



NEWS HIGHLIGHTS

WhatsApp launches new service to target small businesses

E-car ready, but India should have the infra: Audi

ISME ACE plans to create Rs. 100-crore fintech fund

Online insurance platform 'Toffee' to roll out products for millennials

Physical banks will be irrelevant in 3 years in India: Amitabh Kant

Today's View

'Block' & 'Chain' the Fraud in Insurance

In a previous article ([link](#) here), we highlighted the potential use cases of blockchain in insurance sector. One of the most compelling applications would be the potential of blockchain to detect and prevent fraudulent activity. As per **FBI**, an estimated 5 - 10% of all claims are fraudulent. These fraudulent claims cost U.S. insurers more than \$40 billion per year.

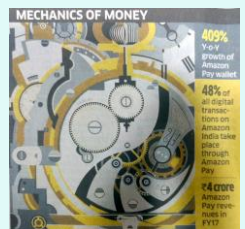
The situation is quite similar in India as well. As per **Indiaforensic Research**, the Insurance Sector in India loses around Rs. 3,040 million every year due to frauds. With insurance companies unable to verify complete information of every single applicant, insurance companies lose around 8.5% of their revenues to such frauds. With blockchain, validating authenticity of documents (medical reports, police verification documents etc.) would become easier by detecting patterns of any fraudulent behaviour related to specific identities.

In order to reduce fraudulent claims in health insurance, around 15 life insurance companies, including **ICICI Prudential Life**, **HDFC Life** and **SBI Life Insurance**, have partnered with **IBM** and blockchain solutions provider **Cateina Technologies**. Through blockchain, these consortium members will be sharing medical records on a common platform. Apart from flagging fraudulent transactions, such implementation will be helpful in improving business by providing customer KYC, claims history, medical records, and agent track records.

INTERESTING NEWS

E-payments make up 60% of Amazon India's business

Amazon India says digital payments now account for over 60% of its total transactions. Large part of this growth is driven by the Amazon Pay wallet, as balance loaded by customers grew 409% y-o-y on the back of aggressive incentives offered by the company.



As Amazon India steps up the focus on payments business, it has also shuffled the structure of the team.

Source – *The Economic Times*

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Date – 19th Jan 18

On the other hand, multiple tech firms are helping insurance firms to check for counterfeit goods and fraudulent transactions by storing the history of an item's authenticity, existence and ownership in the blockchain. For example, **Everledger** is leveraging the power of digital ledger to track and protect diamonds, fine art and other valuable items on their lifetime journey. Similarly, **Blockverify** is providing insurance companies a solution to check for counterfeit products, diverted or stolen goods, and fraudulent transactions in electronics and luxury items.

Few other fintech firms are building innovative insurance products on the blockchain platform. For example, **InsureETH** has developed a P2P flight insurance policy built on blockchain with smart contracts. This policy provides automatic travel claim disbursement by initiating pay-outs for insured flight tickets when cancellations or delays are reported from verified flight data sources. Such automated claim disbursements are minimising fraudulent claims to a large extent.

We feel that Blockchain has immense potential to reduce frauds by improving trust and transparency, qualities crucial for insurance companies. The exploitation of this potential will depend upon how insurance industry as a whole, collaborates with regulators, fintechs and other market participants.

Today's News

WhatsApp launches new service to target small businesses

WhatsApp launched a new service WhatsApp Business, aimed at SMEs that have thus far been using their accounts meant for individuals, a move that brings it closer to monetizing its free platform. While the focus, at present, is to get small business on the platform for free, the firm plans to charge them in the future.

The app has been launched on Google Play in Indonesia, Italy, Mexico, the UK and the US, and will be launched around the world in the coming weeks. 84% of small businesses who use WhatsApp in India think that it helps them communicate with their customers, and 80% of them think that it helps them grow their business.

Source – *The Economic Times*

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E-car ready, but India should have the infra: Audi

Audi will not like to be left behind in the electric vehicles race in India, but it will first look at what infrastructure the country provides before launching its product e-tron.

Launching is easy, but one has to look at the infrastructure — whether there is enough charging points and what happens when one has to drive longer.

Source – *BusinessLine*

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This News Letter has been prepared with the assistance of **Sadhika A. and Manish Kulkarni**

Amazon sets a new 'trend' in online fashion sales

Post the festive season sales, Amazon exited 2017 as the single-largest fashion destination with more than 15K brands to become the fastest-growing online fashion marketplace in the country. It grew its selection by over 50% in 2017 and launched over 300 brands last year.

Source – *BusinessLine*

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LimeRoad joins rush for offline stores

LimeRoad plans to enter brick-and mortar retail to broaden visibility in a market where physical presence is known to enhance brand recall.

"You can experience fast fashion through those stores," said Founder Suchi Mukherjee. Outlets selling multi-branded fashion and lifestyle products will be owned and operated by sellers on its platform.

Source – *The Economic Times*

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ShareChat raises \$18.2 million from Xiaomi, ShunWei, others

ShareChat has raised \$18.2 mn in a series-B funding round led by Xiaomi and Chinese venture capital firm ShunWei Capital.

The funds raised are being used for AI and ML technology, with a major focus on expanding both the technology divisions.

Source – *The Economic Times*

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ISME ACE plans to create Rs. 100-crore fintech fund

ISME ACE, an accelerator for fintech start-ups, plans to set up a Rs.100-crore fund that will be used for leading investments in disruptive start-ups. The plan is to raise the fund from various institutional investors.

Aparajit Bhandarkar, Chief Acceleration Officer at ISME ACE, said, "We plan to set up a Rs.100-crore fund that will be used to invest in fintech start-ups over the next 2-3 years. We are stepping in to increase the declining seed investments in the fintech segment."

Source – BusinessLine

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Online insurance platform 'Toffee' to roll out products for millennials

The digital-only insurance platform 'Toffee' is looking to distribute specially-designed products to cover lifestyle risk of millennials. These will be simplified offerings, customized to cover specific risks at an attractive price point.

Toffee, which is a corporate agent, currently curates products from general and health insurance companies, including Apollo Munich, HDFC Ergo and Future Generali. The company has already rolled out various offerings, priced between Rs.600-1,500.

Source – BusinessLine

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Physical banks will be irrelevant in 3 years in India: Amitabh Kant

Niti Aayog CEO Amitabh Kant said physical banks in India will be irrelevant in the next 3 years as data consumption growth and data analytics are likely to further boost financial inclusion.

India is the only country with over a billion biometrics. In the next 3-4 years, India will have a billion plus smartphones, Kant said. The Niti Aayog CEO also pointed out that mobile data consumption in India is more than the US and China put together.

Source – The Economic Times

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ICICI venture to invest Rs.100 crore in go fashion for 14% stake

ICICI Venture, the private equity arm of top private lender ICICI Bank, has agreed to purchase around 14% stake for Rs.100 crore in Chennai based Go Fashion India, the company that owns popular women's bottom wear brand Go Colors, in what could be its first apparel retail investment in a decade.

Though both the companies did not disclose the valuations and other terms of the deal, sources say it values the South-based apparel maker at around Rs.725 crore. Investment bank Spark Capital was the exclusive advisor to the deal. The proceeds of the transaction is expected to be used for its pan-India expansion

Source – The Economic Times

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Google is investing in Go-Jek

Google is back investing in ride-hailing companies. Google along with China's Meituan-Dianping are among the tech giants set to invest in Go-Jek.

A deal could be completed as soon as next week. The round is worth \$1.2 billion. These new investors are part of a follow-on to an investment made last year. The investment gives Go-Jek a valuation that is a touch above the \$3 billion that Tencent agreed to invest at last year.

Source – TechCrunch

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Coolpad raises \$300 million from Power Sun Ventures

Coolpad said it has received fresh investment of \$300 mn from Power Sun Ventures, which it will use to expand its capabilities in AI. The funding comes after the company separated from LeEco. Chinese property mogul Chen Hua, founder and head, Kingkey Group, is leading the new investment through Power Sun Ventures.

Source – Livemint

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Uber partners with taxi firm ComfortDelGro

Uber and Singapore's ComfortDelGro will launch a new service in Singapore, as they team up against rival Grab. Uber's new Asia Pacific chief is prioritizing collaborations with traditional taxi firms.

Source – Reuters

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