plex product, which is difficult for people to understand. We are also using technology to enable seamless transactions.

**➤ What according to you are the key macro challenges for the company?**

One of the key macro challenges is auto slowdown, even the global auto market is trying to get its head around several changes. For instance, the introduction of autonomous vehicles would affect the insurance industry. Auto insurance is a huge segment and this transition will challenge us to adapt our products to new needs and risks. At QBE Australia, which is our home market, we are already brainstorming for that future. We are working with the government to figure out how accident protection works when it comes to autonomous vehicles. Yes, there is a lot of data which we are analysing with the help of IoT and machine learning, but the challenge is to be able to ingest that and assess the risks better so that we can price our products accordingly.

**➤ In India, customer acquisition is directly proportional to the capital deployed. How much money will you deploy?**

We have a medium to long-term view when it comes to the Indian market. Right now, we are very well-capitalised — almost double the minimum requirement that Insurance Regulatory and Development Authority (IRDA) suggests.

**➤ Over the next five years, where do you see the business and when do you expect it to be profitable?**

One of the key elements of QBE has been its resolute focus on underwriting margins and the discipline maintained in underwriting, pricing and claims. Also, what is important is the performance aspect, which is assessed through portfolio sale reviews. We assess every portfolio based on the product class and channel. Hence, profitability is gauged in individual cells and not on an aggregate level. The domestic team has a roadmap for 10x growth in the next five years. We see huge opportunity with regulatory changes in auto and higher awareness of health products. We believe we can chase profitability without being reckless about the topline. We want to make sure that we build a great book of business that has sustainability and profitability written all over it.

**➤ What are your plans to scale up the distribution network?**

The team is speaking with potential partners across channels. We have like-minded partners who put customers first and are happy to transact with us efficiently through technology and digital channels. We are looking at all the traditional channels as well, but as technology changes, the consumers' demands change. Today, the way consumers are buying products is very different from five years ago. We need to adapt, and address the changing needs and preferences.

***Insurance is the only product that one buys and hopes to never use. So, it is all about giving the customer peace of mind***

**➤ How do you see the Indian insurance industry shaping up?**

The Indian insurance industry is extremely dynamic and one of the fastest growing in the world. But, if you compare the penetration level to that in some of the other growing economies or developed world, there is a huge potential for growth. One of the biggest opportunities we have is to communicate well about the importance of insurance and make sure that it's accessible and affordable. When you have solved the awareness, accessibility and affordability equation, penetration level will rise. This could mean CAGR growth in the high teens for next decade.

**➤ What are the most important things to remember in this business?**

Many emerging sectors sometimes fail to embrace that, at the end of the day, insurance companies can be sustainable if they are profitable. Most importantly, they need to be well capitalised so that when you are prepared to reimburse claims in the future for policies written in the present, you should be able to honour the commitment made to your customers. Insurance is the only product that one buys and hopes that they never have to use it. So, it is all about giving the customer peace of mind. It is also about standing by them during the moment of truth, that's when you get a claim. The ability of an organisation to pay claims comes from having a sustainable balance sheet. That is only possible when you have good cash flows. For that, you need strong discipline, underwriting and price. You should not get lured away by lofty rises in the topline. For a while, they look attractive but they can be misleading. If the underlying quality of risk that you write is not adequate, then it is undone very quickly. We have seen that in lot of markets all over the world through different cycles of insurance. Players that follow strict discipline tend to be much better for the society and customers at large.

*RAHEJA QBE IS A JV BETWEEN QBE INSURANCE AND RAJAN RAHEJA GROUP, WHICH ALSO OWNS OUTLOOK PUBLISHING