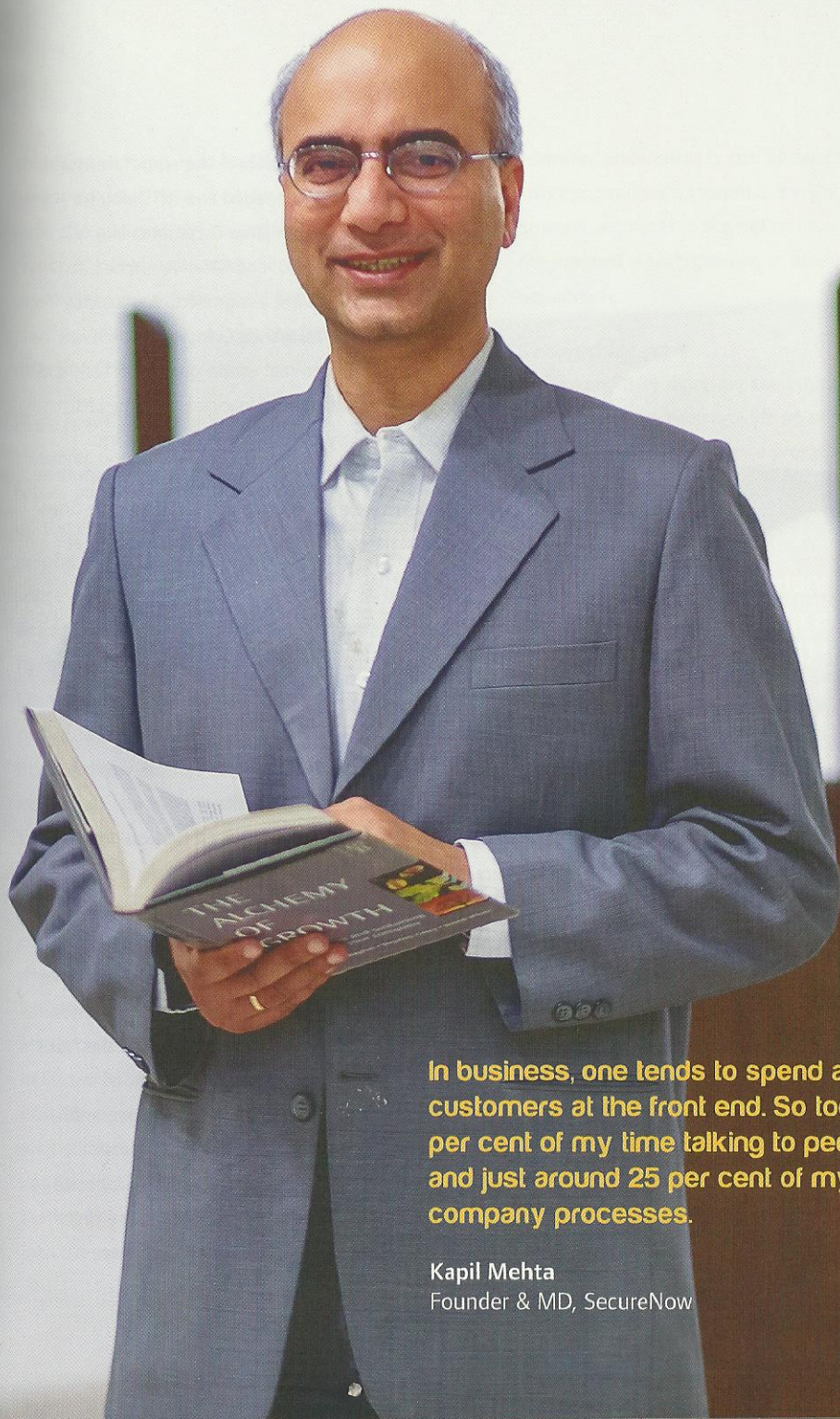


Back to the brass tacks of insurance

After over 18 years in the corporate world working for marquee names like UniLever, DLF Pramerica and Max New York Life, Kapil chose to start insurance brokerage firm SecureNow with two other partners. The company's mission is to advise corporates in India on making the best of their insurance investments.

The need gap that inspired SecureNow founders Abhishek Bondia, Kapil Mehta and Amit Sinha to venture into insurance broking is rather basic to consumer mentality. Whenever you meet a representative of a company who is pitching a product to you, being concerned on the genuineness of his/her advice is natural. And when it comes to a product like insurance, where analysing the

worth of one insurance product vis-à-vis a competing product is relatively hard, the dilemma is even greater. Often, clients tend to buy the wrong insurance vis-à-vis their needs and regret their decisions later on. That was precisely why the founders decided to set up SecureNow to provide insurance advice to corporate clients across India. Kapil Mehta, who is also the CEO of the company,



In business, one tends to spend a lot more time with customers at the front end. So today, I spend around 75 per cent of my time talking to people, talking to customers; and just around 25 per cent of my time in internal company processes.

Kapil Mehta
Founder & MD, SecureNow



The life insurance market in India is slated to reach a size of US\$ 111.9 billion in 2015 and register a CAGR of 14.1 per cent from 2011 to 2015.

had worked for over 18 years in the corporate world. An alumnus of IIM Ahmedabad and IIT Delhi, he had previously worked in large corporates like Unilever, McKinsey & Co. and Max New York Life Health Insurance. His last assignment was as MD, DLF Pramerica Life Insurance Company, which is a joint venture between real estate giant DLF Ltd. and Prudential International Insurance Holdings, Ltd. (PIIH), a subsidiary of Prudential Financial Inc. (PFI). Leaving an established career in the corporate world wasn't an easy decision for Kapil, and he does admit that he was enjoying what he was doing at DLF Pramerica. However, he adds that once you cross the age of 40 and feel financially secure, you tend to seriously contemplate on what you would want to do for the rest of your life.

Entering a different world

Kapil felt that an entrepreneurial venture was his true calling and decided to take the plunge. He does not regret the decision, even though he realises that working in a corporate and setting up a business are like two different worlds. For instance, his experience in entrepreneurship has taught him that every paisa counts, since you are investing your own money. Also, he adds, "In business, one tends to spend a lot more time with customers in the front end. So today, I spend around 75 per cent of my time talking to people, talking to customers; and just around 25 per cent of my time in internal company processes. It was just about the opposite when I was working in a company." The very first challenge when you venture out on your own,

according to Kapil, is to find a group of like-minded people who will be your co-founders and help you build the business. What matters immensely is the choice of people you make. Secondly, finding quality employees who would like to join in a start-up and commit to it for the long term is also a daunting challenge.

Risk is all that matters

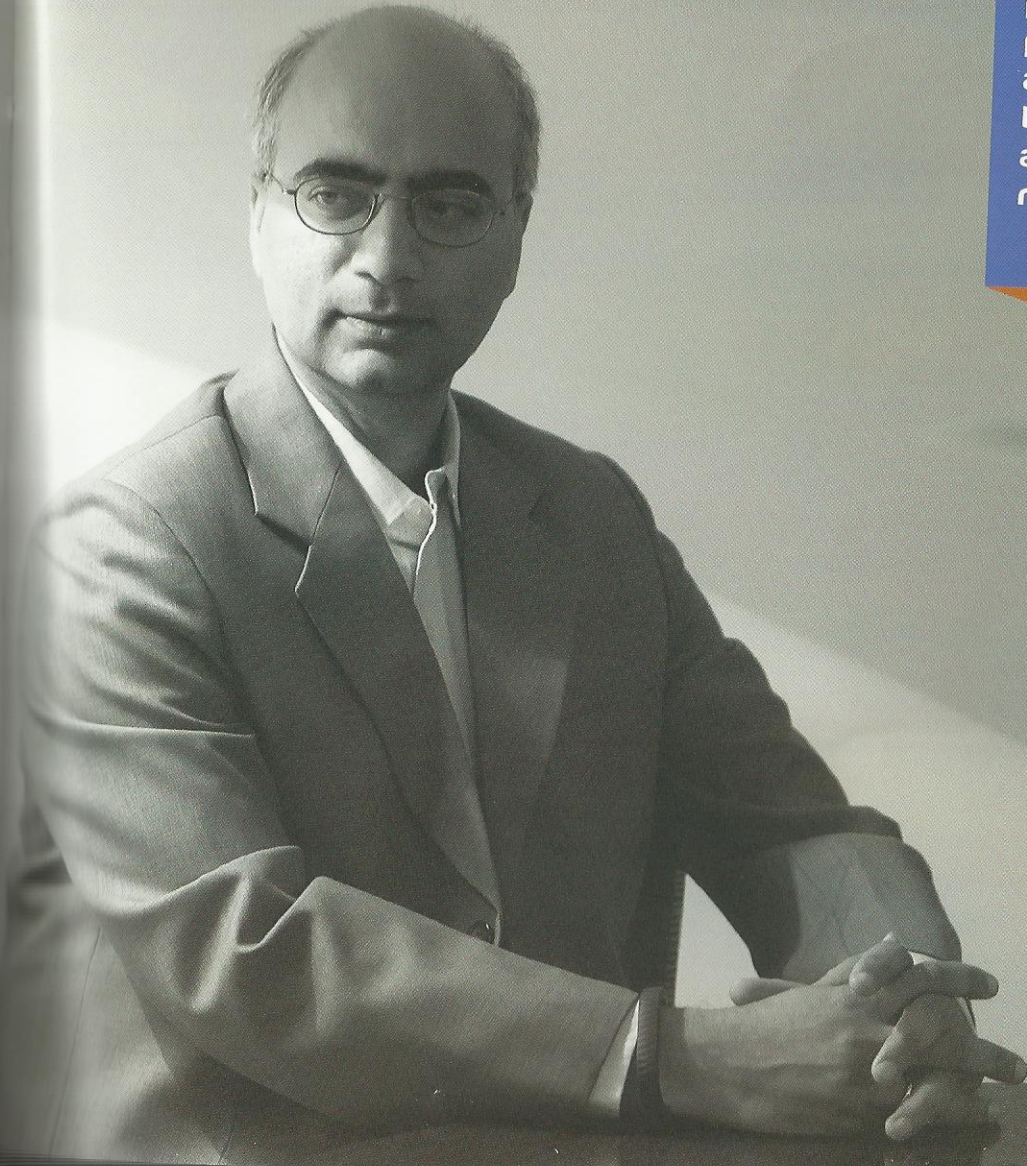
However, SecureNow is quite excited about its future potential. The government's decision to open up the insurance sector in 2000 has been extremely helpful in creating a thriving ecosystem in the space. Stringent regulatory norms have strengthened the sector's credibility and prevented fly-by-night operators from setting up shop. Companies like SecureNow have been aided, in particular, by the focus on protection oriented insurance products like health insurance and term insurance. This ties in well with the philosophy of the company, since it believes that insurance products should not be brought for earning ROI like other financial products. In its communications, the company is educating customers on how the premium component of schemes like ULIPs is actually misleading. SecureNow has positioned itself as a provider of pure risk cover solutions, since it believes that adequate risk cover at the best possible price should be the sole purpose of buying an insurance product. While that may seem counter-intuitive, considering the number of market-linked insurance plans that are being pushed into the market; the fact is that a rapid shift in

customer preferences is also underway. Both health insurance and term insurance are the fastest growing segments in the Indian insurance space at the moment – each growing at around 40 per cent per annum.

Secured for now

As brokers, they represent the buyer and not the seller. Therefore, they provide an objective view to the buyer on what insurance product is best suited to his/her needs. Since they are not attached to any particular company, the scope for bias is reduced. In consideration of the low penetration of insurance products in small corporates and individuals in India, SecureNow has decided to focus specifically on these segments. For corporates, they use their experience and expertise to negotiate and get the best possible rates from insurers, which leads to a huge amount of money saving for the client. The company claims that the saving that they provide is 20 per cent at the minimum. Kapil says that the company plans to develop a pan-India portfolio of SME clients and be known as a broker that consistently brings down cost and also provides the best possible advice for its customers. Within a short span of over two years, the company has acquired over a hundred clients and is growing at a brisk pace. One critical indicator that gives Kapil confidence at this stage is the fact that around 80 per cent of their business is coming in as repeat business. The key differentiating value proposition that is enabling this, according to him, is the expert advice that they offer to their clients.

Given that you have the wherewithal to thrive in an extremely competitive market, the Indian insurance sector provides immense opportunities for businesses. India is projected to become the world's third largest market for life insurance by 2015 as per analyst firm BRICdata. The life insurance market in the country is slated to reach a size of US\$ 111.9 billion in 2015 and register a CAGR of 14.1 per cent from 2011 to 2015. The health insurance market in India is also slated for a torrid pace of growth, with penetration at only around 0.7 per cent of GDP. In the coming years, SecureNow is looking at growth opportunities in three areas – expansion in the online space, penetration into tier 2 and 3 cities and even possible acquisitions of local insurance brokers in the market. With the sector ready for a giant leap ahead, Kapil is quite certain that it is the right time to get in and make a valuable difference.



The regulator in India has consistently brought out guidelines and regulations over the years that have increased the focus on protection-oriented insurance products like term insurance and health insurance. This is the market we are working in and this serves our requirements quite well.

