization in the Bancassurance Model of Distribution: Opportunities and Challenges

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The Indian "Life Insurance Sector" is one of the fastest growing sectors among other industries. The main idea is to compensate the financial losses of a family when the main bread earner is no more due to certain eventualities in life. Bancassurance is the most common models of distribution of "Life Insurance Products and Solutions" apart from Agent Selling Model and Direct Distribution.

The industry is adapting itself to the latest wave of Digitalization and Artificial Intelligence. The change in the Indian economy, like Digital India, is giving a boost to economic and financial products like Life Insurance. The stand-alone digital startups, launched specially for insurance products which received seed funding from the investors and are acclaimed internationally, are famously known as Insurtech.

The focus of this study is on the adopting strategies on enhanced customer values in terms of product differentiation, quality, speed, service and costs. It further attempts to explore the recent trends in the various distribution channels in the insurance sector with special reference to bancassurance.

Key Words: Life Insurance, Bancassurance, Digitalization, Insurtech, Protection Gap. Digital Maturity and Culture

1. Introduction

The Concept of Life Insurance: "Living too Long, Dying too early"

Misfortunes happen to everyone, but most of us are not prepared for it; however, unforeseen and unprepared for eventualities have substantial impact on our lives. It leaves a distressing effect on the financial future of the family. Hence, the discussion on the "reasons why we need life insurance" comes into the picture. There are some significant aspects of life insurance that one needs to factor in. The family is reliant on the main bread-earner, and, if suddenly s/he is not

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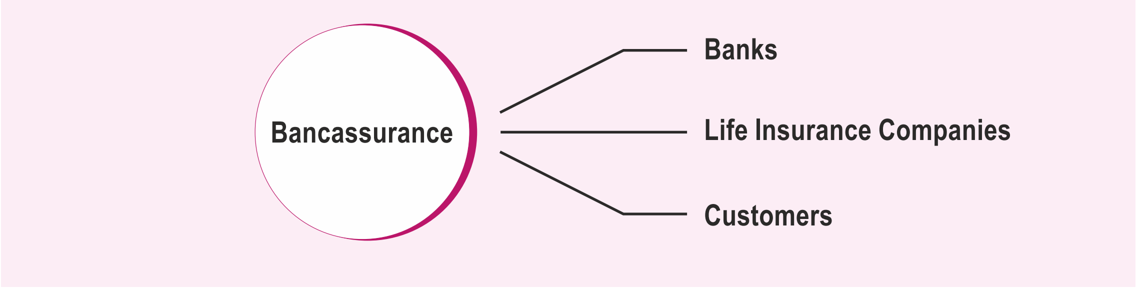
around, his/her dependants would be let down, which is not an ideal situation that she or he would have wanted. This element of uncertainty in one's life can be the most important driver for investing and creating wealth for different goals, like a child's education and marriage, one's own retirement, buying a dream house or going for a world tour. It also acts as a business conservation tool which can help to protect the business interest and to save tax. The various forms of business insurance are: Key man, Employer-Employee, Partnership, Hindu Undivided Family and Married Women Properties Act, 1874. Death is inevitable. In the event of a disaster, life insurance becomes the necessary means for the family to maintain the same standard of living, which can be secured through a diligent need-analysis exercise resulting into a robust financial plan which includes investing in life insurance policy as an estate planning platform. The need for life insurance leads us to the need to search for the right kind of insurance-mix based on the financial condition and the risk appetite of an individual. The traditional operational model for years has been in place and without being well-informed or knowing much about the product the earlier generations used to buy life insurance. After the introduction of liberalization of the economy, privatization of various industries came into force, and the industries started moving towards multi-channel distribution approach, which include, banks, brokers, websites, direct channels, telecom companies, e-commerce companies, kiosks, call centers, premium marketing channels, supermarkets and debit/credit cards.

1.1 Bancassurance: Evolution in India

The "concept of bancassurance" was launched in Europe and it was introduced in India on August 3, 2000, after the Government of India issued a notification under "Banking Regulation Act, 1949", which allowed the promotion of insurance products through the banking channel network. The Reserve Bank of India (RBI) approved the bancassurance model of offering insurance solutions through the life sector to the existing base of banking network.

Figure 1: Understanding the Bancassurance Model



Source: McGoldrick and Greenland, British Journal of Management (1992)

Bancassurance is a collaboration of two financial entities: "The Banking Channel" and the "Insurance Company". Bancassurance is defined as the insurance product delivery model whereby the insurance solution is channelized through the bank's branch network (highlighted by McGoldrick and Greenland, 1994).

The Insurance Regulatory Development Authority of India (IRDAI) passed another notification in 2015, which came into effect from August 1, 2015, stating that one bank can become composite corporate agent that can sell products of only one life insurer or up to 3 life insurance companies. This concept was known as "Open Architecture". Banks could operate where they could sell policies of 3 "non-life insurance companies" and 3 "health insurance companies" along with 3 "life insurance companies". Open architecture has led to healthy competition and a benefit of choice for the end-user.

In order to create a dynamic business environment model and to survive the stiff competition from their peers, the need felt was to adapt and create a new mantra for scalability. The key challenge was to innovate and realize the power of alliances. Thus, the life insurance companies realized the need for creating competitive new alliances that can lead them to invent various new channels and drive for technological innovations. The companies realized that for sustaining them in this competitive environment there is a need to tie up loose ends and enter into close alliances, new partnerships and joint ventures. Thus the concept of alliances came into force. The earlier joint ventures were between the local partner, with 51% partnership and 49% with a foreign partner. Some examples of successful joint ventures in the Indian scenario are given below.

Table 1: Joint Ventures of Indian and Foreign Partners of Life Insurance Companies

Life Insurance Company	Indian Partner	Foreign Partner
Aditya Birla Capital	Aditya Birla Capital Group	Sun Life, Canada
Tata AIA Life Ins Co Ltd	Tata Sons	AIA Group Ltd, Asia-Pacific
Bajaj Allianz Life Ins Co	Bajaj Finserv Ltd	Allianz, Europe
HDFC Standard Life Ins Co	HDFC Corporation	Standard Life,UK
Aviva India Life Ins Co	Dabur Group	Aviva, UK

Source: IRDAI Annual Report 2018-19

However, new competitive pressures led to a new business model whereby the established banks in the sector started acquiring stake in life insurance companies where new skills and opportunities gave rise to newly developed partnerships and hubs. Some of the joint ventures are mentioned below:

Table 2: Banking and Foreign Partners of Life Insurance Companies

Life Insurance Company	Bank Partner	Foreign Partner
Star Union Dai-ichi Life Insurance Co (SUD Life)	Bank of India and Union Bank of India	Dai-ichi Life, Japan
ICICI Prudential Life Insurance Co (ICICI Prudential Life)	ICICI Bank	Prudential Plc, UK
IDBI Federal Life Insurance Co	IDBI Bank and Federal Bank	Ageas Life, Europe
India First Life Insurance Co	Bank of Baroda and Andhra Bank	Legal and General, UK
Canara HSBC Oriental Bank of Commerce Life Insurance co Ltd	Canara Bank and Oriental Bank of Commerce	HSBC Insurance, Asia Pacific
SBI Life Insurance Co	State Bank of India	BNP Paribas Cardiff, France

Source: IRDAI Annual Report 2018-19

This research paper aims to study the various practices in bancassurance models over the years and the future scope of the scalability and sustainability in view of the technological advancements. It is imperative to assess the role of digitalization in the growth of bancassurance. Digitalization has been mainly in the customer service segment. The purpose is to find out how digitalization can help banks and life insurance companies generate more volumes of business with the help of technology and digital interface.

2. Review of Literature

Bancassurance facility is provided mainly for the participation of banks as the base for promoting and sourcing various insurance products to the existing customers and is the most emerging model which will continue to grow according to Teunissen (2008). He defines the bancassurance model as the combination of a certain skill-set for promoting the concepts of insurance and selling the products thus building strong customer relationships and ensuring loyalty to the bank. As per Jeffar (2007) the actual formalized event of a bank associating with the insurance company actually happened when "Barclays Bank created the "Barclays Life" in 1965. Artikis, Mutenga and Staikouras (2008) are of the opinion that the term "bancassurance" was coined in France in the 1980s when the liberalization of the financial industry was effected, and as a result the expansion of the customer base took place as well.

It was an effective model in Europe compared to the Asian economies that introduced it in 2002.

Ganesh and Basheer (2011) state that after the commencement of liberalization (in 1990's), the Indian scenario in the life insurance sector has seen manifold changes just as in the business scale-ups and the subsequent expansion of the economy. Yuan (2011) states that bancassurance is a set-up where the bank engages itself to cross-sell insurance products crafted by insurance companies. Emilia and Bolovan (2012) define and indicate that it is a simple model of distribution of insurance products through the bank's network of branches. This mutually benefitting scheme has become one of the most dominant and successful European models which has been readily accepted by many other countries. Paramasivan and Kalpana (2014) investigated the reasons for entering a bancassurance set up and concluded that it is an excellent way for a bank to achieve the three major requirements for a successful insurance business, that is ensuring (i) set-up management, (ii) investment skills and (iii) capital adequacy.

Focus on the clients' behavior, which helps the experts to assess the future needs and the role of IRDAI, private insurer, Indian banks and the factors influencing the buying decision, have been assessed by Binod (2010). He states that the company needs to focus on the factors which are of utmost importance while taking a decision.

Ranjit and Mousmi (2017) have investigated the customers' perceptions towards bancassurance channel and have come up with the seven attributes, namely: (i) compliance, (ii) tangible, (iii) infrastructure, (iv) reliability, (v) responsiveness, (vi) assurance and (vii) empathy. Their study finds that customers have a highly favorable perception regarding "reliability", "responsiveness", "empathy" and "assurance" of the bancassurance channel.

Anurag and Rajesh (2006) focus on the recent trends and growth in the bancassurance model, like (a) Referral, (b) Corporate and (c) fully Integrated Financial Service. They have emphasized that with the entry of the private sector, newer trends are being introduced into the industry parallel to the existing traditional model "Agency".

2.1 Bancassurance Trends around the Globe

The global bancassurance business size was around US$ 1,166 bn in 2018. It will now further grow to the value of US$ 1,665 bn, pacing at a CAGR of 6.1% by 2024 as per Research and Markets (2018). Europe is the leader in the market because of its favorable tax benefits. Countries like France, Italy, Portugal and Austria are the main players for driving the industry growth, whereas Luxembourg, Russia and Slovenia serve as potential competition for bancassurance in Europe. Some of the key players are Paribas, ING Group, Citigroup, Lloyds Bank Group, Barclays, HSBC and Nordea Group. Bancassurance in India is already a well-established channel of distribution, but still its achievement is far below the other Asian countries. For instance, bancassurance in India contributed just 27.03 % of total new life insurance premium during 2017-18, whereas in Malaysia it was 49%, China 64% and in

Singapore it was 27%. Pang, Jin and Chiang (2011) aim to present a comparative viewpoint between the existing traditional and the bancassurance models in Taiwan. The study distinctly evaluates both the models of distribution of the products. The objective is to establish whether there is a direct relationship between both the channels, i.e. bancassurance and the traditional way of selling life insurance products. With the unique dataset, it can be inferred that "Data Envelopment Analysis (DEA)" can be a unique model.

The study has presented a layout to demonstrate how the various inputs in the traditional sales channel and the bancassurance channel result in the productivity. Though the output for both the models is same, i.e. revenue generation, yet the input levels for both the models can be different. Bancassurance can be a one-stop solution for the buyer. Richard (2016) states that bancassurance model in Dublin, Ireland, has grown over a short span of time. He defines bancassurance model as a combination of selling skills of the insurance experts and strong customer loyalty. Emanuel, Christian and Falk (2018) explain the current evolutions in the insurance industry embracing the now famous new culture known as "Insurtech innovations".

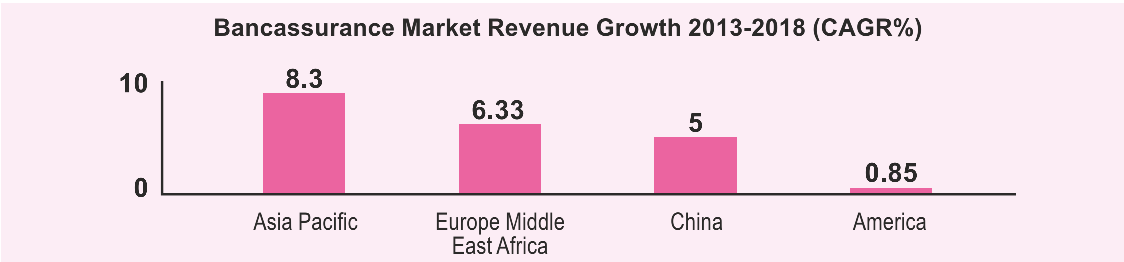
It explains the entry of digital intermediaries and their roles in the insurance market. The fundamental business of the insurance industry is to transfer risks from the customers to the insurance company. Susan (2019) explains Insurance Technology – better known as Insurtech – as the rapid growing industry and replacing the traditional insurance provisions. It was seen how the latest novelty in technology and startups can help to bridge the protection gap. The physical value chain involves product engineering, pricing and underwriting, marketing of products, distributing and managing claims. The virtual-value chain comprises information and data capturing in order to analyze and interpret new ways of conducting business. Evidently, Insurtech is impacting the complete value chain to the physical attributes. This is possible through various enablers like Biometric IDs, Digital Signatures, Artificial Intelligence, Internet of Things and Telematics, Drones, Data and Big Data Analytics. The scope of digitalization and the state-of-the-art entry of startups in the US and Asia has been investigated. It also explores the various functional approaches to the insurance industry.

3. Discussion

3.1 Bancassurance Market Revenue Growth

The life insurance industry has gone through a major overhaul. Newer know-how's, different expectations, tough guidelines and competition are making the traditional/existing business model obsolete. Against this environment, insurance organizations have no choice but to "adopt-adapt-evolve" policy. Chart 1 depicts how the growth in terms of CAGR has been reported in different international regions from 2013 to 2018.The Asia Pacific Region has emerged as the leader among different regions as: 1. the market share is close to 50 % of total annual premium. 2. In the lead is the EMEA region where France happens to be the originator of the concept of bancassurance. The market share is close to 70% of total premiums generated by the industry.

Chart 1: Bancassurance Market Revenue Growth (2013-2018)



Source: "Bancassurance Market Industry Analysis", TechNavio Analysis Report 2018

3.2 Insurance Penetration

"Insurance penetration is measured as the ratio of the insurance premium paid and the GDP of the country." It has increased from 2.71% in 2001 to 3.70 % in 2018 in India. Although this is a significant development, considering the volume of business, she lags it the penetration levels compared with the United Kingdom at 10.61%, the US at 7.14 %, and the Asian economies: Singapore at 7.82%, Taiwan at 20.88% - which stand as the highest globally and rest of the world at 6.13% as per Swiss Re, Sigma Report 2018-19.

3.3 Insurance Density

Insurance Density is calculated as the ratio of premium to the total population (per capita premium). Insurance density is used as an indicator for the development of insurance within a country and is calculated as the ratio of the total insurance premiums to whole population of a given country. It is noticed that India stood low at US$ 73.74 in 2018 in comparison with advanced markets at US$ 2231.35 and Asian Economies at US$ 1092.85 as per the Swiss Re, Sigma Report 2019.

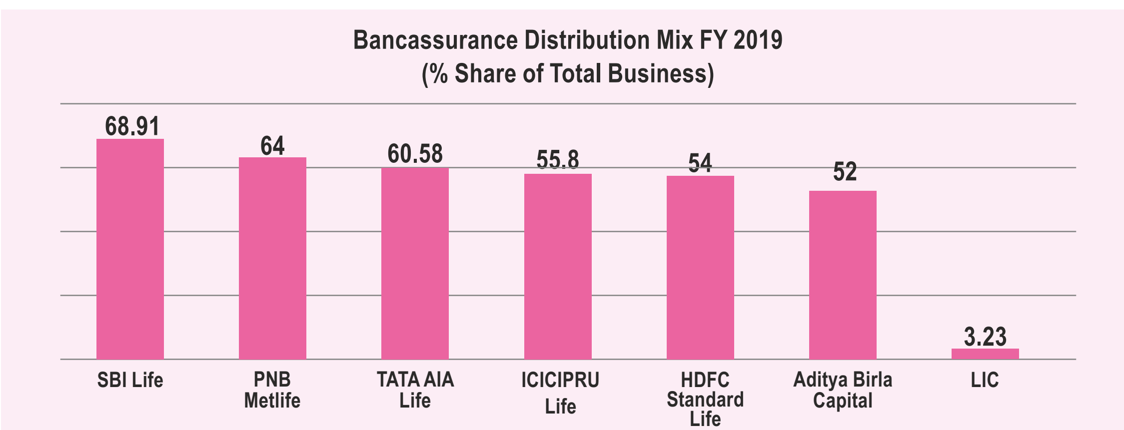
India is ranked 10th among the top 88 countries for which the data are published by Swiss Re, (Sigma Report, 2018), and, it is projected that India would be ranked 6th by the year 2021 (IRDAI Annual Report, 2018-19). The Indian Insurance companies have a pivotal role in the financial domain in the country. It is evident that Life Insurance Fund's Contribution towards the total household financial assets in the country has increased from 1.8 % in 2012-13 to 2.4% in 2014-15 and 2.3 % in 2016-17. There are in all "70 "insurance companies operating in

India, “24 life insurers”, “27 general insurers”, “7 stand-alone health insurers” and “12 re-insurers” (Annual Report, IRDAI, 2018-19).

3.4 The New Beginnings: Digital Disruption

The insurance industry in India is undergoing a vital transformation stage. Rising expectations, increasing responsiveness, providing customer convenience, paying affordability, governing restructurings and financial progress are some of the key factors impacting the industry. For some insurers, it is a phase of reinstatement and being relevant. It is seen that that most of the banks in India have signed MOUs with one or up to 3 life insurance companies to source/distribute their products. Earlier the insurance companies were dependent only on the agency model and/or the direct distribution channel. The task was for the agents or the direct sales staff to reach the customers to some extent. Once the insurance companies got associated with the various banks, it was a golden opportunity for them to reach out also to the bank’s customer base and sell their solutions/products with greater ease and scope. In no time, they realized that this is the easiest and least cost-effective way to increase their penetration even into hinterland market. The bancassurance model is cost effective because the life insurance company staff could utilize the banks’ resources (branch premises and other facilities) for their sales. The data of the life insurance company mostly comprise the bancassurance distribution-mix, which has gone up to almost 70% in some cases. Chart 2 depicts how the insurance companies have fared in FY 2019 with the bank-distribution-mix in their complete portfolio. The Corporate Agents (banks) have reported 53.88% of the individual new business as against the LIC’s performance in 2018-19 as per IRDAI Annual Report.

Chart 2: Bancassurance Distribution-Mix: FY 2019



Source : Annual Reports : FY 2018-19 : SBI Life, PNB MetLife, Tata AIA Life, ICICI Prudential Life, HDFC Standard Life, Aditya Birla Capital - Sun Life, and LIC

3.5 The Road Ahead: The "Rise and Rise" of Digitalization

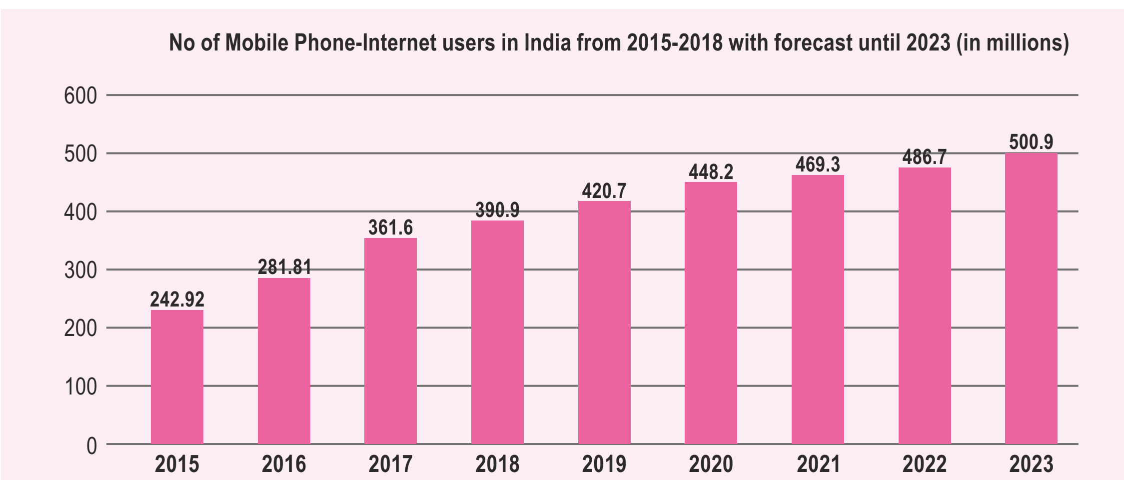
During digitalization, a company's digitized resources (such as online mode, operational tools with digital sensors, cloud-based systems) are altered and repurposed into new areas of revenue generation for achieving better operational excellence and higher profitability. It has been observed that almost all the enterprises have undergone at least some elementary but dynamic changes, if not major changes, which have resulted in transforming their functions, operations and processes leading to better financial performance. Today, most of the companies are using digital technology. It is observed that the insurers are moving gradually towards E-operations and E-Claims settlement. The latest in the race is WatsApp-based E-Services that give the company ease of doing business with the customers even in the after-sales service phase.

3.6 Mobile Phone and Internet Use: A Blessing in Disguise

Currently India is one of the countries that have the largest base of internet users connected around the globe. She stands second in terms of the largest population of internet users in the world. In 2015 there were around 249 million users, which rose to 420 million in 2019 and it is expected to rise to 500+millions by the year 2023. The data in Chart 3 depicts the number of users who accessed the internet via their mobile phones.

Chart 3: Mobile Phone-Internet Users in India: 2015-2018

With forecast up to 2023



Source: Mobile-Internet User in India, Statista Analysis Report 2020

The path towards the digitalization has a positive impact on the Indian economy. This can be seen in every sector as 73% of the web traffic has come from mobile phones. There were two major factors for the mobile-technology introduction:

Firstly, the increased availability of affordable ranges of smart phones since 2010. This erected a healthy platform for digital adoption and tech-literacy. The government also perceived its importance and made investments in the telecom sector that further opened the market with new telecom spectrum licenses.

Secondly, in September 2016 "Reliance Jio" made a stellar debut into the Indian market and made available the mobile connection through Aadhar Card with the promise of high speed 4G internet data pack and free unlimited voice calling. Within no time, it had over 100 million customers. As per TRAI's August 2019 report, the base stood at 348 million and was adding more users to it every day. It presented a cumulative growth in mobile internet accessibility and affordability which resulted in higher sales for goods, and different products of various industries and services. Many life Insurance companies started their online journey and sourced business through digital channel, from the "Industrial Age" to the "Information Age" and to the present "Digital Age".

3.7 Reinventing Insurance Distribution through Bancassurance

The focus of this study is on the adopting strategies on enhanced customer values in terms of product differentiation, quality, speed, service and costs. It further attempts to explore the recent trends in the various distribution channels in the insurance sector with special reference to bancassurance.

A SWOT analysis of the bancassurance potential offers a huge captive customer-base, being its biggest strength and readymade opportunity, and, simultaneously, reveals the traditional mindset as its biggest threat. The major weakness is the lack of proper IT infrastructure. Despite growing computerization in the banking sector there is a lack of IT enabler for the life insurance distribution through banks.

4. Challenges

There is immense scope for future research on how the three variables will react once they are completely on one digital platform, and, the goal should be to bridge the protection gap. There are however a few challenges in the bancassurance model which must be taken care of.

- **Analysing Buyers' Data**:

  Since the year 2000, when the bancassurance model was initially introduced, the banks and the life insurance companies have been sitting on huge piles of data. Their challenge is now to properly collate and automatically filter the data base of the needs already indicated by the customers in policies they have purchased earlier. There must be a robust programming system to work on this data for generating higher revenue.

- **Enhancing the Customer Experience**:

  The customer is looking for a 'WOW' experience every time he visits the digital channel. The scheme s/he is cruising through should be very friendly in terms of digitalization. The programmes should be diligently designed (customer-friendly) so that the customer does not need to click multiple times for the exact information he is looking for.

- **Advancement of the Online User Experience**:

  Whenever there is an 'app' update and if the digital journey is too creative, then updating the app or system takes much time which results in frustration. This limitation could make the client move over to a competitor.

- **Reducing Cyber-Risk**:

  This is the most sensitive and important factor which one should focus on. The safety and security of the data of the client is of utmost priority.

4.1 From Black Swan Event to the New Normal-VUCAV World to a Revolution

The world is currently in the grip of an economic recession and is witnessing a paradigm shift in order to find ways to interact with each other. Businesses now operate with the massive #stayhome, #workfromhome strategies and social distancing campaigns due to the global pandemic Covid -19. This is one of the rarest "Black Swan Events" which no one expected and was prepared for to connect the world to it. This must be considered as a "New Normal" – a VUCAV world (VUCA+Virtual), where companies and people tend to deal and interact virtually and in an environment where there is a high chance of uncertainty and ambiguity. Insurers also need to be prepared for this on a long-term basis. This is also the time ripe to introduce radical changes.

If no proactive measures are taken, survival through the 'New Normal' would be difficult. Insurance companies are now stressing on the need for using Artificial Intelligence and Block Chain for easing out their underwriting claims' management and service-related processes. These technologies can also be used to analyse and predict the buying behaviour of the consumers, enabling the virtual insurer to be proactive and take quick decisions. An overall system should be put in place and inter-connected to one interface through artificial intelligence in order to improve the insurer's capabilities and optimize operations and thus support the company in becoming truly virtual in nature. This proactive measure would lead to a revolution – from a complete 'Phydigital' to Insurance AI-Model.

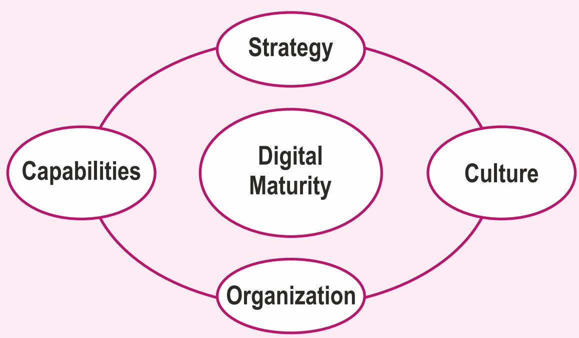
4.2 Post-Covid-19 and Bancassurance

The pandemic situation does not seem to be getting normalized in the near future, hence, bancassurance model would have to heavily depend on face-to-face meetings with potential clients and customers walking into a bank branch for availing different kinds of services. This offers a great platform to explain to the customers about the life-insurance concepts and motivates them to purchase a suitable product of their choice. Now the bancassurance model would seem to have suddenly become obsolete since everyone is staying at home and/or working from home. Like the saying 'when the door is closed, a window gets opened, virtual world is a timely boon for the model hence a strong urge is felt for the complete digitalization for the bancassurance model of distribution. Once the lockdown is lifted completely, people will be reluctant to meet face–to-face with the banker, resulting in the decline of the number of seekers of insurance solutions. Hence, the way forward would be "distance physically but connect digitally.

4.3 Digital Quotient = Digital Culture + Digital Maturity

As per the Mckinsey Digital Insurance Forum, 2018, any company can be measured on four parameters: (i) Strategy, (ii) Culture, (iii) Organization and (iv) Capabilities, which would lead to Digital Maturity. There is a move around the globe for digitalization in every sector but the ground reality is quite different. Companies are investing heavily in technology, and building solutions, but its usage is not progressing as expected.

Figure 2 : Digital Maturity



Source: Mckinsey Digital Insurance Forum 2018

A recent survey revealed that life insurance holds only 36% of usage through digitalization when compared with different other segments like retail and others. Here digital maturity comes into picture where 360 degrees' involvement is needed from the company and the employees from every department as well. The right digital culture can empower the talent to full blossom to be at its best where creativity and collaboration would be the keys to achieve the goals and reach the zenith. In the process of developing and creating innovations, not only the product developers (R&D) but everyone in every department will have to be involved for achieving success in the long run. An early adoption of digital maturity will lead to the right Digital Culture Climate in the organization.

5. Conclusion and Implication

Insurance companies are mindful of the need to adopt digitalization and inculcate the "digital culture" with "digital maturity", but, in reality, they find it difficult to incorporate everything into the "digital mode". It causes a "Revolution takes place within the organisation and in the interactions with customers and the partners." It is a challenge to replace the existing technological skill-set and adopt and implement the new digital models. Both require and demand a complete makeover. The awareness levels of both the staff of the bank and that of the life insurance company must be made aware of the available technology-driven initiatives taken for the benefit of the customer and that of the organizations. There is bound to be inherent resistance at every level when it comes to adaption of a new technique and new processes of 'doing things'.

Life insurers in India should strengthen their presence through the bancassurance models in urban and rural areas to increase their levels of life insurance penetration and density. There has been an increase in the "Banked Population" to 80% in 2017 from 53% in 2014 as per the report of the "World Bank's Global Findex Database" (2017) after the introduction of the ambitious project of the Government of India "Jan Dhan Yojna". Under the scheme around 355 million accounts were opened during the 4 years (2014-17) in both the public and private sector banks. This banking expansion has come as a huge opportunity for the life insurance companies to reach out to this base and increase volumes of business.

5.1 Insurance and the "Future"

The life insurers must evolve alternative models of distribution of the insurance products and solutions especially in lesser developed regions of the country. The life insurance companies in India should actively engage themselves in evolving new product designs and developments mainly in innovative products and marketing domains. But, they need also to penetrate into the rural areas in a big way since a huge market potential lies untapped in rural India. By bringing in the technological changes into the professional domain, organizations can reduce their working cost, scale up the sale of solutions horizontally through their website and payment of premiums via electronic payment systems. The roll-out of the world's largest model of the "National Biometric Identity Authentication" (NBIA), famously known as "Aadhar", which works only with the thumb impression and OTP (One-Time Password) and the rollout of the cheapest data plans among the nations, thus marketing of insurance products throws an immense challenge for the insurance sector and build up a scalable digital model.

5.2 The Proposed Model

Every company is allocating huge budgets for IT intake to face the onslaught of competition through technological solutions and concentrating on customer satisfaction to the level of customer-delight. In this connection, an interesting area of future research has come up which can be revolutionary in its nature. Through research it will be assessed:

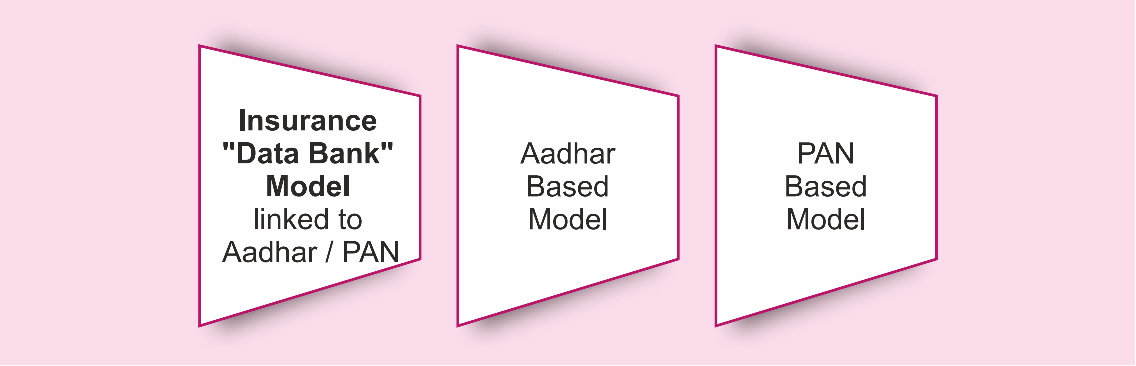
(a) why the "Indian consumers do not realize the fact that life insurance is one of the most important factors in their estate financial planning", and

(b) why the "major portion of the vast population of India, despite facing so many disrupting factors in their life, does not take any life insurance policy."

The dedicated and high performance-driven attitude of life insurance sector in India will be highly significant in the growth of the life insurance sector which will ultimately result in up-scaling the Indian economy - thus the outcome will ensure "Safe and Secured Indians" and realize a "Safe and Secured India".

Details of the 'Mutual Fund Investors' can easily be accessed through the PAN (Permanent Account Number) by the Asset Management Companies known as AMC's. As soon as they input the PAN, all the information pertaining to subscription and redemption come on the computer screen. The insurance industry has introduced the concept of E-Insurance Account known as "e-IA" which can hold the insurance policies in dematerialized form and does not require the holding of the physical documents. It gives a chance to the policy holder to access all the life insurance details by a single click. The holder can view and manage all the policies taken from different insurers at one place. However, there is a complete lack of awareness of this facility on the part of the policy holder and life insurance companies have not started educating their clients to avail the same. After the guidelines passed by the government to link the PAN and Aadhar numbers it becomes easy for the companies to track and assess the data. There is a need to design a model wherein the insurance policy details should be linked through the PAN or Aadhar. The Insurance Data Bank consisting of the existing life cover and the other details shall be linked (with the consent of policyholder) to the income-tax portal which is highly advanced. The filing of on-line tax returns has also really become easy since its introduction.

Figure 3: Proposed Model of Bancassurance



Source: A Future Research Scope Model Developed by the Author

The above-mentioned proposed model for the bancassurance is to create an "Insurance Data Bank Model". Since the introduction of the linking of the PAN and the Aadhar numbers as per the Government of India guideline, has been effected, this linkage can help the bank and the life insurance staff to assess the needs of the consumer and pitch in the exact eligible amount and thus suggest a proper financial plan which will help to bridge the protection gap. The eligibility of the Insurance protection cover can be calculated on the basis of individual customers' income levels. Hence, this can be an efficient and an easy method to capitalize on the human life value to increase the protection level to bridge the gap.

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