



Role of Insurance in SME Financing & the impact of Covid-19

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Existing & Revised MSME Definition

Existing MSME Classification

Criteria : Investment in Plant & Machinery Equipment

Classification	Micro	Small	Medium
Manufacturing Enterprise	Investment <2.5m	Investment <50m	Investment <100m
Service Enterprise	Investment <1m	Investment <20m	Investment <50m

As per the economic package declared in May, 2020 by India Finance Minister, Nirmala Sitharaman the definition of MSME was revised by raising the investment limits.

Revised MSME Classification

Composite Criteria : Investment And Annual Turnover

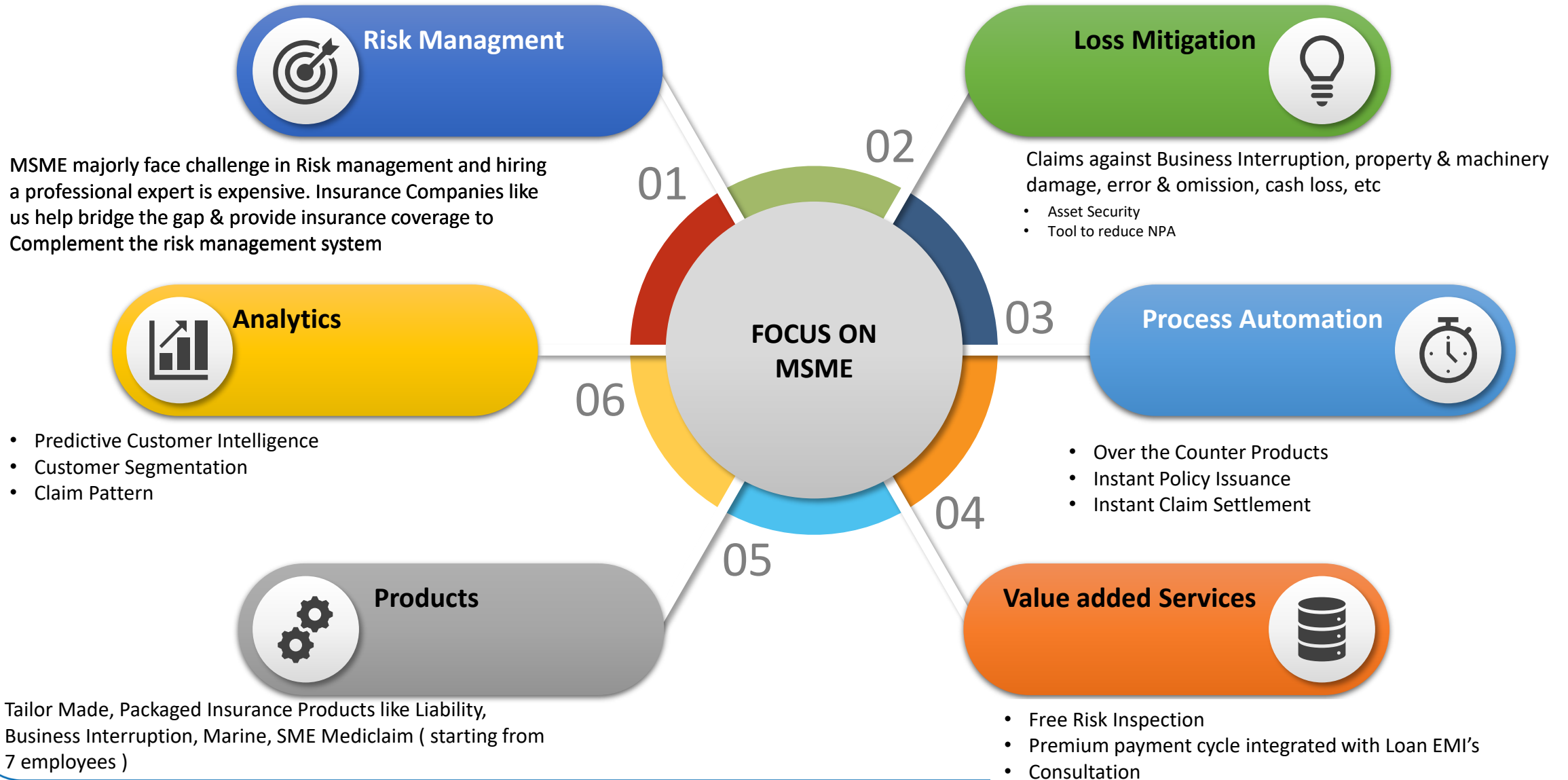
Classification	Micro	Small	Medium
Manufacturing & Service	Investment <10m & Turnover< 50 m	Investment <100m & Turnover< 0.5b	Investment <200m & Turnover< 1b

**Figures in INR

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Role of Insurance in SME Financing



Strategy to focus on Women led SME

Mainstreaming gender lens insurance solution for women led MSME



Products

- Small ticket size product designed for Beauty Parlour set up to cover employees & customers.
- General Liability for handicraft, tradesmen.
- Women operating business through Home, can be covered through our My Home All Risk cover

Self Care

- Personal Accident
- Critical Illness
- Health Insurance

Risk Mitigation

- Banks & Micro Financing institutions provide loans to Self Help Groups and women focused loans

Training

- Gender sensitive training to sales staff for women led business units
- Awareness campaign for importance of Insurance

Safety

Road Side Assistance for women in motor insurance is complementary by BAGIC. Enabling them to never stop!!!

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Impact on approach towards SME

BEFORE

Past Approach

- Need based
- Risk mitigation for financing
- Insurance attachment with Loans
- Process & Documentation hassle
- Claims Filling & Survey Process
- Launching Products sale through QR Code 2W & Cyber

Value added Services

- Risk Inspection
- Seminar
- Talk Shows
- Assisted Model
- Health & Wellness Assistance

Partnership

- Loan based through financial institution
- Distribution network eg Brokers, Agents

COVID
19

AFTER

COVID -19 Environment

- Adherence to Government Regulations – Health Ins for employees
- Business Interruption Protection – Support in risk management
- Automation - Straight Pass Through Process
- Dedicated SME assistance teams
- Online Renewals
- Modular Products for MSME(& Parametric Cover for Pandemics
- Use of Analytics for Cross Sell

Value Added Service

- Webinar & Online awareness campaign
- Educational Videos on advantages of Insurance
- Consultation for financial assistance
- Online Claim Filing & Tracking, eg currently using for Kolkata, India Cyclone - Amphan
- Health & Wellness Assistance - Special Covid -19 edition

Partnership

- Working with Banks & Fintech companies to reach SME's using payment modules like UPI/wallets/QR Code
- SME shifting from traditional supply chain to E-Commerce based distribution amidst the pandemic have helped bridge the gap and reaching out easier

Prevailing Facilities

Potential Outcomes

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