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Avinash Naik Chief Information Officer, Bajaj Allianz General Insurance

The banking, financial services and insurance (BFSI) sector has been at the forefront of India's digitalisation journey. Enterprises in the sector are leveraging new-age solutions such as blockchain, artificial intelligence (AI), internet of things and cloud to enhance customer service and satisfaction while improving their business operations. However, the adoption of these technologies presents several challenges, such as limited skill sets, and data protection and security concerns. Industry leaders discuss the key technology trends shaping the BFSI sector, their experience, deployment challenges and the way forward...

How has the digital transformation journey of the Indian BFSI sector been?

The Indian BFSI sector is undergoing rapid digital transformation driven by several key trends. AI and machine learning (ML) are being increasingly integrated into various processes across the entire insurance value chain, from identifying the right prospect to risk management, fraud detection, claims and customer servicing. Meanwhile, generative AI is emerging as a game changer, enabling personalised content creation, document understanding and summarisation, automated report generation, and even predictive modelling. Cloud computing is transforming the sector by offering scalable, cost-effective and flexible IT infrastructure. This allows financial institutions to deploy new services rapidly, enhance disaster recovery capabilities and improve operational efficiency.

There is a growing emphasis on creating seamless, omnichannel customer experiences. Digital platforms are being optimised to deliver personalised, easy-to-navigate and real-time services that meet the evolving expectations of tech-savvy consumers.

The BFSI sector is also witnessing a surge in collaborations with fintech and insurtech companies to deliver cutting-edge solutions such as digital wallets, peer-to-peer lending platforms, robo-advisory services and innovative insurance products. These partnerships are helping traditional players to innovate faster, enhance customer experiences and expand their digital offerings.

With the increased digitisation of services, cybersecurity has become paramount. The BFSI sector is adopting advanced security measures to protect sensitive data and ensure compliance with evolving regulatory standards.

Lastly, there is a growing emphasis on environmental, social and governance (ESG) considerations, which in turn is influencing digital transformation. Financial institutions are increasingly using digital platforms to offer sustainable finance products and ensure transparency in their ESG reporting.

What are the digital solutions being adopted by your organisation to improve operational efficiency and enhance the customer experience? What have been the key benefits?

Bajaj Allianz General Insurance has implemented several digital solutions to enhance operational efficiency and customer experience. We have initiated the Data Platform Modernisation project to replace the existing enterprise data warehouse with a cloud-based modern data platform architecture, supporting strategic business verticals using data, API, automation, analytics, AI/ML and governance as its core assets. This initiative will result in improved performance, scalability and cost-effectiveness.

To advance our hybrid cloud strategy, we have modernised our data centre infrastructure by integrating cutting-edge technologies such as hyper-converged infrastructure, hybrid cloud platforms, software-defined networking and network security solutions. This initiative will enhance performance, efficiency, security and cost savings while creating additional capacity to meet future requirements.

Following the successful adoption of our AI-enabled chatbot on WhatsApp, which serves 34 per cent of our overall footprint, we have launched an initiative to enable a multilingual AI-based voice bot on our IVR system to streamline the customer interaction process, enabling efficient and accurate responses to common queries. Also, we recently launched a GenAI-powered tool, "Insurance Samjho", to simplify complex insurance jargon. By simply uploading a policy document, the customer can chat with the bot and get clear explanations, regardless of the policy type.

What measures are being taken to mitigate cybersecurity risks?

We are embracing a zero-trust security model, which operates on the principle of "never trust, always verify". Zero-trust security is embedded in each layer of our enterprise ecosystem, including endpoints, networks, data centres and the cloud. This means that every access request, whether internal or external, is thoroughly vetted. We also conduct frequent security audits and vulnerability assessments to identify and address potential weaknesses in our systems.

Cybersecurity is a shared responsibility across the organisation. We regularly conduct training sessions and awareness programmes to educate employees about the latest cyber threats, phishing scams and best practices for data security, fostering a security-conscious culture.

We strongly believe that cybersecurity is not a one-time effort but a continuous process. Therefore, we regularly review and update our security policies, technologies and practices to adapt to the evolving threat landscape.

We are also moving towards continuous threat exposure management to proactively manage cyber threats, reduce risks and protect sensitive data.

Going forward, what emerging technologies or trends will reshape the BFSI sector?

As the BFSI sector continues to evolve, several emerging technologies are set to reshape the industry. These include:

Generative AI: Beyond traditional AI, generative AI can create new content, such as personalised financial advice, tailored product recommendations and even synthetic data for testing purposes.

Quantum computing: While still in its early stages, quantum computing has the potential to revolutionise complex financial modelling, risk analysis and fraud detection.

Edge computing: Processing data closer to its source can reduce latency and improve real-time decision-making, especially for payments and fraud prevention applications.

Decentralised finance (DeFi): DeFi platforms are disrupting traditional financial systems by offering peer-to-peer lending, decentralised exchanges and other services on blockchain networks.